FUNDMARKET INSIGHT REPORT

LIPPER RESEARCH SERIES

JULY 31, 2019

The Month in Closed-End Funds: July 2019

Performance

For the second month in a row, equity CEFs on average witnessed plus-side performance on both a NAV and market basis, rising 0.11% and 0.99%, respectively, for July. Meanwhile, for the seventh consecutive month, their fixed income CEF counterparts posted returns in the black on both a NAV (+0.80%) and market basis (+1.90%). With one eye on the Federal Reserve and the other on Q2 earnings season and China, investors pushed the U.S. broad-based indices to new highs early in July, but turned cautious after learning the Fed was possibly looking to make just one 25-basis-point mid-cycle adjustment/cut at month end, contrary to the 50 basis-point cut expected by some pundits. The NASDAQ Composite Price Only Index (+2.11%) and the S&P 500 Price Only Index (+1.31%) posted the strongest returns of the U.S. broad-based indices, while the Russell 2000 Price Only Index (+0.51%) was the relative laggard. On the global side, the Nikkei 225 Price Only Index posted the strongest returns of the group—but rising just 0.38% for the month—while the Xetra DAX Total Return Index—posting a 3.88% loss—was the group laggard.

At the beginning of July, investors pushed all three broad-based indices to new highs before the June nonfarm payrolls report, but lost some ground after a better-than-expected nonfarm payrolls report dashed hopes of a 50-basis-point Fed interest rate cut at month end. The Department of Labor announced the U.S. economy had added 224,000 new jobs for June, outpacing analyst expectations of 170,000. However, the unemployment rate ticked up to 3.7%. Nonetheless, investors cheered news that the U.S. and China had agreed to restart trade negotiations earlier in the week while simultaneously pushing gold to its highest finish in six years.

Investors also cheered news that Fed Chair Jerome Powell bolstered investors' expectations for an interest rate cut at month end during his two-day congressional testimony. The Dow closed above the 27,000 mark for the first time, with all three indices chalking up record closing values despite news that Chinese exports and imports dropped due to soft demand. Market participants, however, cheered news that eurozone factory output rose sharply in May, which many believed was a sign of stabilization after a protracted slowdown.

Investors became more cautious midmonth after the Fed signaled only modest rate cuts and after Iran said it seized a British oil tanker in the Strait of Hormuz. The Wall Street Journal reported that Fed officials telegraphed just a 25-basis-point cut at month end, pushing all three indices to suffer their largest weekly declines since the end of May. Although better-than-expected Q2 earnings reports and prospects that the government was close to a deal to raise the federal debt ceiling kept the declines in check.

A better-than-expected Q2 GDP report and strong earnings reports pushed the broad-based U.S. indices to another round of record closes after news that, with 44% of S&P constituents reporting Q2 earnings thus far, 77% beat analyst expectations. And according to the Commerce Department, the U.S. economy grew at an annualized pace of 2.1%, beating analyst expectations of 1.9%. At month end, however, stocks closed lower after the Fed cut rates 25 bps but refrained from committing to more, pushing the DJIA to its worst one-day decline since May 31.

The Month in Closed-End Funds: July 2019

- For the second consecutive month, equity closed-end funds (CEFs) on average posted plus-side returns, gaining 0.11% on a net-asset-value (NAV) basis for July, while for the seventh month in a row, fixed income CEFs chalked up returns in the plus column (+0.80%).
- Only 21% of all CEFs traded at a premium to their NAV, with 23% of equity CEFs and 20% of fixed income CEFs trading in premium territory. The municipal debt CEFs macro-classification witnessed the largest narrowing of discounts for the month among Lipper's CEF macro-groups—212 basis points (bps) to 4.99%.
- Convertible Securities CEFs (+1.63%) posted the strongest positive returns of all equity CEF classifications for the month.
- The Emerging Markets Hard Currency Debt CEFs classification (+1.33%) posted the strongest plus-side returns in the fixed income universe for the month.
- For the ninth month in a row, the municipal debt CEFs macro-group posted a plus-side return on average (+0.96%), with all classifications in the group witnessing positive returns for July.

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As one might expect, given the 25-basis-point cut by the Fed at month end, the one-, two- and three-month Treasury yield declined between 4 and 17 bps for the month, with the one-month yield seeing the largest decline, to 2.01%. The Treasury curve flattened somewhat in the belly of the curve but remained inverted for maturities between one year and 10 years for the month. The two-year yield witnessed the largest increase for the month—rising 14 bps, to 1.89%; followed by the three-year yield—rising 13 bps, to 1.84%; while the 20-year yield remained unchanged from its June month-end value of 2.31%. The two-/10-year Treasury spread ended the month at 13 bps after a rise to 28 bps on July 11 and 12.

For July, the dollar strengthened against the euro (+2.17%), the pound (+3.94%), and the yen (+0.62%). Commodity prices rose for the month, with near-month gold prices rising 1.16% to close the month at $1,426.10/ounce, and with front-month crude oil prices rising 0.19% to close at $58.58/barrel.

For the month, 81% of all CEFs posted NAV-based returns in the black, with 61% of equity CEFs and 97% of fixed income CEFs chalking up returns in the plus column. For the second month in three, Lipper's mixed-asset CEFs macro-group (+1.39%) outpaced its two equity-based brethren: domestic equity CEFs (-0.02%) and world equity CEFs (-0.70%).

For the first month in 11, the Convertible Securities CEFs classification (+1.63%) outperformed all other equity classifications, followed by Income & Preferred Stock CEFs (+1.30%) and Diversified Equity CEFs (+0.82%). Natural Resources CEFs (-2.87%) was the laggard of the equity universe, bettered by Emerging Markets CEFs (-1.69%) and Energy MLP CEFs (-1.18%). For the remaining equity classifications, returns ranged from negative 0.99% (Utility CEFs) to positive 0.81% (Options Arbitrage/Options Strategies CEFs).

Three of the five top-performing equity CEFs were housed in Lipper's domestic equity CEFs macro-group. At the top of the chart was **Columbia Seligman Premium Technology Growth, Inc.** (**STK**, housed in the Options Arbitrage/Options Strategies CEFs classification), rising 6.45% on a NAV basis and traded at a 3.80% premium on July 31. Following STK were **ASA Gold & Precious Metals Limited** (**ASA**, was June's leader, housed in the Sector Equity CEFs classification), rising 5.43% and traded at a 17.73% discount at month end; **Taiwan Fund, Inc.** (**TWN**, housed in the Emerging Markets CEFs classification), posting a 4.27% return and traded at a 12.04% discount on July 31; **RENN Fund, Inc.** (**RCG**, warehoused in the Global CEFs classification), gaining 3.17% and traded at a 16.92% discount at month end; and J**ohn Hancock Financial Opportunities Fund** (**BTO**, housed in Lipper's Sector Equity CEFs classification), gaining 3.08% and traded at a 2.28% discount at month end.

CLOSED-END FUNDS LAB

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

	NAV RETURNS	PREMIUM/DISCOUNT		NOW TRADING AT	
	POSITIVE	BETTER	WORSE	PREMIUM	DISCOUNT
Equity Funds	61	71	25	23	75
Bond Funds	97	71	25	20	79
ALL CEFs	**81**	**71**	**25**	**21**	**77**

TABLE 2 AVERAGE NAV RETURNS, SELECTED PERIODS (%)

	JULY	YTD	3-MONTH	CALENDAR-2018
Equity Funds	0.11	14.08	0.57	-8.89
Bond Funds	0.80	8.48	2.5.3	-0.76
ALL CEFs	**0.50**	**10.94**	**1.68**	**-7.28**

TABLE 3 NUMBER OF IPOs, YTD VERSUS PRIOR YEAR

	JULY 2019	CALENDAR-2018
Conventional CEFs	7	3
Interval CEFs	10	33

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

3 MONTHS THROUGH 6/30/2019	754
COMPARABLE YEAR-EARLIER THREE MONTHS	67
CALENDAR 2017 AVERAGE	196

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

	JULY 2019	CALENDAR-2018
ALL CEFs	**15**	**40**

Source: Lipper from Refinitiv

For the month, the dispersion of performance in individual equity CEFs—ranging from minus 10.93% to positive 6.45%—was narrower than June's spread, and more skewed to the negative side. The 20 top-performing equity CEFs posted returns at or above 2.12%, while the 20 lagging equity CEFs were at or below negative 2.60%.

For the month, 103 CEFs in the equity universe posted negative returns. The worst performing fund was housed in the Natural Resources CEFs classification: Tortoise Energy Independence Fund, Inc. (NDP) shed 10.93% of its June-closing NAV and traded at a 16.12% premium. The second worst performing CEF was Morgan Stanley India Investment Fund, Inc. (IIF, warehoused in the Emerging Markets CEFs classification), declining 7.02% and traded at a 13.47% discount.

As mentioned earlier, Treasuries at the long end of the curve shifted up slightly while declining at the short end during the month. The 10-year Treasury yield settled up 2 bps for the month, at 2.02%, after rising to 2.13% on July 11. For the second consecutive month, world income CEFs remained at the top of the leaderboard, posting a plus-side return on average (+1.03%), followed by municipal bond CEFs (+0.96%) and domestic taxable bond CEFs (+0.62%).

All of the domestic taxable fixed income CEF classifications posted plus-side returns for the month, with Loan Participation CEFs (+0.79%, June's laggard), Corporate BBB-Rated Debt CEFs (Leveraged) (+0.67%), and General Bond CEFs (+0.61%) posting the strongest returns of the group. U.S. Mortgage CEFs (+0.38%) and High Yield CEFs (Leveraged) (+0.51%) were the sub-group's relative laggards. The world income CEFs macro-group was propped up by the Emerging Markets Hard Currency Debt CEFs (+1.33%) and Global Income CEFs (+0.92%) classifications.

For the ninth consecutive month, the municipal debt CEFs macro-group posted a return in the black (+0.96%) on average, with all the classifications in the group experiencing plus-side returns for July. The New Jersey Municipal Debt CEFs (+1.08%), California Municipal Debt CEFs (+1.04%), and High Yield Municipal Debt CEFs (+1.01%) classifications posted the strongest returns of the group, while Intermediate Municipal Debt CEFs (+0.77%) was the relative laggard. National municipal debt CEFs (+0.94%) underperformed their single-state municipal debt CEF counterparts (+0.98%) by 4 bps.

Three of the five top-performing individual fixed income CEFs were housed in Lipper's world income CEFs macro-group. At the top of the fixed income universe chart was **Sierra Total Return Fund; Class T Shares** (**SRNTX**, an interval hybrid CEF housed in the Loan Participation CEFs classification), returning 3.97%. Following SRNTX were **RiverNorth Opportunistic Municipal Income Fund, Inc.** (**RMI**, housed in the High Yield Municipal Debt CEFs classification), returning 2.57% and traded at a 4.62% discount at month end; **Stone Harbor Emerging Markets Income Fund** (**EDF**, housed in the Emerging Markets Hard Currency Debt CEFs classification), returning 1.97% and traded at a 40.65% premium on July 31; **Stone Harbor Emerging Markets Total Income Fund** (**EDI**, also warehoused in the Emerging Markets Hard Currency Debt CEFs classification), posting a 1.88% return and traded at a 14.46% premium at month end; and **First Trust/Aberdeen Global Opportunity Income Fund** (**FAM**, housed in the Global Income CEFs classification), tacking 1.70% onto its June month-end value and traded at a 10.94% discount on July 31.

For the remaining funds in the fixed income CEFs universe, monthly NAV-based performance ranged from minus 1.91% for **Forefront Income Trust** (**BFITX**, an interval hybrid CEF housed in Lipper's High Yield CEFs classification) to 1.58% for **Putnam Premier Income Trust** (**PPT**, housed in Lipper's General Bond CEFs classification and traded at a 2.21% discount at month end). The 20 top-performing fixed income CEFs posted returns at or above 1.31%, while the 20 lagging CEFs posted returns at or below positive 0.14% for the month. There were just eight fixed income CEFs that witnessed negative NAV-based performance for July.

Premium and Discount Behavior

For July, the median discount of all CEFs narrowed 128 bps to 5.65%—still narrower than the 12-month moving average median discount (8.41%). Equity CEFs' median discount narrowed 171 bps to 5.49%, while fixed income CEFs' median discount narrowed 66 bps to 6.11%. Municipal debt CEFs' median discount witnessed the largest narrowing among the CEF macro-groups—212 bps to 4.99%, while the taxable bond CEFs macro-group witnessed the only widening of discounts—2 bps to 6.61%.

Gabelli Utility Trust (**GUT**, housed in the Utility CEFs classification) traded at the largest premium (+49.80%) in the CEFs universe on July 31, while **Dividend and Income Fund** (**DNI**, housed in the Income & Preferred Stock CEFs classification) traded at the largest discount (-23.09%) at month end.

For the month, 71% of all funds' discounts or premiums improved, while 25% worsened. In particular, 71% of equity CEFs and 71% of fixed income CEFs saw their individual discounts narrow, premiums widen, or premiums replace discounts. The number of funds traded at premiums on July 31 (105) was 19 more than the number on June 28 (86).

CEF Events and Corporate Actions
IPOs

RiverNorth Capital Management, LLC, an investment management firm specializing in opportunistic strategies, announced the launch of the **RiverNorth Managed Duration Municipal Income Fund, Inc.** (**RMM**), a new municipal bond focused closed-end fund. RiverNorth will act as the investment adviser to the fund and MacKay Shields LLC will act as subadviser. This is the second fund co-managed by the investment firms. The fund will use the load-waived pricing structure pioneered by RiverNorth last year. As a result, investors will not pay any upfront expenses, which allows the fund to be priced at $20.00 per share, with an initial net asset value (NAV) of $20.00 per share. Trading on the New York Stock Exchange (NYSE) began on July 26, 2019.

The fund's primary investment objective is current income exempt from regular U.S. federal income taxes (but which may be includable in taxable income for purposes of the federal alternative minimum tax). The fund's secondary investment objective is total return. As the investment adviser, RiverNorth will strategically allocate the fund's assets between two principal investment strategies: the tactical municipal closed-end fund strategy, managed by RiverNorth, and the municipal bond income strategy, managed by MacKay Shields. In addition, the fund will also implement a managed duration strategy which targets a weighted average effective duration within three years of the weighted average effective duration of the Bloomberg Barclays Municipal Bond Index.

Eagle Point Income Company Inc. (**EIC**) has closed the initial public offering (IPO) of 1,200,000 shares at a price of $19.89 per share. Eagle Point Income received net proceeds of approximately $23.1 million after payment of certain organizational expenses and offering expenses. In addition, the company has granted the underwriters a 30-day option to purchase up to an additional 180,000 shares of common stock to cover overallotments, if any. Eagle Point Income Management LLC, the company's investment adviser, or its affiliates will pay the full amount of the sales load in connection with this initial public offering and all of the company's organizational expenses and offering expenses incurred prior to, or in connection with, the initial public offering that exceed $750,000 (excluding the sales load). The company intends to use the proceeds from the offering of its common stock to acquire investments in accordance with its investment objectives and strategies and for general working capital purposes. Shares of the company's common stock began trading on July 24, 2019, on the NYSE and the offering was expected to close on July 26, 2019, subject to customary closing conditions.

EIC's primary investment objective is to generate high current income, with a secondary objective to generate capital appreciation. The fund seeks to achieve its investment objectives by investing primarily in junior debt tranches of collateralized loan obligations, or CLOs, that are collateralized by a portfolio consisting primarily of below investment grade U.S. senior secured loans with a large number of distinct underlying borrowers across various industry sectors.

Rights, Repurchases, Tender Offers

The board of trustees of **Clough Global Dividend and Income Fund** (**GLV**) has authorized and set the terms of an offering to the fund's shareholders of rights to purchase additional common shares of the fund. The fund issued transferable subscription rights to its common shareholders of record as of July 18, 2019, 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 exercise their rights will not be entitled to distributions payable during July 2019 and August 2019 on shares issued in connection with the rights offering.

Record date shareholders who fully exercise all rights initially issued to them in the primary subscription may be entitled to subscribe for additional common shares that are not purchased by other record date shareholders.

The subscription price per common share will be determined based upon a formula equal to 85% of the reported NAV or 95% of the market price per common share, whichever is higher on the expiration date. Market price per common share will be determined based on the average of the last reported sales prices of a common share on the NYSE American for the five trading days preceding the expiration date (not including sales price on the expiration date).

The rights offering is subject to the effectiveness of the fund's registration statement currently on file with the Securities and Exchange Commission (SEC) and will be made only by means of a prospectus. The fund anticipated that the offering would commence on or about July 24, 2019, and expire on or about August 23, 2019, unless the offer is extended.

The **Cushing® Renaissance Fund** (**SZC**) announced the results of its transferable rights offering. The offer commenced on June 19, 2019, and expired on July 18, 2019. The offer entitled rights holders to subscribe for up to an aggregate of 2,601,714 of the fund's common shares of beneficial interest, par value $0.001 per share. The subscription price was $13.15 per common share and was determined based upon a formula

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equal to 78% of the fund's NAV per common share at the close of trading on the NYSE on the expiration date. The offer was oversubscribed. Common shares will be issued promptly after completion and receipt of all shareholder payments and the pro-rata allocation of common shares in respect of the over-subscription privilege. Gross proceeds of the offer are expected to be approximately $35 million. The fund intends to invest the net proceeds of the offer in accordance with its investment objective and policies.

Clough Global Opportunities Fund (**GLO**) 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 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.

The rights offering is subject to the effectiveness of the fund's registration statement to be filed with the SEC and will be made only by means of a prospectus. A final registration statement relating to the securities has not been filed with the SEC as of the date of this release. These securities may not be sold nor may offers to purchase be accepted prior to the time the registration statement becomes effective with the SEC. If the fund determines to pursue the rights offering, the final terms of the rights offering are subject to approval by the fund's board of trustees. There is no assurance that the fund will proceed with the rights offering.

Clough Global Equity Fund (**GLQ**) announced that the registration statement filed with the SEC relating to the offering of additional common shares of the fund pursuant to a rights offering has become effective and a final prospectus is available. The fund will be issuing transferable subscription rights to its common shareholders on the record date of July 18, 2019, 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.

Western Asset Middle Market Debt Fund Inc. (**XWAMX**) announced the final results of its tender offer for up to 10% of the fund's outstanding shares, or 12,427 shares of the fund, at a price equal to the fund's NAV per share on the day on which the tender offer expired. As described in the offer, the fund reserved the right to purchase up to an additional 2% of the fund's outstanding shares without amending or extending the offer. The fund's offer expired on July 2, 2019.

A total of 21,636 shares were duly tendered and not withdrawn. Because the number of shares tendered exceeds 12,427, the tender offer is oversubscribed. Therefore, in accordance with the terms and conditions specified in the tender offer, the fund will purchase shares from all tendering stockholders on a pro rata basis, excluding any odd lot transactions and disregarding fractions. Accordingly, on a pro rata basis, approximately 57% of shares for each stockholder who properly tendered shares have been accepted for payment. The shares accepted for tender were repurchased at a price of $703.34 per share, which was the fund's NAV per share on July 2, 2019. The fund expected to transmit payment to purchase the duly tendered and accepted shares on or about July 8, 2019. Shares that were tendered but not accepted for payment and shares that were not tendered will remain outstanding.

Highland Capital Management Fund Advisors, L.P. announced that the **Highland Global Allocation Fund** (**HGLB**) has completed $10 million in repurchases of the fund's shares. The fund expected the repurchases at a discount to NAV to result in a gain of approximately $2.3 million and save an estimated $1.2 million annually in dividends and expenses. The repurchase program began following the conversion of the fund from an open-end fund to a closed-end fund, which took place in February. The program, which was authorized by the board of trustees of the fund ahead of the conversion, provided a six-month period following the conversion for the fund to carry out repurchases. As such, the fund may repurchase additional shares during the third quarter, with the ability to repurchase up to 5% of outstanding shares in total under the program.

Delaware Enhanced Global Dividend and Income Fund (**DEX**), a closed-end investment management company, announced the preliminary results of its issuer tender offer to purchase for cash up to 631,965 of its common shares, representing up to 5% of its issued and outstanding common shares, without par value. The offer expired on Thursday, June 27, 2019. Based on current information, approximately 3,275,956 shares of common stock, or approximately 25.92% of the fund's common shares outstanding, were tendered through the expiration date. This total does not include shares tendered pursuant to notices of guaranteed delivery. Because the number of shares exceeded

631,965 shares, the relative number of common shares that will be purchased from each shareholder will be prorated based on the number of common shares properly tendered. The final number of common shares validly tendered and accepted pursuant to the tender offer will be announced at a later date. The fund expects to make cash payments for tendered and accepted common shares at a price equal to 98% of the fund's NAV as of the close of regular trading on the NYSE on Friday, June 28, 2019.

The Central and Eastern Europe Fund, Inc. (**CEE**), **The European Equity Fund, Inc.** (**EEA**), and **The New Germany Fund, Inc.** (**GF**) each announced that its board of directors has approved an extension of the current repurchase authorization permitting EEA, GF and CEE to repurchase up to 767,000, 1,610,000, and 677,000 shares, respectively (representing approximately 10% of each fund's current shares outstanding), for the 12-month period from August 1, 2019, through July 31, 2020. Repurchases will be made from time to time when they are believed to be in the best interests of a fund.

In addition, each fund announced that its board continues to reserve its discretion to determine if it would be appropriate to initiate a tender offer during the 12-month period from August 1, 2019, through July 31, 2020. Each board intends to continue to consider this matter on a regular basis.

Mergers and Reorganizations

MFS Investment Management announced that the board of trustees of **MFS California Municipal Fund** (**CCA**), a closed-end investment management company, approved a plan of liquidation and termination for the fund. The liquidation is currently expected to be completed on or about October 4, 2019.

In determining to terminate and liquidate the fund, the fund's investment manager, MFS, and the board considered a variety of factors. These included a request for a liquidity event made by a common shareholder holding a significant percentage of the fund's common shares; the relatively small size of the fund; the nature of the fund's portfolio holdings; and the fund's common shares trading at a discount to NAV. MFS and the board also considered alternatives, including merging the fund into another investment company; converting the fund to an open-end structure; or conducting a tender offer. On balance, it was determined that a liquidation would be in the best interests of the fund and its shareholders.

Subsequent to the effective date of the plan of liquidation (on or about September 11, 2019), the fund will begin the orderly liquidation of its assets, determine and pay, or set aside in cash or cash equivalents, an amount at least equal to all known or reasonably ascertainable liabilities and obligations of the fund and make one or more liquidating distributions to the fund's common shareholders. The fund will also redeem its outstanding variable rate municipal term preferred shares during this period prior to the liquidation. The fund may also begin to liquidate certain holdings prior to the effective date of the plan. The fund has fixed the close of business on September 11, 2019, as the record date for determining the common shareholders of the fund entitled to receive liquidating distributions. As of the effective date of the plan, the transfer agent's share register will be closed (except as necessary to allow settlement of trades made on or before record date). September 11, 2019, is expected to be the last day of trading of the fund's common shares on the NYSE American. The MFS Closed-End Funds Dividend Reinvestment and Cash Purchase Plan for the fund will be terminated, and shares held in the plan will be liquidated and proceeds will be remitted directly to shareholders participating in the plan. The fund's recurring monthly common share distribution that ordinarily would have been declared and paid in September 2019 will not be declared or paid and the August 2019 monthly distribution will be the fund's final monthly distribution. The fund's liquidating distributions will be paid in cash. It is currently anticipated that the liquidation will be completed on or about October 4, 2019.

Other

BlackRock Advisors, LLC announced a new investment policy for the funds listed below. Each fund may invest up to 20% of its managed assets in securities that are rated below investment grade or are considered by BlackRock to be of comparable quality, at the time of purchase, subject to such fund's other investment policies. The adoption of the new policy will have no effect on each fund's existing investment policy to invest either primarily or at least 80% of its assets in investment grade municipal bonds or obligations. In connection with the adoption of the new policy, MQY's and MQT's investments in municipal bonds will no longer be limited to the three highest quality rating categories:

BlackRock Municipal Income Investment Quality Trust (**BAF**), **BlackRock New York Municipal Income Quality Trust** (**BSE**), **BlackRock Municipal Income Quality Trust** (**BYM**), **BlackRock MuniYield California Quality Fund, Inc.** (**MCA**), **BlackRock MuniEnhanced Fund, Inc.** (**MEN**), **BlackRock MuniHoldings New York Quality Fund, Inc.** (**MHN**), **BlackRock MuniHoldings Investment Quality Fund** (**MFL**), **BlackRock MuniYield Investment Quality Fund** (**MFT**), **BlackRock MuniYield Michigan Quality Fund, Inc.** (**MIY**), **BlackRock MuniYield Pennsylvania Quality Fund** (**MPA**), **BlackRock MuniYield Quality Fund II, Inc.** (**MQT**), **BlackRock MuniYield Quality Fund, Inc.** (**MQY**), **BlackRock MuniHoldings California Quality Fund, Inc.** (**MUC**), **BlackRock MuniHoldings Quality Fund II, Inc.** (**MUE**), **BlackRock MuniHoldings New Jersey Quality Fund, Inc.** (**MUJ**), **BlackRock MuniHoldings Quality Fund, Inc.** (**MUS**), **BlackRock MuniYield Quality Fund III, Inc.** (**MYI**), **and BlackRock MuniYield New York Quality Fund, Inc.** (**MYN**).

The Swiss Helvetia Fund, Inc. (**SWZ**), a non-diversified registered closed-end investment management company, announced that it has filed preliminary proxy materials with the U.S. SEC in connection with the fund's 2019 annual meeting of stockholders. The proxy materials include proposals to approve a new investment objective for the fund and revised fundamental investment restrictions in order to provide the fund with greater investment flexibility and an investment advisory agreement with Bulldog Investors, LLC. If approved by stockholders, the investment advisory agreement with Bulldog would replace the investment advisory agreements between the fund and its current investment advisers.

If approved by stockholders, the fund's current fundamental objective of long-term capital appreciation through investment in equity and equity-linked securities of Swiss companies would be replaced with a non-fundamental objective of total return. If the proposed advisory agreement with Bulldog is approved, which approval is contingent on stockholder approval of the aforementioned change in the fund's investment objective and changes to the fund's fundamental investment restrictions, Bulldog will seek to achieve the objective through an "activist" strategy designed to unlock the underlying value of securities acquired by the fund.

If stockholders approve the fund's new investment advisory agreement with Bulldog, the new investment objective and the changes to the fund's fundamental investment restrictions, the fund intends, as soon as practicable thereafter, to commence a tender offer for up to 15% of the fund's outstanding shares at a price of 95% of the fund's NAV per share. If stockholders do not approve each of the foregoing proposals, the board will consider what actions, if any, would be appropriate.

The board has fixed the close of business on August 19, 2019, as the record date for the determination of stockholders entitled to notice of and to vote at the meeting, which is expected to be held late in the third quarter or early in the fourth quarter of 2019.

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

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