

3Q25 Markets Review and Registered Funds Update Transcript

- Chris Lakumb Steve, why don't you kick things off with any thoughts you have around the closed-end fund, business development company ("BDC"), or special purpose acquisition company ("SPAC") markets?
- Steve O'Neill Sure. Thanks, Chris. I'll cover all three. It has been a good quarter for all three investment vehicles. Let's break them down. Looking at closed-end funds, equity closed-end funds were up about 7% for the quarter, taxable fixed income was up about 4%, and municipals ("munis") were up 6% in the third quarter. On the muni side, it's interesting. Muni closed-end funds had been basically flat through the end of August, and 100% of the gains for the year came in September as the market reacted to the tangibility of the Fed cutting rates. When you think about equity closed-end funds in the market, I said they were up about 7% in the quarter.
- That's on top of 12% for the first half of the year. Those funds are up 19% now. I think one thing to keep in mind is just the diversification of those equity funds. Closed-end funds in the equity space, there's international, there's emerging markets, which have performed really well. There's commodities that have done well, and also dividend-paying stocks like utilities. And so, it's been, across the board for closed-end funds, really strong from a market price perspective. From a discount perspective, discounts were roughly unchanged for the third quarter. Discounts are right around 4.5%. Obviously, there's a big range for discounts in the market. But again, in third quarter, discounts were roughly unchanged.
- Looking at BDCs, BDCs have had a down year. They were down about 5% total return in the third quarter, and that brings their year-to-date total decline to about 5%. BDCs have gone to perform even worse here in October. There's been some bounce back in the last week or two. But BDCs have been well covered in the media. I guess I'll cut to the bottom line. We think it's an opportunity to add some exposure here. But broadly speaking, performance has been negative. And it's not because the portfolios have delivered negative returns, like the net asset value ("NAV") performance or book value total return. But it's really just the price to book.
- Valuations were quite rich early in the year, and I'd say the market has normalized and gotten to a point where we are beyond normalization to cheap. And so, the price declines that we've seen on BDCs have really just come from a re-rating of market price to book. I guess on the opposite side of the risk spectrum, SPACs, SPACs year to date are up about 10%. SPACs are back. They continue to benefit from investor interest. There are transactions that have been announced that have been really well received. And so that has been a really strong part of our portfolios.
- Chris Lakumb Thanks, Steve. Maybe we just tick through some of the registered fund updates, maybe starting on the mutual fund platform. I'll just kick off with, in the third quarter, we completed the successful conversion of the RiverNorth Core Opportunity Mutual Fund to an actively managed ETF. No significant change to the strategy, the philosophy, the team, etc., but now it trades as an ETF under the ticker symbol CEFZ. I feel like that's a better wrapper, better vehicle to implement the strategy and certainly where the puck is headed in the industry, generally speaking. So outside of that, Steve, anything else to comment on the mutual fund platform?
- Steve O'Neill Sure. I guess I would just highlight some strong performance in the RiverNorth DoubleLine Strategic Income Fund. That fund's up about 6.5% year to date through 9/30. Looking under the hood, the DoubleLine opportunistic income strategy has been the best performer. Within our sleeve, we've been really underweight closed-end funds for a while. I guess we've had less than 10% closed-end fund exposure, with a chunk of that actually in municipal closed-end funds. We've used some of the October weakness here as an

opportunity to add. And so, I'd say we might have bottomed from a closed-end fund perspective. We're seeing more opportunity from a mean reversion perspective.

And it's also interesting that RiverNorth ourselves are doing rights offerings for our funds. But across the industry, closed-end funds are raising new capital. There's been 18 rights offerings for closed-end funds year to date. And in some cases, we've used those opportunities to add positions to RiverNorth/DoubleLine Strategic Income Fund ("RNSIX"). And so, again, I would just kind of highlight what has been low closed-end fund exposure for most of the year. But I think we're putting our foot forward to accumulate at some attractive prices here today. And I would say that applies to the RiverNorth /Oaktree High Income Fund ("RNHIX") portfolio as well, where we've been underweight closed-end funds, but have used some opportunity in the credit markets recently to add some exposure. In addition to the closed-end funds, I mentioned the BDC weakness earlier. I think the team thinks that's been a really good opportunity to add some credit beta to the portfolio and really get in at some attractive valuations.

Chris Lakumb

Thanks, Steve. And then moving over to the closed-end fund platform, you already touched on this very high level, but three of our closed-end funds are going through or have gone through a rights offering. So RiverNorth Capital and Income Fund, Inc. ("RSF") wrapped up a fully subscribed offering back in July. We had RiverNorth Opportunities Fund, Inc. ("RIV") complete, very successful rights offering. That technically happened in the first week of October, so in the fourth quarter, but we'll talk about it today. And then RiverNorth/DoubleLine Strategic Opportunity Fund, Inc ("OPP"), roughly at the same time, announced a rights offering, which is ongoing. That'll wrap up in November. So outside of taking the opportunity to raise some capital and as you described, a pretty attractive market for rights offerings, anything else you would like to touch on with respect to the closed-end fund platform?

Steve O'Neill

I guess when I think about the rights offerings that have been completed or pending, today, these have been focused on our taxable funds, RIV, OPP, and RSF. We continue to think it's an attractive market to put capital to work. We've certainly welcomed the sell-off and credit-related closed-end funds and also have the point of view that equity closed-end funds continue to be cheap. We're not trying to time the market, trying to maintain beta specifically within the RIV portfolio. But the discounts available out in the market have only gotten better in the past few quarters.

And so, we've been happy to accept our equity beta in the closed-end fund market there and have been eager to put capital to work as we've received it from investors. On the muni side, we didn't talk about those. I think it's just kind of worth highlighting and repeating a comment that I made earlier, which is muni closed-end funds from a NAV perspective, it had zero total return from beginning of January to the end of August. And then in September, everything popped. And the RiverNorth muni funds were no exception. The total return for these strategies was right around 5% for the month of September.

One thing worth highlighting, I'd say our performance relative to our peers, we've underperformed by a couple hundred basis points here to date. And the reason for that is really just the hedge that we have on top of the portfolio. When we construct the RiverNorth MacKay strategies, it's one part RiverNorth closed-end funds, one part MacKay cash bonds. And then we're also adding an overlay, which is a short Treasury's position, which is really geared to just lower the duration for the portfolios to be more in line with our peers.

But from like, I would say, a quarter-to-quarter perspective, it can have the effect of being a drag on performance. Certainly, it was a benefit in the years before, specifically 2022 and 2023. But kind of worth highlighting, despite the fact that it was a good quarter for our strategies, the RiverNorth strategies and third quarter, it was held back to some degree by some of the Treasury hedges that we've had on.

- Chris Lakumb Thanks, Steve. And I think I would just add a quick update with respect to RSF and OPP. As I think most investors know, we've been allocating small business whole loans originated by Square Capital to both funds. RSF is now predominantly a Square portfolio, so that has been a little bit of a shift over the past year or so. OPP, it's a smaller yet still meaningful allocation. And I guess I would just highlight that we continue to be very constructive around the Square asset, very high income-generating asset with a very short duration. And with it, Square has done a good job from an underwriting perspective. So that's a big driver of the fact that it's now the foundational asset in RSF and a meaningful allocation in OPP. So, I'll just provide that update as well. But I don't have anything else, Steve, unless there's anything else you'd like to sign off with.
- Steve O'Neill No. I guess if anything, the market's becoming more interesting here in the month of October. As investors worry about credit, that provides us an opportunity to look at, again, BDCs and closed-end funds. The markets in both of those cases have been so rich for most of the year that we've basically sidestepped most of the losses that have occurred here in the past few weeks. But we've used the sell-off to start renormalizing some of the portfolios, adding some risk here.
- And then I guess on the muni side, despite the fact that market prices were up a lot in the third quarter, discounts for muni funds are unchanged. It's still quite easy to build portfolios of muni closed-end funds at 8 to 10 percent discounts. And we find that to be a really interesting setup as I'd say investor sentiment towards long-duration assets has improved. Open-end fund flows in the munis have solidified. And so, I think where we have some of the portfolios with this discounted muni exposure, it's an opportunity for us, I think, in the future and also add some exposure here in year end.

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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 Mutual Funds:

RiverNorth/DoubleLine Strategic Income Fund (RNSIX/RNDLX): Asset-Backed Security Risk – the risk that the value of the underlying assets will impair the value of the security. 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. Currency Risk – foreign currencies will rise or decline relative to the U.S. dollar. Defaulted Securities Risk – defaulted securities carry the risk of uncertainty of repayment. 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. 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. Liquidity Risk – illiquid investments may be difficult or impossible to sell. 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. 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. Mortgage-Backed Security Risk – mortgage-backed securities are subject to credit risk, pre-payment risk and devaluation of the underlying collateral. 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. Rating Agency Risk – rating agencies may change their ratings or ratings may not accurately reflect a debt issuer's creditworthiness. 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. Special Purpose Acquisition Companies (SPACs) Risks – 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. 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. 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. Past performance is no guarantee of future results. Diversification does not ensure a profit or a guarantee against loss.

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.

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/DoubleLine Strategic Opportunity Fund, Inc. (OPP): 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. 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 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 Opportunistic Municipal Income Fund, Inc. (RMI), RiverNorth Managed Duration Municipal Income Fund, Inc. (RMM), RiverNorth Flexible Municipal Income Fund, Inc. (RFM), RiverNorth Flexible Municipal Income Fund II, Inc. (RFMZ), RiverNorth Managed Duration Municipal Income Fund II, Inc. (RMMZ): Credit Risk - a borrower may be unable to make interest or principal payments when they are due. Funds that invest in Municipal Bonds rely on the ability of the issuer to service its debt. This subjects the Fund to credit risk in that the municipal issuer may be fiscally unstable or exposed to large liabilities that could impair its ability to honor its obligations. Municipal issuers with significant debt service requirements, in the near-to midterm, unrated issuers and those with less capital and liquidity to absorb additional expenses may be most at risk. To the extent the Fund invests in lower quality or high yield Municipal Bonds, it may be more sensitive to the adverse credit events in the municipal market. The treatment of municipalities in bankruptcy is more uncertain, and potentially more adverse to debt holders, than for corporate issues. Interest Rate Risk - the value of Municipal Bonds, similar to other fixed income securities, will likely drop as interest rates rise in the general market. Conversely, when rates decline, bond prices generally rise. 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.

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