
CEF, BDC & SPAC QUARTERLY REVIEW

Q2 2025

TABLE OF CONTENTS

Closed-End Funds	3
Business Development Companies	20
Special Purpose Acquisition Companies	25
Appendix	28

CLOSED-END FUNDS

CEF MARKET SUMMARY

- For Q2 2025, closed-end fund discounts narrowed 33 bps to -4.08%. Quarterly average discount movements for broad asset class peer groups were as follows:
 - All Equity CEFs narrowed 58 bps to -5.08%.
 - All Taxable Fixed Income CEFs widened 7 bps to -0.77%.
 - All Municipal CEFs narrowed 46 bps to -6.03%.
- All CEF price and NAV returns had a positive quarter, up 3.90% and up 3.41%, respectively.
- As of 6.30.2025, there were 397 domestic-listed CEFs representing approximately \$245 billion in market cap and \$252 billion in net assets.

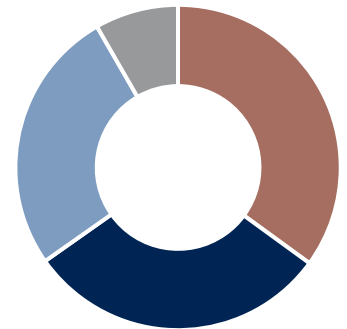
CEF MARKET STATISTICS

	6.30.2025	3.31.2025
Annualized distribution yield	8.4%	8.7%
Average discount/premium	-4.1%	-4.4%
% Trading below NAV	81%	79%
% Trading > 10% below NAV	17%	17%

DOMESTIC-LISTED CEFS

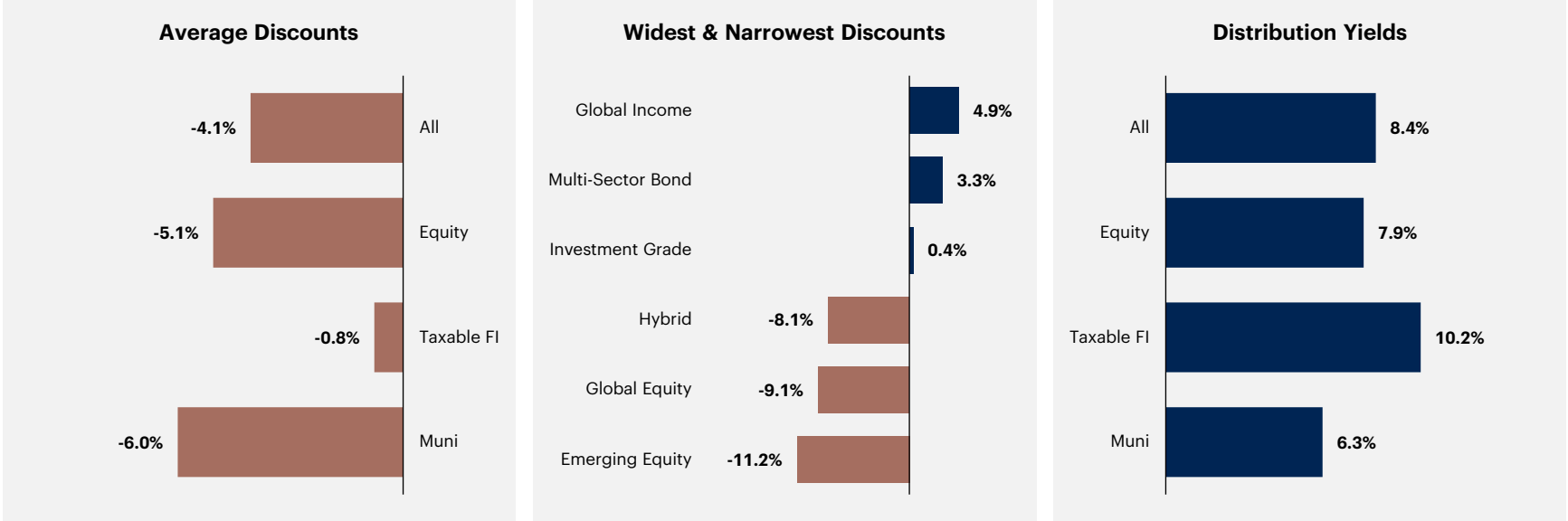
As of 6.30.2025

■ Taxable fixed income	139
■ Equity	120
■ Municipal fixed income	105
■ Allocation	33



CEF MARKET DATA OVERVIEW

As of 6.30.2025



Sources: RiverNorth; Morningstar.
Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information and CEF peer group index definitions.

CEF BROAD PEER GROUP INDEX TOTAL RETURNS

As of 6.30.2025

UNWEIGHTED NAV TOTAL RETURNS

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
All CEFs	2.41%	3.41%	3.84%	8.34%	8.59%	6.51%	5.03%
All Hybrid (Allocation) CEFs	3.60%	6.69%	7.05%	14.16%	12.30%	11.08%	7.19%
All Fixed Income CEFs	1.43%	0.93%	0.81%	4.28%	5.72%	2.94%	3.77%
All Equity CEFs	4.04%	7.56%	9.18%	15.13%	13.22%	12.55%	6.30%
All Taxable Fixed Income CEFs	2.08%	3.48%	4.48%	10.09%	9.02%	5.89%	5.18%
All Municipal CEFs	0.59%	-2.32%	-3.80%	-2.89%	1.34%	-0.83%	1.86%

UNWEIGHTED PRICE TOTAL RETURNS

	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
All CEFs	2.96%	3.90%	6.14%	12.58%	10.35%	8.59%	6.49%
All Hybrid (Allocation) CEFs	3.72%	7.57%	9.93%	19.70%	13.56%	12.98%	8.48%
All Fixed Income CEFs	2.03%	1.14%	2.86%	6.87%	7.20%	4.59%	5.10%
All Equity CEFs	4.59%	8.50%	11.82%	22.64%	15.77%	15.58%	8.00%
All Taxable Fixed Income CEFs	2.94%	3.33%	5.31%	12.16%	11.25%	8.06%	7.02%
All Municipal CEFs	0.85%	-1.66%	-0.26%	0.24%	1.80%	0.12%	2.55%

Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. Short term performance may not be indicative of long-term results. See Appendix for CEF peer group index definitions.

BEST & WORST PERFORMING SUBORDINATE PEER GROUP INDEXES

As of 6.30.2025

Top 5 & Bottom 5 Sub PGIs – 3 Month NAV Total Return

Emerging Market Equity CEFs	16.49%
Asia Equity CEFs	12.67%
Convertibles CEFs	11.06%
Single Country Equity CEFs	10.83%
Global Equity CEFs	10.36%
MLP CEFs	-1.12%
National Municipal CEFs	-2.10%
Single State Municipal CEFs	-2.21%
New York Municipal CEFs	-2.89%
California Municipal CEFs	-3.11%

Top 5 & Bottom 5 Sub PGIs – YTD NAV Total Return

Commodity CEFs	27.26%
Emerging Market Equity CEFs	25.04%
Single Country Equity CEFs	19.75%
Asia Equity CEFs	13.14%
Global Equity CEFs	11.44%
Senior Loans CEFs	0.83%
National Municipal CEFs	-3.35%
Single State Municipal CEFs	-3.76%
California Municipal CEFs	-5.07%
New York Municipal CEFs	-5.21%

Top 5 & Bottom 5 Sub PGIs – 3 Month Price Total Return

Emerging Market Equity CEFs	17.72%
Asia Equity CEFs	16.73%
Global Equity CEFs	12.12%
US Equity CEFs	9.77%
Convertibles CEFs	9.10%
Taxable Muni CEFs	-0.61%
Single State Municipal CEFs	-0.73%
California Municipal CEFs	-1.33%
New York Municipal CEFs	-1.85%
National Municipal CEFs	-1.85%

Top 5 & Bottom 5 Sub PGIs – YTD Price Total Return

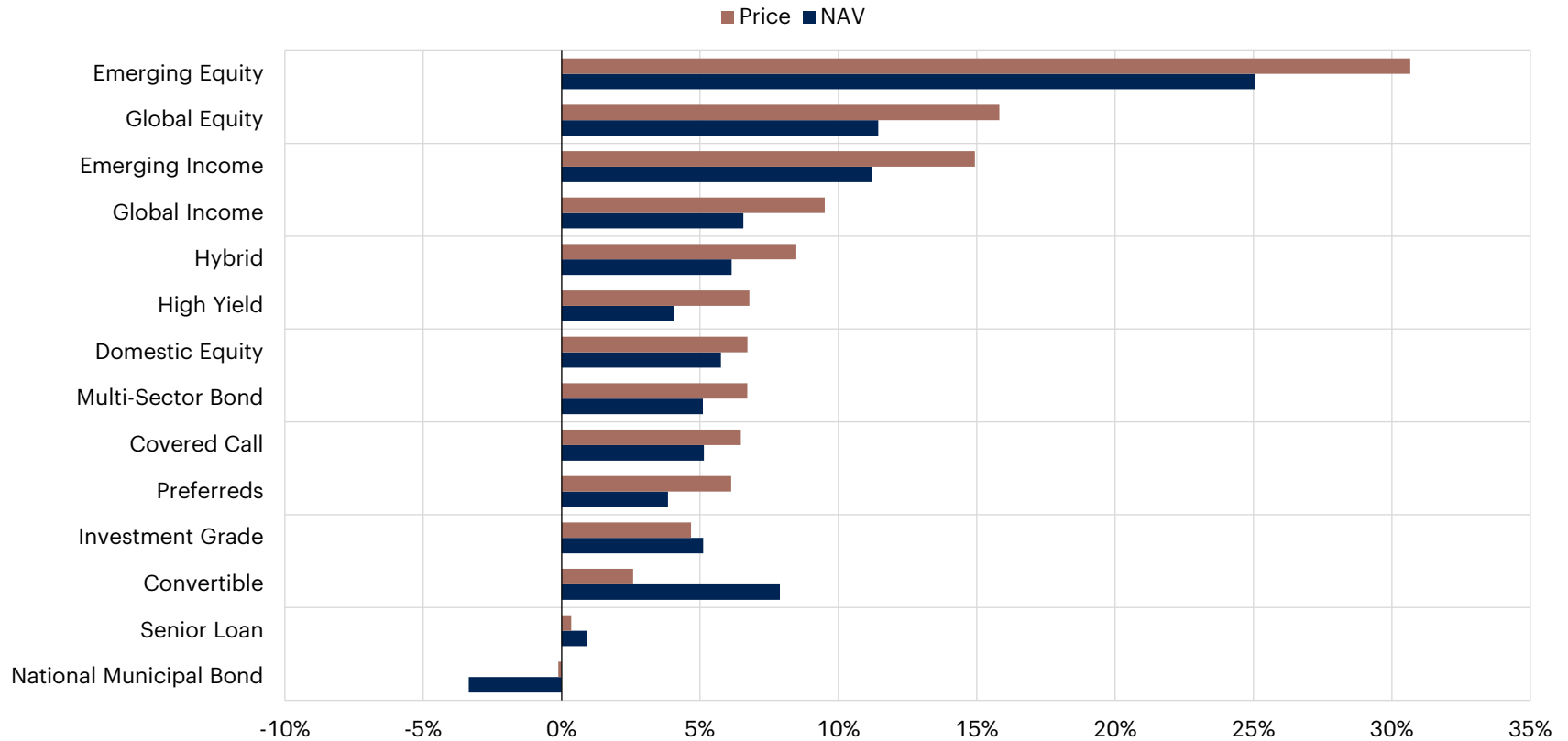
Emerging Market Equity CEFs	30.66%
Commodity CEFs	28.23%
Single Country Equity CEFs	26.14%
Asia Equity CEFs	22.60%
Global Equity CEFs	15.82%
Senior Loans CEFs	0.35%
National Municipal CEFs	-0.12%
New York Municipal CEFs	-0.39%
California Municipal CEFs	-0.60%
Single State Municipal CEFs	-0.75%

Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. Short term performance may not be indicative of long-term results. See Appendix for CEF peer group index definitions.

YTD CEF AVERAGE PEER GROUP RETURNS

1.1.2025 – 6.30.2025

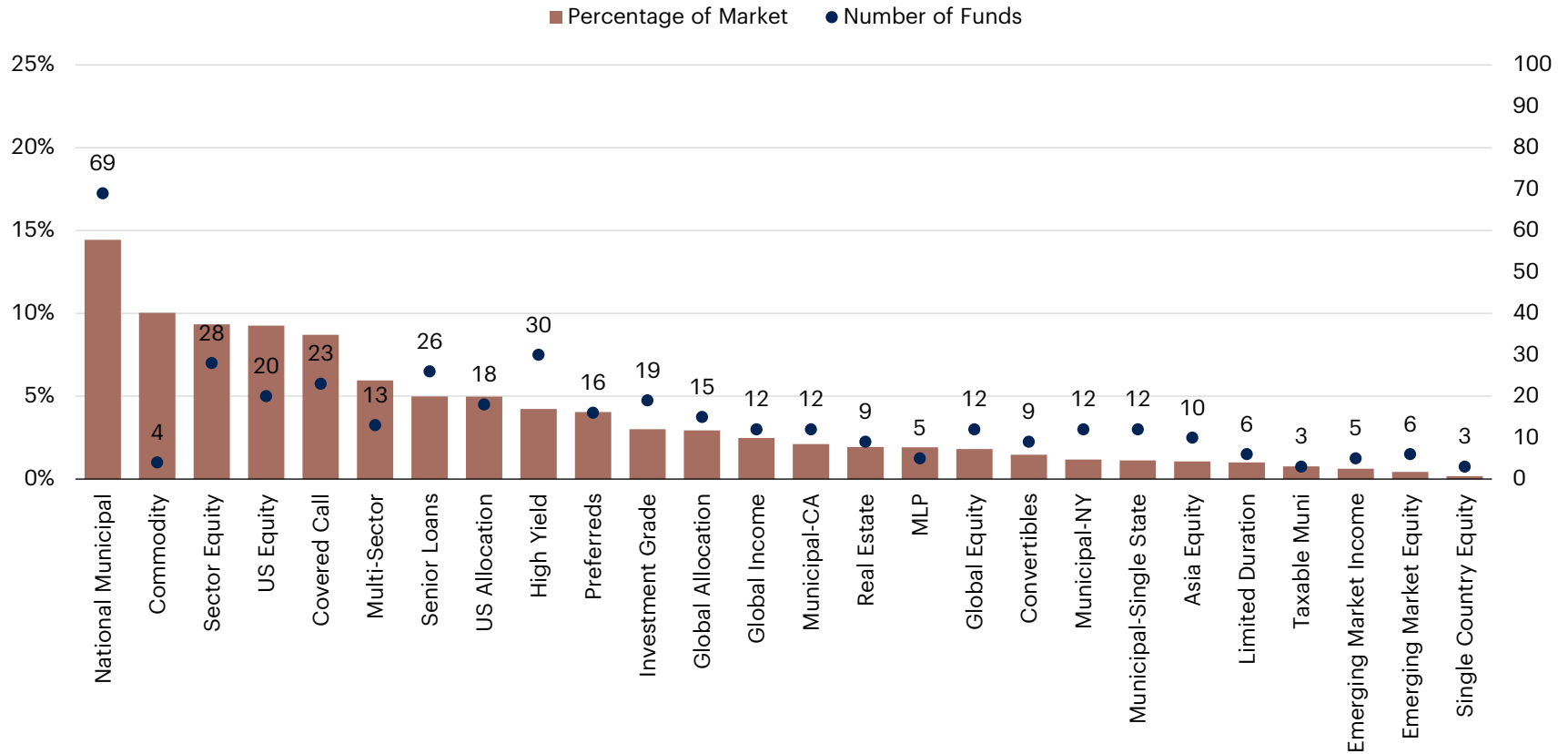


Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information and CEF peer group index definitions.

SUB-ASSET CLASS BREAKDOWN

All domestic closed-end funds (NAV) as of 6.30.2025



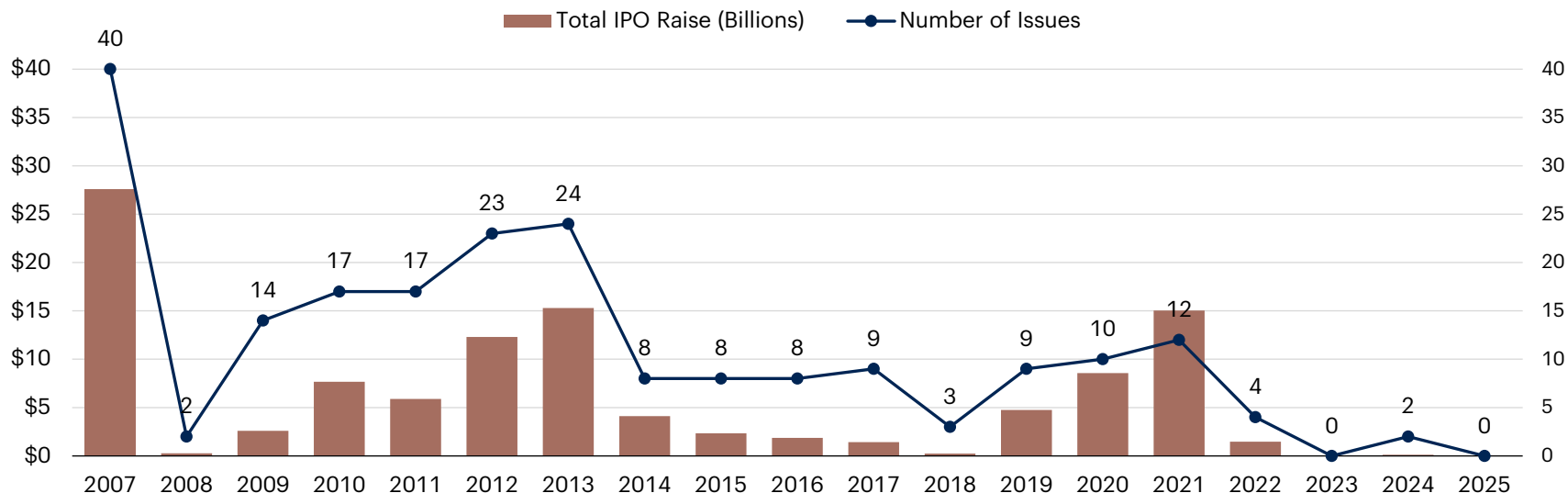
Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information and CEF peer group index definitions.

CEF IPO MARKET

Annual CEF IPOs

There was no traditional CEF IPO in Q2 2025.



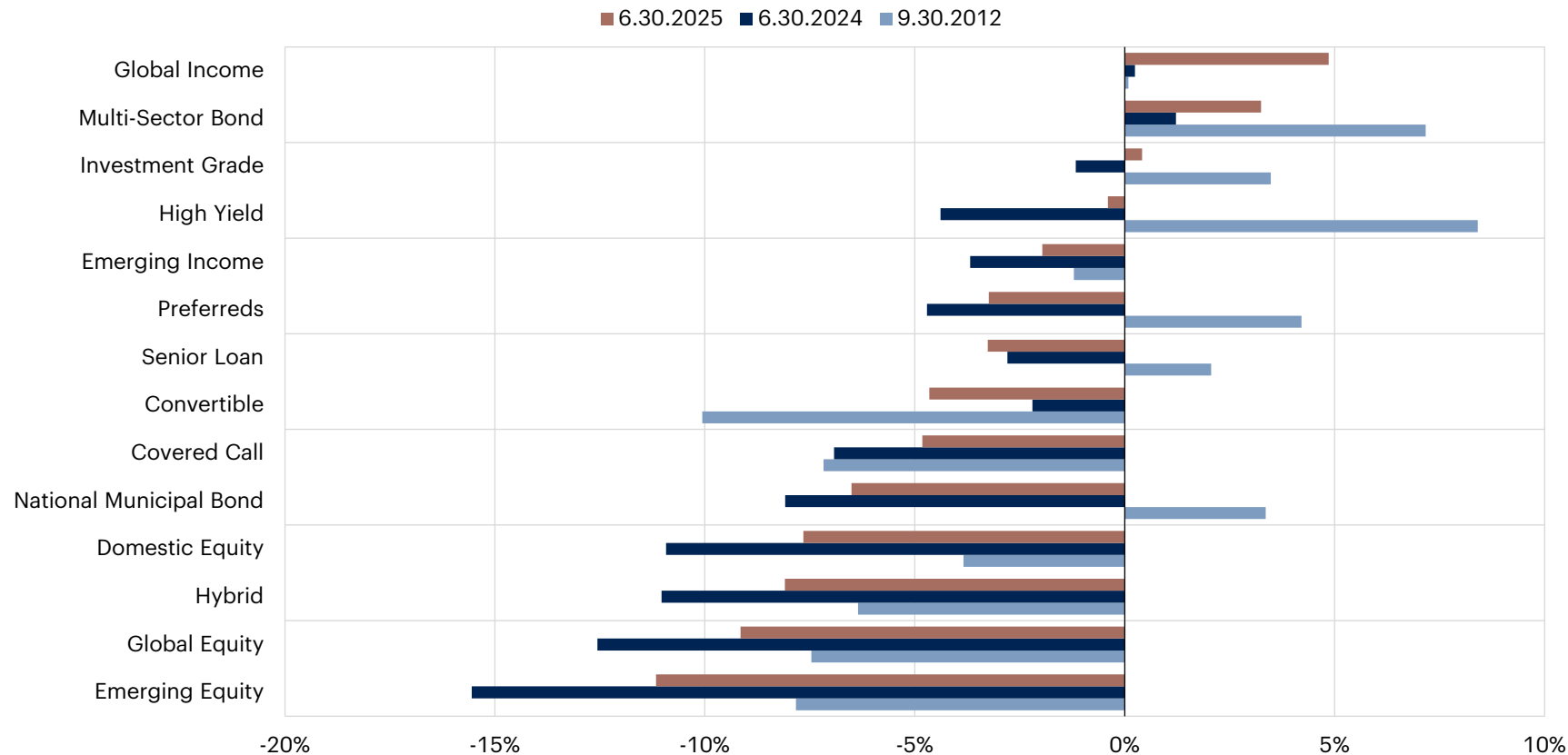
	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	YTD '25
Number of issues	40	2	14	17	17	23	24	8	8	8	9	3	9	10	12	4	0	2	0
Total raise (\$M)	27,600	262	2,590	7,667	5,882	12,305	15,290	4,118	2,332	1,867	1,426	239	4,749	8,558	15,040	1,471	0	124	0
Average raise (\$M)	690	131	185	451	346	535	637	515	292	233	158	80	528	856	1,253	368	0	62	0
Total CEF market AUM	\$245 billion market cap, \$252 billion net assets as of 6.30.2025																		

Sources: RiverNorth; The Investment Company Institute.

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information.

CEF DISCOUNTS BY PEER GROUP

Q2 2025 vs. Q2 2024 vs. Q3 2012



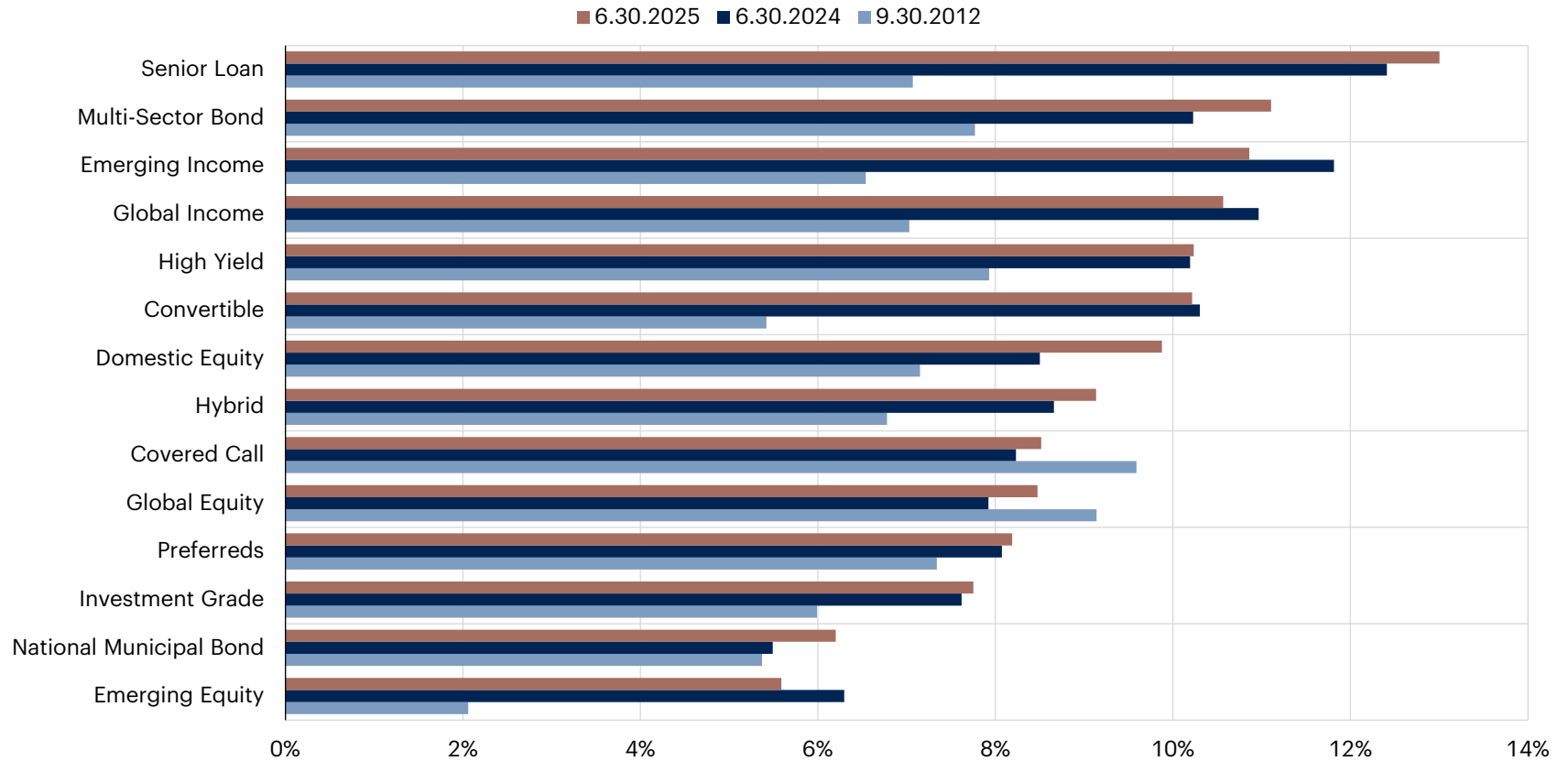
Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. Third quarter 2012 data corresponds to the narrowest average discount level on record. It is for comparison purposes only.

See Appendix for Footnotes and Further Information and CEF peer group index definitions.

CEF DISTRIBUTION YIELDS BY PEER GROUP

Q2 2025 vs. Q2 2024 vs. Q3 2012



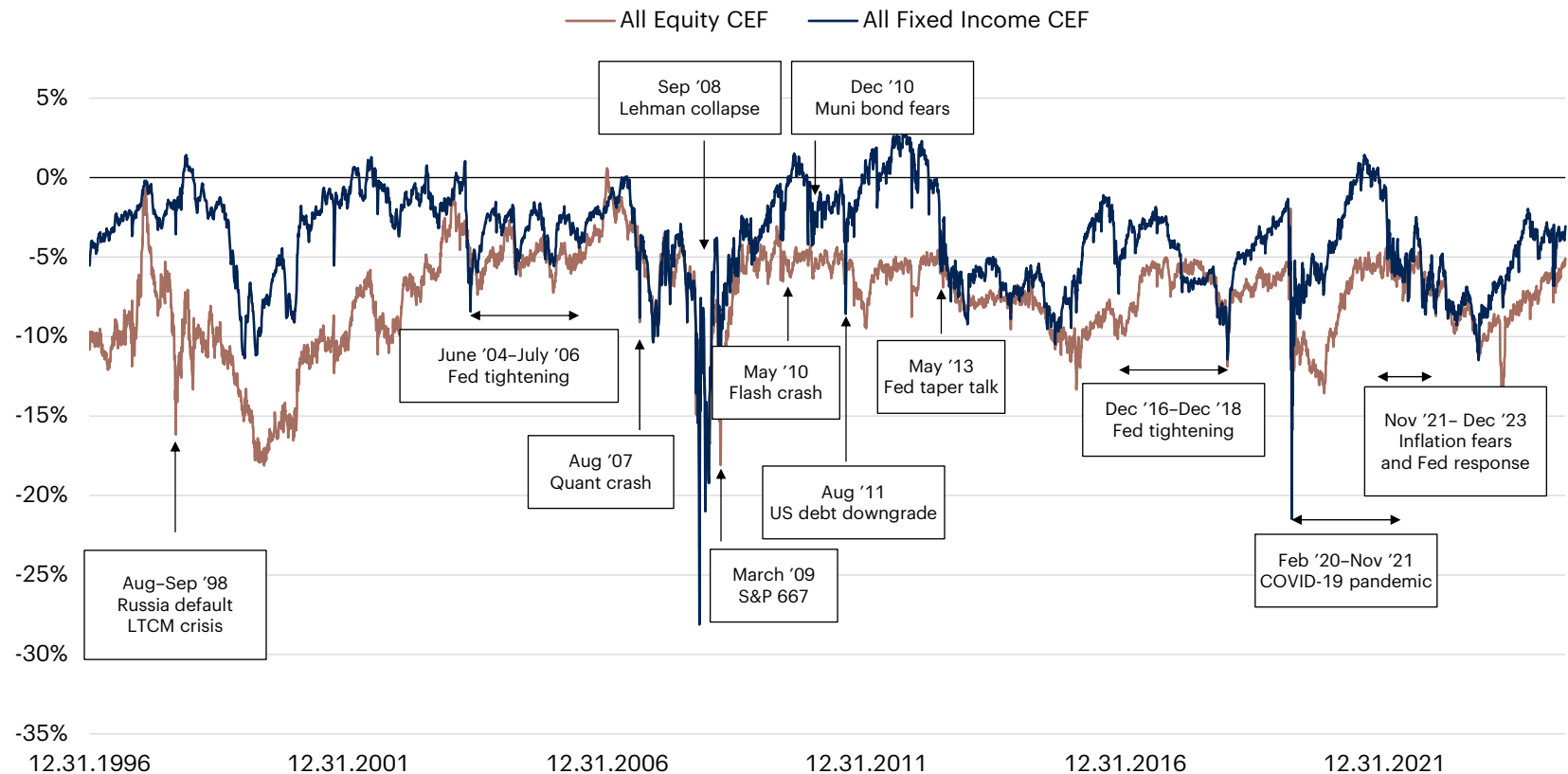
Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. Third quarter 2012 data corresponds to the narrowest average discount level on record. It is for comparison purposes only.

See Appendix for Footnotes and Further Information and CEF peer group index definitions.

CEF DISCOUNTS/PREMIUMS

12.31.1996 – 6.30.2025



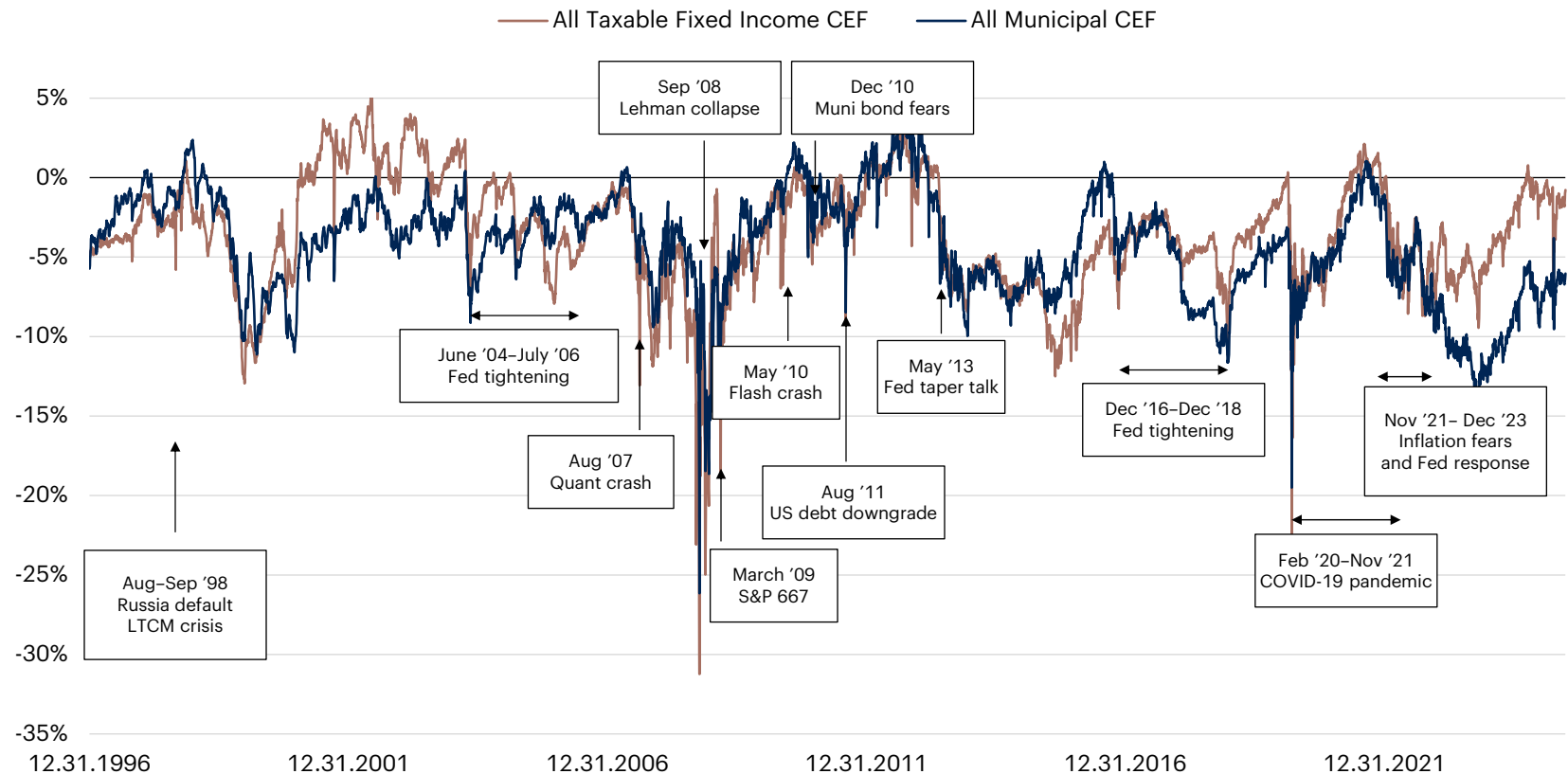
Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results.

See Appendix for Footnotes and Further Information, CEF peer group index definitions, and market event definitions.

FIXED INCOME CEF DISCOUNTS/PREMIUMS

12.31.1996 – 6.30.2025



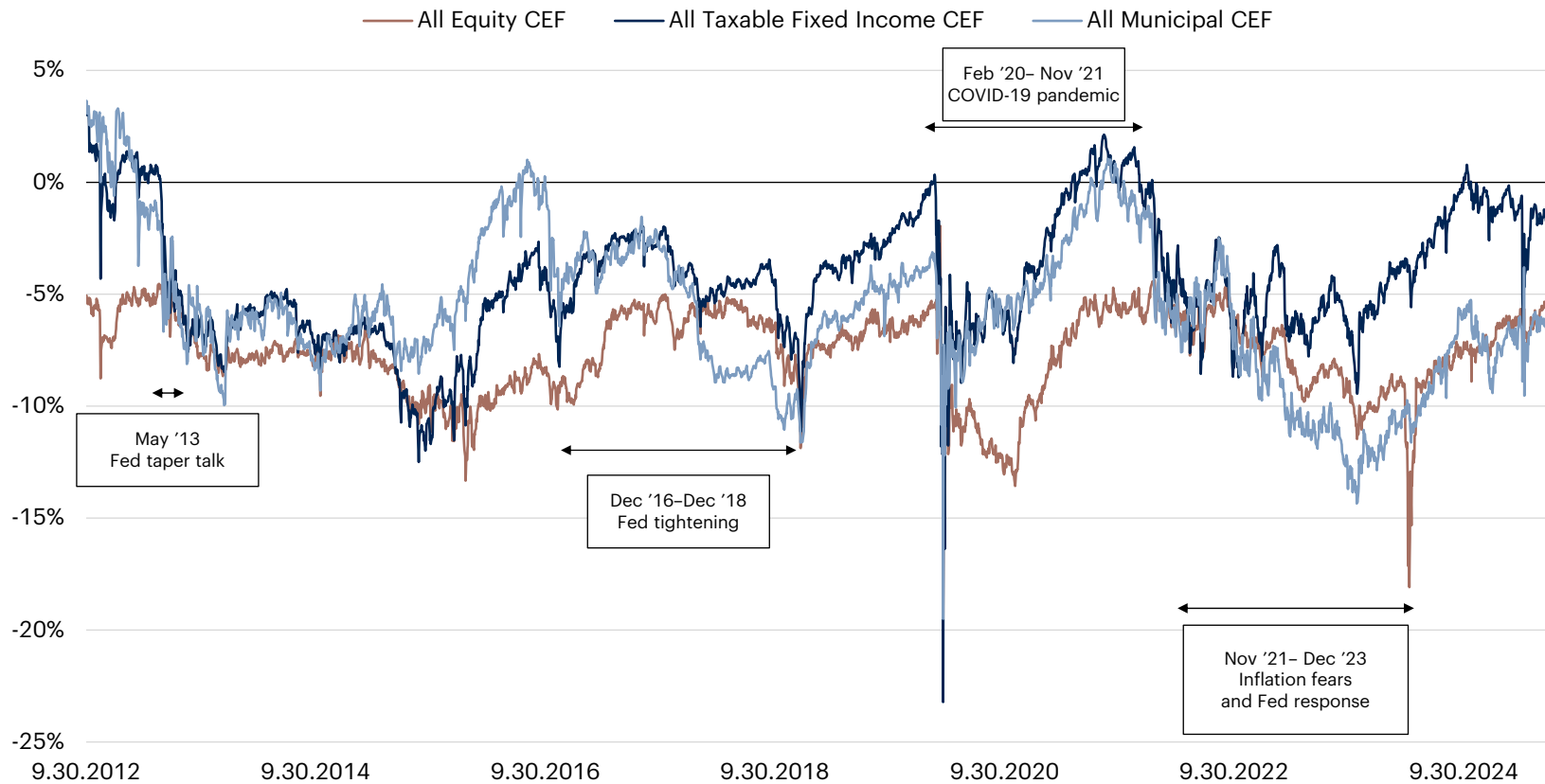
Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results.

See Appendix for Footnotes and Further Information, CEF peer group index definitions, and market event definitions.

CEF DISCOUNTS/PREMIUMS

9.30.2012 – 6.30.2025



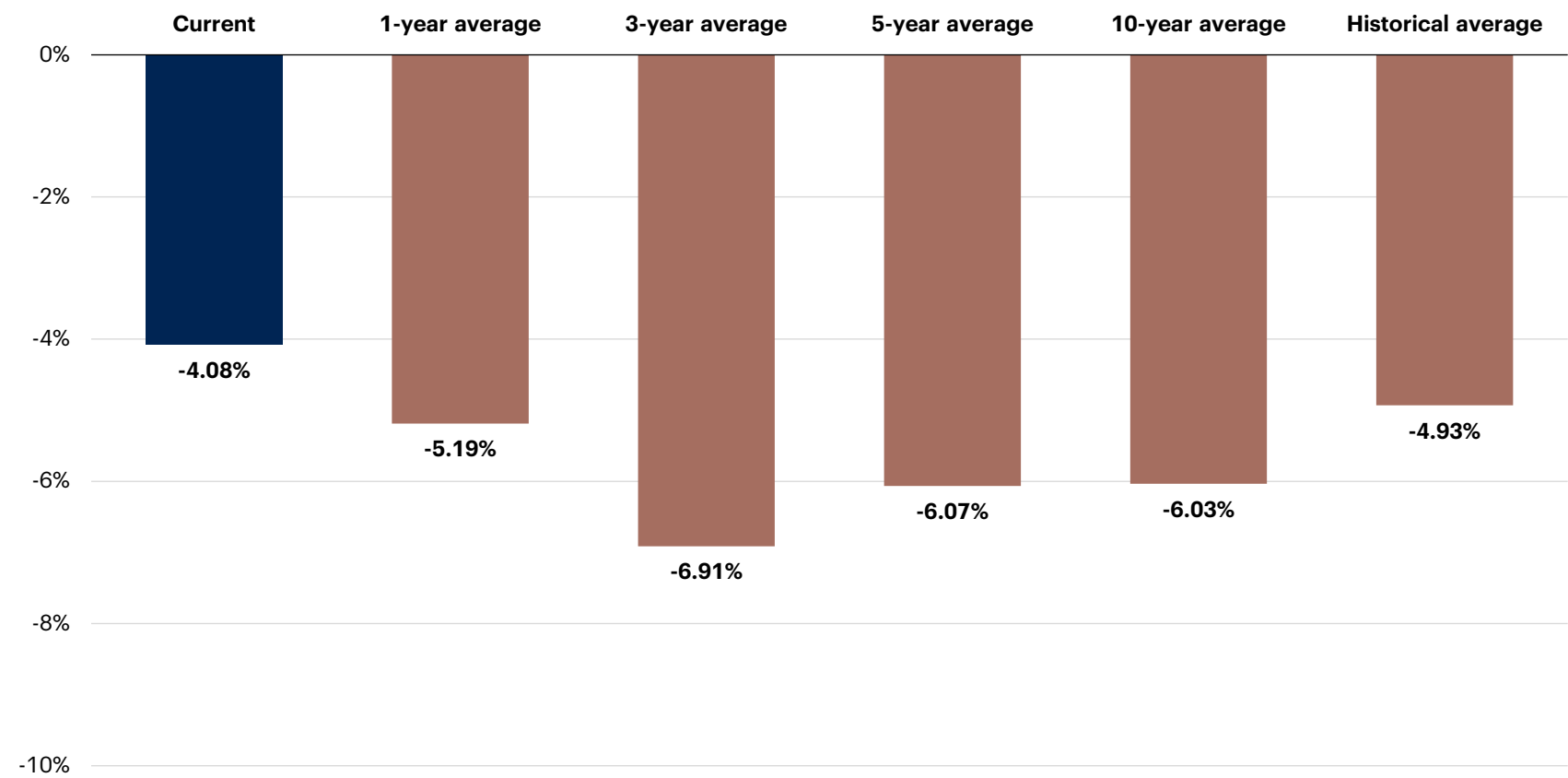
Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. Third quarter 2012 data corresponds to the narrowest average discount level on record. It is for comparison purposes only.

See Appendix for Footnotes and Further Information, CEF peer group index definitions, and market event definitions.

CURRENT AND HISTORICAL AVERAGES — ALL CEFS

As of 6.30.2025

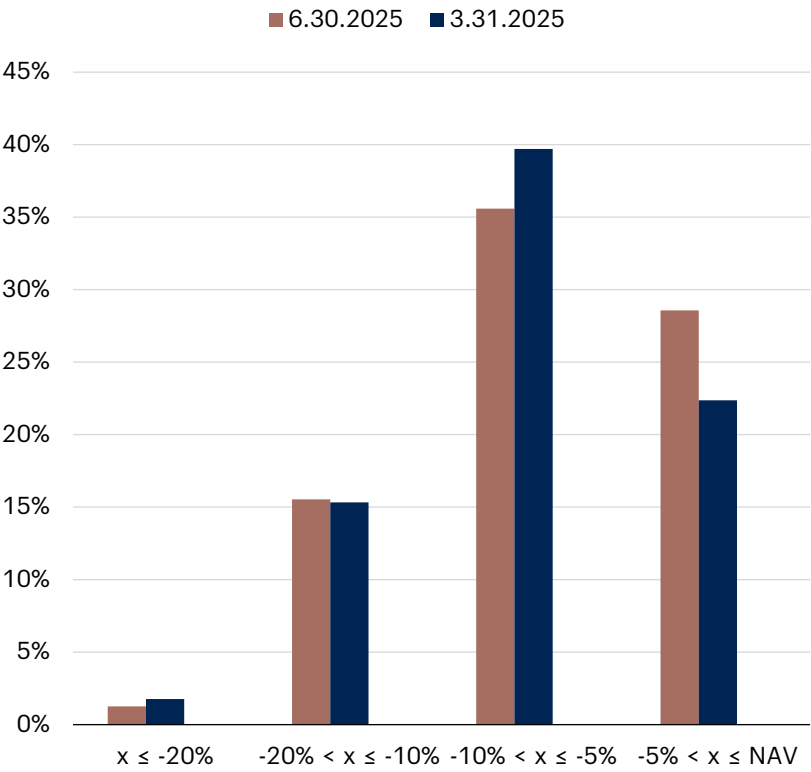


Sources: RiverNorth; Morningstar.
Based on Morningstar un-weighted All Closed-End Fund peer group index. Chart shows average discount change for each calendar month since 1996.
Past performance is not a guarantee of future results. Note: If the discount has narrowed, the discount change is positive. If the discount has widened, the discount change is negative.

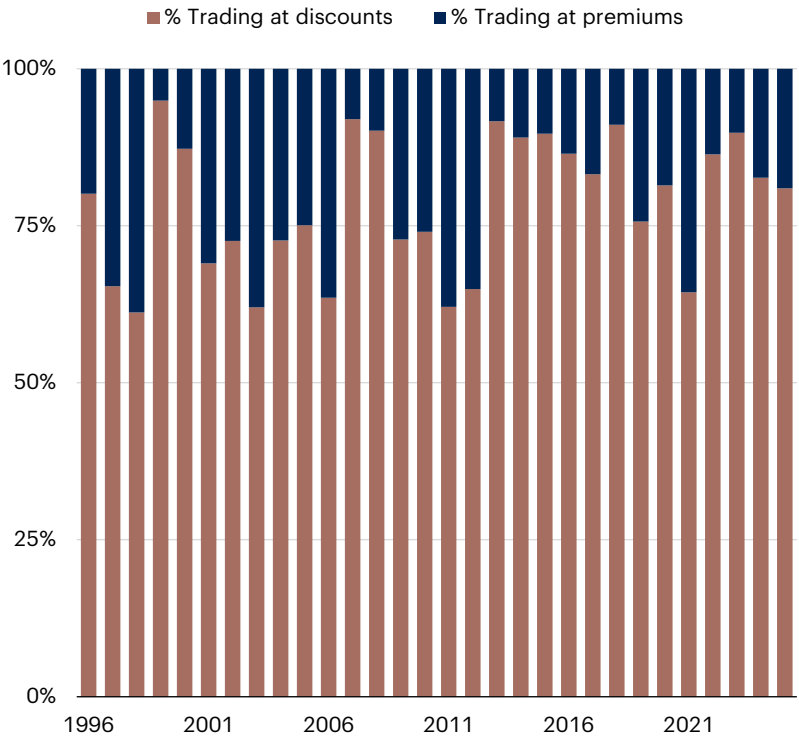
ALL CEF DISCOUNT SNAPSHOT

As of 6.30.2025

CEF DISCOUNT/PREMIUM SNAPSHOT



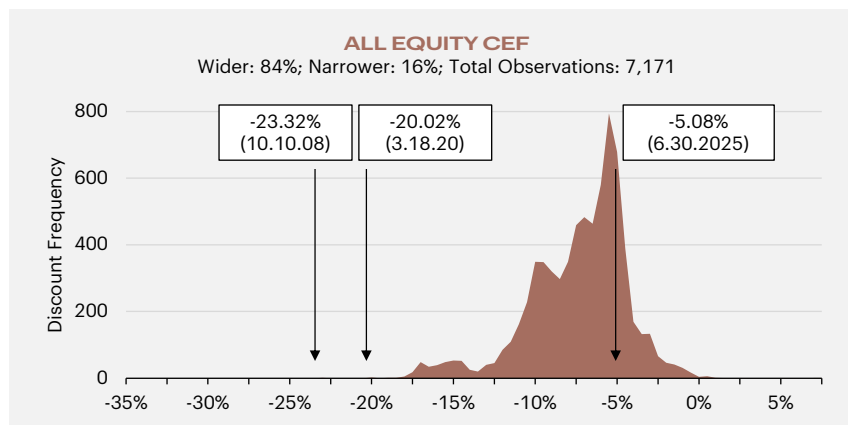
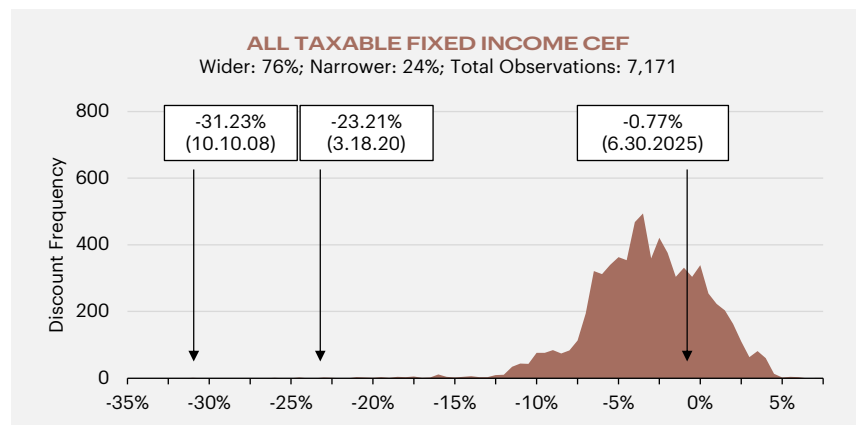
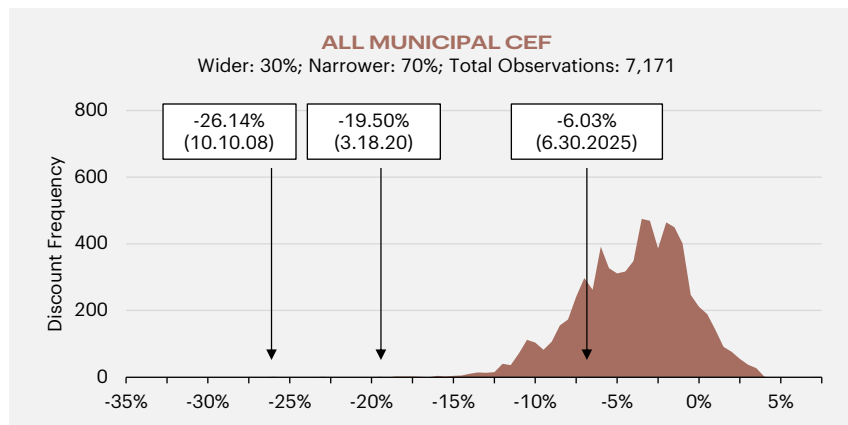
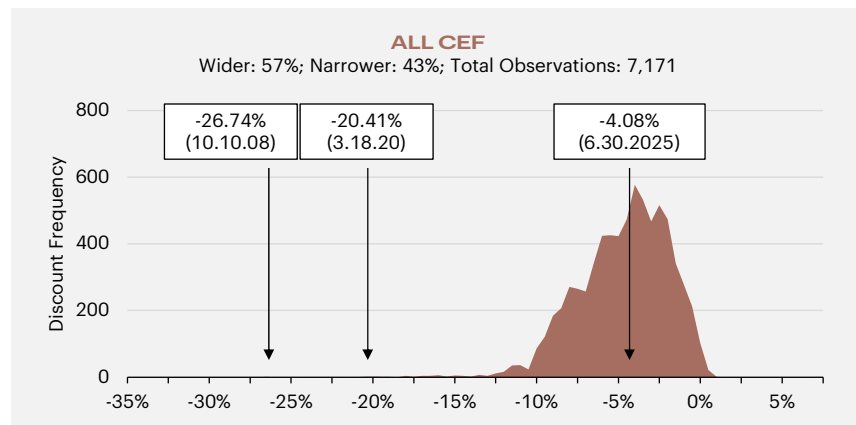
PERCENT OF CEFS TRADING AT DISCOUNTS/PREMIUMS



Sources: RiverNorth; Morningstar.
Past performance is not a guarantee of future results.
See Appendix for Footnotes and Further Information.

CEF FREQUENCY DISTRIBUTION OF DISCOUNTS

12.31.1996 – 6.30.2025



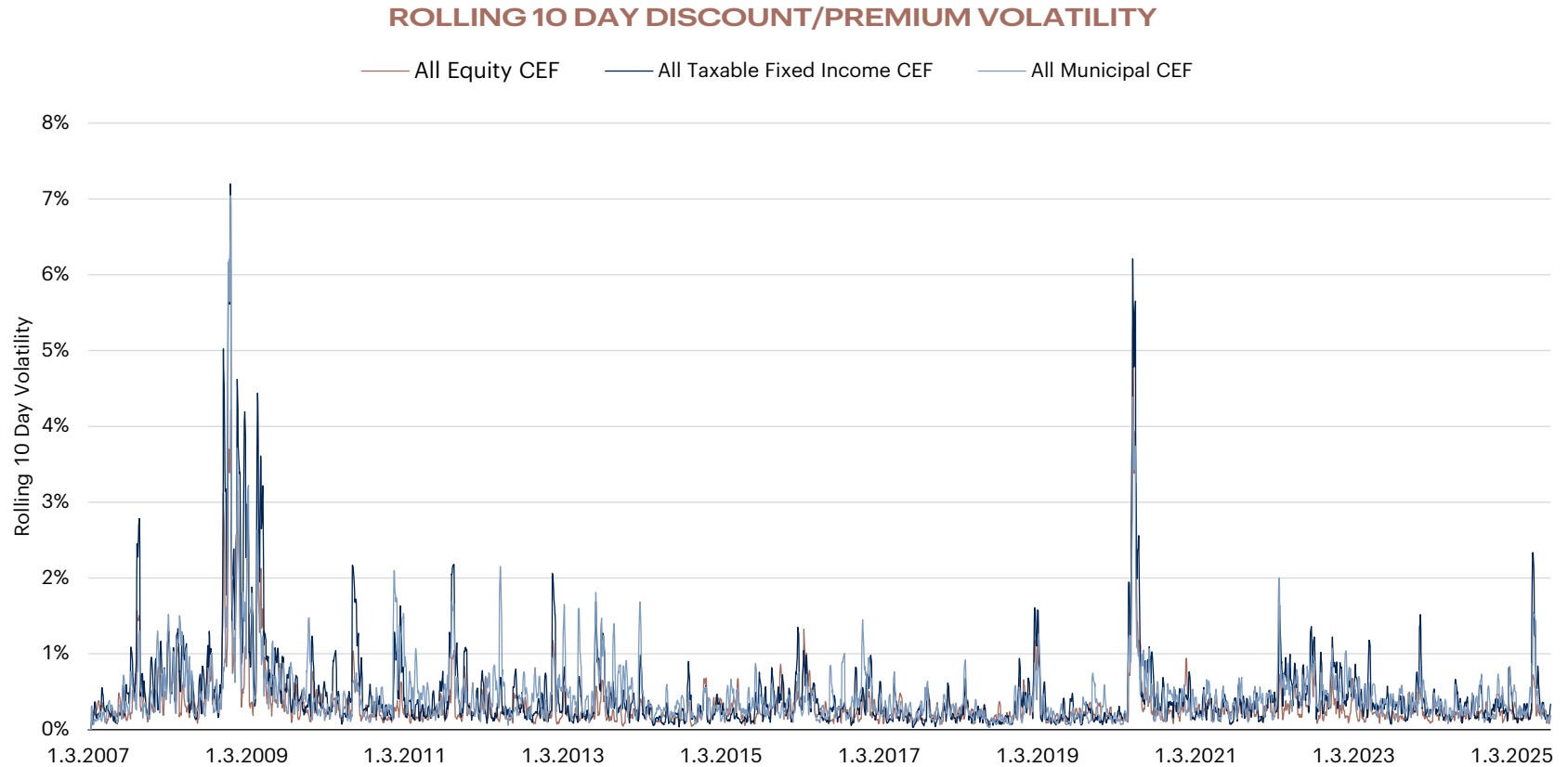
Sources: RiverNorth; Morningstar.

Historical data begins 12.31.1996. 10.10.2008 is used as a reference point as it corresponds to the widest average discount level on record. 3.18.2020 is used as a reference point as it corresponds to the widest average discount level since 10.10.2008. These are for comparison purposes only.

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information and CEF peer group index definitions.

A HISTORICAL LOOK AT DISCOUNT/PREMIUM VOLATILITY

1.1.2007 – 6.30.2025



Sources: RiverNorth; Morningstar.

Past performance is not a guarantee of future results. Rolling 10 Day Volatility is computed by taking the standard deviation of daily discount/premium values over 10 trailing periods for each of the respective Morningstar-defined peer group indexes shown.

BUSINESS DEVELOPMENT COMPANIES

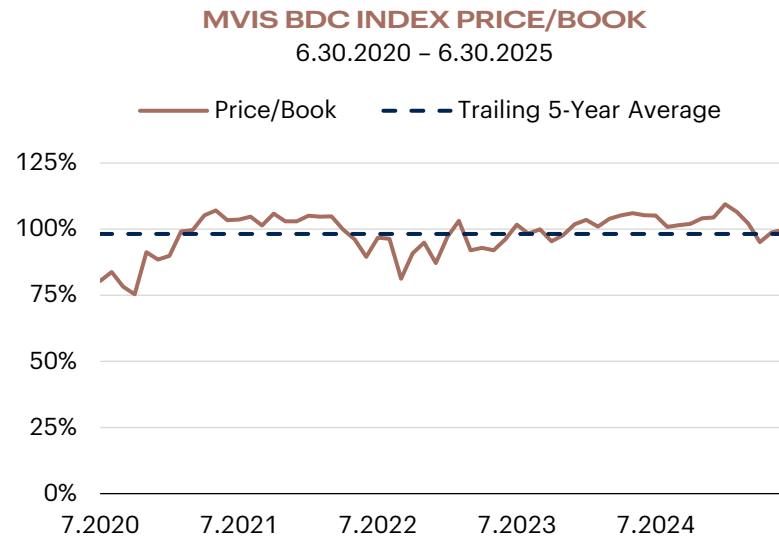
BDC EQUITY MARKET SUMMARY

As of 6.30.2025

Notable transactions of Q2 2025

□ None

MVIS BDC Index	Q2 2025	YTD	1 Year
Total return	-0.99%	+0.22%	+3.77%
Average discount/premium	-0.2%	—	—
Average distribution yield	11.3%	—	—



Sources: Bloomberg; Goldman Sachs (notable transactions).

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information

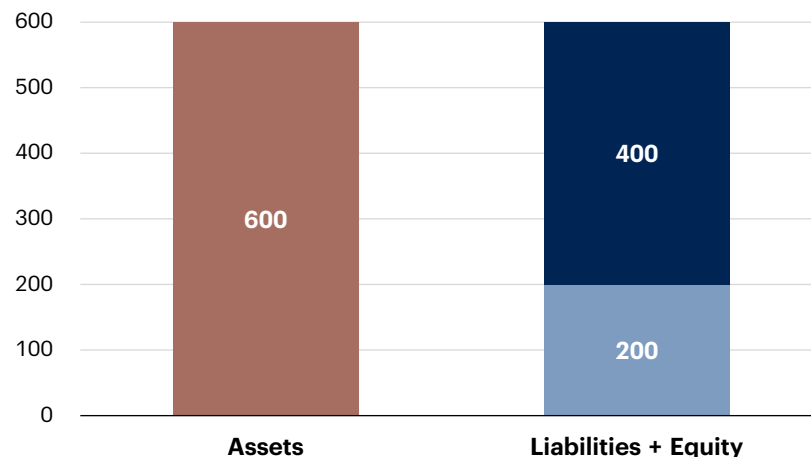
BDC DEBT MARKET BACKGROUND

- Business Development Cos. (BDCs) elect to be governed by the Investment Company Act of 1940, which requires that they must have a minimum 200% asset coverage ratio (total assets ÷ total liabilities ≥ 2).
 - This structure provides ample downside mitigation: the portfolio (assets) could go down by 50% and the bonds (liabilities) would still be whole. This does not begin to consider the relatively high recovery rates (likely above 50%*) for loans held in BDC portfolios, which would provide additional credit protection.
 - Under the Small Business Credit Availability Act (SBCAA, March 2018), BDCs that meet certain specified conditions may elect to decrease their asset coverage ratio to 150% (2-to-1 debt-to-equity ratio, shown in the chart to the right).
- Most BDCs have shareholder approval to operate at the 150% minimum asset coverage ratio, but many are committed to the 200% level specified by the 1940 Act. The ratings agencies tend to view the 200% level as consistent with investment grade.**

RiverNorth estimates that, for public BDCs, the current equity weighted average asset coverage ratio is 2.1 and the median asset coverage ratio is 2.0.***

Even in times of severe financial distress, there have been no BDC debt defaults, including during the Great Financial Crisis of 2008 – 2009.*

SBCAA MINIMUM ASSET COVERAGE RATIO (150%)



*Sources: Oppenheimer & Co.

**Sources: Brandywine Global Investment Management via Franklin Templeton

***Sources: RiverNorth, FactSet. This analysis is based on 52 publicly traded BDCs.

Past performance is not a guarantee of future results.

BDC DEBT MARKET SUMMARY

As of 6.30.2025

Total of BDC debt outstanding*

\$74,934,333,000

	Yield to Maturity	Yield to Worst	Effective Duration	Spread to Worst	3 Month Total Return
Average of BDC debt outstanding*	5.6%	5.5%	2.7	168.5	0.66%
Bloomberg US Aggregate	4.5%	4.5%	6.1	32.3	1.21%
Bloomberg US High Yield – Corporate	7.4%	7.1%	2.8	289.8	3.53%
US benchmark bond – 2 year	3.7%	—	1.9	—	—
US benchmark bond – 3 year	3.7%	—	2.8	—	—
US benchmark bond – 5 year	3.8%	—	4.5	—	—

*Based on a count of 151 unique issues. May not precisely represent all marketable BDC debt. There is 1 public issuer excluded due to being a material outlier. Data represents estimates made by RiverNorth and is subject to change

**Option-adjusted spread (OAS)

Source: RiverNorth; FactSet; Goldman Sachs (notable transactions)

BDC DEBT MARKET SUMMARY

As of 6.30.2025

Month	Issuer	Type	Amount (\$MM)	Offering Yield (%)	Maturity
April	Ares Strategic Income Fund	CLO	499	Various	Various
April	Runway Growth Finance Corp	Unsecured notes	107	7.51	2028
May	Apollo Debt Solutions BDC	CLO	496	Various	2037
May	Ares Capital Corp	Unsecured notes	750	5.50	2030
May	Blue Owl Capital Corp	Unsecured notes	500	6.20	2030
May	Blue Owl Credit Income Corp	Unsecured notes	500	5.90	2028
May	HPS Corporate Lending Fund	Unsecured notes	900	Various	Various
May	Morgan Stanley Direct Lending Fund	Unsecured notes	350	6.00	2030
May	Nuveen Churchill Private Capital Income Fund	CLO	500	Various	2037
June	Ares Capital Corp	Unsecured notes	750	5.50	2030
June	Ares Strategic Income Fund	Unsecured notes	1,100	Various	Various
June	Barings Private Credit Corporation	Unsecured notes	400	6.15	2030
June	Golub Capital BDC 4, Inc.	CLO	1,155	Various	2037
June	Hercules Capital, Inc.	Unsecured notes	350	6.00	2030
June	WhiteHorse Finance, Inc.	CLO	298	Various	2037

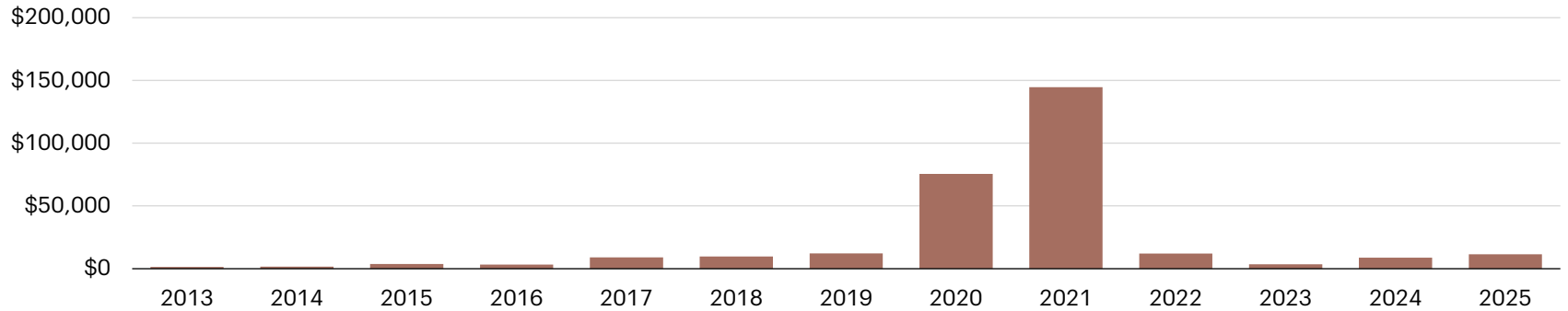
Source: RiverNorth; FactSet; Goldman Sachs (notable transactions)

SPECIAL PURPOSE ACQUISITION COMPANIES

SPAC MARKET STATS

As of 6.30.2025

SPAC ASSETS RAISED (\$ MILLIONS)



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
IPOs	10	11	20	13	34	46	59	248	613	86	31	57	63	1,291
Completed acquisitions	8	8	17	12	31	44	56	181	237	39	8	2	0	643
Liquidations	2	3	3	1	3	2	3	65	321	18	3	0	0	424
Announced targets	0	0	0	0	0	0	0	1	34	20	14	17	2	88
Seeking acquisition	0	0	0	0	0	0	0	1	21	9	6	38	61	136
Completed acquisitions %	80%	73%	85%	92%	91%	96%	95%	73%	39%	45%	26%	4%	0%	50%
Liquidations %	20%	27%	15%	8%	9%	4%	5%	26%	52%	21%	10%	0%	0%	33%
Announced acquisitions %	0%	0%	0%	0%	0%	0%	0%	0%	6%	23%	45%	30%	3%	7%
Seeking acquisition %	0%	0%	0%	0%	0%	0%	0%	0%	3%	10%	19%	67%	97%	11%

Source: RiverNorth; Bloomberg.

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information.

SPAC DISCOUNTS/PREMIUMS

As of 6.30.2025

Approximately 50% of the market trades at a discount to trust value. It's worth noting that trust values may be understated given lags in reporting and valuation. This means that the actual number of SPACs trading at a discount to trust value is likely higher.

Classification	Count	IPO Assets (\$M)	Average IPO Assets (\$M)	Average Disc/Prem	% by Count	% by Assets
Discount	112	17,172	153	-3.9%	50%	46%
Premium	111	19,520	176	7.0%	50%	52%
At trust value	1	500	500	0.0%	0%	1%
Total	224	37,192	166	1.5%	100%	100%

Source: RiverNorth; Bloomberg.

Past performance is not a guarantee of future results. See Appendix for Footnotes and Further Information.

APPENDIX

FOOTNOTES AND FURTHER INFORMATION

Slide	Notes
	Risk information: investing involves risk. Principal loss is possible. Past performance is not a guarantee of future results. Diversification does not ensure a profit or a guarantee against loss.
4 – 5	<p>Discounts are based on Morningstar, Inc. un-weighted closed-end fund indexes, which are un-weighted averages of all of the closed-end funds assigned to the respective categories.</p> <p>Distribution yield is the annualized last distribution presented as a percentage of last closing market price.</p> <p>Yields are based on Morningstar, Inc. un-weighted closed-end fund indexes, which are un-weighted averages of all of the closed-end funds assigned to the respective categories.</p>
6 – 8	Total return statistics are based on Morningstar, Inc. un-weighted closed-end fund indexes, which are un-weighted averages of all of the closed-end funds assigned to the respective categories.
9	Based on Morningstar, Inc. closed-end fund categories.
10	<p>The list of closed-end fund IPOs is provided to demonstrate market activity and is not a recommendation to buy or sell any security. Funds managed by RiverNorth may or may not have invested in these funds.</p> <p>A closed-end fund (CEF) trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price at which a closed-end fund trades often varies from its net asset value (NAV). Some funds have market prices below their net asset values, referred to as a discount. Conversely, some funds have market prices above their net asset values, referred to as a premium.</p>
11	Discounts are based on Morningstar, Inc. un-weighted closed-end fund indexes, which are un-weighted averages of all of the closed-end funds assigned to the respective categories. With respect to third quarter 2012 data throughout the presentation, the date corresponds to the narrowest average discount level on record. It is for comparison purposes only.
12	Distribution yield is the annualized last distribution presented as a percentage of last closing market price. Yields are based on Morningstar, Inc. un-weighted closed-end fund indexes, which are un-weighted averages of all of the closed-end funds assigned to the respective categories.
13 – 19	Discounts are based on Morningstar, Inc. un-weighted closed-end fund peer group indexes, which are un-weighted averages of all of the closed-end funds assigned to the respective categories. Historical data begins 12.31.1996.
21 – 24	<p>A business development company (BDC) generally invests in less mature U.S. private companies or thinly traded U.S. public companies which involve greater risk than well-established publicly-traded companies. While BDCs are expected to generate income in the form of dividends, certain BDCs during certain periods of time may not generate such income. Investments in closed-end funds that elect to be treated as BDCs may be subject to a high degree of risk. BDCs typically invest in and lend to small- and medium-sized private and certain public companies that may not have access to public equity markets or capital raising.</p> <p>The MVIS US Business Development Companies Index (MVBIZD) tracks the performance of the largest and most liquid Business Development Companies that are listed and incorporated in the United States. This is a modified market cap-weighted index, and only includes companies that qualify as a Business Development Company, which means it must be organized under the laws of and have its principal place of business in the U.S., be registered with the Securities Exchange Commission, and have elected to be regulated as a BDC under the Investment Company Act of 1940.</p>
26 – 27	A special purpose acquisition company (SPAC) and similar entities, often referred to “blank check” companies, have no operating history or ongoing business other than to raise capital through an initial public offering for the purpose of acquiring an existing company. Certain SPACs may seek acquisitions only in limited industries or regions, which may increase the volatility of their prices. Investment 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.

CEF INDEX DEFINITIONS

Taxable Fixed Income

- The Convertible CEF Index is based upon the Morningstar Unweighted 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 Emerging Market Income CEF Index is based upon the Morningstar Unweighted Emerging Income CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing an emerging market income investment strategy. Emerging market income closed end funds are defined as funds that invest primarily in emerging market government and corporate debt securities.
- The Global Income CEF Index is based upon the Morningstar Unweighted Global Income CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a global income investment strategy. Global income closed end funds are defined as funds that invest primarily in a mixture of U.S. and foreign government and corporate debt, with an emphasis on developed countries.
- The High Yield CEF Index is based upon the Morningstar Unweighted High Yield CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a high yield investment strategy. High yield closed end funds are defined as funds that seek high current income through investing in non-investment grade debt instruments.
- The Investment Grade CEF Index is based upon the Morningstar Unweighted Investment Grade CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing an investment grade investment strategy. Investment grade closed end funds are defined as funds that invest primarily in investment grade debt instruments.
- The Limited Duration CEF Index is based upon the Morningstar Unweighted Limited Duration CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a limited duration investment strategy. Limited duration closed end funds are defined as funds that typically invest in securities with maturities of 10 years or fewer. The portfolio primarily invests in Treasuries, agencies, and investment grade corporate bonds.
- The Multi-Sector Bond CEF Index is based upon the Morningstar Unweighted Multi-Sector Bond CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a multi-sector bond investment strategy. Multi-sector bond closed end funds are defined as funds that invest across several fixed income asset classes, with typically fewer than 50 in any one of these asset classes.
- The Preferred CEF Index is based upon the Morningstar Unweighted Preferred CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a preferred investment strategy. Preferred closed end funds are defined as funds that invest primarily in preferred and/or convertible preferred stocks.
- The Investment Grade CEF index total return and discount statistics are based upon the Morningstar Un-weighted Investment Grade CEF Index, which is the average of all closed-end funds categorized by Morningstar as utilizing an investment grade investment strategy. Investment grade closed-end funds are defined as funds that invest primarily in investment grade debt instruments.

- The Senior Loans CEF Index is based upon the Morningstar Unweighted Senior Loans CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a senior loan investment strategy. Senior loans closed end funds are defined as funds that invest primarily in participation interests in collateralized senior corporate loans that have floating or variable rates.
- The Taxable Muni CEF Index is based upon the Morningstar Unweighted 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.

Municipal

- The (National) Municipal Bond CEF Index is based upon the Morningstar Unweighted Municipal Bond CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a municipal bond investment strategy. National municipal bond closed end funds are defined as funds that invest in a diversified portfolio of investment grade national municipal bonds in a variety of sectors and states.
- The Municipal-CA CEF Index is based upon the Morningstar Unweighted 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 securities that are exempt from taxation in California (double tax-exempt) or a city in California (triple tax-exempt) and are insured as to timely payment.
- The Municipal-NY CEF Index is based upon the Morningstar Unweighted 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 securities that are exempt from taxation in New York (double tax-exempt) or a city in New York (triple tax-exempt) and are insured as to timely payment.
- The Municipal-Single State CEF Index is based upon the Morningstar Unweighted 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 invest primarily in 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.

CEF INDEX DEFINITIONS

Equity

- The Asia Equity CEF Index is based upon the Morningstar Unweighted Asia Equity CEF 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 that concentrate investments in equity securities with primary trading markets or operations in Asian countries.
- The Commodity CEF Index is based upon the Morningstar Unweighted 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 Covered Call CEF Index is based upon the Morningstar Unweighted Covered Call CEF index, which is the average of all closed end funds categorized by Morningstar as utilizing a covered call investment strategy. Covered call closed end funds are defined as funds that invest in equities and generate additional income by writing calls on at least 50% of their portfolio.
- The Emerging Market Equity CEF Index is based upon the Morningstar Unweighted Emerging Market Equity CEF 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 Global Equity CEF Index is based upon the Morningstar Unweighted Global Equity CEF index, which is the average of all closed end funds categorized by Morningstar as utilizing a global equity investment strategy. Global equity closed end funds are defined as funds that invest primarily in equity securities in the U.S. and foreign countries, with an emphasis on developed countries. Most of these funds seek long term capital appreciation rather than high income.
- The Master Limited Partnership (MLP) CEF Index is based upon the Morningstar Unweighted 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 Real Estate CEF Index is based upon the Morningstar Unweighted 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.
- The Sector Equity CEF Index is based upon the Morningstar Unweighted 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 Single-Country Equity CEF Index is based upon the Morningstar Unweighted 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 equity closed end funds are defined as funds that hold a portfolio of equity securities of companies located exclusively in a given country.
- The U.S. Equity CEF Index is based upon the Morningstar Unweighted U.S. Equity CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a U.S. equity investment strategy. U.S. equity closed end funds are defined as funds investing their assets primarily in U.S. equity securities. Generally, these funds are seeking long-term capital appreciation rather than income.

Hybrid

- The Global Allocation CEF Index is based upon the Morningstar Unweighted 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, with an emphasis on developed countries. Global funds are chosen primarily by investors who wish to diversify against country specific risk without excluding their own country.
- The U.S. Allocation CEF Index is based upon the Morningstar Unweighted U.S. Allocation CEF Index, which is the average of all closed end funds categorized by Morningstar as utilizing a U.S. allocation investment strategy. U.S. allocation closed end funds are defined as funds that seek to provide both income and capital appreciation by investing in multiple domestic asset classes, including stocks, bonds, and cash.

MARKET EVENT DEFINITIONS

- Russia default/LTCM crisis: Long-Term Capital Management (LTCM) was a large hedge fund that nearly caused the collapse of the global markets because of high-risk trading strategies. The default of Russian government bonds led to sustained massive losses for LTCM. The Federal Reserve eventually bailed out the Fund.
- Quant crash: During the week of August 6, 2007, several high-profile and highly successful quantitative long/short equity hedge funds experienced unprecedented losses.
- Lehman collapse: Lehman Brothers filed for Chapter 11 bankruptcy protection on September 15, 2008. Lehman faced an unprecedented loss due to the continuing sub-prime mortgage crisis, having held on to large positions in sub-prime and other lower-rated mortgage tranches when securitizing the underlying mortgages.
- S&P 667: The S&P 500 reached its financial crisis low of 667 in March 2009. The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure the performance of the broad domestic economy based on the changing aggregate market value of these 500 stocks.
- Flash crash: The quick drop and recovery in securities prices that occurred shortly after 2:30 pm EST on May 6, 2010. Initial reports that the crash was caused by a mistyped order proved to be erroneous, and the causes of the flash crash remain unknown.
- Muni bond fears: Municipal bonds experienced a major sell-off as worried investors fled the market. The fears generated from a growing concern that states, cities, and counties faced significant budget shortfalls and were at risk of default.
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- U.S. debt downgrade: Standard & Poor's (a credit rating agency) removed the United States government from its list of risk-free borrowers for the first time. Global stock markets declined following the announcement.
- Fed taper talk: Federal Reserve Chairman Ben Bernanke announced that the central bank would begin paring back its \$85 billion-a-month bond-buying program should the economic data continue to improve. This caused an aggressive stock market sell-off and an increase in interest rates.
- COVID-19 Pandemic: Worldwide outbreak of the coronavirus disease affecting citizens in more than 200 countries and territories. The potential impact to global health and economies sent equity and credit markets into a crash not seen since the Great Financial Crisis of 2008–09.
- Fed tightening: As concerns over an impending housing bubble mounted, the Federal Reserve began hiking rates in June 2004 and continued hiking all the way through July 2006. The Federal Reserve “made money tight” by raising short-term interest rates (also known as the Fed funds, or discount rate), which increased the cost of borrowing and effectively reduced its attractiveness. The Federal Reserve again raised the target for the Fed funds rate once in 2016, three times in 2017, four times in 2018, seven times in 2022, and four times in 2023.

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