

RIVERNORTH®

1Q25 RiverNorth Opportunities Fund, Inc., RiverNorth Capital and Income Fund, Inc., RiverNorth Core Opportunity Fund and RiverNorth/Oaktree High Income Fund Audio Review Transcript

Chris Lakumb

Steve, let's talk about RIV.

Steve O'Neill

Sure. Thanks, Chris. I would say RIV was fairly well-positioned for the market volatility of this year. Our equity exposure in this portfolio has been fairly low compared to the historical range. We've actually had a decent amount of equity index ETF shorts within this portfolio. That is somewhat of a tactical position that we've taken off as the market has sold off. And so, equity exposure or beta has been increasing a bit with the sell-off. Outside of equities, I would say that the credit risk within this portfolio has been fairly low. We do not have meaningful allocations to levered credit closed-end funds or common equity of business development companies. And so, we really welcome any sort of spread winding, especially if it impacts negatively the taxable close-end fund market. And so again, when you think about positioning going into this volatility, we didn't really have much in the way of credit closed-end funds. So, we sidestep part of that market selloff. What we do have in this portfolio, which does have credit risk, is business development company bonds or bonds issued by BDCs. These are generally investment-grade rated, and those have held up pretty well. Most of it's on the shorter end of the curve. So, yields have come down. Spreads have widened. But overall, yields have been roughly unchanged, maybe 40, 50 basis points higher. But that part of the portfolio is doing pretty well. I would say the bigger underperformer within this portfolio has been munis. They're really down about 2.5% year to date, and so that's not a big absolute number. But we would have expected them to perform better in a risk-off environment.

But what has happened recently is a lot of technical weakness in the muni market, which has actually caused yields on many muni bonds to trade higher than Treasuries. And so, we think some of that can kind of reverse. But in the meantime, it's been somewhat of an underperforming part of the portfolio. As we look forward, I mentioned adding some risk here in the weakness. A lot of that actually came from just peeling off shorts in this portfolio. But we've also been tactically offensive or on offense for trading taxable bond closed-end funds. I think that allocation will remain fairly small given the absolute level of discounts in the market. But we are certainly looking for opportunities. The last thing I'll say is the cash in this portfolio has been fairly high. I'd say just kind of stated cash is around 15% of capital. So that gives us a lot of room to put money to work. But we also have a large SPAC allocation in this portfolio, which is north of 20%, which is really T-Bills and a wrapper. And so, I think about kind of the potential for us to put capital to work in a weak market is significant. We haven't put a lot of new capital to work recently. Most of it's just been focused on kind of covering some hedges, but we certainly welcome some further weakness and discount volatility in large part because the way we entered the year was positioned fairly conservatively.

Chris Lakumb

Thanks, Steve. Let's move on to the RiverNorth Core Opportunity Fund.

Steve O'Neill

Okay. When we think about the RiverNorth Core Opportunity Fund, this is a long-only fund. We've got about 50% of our capital invested in equity and hybrid closed-end funds, about 20% in credit closed-end funds, and about 10% in munis. And so, when you think about our portfolio, it's typically about 75, 80 percent invested in closed-end funds. With the discount widening that we've seen this year, we've had some underperformance there. But I would say that the anchors of value are pretty significant for the funds that we own. They started off cheap. They've gotten a little bit cheaper. But this portfolio, I would say, looks attractive. We have a pretty sizable cash position in this portfolio, too, kind of ranging in the 10 to 15

percent range. We'll look to use that cash to deploy, most likely, in some credit closed-end funds, given kind of the composition of that portfolio, which is a bit higher quality today. We did some of that here in the month of April. A lot of it's been shorter-term trades, not necessarily building exposure. But the way we would think about RNCOX is we've got a full allocation to closed-end funds, typically always invested in the names that we like. That's typically, like I said, about 70 to 80 percent of capital. But we would use opportunities, certainly, on the weakness to increase closed-end funds where warranted.

Chris Lakumb

Thanks, Steve. Let's talk about the RiverNorth/Oaktree High Income Fund.

Steve O'Neill

Sure. When we look at RNHIX, that portfolio, about 85% of that is managed by our partners at Oaktree. They are mostly invested in high yield bonds. Within our sleeve, we have the choice of investing in closed-end funds or business development company debt. Given that taxable closed-end fund discounts were so narrow earlier this year, in many cases, the average got between 0 and 1 percent discounts on average. We kept the closed-end fund exposure really low. It's been less than 1% of this portfolio. And instead, we've focused on what we think is a nice high-quality opportunity in debt issued by business development companies. Those portfolios or the debt is typically rated investment grade. This portfolio is certainly an investment grade portfolio of BDC debt. That has performed well, certainly relative to credit close-end funds. And we continue to like the short-duration aspect of those and the spreads that are available relative to other parts of the market. This portfolio also has cash, which has been a theme for us for the year. We will look to put that to work opportunistically, most likely looking to buy some closed-end funds, but haven't made many meaningful changes to this portfolio year to date.

Chris Lakumb

Thanks, Steve. Let's talk about the RiverNorth Capital and Income Fund, ticker symbol RSF.

Steve O'Neill

Okay. Yeah. When we look at RSF, this portfolio, we haven't made many changes in the month of April here in light of the recent volatility. Year to date, we've continued to have a higher percentage of the portfolio in the Square small business loans. We have no exposure or very low exposure, I should say, to close-end funds in this portfolio, given the absolute narrowness of discounts. We do also have some BDC debt in this portfolio, but those are small allocations relative to our preferred asset class with this vehicle, which is the short-duration, high-income square business loans.

Chris Lakumb

Thanks, Steve.

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Risk Information: Detailed information regarding the risks associated with RiverNorth Closed-End Funds and RiverNorth Mutual Funds can be found in each Fund's prospectus, respectively.

RiverNorth Closed End Funds:

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.

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. Investments in the Funds are not appropriate for all investors and is not intended to be a complete investment program. The Funds are designed as long-term investments and not as trading vehicles. The Funds are closed-end funds and do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Funds trade 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.

RiverNorth Opportunities Fund, Inc. (RIV): By investing in high yield bonds you may be subjected to greater price volatility based on fluctuations in issuer and credit quality. When investing in bonds, you are subject, but not limited to, the same interest rate, inflation and credit risks associated with the underlying bonds owned by the Fund. 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.

RiverNorth Credit and Income Fund, Inc. (RSF): The profitability of specialty finance and other financial companies is largely dependent upon the availability and cost of capital funds, and may fluctuate significantly in response to changes in interest rates, as well as changes in general economic conditions. If the borrower of Alternative Credit (as defined below) in which the Fund invests is unable to make its payments on a loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan, as (among other reasons) the Fund may not have direct recourse against the borrower or may otherwise be limited in its ability to directly enforce its rights under the loan, whether through the borrower or the platform through which such loan was originated, the loan may be unsecured or under collateralized, and/or it may be impracticable to commence a legal proceeding against the defaulting borrower. Substantially all of the Alternative Credit in which the Fund invests will not be guaranteed or insured by a third party. In addition, the Alternative Credit Instruments in which the Fund may invest will not be backed by any governmental authority. Prospective borrowers supply a variety of information regarding the purpose of the loan, income, occupation and employment status (as applicable) to the lending platforms. As a general matter, platforms do not verify the majority of this information, which may be incomplete, inaccurate, false or misleading. Prospective borrowers may misrepresent any of the information they provide to the platforms, including their intentions for the use of the loan proceeds. Alternative Credit Instruments are generally not rated by the nationally recognized statistical rating organizations ("NRSROs"). Such unrated instruments, however, are considered to be comparable in quality to securities falling into any of the ratings categories used by such NRSROs to classify "junk" bonds (i.e., below investment grade securities). Accordingly, the Fund's unrated Alternative Credit Instrument investments constitute highly risky and speculative investments similar to investments in "junk" bonds, notwithstanding that the Fund is not permitted to invest in loans that are of subprime quality at the time of investment. Although the Fund is not permitted to invest in loans that are of subprime quality at the time of investment, an investment in the Fund's Shares should be considered speculative and involving a high degree of risk, including the risk of loss of investment. There can be no assurance that payments due on underlying loans, including Alternative Credit, will be made.

RiverNorth Mutual Funds:

RiverNorth Core Opportunity Fund (RNCIX/RNCOX): Borrowing Risk – borrowings increase fund expenses and are subject to repayment, possibly at inopportune times. Closed-End Fund Risk – closed-end funds are exchange traded, may trade at a discount to their net asset values and may deploy leverage. Derivatives Risk – derivatives are subject to counterparty risk. Equity Risk – equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Convertible Security Risk – the market value of convertible securities adjusts with interest rates and the value of the underlying stock. Exchange Traded Note Risk – exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk – the market value of fixed income securities adjusts with interest rates and the securities are subject to issuer default. Foreign/Emerging Market Risk – foreign securities may be subject to inefficient or volatile markets, different regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Investment Style Risk – investment strategies may come in and out of favor with investors and may underperform or outperform at times. Management Risk – there is no guarantee that the adviser's investment decisions will produce the desired results. Large Shareholder Purchase and Redemption Risk – The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund.

Market Risk – economic conditions, interest rates and political events may affect the securities markets. Preferred Stock Risk – preferred stocks generally pay dividends, but may be less liquid than common stocks, have less priority than debt instruments and may be subject to redemption by the issuer. REIT Risk – the value of REITs changes with the value of the underlying properties and changes in interest rates and are subject to additional fees. Security Risk – The value of the Fund may decrease in response to the activities and financial prospects of individual securities in the Fund’s portfolio. Short Sale Risk – short positions are speculative, are subject to transaction costs and are riskier than long positions in securities. Small-Cap Risk – small-cap companies are more susceptible to failure, are often thinly traded and have more volatile stock prices. Structured Notes Risk – because of the imbedded derivative feature, structured notes are subject to more risk than investing in a simple note or bond. Swap Risk – swap agreements are subject to counterparty default risk and may not perform as intended. Tax Risk – new federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well. Underlying Fund Risk – underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values. Special Purpose Acquisition Companies (SPACs) have no operating history or ongoing business other than to seek a potential acquisition. Certain SPACs may seek acquisitions only in limited industries or regions, which may increase the volatility of their prices. Investments in SPACs may be illiquid and/or be subject to restrictions on resale. To the extent the SPAC is invested in cash or similar securities, this may impact a Fund’s ability to meet its investment objective.

RiverNorth/Oaktree High Income Fund (RNHIX/RNOTX): Borrowing Risk – borrowings increase fund expenses and are subject to repayment, possibly at inopportune times. Closed-End Fund Risk – closed-end funds are exchange traded, may trade at a discount to their net asset values and may deploy leverage. Convertible Security Risk – the market value of convertible securities adjusts with interest rates and the value of the underlying stock. Credit Derivatives Risk – the use of credit derivatives is highly specialized, involves default, counterparty and liquidity risks and may not perfectly correlate to the underlying asset or liability being hedged. Currency Risk – foreign currencies will rise or decline relative to the U.S. dollar. Derivatives Risk – derivatives are subject to counterparty risk. Distressed and Defaulted Securities Risk – defaulted securities carry the risk of uncertainty of repayment. Equity Risk – equity securities may experience volatility and the value of equity securities may move in opposite directions from each other and from other equity markets generally. Exchange Traded Note Risk – exchange traded notes represent unsecured debt of the issuer and may be influenced by interest rates, credit ratings of the issuer or changes in value of the reference index. Fixed Income Risk – the market value of fixed income securities adjusts with interest rates and the securities are subject to issuer default. Foreign/Emerging Market Risk – foreign securities may be subject to inefficient or volatile markets, different regulatory regimes or different tax policies. These risks may be enhanced in emerging markets. Floating Interest Rate Risk – loans pay interest based on the London Interbank Offered Rate (LIBOR) and a decline in LIBOR could negatively impact the Fund’s return. Investment Style Risk – investment strategies may come in and out of favor with investors and may underperform or outperform at times. Large Shareholder Purchase and Redemption Risk – The Fund may experience adverse effects when certain large shareholders purchase or redeem large amounts of shares of the Fund. Liquidity Risk – illiquid investments may be difficult or impossible to sell. Loans Risk – loans may be unrated or rated below investment grade and the pledged collateral may lose value. Secondary trading in loans is not fully developed and may result in illiquidity. Management Risk – there is no guarantee that the adviser’s or sub-adviser’s investment decisions will produce the desired results. Market Risk – economic conditions, interest rates and political events may affect the securities markets. Preferred Stock Risk – preferred stocks generally pay dividends, but may be less liquid than common stocks, have less priority than debt instruments and may be subject to redemption by the issuer. Security Risk – the value of the Fund may increase or decrease in response to the prospects of the issuers of securities and loans held in the Fund. Swap Risk – swap agreements are subject to counterparty default risk and may not perform as intended. Tax Risk – new federal or state governmental action could adversely affect the tax-exempt status of securities held by the Fund, resulting in higher tax liability for shareholders and potentially hurting Fund performance as well. Underlying Fund Risk – underlying funds have additional fees, may utilize leverage, may not correlate to an intended index and may trade at a discount to their net asset values. Valuation Risk – Loans and fixed-income securities are traded “over the counter” and because there is no centralized information regarding trading, the valuation of loans and fixed-income securities may vary.

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