FUNDMARKET INSIGHT REPORT

REFINITIV LIPPER RESEARCH SERIES

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The Month in Closed-End Funds: January 2021

Performance

For the third month in a row, equity CEFs on average witnessed plus-side performance on both a NAV and market basis, rising 0.84% and 1.62%, respectively. Meanwhile, for the tenth month in a row their fixed income CEF counterparts posted returns in the black on a NAV basis (+1.13%), while for the third consecutive month they were in the black on a market basis (+1.15%). For the three-month period ended January 31, the average equity CEFs gained 15.11%, while the average fixed income fund rose 6.77%.

The U.S. markets stumbled at the beginning of the month as investors turned their attention toward the ramifications of increased borrowing costs, the rise in COVID-19 cases, and the slow rollout of vaccines. On the first day of trading of 2021, the Dow and the S&P 500 suffered their largest one-day percentage drop since October 28. Rising inflation expectations due to the massive federal stimulus package and anticipated increases in related spending by the incoming Biden administration cast a pall over the markets. Concerns of a slow rollout of the COVID vaccine along with increasing chances that President Joe Biden will reverse the 2017 corporate tax cuts pressured stock prices.

Nonetheless, the following week saw U.S. stocks once again close at new highs, with the Russell 2000 gaining 6% during its first full week of trading. While the Department of Labor announced the U.S. economy had lost 140,000 jobs for December (the first decline since April 2020), significantly below forecasts of a 55,000 gain, investors focused on the likelihood the government would be forced to provide additional stimulus to the economy, particularly after the Georgia Senate runoff elections tilted the balance of power toward Democrats.

The following week, the markets suffered their largest one-week decline since October 30 after investors learned that December retail sales declined for the third consecutive month and the U.S. suffered the highest number of weekly fatalities since the pandemic began. However, the 10-year Treasury yield closed the week at 1.09% as investors evaluated fiscal aid proposals.

Another week of solid market gains were tempered after the January eurozone purchasing managers index (PMI) declined to a two-month low, indicating that new lockdown measures were impacting the economy. However, the Russell 2000 and the NASDAQ hit new record highs after the IHS Markit purchasing managers survey showed U.S. service and manufacturing sectors improved in January. Near-month crude oil futures declined as a jump in COVID-19 cases in Asia and Europe came into focus, raising concerns over demand.

In volatile trading exacerbated by the GameStop short squeeze and disappointing vaccine news on the last trading day of January, stocks took a beating, leading to their largest one-month loss since October 2020. Despite reports of declines in new COVID-19 cases, investors questioned the efficiency of vaccine rollouts and their effectiveness against new virulent strains. The January consumer sentiment index declined from 79.2 in December to 79. Nonetheless, the 10-year Treasury yield rose 3.5 bps on the day, closing at 1.11%.

The Month in Closed-End Funds: January 2021

- For the third month in a row, equity closed-end funds (CEFs) on average posted positive returns, rising 0.84% on a net-asset-value (NAV) basis for January, while for the tenth month running, fixed income CEFs witnessed returns in the black (+1.13%).
- Eighteen percent of all CEFs traded at a premium to their NAV, with 16% of equity CEFs and 19% of fixed income CEFs trading in premium territory. The world equity CEFs macro-classification witnessed the largest narrowing of discounts for the month among Lipper's CEF macro-groups—72 basis points (bps) to 12.37%.
- Energy MLP CEFs (+6.09%) posted the strongest one-month returns of the equity classifications in the CEF universe for January.
- For the first month in five, the Loan Participation CEFs (+1.75%) classification posted the strongest plus-side returns in the fixed income CEF universe for January.
- The municipal bond CEF macro-group (+1.43%) posted plus-side returns for the third month in a row, with all nine classifications posting returns in the black.

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The Treasury yield curve steepened during the month as investors evaluated the size and scope of President Joe Biden's proposed $1.9 trillion fiscal stimulus package. The Treasury yield curve witnessed declines at the short-end, while at the long-end, the 20-year yield witnessed the largest gain for the month, rising 23 bps to close the month at 1.68%. The two- and 10-year Treasury yield spread (100 bps) widened 20 bps for the month.

During the month, the dollar strengthened against the euro (+15.1%) and the yen (+2.13%), but weakened against the pound (-0.52%). Commodity prices were mixed for the month, with near-month gold prices declining 2.42% to close the month at $1,847.30 per ounce and front-month crude oil prices gaining 7.58% to close at $52.20 per barrel.

For the month, 75% of all CEFs posted NAV-based returns in the black, with 58% of equity CEFs and 88% of fixed income CEFs chalking up returns in the plus column. For the first month in nine, Lipper's domestic equity CEFs macro-group (+1.19%) outpaced its two equity-based brethren: mixed-assets CEFs (+0.53%) and world equity CEFs (+0.07%).

The Energy MLP CEFs classification (+6.09%) for the third month in four outperformed all other equity classifications, followed by Natural Resources CEFs (+3.47%) and Convertible Securities CEFs (+1.77%). Developed Markets CEFs (-1.71%) posted the largest declines in the equity universe and was bettered by Utility CEFs (-1.28%) and Options Arbitrage/Options Strategies CEFs (-0.29%). For the remaining equity classifications, returns ranged from 0.09% (Income & Preferred Stock CEFs) to 1.07% (Sector Equity CEFs).

Three of the five top performing CEFs for January were warehoused in Lipper's Energy MLP CEFs classification. However, at the top of the chart was **RENN Fund** (**RCG**, warehoused in Lipper's Global CEFs classification), rising 12.07% on a NAV basis and traded at a 14.80% discount on January 29. Following RCG were **Tortoise Midstream Energy Fund Inc.** (**NTG**, housed in the Energy MLP CEFs classification), gaining 10.99% and traded at a 24.36% discount at month end; **Fiduciary/Claymore Energy Infrastructure Fund** (**FMO**, also housed in the Energy MLP CEFs classification), rising 10.50% and traded at an 18.88% discount on January 29; **Tortoise Pipeline & Energy Fund Inc.** (**TTP**, housed in the Natural Resources CEFs classification), posting a 9.52% return and traded at a 20.71% discount at month end; and **Tortoise Energy Infrastructure Corp** (TYG, housed in the Energy MLP CEFs classification), gaining 9.28% and traded at a 24.77% discount on January 29.

For the month, the dispersion of performance in individual equity CEFs—ranging from negative 7.75% to positive 12.06%—was wider than December's spread and more skewed to the negative side. The 20 top-

CLOSED-END FUNDS LAB

TABLE 1 CURRENT-MONTH PERFORMANCE, P&D, P&D SHIFTS (% OF UNIVERSE)

	NAV RETURNS	PREMIUM/DISCOUNT		NOW TRADING AT	
	POSITIVE	BETTER	WORSE	PREMIUM	DISCOUNT
Equity CEFs	58	57	43	16	83
Bond CEFs	88	47	53	19	81
ALL CEFs	**75**	**51**	**49**	**18**	**82**

TABLE 2 AVERAGE NAV RETURNS, SELECTED PERIODS (%)

	JANUARY	YTD	3-MONTH	CALENDAR-2020
Equity CEFs	0.84	0.84	15.11	2.34
Bond CEFs	1.13	1.13	6.75	4.33
ALL CEFs	**1.01**	**1.01**	**10.29**	**3.48**

TABLE 3 NUMBER OF IPOs, YTD VERSUS PRIOR YEAR

	JANAURY 2021	CALENDAR-2020
Conventional CEFs	1	10
Interval CEFs	1	19

TABLE 4 AVERAGE SIZE OF IPOs, SELECTED PERIODS, $MIL

THREE MONTHS THROUGH 12/31/2020	863
COMPARABLE YEAR-EARLIER THREE MONTHS	490
CALENDAR 2020 AVERAGE	848

TABLE 5 NUMBER OF MERGERS & LIQUIDATIONS, YTD VERSUS PRIOR YEAR

	JANAURY 2021	CALENDAR-2020
ALL CEFs	**0**	**30**

TABLE 6 MEDIAN PREMIUMS AND DISCOUNTS (%)

	31-OCT	30-NOV	31-DEC	29-JAN
Equity CEFs	-13.86	-11.16	-10.34	-10.13
Bond CEFs	-8.27	-6.45	-5.79	-6.13
ALL CEFS	**-10.01**	**-7.41**	**-6.91**	**-7.29**

Source: Refinitiv Lipper

performing equity CEFs posted returns at or above 5.46%, while the 20 lagging equity CEFs were at or below negative 1.99%.

For the month, 112 CEFs in the equity universe posted negative returns. Three of the four worst performing funds were housed in the Emerging Markets CEFs classification. However, at the bottom of the heap was **ASA Gold & Precious Metals Limited** (**ASA**, warehoused in the Sector Equity classification), shedding 7.75% of its December-closing NAV and traded at a 14.54% discount on January 29. The second worst performing equity CEF was **Mexico Equity & Income Fund Inc.** (**MXE**), posting a 5.86% loss and traded at a 17.38% discount at month end.

Given the increasing likelihood of an additional stimulus package under the Biden administration, the Treasury yield curve steepened for the month. The 10-year Treasury yield rose by 18 bps to 1.11% after hitting multiple closing highs of 1.15% earlier in the month, while the three-month yield witnessed the largest decline for the month, falling three bps to 0.06%. The two- and 10-year Treasury yield spread (100 bps) widened 20 bps for January. For the first month in 10, municipal bond CEFs jumped to the top of the charts, posting a 1.43% return on average, followed by domestic taxable fixed income CEFs (+1.08%) and world income CEFs (-0.31%).

Fixed income investors were a bit more conservative during the month, showing some inflationary concerns. They pushed Loan Participation CEFs (+1.75%) to the top of the domestic taxable fixed income leaderboard for the first month in five, followed by U.S. Mortgage CEFs (+1.47%) and General Bond CEFs (+0.94%). Corporate Debt BBB-Rated CEFs (-0.75%) posted the weakest returns of the group and was bettered by Corporate Debt BBB-Rated CEFs (Leveraged) (-0.37%). On the world income side, poor performance from Emerging Markets Hard Currency Debt CEFs (-1.46%, the weakest returns of the fixed income universe) and Global Income CEFs (+0.16%) pushed the sub-group to the bottom of the charts for January.

For the third consecutive month, the municipal debt CEFs macro-group posted a plus-side return (+1.43%) on average, with all nine of the classifications in the group once again experiencing returns in the black for January. The General & Insured Municipal Debt CEFs (Leveraged) (+1.73%), High Yield Municipal Debt CEFs (+1.65%), and New Jersey Municipal Debt CEFs (+1.43%) classifications posted the strongest returns in the group, while Other States Municipal Debt CEFs (+0.95%) was the relative group laggard. National municipal debt CEFs (+1.64%) outpaced their single-state municipal debt CEF counterparts (+1.11%) by 53 bps for the month.

Four of the seven top-performing individual fixed income CEFs were housed in Lipper's Loan Participation CEFs classification. However, at the top of the fixed income universe chart was **NexPoint Strategic Opportunities Fund** (**NHF**, housed in the High Yield CEFs [Leveraged] classification), returning 7.43% and traded at a 37.42% discount on January 29. Following NHF were **XAI Octagon Floating Rate & Alternative Income Term Trust** (**XFLT**, warehoused in the Loan Participation CEFs classification), returning 5.82% and traded at a 1.56% premium at month end; **Nuveen Municipal Credit Opportunities Fund** (**NMCO**, housed in the General & Insured Municipal Debt CEFs [Leveraged] classification), returning 4.94% and traded at a 4.50% discount on January 29; **Highland Income Fund** (**HFRO**, also housed in the Loan Participation CEFs classification), posting a 4.32% return and traded at a 23.43% discount at month end; and **Invesco High Income 2023 Target Term Fund** (**IHIT**, housed in the U.S. Mortgage CEFs classification), adding 3.86% to its January month-end value and traded at a 1.31% discount on January 29.

For the remaining funds in the fixed income CEF universe, monthly NAV-based performance ranged from negative 4.69% for **GL Beyond Income Fund** (**GLBFX**, an interval hybrid CEF housed in Lipper's General Bond CEFs classification) to positive 3.61% for City National Rochdale Strategic Credit Fund (CNROX, an interval hybrid CEF housed in the Loan Participation CEFs classification). The 20 top-performing fixed income CEFs posted returns at or above 2.34%, while the 20 lagging CEFs posted returns at or below negative 0.56% for the month. There were 43 fixed income CEFs that witnessed negative NAV-based performance for January.

Premium and Discount Behavior

For January, the median discount of all CEFs widened 38 bps to 7.29%—narrower than the 12-month moving average median discount (8.67%). Equity CEFs' median discount narrowed 22 bps to 10.13%, while fixed income CEFs' median discount widened 34 bps to 6.13%. Single state municipal CEFs' median discounts witnessed the largest widening among the CEF macro-groups—71 bps to 7.99%—while the world equity CEFs macro-group witnessed the largest narrowing of discounts—72 bps to 12.37%.

Gabelli Utility Trust (**GUT**, housed in the Utility CEFs classification) traded at the largest premium (+100.74%) in the CEF universe on January 29, while **NexPoint Strategic Opportunities Fund** (**NHF**, housed in the High Yield CEFs [Leveraged] classification) traded at the largest discount (-39.42%) at month end.

For the month, 51% of all funds' discounts or premiums improved, while 49% worsened. In particular, 57% of equity CEFs and 47% of fixed income CEFs saw their individual discounts narrow, premiums widen, or premiums replace discounts. The number of funds traded at premiums on January 29 (85) was identical to the number on December 31 (85).

CEF Events and Corporate Actions
IPOs

PIMCO has announced that the **PIMCO Dynamic Income Opportunities Fund** (**PDO**) has raised $2 billion in its initial public offering (excluding any exercise of the underwriters' option to purchase additional securities). The fund sold 100,000,000 common shares at $20 per share. The fund has granted the underwriters an option to purchase an additional 11,738,275 common shares at the public offering price within 45 days of the date of the prospectus, January 26, 2021. Assuming full exercise of the underwriters' option to purchase additional common shares, which may not occur, overall sales by the fund would total $2,234,765,500.

The fund's common shares began trading on January 27, 2021, on the New York Stock Exchange (NYSE) under the symbol PDO and the offering was expected to close on Friday, January 29, 2021, subject to customary closing conditions.

The fund seeks current income as a primary objective and capital appreciation as a secondary objective. The fund seeks to achieve its investment objectives by utilizing a dynamic asset allocation strategy among multiple fixed income sectors in the global credit markets, including corporate debt, mortgage-related and other asset-backed instruments, government and sovereign debt, taxable municipal bonds, and other fixed-, variable-, and floating-rate income-producing securities of U.S. and foreign issuers, including emerging market issuers. The Fund may invest without limitation in investment grade debt securities and below investment grade debt securities (commonly referred to as "high yield" securities or "junk bonds"), including securities of stressed, distressed or defaulted issuers.

PIMCO (and not the fund) has agreed to pay, from its own assets, compensation to the underwriters and certain dealers in connection with the initial public offering, as well as all of the fund's organizational expenses and offering costs associated with the initial public offering. The fund is not obligated to repay any such compensation, organizational expenses, or offering costs paid by PIMCO.

Hamilton Lane announced the launch of the **Hamilton Lane Private Assets Fund** (**PAF**), a closed-end investment vehicle registered under the Securities Act of 1933 and the Investment Company Act of 1940. The fund is available to qualified U.S. clients, including certain high-net-worth investors and their wealth advisors, who now have access to a diversified, institutional-quality portfolio of private equity and private credit assets through a single investment.

The fund is a multi-strategy vehicle that seeks to generate capital appreciation over the medium and long term. As an evergreen product, PAF allows for monthly subscriptions and intends to offer a quarterly tender to provide limited liquidity. The fund will aim to invest in a mix of secondaries, direct investments, and co-investments in credit and equity across geographies, industries, vintages, and general partners. Compared to traditional private market offerings, the fund features a lower minimum investment of $50,000 and simple 1099 tax reporting, targets fee-efficient investments, and provides the potential for attractive risk-adjusted returns and limited administrative burden, according to the press release.

The fund intends to provide regular repurchase offers of no more than 5% of the fund's net assets generally quarterly. The board may elect to repurchase less than the full amount that a shareholder requests to be repurchased and may under certain circumstances elect to postpone, suspend, or terminate an offer to repurchase shares. PAF is considered illiquid and is not suitable for all investors. PAF is a non-diversified closed-end tender offer fund.

Rights, Repurchases, Tender Offers

First Trust/Aberdeen Global Opportunity Income Fund (**FAM**) commenced a tender offer on January 14, 2021. As previously announced, the fund will purchase up to 20% of its outstanding common shares for cash at a price per share equal to 98% of the NAV per share as determined as of the close of the regular trading session of the NYSE on February 16, 2021, or if the offer is extended, as determined by the close of the regular trading session of the NYSE on the next trading day after the day to which the offer is extended. The tender offer will expire on February 12, 2021, at 5:00 p.m. Eastern time, or on such later date to which the offer is extended. If the amount of the fund's outstanding common shares that is tendered exceeds the maximum amount of its offer, the fund will purchase shares from tendering shareholders on a pro rata basis. Accordingly, there is no assurance that the fund will purchase all of a shareholder's tendered shares.

Mergers and Reorganizations

The board of trustees of **Voya International High Dividend Equity Income Fund** (**IID**) has approved a plan of liquidation and termination for the fund. The plan of liquidation and termination is expected to take effect on or about March 31, 2021.

Subsequent to the effectiveness of the fund's plan of liquidation and termination, the fund will determine and pay, or set aside in cash or cash equivalents, in an amount that it estimates is necessary to discharge any unpaid liabilities and obligations of the fund, and make one or more liquidating distributions to the fund's common shareholders. Leading up to the final distribution date, as the fund begins to transition its portfolio in anticipation of making its liquidating

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distributions, the fund may deviate from its investment objectives and policies.

The fund has fixed the close of business on March 31, 2021, as the effective date for determining the common shareholders of the fund entitled to receive liquidating distributions. As of that time, the share transfer books of the fund will be closed. The trading of the fund's shares on the NYSE will be suspended effective before the open of business on April 1, 2021. The fund's liquidating distributions will be paid in cash. The fund expects to make one or more liquidating or other distributions to common stockholders on or about April 5, 2021.

BlackRock Advisors, LLC announced that at a joint special meeting of shareholders of the **BlackRock Strategic Municipal Trust** (**BSD**), **BlackRock MuniYield Investment Quality Fund** (**MFT**), and **BlackRock Municipal Income Trust II** (**BLE**), the requisite votes of shareholders of BSD, MFT, and BLE have approved the reorganization of each of BSD and MFT with and into BLE, with BLE continuing as the surviving fund, and the transactions contemplated thereby. Shareholders of **BlackRock Municipal Income Investment Trust** (**BBF** and collectively with BSD, MFT, and BLE) previously approved the reorganization of BBF with and into BLE at a joint special meeting of shareholders.

It is currently expected that the reorganizations will be completed in the beginning of the second quarter of 2021, subject to the satisfaction of customary closing conditions. Each reorganization, if completed, would occur based on the relative NAVs of the common shares of the applicable funds. Prior to the reorganization of BBF with and into BLE, all of the Variable Rate Demand Preferred Shares of BBF will be refinanced into Variable Rate Muni Term Preferred Shares (VMTP Shares). Holders of VMTP Shares of BSD, MFT, and BBF would receive on a one-for-one basis VMTP Shares of BLE in an amount equal to the aggregate VMTP Share liquidation preference (including any accumulated and unpaid dividends) held by holders of BSD, MFT, and BBF VMTP Shares immediately prior to the reorganizations.

BlackRock Advisors, LLC announced that, at a special meeting of shareholders of **BlackRock New York Municipal Income Trust** (**BNY**), the requisite votes of shareholders of BNY have approved the reorganization of each of **BlackRock New York Municipal Income Quality Trust** (**BSE**) and **BlackRock New York Municipal Income Trust II** (**BFY**) with and into BNY, with BNY continuing as the surviving fund, and the transactions contemplated thereby. Shareholders of each of BSE and BFY previously approved the applicable reorganization at a joint special meeting of shareholders.

It is currently expected that the reorganizations will be completed in the beginning of the second quarter of 2021, subject to the satisfaction of customary closing conditions. Each reorganization, if completed, would occur based on the relative NAVs of the common shares of the applicable funds. Prior to the reorganizations, all of the Variable Rate Muni Term Preferred Shares of BNY will be refinanced into Variable Rate Demand Preferred Shares (VRDP Shares). Holders of VRDP Shares of BSE and BFY would receive on a one-for-one basis VRDP Shares of BNY in an amount equal to the aggregate VRDP Share liquidation preference (including any accumulated and unpaid dividends) held by holders of BSE and BFY VRDP Shares immediately prior to the reorganizations.

BlackRock Advisors, LLC announced that, at a joint special meeting of shareholders of **BlackRock Maryland Municipal Bond Trust** (**BZM**), **BlackRock Massachusetts Tax-Exempt Trust** (**MHE**), **BlackRock MuniYield Arizona Fund, Inc.** (**MZA**), **BlackRock MuniYield Investment Fund** (**MYF**), **BlackRock MuniEnhanced Fund, Inc.** (**MEN**), and **BlackRock MuniYield Quality Fund, Inc.** (**MQY**), the requisite votes of shareholders of BZM, MYF, and MEN have approved the reorganization of each of BZM, MYF, and MEN with and into MQY, with MQY continuing as the surviving fund, and the transactions contemplated thereby. MHE, MZA, and MQY did not obtain the requisite votes of common shareholders to approve the applicable proposals. Accordingly, the meeting with respect to the proposals to be voted on by common shareholders of each of MHE, MZA, and MQY has been adjourned to February 12, 2021, at 4:00 p.m. (Eastern time) in order to continue to solicit proxies from common shareholders of such funds. The reorganizations will not be completed unless MQY obtains the requisite vote of common shareholders to approve the applicable proposals.

BlackRock Advisors, LLC announced that, at a joint special meeting of shareholders of **BlackRock Municipal Income Investment Quality Trust** (**BAF**), **BlackRock MuniHoldings Fund II, Inc.** (**MUH**), and **BlackRock MuniHoldings Quality Fund, Inc.** (**MUS**), the requisite votes of shareholders of BAF, MUH, and MUS have approved the reorganization of each of BAF, MUH, and MUS with and into **BlackRock MuniHoldings Fund, Inc.** (**MHD**), with MHD continuing as the surviving fund, and the transactions contemplated thereby. Shareholders of **BlackRock Municipal Bond Trust** (**BBK**) previously approved the reorganization of BBK with and into MHD (the BBK reorganization and collectively with the BAF, MUH, and MUS reorganizations) and shareholders of MHD previously approved each reorganization at a joint special meeting of shareholders.

It is currently expected that the reorganizations will be completed in the end of the first quarter of 2021, subject to the satisfaction of customary closing conditions. Each reorganization, if completed, would occur based on the relative NAVs of the common shares of the applicable funds. In addition, holders of Variable Rate Muni Term Preferred Shares ("VMTP Shares") of each of BAF, BBK, MUH, and MUS would receive on a one-for-one basis VMTP Shares of MHD in an amount equal to the aggregate VMTP Share liquidation preference (including any accumulated and unpaid dividends) held by holders of BAF, BBK, MUH, and MUS VMTP Shares immediately prior to the reorganizations.

Cohen & Steers MLP Income and Energy Opportunity Fund, Inc. (**MIE**), announced that its board of directors has approved fund management's recommendation to seek shareholder approval for the liquidation and dissolution of the fund.

The determination to seek the liquidation and dissolution of the fund was based on an assessment of a variety of factors, including the challenging fundamental and market environment that closed-end MLP funds have faced for the last several years and the fund's current level of assets and expenses, as well as a review of potential alternatives. Ultimately it was determined by fund management and the board of directors that it was in the best interest of shareholders to liquidate the fund.

The proposal to liquidate and dissolve the fund, which requires the approval of shareholders, will be submitted for approval at a special meeting of stockholders, scheduled for May 27, 2021, at 10:00 a.m. Eastern time.

Other

Equus Total Return, Inc. (**EQS**) announced that the majority of its shareholders have authorized the company's board of directors to: (i) cause the company's withdrawal of its election to be classified as a business development company (BDC) under the Investment Company Act of 1940 as part of a potential strategic transformation of Equus into an operating company and (ii) increase the company's authorized shares of common and preferred stock from 50 million to 100 million shares, and from 5 million to 10 million shares, respectively.

Over the past several years, the company has examined a number of potential transactions in a variety of sectors, including energy, natural resources, containers and packaging, real estate, media, technology, and telecommunications. These reviews have included consideration of potential strategic transactions to maximize value to shareholders as an operating company not subject to the 1940 Act. The authorization granted by the company's stockholders allows the board to: (i) withdraw the company's BDC authorization on or prior to August 31, 2021, as part of a potential strategic transformation of Equus into an operating company and, (ii) increase the number of authorized shares of common and preferred stock to enable the company to have greater flexibility to consider a wider range of potential acquisition targets and associated financing options. Although Equus has been authorized to withdraw and terminate the company's BDC election under the 1940 Act, it will not submit any such withdrawal unless and until Equus has entered into a definitive agreement to acquire an operating company.

AllianzGI Artificial Intelligence & Technology Opportunities Fund (**AIO**), **AllianzGI Convertible & Income 2024 Target Term Fund** (**CBH**), **AllianzGI Convertible & Income Fund** (**NCV**), **AllianzGI Convertible & Income Fund II** (**NCZ**), **AllianzGI Diversified Income & Convertible Fund** (**ACV**), **AllianzGI Dividend, Interest & Premium Strategy Fund** (**NFJ**), and **AllianzGI Equity & Convertible Income Fund** (**NIE**) announced name changes effective on February 1, 2021.

These changes are in relation to the previously announced strategic partnership between AllianzGI U.S. and Virtus Investment Partners, Inc., that will focus on enhancing both firms' growth opportunities, with Virtus representing AllianzGI's compelling investment strategies in the U.S. retail market to existing and potentially new clients. Pursuant to the partnership, Virtus is expected to become the investment advisor and administrator of each fund other than AIO, while AllianzGI U.S. will continue to manage the funds in a subadvisory capacity, effective on February 1, 2021. A similar transition is expected to occur with respect to AIO, with Virtus becoming administrator to the fund effective on February 1, 2021, and the new advisory arrangements to become effective following (and subject to) shareholder approval of the arrangements.

The current fund names will change from AllianzGI Artificial Intelligence & Technology Opportunities Fund (AIO) to **Virtus AllianzGI Artificial Intelligence & Technology Opportunities Fund**, AllianzGI Convertible & Income 2024 Target Term Fund (CBH) to **Virtus AllianzGI Convertible & Income 2024 Target Term Fund**, AllianzGI Convertible & Income Fund (NCV) to **Virtus AllianzGI Convertible & Income Fund**, AllianzGI Convertible & Income Fund II (NCZ) to **Virtus AllianzGI Convertible & Income Fund II**, AllianzGI Diversified Income & Convertible Fund (ACV) to **Virtus AllianzGI Diversified Income & Convertible Fund**, AllianzGI Equity & Convertible Income Fund (NIE) to **Virtus AllianzGI Equity & Convertible Income Fund**, and AllianzGI Dividend, Interest & Premium Strategy Fund (FJ) to **Virtus Dividend, Interest & Premium Strategy Fund**.

There are no changes to the funds' investment objectives, investment strategies, or NYSE ticker symbols associated with the name changes.

In connection with the transition to Virtus as investment advisor and administrator to the funds, the funds will operate pursuant to the valuation policies and procedures used by other Virtus-sponsored registered funds, which differ in certain respects from the funds' current policies and procedures. The transition is expected to result in a one-time adjustment to the reported NAVs of the funds.

For immediate assistance, feel free to contact Lipper Client Services toll-free at 877.955.4773 or via email at LipperUSClientServices@refinitiv.com. For more information about Lipper, please visit our website at refinitiv.com/en or lipperalphainsight.com

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