

Closed-End Funds (CEFs)

- The equity and fixed income markets sustained their rally from the March lows with the S&P 500 Index trading around its all-time high, while Treasury yields and credit spreads trend near their historic lows.
- CEFs continued their rebound up 3.3% and 3.7% in 3Q on market price and net asset value (NAV), respectively. Notwithstanding consecutive quarters of strong performance, CEFs are still down YTD through 9.30 (-9% and -4.9% on market price and NAV, respectively*)

The best and worst performing CEF peer groups are as follows:

Top 5 / Bottom 5	CEF Peer Group Indices 3 Months Ending 9.30.2020	NAV Total Return
Commodity CEFs		16.67%
Convertibles CEFs		11.62%
Asia Equity CEFs		9.99%
Single Country Equity CEFs		7.51%
Preferreds CEFs		7.32%
National Municipal CEFs		2.15%
Single State Municipal CEFs		1.83%
California Municipal CEFs		1.66%
New York Municipal CEFs		1.07%
MLP CEFs		-12.19%

Top 5 / Bottom 5	CEF Peer Group Indices 3 Months Ending 9.30.2020	Price Total Return
Commodity CEFs		13.28%
Asia Equity CEFs		9.68%
Senior Loans CEFs		7.85%
Single Country Equity CEFs		7.39%
Convertibles CEFs		7.27%
New York Municipal CEFs		2.37%
Sector Equity CEFs		1.05%
Emerging Market Income CEFs		0.38%
Real Estate CEFs		-0.84%
MLP CEFs		-17.71%

Top 5 / Bottom 5	CEF Peer Group Indices YTD Ending 9.30.2020	NAV Total Return
Commodity CEFs		25.19%
Convertibles CEFs		10.73%
Taxable Municipal CEFs		6.69%
Asia Equity CEFs		6.16%
California Municipal CEFs		2.91%
Sector Equity CEFs		-9.07%
Global Hybrid (Allocation) CEFs		-11.83%
Emerging Market Equity CEFs		-13.94%
Real Estate CEFs		-17.92%
MLP CEFs		-65.61%

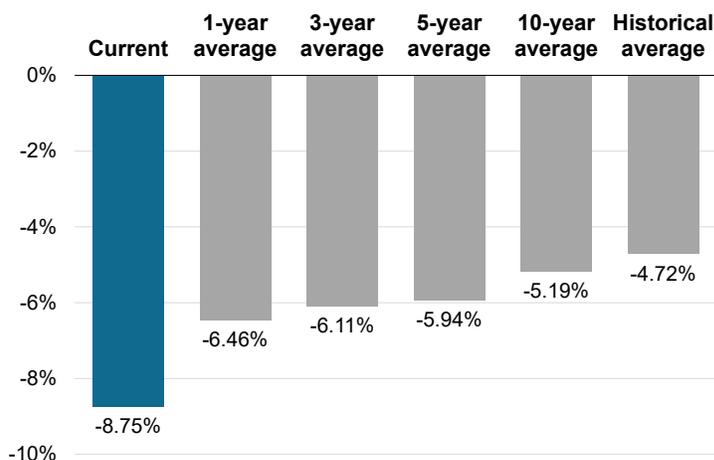
Top 5 / Bottom 5	CEF Peer Group Indices YTD Ending 9.30.2020	Price Total Return
Commodity CEFs		22.80%
Taxable Muni CEFs		7.38%
Single State Municipal CEFs		2.86%
Investment Grade CEFs		1.04%
California Municipal CEFs		0.78%
Emerging Market Income CEFs		-18.20%
Global Hybrid (Allocation) CEFs		-18.81%
Emerging Market Equity CEFs		-19.02%
Real Estate CEFs		-26.71%
MLP CEFs		-71.33%

Past performance is not a guarantee of future results. Short term performance may not be indicative of long term results. Please see page 6 for peer group index definitions.
Source: RiverNorth Capital Management, LLC; Morningstar, Inc.

- We believe discounts are remarkably wide when considering:

- Markets have been strong and stable
- Interest rate volatility is near all-time lows
- Credit spreads are narrow

Current and Historical All CEF Discount Averages



*. *Source: Morningstar, Inc. Based on All CEFs Peer Group

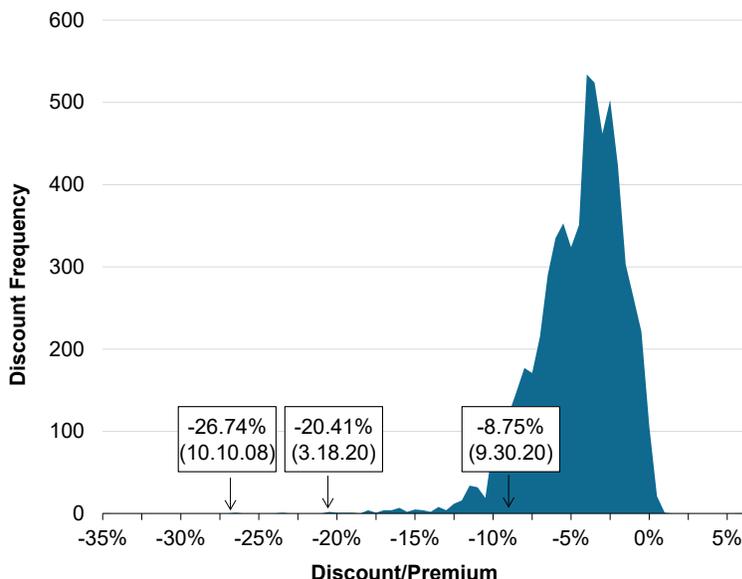
Historical data begins 12.31.1996 Past performance is not a guarantee of future results.
Source: RiverNorth Capital Management, LLC; Morningstar, Inc.

- CEF corporate action activity remains elevated. According to Georgeson (a firm specializing in proxy solicitations), there have been 27 proxy fights in 2020 compared to 16 in all of 2019. As a result, there are numerous tender offers taking place which could end up returning significant amounts of capital back to investors.
- As previously noted, the All-CEF peer group is still down 9% on market price YTD through 9.30. The price returns look considerably worse when you back out distributions received. This drives our view that there could be significant CEF tax-loss selling in 4Q. Adding in uncertainty around the presidential election and the economic recovery amidst lockdowns, 4Q could potentially present excellent CEF trading opportunities.
- Low interest rates/borrowing costs combined with dividend hikes can be the catalyst for significant discount narrowing, especially as tax loss selling pressure eases in the new calendar year.

Note: The SIFMA Index was 11 basis points (bps) as of 9.30.20 vs.160 bps on 9.30.19 and 3 Month LIBOR (London InterBank Offered Rate) was 23 basis points (bps) as of 9/30/20 versus 209 bps as of 9.30.19.

All CEF Frequency Distribution of Discounts

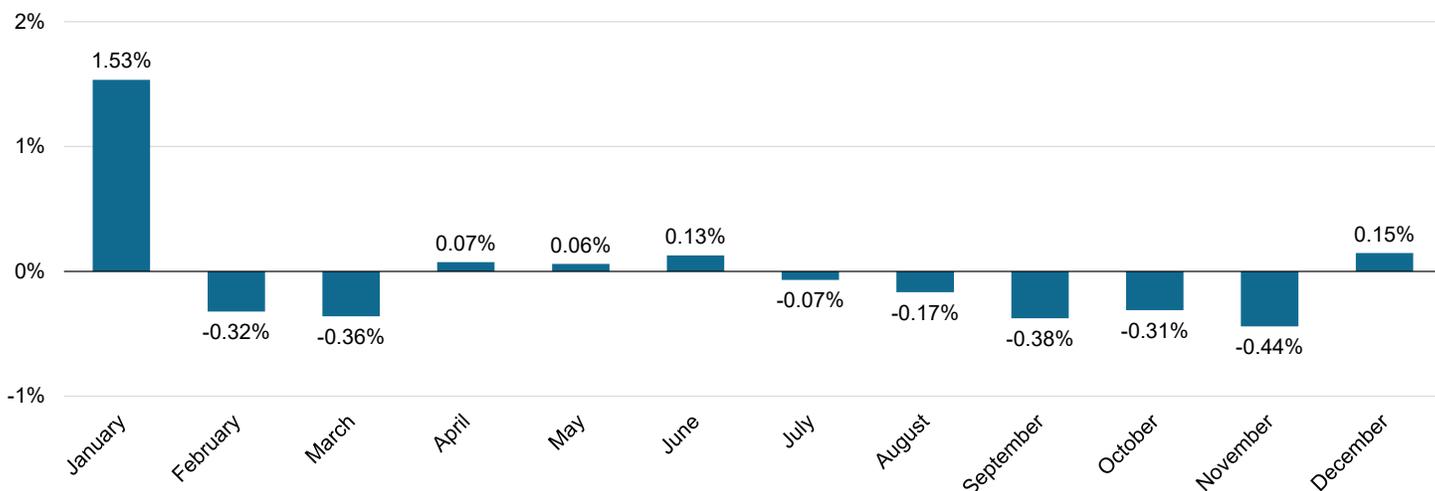
Wider: 540 (9%); Narrower: 5,650 (91%); Total Observations: 6,190



Past performance is not a guarantee of future results. Historical data begins 12.31.96. 2008 is used as a reference point as it corresponds to the widest average discount level for the current cycle. It is for comparison purposes only.
Source: RiverNorth Capital Management, LLC; Morningstar, Inc.

Mean Reversion – Discount Seasonality

All CEF Average Monthly Discount Change
12.31.1996 - 9.30.2020



Note: If the discount has narrowed, the discount change is positive. If the discount has widened, the discount change is negative.

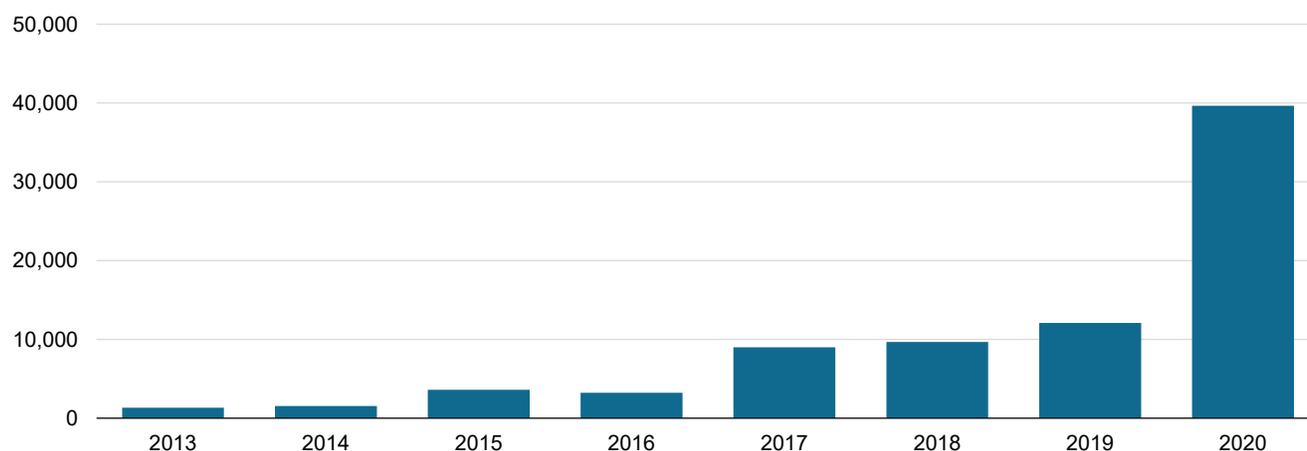
Past performance is not a guarantee of future results. Based on Morningstar, Inc. un-weighted All Closed-End Fund peer group index. Chart shows average discount change for each calendar month since 1996. Historical data begins 12.31.96.
Source: RiverNorth Capital Management, LLC; Morningstar, Inc.

Special Purpose Acquisition Companies (SPACs)

- 3Q witnessed a record number of SPACs issued and amount of capital raised, including the largest SPAC to date, Bill Ackman's Pershing Square Tontine Holdings.
- In our view, recent activity in SPACs has legitimized the structure as a viable and efficient path for companies to go public, especially in pandemic/post-pandemic environment. Record issuance also creates a meaningful amount of supply, which in turn creates trading opportunities around potential supply/demand imbalances.
- Viewed from an investors perspective, we believe that the structure continues to offer attractive optionality with relatively little downside (e.g. trust value) and potential for significant upside via the warrants.

SPAC Market Statistics

SPAC Assets Raised (\$ millions)
1.1.2013 -9.30.2020



Past performance is not a guarantee of future results.
Source: RiverNorth Capital Management, LLC; Bloomberg.

SPAC Outcomes Since 2013

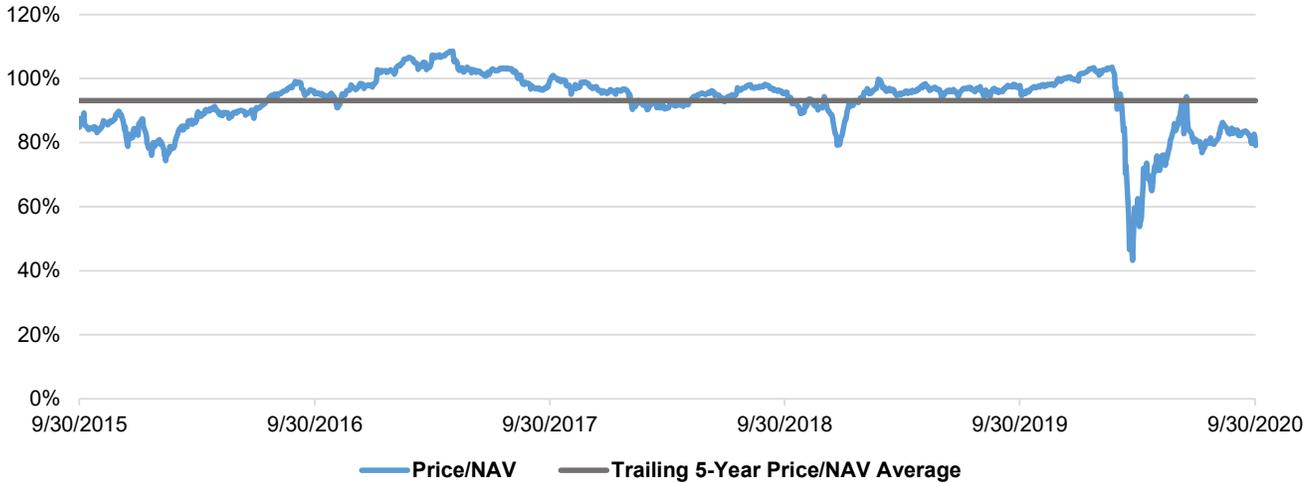
	2013	2014	2015	2016	2017	2018	2019	2020	Total
IPOs	10	11	20	13	34	46	59	115	308
Completed Acquisitions	8	8	17	12	27	30	8	0	110*
Liquidations	2	3	3	1	3	1	1	0	14*
Announced Targets	0	0	0	0	2	11	19	12	44
Seeking Acquisition	0	0	0	0	2	4	31	103	140
Completed Acquisitions %	80%	73%	85%	92%	79%	65%	14%	0%	36%
Liquidations %	20%	27%	15%	8%	9%	2%	2%	0%	5%
Announced Acquisitions %	0%	0%	0%	0%	6%	24%	32%	10%	14%
Seeking Acquisition %	0%	0%	0%	0%	6%	9%	53%	90%	45%

Past performance is not a guarantee of future results.
Source: RiverNorth Capital Management, LLC; Bloomberg.

Business Development Companies (BDCs)

- BDCs overall performed well in 3Q. The Wells Fargo BDC Index posted a total return of 4.72%. However, performance remains significantly in the red for the year (total return of - 24.3% YTD through 9.30) and discounts are still significantly wider compared to longer-term averages.

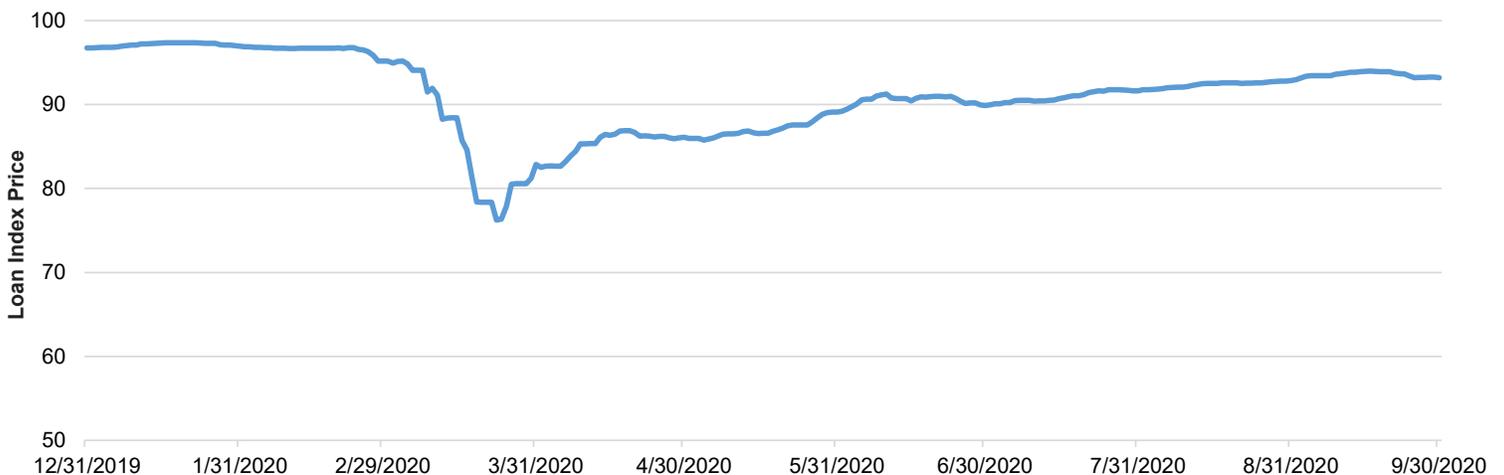
BDC Market Price / Net Asset Value
9.30.2015 - 9.30.2020



Past performance is not a guarantee of future results.
Source: Wells Fargo BDC Index. Please see page 6 for index definitions.

- While the majority of BDC 3Q book values won't be known until late October/early November when BDCs report earnings, we would generally expect increases in book value across the space given the continued rally in syndicated bank loan prices. We believe this is especially true for higher-quality BDCs and issuers with a higher mix of liquid/semi-liquid loans.

Syndicated Bank Loan Prices
12.31.2019 - 9.30.2020



Past performance is not a guarantee of future results.
Source: LSTA Leveraged Loan Index. Please see page 6 for index definitions.

- Credit performance across top-tier BDCs managed by, in our view, high-quality sponsors and conservative underwriters have overall remained strong, which we believe will continue. However, we anticipate that lower-tier issuers will continue to struggle with additional portfolio write-downs and an increase in defaults and losses. This has been the trend for several years, and in our opinion will likely be further pronounced in the current environment for managers which have not underwritten prudently.
- On a positive note, BDC portfolios generally don't have outsized exposure to the cyclical industries that were most impacted by the pandemic and resulting lockdowns. Thus, the worst-case credit fears haven't largely materialized to date – the primary driver for outsized negative credit performance has continued to be underwriting quality between managers versus macroeconomic impacts as the performance delta between top-tier and lower-tier BDCs has remained elevated.
- We believe in focusing on the handful of, in our view, higher-quality names with solid credit underwriting, conservatively structured portfolios, and substantial liquidity, yet still trading at meaningful discounts. We believe BDCs that fit this criteria represent attractive value relative to a traditional high yield and bank loan investments.
- Notwithstanding, there still are plenty of discount (value) traps out there. This happens when current discounts aren't reflective of the potential for significant NAV reduction due to overinflated book values. The BDC space, as a whole, has presented numerous value trap opportunities historically and we believe investors are prudent to focus on high quality at a reasonable price versus arbitrarily chasing “deep discounts.”
- We believe BDC distribution cuts are largely in the rear view mirror for the higher quality names, which have already made the necessary cut or feel comfortable at the current level. Furthermore, for a small subset of names which have substantial dry powder, we believe there may be the potential for distribution increases over the medium term as they deploy capital opportunistically to generate higher returns for equity investors.
- Similar to the CEF space, BDCs could see significant tax loss selling in 4Q given the negative YTD performance. This could present investors with potentially attractive entry points to deploy capital opportunistically over the balance of 2020.

Investment Company Debt (ICD)

- As a refresher, this asset class includes debt securities issued by BDCs and CEFs. Recently, we have focused on deploying capital across BDC notes. There is roughly \$18bn of outstanding tradeable BDC debt, including roughly \$3bn of baby bonds (\$25 par increments traded on an exchange with a ticker) and \$15bn of institutional notes.
- Boring is beautiful in this asset class, and credit performance has been excellent. Having invested hundreds of millions across the asset class for years, we have never experienced a default across any BDC debt securities in our portfolios. All securities which we hold remain current, and we have not flagged any note which we believe presents a high level of credit risk based on our current assessment of each issuer's fundamentals. Yields are overall in-line with high yield bonds.
- RiverNorth expects to see continued activity in this space as private BDCs merge with their public counterparts, or list their shares, and subsequently seek to raise additional unsecured debt funding.
- As mentioned in the BDC section above, loosened leverage requirements would likely lead to increased supply. All of these factors lead to a focus on credit underwriting and performance of the sponsor as credit performance of the book directly impacts the equity value, which in turn impacts credit risk on the debt. As a reminder, under the Investment Company Act of 1940, BDCs are required to maintain a minimum asset coverage requirement of 150%. As a result, BDCs are not permitted to hold more than \$2 of debt per \$1 of equity, providing significant cushion for debt holders through a minimum 33% equity subordination as measured on a quarterly basis.

Risk Information:

The price at which a closed-end fund trades often varies from its net asset value (NAV). Some funds have market prices below their NAVs - referred to as a discount. Conversely, some funds have market prices above their NAVs - referred to as a premium.

Investing involves risk. Principal loss is possible. Past performance is no guarantee of future results. Diversification does not ensure a profit or a guarantee against loss.

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.

The **S&P 500 Index** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy based on the changing aggregate market value of these 500 stocks. Indexes cannot be invested in directly and do not reflect fees and expenses

A **Proxy Fight** refers to the act of a group of shareholders joining forces and attempting to gather enough shareholder proxy votes to win a corporate vote.

A **Tender Offer** a type of public takeover bid constituting an offer to purchase some or all of shareholders' shares in a corporation.

A **Basis Point** is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Tax Loss Selling is the selling of securities at a loss to offset a capital gains tax liability.

The **SIFMA (Security Industry/Financial Market Assoc.) Index** is a 7-day high-grade market index comprised of tax-exempt Variable Rate Demand Obligations (VRDOs) with certain characteristics. The Index is calculated and published by Bloomberg.

The **London Interbank Offered Rate (LIBOR)** is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.

Special Purpose Acquisition Company (SPAC) is a company with no commercial operations that is formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring an existing company.

Warrants are a derivative that give the right, but not the obligation, to buy or sell a security—most commonly an equity—at a certain price before expiration.

A **Business Development Company (BDC)** is an organization that invests in small- and medium-sized companies as well as distressed companies. A BDC helps the small- and medium-sized firms grow in the initial stages of their development.

Wells Fargo BDC Index is a float adjusted, capitalization-weighted index that is intended to measure the performance of all Business Development Companies ("BDC") that are listed on the New York Stock Exchange or NASDAQ and satisfy specified market capitalization and other eligibility requirements.

LSTA (Loan Syndications & Trading Association) Leveraged Loan Index is a market-weighted index that tracks the performance of institutional leveraged loans.

Dry Powder is a term referring to marketable securities that are highly liquid and considered cash-like. Dry powder can also refer to cash reserves kept on hand by a company, venture capital firm or individual to cover future obligations, purchase assets or make acquisitions.

Investment Company (IC) is a corporation or trust engaged in the business of investing the pooled capital of investors in financial securities.

Peer Group Indices:

The **Master limited Partnership (MLP) CEF index** is based upon the Morningstar Un-weighted MLP CEF Index which is the average of all closed-end funds categorized by Morningstar as utilizing a MLP investment strategy. MLP closed-end funds are defined as funds that invest primarily in MLPs.

The **Convertible CEF index** total return and discount statistics are based upon the Morningstar Un-weighted Convertible CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a convertible investment strategy. Convertible closed-end funds are defined as funds that invest primarily in Convertibles bonds / Convertible preferred stock.

The **Single Country Equity CEF index** is based upon the Morningstar Un-weighted Single Country Equity CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a single country equity investment strategy. Single country closed-end funds are defined as funds that holds a portfolio of equity securities of companies located exclusively in a given country.

The **Sector Equity CEF index** is based upon the Morningstar Un-weighted Sector Equity CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a sector equity investment strategy. Sector equity closed-end funds are defined as funds that invest primarily in a specific sector. For example: Health/Biotechnology, Natural Resources, Science and Technology, Utility, Real Estate, Gold, or Financial Services.

The **Commodity CEF index** is based upon the Morningstar Un-weighted Commodity CEF index, which is the average of all closed-end funds categorized by Morningstar as utilizing a commodity investment strategy. Commodity closed-end funds are defined as funds that invest in a physical good, such as an agricultural product or metal, that is interchangeable with other goods of the same type. Commodity futures (contracts for the future delivery of a standardized amount of the commodity) are traded on exchanges such as the Chicago Board of Trade.

The **Taxable Muni CEF index** is based upon the Morningstar Un-weighted Taxable Muni CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a taxable muni investment strategy. Taxable Muni closed-end funds are defined as funds that invest in fixed-income securities issued by a local government such as a city or county or related agencies which has taxable income. Taxable municipal bonds are generally issued to finance a project or activity that does not provide a major benefit to the public.

The **Municipal-CA CEF index** is based upon the Morningstar Un-weighted Municipal-CA CEF Index which is the average of all closed-end funds categorized by Morningstar as utilizing a municipal-CA investment strategy. Municipal-CA closed-end funds are defined as funds that invest primarily in those securities that are exempt from taxation in California and are insured as to timely payment.

The **Municipal-Single State CEF index** is based upon the Morningstar Un-weighted Municipal-Single State CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a municipal-single state investment strategy. Municipal-single state closed-end funds are defined as funds that limit assets to those securities that are exempt from taxation in a specified state (double tax-exempt) or city (triple tax-exempt) and are insured as to timely payment.

The **Municipal-NY CEF index** is based upon the Morningstar Un-weighted Municipal-NY CEF Index which is the average of all closed-end funds categorized by Morningstar as utilizing a municipal-NY investment strategy. Municipal-NY closed-end funds are defined as funds that invest primarily in those securities that are exempt from taxation in New York (double tax-exempt) or a city in New York (triple tax-exempt).

The **Asia Equity index** total return and discount statistics are based upon the Morningstar Un-weighted Asia Equity index, which is the average of all closed-end funds categorized by Morningstar as utilizing an Asia equity investment strategy. Asia equity closed-end funds are defined as funds investing their assets primarily in equity securities with primary trading markets or operations in Asian countries.

The **Global Allocation CEF index** is based upon the Morningstar Un-weighted Global Allocation CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a global allocation investment strategy. Global allocation closed-end funds are defined as funds that consist of securities in all parts of the world. Global funds are chosen primarily by investors who wish to diversify against country-specific risk without excluding their own country.

The **Emerging Market Equity index** total return and discount statistics are based upon the Morningstar Un-weighted Emerging Market Equity Index, which is the average of all closed-end funds categorized by Morningstar as utilizing an emerging market equity investment strategy. Emerging Market Equity closed-end funds are defined as funds that invest primarily in emerging market government and corporate debt securities.

The **Real Estate CEF index** is based upon the Morningstar Un-weighted Real Estate CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing a real estate investment strategy. Real estate closed-end funds are defined as funds that invest primarily in equity securities of domestic and foreign companies engaged in the real estate industry.

An investor should consider the investment objectives, risks, charges and expenses of the Fund (or of the Investment Company) carefully before investing. To obtain a prospectus containing this or other information about the Fund, please call 888.848.7569 or download a PDF version from rivernorth.com. Read the prospectus carefully before you invest.

ALPS Distributors, Inc. Member FINRA.

ALPS and RiverNorth Capital Management, LLC are not affiliated.

RiverNorth® and the RN Logo are registered trademarks of RiverNorth Capital Management, LLC.

©2000-2020 RiverNorth Capital Management, LLC. All rights reserved.

RVN001470 EXP. 1/31/21

NOT FDIC INSURED
NO BANK GUARANTEE
MAY LOSE VALUE

