

Discount Management Programs and Tender Offer Mechanics

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What is a Discount Management Program?

Discount Management Programs are intended to enhance long-term shareholder value by providing liquidity at or close to net asset value. Terms of a Discount Management Program may include a fund offering to repurchase a portion of its common shares via tender offer if certain conditions are met during specified time periods.

There can be no assurances as to the effect that a Discount Management Program will have on the market for a fund's shares or the discount at which a fund's shares may trade relative to its net asset value.

What is a tender offer?

A tender offer is a public bid for shareholders to sell their shares back to the fund. Typically, a closed-end fund will offer to repurchase shares in exchange for cash equivalent to a percentage of the fund's net asset value, calculated as of a specified date. Shareholders can participate in the tender offer from the commencement date to the expiration date (tender offers remain open for at least 20 business days from the date of commencement).

Hypothetical example:

- Tender offer amount: 2.5% of outstanding common shares
- Tender offer price: 98% of the fund's net asset value, calculated as of the date specified
- Commencement date: July 22nd
- Expiration date: August 21st

In the above hypothetical example, shareholders would be able to tender their shares starting on July 22nd through August 21st. It is possible, but not guaranteed, that shareholders who tender their shares may receive a higher value versus selling on the open market. For example:

Fund Ticker	Market Price	Net Asset Value	Tender Offer Price (98% of Net Asset Value)	Per Share Gain (\$)	Per Share Gain (%)
XYZ	\$17.50	\$20.00	\$19.60	\$2.10	12%

Will the fund repurchase all of the shares that I tender?

There is no guarantee that shareholders will be able to sell all of the shares that they desire to sell in any particular tender offer. When the amount of shares tendered by shareholders exceeds the amount of shares offered to be repurchased, shares are repurchased on a pro-rata basis.

Hypothetical example:

Total Number of Outstanding Common Shares	Tender Offer Amount (2.5% of Outstanding Common Shares)	# of Shares Actually Tendered by Shareholders	% of Tendered Shares Prorated to Each Tendering Shareholder
1,000,000	25,000	100,000	25% (For every 4 shares tendered, 1 share is repurchased)

What if I don't want to sell my shares?

Participating in a tender offer is optional. Shareholders may choose not to tender shares for certain reasons including, but not limited to, maintaining exposure to the fund, continuing to receive monthly distributions, or avoiding potentially triggering tax consequences from selling shares.

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The amounts and sources of Fund distributions reported in any notices to shareholders are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon a Fund's investment experience during the remainder of its fiscal year and may be subject to change based on tax regulations. A Fund will send a Form 1099-DIV for the calendar year that will tell shareholders how to report these distributions for federal income tax purposes. Some Funds make distributions of ordinary income and capital gains at calendar year end. Those distributions temporarily cause extraordinarily high yields. There is no assurance that a Fund will repeat that yield in the future. Subsequent monthly distributions that do not include ordinary income or capital gains in the form of dividends will likely be lower.

Some investors may be subject to the alternative minimum tax (AMT).

The Funds are actively managed, and their characteristics will vary. Stock and bond values fluctuate in price so the value of your investment can go down depending on market conditions. International investing involves special risks including, but not limited to political risks, currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Principal of mortgage- or asset-backed securities normally may be prepaid at any time, reducing the yield and market value of those securities. Obligations of U.S. government agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. government. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher rated securities. Investments in emerging markets may be considered speculative and are more likely to experience hyperinflation and currency devaluations, which adversely affect returns. In addition, many emerging securities markets have lower trading volumes and less liquidity. A Fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. Refer to a Fund's prospectus, if applicable, or shareholder report for more information. 50 Hudson Yards, New York, NY 10001.

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