

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of 1607 Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact the Firm's Chief Compliance Officer at 804-525-1750. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Any reference to 1607 Capital Partners, LLC being a registered investment adviser, or any indication of being registered, herein does not imply a certain level of skill or training.

Additional information about 1607 Capital Partners, LLC is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2 - Material Changes

1607 Capital Partners, LLC is updating this brochure as part of its annual amendment dated February 2024. There have been no material changes since the last annual update of the brochure that was filed in February 2023.

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Item 4 - Advisory Business

1607 Capital Partners, LLC (“1607 Capital”), a Delaware limited liability company is an investment advisory firm founded in 2007. 1607 Capital Partners Limited (the “Relying Adviser” and together with 1607 Capital, “1607” or the “Company”) was incorporated in 2017 in England and Wales and is a wholly owned subsidiary of 1607 Capital Partners, LLC. All persons acting on behalf of the Relying Adviser are subject to the supervision and control of the Company. 1607 Capital is privately held and majority owned by Shannon Fake, Ashley Long, James Mallory, Kirk Tattersall and Rosemont Investment Group, LLC.

1607 offers investment advisory services to high net worth individuals and institutional clients including corporate and public pension funds, and university and foundation endowments. The Company provides these services through commingled private funds (“Funds”) and separately managed accounts (“Managed Accounts”, and together with Funds, “Clients”). 1607 currently offers seven different investment strategies in which a client may participate. Aside from a willingness to abide by a limited set of guidelines imposed by the client, 1607 does not tailor investment advice based on each client's individual needs, but rather according to the parameters for each investment product or strategy the Company manages. 1607 enters into a discretionary investment management agreement with each Client. These agreements establish each Client’s investment strategy and the other terms, limitations and conditions of 1607’s engagement. Client assets are actively managed by investing primarily in closed-end mutual funds that invest in domestic equities, international equities, and fixed income products. “Closed-end mutual funds” means exchange-traded closed-end funds and similar exchange-traded investment funds and investment holding companies (together, “CEFs”) that trade at prices that may reflect a discount (or premium) to net asset value. 1607 will also utilize investment instruments that track an index, including exchange-traded funds (“ETFs”), or hold cash, in market environments where 1607 believes the relative value of the available CEFs becomes less attractive or to gain market exposure. On an ongoing basis, 1607 monitors the performance of Client accounts and the investment markets and reallocates Clients’ assets as appropriate. In addition, 1607 Capital acts as the general partner to the Funds which are organized as Delaware limited partnerships.

1607 may from time to time enter into letter agreements or other similar agreements (“side letters”) with one or more investors of a 1607 Fund that provide such investor(s) with additional and/or different rights than investors have pursuant to the general terms of the Fund. Such rights may include providing the investor with shorter notice periods, more frequent and detailed reports, the reduction or waiver of the management or performance fee, investment restrictions, or other rights.

As of December 31, 2023, the Company had \$4.3 billion of assets under management on a discretionary basis.

Item 5 - Fees and Compensation

Fees charged by 1607 vary based on Client and/or strategy, but generally include a management fee, a performance based fee, or a combination thereof, which are at rates and terms described in the Client’s investment management agreement and are generally not negotiable. However, some large or strategic investors may receive more favorable economic terms than other investors may.

1607 reserves the right to enter into similar arrangements in the future. Employees of 1607 and/or their related person's investments are not typically subject to the fees described above. Upon termination of 1607's investment management or investment advisory role, any earned, unpaid fees would be due and payable. The timing of when fees are paid depends on the individual governing documents of the Client. Asset based management fees generally range between 0% and .75% and are charged quarterly in advance or in arrears as stated in each Client's governing documents, based on a percentage of the client's assets under management at the beginning or end of the calendar quarter, subject to adjustments for contributions to, or withdrawals from, the Client's account. Performance based fees generally range between 0% and 30% and will generally be based upon a share of the capital gains or capital appreciation of the funds and securities in a Client's account above those of the stated benchmark for the particular Client. Performance fees will only be charged to qualified clients and in accordance with Rule 205-3 under the Advisers Act.

Investment advisory services begin with the effective date of the Investment Management Agreement. If applicable, fees will be adjusted pro rata based upon the number of calendar days in the quarter that the Agreement first becomes effective. Fees are generally deducted from the assets of the Client in accordance with the terms of the investment management agreement or Fund limited partnership agreement. Fund investors do not have the ability to choose to be billed directly for fees incurred. Managed Account fees can either be deducted directly from the client's brokerage account or paid directly by the Client pursuant to a written agreement.

1607's advisory fees are separate and distinct from fees and expenses charged by the managers of the CEFs or ETFs that are recommended to clients. Additionally, the fees paid to 1607 are exclusive of custodial and transaction costs paid to custodians, brokers, or any other third parties. Investors in Funds also bear their proportional share of the operating expenses particular to the Fund in which they invest, which may include, without limitation, the following: legal fees; accounting fees; custodian fees; fund administration fees; organizational and registration expenses; transactional fees, filing fees, any insurance, indemnity or litigation expense, and certain offering costs. In general, 1607 will allocate expenses that are shared across multiple Clients on a pro-rata basis based on assets under management. However, in certain situations 1607 may assign expenses in a different manner with the goal of allocating expenses in a fair and equitable manner. Clients should carefully review their governing documents to gain a full understanding of all fees and expenses associated with their Managed Account or interest in a Fund prior to investment.

1607 has adopted a Security Valuation Policy to govern the valuation of securities held in Client portfolios. In certain cases, valuation procedures may be memorialized in a Client's governing documents and generally call for valuations to be determined by a third party administrator of custody bank. In these cases, advisory fees are based on the security valuations provided by that administrator or custodian. In other cases, the governing documents may not include such provisions, in which case, advisory fees are based on 1607's security valuations obtained in accordance with the Security Valuation Policy. Although both 1607 and the Client's custodian utilize well-known, widely used, independent pricing vendors, such security valuations may differ between pricing sources. When such variations exist, which generally only occurs on a small number of securities (typically those in liquidation or certain foreign issues), 1607 seeks to work with the Client administrator or custodian to determine fair value. Regardless, Client administrators and custodians may not ultimately assign the same value to a particular security.

If for any reason a Client wishes to terminate an investment advisory contract, the Client must provide prior written notice in accordance with the terms of their contract. The client is responsible to pay for services rendered until the termination of the agreement. Upon termination, any unearned fees charged for advisory services will be refunded on a pro-rata basis. Investors' ability to redeem from the 1607 Funds is subject to formal notice requirements and other restrictions. The 1607 Funds' offering memorandum provides a summary of when investors are permitted to make complete or partial redemptions.

Item 6 - Performance Based Fees and Side-by-Side Management

Performance based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. An adviser charging performance fees to some accounts faces a variety of conflicts because the adviser can potentially receive greater fees from accounts with a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (*e.g.*, an asset-based fee). As a result, the adviser may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee. This potential conflict of interest additionally may create an incentive to make investments that are riskier or more speculative than in the absence of such a performance-based fee. To help mitigate these potential conflicts of interest, 1607 has established reasonable policies and procedures regarding trade allocation and aggregation (see Brokerage Practices Section).

Only qualified clients are eligible to be assessed a performance fee. Qualified clients generally must i) have at least \$1,100,000 in assets under management with 1607, or ii) have a net worth (or joint net worth with a spouse) of at least \$2,200,000.

Item 7 - Types of Clients

1607 provides investment advisory services to Funds and Managed Accounts. The Managed Accounts and Funds are only offered to certain qualified investors such as pension plans, banks, sovereign wealth funds, endowments, other investment advisers, corporations, insurance companies, and high net worth individuals. Admission to the Funds is not open to the general public. An investment in a Fund is generally restricted to investors that qualify as "accredited investors," as that term is defined under rule 501(a) of Regulation D of the Securities Act of 1933, as amended. These Funds are exempt from registration as investment companies with the SEC pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940.

1607 typically will not act as investment adviser for separately managed accounts with an initial commitment of less than \$25 million, and generally require 1607 Fund investors to initially contribute \$3 million, with the exception of one fund which has an initial minimum contribution of \$250,000. As the general partner of the Funds, 1607 may waive an investor's minimum capital commitment, and has done so for certain investors.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

The 1607 investment team generally invests Client's assets in CEFs that trade on U.S. exchanges and foreign exchanges, depending on the strategy. In addition, 1607 will often purchase ETFs designed to track a specific index. 1607 begins its investment process with the collection of data on the universe of investable closed-end funds, as determined by 1607. Information such as prices, dividends, manager reported net asset values, and portfolio composition are collected to evaluate the current net asset values of the CEFs. Based on this information, 1607 then ranks the universe of investable CEFs using a proprietary model. Factors that are typically utilized include, but are not limited to, relative and absolute discount levels, net asset value performance, fund size, corporate actions (share repurchases, tender offers, open-ending provisions, etc.), and other additional data. The output of this ranking system provides the starting point for 1607's investment decisions.

1607 then considers various factors such as fund management, top down country and regional data, various macro-economic data and forecasts, sector, credit quality, and other inputs, to confirm the bottom-up research and control risks, including country valuations, economic growth, and geopolitical environments, among other factors. The factors considered will vary with the strategy. Specific client guidelines and benchmarks along with diversification considerations are then monitored to further control risks and confirm investment choices. Client portfolios are created from this research and re-evaluated on a daily basis.

Risk management occurs at every stage of 1607's investment process – from the initial and ongoing evaluation of the CEFs in which 1607 makes investments to the construction and ongoing management of the portfolio of CEFs in each strategy.

At the fund level, a thorough analysis is conducted of each fund the firm follows, using a proprietary database of historical net asset values, prices, and dividends for each fund. Each fund's NAV is modeled upon inclusion into the investable universe, allowing for real-time NAV estimates throughout the trading day. Then, NAV variance reports are generated daily and analyzed by the investment team to identify unusual activity. When necessary, the team may seek to engage the fund's manager in order to better understand any variances that occur.

Further risk management practices exist at the client portfolio level. Typically, the Client's exposure will be comprised of numerous CEFs often resulting in over 1000 securities on a look-through basis, thus, much of the security-specific risk is diversified away. This diversification enables 1607 to focus its risk management efforts on higher-level portfolio characteristics like relative sector or country exposure. Each portfolio's look through exposure is tracked in real-time in comparison to the appropriate benchmark. The more the portfolio deviates from the benchmark, the more 1607 will adjust its buy or sell targets in response. 1607 will also use passive ETFs to manage underweight positions as they grow. Additionally, in composites with multiple clients, 1607 seeks to minimize return dispersion across accounts. The Company's portfolio management system and its trade allocation platform seek to ensure that trades are allocated appropriately across accounts with the same strategy so that individual positions are held at similar percentages.

The description provided above is a brief overview of 1607's investment strategy and risk management controls. It should not be considered comprehensive and variations exist between

different strategies. All investing involves a risk of loss and the Company's investment strategies could lose money or underperform benchmarks over short or even long periods. Past performance is not indicative of future returns.

RISK OF LOSS

The following is a summary of the material risks involved with the investment strategies and methods of analysis employed by 1607, as described above.

Investing in the Funds that 1607 manages involves a risk of loss that all fund investors should be prepared to bear. Similarly, the discussion of risks that follows below also applies to 1607's Managed Accounts, which typically engage in the same strategies as the Funds.

It is not possible to identify all of the risks associated with investing, and the particular risks applicable to each Client account will depend on the nature of the account, its investment strategy and the types of investments held in the account. A more detailed discussion of the risks of investing is presented in the relevant offering documents. It is critical that Clients and investors refer to their respective Client's offering documents for a more complete understanding of the significant risks associated with investments (including the risk of total loss).

Investment Approach and Strategies

Risk is inherent in all investing. No guarantee or representation is made that the Company's investment approach or strategies will be successful or produce profitable results. The Company's unique fund of funds investment style may not be successful in realizing the client's investment objectives. Profitable investing is often dependent on anticipating that the market will change its perception of what appears to be an undervalued security at some point in the future. Markets subject to random price fluctuations, rather than rational decisions, may generate a series of losing investments. There have been periods in the past when the markets have been subject to irrational price movements, and such periods may recur. Any factor that would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in limit moves, also could be detrimental to profits. For example, supply and demand for securities and other financial instruments can change rapidly and will be affected by a variety of factors. Such factors include: investment-specific price fluctuations, the macro-economic environment, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments (such as the results of operations, financial condition, sales and product lines of corporate issuers), national and international politics, governmental events and changes in interest rates and income tax laws. In addition, events such as political instability, terrorism, natural disasters, and regional and global health epidemics may occur. No assurance can be given that the Company's techniques and strategies will be profitable in the future.

Closed – End Funds

1607 intends to invest primarily in CEFs that invest in domestic and international equities, fixed income products, and ETFs (depending on the specific investment product). Risks of investing in shares of a CEF that invest in domestic and international equities, fixed income products, and ETFs are similar to those risks associated with investing in these securities directly. In addition to

these risks, the shares of CEFs often trade at a discount to the underlying net asset value of the fund and this discount can increase significantly during various market conditions that do not otherwise affect the value of the fund's holdings. 1607 clients and investors are also subject to manager risk, which is the risk associated with the CEF management team's ineffective or underperforming management. While 1607 analyzes the fund management, clients are indirectly subject to the risks associated with the investment decisions of the CEF management. Further, CEFs incur investment advisory, transactional, administrative and other expenses that are in addition to the investment advisory, transactional, administrative and other expenses incurred by the client.

Exchange-Traded Funds

1607 will invest in shares of ETFs that invest in equity securities. Risks of investing in shares of an ETF that invest in equity securities are similar to those risks associated with investing in the equity securities directly. In addition to these risks, an investment in shares of an ETF also expose investors to the risk of errors in matching the ETF's underlying assets to an index and the risk that because an ETF is not actively managed, it cannot sell poorly performing equity securities as long as they are represented in an index. These risks may affect the ability of 1607 to implement its investment strategy effectively and reduce the accounts' profit potential.

Additionally, an ETF's return may not match the return of the index it is trying to replicate (the "Replicated Index") for a number of reasons. For example, an ETF incurs a number of operating expenses not applicable to the Replicated Index, and incurs costs in buying and selling securities, especially when rebalancing the ETF's securities holdings to reflect changes in the composition of the Replicated Index. The ETF may not be fully invested at times, either as a result of cash flows into the ETF or reserves of cash held by the ETF to meet redemptions and expenses.

International Investing

1607 invests in CEFs that conduct investment activities outside the U.S. Prospective investors should understand and consider carefully the greater risks involved in investing internationally. Investing in securities of non-U.S. issuers, positions that generally are denominated in foreign currencies, involve both opportunities and risks not typically associated with investing in U.S. securities. These include: fluctuations in exchange rates of foreign currencies; possible imposition of exchange control regulation or currency restrictions that would prevent cash from being brought back to the United States; less public information with respect to issuers of securities; less governmental supervision of exchanges, securities brokers and issuers of securities; difficulties in obtaining and enforcing a judgment against a foreign issuer; different accounting, auditing and financial reporting standards; different settlement periods and trading practices; less liquidity and frequently greater price volatility in foreign markets than in the United States; imposition of foreign withholding and other taxes; and sometimes less advantageous legal, operational and financial protections applicable to foreign sub-custodial arrangements.

The cost of investing in securities of non-U.S. issuers can be higher than the cost of investing in U.S. securities. Investments in securities denominated in foreign currencies also involve the additional cost of converting currencies upon the purchase and sale of securities.

The economies of certain foreign markets may not compare favorably with the economy of the United States with respect to such issues as growth of gross national product, reinvestment of

capital, resources and balance of payments position. Certain foreign economies may rely heavily on particular industries or foreign capital and are more vulnerable to diplomatic developments, the imposition of economic sanctions against a particular country or countries, changes in international trading patterns, trade barriers and other protectionist or retaliatory measures. Investments in foreign markets may also be adversely affected by governmental actions such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets or the imposition of punitive taxes. In addition, economic conditions, such as volatile currency exchange rates and interest rates, political events, military action and other conditions may, without prior warning, lead to the governments of certain countries, or the U.S. Government with respect to certain countries, prohibiting or imposing substantial restrictions through capital controls and/or sanctions on foreign investments in the capital markets or certain industries in those countries. Capital controls and/or sanctions may include the prohibition of, or restrictions on, the ability to own or transfer currency, securities, derivatives or other assets and may also include retaliatory actions of one government against another government, such as seizure of assets. Any of these actions could severely impair a CEF's or the Fund's ability to purchase, sell, transfer, receive, deliver or otherwise obtain exposure to foreign securities and assets, including the ability to transfer the Fund's assets or income back into the United States, and could negatively impact the value and/or liquidity of such assets or otherwise adversely affect the Client's operations, causing the Client's account to decline in value. Other potential foreign market risks include foreign exchange controls, difficulties in pricing securities, defaults on foreign government securities, difficulties in enforcing legal judgments in foreign courts and political and social instability. Diplomatic and political developments, including rapid and adverse political changes, social instability, regional conflicts, terrorism and war, could affect the economies, industries and securities and currency markets, and the value of the Fund's investments, in non-U.S. countries. These factors are extremely difficult, if not impossible, to predict and take into account with respect to the Client's investments

Emerging Markets

1607 invests in CEFs that conduct investment activities in emerging markets. The risks described above for "International Investing" are typically increased to the extent that a CEF invests in issuers located in less developed and developing nations. The securities markets of emerging countries are substantially smaller, less developed, less liquid, and more volatile than the securities markets of the U.S. and other more developed countries. Disclosure and regulatory standards in many respects are less stringent than in the U.S. and other major markets. There also may be a lower level of monitoring and regulation of the markets and the activities of investors in certain less developed countries, and enforcement of existing regulations can be extremely limited. Emerging markets may have slower clearance and settlement procedures, higher transaction costs and investment restrictions that may restrict or delay trading. In addition, certain governments may require approval for, or otherwise restrict, the repatriation of investment income, capital or proceeds of sales of securities by foreign investors. War, governmental intervention, lack of capital, corruption, poor corporate management and limited resources are also common risks associated with investing in these markets.

Investments in securities of issuers located in emerging countries can be more speculative than investments in securities of issuers located in developed countries and are subject to certain special risks. The political and economic structures in many of these emerging countries may be in their infancy and developing rapidly, as such countries may lack the social, political and

economic characteristics of more developed countries. Certain of these countries have in the past failed to recognize private property rights and have at times nationalized and expropriated the assets of private companies. Some countries have inhibited the conversion of their currency to another. The currencies of certain emerging market countries have experienced devaluations relative to the U.S. dollar, and future devaluations may adversely affect the value of client's assets valued in such currencies. Many emerging markets have experienced substantial, and in some periods, extremely high, rates of inflation for many years. Continued inflation may adversely affect the economics and securities markets of such countries.

Currency Risk

The value of foreign securities is affected by changes in currency rates, foreign tax laws (including withholding tax), government policies (in this country or abroad), relations between nations and trading, settlement, custodial and other operational risks. Because 1607 invests in securities denominated or quoted in currencies other than the U.S. dollar, client accounts will be affected by changes in foreign currency exchange rates (and exchange control regulations) that affect the value of investments and the accrued income and appreciation or depreciation of the investments in U.S. dollars. An increase in the strength of the U.S. dollar relative to other currencies may cause the value of client accounts to decline. Certain foreign currencies may be particularly volatile, and foreign governments may intervene in the currency markets, causing a decline in value or liquidity in client's foreign holdings whose value is tied to the affected foreign currency. In addition, client accounts may incur costs in connection with conversions between various currencies.

Transactions on Non-U.S. Exchanges

1607 engages in trading on markets outside the United States. Transactions on non-U.S. exchanges are not regulated by U.S. governmental agencies, such as the SEC. Some non-U.S. exchanges, in contrast to exchanges in the United States, may be "principals markets" similar to forward markets, in which responsibility for performance is only that of the principal with whom a trader has entered into a transaction, and not of an exchange or clearing corporation. In some cases, a broker with whom 1607 enters into a transaction may in effect take the opposite side of trades. Because some non-U.S. exchanges generally lack a clearinghouse system such as that utilized by exchanges in the United States, market disruptions may be more likely to occur on non-U.S. exchanges.

Suspension of Trading

Securities and commodity exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for CEFs or the Client to liquidate positions and thereby expose the Client to losses.

Investments in Equity Securities

Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the

governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

Fixed Income and Debt Securities

1607 invests in CEFs that invest in fixed-income securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity (*i.e.*, market risk).

Credit risk relates to the ability of the issuer of a security to make interest and principal payments on the security as they become due. If the issuer fails to pay interest, clients' income might be reduced and if the issuer fails to repay principal, the value of that security might be reduced.

Debt securities also are subject to interest rate risk. Debt securities will increase or decrease in value based on changes in interest rates. If interest rates increase, the value of the debt securities held in client accounts generally should decline. On the other hand, if interest rates fall, the values of investments in client accounts generally should increase. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Usually, changes in the value of fixed-income securities will not affect cash generated, but may affect the performance of client accounts.

Risks Associated with Municipal Securities

1607 may invest in CEFs that invest in municipal securities. Most of the municipal securities consist of general obligations for which the taxing power of the issuer is the source of repayment. However, municipal securities may also consist of tax anticipation notes or other obligations whose repayment is entirely dependent on the collection of revenues or excise taxes by the issuing authority. In the event that special revenues backing such obligations are not received, the CEF will have no recourse against the issuer or any other party for repayment of such obligations. In the case of general obligations, there is the risk that an issuer of such obligations could become insolvent and default on the obligations. In such case, the issuer would likely not make full payment of principal and interest on the obligations.

High Yield Securities

1607 may invest in CEFs wherein the underlying assets are debt and equity securities, credit paper, accounts and notes payable, loans and other financial instruments and obligations of financially troubled companies, including companies involved in bankruptcy, reorganization and liquidation proceedings. Although these investments may result in significant returns, they involve a substantial degree of risk. Any one or all of the issuers of the securities or other instruments in which 1607 indirectly invests may be unsuccessful or not show any return for a considerable period of time. In any reorganization or liquidation proceeding related to such an underlying issuer, the client account may lose its entire investment. Under such circumstances, the returns generated from these investments may not compensate the client account adequately for the risks assumed.

Derivative Instruments

The underlying CEFs may make use of various derivative instruments, such as swaps. The use of derivative instruments involves a variety of material risks. These risks include the extremely high degree of leverage that can be embedded in such instruments, a risk which can be materially increased by the limited liquidity that often characterizes the derivative markets. The pricing relationships between derivative instruments and the underlying instruments on which they are based also may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses. In addition, the derivative instruments may be over-the-counter instruments (contracts) between the CEF and third parties. The risk of counterparty nonperformance can be significantly greater in the case of these over-the-counter instruments (contracts) as opposed to exchange-traded derivative instruments. Furthermore, “bid-ask” spreads may be unusually wide in the substantially unregulated over-the-counter markets.

Warrants

1607, from time to time, may acquire equity warrants related to a closed-end fund. Equity warrants are securities that give the holder the right, but not the obligation, to subscribe for newly created equity issues of the issuing company or a related company at a fixed price either on a certain date or during a set period. Changes in the value of a warrant do not necessarily correspond to changes in the value of its underlying security. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. Warrants do not entitle a holder to dividends or voting rights with respect to the underlying security and do not represent any rights in the assets of the issuing company. A warrant ceases to have value if it is not exercised prior to its expiration date. These factors can make warrants more speculative than other types of investments.

Institutional, Credit and Counterparty Risk

1607 is subject to the risk that the brokers and counterparties with which, and the exchanges on which, it executes transactions or carries positions may default. The default by a broker, exchange, clearinghouse or counterparty with or through which the Company trades could result in material losses in client accounts.

Concentration Risk

Although diversification is an integral part of 1607’s overall portfolio risk management process, 1607 is not restricted as to the percentage of Client assets that may be invested in any particular instrument, market or asset class. In attempting to maximize Clients’ returns, 1607 may concentrate the holdings in those industries, companies, instruments or markets that, in the sole judgment of 1607, provide the best profit opportunity in view of the Clients’ investment objectives. 1607 may invest a significant portion of the Client’s assets in the securities of a small number of CEFs or a CEF may invest a significant portion of its assets in the securities of a small number of issuers or, directly or indirectly, in similar assets. As a result, the Client account may become more susceptible to risks associated with a single economic, political or regulatory occurrence than would be the case with a more diversified portfolio and the Client may be subject to significant losses in the event that it holds a large position in a particular investment, or an overly large position compared to the particular investment’s average daily trading volume, that declines in value or is otherwise adversely affected, including by default of the issuer. In addition,

1607 may invest the Client's assets in CEFs that have invested in a limited number of industries or in limited geographic areas. As a result, the Client account may become more susceptible to risk associated with events that affect that specific industry or geographic area.

Illiquidity of Certain Investments

The Client account may invest in CEFs or other securities that have limited liquidity or trading volume. The Fund might only be able to liquidate these positions at disadvantageous prices, should 1607 determine, or it becomes necessary, to do so. For example, substantial withdrawals within the Client account could require the Client to liquidate its positions more rapidly than otherwise desired in order to obtain the cash necessary to fund the withdrawals. The limited liquidity or trading volume of the Client's investments could make it difficult for the Client to liquidate positions on favorable terms, thereby resulting in losses or a decrease in the Net Asset Value of the Client's account.

Reclamation of Foreign Withholding Tax

1607, with the assistance of the Custodian and/or other third parties, may choose to attempt to reclaim withholding taxes in a limited number of markets. 1607 and the Custodian are not obligated to pursue withholding tax reclaims in any market and there is no guarantee any amounts can or will be reclaimed. Changes in law, treaty rates, tax status of investors, filing obligations, and deadlines for tax submission can all affect the amount of any taxes that can be reclaimed on behalf of the Client and the investors. If the Client is unsuccessful in obtaining a full or partial reclaim in respect of withholding tax, the Client's cost for such activity could outweigh the benefit received, if any. Moreover, there may be a material delay between the Client's application to reclaim a withholding tax and the Client's receipt of such reclaimed amounts, if any. Therefore, an investor in a Fund during any period in which the Fund incurs the cost of seeking a tax reclaim may not receive the full, or any, benefit of the Fund's receipt of such reclaimed amounts should the investor partially or fully redeem the investor's interest from the Fund prior to such receipt. 1607 shall determine in its sole discretion how any reclaimed amounts shall be allocated. All reclaimed taxes are paid directly to the Client, regardless of the underlying tax status of the investor in whose name a reclaim is filed (where applicable).

Volatility

While 1607 may allocate Client assets among CEFs with differing styles and techniques, there are no fixed allocation percentages. While unlikely given the Company's strategy, there is the risk that a disproportionate share of Client assets may be committed to one or more strategies or techniques. 1607 has limitations on its ability to manage correlation risk. This is the risk that different CEFs may invest in the same securities or sectors. This would result in less diversification than would be suggested by the number of CEFs being employed.

The allocation of Client assets to new or emerging CEFs that utilize unique investment strategies or asset classes may subject the Client account to greater volatility due to the greater difficulty in assessing the track record, investment strategy and relevant risks of such CEFs versus CEFs with longer track records or strategies that are more conventional.

The allocation of Client assets to CEFs in response to particular market conditions could increase volatility and potential for loss if such market conditions continue to worsen.

Reliance on Key Personnel

The success of 1607's investment strategy depends in part upon the skill and expertise of its investment professionals. In the event of the death, disability or departure of one or more of the key investment professionals at 1607, the investment performance of the strategy could be adversely affected. The Company manages several investment strategies and will devote such time as it deems necessary for the efficient investment activities of each individual strategy.

Trading Restrictions on Portfolio Managers and Activist Investing

If 1607 or a CEF in which 1607 invests, acts as an activist investor or seeks to bring about governance changes at a CEF, it may become aware of material non-public information regarding its portfolio companies. In such circumstances, 1607 or the CEF will be unable to act on such information and may be restricted from trading for a period of time, and, thereby, will be unable to realize any gains on the value of such Investment. To the extent that an activist investing strategy is engaged, the Client account could accumulate a significant position in the shares of a single issuer, which could lead to litigation or disputes in the event 1607 desires to influence the issuer. In addition, if 1607 or a CEF were to seek to challenge the management of a portfolio company through a proxy contest, such litigation or proxy contest could result in substantial expense to the Client. The failure of an "activist" manager to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, restructuring, wind down, sale of the business or change in management, could result in a substantial loss on such investment by the Client.

Restrictions on Transfer and Liquidity of Interests

A Fund investor may not assign, transfer or otherwise dispose of any Interests without written notice to and the prior written consent of 1607. Fund investors must be prepared to bear the risk of their investment in the Interests of the Fund for an indefinite period of time if the investment manager is unable to liquidate the underlying investments in a manner it deems appropriate. There is no secondary market for the Fund interests, and none is expected to develop. Consequently, Fund investors may not be able to liquidate their investment in a Fund in the event of an emergency or for any other reason, and Fund interests may not be readily accepted as collateral for a loan.

Withdrawals by Large Investors

A Fund may be materially affected by the actions of one or more large investors or the decisions of a consultant advising such investors. For example, if an investor with significant interests redeemed its interest (or if a significant number of small investors redeemed their interests), the remaining investors may experience higher pro rata operating expenses, thereby producing lower returns. In addition, the Fund's investments may become less diverse due to the withdrawal of a large investor, resulting in increased portfolio risk. Moreover, in order to meet such redemption requests, the Fund may be compelled to liquidate securities at disadvantageous times and/or prices.

Valuation

1607 has adopted a Security Valuation Policy to govern the valuation of securities held in Client portfolios. The vast majority of investments within 1607 investment strategies are exchange traded and thus regularly valued by third party market data providers (although occasional price differences may occur between these providers). However, a small number of investments do not have active trading markets or are in the process of liquidation, and may require subjective valuation by 1607. For these investments, 1607 may consider factors such as available pricing quotes, past valuations, cash flows from the investment, communications from the investment sponsor, and other factors, to determine a valuation using the Company's professional judgment in good faith. Accordingly, these valuations may not agree with the valuations made by others, including industry and investment professionals. These valuations should not be viewed as accurate predictions of the ultimate values that will be realized if and when such investments are fully realized. To the extent 1607's good faith valuation of an investment ultimately is determined to be inaccurate, Clients could pay more or less in fees based on 1607's valuation, and redeeming investors from a 1607 Fund could receive greater or lower proceeds. The Company's valuation policy is available upon request.

Possibility of Additional Government or Market Regulation

Market disruptions during recent years have led to increased governmental as well as self-regulatory scrutiny of the private fund industry in general. Certain legislation proposing greater regulation of the industry has been considered periodically by the U.S. Congress, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in regulation applicable to the Client, 1607, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of the Client, as well as require increased transparency as to the identity of the limited partners in a 1607 Fund.

Geopolitical and Natural Events

A volatile geopolitical climate coupled with ongoing threats of terrorism and war could materially affect general economic and market conditions as well as market liquidity. Investments may be subject to changing political environments, imposed sanctions, regulatory restrictions, sudden overturn of established norms, and changes in government institutions and policies, any of which could adversely affect the Client's investments. The economies of certain countries have experienced high inflation, high unemployment, currency devaluations and restrictions, and overextension of credit. Some foreign economies have experienced rapid growth and industrialization, and there is no assurance that this growth rate will be maintained. Adverse events in any one country may have a significant economic effect on an entire economic region, as well as on major trading partners outside the region. Certain countries have also developed increasingly strained relationships with the U.S., and if these relations were to worsen, they could adversely affect foreign issuers that rely on the U.S. for trade. In addition, some countries are subject to social and labor risks associated with demands for improved political, economic, and social conditions. Increased political and social unrest, economic sanctions, military conflicts, and reduced spending on products and services produced in certain economic regions could cause significant economic uncertainty and declines in the region. Moreover, pandemics, natural disasters, or oil supply shocks could cause a severe disruption to global and local economies. As a result, deterioration in economic fundamentals and consumer confidence may negatively affect market value, increase volatility, and reduce liquidity, raising the risk of default of certain of the Client's investments and thereby adversely affecting its performance. No guarantee or

representation can be made as to the effect of these events on the value of investments owned by the Client.

The governments of certain countries, or the U.S. Government with respect to certain countries, may prohibit or impose substantial restrictions through capital controls and/or sanctions on foreign investments in the capital markets or certain industries in those countries, which may prohibit or restrict the ability to own or transfer currency, securities, derivatives or other assets. In addition, the outcome of Russia's invasion of Ukraine, the extent and duration of the military action, and the resulting sanctions and resulting future market disruptions in the region, are impossible to predict, but could be significant and have a severe adverse effect on the region, including significant negative impacts on the economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors.

Cybersecurity

The computer systems, networks and devices used by us and service providers to us and a Client to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A Client could be negatively impacted because of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a Client; interference with the Company's ability to calculate the value of an investor account; impediments to trading; the inability of us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which 1607 invests; counterparties with which 1607 engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Pandemics and Other Public Health Crises

The operations of 1607 could be adversely impacted, including through quarantine measures and travel restrictions imposed on key personnel of the Company. 1607's operations could also be disrupted if any member of 1607 or any other key personnel of 1607 contracts COVID-19 and/or any other infectious disease. These events could materially and adversely affect 1607's ability to source, manage and divest investments and the ability to fulfill the Company's investment objectives. In addition, in response to the spread of COVID-19, many businesses, including 1607 at various times, has encouraged or mandated that their personnel work from home in an effort to help slow the spread of the coronavirus pandemic. Notwithstanding such precautionary measures, 1607 may still experience a significant increase in illness of their respective personnel. Work-at-home arrangements could also lead to employee fatigue, reduced collaboration and less optimal

communication and supervision relative to traditional office structures, which could severely impair the Company and/or such service providers' operational capabilities, potentially having a detrimental impact on the Company's business and operations. Similar consequences may arise with respect to other comparable infectious diseases.

ESG Factors

1607 has adopted an environmental, social, and governance ("ESG") policy to declare its approach to the consideration of ESG risks and opportunities. However, at this time, 1607 does not have any products that have an ESG strategy. The CEFs and ETFs in which 1607 invests are managed by third-party investment managers who have sole control over the underlying investments made in these vehicles. As such, 1607 is limited in its ability to affect the ultimate underlying investments made in Client portfolios. In addition, the Firm's investment strategies are managed relative to broad market based indices and 1607 thoughtfully manages exposures relative to these benchmarks. To the extent the underlying managers of the CEFs are misaligned with ESG trends or adopt ESG practices themselves that require shedding ESG related exposures, losses in their underlying investments could develop as well as a divergence between index weightings and CEF weightings. 1607 is actively monitoring these potential trends while continuing to advocate, where appropriate, for thoughtful governance practices at CEFs.

The foregoing information is intended as a summary and is qualified in its entirety by the relevant Client's offering or governing documents. It is critical that Clients and investors refer to these documents for a more complete understanding of the significant risks associated with these investments (including the risk of total loss).

Item 9 - Disciplinary Information

1607 is not aware of any legal or disciplinary events involving the Company or its personnel in the past 10 years that would be material to the Company or its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

1607 Capital Partners Limited (the "Relying Adviser") was incorporated in 2017 in England and Wales and is a wholly owned subsidiary of 1607 Capital Partners, LLC. The Relying Adviser has been authorized and regulated by the UK Financial Conduct Authority ("FCA") in the UK since 20 August 2019. The Relying Adviser was established to undertake research on potential investment opportunities for 1607 Capital and to provide advice to 1607 Capital on investment opportunities in securities that are listed in the UK. Moreover, 1607 Limited is also involved in the execution process whereby it receives orders from 1607 Capital and transmits them to the relevant executing brokers in the UK. Employees of 1607 Capital are dual hatted to roles at the Relying Adviser. All persons acting on behalf of the Relying Adviser are subject to the supervision and control of 1607 Capital.

Rosemont Investment Group, LLC ("Rosemont"), an exempt reporting advisor, is a minority investor in 1607. Rosemont's investment in 1607 is indirectly controlled by the Markel Corporation, a specialty insurer that trades on the New York Stock Exchange under the symbol "MKL." Rosemont has investments in other financial industry participants, and will likely make

additional such investments in the future. 1607 is independently operated and does not believe Rosemont's minority investment generates any material conflicts of interest for 1607.

In addition, 1607 serves as general partner and investment manager to several private funds that are exempt from registration as investment companies under the 1940 Act. In fulfilling these roles, 1607 directly manages the assets of several Clients with similar investment objectives. Notwithstanding that the investment objectives of two or more Clients may be similar, 1607 may also give advice or take action with respect to any such Client that differs from the advice given or actions taken with respect to the other such Clients.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

1607 has a fiduciary relationship with its Clients that requires that the Company and its employees place the interests of Clients first. As such, 1607 operates under a Code of Ethics (the "Code") in accordance with Rule 204A-1 under the Advisers Act. The Code covers all employees and sets forth guidelines that promote ethical conduct generally. In addition to the Code's policies regarding personal securities trading, the Code requires employees to follow policies and procedures relating to the conduct standards of the Code including: conflicts of interest, inside information, gifts and entertainment, personal political contributions, and disclosure of personal securities transactions and holdings.

Under the Code, 1607 employees are permitted to trade for their own accounts on a limited basis, and from time to time may buy or sell securities that the Company trades for clients. This creates a potential conflict of interest. In order to mitigate this potential conflict of interest, the Company maintains a restricted list and employees are required to secure pre-approval from the 1607 compliance department prior to trading any security that may be restricted.

Additionally, the Code requires, among other things, that its employees:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of 1607 above one's own personal interests;
- Adhere to the fundamental standard that he or she should not take inappropriate advantage of his or her position;
- Avoid and/or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with the policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analyses, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on the employee and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve his or her professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

The Code also requires employees to: (1) pre-clear certain personal securities transactions; (2) report personal securities transactions on at least a quarterly basis; and (3) provide the CCO with a detailed summary of personal securities holdings (both initially upon commencement of employment and annually thereafter), in each case subject to certain exceptions described in the Code of Ethics.

A copy of the Code will be provided to any Client or prospective Client upon request.

Item 12 - Brokerage Practices

In the course of providing services, 1607 will execute trades for clients through various broker-dealers. When 1607 has broker discretion, there is no restriction on the brokers that may be selected to execute client transactions. When placing portfolio transactions, 1607 will seek to obtain best execution for the clients, taking into account factors such as, but not limited to, the following: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of the order and difficulty of execution; the ease of use, staffing commitment, and responsiveness of the brokers trading desk and back office; the financial strength, integrity, and stability of the broker; the firm's risk in positioning a block of securities; the relevance of the broker's order flow and block trading capabilities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Company's other selection criteria.

Allocation and Aggregation of Orders

When appropriate, 1607 is permitted to, but are not required to, aggregate Client orders to achieve execution that is more efficient or to provide for equitable treatment among accounts. A Client's participation in aggregated trades will be allocated securities or cash based on the average price achieved for such trades, as well as a proportionate amount of the expenses incurred in the transaction. Depending upon market conditions, the aggregation of orders may result in higher or lower average prices paid or received. Orders that are not aggregated are entered at the market prices prevailing at the time of the transaction. Accordingly, trades that are not aggregated and entered at different times during the same day may result in different pricing. Determinations concerning the investment and trading needs of each Client and the timing of transactions (e.g., security purchases and sales) shall be made throughout the trading day by the responsible Portfolio Manager(s). Each Client will not necessarily participate in every security transaction notwithstanding the fact that such investment opportunity may otherwise be suitable for that Client.

In general, 1607 strives to allocate trades on a pro rata basis or a target percentage basis. Allocation determinations may change during the trading day. When determining final allocations, the Portfolio Manager takes into account all relevant factors, including, but not limited to, the amount of shares received, the size of each client's allocation, clients' liquidity needs, pending cash flows, the available opportunity set, overall portfolio construction, and previous allocations. In the case of partial fills, accounts with smaller weightings in the security in relation to overall target position goals will generally receive allocation priority. Accounts that are ramping up or

ramping down may receive a larger or priority allocation. 1607 will often round allocations to an even lot. In the case of de Minimis fills, 1607 may allocate to as few as a single account.

Block trading is undertaken with the goals of facilitating best execution, equitably allocating trades among Clients, eliminating differences in prices and execution order that might have resulted had such orders been placed independently, and seeking to ensure that no participating Client is favored over any other Client. The vast majority of the Company's trades are executed in this manner. However, when significant cash flows occur within a specific account, trades may be executed for that specific account individually (i.e. not blocked with others) in order to align that account with similar accounts participating in the same investment strategy. In relation to a particular order, aggregation may work to disadvantage a particular Client, however the Company believes this method provides the fairest outcome for all Clients over a series of orders. The CCO, or his designee, conducts periodic reviews to ensure that no client or group of clients is being systematically favored or harmed in the selection and allocation of investment opportunities.

Cross Trades

Consistent with 1607's duty to seek to obtain best execution, occasionally 1607 may execute cross transactions between Client accounts. A cross trade occurs when an adviser purchases and sells a particular security between two or more accounts under the adviser's management by instructing brokers to cross the trade. 1607 generally utilizes cross trades when 1607 believes the practice is deemed advantageous for each participant. For example, a sale in a Client account may be advisable for reasons such as overall portfolio construction, changes in the market value, withdrawals from the account by the Client, or changes in the Client's investment guidelines or asset allocation requirements. At the same time, 1607 may advise another Client account that is under-weighted in the same security, or the security being sold is an ideal investment for a newly formed account. Certain Clients may be restricted from participating in cross trades based on regulatory requirements or Client restrictions. Such restrictions may result in a less advantageous weighting or executed price for a security. In some instances, 1607 may refrain from executing a feasible cross trade if 1607 believes in its discretion that such a trade is unlikely to have a material impact on execution price. In no instance does 1607 receive additional compensation when crossing trades for client accounts. 1607 will seek to ensure that the terms of the transaction, including the consideration to be paid or received, is fair and reasonable, and the transaction is done for the sole benefit of all participating clients.

Soft Dollars

The term "soft dollars" refers to arrangements where an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing Client securities transactions to the broker-dealer. Section 28(e) of the Securities Exchange Act of 1934, as amended allows an adviser to pay broker-dealers more than the lowest commission available in order to obtain research and brokerage services without breaching its fiduciary duties to clients or imposing a duty upon the adviser to obtain the lowest commission if certain conditions are met and the adviser makes a good faith determination that the commissions paid are reasonable in relation to the value of the brokerage or research services on behalf of its advisory clients.

1607 does not direct Client brokerage commissions to particular brokers in exchange for information the Company receives. 1607 does, however, receive research and commentary from a

variety of broker-dealers, including those to whom Clients pay a commission in connection with purchases and sales of securities. The research and commentary can include both proprietary as well as third party materials. While much of the information is unsolicited and not directly relevant to the transactions in which the Company engages, some is specifically related to, and can aid in decision-making regarding, Client transactions. Some European brokers are required to periodically send a statement declaring what portion of commission dollars were “execution” and what portion was “research”, however, an unbundled execution-only commission rate is not available. The Company views this research and commentary as “free” in that it does not agree to pay a higher commission to receive such research and commentary than the Company would otherwise pay for execution of Client transactions. That being said, the provision of such information may create an incentive to select a broker-dealer based on the volume or quality of the information from a particular broker-dealer, rather than on execution price. Any benefits to the Company’s investment analysis gleaned from the information received on an asset underlying a client transaction is for the benefit of all Clients, not just the Clients who participated in trades with the providing broker-dealer.

Individual Clients may, and have, instructed 1607 not to use broker-dealers that provide soft dollar credits when executing their trades. As a result, Clients who provide 1607 with complete discretion in the selection of brokers may incur different commission costs compared to clients who instruct us not to use broker dealers providing soft dollar credits. 1607 may engage in soft dollar arrangements prior to engaging in such arrangements involving a particular Client account. 1607 reserves the right to enter into soft dollar arrangements in the future, where permissible, without prior notice to Clients.

1607 is not affiliated with any broker-dealers.

Item 13 - Review of Accounts

Client accounts are monitored continuously and changes and/or alternate investment opportunities are recommended when a Portfolio Manager believes it is appropriate to do so. General conditions in the stock and bond markets are continuously monitored. Factors triggering reviews include, but are not limited to, changed circumstances of the clients; changed portfolio construction parameters, changed general conditions in the stock and bond markets; and changes in closed-end funds owned by Clients. Client accounts are reviewed by the Portfolio Managers. There is no set number of accounts that will be reviewed.

Clients receive copies of all transaction confirmations and monthly/quarterly statements from their custodians. All clients and 1607 Fund investors receive monthly reports, which include performance, market commentary, and a “fund of the month” section. In addition, all investors receive quarterly reports regarding account performance, expanded market commentary, holdings, discounts, and country allocation. Investors in 1607 Funds receive annual audited financial statements prepared by an independent accounting firm, as discussed in the Custody section below.

Item 14 - Client Referrals and Other Compensation

1607 does not receive economic benefits from non-clients for providing investment advice and other advisory services. The Company does not have any arrangements to compensate third parties for client referrals at this time.

Item 15 - Custody

All client assets are held in custody by unaffiliated broker/dealers or banks, however a registered investment adviser who, directly or through an affiliate, acts as the general partner or managing member to a limited partnership or other comparable pooled investment vehicle is considered to have custody over client assets. In addition, if an adviser can debit accounts to collect fees then it is considered to have custody. Rule 206(4)-2 imposes a number of requirements on an SEC-registered investment adviser that is deemed to have custody of its clients' funds and securities.

To comply with Rule 206(4)-2 and to provide meaningful protection to 1607 Fund investors, each 1607 Fund is subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles, and are distributed to each investor within 120 days of the Fund's fiscal year end.

In cases where 1607 can access separate account client funds and securities through its ability to debit advisory fees from the custodial account, the account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by 1607.

Item 16 - Investment Discretion

1607 has full discretionary authority with respect to investment decisions, and its advice with respect to the Clients is given in accordance with the investment objectives and guidelines set forth in the applicable offering documentation or advisory agreement, as the case may be. Except as otherwise may be set forth in such documents, Clients may not impose restrictions on investing in certain securities or types of securities. 1607 determines which investment securities or other assets are to be purchased and/or sold for the Clients. 1607 may be limited as to the securities or other assets that may be purchased by the offering documents, advisory agreement, and other governing documents, as well as applicable securities laws.

Item 17 - Voting Client Securities

1607 understands and appreciates the importance of proxy voting and will generally manage the receipt of incoming proxies, maintain a log of all proxies, and place votes based on established policies, guidelines, and according to the terms established in the Client's governing documents.

1607 seeks to vote client proxies in the interest of maximizing shareholder value over the anticipated investment horizon of the investment. To that end, 1607 will vote in a way that it believes, consistent with its fiduciary duty, will be more likely to cause the security to increase the most, or decline the least, in value. Consideration will be given to both the short and long-term implications of the proposal to be voted when considering what 1607 believes is the optimal vote (which may include an abstaining).

1607 is not aware of any conflicts between its Client's interests and its own interests within the Company's proxy voting process. Nevertheless, if 1607 determines that it is facing a material conflict of interest in voting client proxies, the Company's procedures provide for seeking instruction, where feasible and practicable (e.g., as to time), from the Client, or submit the matter

to an independent third party (e.g., proxy voting service) for action. As an added protection, if the Company submits the matter to an independent third party, the third party's decision is binding.

1607's proxy voting policy and procedures are memorialized in writing and are available for Client review. In addition, Clients may request a proxy voting record related to their account.

1607 shall vote, or refrain from voting, all proxies with respect to securities held in the Funds in accordance with its proxy voting policies, guidelines, and procedures in effect from time to time. 1607 shall not vote (or abstain from voting) proxies in a manner that reflects differing policies of investors in proportion to each investor's economic interest in the Funds. Investors in the Funds may not direct the 1607's vote on behalf of the Fund in any particular situation.

In the event 1607 is not empowered to exercise proxy-voting authority over a particular Client account, then the obligation to vote Client proxies shall at all times rest with the Client. The Client shall in no way be precluded from contacting us for advice or information about a particular proxy vote. However, 1607 shall not be deemed to have proxy-voting authority solely as a result of providing such advice to Client.

Should 1607 inadvertently receive proxy information for a security held in a Client's account in which 1607 does not maintain proxy-voting authority, 1607 will endeavor to immediately forward such information on to the Client, but will not take any further action with respect to the voting of such proxy. Upon termination of 1607's Agreement with the Client, 1607 shall make a good faith and reasonable attempt to forward proxy information inadvertently received by 1607 on behalf of the Client to the forwarding address provided by the Client.

1607 will not file Class Action lawsuits on behalf of Managed Account Clients. However, 1607 will help Clients who seek assistance in filing Class Actions.

For Class Action documents received by 1607 on behalf of the Funds, 1607 will review the situation and determine if the Funds should participate in, or opt out of, the class action litigation. 1607 may also determine it would be in its Clients' best interests given the time required to review the class action litigation and potential proceeds, to abstain from engaging in the class action as the time and effort required to review the materials could outweigh the benefit, in the Company's sole discretion.

Item 18 - Financial Information

1607 is not aware of any financial condition that impairs its ability to meet contractual commitments to Clients and has never been the subject of a bankruptcy proceeding.