

## Portfolio Review

The RiverNorth Managed Duration Municipal Income Fund's (the "Fund") net asset value (NAV) performance was driven by strong returns in the closed-end fund (CEF) portfolio, combined with spread tightening in the municipal asset class overall. It is worth noting that most of the positive performance in the CEF component of the portfolio was attributed to NAV gains, while discounts remained historically wide. The average discount of the Fund's CEF holdings widened 35 basis points (bps) over the quarter from -10.31% to -10.66%.

To satisfy the prospectus duration band of +/- 3 years relative to the benchmark, the Fund typically holds a short position in U.S. Treasury (UST) bond futures. The hedging position can have a material impact on NAV performance depending on the direction of UST rates, which currently remain near historic lows. The hedge detracted 0.70% from performance for the quarter and reduced performance 9.12% YTD through 6.30.

The Fund's sleeve weighting (Tactical Municipal CEF managed by RiverNorth and Municipal Bond Income managed by MacKay Shields), duration, and credit quality were relatively unchanged over the quarter.

### Notes from MacKay Municipal Managers

The municipal market experienced a strong recovery during the second quarter, rebounding from the historically weak first quarter. Flows shifted from heavy selling pressure at the beginning of April and finished with strong positive flows as retail investors returned, enticed by attractive yields not available for a couple of years. The opportunity was fleeting, as yields dropped precipitously the last two months of the quarter. The Bloomberg Barclays Municipal Index returned 2.72%, bringing year-to-date returns to 2.08%. The Fund took advantage of the volatility during the quarter by purchasing certain sectors and idiosyncratic credits that came under pressure due to the Covid-19 pandemic, and subsequent lock-down of the economy. Attractive purchases were made in transportation and higher education sectors, as well as credits in Illinois and New York. The Fund also took advantage of selling bonds into pockets of strength, like the strong investor demand in Texas bonds. The Fund's higher quality credit structure entering the quarter allowed the Fund to increase exposure in lower investment grade bonds as spreads widened, adding to not only book income but also potential for total return should credit spreads narrow.

### Risk Information: See the prospectus for a more detailed description of Fund risks. Investing involves risk.

Although the income from the Fund's municipal bond investments is generally exempt from federal income tax, you may owe taxes on any capital gains realized through the Fund's trading or through your own redemption of shares. For some investors, a portion of the Fund's income may be subject to state and local taxes, as well as to the federal alternative minimum tax. Risk is inherent in all investing. Investing in any investment company security involves risk, including the risk that you may receive little or no return on your investment or even that you may lose part or all of your investment. Therefore, before investing in the Common Shares, you should consider the risks as well as the other information in the prospectus.

Past performance is no guarantee of future results. Diversification does not ensure a profit or guarantee against loss. An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle. The fund is a closed-end fund and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market's value. Investments may include securities that have a rating that below investment grade, including "high yield" securities. High yield bonds are subject to interest rate risk. If rates increase, the value generally declines. Leverage is a speculative technique that exposes a closed-end fund to greater risk and increased costs than if it were not used. The use of leverage may cause greater volatility in the level of a closed-end fund's NAV, market price and distributions on its common shares. Leverage will also result in higher fees to the closed-end fund manager because the amount of assets under management will be included in the Fund's managed assets. There can be no assurance that a closed-end fund will use leverage or that its leveraging strategy will be successful during any period in which it is employed.

### Definitions:

A closed-end fund is a portfolio of pooled assets that raises a fixed amount of capital through an initial public offering (IPO) and then lists shares for trade on a stock exchange.

Basis Points (bps) are a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001), and is used to denote the percentage change in a financial instrument.

U.S. Treasury Bond Futures are standardized contracts for the purchase and sale of U.S. government notes or bonds for future delivery.

The Bloomberg Barclays Municipal Index is an unmanaged index made up of a representative list of general obligation, revenue, insured and pre-refunded bonds. The index is frequently used as a general measure of tax-exempt bond market performance. The index cannot be invested in directly and does not reflect fees and expenses.

**Investors should consider the investment objective, management fees, risks, charges and expenses of the Fund carefully before investing. The Prospectus contains this and other information about the Fund. For a current Prospectus, call toll-free 844.569.4750 or visit [rivernorth.com](http://rivernorth.com). Please read the Prospectus carefully before you invest.**