FUNDMARKET INSIGHT REPORT

LIPPER RESEARCH SERIES

MAY 31, 2019

The Month in Closed-End Funds: May 2019

Performance

For the first month in five, equity CEFs on average witnessed down-side performance on both a NAV and market basis, declining 3.44% and 4.44%, respectively, for May. Meanwhile, for the fifth consecutive month, their fixed income CEF counterparts posted returns in the black on both a NAV (+0.67%) and market basis (+0.75%). Investors became very risk averse after learning about the deterioration of the U.S. and China trade talks and late month news that President Donald Trump threated tariffs on Mexico. The NASDAQ Composite Price Only Index (-7.93%) and the Russell 2000 Price Only Index (-7.90%) posted the worst returns of the U.S. broad-based indices, while the S&P 500 Price Only Index (-6.58) mitigated losses slightly better than others in the group. On the global side, the Shanghai Composite Price Only Index posted the worst decline of the group, declining 8.10% for the month, while the Nikkei 225 Price Only Index—posting a 5.06% loss—did the best at mitigating losses.

At the beginning of April, investors pushed the NASDAQ to new closing highs after investors cheered a better-than-expected nonfarm payrolls report and learned that Berkshire Hathaway bought shares of Amazon, which propped up gains in the e-commerce giant.

The Department of Labor announced the U.S. economy added 263,000 new jobs for April, outpacing analyst expectations of 217,000, while the unemployment rate declined to 3.6%, a 49-year low. Wage growth continued to be modest, with average hourly earnings rising just six cents. Investors gave a cold shoulder to the news that the ISM nonmanufacturing index came in at 55.5, its lowest reading since August 2017. Despite elevated trade tensions in the following week, after the Trump administration threatened to raise import duties by 25% on an additional $325 billion of Chinese goods, investors still bid up equities on the news that the trade talks remained "constructive."

Mid-month, markets closed lower as trade-related uncertainty overshadowed relatively strong economic data. The Dow stretched its losing streak to four consecutive weeks—its longest since May 2016—after investors learned that the Chinese state media wrote that Beijing had little appetite to resume negotiations with the Trump administration. Markets ignored news that consumer sentiment (102.4) rose to a 15-year high in May, significantly higher than analyst expectations of 97.1.

U.S. markets closed generally higher ahead of the Memorial Day weekend, but the Dow Jones Industrial Average posted its fifth consecutive weekly loss as investors focused on oil prices witnessing one of their worst weekly declines of the year, and over continued concerns about trade tensions. Stocks suffered their worst May returns since 2010 after auto shares took it on the chin at month end after Trump threatened to impose progressively increasing tariffs on imports from Mexico in an attempt to pressure Mexico's leaders to stem flows of migrants across the U.S. southern border.

Treasury prices rallied during the month of May, pushing the 10-year Treasury yield to its lowest closing value (+2.14% on May 31) since September 11, 2017. The Treasury curve shifted down along all maturities and showed signs of inversion for maturities between one and 10 years for the month.

The Month in Closed-End Funds: May 2019

- For the first month in five, equity closed-end funds (CEFs) on average suffered negative returns, declining 3.44% on a net-asset-value (NAV) basis for May, while for the fifth month in a row, fixed income CEFs chalked up returns on the plus-side (+0.67%).
- Only 17% of all CEFs traded at a premium to their NAV, with 19% of equity CEFs and 15% of fixed income CEFs trading in premium territory. The single state municipal debt CEFs macro-classification witnessed the largest narrowing of discounts for the month among Lipper's CEF macro-groups—64 basis points (bps) to 9.82%.
- Real Estate CEFs (+0.10%) posted the only positive returns of all equity CEF classifications for the monthh.
- The California Municipal Debt CEFs classification (+2.00%) posted the strongest plus-side returns in the fixed income universe for the month.
- For the seventh month in a row, the municipal debt CEFs macro-group posted a plus-side return on average (+1.86%), with all classifications in the group witnessing positive returns for May.

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The 10-year yield witnessed the largest decline for the month—declining 37 bps to 2.14%, followed by the seven- and 20-year yields, declining 36 bps to 2.03% and 2.39%, respectively, while the two-month yield saw the smallest decline—6 bps, to 2.38%. The two-/10-year Treasury spread ended the month at 19 bps after a decline to 14 bps on May 28.

For May, the dollar strengthened against the euro (+0.42%) and the pound (+3.23%), but weakened against the yen (-2.51%). Commodity prices were mixed for the month, with near-month gold prices rising 1.79% to close the month at $1,305.80/ounce, and with front-month crude oil prices declining 16.29% to close at $53.50/barrel.

For the month, 43% of all CEFs posted NAV-based returns in the black, with only 14% of equity CEFs and 65% of fixed income CEFs chalking up returns in the plus column. For the first month in three, Lipper's mixed-asset CEFs macro-group (-2.39%) mitigated losses better than or outpaced its two equity-based brethren: domestic equity CEFs (-3.30%) and world equity CEFs (-4.88%).

For the first month in seven, the Real Estate CEFs classification (+0.11%, the only plus-side return in the CEF equity universe) outperformed all other equity classifications, followed by Utility CEFs (-1.85%) and Income & Preferred Stock CEFs (-1.92%). Natural Resources CEFs (-6.43%) was the laggard of the equity universe, bettered by Emerging Markets CEFs (-5.77%) and Diversified Equity CEFs (-5.54%, a new Lipper CEF classification launched in May). For the remaining equity classifications, returns ranged from minus 4.97% (Options Arbitrage/Options Strategies CEFs) to minus 2.94% (Sector Equity CEFs).

Three of the five top-performing equity CEFs were housed in Lipper's world equity CEFs macro-group. However, at the top of the chart was **ASA Gold & Precious Metals Limited** (**ASA**, April's cellar dweller, housed in the Sector Equity CEFs classification), rising 5.38% on a NAV basis and traded at a 15.82% discount on May 31. ASA was followed by **RENN Fund, Inc.** (**RCG**, warehoused in Global CEFs classification), gaining 5.26% and traded at a 13.33% discount at month end; **India Fund, Inc.** (**IFN**, housed in Lipper's Emerging Markets CEFs classification), rising 2.48% and traded at a 10.82% discount on May 31; **Morgan Stanley India Investment Fund, Inc.** (**IIF**, housed in the Emerging Markets CEFs classification), posting a 2.01% return and traded at a 10.81% discount on May 31; and **RiverNorth/DoubleLine Strategic Opportunity Fund, Inc.** (**OPP**, warehoused in the Income & Preferred Stock CEFs classification), gaining 1.70% and traded at a 6.38% discount at month end.

For the month, the dispersion of performance in individual equity CEFs—ranging from minus 18.74% to plus 5.38%—was wider than April's spread, and significantly more skewed to the negative side. The 20

CLOSED-END FUNDS LAB

TABLE 1 CURRENT-MONTH PERFORMANCE, P&D, P&D SHIFTS (% OF UNIVERSE)

	NAV RETURNS POSITIVE	PREMIUM/DISCOUNT		NOW TRADING AT	
		BETTER	WORSE	PREMIUM	DISCOUNT
Equity Funds	14	42	57	19	80
Bond Funds	65	44	55	15	84
ALL CEFs	**43**	**43**	**56**	**17**	**82**

TABLE 2 AVERAGE NAV RETURNS, SELECTED PERIODS (%)

	MAY	YTD	3-MONTH	CALENDAR-2018
Equity Funds	-3.44	9.56	-0.47	-8.89
Bond Funds	0.67	6.52	3.11	-0.76
ALL CEFs	**-1.10**	**7.84**	**1.55**	**-7.28**

TABLE 3 NUMBER OF IPOs, YTD VERSUS PRIOR YEAR

	MAY 2019	CALENDAR-2018
Conventional CEFs	4	3
Interval CEFs	7	33

TABLE 4 AVERAGE SIZE OF IPOs, SELECTED PERIODS, $MIL

3 MONTHS THROUGH 4/30/2019	147
COMPARABLE YEAR-EARLIER THREE MONTHS	356
CALENDAR 2017 AVERAGE	196

TABLE 5 NUMBER OF MERGERS & LIQUIDATIONS, YTD VERSUS PRIOR YEAR

	MAY 2019	CALENDAR-2018
ALL CEFs	**14**	**40**

Source: Lipper

top-performing equity CEFs posted returns at or above 0.43%, while the 20 lagging equity CEFs were at or below minus 8.06%.

For the month, only 37 CEFs in the equity universe posted plus-side returns. The worst performing fund was housed in the Natural Resources CEFs classification: **Tortoise Energy Independence Fund, Inc.** (**NDP**) shed 18.74% of its April-closing NAV price and traded at a 25.58% premium on May 31. The second worst performing CEF was **Gabelli Go Anywhere Trust** (**GGO**, warehoused in the Income & Preferred Stock CEFs classification), declining 14.33% and traded at a 4.53% discount on May 23 (GGO didn't trade on May 31).

As mentioned earlier, Treasuries rallied and the Treasury yield curve shifted down during the month. The 10-year Treasury yield settled down 37 bps for the month, at 2.14% (its lowest closing value since September 11, 2017), after rising to 2.55% on May 2. For the second month in three, municipal bond CEFs jumped to the top of the leaderboard, posting a plus-side return on average (+1.86%), followed by domestic taxable bond CEFs (-0.28%) and world income CEFs (-0.30%).

Four of the domestic taxable fixed income CEF classifications posted plus-side returns for the month, with Corporate BBB-Rated Debt CEFs (+1.17%, April's relative laggard), U.S. Mortgage CEFs (+0.89%), and Corporate BBB-Rated Debt CEFs (Leveraged) (+0.79%) posting the strongest returns of the group. High Yield CEFs (Leveraged) (-1.18%) and Loan Participation CEFs (-0.51%) were the sub-group's laggards. The world income CEFs macro-group was dragged down by the Global Income CEFs (-0.26%) and Emerging Markets Debt CEFs (-0.39%) classifications.

For the seventh consecutive month, the municipal debt CEFs macro-group posted a return in the black (+1.86%) on average, with all the classifications in the group experiencing plus-side returns for May. The California Municipal Debt CEFs (+2.00%), New Jersey Municipal Debt CEFs (+1.98%), and General & Insured Municipal Debt CEFs (Leveraged) (+1.92%) classifications posted the strongest returns of the group, while Intermediate Municipal Debt CEFs (+1.29%) was the relative laggard. National municipal debt CEFs (+1.85%) underperformed their single-state municipal debt CEF counterparts (+1.88%) by 3 bps.

The two top-performing individual fixed income CEFs were housed in Lipper's General Bond CEFs classifications. At the top of the fixed income universe chart were **BlackRock Taxable Municipal Bond Trust** (**BBN**), returning 4.71% and traded at a 2.86% discount on May 31, and **Nuveen Taxable Municipal Income Fund** (**NBB**), returning 3.76% and traded at a 4.07% discount at month end. All three CEFs following BBN and NBB were warehoused in Lipper's General & Insured Municipal Debt CEFs (Leveraged) classification: **PIMCO Municipal Income Fund II** (**PML**), returning 2.86% and traded at a 21.73% premium on May 31; **PIMCO Municipal Income Fund III** (**PMX**), posting a 2.85% return and traded at a 10.02% premium at month end; and **PIMCO Municipal Income Fund** (**PMF**), tacking 2.80% onto its April month-end value and traded at a 11.99% premium on May 31.

For the remaining funds in the fixed income CEFs universe, monthly NAV-based performance ranged from minus 5.17% for **Eaton Vance Tax-Managed Buy-Write Strategy Fund** (**EXD**, housed in Lipper's General & Insured Municipal Debt CEFs (Leveraged) classification and traded at a 7.45% discount on May 31) to plus 2.76% for **PIMCO New York Municipal Income Fund** (**PNF**, housed in Lipper's New York Municipal Debt CEFs classification and traded at a 13.82% premium at month end). The 20 top-performing fixed income CEFs posted returns at or above 2.43%, while the 20 lagging CEFs were at or below minus 1.58%. There were 114 fixed income CEFs that witnessed negative NAV-based performance for May.

Premium and Discount Behavior

For May, the median discount of all CEFs widened 54 bps to 8.12%—still narrower than the 12-month moving average median discount (8.64%). Equity CEFs' median discount widened 66 bps to 8.24%, while fixed income CEFs' median discount widened 44 bps to 8.02%. Single state municipal debt CEFs' median discount witnessed the largest narrowing among the CEF macro-groups—64 bps to 9.82%, while the world income CEFs macro-group witnessed the largest widening of discounts—110 bps to 7.53%.

Gabelli Utility Trust (**GUT**, housed in the Utility CEFs classification) traded at the largest premium (+41.29%) in the CEFs universe on May 31, while **Dividend and Income Fund** (**DNI**, housed in the Income & Preferred Stock CEFs classification) traded at the largest discount (-21.88%) at month end.

For the month, 43% of all funds' discounts or premiums improved, while 56% worsened. In particular, 42% of equity CEFs and 44% of fixed income CEFs saw their individual discounts narrow, premiums widen, or premiums replace discounts. The number of funds traded at premiums on May 31 (81) was identical the number on April 30 (81).

CEF Classification Enhancement: On May 20, 2019, due to the lack of unique funds, the holdings based classifications in the closed-end fund universe (Core Equity Funds [CE], Growth Equity Funds [GE], and Value Equity Funds [VE]) were collapsed into one classification. This new classification is called Diversified Equity Funds. Diversified Equity Funds (DEF) invest primarily in domestic equity securities and do not have a mandate to invest in a specific sector or region. In addition, we also shuttered the Pacific ex-Japan (XJ) CEFs classification. The impacted XJ CEFs were moved to the Emerging Markets CEFs classification.

CEF Events and Corporate Actions
IPOs

Angel Oak Capital Advisors, LLC, an investment management firm specializing in value-driven alternative credit, announced that it has priced a registered public offering of 10,750,000 common shares of the **Angel Oak Financial Strategies Income Term Trust** (**FINS**), a closed-end fund that will invest in the community bank debt sector, at a public offering price of $20.00 per share, for gross proceeds to the Fund of $215,000,000. In addition, the fund has granted the underwriters a 45-day option to purchase an additional 1,515,634 common shares to cover overallotments, if any. The offering is subject to customary closing conditions closed on May 31, 2019.

Led by Angel Oak's experienced community bank team, FINS will invest in community bank debt, including securitizations of community bank debt. At least 50% of the fund's depository institution debt investments will be publicly rated investment grade or, if deemed unrated, scored as investment grade by Angel Oak's in-house proprietary BankSURF credit-quality assessment model. The actively managed fund's intention is to provide investors with exposure to a niche-market strategy that historically has not been correlated to interest rates. The fund has a limited 12-year term and will terminate on May 31, 2031, provided that the fund's termination date may be extended up to 18 months at the discretion of the board of trustees of the fund.

Rights, Repurchases, Tender Offers

Western Asset Middle Market Income Fund Inc. (**XWMFX**) announced that the fund's board of directors approved a tender offer to purchase for cash up to 2.5% of the fund's outstanding shares of common stock, subject to the right to purchase up to an additional 2% of the fund's outstanding shares without amending or extending the offer. The tender offer will be conducted at a price equal to the fund's net asset value (NAV) per share of common stock on the day on which the tender offer expires. The fund intended to commence its tender offer on or about June 3, 2019, with the expiration of the tender offer currently expected to be July 2, 2019.

Western Asset Middle Market Debt Fund Inc. (**XWAMX**) announced that the fund's board of directors approved a tender offer for up to 10% of the fund's outstanding shares of common stock, subject to the right to purchase up to an additional 2% of the fund's outstanding shares without amending or extending the offer. The tender offer will be conducted at a price equal to the fund's NAV per share of common stock on the day on which the tender offer expires. The fund intended to commence its tender offer on or about June 3, 2019, with the expiration of the tender offer currently expected to be July 2, 2019.

Aberdeen Emerging Markets Equity Income Fund, Inc. (**AEF**) announced that the board of directors of the fund approved a cash tender offer by the fund to purchase up to 15% of the fund's issued and outstanding shares at a price per share equal to 98% of the fund's NAV per share as determined by the fund on the next business day following the expiration date of the tender offer. The tender offer commenced on or about May 17, 2019, and will expire on June 17, 2019, unless otherwise extended.

The tender offer is in connection with the fund's previously announced targeted discount policy. The policy requires the fund to: (i) buy back shares in the open market when the fund's shares trade at a discount of 10% or more to NAV, and (ii) undertake a 15% tender offer if the average discount exceeds 11% of NAV over any rolling 12-month period commencing on April 27, 2018, and ending on December 31, 2019, provided that the fund is not required to conduct more than one tender offer during such period. For the period from April 30, 2018, through April 30, 2019, the fund's average discount to NAV was 11.55%. As a result, the fund is required to undertake a 15% tender offer pursuant to the fund's targeted discount policy.

Clough Global Equity Fund (**GLQ**) announced that a preliminary registration statement will be filed with the Securities and Exchange Commission (SEC) relating to the offering of additional common shares of the fund pursuant to a rights offering. The fund will be issuing transferable subscription rights to its common shareholders, on a record date to be set by the fund's board of trustees, who will be allowed to subscribe for new common shares of the fund. Record date shareholders will receive one right for each common share held on the record date. For every five rights held, a holder of rights may buy one new common share of the fund. Record date shareholders who fully exercise all rights initially issued to them in the primary subscription will be entitled to buy those common shares that are not purchased by other holders of rights.

Clough Global Dividend and Income Fund (**GLV**) announced that a preliminary registration statement will be filed with the SEC relating to the offering of additional common shares of the fund pursuant to a rights offering. The fund will be issuing transferable subscription rights to its common shareholders, on a record date to be set by the fund's board of trustees, who will be allowed to subscribe for new common shares of the fund. Record date shareholders will receive one right for each common share held on the record date. For every five rights held, a holder of

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rights may buy one new common share of the fund. Record date shareholders who fully exercise all rights initially issued to them in the primary subscription will be entitled to buy those common shares that are not purchased by other holders of rights.

Eaton Vance Municipal Bond Fund (**EIM**) announced the final results of its tender offer for up to 10%, or 8,969,613, of its outstanding common shares of beneficial interest. The tender offer expired on May 17, 2019. In accordance with the terms and conditions of the tender offer, because the number of shares tendered exceeds the number of shares offered to purchase, the fund purchased shares from tendering shareholders on a pro-rata basis (disregarding fractional shares). Following the purchase of the tendered shares, the fund had approximately 80,726,520 shares of common stock outstanding. The final results of the tender offer, based on a count by American Stock Transfer & Trust Company, LLC, the depositary for the tender offer, are as follows: number of shares tendered: 33,920,082; number of shares to be purchased: 8,969,613; pro-ration faction: 26.4433706%; purchase price: $13.374 (equal to 98% of the fund's NAV per share as of the close of trading on the New York Stock Exchange (NYSE) on May 17, 2019); and shares after giving effect to tender offer: 80,726,520.

Delaware Enhanced Global Dividend and Income Fund (**DEX**) announced that its board of trustees has authorized an issuer tender offer to purchase for cash up to 631,965 of its common shares, representing five percent of its issued and outstanding common shares, without par value. The tender offer commenced on Friday, May 31, 2019, and will expire, unless extended, on Thursday, June 27, 2019. Subject to various terms and conditions described in offering materials to be distributed to shareholders: (i) purchases will be made at a price per share equal to 98% of the fund's net asset value per share as of the close of trading on the first business day after the expiration of the offer; and (ii) if more shares are tendered than the amount the board has authorized to purchase, the fund will purchase a number of shares equal to the offer amount on a prorated basis.

NexPoint Advisors, L.P. (together with its affiliates NexPoint) announced the successful completion of a non-transferable rights offering for the **NexPoint Strategic Opportunities Fund** (**NHF**). The offer garnered material oversubscription, with subscriptions equal to 231% of the primary offering.

The offer commenced on April 30, 2019 and expired on May 22, 2019. The offer entitled rights holders to subscribe for up to an aggregate of 10,798,855 of the fund's common shares. Pursuant to the offer, the fund issued one non-transferable right for each common share of the fund to shareholders of record as of April 29, 2019. Holders of rights were entitled to purchase one newly issued share for every three rights held. The subscription price for each share issued pursuant to the offer was $17.77, which represented 95% of the average of the last reported sales price of the fund's common shares on the NYSE on the expiration date and on each of the four trading days preceding the expiration date.

Preliminary results indicate that the fund received total subscriptions for shares totaling approximately $519 million (including oversubscription requests and notices of guaranteed delivery), representing 231% of the 10,798,855 shares available to be issued pursuant to the primary subscription. Oversubscription requests exceeded the oversubscription shares available and the 2,699,713 additional shares available pursuant to the exercise of an overallotment option. The oversubscription shares and secondary subscription shares will be allocated pro-rata among those record date shareholders who oversubscribed based on the number of common shares of the trust owned by such shareholders on April 29, 2019, the record date. Confirmation as to the amount of shares received by each participating rights holder were to be sent by the subscription agent on or about May 30, 2019.

NHF raised $191.89 million in non-transferable rights offering of 10,798,855 shares, at a price of $17.77 per share.

Mergers and Reorganizations

The board of trustees of **Nuveen Mortgage Opportunity Term Fund** (**JLS**) and **Nuveen Mortgage Opportunity Term Fund 2** (**JMT**) have approved a series of proposals that will allow shareholders the opportunity to maintain their exposure to securitized credit. In light of the upcoming scheduled termination of each fund, these alternate proposals—which replace a previously announced merger proposal—ask shareholders of each fund to vote to amend the charter and eliminate the term structure. For each fund, if the fund's charter amendment and the other proposals described below are approved by shareholders, the fund will conduct a tender offer for up to 100% of its outstanding shares at NAV. If the fund's managed assets, taking into account shares properly tendered in the tender offer would be $80 million or greater, the tender offer will be completed and the funds term structure will be eliminated. If the fund's managed assets after the tender offer would be less than $80 million, the tender offer will be canceled, with no common shares repurchased, and instead that fund will proceed to terminate as scheduled.

The funds currently have an investment objective to generate attractive total returns through opportunistic investments in mortgage-backed securities (MBS). As part of the alternate proposals, shareholders will be asked to vote on a change in investment objective to generate high current income through opportunistic investments in securitized credit. Additionally, JLS and JMT will update their investment policies to invest at least 65% of managed assets in MBS, including residential MBS and commercial MBS, and may invest up to 35% in non-mortgage related asset-backed securities including, but not limited to, consumer, auto, collateralized loan obligations, solar, timeshare, aircraft and catastrophe bonds.

As a result of these investment policy changes, JLS and JMT will change their names. JLS will be renamed **Nuveen Mortgage and Income Fund** and JMT will be renamed **Nuveen Mortgage and Income Fund 2**. Additionally, as part of the alternate proposals, shareholders of each fund will be asked to vote on a new investment management agreement with Nuveen Fund Advisors, LLC, that provides for a lower fund-level management fee at each asset level and a new subadvisory agreement with Teachers Advisors, LLC. Aashh Parekh, Nick Travaglino, and Steve Virgilio of Teachers Advisors will serve as portfolio managers. Each of the changes described above will take effect with respect to a fund only if shareholders of that fund approve all of the proposals described above and the tender offer condition is satisfied.

The board of trustees for six Nuveen municipal closed-end funds approved three merger proposals. The mergers are subject to customary conditions, including shareholder approval. The mergers are intended to create larger funds with lower operating expenses and increased trading volume on the exchange for common shares.

More information on the proposed mergers will be contained in proxy materials expected to be filed in the coming weeks. The proposed fund mergers are as follows: **Nuveen Texas Quality Municipal Income Fund** (**NTX**) into **Nuveen Quality Municipal Income Fund** (**NAD**); **Nuveen North Carolina Quality Municipal Income Fund** (**NNC**) into **Nuveen AMT-Free Quality Municipal Income Fund** (**NEA**); and **Nuveen Connecticut Quality Municipal Income Fund** (**NTC**) into **Nuveen AMT-Free Municipal Credit Income Fund** (**NVG**). If shareholders approve the reorganization, Nuveen Connecticut Quality Municipal Income Fund shareholders will receive a cash distribution prior to the closing of the reorganization of approximately 10% of NAV per share.

Other

Thomas J. Herzfeld Advisors, Inc. (TJHA), an SEC registered investment advisor, announced that the board of directors of **The Herzfeld Caribbean Basin Fund, Inc.** (**CUBA**) has authorized the implementation of a three-year plan to address the fund's trading discount to its NAV per share.

The plan, recommended by TJHA and adopted by the fund's board, includes (i) implementation of a managed distribution policy contingent upon receipt of any required regulatory or exemptive relief to pay monthly distributions at an annual rate, set once a year, that is a percentage of the fund's NAV at its most recent fiscal year end, and (ii) the adoption of a contingent tender offer policy to conduct a tender offer for up to five percent of the fund's outstanding shares within 90 days after the fiscal year ending June 30, 2020, 2021 or 2022, if the average discount to the fund's NAV is in excess of 10% for any such fiscal year at 97.5% of NAV.

In recommending the plan to the board of directors of the fund, TJHA noted that the fund has traded at a premium at some point in 22 of the first 23 calendar years since inception. However, given a more sustained discount over the recent period, and the current approach to US-Cuba relations adopted by the Trump administration, as well as the administration's confrontational posture with regard to Venezuela, TJHA has determined that it is in the best interest of all shareholders to implement measures to directly address the fund's discount to NAV. The plan is to be instituted over a three-year period (beginning July 1, 2019, and ending June 30, 2022) and is subject to the conditions.

In addition, TJHA has agreed to waive its management fee by 10 basis points (from 1.45% to 1.35%) for any fiscal year during the plan if the fund's average discount to NAV during the preceding fiscal year is greater than 5%.

Oakline Advisors, LLC announced that shares of **Vertical Capital Income Fund** (**VCIF**) were expected to begin trading on the NYSE on Wednesday, May 29, 2019. VCIF, a closed-end fund that seeks income by investing in residential whole mortgage loans, plans to commence trading under CUSIP 92535C104. As a result of the expected listing, VCIF's dividend cycle has been adjusted to an end of the month declaration date and mid-month payment date. The next dividend will follow this schedule. As of March 31, 2019, VCIF owned a portfolio consisting of 786 whole residential loans totaling approximately $134,600,000 of Unpaid Principal Balance (UPB). Those loans have a weighted average contractual loan-to-value ratio (LTV) of approximately 72% and were acquired at a weighted average discount to UPB of approximately 19%. Launched in 2011, VCIF reported that is has generated total net annual returns to shareholders of 6.73%, 6.39% and 7.93% over the trailing one-year, three-year and five-year periods, respectively, as of March 31, 2019 (1.94%, 4.78%, 6.94%, respectively, with 5.75% maximum sales load). The net annual return since inception on December 30, 2011, as of the same date is 8.15% (7.47% with maximum sales load).

For immediate assistance, feel free to contact Lipper Client Services toll-free at 877.955.4773 or via email at LipperUSClientServices@thomson.com. For more information about Lipper, please visit our website at refinitiv.com/en or lipperalphainsight.com