



**Item 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

SABA CAPITAL MANAGEMENT, L.P.

December 1, 2023

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This Form ADV Part 2A brochure (the "Brochure") provides information about the qualifications and business practices of Saba Capital Management, L.P. ("Saba Capital" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (212) 542-3610. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Saba Capital is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Saba Capital also is available on the SEC's website at www.adviserinfo.sec.gov.

IMPORTANT NOTE: This Brochure may be provided to current or prospective investors, along with a Client's (as defined below) offering and governing documents, prior to or in connection with such person's consideration or consummation of an investment in a Client. In this Brochure, private funds and separately managed accounts, as well as any potential future funds or accounts managed by Saba Capital, are herein referred to as "Clients" and current or prospective investors who may invest in one or more Clients are referred to as "investors". For the avoidance of doubt, investors are not Clients of Saba Capital. This Brochure may also subsequently be provided in Saba Capital's discretion, annually, or at the request of an investor. Investors and other recipients should be aware that while this Brochure includes information about Clients of Saba Capital, it is not a complete description of the terms, risks or conflicts associated with an investment in a Client. All information provided herein is as of December 31, 2022, unless specifically indicated otherwise. More complete information about each Client is included in such Client's offering and governing documents, which may be provided to current and eligible prospective investors only by Saba Capital or another authorized party. See Item 4 "Advisory Business" for additional information. In the event of any inconsistency between the offering and governing documents of a Client and this Brochure, the offering and governing documents shall control. In no event should this Brochure be considered to be an offer of interests in a Client or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about Saba Capital for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940, as amended, (the "Advisers Act") and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in each Client's offering and governing documents. Saba Capital will only provide the offering and governing documents to those it reasonably believes to be qualified to invest as defined by the Advisers Act, and Saba Capital, in its sole discretion, has the ability to limit and restrict the investors from whom it will accept investments in the Clients.

Item 2
MATERIAL CHANGES

This summary of material changes describes only the material changes to Part 2A of Saba Capital's Form ADV since its annual update dated March 31, 2023. This Brochure is being updated to provide material updates related to Saba Capital's policies and procedures. Saba Capital has provided a summary below of the key changes to this Brochure.

- Saba Capital updated Item 17 Voting Securities

Amendments may have been made to this Brochure which are not discussed in this summary. Consequently, Saba Capital encourages all Clients to review the Brochure in its entirety.

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Item 4 ADVISORY BUSINESS

A. General Description of Advisory Firm

Saba Capital, a Delaware limited partnership, commenced operations in 2009 with an office in New York, New York. Saba Capital became a registered investment adviser with the SEC on August 6, 2010 and became a registered commodity pool operator (a “CPO”) with the National Futures Association (the “NFA”) on January 7, 2013.

Boaz Weinstein is the founder and Chief Investment Officer (“CIO”) of Saba Capital as well as its principal owner. Additionally, Mr. Weinstein is the managing member of Saba Capital Management GP, LLC, the general partner of Saba Capital (the “Saba Capital General Partner”). The Saba Capital General Partner has ultimate responsibility for the management, operations, and investment decisions made by Saba Capital.

B. Description of Advisory Services

Generally, Saba Capital serves as the investment adviser or sub-adviser on either a discretionary or non-discretionary basis to its Clients. The Clients include:

- Saba Capital Partners, L.P., a Delaware limited partnership (the “Domestic Flagship Fund”), Saba Capital Offshore Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the “Offshore Flagship Fund”), and Saba Capital Master Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the “Master Flagship Fund”). The Offshore Flagship Fund invests substantially all of its assets in the Master Flagship Fund. The Domestic Flagship Fund invests substantially all of its assets in the Master Flagship Fund. The Domestic Flagship Fund, Offshore Flagship Fund, and Master Flagship Fund are collectively referred to herein as the “Flagship Funds”.
- Saba II Aggregator Vehicle LP, a Delaware limited partnership (the “Aggregator II Vehicle”), Saba Capital Offshore Fund II, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the “Offshore II Fund”), Saba Capital Master Fund II, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the “Master II Fund”), and Saba II AIV LP, a Delaware limited partnership (the “AIV II Fund”). The Aggregator II Vehicle invests all or substantially all of its assets in either (i) the Offshore II Fund, which invests substantially all of its assets in the Master II Fund or (ii) the AIV II Fund. The AIV II Fund, together with the Aggregator II Vehicle, the Offshore II Fund, and the Master II Fund, are collectively referred to herein as, the “Saba II Funds”. The Master II Fund and the AIV II Fund are collectively referred to herein as the “Master II Funds”.
- Saba Capital Offshore Fund III, L.P., a limited partnership incorporated under the laws of the Cayman Islands (the “Offshore III Fund”), and Saba Capital Master Fund III, L.P., a Delaware limited partnership (the “Master III Fund”). The Offshore III Fund invests substantially all of its assets in the Master III Fund. The Master III Fund and the Offshore III Fund are collectively referred to herein as the “Saba III Funds”.

- Saba Capital CEF Opportunities 1 Onshore, L.P., a Delaware limited partnership (the "Domestic CEF 1 Fund"), Saba Capital CEF Opportunities 1 Offshore, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the "Offshore CEF 1 Fund"), and Saba Capital CEF Opportunities 1, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the "CEF 1 Master Fund"). The Domestic CEF 1 Fund and Offshore CEF 1 Fund invest substantially all of their assets in the CEF 1 Master Fund. The Domestic CEF 1 Fund, Offshore CEF 1 Fund and CEF 1 Master Fund are collectively referred to herein as the "CEF 1 Funds".
- Saba Capital CEF Opportunities 2 Offshore, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the "Offshore CEF 2 Fund"), and Saba Capital CEF Opportunities 2, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the "CEF 2 Master Fund"). The Offshore CEF 2 Fund invests substantially all of its assets in the CEF 2 Master Fund. The Offshore CEF 2 Fund and CEF 2 Master Fund are collectively referred to herein as the "CEF 2 Funds".
- Saba Capital CEF Opportunities 3, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the "CEF 3 Master Fund").
- Saba Capital Carry Neutral Tail Hedge Partners, L.P., a Delaware limited partnership ("Domestic Carry Neutral Fund"), Saba Capital Carry Neutral Tail Hedge Offshore Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands ("Offshore Carry Neutral Fund"), and Saba Capital Carry Neutral Tail Hedge Master Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands ("Carry Neutral Master Fund"). The Domestic Carry Neutral Fund and Offshore Carry Neutral Fund invest substantially all of their assets in the Carry Neutral Master Fund. The Domestic Carry Neutral Fund, Offshore Carry Neutral Fund and Carry Neutral Master Fund are collectively referred to herein as the "Carry Neutral Funds".
- Saba Capital Special Opportunities Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands ("Special Opportunities Fund").
- Saba Capital R Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands ("R Fund").
- Saba Capital W Fund, Ltd., an exempted company incorporated under the laws of the Cayman Islands ("W Fund").
- Saba Capital Bluebird Fund, Ltd. an exempted company incorporated under the laws of the Cayman Islands ("Bluebird Fund").
- Saba Capital Income & Opportunities Fund ("BRW") a Massachusetts trust registered under the U.S. Investment Company Act of 1940 (the "Investment Company Act").
- Separately managed accounts ("SMAs").
- Saba Capital serves as a sub-adviser to the Saba Closed-End Funds ETF ("Saba ETF"), a series of Exchange Listed Funds Trust (the "Trust"), registered under the Investment Company Act. For further discussion of the investment objectives and guidelines, see Item 10.

Saba Capital, LLC, a Delaware limited liability company affiliated with Saba Capital (the "General Partner" or the "Managing Member"), serves as (i) the general partner of the Domestic Flagship Fund, the Domestic Carry Neutral Fund, the Domestic CEF 1 Fund and the SPAC Onshore Feeder.

Saba Capital II, LLC, a Delaware limited liability company affiliated with Saba Capital (the "General Partner II" or the "Special Shareholder"), serves as (i) the general partner to the Aggregator II Vehicle, the AIV II Fund, the Master III Fund; and (ii) as the special shareholder to the Master II Fund.

Saba Capital III, LLC, a Delaware limited liability company affiliated with Saba Capital (the "General Partner III"), serves as the general partner to the Offshore III Fund.

The interests in the Domestic Flagship Fund, Domestic CEF 1 Fund and Domestic Carry Neutral Fund, are offered on a private placement basis, pursuant to Section 3(c)(7) of the Investment Company Act to persons who are "accredited investors" as defined in Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified purchasers" as defined under the Investment Company Act, and subject to certain other conditions as set forth in the respective offering memoranda.

Shares in the Offshore Flagship Fund, Offshore Carry Neutral Fund, Offshore CEF 1 Fund, Offshore CEF 2 Fund, Offshore III Fund, Special Opportunities Fund, R Fund, CEF 3 Master Fund, W Fund and Bluebird Fund are offered on a private placement basis to persons who are not "U.S. Persons", as defined under Regulation S of the Securities Act, and U.S. tax-exempt persons who are "accredited investors" as defined in Regulation D of the Securities Act and "qualified purchasers" as defined under the Investment Company Act, and subject to certain other conditions as set forth in the respective offering memoranda of the Offshore Flagship Fund, Offshore Carry Neutral Fund, Offshore CEF 1 Fund and Offshore CEF 2 Fund, CEF 3 Master Fund and Offshore III Fund.

Generally, Saba Capital has full discretionary authority with respect to investment decisions on behalf of the Clients, and its advice with respect to the Clients is made in accordance with the investment objectives and guidelines as set forth in their respective offering memoranda. For further discussion of the investment objectives and guidelines, see Item 8.

C. Availability of Customized Services for Individual Clients

Saba Capital's investment decisions and advice with respect to each Client are subject to each Client's investment objectives and guidelines, as set forth in their respective offering documents.

D. Wrap Fee Programs

Not applicable.

E. Assets Under Management

As of December 31, 2022, Saba Capital had approximately \$9,727,578,922 of regulatory assets under management on a discretionary basis.

Item 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation

i. Fixed Advisory Fees

The fees applicable to each Client are set forth and detailed in each of the Client's respective offering documents. A summary of those fees and compensation is provided below.

Saba Capital generally is paid an asset based fee annually on assets under management for the Clients, either monthly or quarterly in advance. The management fee charged to the Clients will be prorated for any capital contribution or subscription that is effective other than as of the first day of a month or quarter, as applicable, or for any withdrawal or redemption by that is effective other than as of the last business day of a month or quarter, as applicable.

In certain cases and as disclosed in the Clients' offering documents, Saba Capital may, from time to time, charge an administrative fee to cover expenses during periods in which the assets of the Clients are treated as "plan assets" for purposes of ERISA (as defined below). Saba also charges a fixed fee as disclosed in certain Clients' offering documents.

ii. Incentive Compensation

Generally, for certain Clients, Saba Capital or its affiliates share in profits based on the performance of the assets under management for each Client pursuant to the terms of the relevant Client agreement. For certain Clients, Saba Capital will receive a percentage of the profits generated at the end of the fiscal year for certain Clients.

Saba Capital or its affiliates reserve the right to waive or impose different fees or incentive compensation or otherwise modify the fee and incentive compensation arrangements of an existing investor with the consent of such investor. In addition, Saba Capital, the Clients, and their respective General Partners, Special Shareholder, or boards of directors reserve the right to impose different fees on future investors.

Generally, Saba Capital and its personnel invest in one or more of the Clients. Partners, members or Employees (as defined below) of Saba Capital and its affiliates, such person's family members and trusts or other entities established primarily for the benefit of such persons, or for charitable purposes and certain acquaintances of Saba Capital or its affiliates (or trusts or other entities established primarily for the benefit of such persons) or certain acquaintances of Saba Capital and its affiliates are not charged a management fee or incentive compensation.

Any performance-based fees will be charged in accordance with Section 205 of the Advisers Act and Rule 205-3 thereunder.

B. Payment of Fees

Fees and compensation paid to Saba Capital or its affiliates by the Clients are deducted from the assets of such Clients or invoiced. As discussed above, management fees are generally deducted or invoiced in advance on a quarterly or monthly basis and incentive compensation is generally deducted on an annual basis.

C. Additional Fees and Expenses

The following is a list of expenses that are charged by Saba Capital to one or more (but not necessarily all) of the Clients.

Subject to the terms outlined in the applicable offering documents, each Client will bear its own expenses, including, without limitation, the Client's investment-related expenses whether relating to investments that are consummated or unconsummated (e.g., trading expenses, brokerage commissions, expenses relating to short sales, trading platform and seat fees, fees and expenses of any counterparty or broker (which shall be at normal commercial rates), due diligence costs including consultant, valuation and appraisal fees, expenses relating to short sales, investment banking fees, sourcing or finder's fees (which may include a management fee component and/or a performance compensation component), borrowing charges on securities sold short, custodial fees and expenses; bank service fees, regulatory expenses (including filing fees and legal expenses relating to filings attributable in whole or in part to such Client, clearing and settlement charges, interest expense and investment-related travel and lodging expenses); expenses relating to proxy contest and solicitation fees and expenses; management fees; fees and expenses incidental to the purchase and sale of interests in, and the fees and expenses of, closed-end funds ("CEFs") and special purpose acquisition companies ("SPACs") in which certain Clients invest; expenses and fees associated with arranging, maintaining, and repayment of borrowings of the Client; expenses relating to software tools, programs or other technology utilized in managing the Client (including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs); expenses relating to proxy contests, tender offers and solicitation fees and expenses; trading platform and seat fees; public relations firms; research-related expenses, including, without limitation, news and quotation equipment and services; fees for data and software providers; fees for other software tools including, without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs; fees for risk management systems and service providers; regulatory expenses (including, without limitation, expenses relating to regulatory reporting such as consultants, software and filing fees, including such reporting made by Saba Capital with regard to the Client's portfolio or operations and expenses related to the preparation of Form PF, Form CPO-PQR and any other similar expenses); fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Client or any subsidiary, including, without limitation, any governmental regulatory licensing; fees for risk management systems and service providers; set up and legal expenses; professional fees (including, without limitation, expenses of consultants and experts); the costs of organizing and maintaining any subsidiaries; costs relating to swaps (and similar agreements); external accounting and valuation expenses (including, without limitation, the cost of accounting software packages); auditing and tax preparation expenses (excluding external partnership accounting software); accounting expenses; costs of printing and mailing reports and notices; research and market data (including, without limitation, any computer hardware and connectivity hardware incorporated into the cost of obtaining such research and market data); administrative expenses (including, without limitation, fees and expenses of the administrator, disbursements and administration expenses (including fees for the provision of middle-office and back-office services); nominee fees; directors' or officers' fees (including fees of AML Officers (as defined herein)); Client-related insurance expenses (including, without limitation, premium payments of directors' and officers' and errors and omissions insurance and for Saba Capital and the General Partners' liability insurance); other fees and expenses of the directors; entity-level taxes); organizational and offering expenses; management fees; incentive fees; trustees' fees;

filing and registration fees; corporate licensing fees, taxes and other governmental fees and expenses; all regulatory expenses (including, without limitation, fees and expenses incurred in connection with the preparation and filing of regulatory filings); litigation-related and indemnification expenses; withholding and transfer fees; trademarks; other expenses related to the purchase, monitoring, sale, allocation, settlement, custody, valuation, appraisal or transmittal of assets and investments; the cost of fidelity bonds intended to comply with the requirements of Section 412 of ERISA, if applicable; extraordinary expenses; reasonable transactional charges; and other similar expenses. To the extent that the assets of the Client are not treated as "plan assets" for purposes of ERISA, administration expenses shall include the costs of administrative services (including, but not limited to, accounting software and certain risk systems) and certain Client-related insurance expenses shall include errors and omission insurance covering Saba Capital or its affiliates and premium payments for Saba Capital liability insurance. To the extent the assets of the Client are treated as "plan assets" for purposes of ERISA, certain Clients will also bear administrative fees as described in a Client's offering memorandum. "AML Officer" shall mean any person designated to act as anti-money laundering compliance officer, money laundering reporting officer and deputy money laundering reporting officer of the Client. (See "Conflicts of Interest").

D. Additional Compensation and Conflicts of Interest

Neither Saba Capital nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

Item 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Saba Capital and its affiliates accept performance-based fees from certain Clients. In addition, Saba Capital manages another Client account that is only charged sub-advisory fees and is not charged performance fees. Clients should be aware that performance fee arrangements may create a conflict of interest for Saba Capital, as they could create an incentive for Saba Capital to make investments that are riskier or more speculative than it would otherwise make absent a performance fee.

In the allocation of investment opportunities, performance-based compensation arrangements may also create an incentive to favor accounts from which Saba Capital may receive greater performance-based compensation over accounts from which Saba Capital may receive less performance-based compensation. Consistent with its fiduciary obligations, Saba Capital has a policy of allocating investment opportunities on a fair and equitable basis measured over time. Saba Capital's allocation guidelines are further discussed in Item 12.

Item 7
TYPES OF CLIENTS

Saba Capital provides either investment advisory or sub-advisory services to the following groups of Clients:

- Private investment companies that are exempt from registration under Section 3(c)(7) of the Investment Company Act, as described in Item 4. Interests in the Clients are offered to qualified investors in the U.S. and elsewhere on a private placement basis. Such investors may include financial institutions, individuals, investment companies or partnerships, trusts, family offices, endowments, pension funds, and others;
- Registered Investment Companies (“RICs”) under the Investment Company Act for which Saba Capital serves as adviser or sub-adviser; and
- Separately managed accounts.

Item 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

The descriptions set forth in this Brochure of specific advisory services that Saba Capital offers to Clients, and investment strategies pursued and investments made by Saba Capital on behalf of its Clients, should not be understood to limit in any way Saba Capital's investment activities. Saba Capital may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Saba Capital considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies Saba Capital pursues are speculative and entail substantial risks. Clients (and therefore, investors) should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

A. Methods of Analysis and Investment Strategies

The Clients are managed in accordance with the investment objectives and guidelines set forth in their respective offering documents. A summary of such investment programs is provided below.

i. Flagship Funds

The Flagship Funds seek to generate superior absolute returns by implementing an investment process that combines fundamental analysis, quantitative analysis and proprietary screening tools to take advantage of relative value opportunities across various asset classes as well as opportunities across the capital structures of publicly traded and privately held companies. The Flagship Funds' focus is on identifying and monetizing dislocations in global markets with the aim of constructing a portfolio with positive convexity profiles.

Saba Capital has broad investment discretion in seeking to achieve the Flagship Funds' objectives. The Flagship Funds may invest and trade in a variety of financial instruments, including, but not limited to, public and private equity and debt issues (such as investment and non-investment grade bonds, secured or unsecured), bank loans (secured or unsecured, funded or unfunded), public and 144A senior and subordinated debt offerings, bridge loans, private debt offerings, trade claims, litigation claims and financings, convertible securities, distressed securities, mezzanine securities, vendor financing, debtor-in-possession ("DIP") financing, collateralized obligations (such as collateralized loan obligations, collateralized debt obligations, collateralized fund obligations, collateralized bond obligations, residential mortgage backed securities, commercial mortgage backed securities, to-be-announced contracts and other asset backed securities), leases, trade claims, derivative indices (including, ABX, CMBX, CDX and iTraxx indices), private placements, CEFs that are operated by a diversified group of closed-end fund managers ("CEF Managers"), which qualify as RICs, SPACs, listed and unlisted common and preferred stocks and other equity-related instruments, rights, warrants, put and call options, forward contracts, when-issued securities and other derivatives, including credit default swaps ("CDS"), baskets of CDS, total return swaps and index swaps, interest rate swaps, swaptions, futures contracts, sovereign bonds, reinsurance related securities and such other financial instruments as Saba Capital may deem appropriate from time to time. The Flagship Funds may also purchase and write options. Derivative instruments may be used for hedging as well as investment opportunities. Obligations may or may not be secured. The Flagship Funds will utilize leverage, and their portfolios may include

both long and short positions. The Flagship Funds invest globally, with a primary focus in the United States, Canada, Asia and Europe.

A Client may also invest in funds managed by third party managers, or may allocate portions of their assets to third party managers to manage on a discretionary basis, if Saba Capital determines that such an arrangement represents the best way to access a particular investment opportunity or otherwise expand the investment expertise available to the Client. A Client may be subject to various costs relating to such investments, including additional performance-based or fixed asset-based fees or allocations payable or allocable to such third party managers. Any such fees and allocations will not reduce the Management Fee or the Incentive Fees.

A Client may also invest in other funds or accounts which Saba Capital manages or advises. If such Client invests in other accounts, management fees and performance-based allocations or fees will not be charged or applied at both the both levels; however, such Client will bear its pro rata share of such other account's other expenses.

Saba Capital, on behalf of the Flagship Funds, may invest its excess funds in short term investments, including U.S. government securities, money market funds, commercial paper, certificates of deposit and bankers' acceptances.

Saba Capital's investment team seeks to develop and manage a portfolio comprised primarily of long and short positions in debt, equity, related derivatives or structured securities in various asset classes, including, but not limited to, corporates, sovereigns, mortgages, commodities, volatility, foreign exchange and rates. A range of trading strategies will be employed in order to take advantage of market opportunities which may include, among other things, mismatches between credit quality and credit spread, a security's price and its realizable claim, the pricing and valuation of securities within the same capital structure, the perceived richness or cheapness of a particular asset class or the pricing of securities of one company versus another across industries. The investment team seeks to invest in securities and other investments that will satisfy the Funds' investment objectives and generally have investment horizons of one to twelve months.

ii. Carry Neutral Funds

The Carry Neutral Funds seek to provide a carry neutral "tail hedge" through a portfolio primarily consisting of long and short CDS positions with the aim of achieving strong absolute returns during periods of market stress. The long portfolio is expected to be comprised of companies that have historically demonstrated minimal spread widening in past periods of market stress, while the short portfolio will be comprised of companies that have historically demonstrated heightened spread widening in past periods of market stress. Generally, the spreads of both sides of the portfolio will on average be similar to each other during normal market conditions. A "tail hedge" is designed to hedge against tail risk posed by events that, while rare, can significantly and adversely affect markets. Through the use of the long portfolio, the Carry Neutral Master Fund seeks to neutralize the cost of the "tail hedge". To effect its investment objective, the Carry Neutral Funds invests all of its investable assets in the Carry Neutral Master Fund. The Carry Neutral Master Fund invests primarily (i.e., at least 80% of the Master Fund's assets (calculated on a gross notional basis)) in a portfolio of CDS on investment grade companies, global CDS indices and derivatives thereon. Saba Capital

believes that by using proprietary tools and blending fundamental credit analysis with trade analytics, it can establish an effective tail hedge.

Saba Capital has broad investment discretion in seeking to achieve the Carry Neutral Master Fund's objectives. The Carry Neutral Master Fund may also invest and trade in a variety of financial instruments, including, but not limited to, credit default swaps, credit derivative indices (including CDX and iTraxx indices), baskets of CDS, derivatives (including interest rate and foreign exchange derivatives), bonds and equities (which includes (i) exchange traded funds, (ii) SPACs and (iii) CEFs that are operated by a diversified group of CEF Managers, which qualify as RICs and invest in equity and debt securities), such other financial instruments as the Carry Neutral Master Fund may deem appropriate from time to time. The Carry Neutral Master Fund's portfolio may include both long and short positions in the foregoing securities. The Carry Neutral Master Fund invests globally, with a primary focus in the United States, Canada, Asia, the United Kingdom, Western Europe, and emerging markets. The Carry Neutral Master Fund will utilize notional leverage.

The Funds may also invest in funds managed by third party managers, or may allocate portions of its assets to third party managers to manage on a discretionary basis, if Saba Capital determines that such an arrangement represents the best way to access a particular investment opportunity or otherwise expand the investment expertise available to the Funds. The Funds may be subject to various costs relating to such investments, including additional performance-based or fixed asset-based fees or allocations payable or allocable to such third party managers. Any such fees and allocations will not reduce the Management Fee or the Incentive Fee.

A Client may also invest in other funds or accounts which Saba Capital manages or advises. If such Client invests in other accounts, management fees and performance-based allocations or fees will not be charged or applied at both the both levels; however, such Client will bear its pro rata share of such other account's other expenses.

iii. CEF 1 Funds

The CEF 1 Funds seeks to generate superior absolute returns by implementing an investment process that combines fundamental analysis, quantitative analysis and proprietary screening tools to take advantage of opportunities by investing primarily in CEFs that are operated by a diversified group of CEF Managers, which qualify as RICs.

Saba Capital has broad investment discretion in seeking to achieve the CEF 1 Master Fund's objectives. The CEFs will have the flexibility to invest in a broad range of securities.

The CEFs that the CEF 1 Funds invest in may themselves invest in equity and/or debt securities. The debt securities may range from short- to long-term maturities and may include investment grade, high-yield and/or unrated securities. Substantially all of the CEF's assets may be invested in lower-rated securities, which may include securities having the lowest rating for non-subordinated debt instruments (i.e., rated C by Moody's Investors Service ("Moody's") or CCC+ or lower by Standard & Poor's Ratings Services and Fitch Ratings) and unrated securities of equivalent investment quality. The CEFs may also invest in mortgage-related and other asset-backed securities, loan participations, inflation-protected securities, structured securities, variable, floating, and inverse floating rate instruments and preferred stock, and may use other investment techniques. The CEFs in which the CEF 1 Funds invest may also make

short sales of securities or maintain a short position. The CEF 1 Funds may invest in CEFs that are domiciled outside of the U.S. or whose securities are traded on a non-U.S. exchange. In seeking to achieve its investment program, the CEF 1 Funds may also invest in other instruments, including, but not limited to, exchange traded funds (“ETFs”).

From time to time, the CEF 1 Funds are expected to use borrowings or other leverage for investment purposes, but are not obligated to do so. The CEF 1 Funds are further expected from time to time, in consultation with Saba Capital, to use hedges for investment purposes but are not obligated to do so. It is anticipated that if the CEF 1 Funds employ hedges they will do so by purchasing short selling exposures to interest rates, equity baskets, CEFs, ETFs, equities, and/or corporate bonds utilizing such instruments as Saba Capital determines to be appropriate, including, without limitation, futures, options, swaps, other derivatives, CEFs, ETFs and equity-linked futures. The CEF 1 Funds may also make direct investments, without limit, in derivatives, such as options, futures, forwards, or swap agreements. However, there is no guarantee that the CEF 1 Funds will be able to achieve these objectives during any such period. The cost of hedging may well exceed these levels, especially during periods of volatility.

A Client may also invest in other funds or accounts which Saba Capital manages or advises. If such Client invests in other accounts, management fees and performance-based allocations or fees will not be charged or applied at both the both levels; however, such Client will bear its pro rata share of such other account’s other expenses.

iv. BRW

Certain of Saba Capital’s investment strategies mentioned above are employed by BRW.

v. Separately Managed Accounts

Certain of Saba Capital’s investment strategies mentioned above are employed in additional funds of one and separately managed accounts.

vi. Sub-Advised Funds

Saba Capital acts as the sub-adviser to the Saba ETF which pursues an investment strategy similar to the CEF 1 Funds.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by Saba Capital. These risk factors include only those risks Saba Capital believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Saba Capital.

The risks set forth herein with respect to the Clients are expected to be applicable to other private investment funds managed by Saba Capital in the future to the extent the investment programs overlaps with that of the Clients.

An investment in a Client involves a high degree of risk, including the risk that the entire amount invested may be lost. Some Clients have in the past, and will in the future invest in, and actively trade, securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the

volatility of the fixed-income markets, the risks of short sales, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that a Client's investment program will be successful, or that the Client's returns will exhibit low correlation with an investor's traditional securities portfolio. Clients may use leverage and may utilize investment techniques such as option transactions, short sales, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Client's investment portfolio may be subject. Moreover, certain of the following risk factors apply to both the Client and the CEFs and/or SPACs in which the Client invests. As a result, references herein to Clients, unless otherwise indicated or required by the context, shall include the CEFs and SPACs, and references herein to Saba Capital, unless otherwise indicated or required by the context, shall include the CEF managers and SPAC sponsor vehicles and the executive officers appointed to manage the operations of a SPAC. Prospective investors should consider the following additional factors in determining whether an investment in the Client is a suitable investment: There can be no assurance that a Client's investment objective will be achieved or that an investor will receive a return of its capital. In addition, there will be occasions when Saba Capital and its affiliates will encounter potential conflicts of interest in connection with a Client. Prospective investors should consider the following additional factors in determining whether an investment in a Client is a suitable investment.

Highly Volatile Markets. The prices of financial instruments in which Saba Capital, on behalf of the Clients, may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Clients' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Clients are subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

There can be no assurance that the Client will not suffer material adverse effects from broad and rapid changes in market conditions. Recent market conditions have shown that markets can quickly change at times or in ways that are difficult for Saba Capital to predict, so even a well analyzed investment approach may not protect the Client from significant losses under certain market conditions.

Global Market Investments. Saba Capital, on behalf of the Clients, may invest in the equity, debt or other securities and instruments of issuers located outside the United States. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. Income received by the Clients from sources within some countries may be reduced by withholding and other taxes imposed by such countries.

The Clients may be subject to additional risks which include possible adverse political and economic developments and possible adoption of governmental restrictions which might

adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. While Saba Capital will take these factors into consideration in making investment decisions for the Clients, no assurance can be given that the Clients will be able to fully avoid these risks.

In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect the Clients' performance.

Emerging Market Investments. Certain markets in which the Clients may invest may be regarded as emerging or developing markets. In emerging and developing markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging and developing market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in financial instruments may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The Clients may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts. Due to the foregoing risks and complications, the costs associated with investments in emerging market securities generally are higher than for securities of issuers based in developed countries.

Currency Risks. The Clients' investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Saba Capital may try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective.

Contingent Liabilities. From time to time the Clients may incur contingent liabilities in connection with an investment. For example, the Clients may enter into agreements pursuant to which they agree to assume responsibility for default risk presented by a third-party, and may, on the other hand, enter into agreements through which third-parties offer default protection to the Clients.

Fraud. Of paramount concern in investments in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect

the ability of the Client to perfect or effectuate a lien on the collateral securing the loan. The Client will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Short Selling. Saba Capital, on behalf of certain Clients, may engage in short sales and, with respect to certain Clients, intends to be net short. Short selling involves selling securities which are not owned by the short seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which Saba Capital, on behalf of such Clients, engages in short sales will depend upon Saba Capital's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to such Clients of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase at or near prices quoted in the market and such risk may be exacerbated to the extent that such securities are thinly traded or illiquid. There can also be no assurance that the Clients will be able to maintain the ability to borrow securities sold short. In such cases, the Clients can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. It may also be impossible for the Clients to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets.

If the prices of securities sold short increase, the Clients will likely be required to provide additional funds or collateral to maintain the short positions. This could require Saba Capital, on behalf of such Clients, to liquidate other investments to provide additional margin, and those liquidations might not be at favorable prices. A short sale involves the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Clients of buying those securities to cover the short position or resulting in the inability of the Clients to cover the short position.

Saba Capital, on behalf of the Clients, may make "short sales against-the-box," in which it will sell short securities the Clients own or have the right to obtain without payment of additional consideration. If Saba Capital, on behalf of the Clients, makes a short sale against-the-box, the Clients will be required to set aside securities equivalent in kind and amount to the securities sold short (or securities convertible or exchangeable into those securities) and will be required to hold those securities while the short sale is outstanding. The Clients will incur transaction costs, including interest expense, in connection with opening, maintaining and closing short sales against-the-box.

Maintenance of a Short Exposure. The investment strategy utilized by certain Clients involves the purchase of CDS protection on low spread investment grade bonds, equity puts and other equity derivatives, CDS on credit indices, CDS on high-yield bonds, CDS on bank loans, interest rate derivatives or selling short physical bonds and equity index futures. Selling short physical bonds and purchasing CDS to maintain a short exposure will result in negative

carry with respect to such securities and thus, even with selling CDS and with credit spreads unchanged, the Client may lose value (e.g., over time or rapidly) in the event that the price of the securities do not move in such a way as to offset the negative carry. The Client may sell CDS and/or buy bonds, equities and closed-end funds to offset the negative carry of the short positions, but there is no guarantee the Client will be able to fully offset such loss in value. As a result, in a spread tightening environment, an investor may lose all or part of its investment in the Client. Losses will be higher with higher leverage and tighter spreads.

Capital Structure Arbitrage. The success of certain Clients' capital structure arbitrage strategy depends upon Saba Capital's ability to identify and exploit the relationships between movements in different securities within an issuer's capital structure (including bank debt, convertible and non-convertible senior and subordinated debt and preferred and common stock). Identification and exploitation of these opportunities involve uncertainty. There can be no assurance that Saba Capital will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which the Clients will seek to invest will reduce the scope for the Client's investment strategies. In the event that the perceived mispricings underlying the Client's positions fail to materialize, these investment strategies could be unsuccessful or result in losses.

Legal and Regulatory Environment for Private Investment Funds and their Managers. The legal, tax and regulatory environment worldwide for private investment funds (such as the Clients) and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Clients to pursue its investment program and the value of investments held by the Client. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Client to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Client and the investors' investments therein. In addition, Saba Capital may, in its sole discretion, cause the appropriate Client to be subject to certain laws and regulations if it believes that an investment or business activity is in the appropriate Client's interest, even if such laws and regulations may have a detrimental effect on one or more investors.

Increased Regulatory Oversight. Increased regulation and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on Saba Capital, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert Saba Capital's time, attention and resources from portfolio management activities. Such regulatory inquiries are generally confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Proposed SEC Rules Have Created Uncertainty. On February 9, 2022, the SEC proposed a series of new rules under the Advisers Act applicable to private fund managers (the "Proposed Rules"). The Proposed Rules seek to, among other things: (i) require specified and standardized quarterly disclosures regarding performance, fees and expenses; (ii) prohibit private fund managers from engaging in certain activities; (iii) require disclosure of, and in some cases limit, preferential treatment provided to certain investors; (iv) require that all private funds be subject to annual audit; (v) add a written documentation requirement for annual reviews and (vi) create requirements to keep records of compliance with the Proposed Rules. Potential consequences

arising from the Proposed Rules could include: (a) increased risk of frivolous lawsuits against Saba Capital and its affiliates; (b) increased costs and expenses from compliance and monitoring efforts; (c) significant increases in liability insurance costs; and (d) increased costs for legal, compliance and accounting providers. The time and expenses necessary to comply with these proposed regulations could divert resources away from advancing a Client's investment strategy.

Proposed Short Activity Reporting. The SEC proposed a new rule and form on February 25, 2022 related to short position and short activity reporting by institutional investment managers. Under the proposed short selling rule, investment managers that meet or exceed reporting thresholds set by the proposed rule would be required to report, on a monthly basis using proposed form "SHO", specified short position data and short activity data for equity securities. If this rule were to be enacted, Clients would likely be subject to its reporting requirements. These reports will be confidential, and the data collected will be anonymized and aggregated before being published. Although publishing aggregated short position data could help mitigate the risk that investment behavior will be attributed to a single manager, it is not foolproof, and the effectiveness will depend on what data is ultimately published and with what frequency. This proposed rule and form would create an entirely new, complicated and potentially costly framework for managers and would likely result in increased compliance and monitoring costs. Moreover, there is a risk of inadvertent disclosure of this sensitive data, as a consolidated database of manager-level short positions and detailed daily trading activity would likely be an attractive target for malicious actors.

Proposed Amendments to Form PF. The SEC proposed amendments to Form PF on January 26, 2022 (the "Proposed Amendments") that would greatly expand the type, amount and frequency of information the SEC collects from certain private fund advisers under Form PF. Currently, Saba Capital is required to file Form PF, which already provides significant information to the SEC and takes time and attention to complete. If the Proposed Amendments were to be enacted, Saba Capital would need to file additional Form PF reports requiring significant quantitative and qualitative analysis within one business day of the occurrence of certain key events. This would represent a significant departure from the current Form PF reporting requirements. Consequently, Saba Capital would have to devote significant resources and attention to complying with this immediate, daily reporting requirement. The Proposed Amendments would likely impose significant operational burdens on Saba Capital as it would have to build or modify systems to gather the information required by the new proposed reporting regime. This could result in increased compliance and monitoring costs and would divert resources away from advancing a Client's profitability.

Implementation Period. It is uncertain as to which, if any, of the above-mentioned Proposed Rules and Proposed Amendments will actually be enacted by the SEC. Furthermore, there is the possibility that the SEC may revise or supplement the Proposed Rules and Proposed Amendments with additional requirements. In any case, Saba Capital would have one year to comply with any newly-enacted SEC rules.

Alternative Investment Fund Managers Directive. The Alternative Investment Fund Managers Directive (the "AIFM Directive") regulates: (i) alternative investment fund managers (each, an "AIFM") based in the European Economic Area (the "EEA") or the United Kingdom; (ii) the management of any alternative investment fund ("AIF") established in the EEA or the United Kingdom (irrespective of where an AIF's AIFM is based); and (iii) the marketing of any AIF, such as the Client, to professional investors in the EEA or the United Kingdom.

Under the AIFM Directive, certain conditions must be met to permit the marketing of the shares to any potential and existing investors in the EEA or the United Kingdom. The ability of the Client or Saba Capital to offer the shares in the EEA or United Kingdom will depend on the relevant state permitting the marketing of non-EEA or United Kingdom domiciled funds under the national private placement regimes implementing the AIFM Directive and the ability of the Client and Saba Capital to comply with such national private placement regimes, where available. Compliance with the requirements of such regimes may increase the costs of the administration of the Client significantly, including the costs of regulatory reporting services to the Client and custody and prime brokerage services provided to the Client. As such, the Client's ability to market the shares to EEA or United Kingdom investors may be limited.

Widening and Narrowing Credit Spreads. Certain Clients may be impacted by the widening or narrowing of credit spreads. If credit spreads were to narrow, it would result in an increase in the cost to certain Clients of buying securities to cover the short position or resulting in the inability of certain Clients to cover the short position.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The primary risks associated with entering into such transactions include the risk that there will not be a market for such instruments; that trading will be disrupted because of unusually high trading volume, government intervention or other factors; that there is counterparty credit risk; and that the counterparty may not be able to perform on its obligation under the contract. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Saba Capital would otherwise recommend, to the possible detriment of the Client. Market illiquidity, trading disruption, or failure of the counterparty to perform could result in major losses to a Client. To the extent possible, Saba Capital endeavors to deal only with counterparties that are creditworthy and reputable institutions, but such counterparties need not be rated investment grade.

Regulatory Consequences of Holding Significant Positions. Clients, acting alone or as part of a group, may (i) acquire more than 5% of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G with the SEC or (ii) acquire more than 10% of a class of securities of a single issuer, or may place a director on the board of directors of such issuer, which would impose certain limitations on an Client's ability to trade in such securities, including the restrictions of Section 16 of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act").

Under Section 16 of the Exchange Act, one or more Clients may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. In such a scenario, the one or more Clients causing the profit disgorgement will also bear the fees and expenses relating to such disgorgement (regardless of whether the Client earned a profit). In addition, in such circumstances the Client

will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Other jurisdictions in which a Client trades may have similar laws that may be triggered at different levels of holdings. Such regulations and limitations arising from significant positions of Clients may cause increased transaction costs and impact Saba Capital's investment decisions with respect to such positions. Moreover, a Client's ability to realize value from certain of its investments may depend upon the ability of Saba Capital to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, liquidation, open-ending, tender, restructuring, spin-off, or sale of the business or enhancement to operating performance. If Saba Capital is incorrect in its assessment of the impact such action will have on the value of a portfolio company, or if it is unsuccessful in persuading the portfolio company's management to take the desired action, the Client may sustain a loss on its investment in the portfolio company, resulting in a reduction of the value of the Client's investment. The size of a Client's investment position may also make it more difficult for such Client to dispose of its holdings without impacting the price of its securities or otherwise limit the manner in which such Client may seek to effect such disposition.

Hedging Transactions. Saba Capital, on behalf of the Clients, may utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Clients' investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Clients' unrealized gains in the value of the Clients' investment portfolios; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Clients' portfolios; (v) hedge the interest rate or currency exchange rate on any of the Clients' liabilities or assets; (vi) protect against any increase in the price of any securities the Clients anticipate purchasing at a later date or (vii) for any other reason that Saba Capital deems appropriate.

The success of the Clients' hedging strategies will depend, in part, upon Saba Capital's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Clients' hedging strategies will also be subject to Saba Capital's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients than if they had not engaged in such hedging transactions. For a variety of reasons, Saba Capital may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Clients from achieving the intended hedge or expose the Clients to risk of loss. Saba Capital may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Clients' portfolio holdings.

Leverage Risks. The use of leverage will, in certain instances, enable the Clients to achieve a higher rate of return than would be otherwise possible. Leverage may take the form of, without limitation, any of the financial instruments described herein, including derivative instruments which are inherently leveraged and trading in products with embedded leverage such as

options, short sales, swaps and forwards. The instruments and borrowings utilized by the Clients to leverage investments may be collateralized by the Clients' portfolios.

The use of leverage will magnify the volatility of changes in the value of the investments of the Clients. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Clients in a market that moves adversely to their investments could result in substantial losses to the Clients, which would be greater than if the Clients were not leveraged.

While leverage increases the buying power of the Clients and presents opportunities for increasing total returns, it has the effect of potentially increasing losses as well. For example, funds borrowed for leveraging will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Clients' portfolios. Leverage will increase the investment return of the Clients if an investment purchased with or utilizing leverage earns a greater return than the cost to the Clients of such leverage. The use of leverage will decrease the investment return if the Clients fail to recover the cost of such leverage.

Portfolio Divergence. Although, other than the difference in leverage, certain Clients will have substantially similar portfolios to one another, there may be divergences between the portfolios. These divergences may result from legal, tax, accounting, regulatory, liquidity, leverage, risk management, transaction costs, investment horizon, timing of formation and other similar considerations and restrictions. Saba Capital at its sole discretion, may periodically rebalance the portfolios of such Clients, but is under no obligation to do so. Divergences in the portfolios may be material and may impact the relative performance of one Client versus another Client.

Carry Neutral. Certain Clients may be designed to be "carry neutral" – meaning that performance during periods of normal market conditions is expected to be within an average defined range on an annual basis. However, there is no guarantee that the Client will be able to achieve this objective within the targeted range during such periods. The levels set forth reflect the Client's current investment program and risk management expectations and should not be interpreted as being a firm constraint or limit. The cost of carry may well exceed these levels, especially during periods of spread widening or tightening.

Portfolio Concentration. During the initial investment period of a Client, Saba Capital may acquire portfolio positions in quantities based on its anticipated Client assets under management in the future. Accordingly, the Client may hold more concentrated positions than it otherwise would if and when the Client reaches its target level of assets under management.

For any given period of time, the investments of certain Clients may be concentrated in a relatively small number of issuers. To the extent the Client's investments are concentrated in a single security, issuer, industry, sector, strategy, country and/or geographic region, the Client will be susceptible to a greater degree of risk affecting investments in that security, issuer, industry, sector, strategy, country and/or geographic region than would otherwise be the case. In addition, fluctuations in the value of a small number of positions could expose the Client to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such positions, which in turn, will significantly affect the value of the Client's portfolio.

Counterparty Insolvency. The Clients' assets may be held in one or more accounts maintained for the Clients by counterparties, including their prime brokers. There is a risk that any of such counterparties could become insolvent. In September 2008, Lehman Brothers Holdings Inc., a major investment bank based in the United States, filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. While none of its U.S. broker-dealer subsidiaries was included in the Chapter 11 filing and all of its U.S. registered broker-dealer subsidiaries currently continue to operate, certain of Lehman Brothers subsidiaries, including Lehman Brothers International (Europe) ("LBIE") have been placed under the administration chartered to wind down their respective business. To date, it is uncertain what percentage of the assets custodied with LBIE by its trading counterparties (including hedge funds) will ultimately be recovered and when. The insolvency of the Clients' counterparties is likely to impair the operational capabilities or the assets of the Clients. Although Saba Capital regularly monitors the financial condition of the counterparties it uses, if one or more of the Clients' counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code), there exists the risk that the recovery of the Clients' securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, the Clients may use counterparties located in various jurisdictions outside the United States like LBIE. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Client's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Clients and their assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Clients, which could be material.

Selection of Brokers. Saba Capital may be subject to conflicts of interest relating to its selection of brokers on behalf of the Clients. Transactions for the Clients will be allocated to brokers on the basis of, among other things, best execution and in consideration of a broker's ability to effect the transactions, its facilities, reliability and financial responsibility, as well as the provision or payment by the broker of the costs of research and research-related services. In addition, brokers may provide other services that are beneficial to Saba Capital, but not necessarily beneficial to the Clients, including, without limitation, capital introduction, marketing assistance, consulting with respect to technology, operations or equipment, and other services or items. Such services and items may influence Saba Capital's selection of brokers.

U.S. Partnership Tax Audit Risk. Certain Clients, which intend to be treated as a partnership for U.S. tax purposes, may be required to file a tax return with the Internal Revenue Service (the "Service"). If the tax returns of the Client are audited by the Service, the U.S. tax treatment of the Client's income and deductions generally is determined at the master fund level. For U.S. tax returns of the Client filed or required to be filed for tax years beginning prior to 2018, U.S. tax deficiencies arising from the audit, if any, are paid by the Client (to the extent of any income that is, or is treated as, effectively connected with a trade or business in the United States or otherwise subject to withholding or other tax in the United States) and the other members of the Client who were partners for U.S. tax purposes in the year subject to the audit.

Under the general rule imposed under recent legislation, an audit adjustment of the Client's U.S. tax return filed or required to be filed for any tax year beginning after 2017 (a "Prior Year") could result in a tax liability (including interest and penalties) imposed on the Client for the year during which the adjustment is determined (the "Current Year"). The tax liability generally is determined by using the highest tax rates under the Internal Revenue Code ("IRC") applicable to U.S. taxpayers, in which case the Client and any other Current Year partners of the master fund would bear the audit tax liability at significantly higher rates (including interest and penalties) arising from audit adjustments and in amounts that are unrelated to their Prior Year economic interests in the Client partnership items that were adjusted. The Client may be able to use a lower tax rate to compute the tax liability by taking into account (to the extent it is the case and the implementing rules permit) the fact that the Client is generally not expected to be subject to U.S. tax on most, if not all, of its share of the master fund's income. However, the details of how this rule will be implemented are not yet known, and there can be no guarantee that the Client would be able to use a lower tax rate to calculate the tax liability for any particular Prior Year under audit.

To mitigate the potential adverse consequences of the general rule, the Client may be able to elect with the Service to pass through such audit adjustments for any year to its members who participated in the Client for the Prior Year, in which case the Client and each Prior Year participating investor, and not the Client, generally would be responsible for the payment of any tax deficiency, determined after including their share of the adjustments on their tax returns for the Current Year and calculated, in the case of the Client, using the tax rates generally applicable to non-U.S. entities. The Client may also be able to mitigate such adverse consequences by, after the audit adjustments are made, filing an amended U.S. tax return for the Prior Year and paying tax, if any, on its share of the items adjusted on audit. The extent to which the Client will be able to mitigate the operation of the general rule under either of these alternatives is uncertain and may depend upon future regulatory guidance and amendments to the legislation.

Cybersecurity Risk. As part of its business, Saba Capital processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Clients and personally identifiable information of the investor. Similarly, service providers of Saba Capital and the Clients, especially the administrator, may process, store and transmit such information. Saba Capital has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Saba Capital may be susceptible to compromise, leading to a breach of Saba Capital's network. Saba Capital's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services that may be provided by Saba Capital to the investors may also be susceptible to compromise. Breach of Saba Capital's information systems may cause information relating to the transactions of the Clients and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of Saba Capital and the Clients are subject to the same electronic information security threats as Saba Capital. If a service provider fails to adopt or adhere to

adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Clients and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Saba Capital's or the Clients' proprietary information may cause Saba Capital or the Clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Clients and the investors' investments therein.

In addition to risks to the Client, investors are advised to ensure communication methods with Saba Capital and its affiliates, the administrator and any financial advisers or any other parties associated with their investment in the Client are secure so as to prevent fraudulent change of details or other fraudulent requests and communications from being submitted through, for example, their email accounts.

Dependence on Service Providers. Clients are also dependent upon their counterparties and the businesses that are not controlled by Saba Capital that provide services to the Clients. Examples of service providers include the administrator, prime brokers, custodians, legal counsel and auditors. Errors are inherent in the business and operations of any business, and although Saba Capital will adopt measures to prevent and detect errors by, and misconduct of, counterparties and service providers, and transact with counterparties and service providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Client and the investors' investments therein.

As the Clients have no Employees and the members of the board of directors have been appointed on a non-executive basis, the Clients are reliant on the performance of the service providers. Each investor's relationship in respect of its Shares is with the respective Client only. Accordingly, absent a direct contractual relationship between an investor and the relevant service provider, no investor will have any contractual claim against any service provider for any reason related to its services to the Clients. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Client, as the case may be, by the relevant service provider is, prima facie, the Client, as the case may be.

Dependence on Key Individuals. Investors have no authority to make decisions on behalf of the Client. The success of the Client depends upon the ability of key members of Saba Capital's investment team to develop and implement investment strategies that achieve the Client's investment objectives. If the Client were to lose the services of these members, the consequence to the Client could be material and adverse and could lead to the premature termination of the Client. In addition, subjective decisions made by the individual CEF Managers may cause the Client to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Although Saba Capital may allocate assets of the Client to CEF Managers who use different investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple CEF Managers.

Retention and Motivation of Employees. The success of the Clients are dependent upon the talents and efforts of highly skilled individuals employed by Saba Capital and Saba Capital's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance

that Saba Capital's investment professionals will continue to be associated with Saba Capital throughout the life of the Clients, and the failure to attract or retain such investment professionals could have a material adverse effect on the Clients and the investors' investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of Saba Capital's investment professionals could be replaced.

Limitation of Liability of Service Providers. Investors should note that the day-to-day operation of the Clients has been delegated to Saba Capital and the administrator, and that the agreements in place between the Clients and such service providers limit the extent to which those service providers will be liable for losses caused to the Client. Accordingly, it is possible that the Clients may incur a loss through the errors or omissions of a service provider, but will be unable to obtain redress from that service provider due to the limited liability provisions in the relevant agreement.

In-Kind Distributions; Liquidating SPVs. Subject to the provisions of ERISA and the IRC, in the sole discretion of the board of directors or the general partner, certain Clients may make distributions in cash or in kind or in a combination thereof, at any time to any and all of the investors (including, in connection with a voluntary or required redemption of shares by an investor or the termination of the Client). The board of directors or the general partner may, in its sole discretion, choose which assets of the Client to pay in kind and may be paid to an investor in such amounts as determined by the board of directors or the general partner, in its sole discretion. Distributions that are made in kind will, to the extent practicable, not be disproportionately allocated to any investor or investors; provided, however, that if a pro rata distribution is not practicable, the board of directors or the general partner, upon advice of Saba Capital, will select, in its discretion, which assets are distributed to each redeeming investor. In-kind distributions may be comprised of, among other things, participations or other derivative instruments referring to certain assets of the Client, interests in special purpose vehicles or trading vehicles (each, a "Liquidating SPV") holding securities also being held or that were held by the Client, or participations or other derivatives instruments referring to such Liquidating SPVs. Clients expect that, in the event that the Client utilizes a Liquidating SPV to facilitate in-kind distributions of redemption proceeds, a Liquidating SPV would hold a participation interest with respect to the pro rata portion of each investment held by the Client as of the applicable redemption date attributable to the redeeming investors (the "SPV Assets"). Saba Capital, subject to the board of directors' or the general partner's oversight, would manage any Liquidating SPV with the intention of distributing the net proceeds attributable to the SPV Assets as they are realized over time. A Liquidating SPV may receive in-kind payments of assets and liabilities from the Client which it, in turn, would distribute to redeeming investors.

Any Liquidating SPV would be responsible for paying its operating and overhead costs and expenses, including, but not limited to, documentation of performance and the admission of the members, all operating expenses such as tax preparation fees, governmental fees and expenses and taxes, administrative expenses (including fees for the provision of middle-office and back-office services and during periods when the assets of the Client are not treated as "plan assets" for purposes of ERISA, the costs of administrative services, including, but not limited to, accounting software and certain risk systems), communications with the members and ongoing legal, accounting, auditing, bookkeeping and other professional fees and expenses, and any trading costs and expenses (e.g., brokerage commissions, due diligence costs, investment banking fees, sourcing or finder's fees (which may include a management fee component and/or a performance compensation component), borrowing charges on securities

sold short, custodial fees and expenses and nominees fees, bank service fees, clearing and settlement charges and interest expense) and any other applicable expenses as set forth in the respective Client's offering memorandum. Any Liquidating SPV would bear its organizational expenses and investment-related expenses incurred in connection with the SPV Assets. The expenses of the Liquidating SPV would reduce the net proceeds therefrom.

The redeeming shareholders would continue to be at risk of the Client's business (including its credit risk) until all the SPV Assets are sold. The redeeming shareholders would indirectly bear investment-related expenses in connection with the SPV Assets and operating and other expenses borne by the Liquidating SPV. The risk of loss and delay in liquidating the SPV Assets will be borne by the redeeming investors, with the result that such redeeming investors may ultimately receive significantly less cash than they would have received on the date of redemption if they had been paid in cash. Furthermore, the redeeming investors will generally have no control over when and at what price the SPV Assets are sold. In addition, payment to the redeeming investors of that portion of their redemption proceeds attributable to the SPV Assets will be delayed until such time as Saba Capital elects to liquidate the SPV Assets.

“Master-Feeder” Structure and Additional Feeder Funds. Certain Clients invest through a "master-feeder" structure. There may be two or more feeder funds, including a domestic fund and any additional feeder fund, investing in a master fund. Although the domestic fund and the Client have substantially similar terms, in the future other feeder funds may have the same or different terms (including more favorable terms) than those with respect to the Client described herein. The master-feeder fund structure – in particular the existence of multiple feeder funds investing in the same master fund – presents certain unique risks to investors. Smaller feeder funds investing in a master fund may be materially affected by the actions of larger feeder funds investing in a master fund. For example, if a larger feeder fund redeems from the master fund, the remaining feeder funds, including, indirectly, the Client, may experience higher pro rata operating expenses, thereby producing lower returns. The master fund's portfolio may become less diverse due to liquidations of positions needed to fund a redemption by a larger feeder fund, resulting in increased portfolio risk. The master fund is a single entity and creditors of the master fund may enforce claims against all assets of the master fund. In addition, to the extent there are other feeder funds, certain conflicts of interest in determining whether to hold or dispose of an asset may exist due to different tax considerations applicable to the Client and other feeder funds.

Risks Associated When Investing in a Feeder Fund. As the feeder fund Clients expect to invest in the respective master fund Clients, the master fund will be indirectly subject to all of the terms, conditions and risks of the Client and any loss or adverse effect affecting the master fund shall also adversely affect the feeder funds.

Certain feeder funds have the ability to invest directly in assets outside of the master fund and to hold required reserves. Such investments, if they occur, will result in a difference in returns than if the feeder funds directed solely in the master fund and may create performance or cash drags. For this and other reasons, the performance of the interests in the feeder funds in the Client does not necessarily track the performance of the master fund.

Cross Class Liability. The Client has the power to issue shares in classes. However, the Client is a single legal entity and, accordingly, shareholders of one or more classes of shares may be compelled to bear the liabilities incurred in respect of other classes which such investors do not themselves own if there are insufficient assets in that other class to satisfy those

liabilities. There is a risk that liabilities of one class may not be limited to that particular class and may be required to be paid out of one or more other classes. The same risks apply to shares of the Client.

Side Letters / Access to Information. Certain Clients, by consent of the board of directors and/or the general partner, in consultation with Saba Capital, may from time to time, to the fullest extent permitted by its governing documents and applicable law, seek to induce investment in the Client by offering investment terms to certain prospective investors which are not available to existing investors in the Client. In such cases the parties will enter into a written side arrangement varying the standard terms of offer herein. Such variations may include, without limitation but as permitted by its governing documents and applicable law, variations to minimum investment, redemptions and fees, the right to receive reports from the Client on a more frequent basis or the right to receive reports that include information not provided to other investors and such other rights as may be negotiated with such investors, with the effect that not all investors in the Client will invest on the same terms and some investors may be expected to enjoy more favorable terms than others. As a result, should the Client experience a decline in performance over a period of time, an investor who is a party to a side letter that permits different redemption terms may be able to redeem prior to other investors.

In addition, in response to questions and requests and in connection with due diligence meetings and other communications, Saba Capital may provide additional information to investors and prospective investors in other Clients that is not distributed to all investors. Such information may affect a prospective investor's decision to invest (or to remain invested) in the Clients, and investors in other Clients (which may include personnel and affiliates of Saba Capital) may be able to act on such additional information and withdraw their investments potentially at higher values than other investors. Any such withdrawals may result in reduced liquidity for other investors.

Certain investors may invest on different terms that, among other things, provide access to information that may not be available to other investors and, as a result, may be able to act on such additional information (i.e., to redeem) that other investors do not receive. In addition, in response to questions and requests and in connection with due diligence meetings and other communications, Saba Capital may provide additional information to investors and prospective investors in other accounts that is not distributed to the investor. Such information may affect a prospective investor's decision to invest (or to remain invested) in other accounts, and investors in other accounts (which may include personnel and affiliates of Saba Capital) may be able to act on such additional information and redeem their investments potentially at higher values than other investors. Any such redemptions may result in reduced liquidity for other investors.

Access to Information. Certain Clients and/or investors of other accounts may invest on different terms that, among other things, provide access to information that may not be available to other investors and, as a result, may be able to act on such additional information (i.e., to withdraw) that other investors do not receive. In addition, in response to questions and requests and in connection with due diligence meetings and other communications, Saba Capital may provide additional information to investors and prospective investors in other accounts that are not distributed to all investors. Such information may affect a prospective investor's decision to invest (or to remain invested) in a Client or another account, and such investors (which may include personnel and affiliates of Saba Capital) may be able to act on such additional information and withdraw their investments potentially at higher values than

other investors. Any such withdrawals may result in reduced liquidity for other investors (including the Limited Partners). Personnel and affiliates of Saba Capital have made a substantial investment in the Clients.

Possible Adverse Effects of Substantial Withdrawals. Actions taken to meet substantial withdrawal requests from Clients (as well as other actions taken simultaneously as a result of capital activity in the Clients and any other accounts) could result in a decrease in the value of investments held by the Client. In addition, in the event that there are substantial withdrawals from the Clients and/or any other accounts within a limited period of time, Saba Capital may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay withdrawals, Saba Capital may be required to liquidate positions in a Client (or such other accounts) at an inappropriate time or on unfavorable terms, resulting in lower net assets for the remaining investors and a lower withdrawal price for the withdrawing investors. The Clients may elect to cause the withdrawal of all interests and liquidate at any time if, in its view, continued operation would be impracticable or imprudent for any reason, including if the amount of the Client's assets declines to a significant extent.

ERISA Plan Assets Status of Certain Clients. The assets of certain Clients may, from time to time, be treated as "plan assets" (as defined under Section 3(42) of ERISA and any regulations promulgated thereunder) of those investors of the Clients that are subject to ERISA. In such event, Saba Capital would be a fiduciary with respect to each such investors. In addition, in the event that the assets of the Client were treated as "plan assets", ERISA may impose certain limitations on the operation of the Client. Such limitations could result in the inability of the Client to participate in certain investments or conduct business with certain counterparties. Accordingly, in the event that the assets of the Client are treated as "plan assets" for purposes of ERISA, ERISA could restrict the activities of the Client and, as a result, the Client may not be able to take advantage of certain investment opportunities, could have a different portfolio and could have a lower rate of return than if it were not subject to ERISA.

Affiliate Investors. Certain affiliates of Saba Capital may have, and in some cases do have, a substantial investment in one or more other accounts (such investors, an "Affiliate Investor"). As a result of their investment and affiliation with Saba Capital, such investors may receive additional benefits including, but not limited to, a reduced obligation with respect to compensation otherwise payable to Saba Capital. In addition, as a result of their affiliation with Saba Capital, such Affiliate Investors may have access to more information than other investors, including access to certain operations of Saba Capital, and accordingly would be in a position to time their redemption of shares from the Client, as applicable, ahead of other investors based on such information. Such Affiliate Investors may be issued a separate class of shares or interests, as applicable. Moreover, the Client will be subject to a number of actual and potential conflicts of interest involving the Affiliate Investors' investment in other accounts, such as, for example, conflicts relating to investment and/or expense allocations between the Client and the other accounts. However, Saba Capital has substantial incentives to see that the assets of the Client appreciate in value, and merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of the Client. Furthermore, Saba Capital has adopted policies and procedures that are intended to produce fairness over time.

Indemnification. Certain Clients will indemnify the board of directors, Saba Capital and other service providers of the Client for liabilities incurred in connection with the affairs of the Client. Such liabilities may be material and have an adverse effect on the returns to the investors. The indemnification obligations of the Client would be payable from the assets of the Client.

Pursuant to the exculpation and indemnification provisions described above, each of Saba Capital and its affiliates will generally not be liable to the Client for any act or omission (or alleged act or omission), absent bad faith, willful misconduct, fraud, gross negligence or breach of the fiduciary responsibility provisions of ERISA, if applicable, and the Client will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission (or alleged act or omission) related to the Client, absent bad faith, willful misconduct, fraud, gross negligence or breach of fiduciary responsibility provisions of ERISA, if applicable. As a result of these provisions, to the extent the assets of the Client are not treated as "plan assets" for purposes of ERISA, the Client (not Saba Capital or its affiliates) will be responsible for any losses resulting from trading errors and similar human errors, absent bad faith, willful misconduct, fraud, gross negligence or breach of the fiduciary responsibility provisions of ERISA, if applicable, or the ability to waive or limit such losses under applicable law. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. In the event trading errors (and similar errors) occur, the Client will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Saba Capital or their affiliates; provided, however, that if the assets of the Client are treated as "plan assets" for purposes of ERISA, the Client shall not be responsible for any losses resulting from any conduct that constitutes a breach of the fiduciary responsibilities of ERISA, if applicable. Saba Capital, acting in good faith, will act fairly in allocating liability for any trading errors (and similar errors) in accordance with the liability standards outlined above. However, Saba Capital will have a conflict of interest in determining whether a trade error resulted from any conduct that would make Saba Capital responsible for the losses associated with it or not.

Possible Adverse Effects of Substantial Redemptions. Actions taken to meet substantial redemption requests from certain Clients (as well as other actions taken simultaneously as a result of capital activity in any other accounts) could result in a decrease in the value of investments held by the Client. In addition, in the event that there are substantial redemptions from the Client and/or any other accounts within a limited period of time, Saba Capital may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay redemptions, Saba Capital may be required to liquidate positions of the Client at an inappropriate time or on unfavorable terms, resulting in lower net assets for the remaining investors and a lower redemption price for the redeeming investors. The general partner or board of directors may elect to cause the redemption of all investor shares and liquidate the Client at any time if, in its view, continued operation of the Client would be impracticable or imprudent for any reason, including if the amount of the Client's assets declines to a significant extent.

Investment and Due Diligence Process. Before making investments, Saba Capital will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, Saba Capital may be required to evaluate important and complex business, financial, tax, accounting and legal issues and, with respect to any SPAC investments, will be required to evaluate the management team sponsoring a SPAC and the current market conditions for an underlying

business combination that will be ultimately pursued by such SPAC. When conducting due diligence and making an assessment regarding an investment, Saba Capital will rely on the resources reasonably available to it, which in some circumstances, whether or not known to Saba Capital at the time, may not be sufficient, accurate, complete or reliable. The due diligence process may at times be subjective and/or limited with respect to newly organized funds or companies for which only limited information is available. In connection with CEF or SPAC investments, Saba Capital may be unable to conduct interviews with the management team or receive non-public information, and its resources may be limited to publicly-available information, which may be limited. SPAC entities and CEFs may be newly organized, and only limited information may be available. Due diligence may not reveal or highlight matters that could have material adverse effect on the value of an investment. There also can be no assurance that Saba Capital's due diligence will be sufficient to detect operational issues or problems in connection with a CEF Manager or CEF, and the information received may not always be complete or accurate. Accordingly, it may not be possible for the Investment Manager to uncover fraudulent activity that may be perpetrated by one or more CEF Managers or CEFs.

Limited Liquidity. An investment in a Client provides limited liquidity since the shares in a private fund are not freely transferable and, generally, an investor has the right to redeem their shares only as described in the private fund's offering documents. A Client may invest a portion of its assets in financial instruments that are not publicly traded or that have become illiquid. The Client may not be able to readily dispose of such financial instruments and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Accordingly, the Client may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities and/or assets. The private fund may also suspend the redemption rights of an investor. An investment in the private fund is suitable only for sophisticated investors who do not require immediate liquidity for their investment.

Regulation in the Derivatives Industry. There are many rules related to derivatives that may negatively impact the Client, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter ("OTC") instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional "know your counterparty" obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of Saba Capital and the Clients, and increase the amount of time that Saba Capital spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to the Clients.

These rules are operationally and technologically burdensome for Saba Capital and the Client. These compliance obligations require employee training and use of technology, and there are operational risks borne by the Client in implementing procedures to comply with many of these additional obligations.

These regulations may also result in the Client forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants ("FCMs")), as the use of other parties may be more efficient for the Client from a regulatory perspective. However, this could

limit the Client's trading activities, create losses, preclude the Client from engaging in certain transactions or prevent the Client from trading at optimal rates and terms.

Many of these requirements were implemented under legislation intended to reform the U.S. financial regulatory system, the European Union ("EU") Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or "EMIR") and similar regulations globally. In the United States, regulatory responsibility for derivatives is divided between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over "security-based swaps" and the CFTC has regulatory authority over "swaps". EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to security-based swaps that are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on the Client:

Reporting. Most swap transactions have become subject to anonymous "real time reporting" requirements, meaning that information relating to transactions entered into by the Client will become visible to the market in ways that may impair the Client's ability to enter into additional transactions at comparable prices or could enable competitors to "front run" or replicate the Client's strategies.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives, including EMIR, are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing mandates affect certain interest rate and credit default swaps. The CFTC and the SEC may introduce clearing requirements for additional classes of derivatives in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for the Client in many respects (for instance, they may reduce the counterparty risk to the dealers to which the Client would be exposed under non-cleared derivatives), the Client could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and, as a result, the Client may not be able to hedge its risks or express an investment view as well as it would have been able to had it used customizable derivatives available in the over-the-counter markets. The Client may have to split its derivatives portfolio between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the counter positions, and which could lead to increased costs.

Another risk is that the Client may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the Client's FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static

throughout of the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject the Client to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on the Client. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require the Client to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to the Client. In addition, clearinghouses may not allow the Client to portfolio-margin its positions, which may increase the Client's costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which the Client would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and the Client's FCM, subjecting the Client to the risk that the assets of the FCM are insufficient to satisfy all of the FCM's payment obligations, leading to a payment default. The failure of a clearinghouse or FCM could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

Swap Execution Facilities. In addition to the central clearing requirement, certain swap transactions are required to trade on regulated electronic platforms such as swap execution facilities ("SEFs"), which require the Client to subject itself to regulation by these venues and subject the Client to the jurisdiction of the CFTC. CFTC rules governing the operation of SEFs continue to evolve; the SEC has yet to finalize rules related to security-based SEFs.

The EU regulatory framework governing derivatives is set not only by EMIR but also a legislative package known as a recast of the Markets in Financial Instruments Directive ("MiFID II"). Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for the Client to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of these regulations.

Margin Requirements for Non-Cleared Swaps. Rules issued by U.S., EU and other regulators globally (the "Margin Rules") impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third-party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that the Client will be required to post to swap counterparties may increase by a material amount, and as a result the Client may not be able to deploy capital as effectively. Additionally, to the extent the Client is required to segregate initial margin with a third party custodian, additional costs will be incurred by the Client.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Client interacts, as well as the Client, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Client and on the markets for the securities in which the Client seeks to invest.

Counterparty Risk. The Client expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Client to trade in any variety of markets or asset classes over time. However, there can be no assurance that the Client will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Client's trading activities, create losses, preclude the Client from engaging in certain transactions or prevent the Client from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Client's business due to the Client's reliance on such counterparties.

The Client may effect transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, the Client enters into a contract directly with dealer counterparties which may expose the Client to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, the Client may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if the Client had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that the Client post collateral.

If there is a default by a counterparty, the Client under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Client being less than if the Client had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Client's securities from such counterparty or the payment of claims therefor may be significantly delayed and the Client may recover substantially less than the full value of the securities entrusted to such counterparty.

Collateral that the Client posts to its counterparties that is not segregated with a third party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, the Client may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, the Client may use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to the Client's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that

may be involved, it is impossible to generalize about the effect of such an insolvency on the Client and its assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering the Client's securities from or the payment of claims therefor by such counterparty and a loss to the Client, which could be material.

MiFID II. The package of European Union market infrastructure reforms known as MiFID II increased regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments over time, as some of the sources of liquidity exit European markets, and may result in significant increases in transaction costs.

Other regulatory changes, such as an increase in the scope of commodities and commodity derivatives regulation, including position limits and regulatory position management powers could, over time, similarly lead to liquidity reduction and/or an increase in costs and spreads in the European commodities markets.

Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of Saba Capital to execute the investment program.

Sanctions. A Client's operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, a Client may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom (the "UK") from time to time), and the Restrictive Measures adopted by the EU. Some sanctions that may apply to a Client prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or "safe harbour" for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions.

Sanctions may negatively impact a Client's ability to effectively implement its investment strategies and have a material adverse impact on a Client's investment program. Sanctions may adversely affect the Clients in various ways, including by preventing or inhibiting a Client, or Saba Capital on a Client's behalf, from making certain investments, forcing a Client to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of companies in which a Client has invested. In addition, if a Client or Saba Capital were to violate or be deemed in violation of any such sanction, it could face significant legal and monetary penalties. Depending on the scope and duration of a particular sanctions

program, compliance by a Client may result in a material adverse effect on such Client and the investors' investments therein. Finally, sanctions may have broader economic implications, such as influencing the price of certain commodities, which may have adverse effects on inflation and the value of the U.S. dollar, which may adversely affect investment objectives and strategies of the Clients.

Discontinuation of LIBOR. It is expected that the U.S. Dollar London Interbank Offered Rate ("LIBOR"), which is commonly used as a reference rate within various financial contracts (any such rate, a "Reference Rate"), will not be published after June 30, 2023 (the one-week and two-month tenors of U.S. Dollar LIBOR ceased to be published after December 31, 2021). In anticipation of the end of LIBOR, the United States and other countries are replacing LIBOR with alternative Reference Rates. The Secured Overnight Financing Rate ("SOFR") (and with respect to term SOFR rates, the CME's term SOFR rates) is the Reference Rate recommended by the Alternative Reference Rates Committee (the "ARRC") convened by the U.S. Federal Reserve Board and the Federal Reserve Bank of New York. The ARRC and regulators have stated that any party choosing another Reference Rate should do so carefully. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which the Client is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including the Client and its counterparties. With respect to financial contracts to which the Client is a party, including any such contract that has a maturity that extends beyond June 2023 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or which have other curative mechanisms available, such as safe harbor legislation adopted in the State of New York to permit the replacement of LIBOR with the rates recommended by the ARRC in contracts governed by New York law and the Adjustable Interest Rate (LIBOR) Act included in the Consolidated Appropriations Act, 2022) may need to be renegotiated, the process of which will consume resources of the Client and may result in disputes among counterparties, the result of which may be adverse to the Client. Regulators have encouraged market participants to cease (and in the case of entities that they regulate, have required such entities to cease) entering into new contracts that use U.S. Dollar LIBOR as a reference rate as soon as practicable, and in any event by December 31, 2021. As a result, U.S. Dollar LIBOR's liquidity and usefulness will likely diminish as new use comes to an end; and investors should expect that the Clients will be a party to SOFR-based contracts \, or contracts utilizing different Reference Rates. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which the Client is a party may adversely affect the performance of the Client.

Limited Operating History. Certain Clients, the General Partners, and Saba Capital have a limited operating history upon which prospective or current investors may base an evaluation of the likely performance. The past performance of the principals of Saba Capital may not be indicative of future results and there can be no assurance that the Clients will achieve results comparable to those that the investment professionals have achieved in the past.

Certain Clients are newly formed entities without an operating history. However, the principals of Saba Capital have an operating history upon which prospective and current shareholders can

evaluate their anticipated performance. There can be no assurance, however, that Saba Capital's assessment of the short term, intermediate term or long-term prospects of investments will prove accurate or that the Client will achieve its investment objective. The past performance of the principals of Saba Capital may not be indicative of future results and there can be no assurance that the Client will achieve results comparable to those that the investment professionals have achieved in the past.

Incentive Compensation. The incentive compensation paid to Saba Capital by certain Clients on realized and unrealized appreciation may create an incentive for Saba Capital to cause the Client to make investments that are riskier or more speculative than would be the case if such compensation was not paid. In addition, since the incentive compensation will be calculated on a basis that includes unrealized appreciation of the Client's net assets, such compensation may be greater than if it were based solely on realized gains.

Absence of Regulatory Oversight. While certain Clients may be considered similar to a U.S. registered investment company, they are not required and does not intend to register as such under the Investment Company Act. Accordingly, the provisions of the Investment Company Act (which require, among other things, investment companies to have a majority of disinterested directors, that securities be held in custody and individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company) are not applicable to investors in the Clients. Registration under the Cayman Islands Mutual Funds Law (as amended) (where applicable) does not involve a detailed examination of the merits of the Client or substantive supervision of the investment performance of the Client by the Cayman Islands government or the Cayman Islands Monetary Authority. There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favor of or available to the investors in the Client.

Pledge of, Foreclosure on and Liquidation of Client Assets. Any assets of certain Clients may be pledged to finance other investments of the Client. Investors in the Client may be at risk of loss due to borrowings used to finance investments in which they have no interest.

Thus, for example, a creditor of the Client may have a claim not only on a private investment in public equity ("PIPE") investment acquired with proceeds borrowed from the creditor, but also on a different PIPE investment or on any other assets of the Client (as applicable) used as additional collateral for the loan. It is possible that certain of the shareholders having an interest in a PIPE investment may have no interest, or may share in different percentages, in another PIPE investment acquired with the borrowed funds. Certain series of shares of the Client corresponding to a series of shares of the Client on the books of the Client and are not separate legal entities for purposes of protection from claims of unrelated creditors. Thus, investors having no interest in a PIPE investment could have the value of their investment negatively impacted by losses on such PIPE investment that exceed its value.

Additionally, in order to meet a margin call for a PIPE investment, the Client may be required to sell a non-PIPE investment, and vice versa.

Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments. In order to avoid a U.S. withholding tax of 30% on certain payments (which might in the future include payments of gross proceeds) made with respect to certain actual and deemed U.S. investments, certain Clients have registered with the Service and generally will be required to identify and report information with respect to certain direct and indirect U.S. account holders

(including debtholders and equityholders). The Cayman Islands has signed a Model 1B (non-reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Client complies with the US IGA and the Cayman Islands enabling legislation, it will not be subject to the related U.S. withholding tax. Investors should consult their own tax advisors regarding the possible implications of these rules on their investment in shares.

A non-U.S. investor in the Client will generally be required to provide to the Client information which identifies its direct and indirect U.S. ownership, and, in certain cases, information regarding its investments in other "foreign financial institutions" within the meaning of Section 1471(d)(4) of the IRC. Under the US IGA, any such information provided to the Client and certain financial information related to such investor's investment in the Client will be shared with the Cayman Islands Tax Information Authority or its delegate (the "Cayman TIA"). The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-U.S. investor who fails to provide such information to the Client or timely register and agree to identify, and report information with respect to, such account holders (as applicable) may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Client, and the board of directors or the general partner may take any action in relation to an investor's shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Investors should consult their own tax advisors regarding the possible implications of these rules on their investments in the Client.

Non-U.S. investors may also be required to make certain certifications to the Clients as to the beneficial ownership of the shares and the non-U.S. status of such beneficial owner, in order to be exempt from U.S. information reporting and backup withholding on a redemption of shares.

Assumption of Catastrophe Risks. The Clients may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Client invests (or has a material negative impact on the operations of Saba Capital or the service providers), the risks of loss can be substantial and could have a material adverse effect on the Clients and the investors' investments therein. Furthermore, any such event may also adversely impact one or more individual investors' financial condition, which could result in substantial withdrawal requests by such investors as a result of their individual liquidity situations and irrespective of Client performance.

Coronavirus Risks. In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, was first identified in the human population. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores,

and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and “shelter-in-place” or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. Such disruptions continue to be felt, as many countries and U.S. states struggle to contain the virus and its variants. The short-term and long-term impact of COVID-19 on the operations of Saba Capital and the performance of any Client is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Clients.

ASC 820 -- Fair Value Measurements and Disclosures (originally issued as FAS 157): Potential GAAP vs. Valuation Policy Reporting Difference. The Client's assets and liabilities are valued in accordance with Saba Capital's valuation policy. However, for purposes of preparing the Client's annual audited financial statements, which are prepared in accordance with the generally accepted accounting principles (“GAAP”) certain of the Client's assets and liabilities may be valued in a manner that, while consistent with GAAP, is different from the manner in which such assets are valued pursuant to the Articles.

Specifically, for purposes of GAAP-compliant financial reporting, the Client is required to follow a specific framework for measuring the fair value of its assets and liabilities, and is required to provide certain additional disclosures regarding the use of fair value measurements in their audited financial statements. Financial Accounting Standards Board (“FASB”) Codification (“ASC”) 820 defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Other valuation-related requirements are contained in other provisions of GAAP, and sections of the codification. Additional FASB Accounting Codification Standards and updates and additional provisions of GAAP that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting.

Accordingly, to the extent that GAAP would require any of the Client's assets or liabilities to be valued in a manner that differs from the valuation policies set forth in the Articles, such assets or liabilities will be valued (x) in accordance with GAAP, solely for purposes of preparing the Client's GAAP-compliant annual audited financial statements, and (y) in accordance with the valuation policies set forth in the Articles (without regard to any GAAP requirements relating to the determination of fair value), for all other purposes, including, without limitation, for purposes of allocating gains and losses among the investors, which, as described in the Client's offering documents, is relevant to the determination of the net asset value, the calculation of the Management Fee, the Administrative Fee and the incentive fee and the amounts payable by the Client in respect of a withdrawal by or distribution to an investor.

Generally, ASC 820 and other accounting rules applicable to investment funds and various assets they invest in are evolving. Such changes may adversely affect the Client. For example, the evolution of rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair market value. This may in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination of fair market value.

Modeling Risk. Saba Capital, in selecting certain investments for the Clients, may consider risk models created in-house or by third parties that are based, in part, on prior transactions, quantitative analysis and industry knowledge. Risk models are designed to assist investors, governments and businesses to understand the potential impact of a wide variety of events and allow such parties to analyze the probability of loss. Risk models are created using historical, scientific and other related data and may incorporate quantitative methods. Because such risk models are based in part upon historical data and averages, there is no guarantee that such information will accurately predict the future occurrence or severity of any particular event and thus may fail to accurately calculate the probability of an event and may underestimate the likelihood of an event. Securities or other investments selected using such methods may perform differently from the market as a whole or from their expected performance for many reasons, including factors used in building the analytical framework, the weights placed on each factor, and changing sources of market returns, among others. In addition, any errors or imperfections in a risk model (quantitative or otherwise), analyses, the data on which they are based or any technical issues with the construction of the models (including, for example, data problems and/or software or other implementation issues) could adversely affect the ability of Saba Capital to use such analyses or models effectively, which in turn could adversely affect the Partnership's performance. Risk models are used by Saba Capital as one input in its risk analysis process for the Client's investments. There can be no assurance that these methodologies will help a Client to achieve its investment objective.

Fees and Expenses Risk. Clients will pay fees and expenses regardless of whether they experience any profits and will be required to pay fees and expenses at the level of the CEFs regardless of whether a CEF experiences any profits (including, for the avoidance of doubt, expenses attributable to trading commissions and any activist campaigns undertaken by Saba Capital).

Placement Agents. Placement agents that solicit investors on behalf of, or refer investors to, certain Clients are subject to a conflict of interest because they will be compensated in connection with their solicitation or referral activities, as applicable. This conflict applies as well to nominees that are compensated by Saba Capital in connection with the investment of their investors' assets in such Clients.

Liability of the Client. Certain Clients have the power to issue shares in classes, series or sub-series. The memorandum and articles of association for such Clients ("Articles") provide for the manner in which the liabilities are to be attributed across the various classes, series or sub-series (liabilities are to be attributed to the specific classes, series or sub-series in respect of which the liability was incurred). However, certain Clients are single legal entities incorporated as an exempted company in the Cayman Islands and under Cayman Islands law there is no limited recourse protection for any class, series or sub-series of shares in an exempted company. Generally, creditors of the Client may enforce claims against all assets of the Client and all assets of the Client may be available to meet all liabilities of the Client, even if liability relates to a particular class, series or sub-series of shares of the Client (e.g., new issues and any corresponding hedge positions). Thus, for example, in the event that the assets attributable to shares participating in a security were completely depleted by losses or liabilities, a creditor could enforce a claim against the assets of the Client which would be borne by the other shares that did not participate in the investment or transaction.

Diversification. Saba Capital may select investments that are concentrated in a limited number or types of securities. In addition, the Client's portfolio may become significantly concentrated

in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the Client to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

C. Risks Associated With Particular Types of Securities

Debt Securities Generally. Saba Capital, on behalf of the Clients, may buy or sell private and government debt securities and instruments. Saba Capital, on behalf of the Clients, may buy or sell debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Distressed Securities. Saba Capital, on behalf of the Clients, may invest in "below investment grade" securities and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. It is anticipated that certain debt instruments purchased by Saba Capital for the Clients will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Clients' investments in any instrument, and a significant portion of the obligations and securities in which the Clients invest may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that Saba Capital will correctly evaluate the value of the assets underlying the Clients' investments or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Clients invest, the Clients may lose its entire investment, may be required to accept cash or securities with a value less than the Clients' original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Clients' investments may not compensate the investors adequately for the risks assumed.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure

to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Client of the security in respect to which such distribution was made.

In certain transactions, the Clients may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

High-Yield Securities. Saba Capital, on behalf of the Clients, may invest in bonds or other fixed income securities, including without limitation "higher yielding" (including non-investment grade) debt securities, and may take short positions in these securities. Such securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. Clients may invest in these securities when they offer opportunities for capital appreciation (or capital depreciation in the case of short positions) and may also invest in these securities for temporary defensive purposes and to maintain liquidity. High-yield securities include, among other securities: bonds, notes and debentures issued by U.S. and non-U.S. corporations and U.S. government securities or debt securities issued or guaranteed by a non-U.S. government. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations.

In addition, Saba Capital, on behalf of the Clients, may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. High-yield 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 price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). High-yield securities may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness.

The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

The Client may invest in obligations of issuers that are generally trading at significantly higher yields than had been historically typical of the applicable issuer's obligations. Such

investments may include debt obligations that have a heightened probability of being in covenant or payment default in the future or that are currently in default and are generally considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result only in partial recovery of cash payments or an exchange of the defaulted security for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Bank Loans. The Clients' investment programs may include investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including, without limitation: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Clients to directly enforce their rights with respect to participations. In analyzing each bank loan or participation, Saba Capital attempts to compare the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Clients.

As secondary market trading volumes increase, new loans are frequently adopting standardized documentation to facilitate loan trading, which may improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to the high-yield debt market.

Second Lien Loans. Saba Capital, on behalf of the Clients, may invest in loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of a secured creditor, and some rights of unsecured creditors, including rights in bankruptcy which can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products.

Risks Associated with Bankruptcy Cases. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to appear and be heard, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of the Client (in its role as a creditor). Furthermore, there are instances where creditors lose their priority under Title 11 of the United States Code (i.e., are equitably subordinated) if, for example, they have engaged in misconduct

that harms other creditors. In those cases where the Client is found to have engaged in such misconduct, the Client may lose its priority.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, the approval of the plan by creditors and confirmation of the plan by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Client; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the issuer may not be able to reorganize and may be required to sell its assets either as a going concern or as part of a liquidation. As a result, even in those circumstances where the Client may recover the entire amount of its bankruptcy claim, the Client may be adversely impacted by any costs incurred by the Client in representing its interests in a debtor's bankruptcy case. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Client's influence with respect to a class of securities can be lost by virtue of the size of its claim relative to the claims of the entire class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for certain taxes) may impair the recovery of an investment in a bankruptcy claim.

Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where the Client, by virtue of such action, is found to exercise "domination and control" of a debtor, the Client may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by the Client.

Saba Capital intends to invest the Client's assets principally in securities and other financial instruments of North American, European, and Asian issuers and assets located in these regions, although Saba Capital may invest the Client's assets in securities and other financial instruments of other issuers domiciled, or assets located, elsewhere. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Saba Capital, on behalf of the Client, may elect to serve on creditors' committees (official or unofficial), equity holders' committees or other groups to ensure preservation or enhancement of the Client's position as a creditor or equity holder. A member of any such committee or group may owe a fiduciary duty and be subject to certain obligations to all members the committee represents and/or to other similarly situated parties. Saba Capital may resign from that committee or group for any reason, including, for example, if the Client concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Client.

In such case, the Client may not realize the benefits, if any, of participation on the committee or group. In addition, if the Client is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

The Client may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser. Additionally, the claim may be disallowed or subordinated if the bankruptcy court determines that the seller engaged in inequitable conduct that harmed other creditors.

Reorganizations can be contentious and adversarial, and it is by no means unusual for participants to use the threat of litigation and to engage in litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Client.

Bankruptcy Claims. Saba Capital, on behalf of the Clients, may invest in bankruptcy claims which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims are illiquid and generally do not pay interest and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the bankruptcy claim. The markets in bankruptcy claims are not generally regulated by federal securities laws or the SEC. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Equitable Subordination. Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). Saba Capital, on behalf of the Clients, does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, the Clients may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Credit Default Swaps. Saba Capital, on behalf of the Clients, may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an institution which owns corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with another bank, broker-dealer or financial intermediary. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the

purchaser of the protection receiving a payment equal to the par value of the reference security less the price at which the reference security trades subsequent to default. The first way is the more common form of credit default swap termination.

In the manner described above, credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. Credit default swaps can be used to implement Saba Capital's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, the Clients may sell credit default protection in which they receive a premium to take on the risk. In such an instance, the obligation of the Clients to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Clients may also "purchase" credit default protection even in the case in which they do not own the referenced instrument if, in the judgment of Saba Capital, there is a high likelihood of credit deterioration.

The credit default swap market in high-yield securities is evolving compared to the credit default swap market for more seasoned and liquid investment grade securities. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury Yield curve, among other factors. As such, there are many factors upon which market participants may have divergent views. Saba Capital may also enter into credit default swap transactions, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

Index or Index Options. Saba Capital, on behalf of the Clients, may also purchase and sell indices as well as call and put options on indices, whether or not stock indices are listed on securities exchanges or traded in the over-the-counter market. An index or index option fluctuates with changes in the market values of the securities included in the index. Specifically, investments in the ABX, CMBX, CDX and iTraxx indices will fluctuate based upon the value of the subprime mortgage bonds, commercial mortgage-backed securities ("CMBS") and credit default swaps that are part of such index, respectively. The value of subprime mortgage bonds bear various risks, including credit, market, interest rate, structural and legal risks that can each affect the repayment rate of the underlying subprime mortgages; the value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS; and, the value of credit default swaps are subject to the risks described in "Credit Default Swaps" below. In addition, because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the Clients will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the asset generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Collateralized Debt Obligations. Saba Capital, on behalf of the Clients, may invest in CDOs and similar structured debt products (collectively, "CDO Securities"). CDO Securities in which the Clients invest will be backed by certain fixed income securities, such as asset-backed securities, CDO Securities, corporate leveraged loans, credit default swaps and other derivatives. CDO Securities are instruments representing interests in pools, the underlying asset classes of which include bonds, debentures, syndicated loans, and private placement debt and are limited-recourse obligations of the issuer thereof payable solely from the underlying securities in the portfolio of such issuer. CDO Securities are subject to various risks including the following credit, liquidity, interest rate and other risks:

(i) *Limited Diversification.* CDOs may invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the holder of the related CDO Securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the holder of the related CDOs to a greater degree of risk with respect to economic downturns relating to such industry or region.

(ii) *Leverage Risk.* The Clients' investments in CDOs involve significant leverage. Leverage is embedded in all classes of a CDO other than the most senior tranche. While the leverage presents opportunities for increasing the Clients' total returns, it has the effect of potentially increasing losses as well.

(iii) *Risks of Investment Focus.* The value of the CDO Securities owned by the Clients generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO ("CDO Collateral"), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

(iv) *Interest Rate Mismatch.* CDOs are subject to significant interest rate risk. Some of the CDO Collateral of an issuer of a CDO bears interest at a fixed rate, while the CDO Security typically bears interest at a floating rate. As a result, there could be a floating/fixed rate mismatch between such CDO Security and the CDO Collateral.

(v) *Lower Credit Quality Securities.* There are no restrictions on the credit quality of the investments of the Clients. CDO Securities in which the Clients may invest may be deemed by rating agencies to have substantial vulnerability to default in payment of interest and/or principal. In general, the ratings of nationally recognized rating organizations represent the opinions of such agencies as to the quality of securities that they rate. Such ratings are relative and subjective; they are not guarantees of performance or absolute standards of credit quality and do not evaluate the market value risk of the securities. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events.

(vi) *Liquidity of Markets.* At times, the fixed income markets have in the past experienced significant falloffs in liquidity. While such events may sometimes be attributable to changes in interest rates or other factors, the cause is not always apparent. During such periods of market illiquidity, a CDO may not be able to sell assets in its portfolio or may only be able to do so at unfavorable prices. Such "liquidity risk" could adversely impact the value of the Clients' portfolios, and may be difficult or impossible to hedge against.

Risks Associated with Residential Mortgage-Backed Securities. Saba Capital, on behalf of the Clients, may invest in residential mortgage-backed securities ("RMBS"). Holders of RMBS bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represents interests in pools of residential mortgage loans secured by one- to four-family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity. The rate of defaults and losses on residential mortgages will be affected by a number of factors, including general economic conditions, conditions in the area where the mortgaged property is located, the borrower's equity in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure

of such residential mortgage may be a lengthy and difficult process, and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited. Residential mortgage loans may be more susceptible to geographic risks relating to an area in which the collateral is concentrated, such as adverse economic conditions, adverse events affecting industries located in such area and natural hazards affecting such area, than would be the case for a pool of mortgage loans having more diverse property locations.

Residential mortgage loans in an issue of RMBS may be subject to various federal and state laws, public policies and principles of equity that protect consumers which, among other things, may regulate interest rates and other fees, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Violation of such laws, public policies and principles may limit the servicer's ability to collect all or part of the principal or interest on a residential mortgage loan, entitle the borrower to a refund of amounts previously paid by it, or subject the servicer to damages and sanctions. Any such violation could also result in cash flow delays and losses on the related issue of RMBS.

It is not expected that RMBS will be guaranteed or insured by any governmental agency or instrumentality or by any other person. Distributions on RMBS will depend solely upon the amount and timing of payments and other collections on the related underlying mortgage loans.

Risks Associated with Commercial Mortgage-Backed Securities. Saba Capital, on behalf of the Clients, may invest in CMBS and other mortgage-backed securities, including subordinated tranches of such securities. The value of CMBS will be influenced by factors affecting the value of the underlying real estate portfolio, and by the terms and payment histories of such CMBS.

Some or all of the CMBS contemplated to be acquired by the Clients may not be rated, or may be rated lower than investment-grade securities, by one or more nationally recognized statistical rating organizations. Lower-rated or unrated CMBS, so-called "B-pieces," in which the Clients intend to invest have speculative characteristics and can involve substantial financial risks as a result. The prices of lower credit quality securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic or real estate market conditions or individual issuer concerns. Securities rated lower than "B" by rating organizations may be regarded as having extremely poor prospects of attaining any real investment standing and may be in default. Existing credit support and the owner's equity in the property may be insufficient to protect the Clients from loss.

The Clients may acquire subordinated tranches of CMBS issuances. In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of nonpayment than senior tranches of CMBS or CMBS backed by third-party credit enhancement. As investors in subordinated CMBS, the Clients will be first among debt holders to bear the risk of loss from delinquencies and defaults experienced on the collateral. In addition, an active secondary market for such subordinated securities is not as well developed as the market for other mortgage-backed securities. Accordingly, such subordinated CMBS may have limited

marketability and there can be no assurance that a more efficient secondary market will develop.

The value of CMBS and other mortgage-backed securities in which the Clients may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise the value of such securities will decline. In addition, to the extent that the mortgage loans which underlie specific mortgage-backed securities are prepayable, the value of such mortgage securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline. Typically, commercial mortgage loans are not prepayable or are subject to prepayment penalties or interest rate adjustments while most residential mortgage loans may be prepaid at any time without penalty.

Asset Backed Securities. Asset Backed Securities ("ABS") use trusts and special purpose corporations to securitize various types of assets, primarily automobile and credit card receivables. Saba Capital, on behalf of the Clients, may invest, either directly or indirectly, through CDOs, in these and other types of ABS that may be developed in the future.

ABS present certain risks that are not presented by mortgage-backed securities. Primarily, these financial instruments do not have the benefit of security interest in collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of entities involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABS is of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. As with mortgage-backed securities, ABS are often backed by a pool of assets representing the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

When-Issued and Forward Commitment Securities. The purchase of securities on a "when-issued" basis involves a commitment by a Client to purchase or sell securities at a future date (typically one or two months later). No income accrues on securities that have been purchased on a when-issued basis prior to delivery to a Client. When-issued securities may be sold prior to the settlement date. If a Client disposes of the right to acquire a when-issued security prior to its acquisition, it may generate a gain or loss. In addition, there is a risk that securities purchased on a when-issued basis may not be delivered to a Client. In such cases, a Client may incur a loss. One type of security which a Client is permitted to acquire on a "when-issued" basis is a forward-settling agency MBS where the pool is "to-be-announced", known as a "TBA". Pursuant to these TBAs, a Client will agree to purchase, for future delivery, agency

MBS with certain principal and interest terms and certain types of underlying collateral, but where the specific agency MBS to be delivered will not be identified until shortly before the TBA settlement date. In the case of TBAs there is an additional risk that, when the actual terms of the underlying mortgage pool become known, a Client may be exposed to greater risk than anticipated.

Illiquid Investments. Clients may invest in securities, bank debt and other claims, and other assets, which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and Clients may not be able to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions, including the operation of daily price fluctuation limits. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Clients may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. If trading on an exchange is suspended or restricted, the Client may not be able to execute trades or close out positions on terms that Saba Capital believes are desirable. Realization of value from such investments may be difficult in the short-term, or may have to be made at a substantial discount compared to other freely tradable investments. An investment in the private funds is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Futures. Certain Clients may engage in futures transactions. Futures contracts are usually made on a futures exchange which call for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of trading in the contract month. Futures prices are highly volatile. Financial instrument and foreign currency futures prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations. The Client's profitability may depend on its ability to analyze price movements in those markets. Because low margin deposits are normally required, an extremely high degree of leverage is obtainable in futures trading. A relatively small price movement in a futures contract, consequently, may result in large losses. Thus, like other highly leveraged investments, any purchase or sale of a futures contract may result in losses which exceed the amount invested.

Most U.S. futures exchanges limit fluctuations during a single day in futures contract prices by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trade may be executed at prices beyond the daily limits, and positions in a particular contract can neither be taken nor liquidated at a price beyond the applicable limit. Futures prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Client from promptly liquidating unfavorable positions and subject the Client to substantial losses, which could exceed the margin initially committed to such trades. In addition, even if futures prices have not moved the daily limit, the Client may not be able to execute futures trades at favorable prices if little trading in the contracts the Client wishes to trade is taking place. It is also possible that an exchange or regulatory authority may suspend trading in a particular contract or order that trading in a contract be conducted for liquidation of open positions only.

Securities Futures Products. Certain Clients may enter into transactions involving securities futures products for investment, hedging and risk management. Although securities futures contracts share some characteristics with options on securities (options contracts), these products are also different in a number of material ways.

If the Client purchases an options contract, it has the right, but not the obligation, to buy or sell a security prior to the expiration date. By contrast, if it takes a position in a security futures contract (either long or short), it has both the right and the obligation to buy or sell a security at a future date. The only way the Client can avoid the obligation incurred by the securities futures contract is to liquidate the position with an offsetting contract.

The purchaser and seller of a security futures contract each enter into an agreement to buy or sell a specific quantity of shares in the underlying security. Based on the movement in prices of the underlying security, a person who holds a position in a security futures contract can gain or lose many times his or her initial margin deposit. In this respect, the benefits of a security futures contract are similar to the benefits of purchasing an option, while the risks of entering into a security futures contract are similar to the risks of selling an option.

Both the purchaser and seller of a security futures contract have daily margin obligations. At least once each day, security futures contracts are marked-to-market and the increase or decrease in the value of the contract is credited or debited to the buyer and seller. As a result, any time the Client has an open position in a futures contract including security futures products, it may be called upon to meet additional margin requirements. As a consequence of the mark-to-market feature, investors generally feel the effects of gains and losses from such investments immediately.

In addition, the Client may not be able to execute futures contract trades at favorable prices if trading volume is low. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order trading in a particular contract be conducted for liquidation only.

There are other risks of trading security futures products that differ from the risks of investing in securities. Some, but not all, are:

1. Under certain market conditions it may be difficult or impossible to liquidate a position. If the Client cannot liquidate a position, it may be impossible to realize a gain from its position or prevent losses from mounting. This could occur, for example, in the event of a trading halt in the underlying security.
2. Under certain market conditions, the prices of futures interests and security futures products may not maintain their customary or anticipated relationship to the price of the underlying security. This could occur, for example, when the market for the primary security is closed, reporting is delayed or the primary market is illiquid.
3. The brokerage firm that holds the Client's futures interests may be required to deliver the Client's funds into the accounts of a foreign broker, exchange or clearing organization to satisfy the margin and mark-to-market requirements (if any) of futures contracts traded on foreign exchanges. In the event of the bankruptcy of a counter party, the Client's funds may not receive the same protections as they would have in the hands of a domestic broker, exchange or clearing organization.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Clients is called for redemption, the Clients will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the Clients' ability to achieve their investment objective.

Valuation. Securities which Saba Capital believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame Saba Capital anticipates. In particular, purchasing securities at prices which Saba Capital believes to be distressed or below fair value is no guarantee that the price of such securities will not decline even further.

Risk of Decline in Market Value of Assets; Margin Calls. The use of margin and short-term borrowings creates several risks for Clients. If the value of a Client's securities falls below the margin level required by the prime brokers, additional margin deposits would be required. If the Client is unable to satisfy any margin call by the prime brokers, then the prime brokers could liquidate the Client's position in some or all of the financial instruments that are in the Client's accounts at the prime brokers and cause the Client to incur significant losses. The failure to satisfy a margin call, or the occurrence of other material defaults under margin or other financing agreements, may trigger cross-defaults under the Client's agreements with other

brokers, lenders, clearing firms or other counterparties, multiplying the adverse impact to the Client. In addition, because the use of leverage allows the Client to control positions worth significantly more than their investment in those positions, the amount that the Client may lose in the event of adverse price movements is high in relation to the amount of its investment.

In the event of a sudden drop in the value of the Client's assets, the Client might not be able to liquidate assets quickly enough to satisfy its margin requirements. In that event, the Client may become subject to claims of financial intermediaries that extended "margin" loans. Such claims could exceed the value of the assets of the Client. The banks and dealers that provide financing to the Client can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Client will be able to secure or maintain adequate financing, without which the Client may not continue to be viable.

Closed-End Funds. Clients may invest in CEFs that are operated by a diversified group of CEF Managers. To the extent that such CEFs invest in financial instruments similar to those invested in by the Clients, the risk factors that are set forth herein with respect to such instruments, will also apply to the CEFs in which the Clients invest, and thus indirectly apply to the Client private fund. Clients' investments in CEFs may generate dividend income that may be subject to withholding by the withholding agent. Clients may be entitled to a refund of all or a portion of the withheld amounts. In the event an investor redeems all or a portion of its shares prior to the Clients' receipt of any tax refund, such redeeming investors will not receive any portion of such refund in respect of its redeemed shares.

Exposure to Material Non-Public Information. From time to time, Saba Capital and/or one or more of its affiliates have in the past, and may in the future, come into possession of material, non-public information with respect to a particular transaction or other issuer of publicly traded securities. In such circumstances, Saba Capital may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Clients' Investments in SPACs.

Special Purpose Acquisition Companies. A SPAC is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses that are typically not publicly-listed. Following the acquisition of a target company, a SPAC's management team may exercise control over the management of the combined company in an effort to increase its value. Often now, though, management of the target company will continue to manage the now publicly-traded business subsequent to completion of its business combination with the SPAC. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust account until the acquired business combination is completed or a predetermined period of time (typically 24 months) elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and the combined publicly-traded company's shares trade above the SPAC's initial public offering ("IPO") price, or alternatively, the market price at which an investor acquired a SPAC's shares subsequent to its IPO. In the event that a SPAC is unable to locate and acquire a target business by the timeframe established at the time of its IPO, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC, to the extent third-parties are permitted to bring claims against IPO proceeds held in the SPAC's trust account. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to complete a qualifying business combination by the deadline established at the time of its IPO, (ii) assets in the trust account may become subject to third-party claims against such SPAC, which may reduce the per share liquidation value received by the investors in the SPAC in the event it fails to complete a business combination within the required time period, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC will likely only complete one business combination, which will cause its returns and future prospects to be solely dependent on the performance of a single acquired business, (v) the value of any target business, including its stock price as a public company, may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust account may decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the applicable record date to do so, and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. Certain Clients may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for such Clients to evaluate the possible merits or risks of such SPAC's investment in any particular target business. In addition, to the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk. Further, SPACs are structured as publicly-traded blank check companies. Accordingly, such Clients will also be subject to risks that arise from investments in vehicles that are managed by independent third parties, as well as the risk that the underlying business combinations being pursued by the SPACs in which such Clients invest will not be consummated or will not be successful.

PIPE Transactions Generally. PIPE transactions will generally result in certain Clients acquiring either restricted stock or an instrument convertible into restricted stock, which

securities will be restricted for a period of time following issuance. As with investments in other types of restricted securities, such an investment may be illiquid until registered under the Securities Act and such Clients' ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration, which typically occurs 30 to 90 days following issuance. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. Further, even if such Clients are able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, such Clients may not be able to sell all the securities on short notice if there is not an active market for such stock, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of such Clients' investments.

SPAC PIPE Transactions. SPACs will often seek third-party equity capital in the form of a PIPE transaction that is funded on a concurrent basis with the consummation of the underlying business combination that is being pursued by the SPAC. While such SPAC PIPEs are typically entered into at the time a proposed business combination is announced, certain SPACs may seek PIPE commitments at the time of their IPO in the form of forward purchase agreements. Certain Clients may participate in such SPAC PIPE transactions, including pursuant to forward purchase agreements, whereby it may make an irrevocable commitment to subscribe for equity securities of the combined company surviving the business combination between the SPAC and its target at a set price at the time that an agreement for the underlying business combination is signed. Consummation of a SPAC PIPE is typically contingent on and generally occurs concurrently with the successful closing of the underlying business combination which itself may be subject to conditions (such as regulatory approval, shareholder approval, etc.). As a result, such Clients, in their capacity as investors in a SPAC PIPE, may bear the market or pricing risk of the transaction between the time of executing a subscription agreement to participate in the PIPE and the closing of the underlying business combination being pursued by the SPAC. In addition, during the period of time between such Clients' subscriptions to a PIPE and the consummation of the underlying business combination being pursued the SPAC, such Clients may have to reserve capital in anticipation of funding its irrevocable commitment. Such time period may be substantial in the case of a forward purchase agreement executed at the time of a SPAC's IPO. In such circumstances, any capital being reserved by such Clients will not be available for participation in other investment opportunities. Further, the shares issued at the closing of a SPAC PIPE will generally be restricted for a period of time following the closing until the company that results from the business combination is readmitted for trading on the relevant exchange and the securities are registered under the Securities Act.

Founders Equity and Sponsor Vehicle Investments. Certain Clients may invest in founders equity, consisting of founders shares and/or private placement warrants issued by a SPAC in connection with its formation and IPO, either directly or indirectly through equity interests in a related sponsor vehicle which holds such founders equity instruments. Founders shares are similar to the shares of stock issued by a SPAC in its IPO, but have no right to receive any proceeds from a SPAC's trust account pursuant to redemption or liquidation of the SPAC. Similarly, private placement warrants have terms that mirror those of the warrants issued by a SPAC in connection with its IPO, but expire worthless if the SPAC fails to consummate a qualifying business combination within the required time period. As a result, an investment in founders equity of a SPAC poses a risk of total loss of investment in the event the SPAC is

unsuccessful in completing a business combination. In addition, the Client may be required to agree to certain terms, including with respect to the acquisition, holding and/or voting of its liquid position in a SPAC, in order to receive exposure to a SPAC's founders equity. Any founders shares distributed to such Clients will also typically be subject to a lock-up period subsequent to completion of a business combination, which will restrict such Clients' ability to dispose of such shares for up to one year after a SPAC completes its business combination. Similar to SPAC PIPE shares, founders shares, private placement warrants, and any shares issued upon exercise of such private placement warrants, will also be restricted securities, which further limit their liquidity absent registration under the Securities Act.

Restricted Securities. Restricted securities, including founders equity instruments and those issued in connection with a PIPE or SPAC PIPE, cannot be sold to the public unless they are registered under the Securities Act or they have been held for a specified period of time and certain other requirements of Rule 144 under the Securities Act have been met. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., pursuant to Rule 144 under the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the Client. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses. Founders equity instruments and other equity securities acquired in connection with PIPE and SPAC PIPE transactions will generally be restricted until subsequently registered for resale under the Securities Act.

Accounting and Valuation Treatment of SPAC PIPE Investments. Certain Clients subscription to participate in a PIPE Investment will be valued in accordance with such Clients valuation policy and included in the net asset value of such Clients (as applicable) as of the relevant date of subscription. The manner in which these investments are accounted for and valued affects such Clients' net asset value which, in turn, will impact subscriptions and redemptions. In performing valuations of PIPE investments, founders equity investments and related investments, the administrator and Saba Capital may rely on valuations performed by third-party agents. In determining such valuations, such third-party agents will rely on various assumptions, some of which are subjective and some of which vary between different third-party agents.

Dependence on Key Individuals of SPAC Sponsor. The success of certain Clients depends upon the ability of the relevant management team that sponsors the SPACs in which such Clients invest. The investment personnel of Saba Capital will not participate in the management and affairs of such Clients' underlying investments.

Special Investments. Certain Clients may invest in PIPE Investments and founders equity investments that Saba Capital believes should be held until the resolution of a special event or circumstances (i.e., "Special Investments"). Such Clients may not be able to readily dispose of Special Investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

Special Investments and other assets and liabilities for which no such market prices are available will generally be carried on the books of such Clients at fair value (which may be cost) as reasonably determined by Saba Capital. There is no guarantee that fair value will represent the value that will be realized by such Clients on the eventual disposition of the

investment or that would, in fact, be realized upon an immediate disposition of the investment. A redeeming shareholder with an interest in a Special Investment will not receive any amount in respect of such interest until the related Special Investment is realized or deemed realized.

Clients' Investments in CEFs.

Risks Relating to Underlying CEF Managers. CEF Managers are subject to various risks, including, but not limited to, operational risks such as the ability to provide the adequate operating environment for a CEF such as back office functions, trade processing, accounting, administration, risk management, valuation services and reporting. CEF Managers may also face competition from other investment managers, which may be more established and have larger capital bases and have larger numbers of qualified management and technical personnel. Additionally, certain CEF Managers may pursue over time different investment strategies which may limit certain Clients' abilities to assess a CEF Manager's ability to achieve its long-term investment objective. Furthermore, a CEF Manager may face additional risks as the assets of a CEF increase over time. In such instances, a CEF Manager may not be able to handle properly the operating volumes of a CEF with an increased capital basis. Also, a CEF Manager may be unable to manage a CEF's increased assets effectively because it may be unable to maintain such CEF's current investment strategy or find the types of investments better suited for a CEF with an increased capital basis.

Dependence on Key Individuals. Investors have no authority to make decisions on behalf of certain Clients. Further, certain Clients invest through CEF Managers. The success of the Client depends upon the investment performance of individual CEFs and the ability of key members of Saba Capital's investment team to develop and implement investment strategies that achieve the Client's investment objective. If the Client were to lose the services of these members, the consequence to the Client could be material and adverse and could lead to the premature termination of the Client. In addition, subjective decisions made by the individual CEF Managers may cause Clients to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Although Saba Capital may allocate assets of the Client to CEF Managers who use different investment strategies, there can be no assurance that market or other events will not have an adverse impact on the strategies employed by multiple CEF Managers.

Independent CEF Managers. CEF Managers generally invest wholly independently of one another and may at times hold economically offsetting positions. To the extent that such CEF Managers do, in fact, hold offsetting positions, certain Clients, considered as a whole, may not achieve any gains or losses despite incurring investment expenses, including, without limitation, performance-based compensation. In addition, there may often be times when a particular CEF Manager may receive performance-based compensation in respect of certain Clients' investments for a period even though certain Clients' overall portfolios depreciated during such period. Some CEF Managers also may compete with each other from time to time for the same positions in certain markets. Such competition may adversely affect the performance of CEFs managed by such CEF Managers. In addition, although Saba Capital receives detailed information from each CEF Manager regarding its investment performance and investment strategy, Saba Capital may have little or no means of independently verifying this information. A CEF Manager may use proprietary investment strategies that are not fully disclosed to Saba Capital, which may involve risks that are not anticipated by Saba Capital.

Misconduct of Bad Judgment of CEF Managers and Their Service Providers. Misconduct by employees of CEF Managers or by third-party service providers of such CEFs could cause losses to certain Clients. Employee misconduct may include binding a CEF to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or other fraud. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. Although Saba Capital will seek to monitor CEF Managers and their CEFs, such measures may not be effective in all cases in detecting fraud or misconduct.

In addition, certain Clients will still face the risk of CEF Manager misrepresentation, material strategy alteration or poor judgment. Although CEF Managers are required to adhere to the offering documents for the respective funds, Saba Capital cannot control the investments made by a CEF Manager. Saba Capital's sole remedy in the event of a deviation by a CEF Manager from its offering documents (such as in the case of "style drift") may be to cause certain Clients to withdraw capital from a CEF Manager's fund, subject to any applicable withdrawal restrictions.

Style Drift. Saba Capital relies primarily on information provided by CEF Managers in assessing a CEF Manager's defined investment strategy, the underlying risks of such a strategy and, ultimately, determining whether, and to what extent, it will allocate certain Clients' assets to particular CEF Managers. "Style drift" is the risk that a CEF Manager may deviate from his or her stated or expected investment strategy. Style drift can occur abruptly if a CEF Manager believes it has identified an investment opportunity for higher returns from a different approach (and the manager disposes of an interest quickly to pursue this approach) or it can occur gradually, such as if, for instance, a "value"-oriented CEF Manager gradually increases a CEF's investments in "growth" stocks. Style drift can also occur if a CEF Manager focuses on factors it had deemed immaterial in its offering documents—such as particular statistical information or returns relative to certain benchmarks. Additionally, style drift may result in a manager pursuing investment opportunities in an area in which it has a competitive disadvantage or is outside the manager's area of expertise (e.g., a large-cap manager focusing on small-cap investment opportunities).

Moreover, style drift poses a particular risk for multiple-manager structures since, as a consequence, certain Clients may be exposed to particular markets or strategies to a greater extent than was anticipated by Saba Capital when it assessed the portfolio's risk-return characteristics and allocated assets to a CEF Manager (and which may, in turn, result in overlapping investment strategies among various CEF Managers).

Payment of Redemption Proceeds Prior to the Receipt of Tax Refunds. As a result of potential withholding by the withholding agent with respect to the underlying CEFs, the Client may be entitled to a refund of all or a portion of the taxes withheld. Such tax refunds are generally received by the Client in the year following the year in which the withholding occurred. In the event an investor redeems prior to the Client's receipt of any tax refund, the redeeming investor will receive its estimated and accrued pro rata share of such refund based on the value of such tax refund (as calculated in accordance with accounting rules). The amount of the refunds received may be more or less than the value of such refunds. In the event that the amount of tax refunds received by the Client are less than valued, the Client will not seek reimbursement from any redeemed investor and in the event that the amount of tax refunds received by the Client are more than valued, the Client will not pay additional amounts to any

redeemed investor. As a result, a redeeming investor may be positively or negatively affected by the amount of tax refunds actually received by the Client. To the extent that the amounts of tax refunds received by the Client are less than valued, the outstanding shares will be adversely affected. Conversely, in the event that the amounts of tax refunds received by the Client are more than valued, the outstanding shares will benefit.

General Economic and Market Conditions. The success of the Client's and the CEFs' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Client's and the CEFs' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Client's and the CEFs' investments. Volatility or illiquidity could impair the Client's and the CEFs' profitability or result in losses. The Client and the CEFs may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Government Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Client's and the CEFs' strategies.

Potential Interest Rate Increases. The United States has experienced a sustained period of historically low interest rate levels. In recent years, however, short-term and long-term interest rates risen. The uncertainty of the U.S. and global economy, and changes in the federal funds rate, increase the risk that interest rates will remain volatile in the future. Sustained future interest rate volatility may cause the value of the fixed-income securities held by the Client and the CEFs to decrease, which may result in substantial redemptions from the Client or such CEFs that, in turn, force the Client of the CEFs to liquidate such securities at disadvantageous prices negatively impacting the performance of the Client and the CEFs.

CEF Specific Investment Strategy Risk Factors

Fixed Income. The CEFs in which certain Clients invest may invest in bonds or other fixed-income securities that are "higher yielding" (including non-investment grade) debt securities that are generally not exchange-traded and, as a result, these securities trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. High-yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which

react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing. In addition, each CEF may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments.

Each CEF may invest in obligations of issuers that are generally trading at significantly higher yields than had been historically typical of the applicable issuer's obligations. Such investments may include debt obligations that have a heightened probability of being in covenant or payment default in the future or that are currently in default and are generally considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result only in partial recovery of cash payments or an exchange of the defaulted security for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Credit Risk. An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security.

Interest Rate Risk. Changes in interest rates will affect the value of the CEF's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.

Global Market Investments. Certain Clients invest in CEFs that may invest in the equity, debt or other securities and instruments of issuers located outside the United States. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. Income received by a CEF from sources within some countries may be reduced by withholding and other taxes imposed by such countries.

A CEF may be subject to additional risks which include possible adverse political and economic developments and possible adoption of governmental restrictions which might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of

increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. While Saba Capital will take these factors into consideration in making investment decisions for certain Clients, no assurance can be given that a CEF in which certain Clients invest will be able to fully avoid these risks.

In addition, economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect the performance of a CEF that certain Clients invest in.

Emerging Market Investments. Certain markets in which a CEF may invest may be regarded as emerging or developing markets. In emerging and developing markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging and developing market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in financial instruments may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. CEFs may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts. Due to the foregoing risks and complications, the costs associated with investments in emerging market securities generally are higher than for securities of issuers based in developed countries.

Equity Securities Generally. The CEFs in which certain Clients invest may invest in equity securities. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the CEFs in which certain Clients invest may suffer losses if it invests in equity instruments of issuers whose performance diverges from the CEF Manager's expectations or if equity markets generally move in a single direction and the CEF in which certain Clients invest has not hedged against such a general move. Certain of the CEFs in which certain Clients invest also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Market Risks. The value of the assets of a CEF in which certain Clients invest will fluctuate as the stock or bond market fluctuates. The value of a CEF's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Below Investment Grade Securities. The value of the assets of a CEF in which the certain Clients invest will fluctuate as the stock or bond market fluctuates. The value of such CEF's investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Activist Investing. Certain of the Clients may, from time to time, pursue an activist investment approach. The success of the certain Clients' ability to pursue activist investment strategies depends upon, among other things: (i) Saba Capital's ability to properly identify CEFs whose securities prices can be improved through corporate and/or strategic action; (ii) certain Clients' ability to acquire sufficient securities of such CEFs at a sufficiently attractive price; (iii) the willingness of the management of such CEFs and other security holders to respond positively to Saba Capital's proposals; and (iv) favorable movements in the market price of any such CEFs' securities in response to any actions taken by such CEFs. There can be no assurance that any of the foregoing will occur.

Inflation Risks. The value of assets or income from investments may be less in the future as inflation decreases the value of money. As inflation increases, the value of a CEF's assets can decline as can the value of such CEF's distributions. This risk is significantly greater if such CEF invests a significant portion of its assets in fixed-income securities with longer maturities.

Currency Risks. A CEF in which certain Clients invest may have investments that are denominated in a foreign currency and are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

Non-Diversified Status. Certain CEFs in which certain Clients invest may be non-diversified funds. These particular CEFs may invest a greater portion of their assets in the securities of one issuer than a diversified fund. Such CEF may be more sensitive to economic, business, political or other changes affecting similar issuers or securities, which may result in greater fluctuation in the value of a CEF's shares.

Illiquid Investments. Certain Clients invest in CEFs that may invest in securities, bank debt and other claims, and other assets, which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable and a CEF may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. A CEF may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. In turn, an investment in certain Clients is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through a clearinghouse. In the United States, clearing requirements were part of the Dodd-Frank Act. The CFTC imposed its first clearing mandate on December 13, 2012 affecting certain interest rate and credit default swaps. It is expected that the CFTC and the SEC will introduce clearing requirements for other derivatives in the future. Trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, the FCM, as well as possible SEC or CFTC mandated margin

requirements. Each CEF may not be in direct privity with the clearinghouse, but instead acts through a member of the clearinghouse, an FCM, which acts as a quasi-agent, guaranteeing the obligations of such CEF to the clearinghouse. This regime is modeled in large part after the U.S. futures clearing regime. Clearing through FCMs has in certain cases led to losses caused by operational failure or fraud.

As products become more standardized in order to be cleared, standardized derivatives may mean that each CEF may not be able to hedge its risks or express an investment view as well as it would using customizable derivatives available in the over-the-counter markets. Compared to the OTC derivatives market, a CEF may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the clearinghouse and the FCM. Virtually all of the margin models that are utilized by the clearinghouses are dynamic, meaning that, unlike many of such CEF's bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout of the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject a CEF to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment which could have a detrimental effect on such CEF. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require a CEF to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to such CEF. In addition, clearinghouses may not allow a CEF to portfolio margin (or cross margin) its positions, which may increase the amount of overall margin that such CEF needs to post. While clearinghouse margin models are dynamic and may change daily, they are also different from the margin models applied by OTC derivative dealers. The OTC derivative dealers generally have a model that is supported by a team of individuals that analyze the credit risk of each Client and fund manager by reviewing, among other variables, strategy, performance, key portfolio managers, sophistication of technology and operations, traditional volatility, types of products, and lock-up periods. The model used by the dealers to apply margin is tailored for the risk of each Client and fund manager. In contrast, the clearinghouse margin model is applied across all types of counterparties and there is no analysis of individual counterparty risks. This may mean that the clearinghouse margin model may be less fluid. It may mean that it is also more expensive overall for a CEF than if specific factors of such CEF were considered.

Also, each clearinghouse only covers a limited range of products and a CEF may have to spread its derivative portfolio across multiple clearinghouses, which in turn reduces the benefits of netting that derivatives users rely on to mitigate counterparty risk.

Although standardized clearing for derivatives is intended to reduce risk (for instance, they may reduce the counterparty risk to the dealers to which a CEF would be exposed under OTC derivatives), it does not eliminate risk. Rather, standardized clearing transfers risk of default from the over-the-counter derivatives dealer to the central clearinghouse, which may increase systemic risk, potentially more so than a failure by an OTC derivatives counterparty. The failure of a clearinghouse could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on member firms during a financial crisis, which could lead member firms to default, worsening the crisis. Because these clearinghouses are still developing and the related bankruptcy process is untested, it is difficult to speculate what the actual risks would be to a CEF related to the default

of a clearinghouse. While the futures model worked well during the Lehman crisis in 2008, there has been no testing whether the model is scalable so that it would apply to derivatives more generally. In addition, there is no one international standard for clearinghouses; existing clearinghouses have different waterfalls that apply upon the insolvency of a clearinghouse or a clearinghouse member and it is possible that a CEF could be in a worse position if a clearinghouse were to fail than had such CEF executed a trade with a traditional derivative counterparty. Also, a clearinghouse will likely require that a CEF relinquish control of its transactions if the clearinghouse were to become insolvent, and, therefore, such CEF would not be able to terminate and close out of a defaulting clearinghouse's positions, but would become subject to regulators' control over those positions. In such a circumstance, a CEF may not be able to take actions that it deems appropriate to lessen the impact of such clearinghouse default. Clearinghouses tend to trade in particular products in order to achieve economy of scale. This heightens the concentration risk for a CEF, which might not be easily hedged. In that case, a CEF may only be able to protect itself from clearinghouse risk by exiting the market entirely, potentially foregoing an entire segment of beneficial transactions.

Applicable regulations may also require a CEF to make public information regarding its swaps volume, position size and/or trades, which could detrimentally impact such CEF's ability to achieve its investment objectives.

Short Selling. CEF Managers with which the certain Clients invest may engage in short selling. Short selling involves selling securities, which may or may not be owned by the short seller, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an investor to seek profits from a decline in the prices of securities. A short sale creates the risk of a theoretically unlimited loss because the price of the underlying security could theoretically increase without limit and increase the cost of buying those securities to close the short position. There can be no assurance that the securities necessary to close a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and a CEF may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though a CEF generally secure a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing such CEF to purchase the security at the then-prevailing market price, which may be higher.

Trading of Swaps. A CEF may enter into swap transactions. A swap transaction is an individually negotiated, non-standardized derivative agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, currency exchange rates, securities, commodities or other items, indices, or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity. Swap contracts are not traded on exchanges and are not otherwise regulated, and as a consequence investors in such contracts do not benefit from regulatory protections. Swap trading is similar to the spot and forward markets in that banks, broker-dealers or their affiliates

generally act as principals in the swap markets, and a CEF is subject to risks similar to those described in the discussion of the spot and forward markets.

Sovereign Debt. Several factors may affect (i) the ability of a government, its agencies, instrumentalities or its central bank to make payments on the debt it has issued ("Sovereign Debt"), including securities that Saba Capital believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such debt and (iii) the inclusion of Sovereign Debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of non-U.S. exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

Catastrophe Bonds. Event-linked or catastrophe bonds ("Catastrophe Bonds") carry material uncertainties and risk exposures to adverse conditions. If a trigger event, as defined within the terms of the bond, involves losses or other metrics exceeding a specific magnitude in the geographic region and time period specified therein, a Client may lose a portion or all of its investment in such security, including accrued interest and/or principal invested in such security. Because Catastrophe Bonds cover "catastrophic" events that, if they occur, will result in significant losses, Catastrophe Bonds carry a high degree of risk of loss and are considered "high yield" or "junk bonds." The rating, if any, primarily reflects the rating agency's calculated probability that a predefined trigger event will occur. Thus, lower-rated bonds have a greater likelihood of a triggering event occurring and loss to a Client.

Catastrophe Bonds are also subject to extension risk. The sponsor of such an investment might have the right to extend the maturity of the bond or note to verify that the trigger event did occur or to process and audit insurance claims. The typical duration of mandatory and optional extensions of maturity for reinsurance-related securities currently is between three months to two years. In certain circumstances, the extension may exceed two years. An extension to verify the potential occurrence of a trigger event will reduce the value of the bond or note due to the uncertainty of the occurrence of the trigger event and will hinder the a Client's ability to sell the bond or note. Even if it is determined that the trigger event did not occur, such an extension will delay the Client's receipt of the bond's or note's principal and prevent the reinvestment of such proceeds in other, potentially higher yielding securities.

Quota Share Notes, Excess of Loss Notes and ILW Notes. The Clients may invest, directly or indirectly, in reinsurance contracts through shares or notes issued in connection with quota shares and/or may gain exposure to reinsurance contracts through excess of loss notes and/or industry loss warranties (collectively, "Reinsurance Notes"). As Reinsurance Notes represent an interest, either proportional or non-proportional, in one or more underlying reinsurance contracts, the Clients have limited transparency into the individual underlying contract(s) and, therefore, must rely upon the risk assessment and sound underwriting practices of the sponsor. Accordingly, it may be more difficult to fully evaluate the underlying risk profile of Reinsurance Notes, which may place the Clients' assets at greater risk of loss than if Saba Capital had more complete information. The lack of transparency may also make the valuation

of such investments more difficult and potentially result in mispricing that could result in losses to a Client. In Reinsurance Notes, the Clients cannot lose more than the amount invested.

Reinsurance Industry Risk. The performance of reinsurance-related securities and the reinsurance industry itself are tied to the occurrence of various triggering events, including weather, natural disasters (hurricanes, earthquakes, etc.), non-natural large catastrophes and other specified events causing physical and/or economic loss. If the likelihood and severity of natural and other large disasters increase, the risk of significant losses to reinsurers may also increase. Typically, one significant triggering event (even in a major metropolitan area) will not result in financial failure to a reinsurer. However, a series of major triggering events could cause the failure of a reinsurer. Similarly, to the extent a Client invests in reinsurance-related securities for which a triggering event occurs, losses associated with such event could result in losses to the Client's investment, and a series of major triggering events affecting a large portion of the reinsurance-related securities held by the Client could result in substantial losses to the Client's investment. In addition, unexpected events such as natural disasters or terrorist attacks could lead to government intervention. Political, judicial and legal developments affecting the reinsurance industry could also create new and expanded theories of liability or regulatory or other requirements; such changes could have a material adverse effect on the Client's investment. The determination of the level of losses under a reinsurance-related security may be a protracted process and the realizable value of these reinsurance-related securities, particularly those with respect to which a loss event has occurred, will be delayed until the related collateral, if any, is released to the Client and any remaining associated liabilities are finally determined.

Credit Default Swaps. Credit default swaps can be used to implement a CEF Manager's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, a CEF may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of a CEF to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. A CEF may also buy credit default protection with respect to a referenced entity if, in such CEF Manager's judgment, as applicable, there is a high likelihood of credit deterioration. In such instance, such CEF will pay a premium regardless of whether there is a credit event. The credit default swap market in high-yield securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment-grade securities, creating the risk that the newer markets will be less liquid, and making it potentially more difficult to exit or enter into a particular transaction.

Non-Investment Grade and Unrated Instruments. A portion of a CEF's assets may be invested in instruments that are unrated or have a credit quality rating below investment grade by internationally recognized credit rating organizations, such as Moody's and S&P Global Ratings. The market prices of those securities may fluctuate more than higher-rated securities, and may decline significantly in periods of general economic difficulty. Those securities generally are considered to have extremely poor prospects of ever attaining any real investment grade standing and to have a current identifiable vulnerability to default. The issuers or guarantors of those securities are considered to be less likely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions. Alternatively, such issuers may be in default or not current in the payment of interest or principal. Adverse changes in economic conditions or developments regarding the

individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher grade debt securities. An economic downturn affecting an issuer of non-investment grade debt securities may result in an increased incidence of default. In addition, the market for lower grade debt securities may be less liquid and less active than for higher grade debt securities.

Stock Index Options and Futures. CEF Managers may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging its portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the portfolio correlate with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether such CEF Managers will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by a CEF Manager of options on stock indices will be subject to an ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks. Put and call options are highly specialized activities and entail greater than ordinary investment risks. For example, traders who sell options are subject to the entire loss that occurs in the underlying item (less any premium received).

The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause temporary price distortions. Successful use of stock index futures contracts is subject to a CEF Managers' ability to correctly predict movements in the direction of the market.

Risk Factors Applicable to Both Clients and the CEFs

The following risk factors apply to both certain Clients and the CEFs. As a result, references herein to CEFs, unless otherwise indicated or required by the context, shall include only those Clients whom invest in CEFs.

Systemic Risk. Credit risk may arise through a default by or because of one of several large institutions that are dependent on one another to meet their liquidity or operational needs. A default by or because of one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which each CEF interacts. A systemic failure could have material adverse consequences on each CEF and on the markets for the securities in which such CEF seeks to invest.

Derivative Investments. The prices of derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, a Client's or CEF's assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

A Client or CEF may buy or sell (write) both call options and put options, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. A Client's or CEF's option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which such Client or CEF has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions a Client or CEF may enter into, the principal risks involved in options trading can be described as follows: When a Client or CEF buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of such Client or CEF investment in the option (including commissions). Such Client or CEF could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities for which it holds put options.

When a Client or CEF sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered". If it is covered, such Client or CEF would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss such Client or CEF might suffer as a result of owning the security.

Swaps and certain options and other customized instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Item 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Saba Capital's advisory business, management persons, or the integrity of Saba Capital's management.

Item 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Saba Capital and its management persons are not registered as broker-dealers, and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Saba Capital is registered as a CPO with the Commodity Futures Trading Commission (“CFTC”) under the Commodity Exchange Act and is a member in such capacity of the National Futures Association. Saba Capital has been approved as a swap firm by the NFA. Pursuant to the rules of the CFTC, Saba Capital is not currently required to register as a commodity trading adviser (“CTA”). In connection with Saba Capital’s status as a registered CPO, Boaz Weinstein, Andrew Kellerman, Jamie Forusz, Leah Jordan and Sean de Herder and are registered as Associated Persons with the NFA.

Saba Capital and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity trading advisors or associated persons of the foregoing types of entities.

C. Material Relationships or Arrangements with Industry Participants, Other Investment Advisers, or Sub-Advisors

Saba Capital, its personnel and its affiliates, serve as investment advisers, management companies, general partners, managing members, and/or special shareholders to multiple Clients. Saba Capital has entered into an agreement with Saba Capital Management (UK) Limited (the “U.K. Sub-Adviser”), a subsidiary of Saba Capital. The U.K. Sub-Adviser maintains an office in London, England, with its registered address at 53 Davies Street, London, W1K 5JH, United Kingdom. Under this agreement, the U.K. Sub-Adviser provides Saba Capital with marketing services under the National Private Placement Regime (the “NPPR”). The U.K. Sub-Adviser has entered into an appointed representative agreement with Robert Quinn Advisory, LLP (“RCA”) and Robert Quinn Consulting Ltd. RCA is a company incorporated in England & Wales, with its registered address at 4th Floor Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE, United Kingdom and is authorized and regulated by the U.K. Financial Conduct Authority (“FCA”). RCA has taken regulatory responsibility for certain activities regulated under the U.K. Financial Services and Markets Act 2000, as amended, conducted by the U.K. Sub-Adviser.

Saba Capital will devote as much of its time to the activities of each of the Clients as it deems necessary and appropriate. Saba Capital is not restricted from forming additional investment funds, from entering into other investment advisory or sub-advisory relationships or from engaging in other business activities, even though such activities may be in direct competition with existing Clients and may involve substantial time and resources of Saba Capital. These activities could be viewed as creating a conflict of interest in that the time and effort of the members and partners of Saba Capital and its officers and employees will not be devoted exclusively to the business of the existing Clients but will be allocated between the business of the existing Clients and the management of the monies of other advisees of Saba Capital.

Certain business activities of Saba Capital may lead to potential conflicts of interest. The management of multiple Clients may give rise to potential conflicts of interest in connection with the concurrent management of the investments for one Client and the investments in other Clients. For example, a potential conflict of interest may arise as a result of Clients with similar investment objectives, whereby Saba Capital could favor one account over another. Another potential conflict could include Saba Capital's knowledge about the size, timing and possible market impact of certain trades, whereby Saba Capital could use this information to the advantage of other accounts and to the disadvantage of a particular Client. However, Saba Capital has established policies and procedures to ensure that the purchase and sale of securities among all accounts managed by Saba Capital are fairly and equitably allocated. Other present and future activities of Saba Capital may give rise to additional conflicts of interest. For example, the investment activities of an account that Saba Capital manages, or more generally the activities of Saba Capital, may result in a Client being required to forgo certain investment or divestment activity or otherwise restrict the ability of a Client to engage in certain activities that would not otherwise be prohibited. In the event that a conflict of interest arises, Saba Capital will attempt to resolve such conflicts in a fair and equitable manner, as measured over time.

Certain employees of Saba Capital currently serve as directors or advisory board members of portfolio companies or other entities, and will continue to do so in the future. In connection with such services, Saba Capital or its employees may either receive directors' fees or other similar compensation attributable to such employees' services or waive such fees. If Saba Capital receives any such fees or compensation in connection with such employees providing services to one or more portfolio companies in which its Clients invests, all of such fees or compensation ratably attributable to the Clients' investment in such portfolio companies (net of taxes and other expenses related thereto) will be applied as an offset to the management fee on a dollar-for-dollar basis. Such amounts are not expected to be material. Employees of Saba Capital must have such arrangements pre-approved by the Chief Compliance Officer ("CCO"). Similarly, Employees are required to seek pre-approval from the CCO and their relevant supervisor prior to serving as a director of any company, or engaging in any similar outside business activities that are not related to an investment by the Clients.

Saba Capital will provide discretionary and may provide non-discretionary investment management services to other Clients, as well as managed accounts and other investment partnerships or funds, which may have similar investment objectives to those of the Clients. Saba Capital has in the past, and will in the future, give advice and recommend securities to other Clients which may differ from advice given to, or securities recommended or bought for, the Clients, even though their investment objectives may be the same or similar to those of the Clients.

Saba Capital currently manages, advises, and/or sub-advises certain other funds and accounts, including a public fund that pursues a substantially similar sub-strategy to those of the private funds. Such other accounts either currently provide now and may in the future provide, lower management fees and incentive compensation, more favorable liquidity terms (such as, more frequent liquidity or immediate termination rights), and/or more favorable transparency rights than those provided to investors by the private funds. To the extent certain investors of such other accounts receive better transparency, such investors may be able to act on additional information that other investors in the appropriate Client do not receive, which, in certain circumstances may affect an investor's decision to invest additional capital (or to remain invested) in other accounts. In addition, redemptions by investors in, or terminations by holders

of, such other accounts may have a negative impact on the Client to the extent the Client holds the same or similar positions as such other accounts.

Saba Capital may provide investment recommendations to other accounts to which Saba Capital provides non-discretionary advice ("Non-Discretionary Accounts") prior to implementing such recommendations to the other accounts to which Saba Capital provides discretionary management services ("Discretionary Accounts"). Accordingly, the Clients and other Discretionary Accounts may be seeking to obtain limited capacity from investments at the same time as such Non-Discretionary Accounts. In addition, to the extent such investments impose liquidity constraints, actions taken by the Non-Discretionary Accounts may be adverse to the Clients or other Discretionary Accounts. Non-Discretionary Accounts, may from time to time, have access or have the right to obtain information about investment decisions made for the Clients or Discretionary Accounts. Based on such information, the Non-Discretionary Accounts may take actions that are adverse to the Clients or Discretionary Accounts.

Saba Capital may purchase or sell securities on behalf of other accounts, which may differ from those purchased or sold for a Client, even though their investment objectives may be the same or similar. The Client, for example, may make an investment at the same time that one or more of the other accounts is disposing of the same or a similar investment. Likewise, the Client may make an investment in a position which is already held by one or more of the other accounts or a position that is adverse to a position held by one or more of the other accounts. It is possible that the activities or strategies used for the other accounts could conflict with the activities and strategies employed in managing the assets of the Client and affect the prices and availability of the securities and instruments in which the Client invests. Decisions about what action should be taken in a troubled situation, raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, other accounts may or may not provide such additional capital as each determines in their sole discretion. Saba Capital will seek to resolve such conflicts of interest in a fair and equitable manner.

From time to time, Saba Capital and/or one or more of its affiliates have in the past, and may in the future, come into possession of material, non-public information, and such information may limit the ability of the Clients to buy and sell investments, even if such information was obtained in the context of the investment activities of other accounts. The Clients will not be free to act upon any such information. Due to these restrictions and/or contractual restrictions imposed on any affiliate of Saba Capital in connection with the management of other accounts, the Clients may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which Saba Capital considers equitable.

During periods in which the assets of the Clients are not treated as "plan assets" for purposes of ERISA, Saba Capital may determine that it would be in the best interests of the Clients and one or more funds and investment accounts managed by Saba Capital to transfer certain assets held by one or more such funds and investment accounts managed by Saba Capital to other funds and investment accounts managed by Saba Capital, including for the purpose of rebalancing the portfolios of such funds and investment accounts. For example, certain "cross" trades may occur between Clients as may be necessary to rebalance cash or various portfolio

positions. Such transactions will be conducted in accordance with, and subject to, Saba Capital's fiduciary obligations to the Clients.

Other present and future activities of Saba Capital may give rise to additional conflicts of interest. In the event that a conflict of interest arises, Saba Capital will attempt to resolve such conflicts in a fair and equitable manner.

By investing in a Client, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

The directors, the administrator, the auditors and the prime brokers may from time to time act in a similar capacity to, or otherwise be involved in, other funds or investment schemes, some of which may have similar investment objectives to those of the Clients. Thus, each may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Clients and the activities each has undertaken or will undertake with respect to other investors or other accounts. It is therefore possible that any of them may, in the course of their respective businesses, have potential conflicts of interest with the Clients or their investors. The directors of the Clients, the administrator and the prime brokers may also provide services to other funds and may have similar conflicts of interest. This is a consideration of which investors should be aware.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Saba Capital does not recommend or select other investment advisers for its Clients.

From time to time, an investor in a Client (any such investor, a "Referring Investor") has referred (and may continue to refer or otherwise provide access to) Saba Capital and its affiliates to one or more third party managers that manage funds and/or accounts in which such Client or other Clients may invest (and have invested). Clients may invest (and have invested) in one or more funds and/or accounts managed by such third party managers directly or indirectly (through a vehicle managed by such Referring Investor). In exchange for any such referral (or access), a Referring Investor may be compensated through payment or allocation of performance-based or fixed asset-based fees or allocations. Any such fees or allocations paid or made to such Referring Investor will be borne by the Clients invested in such funds and/or accounts managed by such third party manager (and thus will be borne by the investors of such Clients) and will not reduce the management fee or performance-based fees or allocations paid or made to Saba Capital in respect of such Clients. To the extent a Client invests in a vehicle managed by such Referring Investor, such Client will bear its pro rata share of the costs of such vehicle (which may include compensation to such Referring Investor for such services) as well as its pro rata share of the costs borne by such vehicle in connection with such vehicle's investment in the relevant third party managed fund and/or account (which may include compensation to such third party). A Referring Investor may also be granted preferential terms with respect to its investment in any other Client in connection with any referral it makes (or access it facilitates) to Saba Capital and its affiliates. The existence of such referral arrangement creates potential conflicts of interest for Saba Capital and its affiliates with respect to the allocation and management of investments, including, without limitation, an incentive for Saba Capital and its affiliates to make and maintain an investment with a third party manager referred by a Referring Investor. When making and/or maintaining an

investment with a third party manager referred by a Referring Investor, Saba Capital will evaluate each investment independently and on an arms-length basis when determining the suitability of such investment to each Client's investment objectives.

Item 11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS, AND PERSONAL TRADING

A. Code of Ethics

Saba Capital serves as an investment adviser and/or sub-adviser to the Clients, and as a result stands in a position of trust and confidence with respect to them. Accordingly, Saba Capital has a duty to act in the best interests of the Clients. Each partner, director, officer, and employee (together, the “Employees”) of Saba Capital is required to conduct his/her business consistent with the highest legal and ethical standards and in accordance with all applicable laws, rules, and regulations. In order to comply with these requirements, and protect the Firm’s reputation for integrity, Saba Capital has adopted a Code of Ethics.

The Code of Ethics contains policies and procedures that serve to address certain conflicts of interest by, among other things:

- Requiring Employees to act in the best interests of the Clients;
- Requiring that personal securities transactions must comply with all applicable laws, rules, and regulations of the countries in which Saba Capital operates or invests;
- Prohibiting Employees from taking inappropriate advantage of opportunities belonging to the Clients;
- Placing limitations on personal trading by Employees in “Covered Securities” (as defined in the Code of Ethics) and certain other asset classes (i.e., cryptocurrencies) and imposes pre-clearance and reporting obligations, a thirty-day holdings period with respect to most securities, and the prohibition of trading securities which the Client owns or routinely trades with limited exceptions;
- Requiring Employees to disclose and pre-approve personal investments in private securities, outside business activities, and political contributions;
- Requiring the disclosure of certain gifts or entertainment from certain third-parties;
- Limiting Employee use of social media; and
- Requiring that information concerning the identity of securities and the financial circumstances of the Clients and their investors be kept confidential.

A copy of Saba Capital’s Code of Ethics is available to investors and prospective investors upon request by contacting Michael D’Angelo, Esq., Saba Capital’s CCO, at (212) 542-3610.

B. Investment in Securities that Saba Capital or a Related Person Has a Material Financial Interest

i. Cross Trades

If permissible under applicable law, Saba Capital only permits cross trades in limited circumstances, where Saba Capital determines that it is in the best interests of the Clients to transfer an investment between Clients (a “Cross Trade”). Such circumstances may involve, without limitation, tax, liquidity, leverage, rebalancing, risk management, or some other reason, or for purposes of reducing transaction costs that may arise in an open market transaction. If Saba Capital determines that a Cross Trade is in the best interests of the Clients involved, the trade must be executed consistent with the principles of best execution under the

circumstances, and it must be valued pursuant to Saba Capital's valuation policy in place at the time.

Saba Capital generally executes Cross Trades with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a Cross Trade between two Clients may occur as an "internal cross", where Saba Capital instructs the custodian for the Clients to book the transaction at the price determined in accordance with Saba Capital's valuation policy. If Saba Capital effects a Cross Trade, it will not receive any fee in connection with the completion of the transaction. Cross Trades will be approved by the relevant Client's board of directors (if applicable), as well as the CCO, Chief Investment Officer, Chief Financial Officer, and Chief Operations Officer.

ii. Principal Transactions

To the extent that a Cross Trade may be viewed as a principal transaction, Saba Capital will comply with the requirements of Section 206(3) of the Advisers Act. A principal transaction occurs when an investment advisor, acting for its own account (or the account of an affiliate), buys a security from, or sells a security to, a Client's account. In no event will a Client engage in a principal transaction except where Saba Capital has designated one or more unaffiliated persons to evaluate and opine on the proposed transaction (such as the board of directors of the Client). Compliance will determine whether or not the transaction would constitute a principal transaction, and, if so, ensure that applicable pre-approvals and legal requirements are satisfied.

iii. Trade Errors

Although Saba Capital's Employees exercise due care in making and implementing investment decisions, errors inadvertently may occur from time to time. The term trade errors shall mean: (A) the placement of orders (either purchases or sales) in excess of the amount of an investment a Client intended to trade; (B) the sale of an investment when it should have been purchased; (C) the purchase of an investment when it should have been sold; (D) the purchase or sale of the wrong investment; and (E) the purchase or sale of an investment for the wrong Client and the post-settlement discovery of such purchase or sale.

Any trades implemented as a result of faulty data, systems, coding, modeling or analysis, trades that are properly executed in the market but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above in (A) through (E), are not considered trade errors. Notwithstanding the foregoing, if a trade does not result in an actual transaction, such loss of opportunity shall also not be deemed a trade error.

It is the policy of the Firm to ensure that any trade error is addressed in an expeditious manner. Trade errors should be corrected as soon as reasonably practicable after discovery, allowing for the orderly disposition or acquisition of securities to correct the error.

C. Investing in Securities that Saba Capital or Related Person Recommends to Clients

In order to reduce certain conflicts of interest that may arise between Client accounts and the personal trading activity of Saba Capital's Employees, Saba Capital has adopted policies within the Code of Ethics, together with Saba Capital's policies and procedures to prevent and detect market abuse and insider trading, placing restrictions on personal trading by Employees. Employees are required to periodically submit holdings and transaction reports, pre-approve

transactions in covered securities prior to execution, and maintain exposure to a position in a security for a minimum of 30 days before exiting the transaction. Unless approved by the CCO or a member of Compliance, Employees are generally prohibited from transacting in any security (or related security) that Saba Capital recommends to Clients, with limited exceptions (with pre-approval) for investing in the current largest twenty ETFs by volume irrespective of any Clients' ownership of such ETFs (or similar products), investing in the Clients, selling of positions that Employees held prior to joining the Firm, or other securities deemed appropriate by Compliance. It is the responsibility of all Employees to ensure their adherence to the Code of Ethics. Compliance is responsible for monitoring for potential violations of the Code of Ethics, including without limitation the monitoring and review of Employee personal securities transactions.

Item 12 BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Saba Capital has full discretionary authority to manage certain Clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or mark-ups and mark-downs paid. Saba Capital's authority is limited by its own internal policies and procedures, its duty to obtain "best execution" on behalf of its Clients, and each Client's investment guidelines.

Saba Capital is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission. In selecting brokers or dealers to execute transactions, Saba Capital seeks to obtain best execution, taking into account quantitative and qualitative factors affecting the execution quality of a transaction including but not limited to (i) the size and type of the transaction, (ii) the nature and character of the markets for the security to be purchased or sold, and (iii) the execution efficiency, execution speed, market impact, settlement capability, research provided, and the financial condition of the broker-dealer firm. Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Clients by brokers in the foregoing circumstances may be higher than those charged by other brokers who may not offer such services.

Saba Capital has established a Brokerage Committee to oversee, and perform reviews of its best execution policies and procedures. The Brokerage Committee is chaired by the CCO. On a periodic basis, the Brokerage Committee reviews the overall execution quality of the Clients, as well as potential conflicts of interest which may arise from gifts and entertainment received from, or family relationships with, broker-dealers.

i. Research and Other Soft Dollar Benefits

Saba Capital may allocate portfolio transactions to brokers that pay some or all of the costs of brokerage and research services which are of benefit to the Clients and Saba Capital. Saba Capital has not and does not plan to enter into commission-sharing arrangements with, and does not maintain soft dollar or Client commission accounts with broker-dealers. Saba Capital may accept products or services that may be considered soft dollar benefits, but will only do so within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

ii. Brokerage for Client Referrals

As discussed above, subject to best execution, Saba Capital may consider, among other things, capital introduction and marketing assistance with respect to investors in the Clients in selecting or recommending broker-dealers for the Clients.

iii. Directed Brokerage

Saba Capital does not have directed brokerage agreements.

iv. Commission Recapture

The Clients may from time to time participate in commission recapture programs with certain brokers or dealers. The Clients may notify Saba Capital of such arrangements and request Saba Capital to use the brokers or dealers in such arrangement, but Saba Capital shall have no obligation to do so if Saba Capital determines that best execution cannot be obtained through such brokers or dealers.

B. Order Aggregation

Client transactions will generally be executed on an aggregated basis where Saba Capital believes that to do so will allow it to obtain best execution and/or reduce transaction costs. If an order is not filled at the same price, they may be allocated among Clients on an average price basis. Similarly, if an order on behalf of more than one Client cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which Saba Capital considers fair and equitable.

Saba Capital will allocate investment opportunities among its Clients in a fair and equitable manner as to the extent practical and in accordance with each Client's applicable investment strategies measured over a period of time. Saba Capital will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, any Client solely because Saba Capital purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to another Client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical, or desirable for the Client.

If an investment opportunity is appropriate for more than one Client, it will generally be allocated among the Clients on a pro rata basis. However, investment opportunities may be allocated on a non-pro rata basis if deemed appropriate by Saba Capital taking into consideration certain factors including, but not limited to, (i) the potential for the investment to create an imbalance in a Client's portfolio, (ii) available capital (adjusted for leverage) of such account or fund and its investment program's time horizon or constraints, (iii) potentially adverse tax consequences, (iv) regulatory and risk considerations and restrictions (including the need to re-size risk in a Client's portfolio), (v) liquidity requirements of the account, (vi) an effort to avoid odd lots, (vii) whether the risk-return profile of the proposed investment is consistent with the account's objectives, whether such objectives are considered (a) solely in light of the specific investment under consideration or (b) in the context of the portfolio's overall holdings, (viii) the hedging of market, credit and other forms of risk and funding objectives of the Clients and (ix) other exceptions approved in keeping with principles of fiduciary responsibility, equitable allocation, and the Clients' investment guidelines.

Allocations of investment opportunities among a Client and one or more of the other accounts are generally on a *pari passu* basis; provided that priority allocations are expected to be made to an under allocated Client (in the event of a purchase) and to an over allocated Client (in the event of a sale) until such Client "catches up." Saba Capital's policies and procedures are intended to produce fairness over time, but may not, and are not expected to, produce mathematical precision in the allocation of individual purchases and sales of investments in any given case or over time. Moreover, due to the fact that the Firm allocates opportunities across a number of different Clients and across several different investment strategies and sub-

strategies, it should be expected that a large portion of trade allocations will be allocated on a basis other than *pari passu*.

With respect to allocations of limited investment opportunities, such as privately placed securities and initial public offerings of securities, Saba Capital will determine which Clients are eligible to participate in those opportunities. Limited investment opportunities will generally be allocated among all eligible Clients in proportion to their relative capital balances in accordance with the procedures set forth above. Clients without sufficient available capital will not participate. In certain circumstances, Saba Capital may give added weight to those Clients whose investment programs are responsible for obtaining the investment opportunity when allocating limited investment opportunities.

Item 13
REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

Saba Capital performs various daily, weekly, monthly, quarterly, periodic, and ad hoc reviews of each Client's portfolio. Such reviews are conducted by personnel of Saba Capital's trading, operations, research, and compliance staff.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a Client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients

Generally, investors in the Clients receive weekly and monthly performance estimates, and a monthly and/or weekly report from Saba Capital documenting the performance of their Client, along with a monthly report of selected risk attributions of the Client, although Saba Capital may provide certain investors with information on a more frequent and detailed basis if agreed to by Saba Capital. Such reports are created by Saba Capital as well a third-party independent administrator. Information contained in these reports also may be available through the administrator's password protected website. In addition, Saba Capital issues investors tax reports and audited financial statements concerning their respective Clients within 90-120 days of the end of a Client's fiscal year.

Item 14
CLIENT REFERRALS AND OTHER COMPENSATION

Saba Capital may enter, and in the past has entered into capital introduction arrangements with certain financial institutions under which the financial institution does not receive compensation for the service. Saba Capital does not receive economic benefits from non-Clients for providing investment advice and other advisory services.

Saba Capital currently utilizes third-party placement agents to refer investors to one or more Clients. These placement agents receive compensation contingent upon referring investors to the Clients, based on an agreed upon fee schedule.

Saba Capital, on behalf of its Clients, utilizes a foreign paying agent and representative bank in order to comply with specific marketing regulations in a foreign jurisdiction. The payment agent and representative bank receives a set fee for their services. Neither the paying agent nor representative bank solicits potential clients for the Clients, provides, or receives compensation for, client referrals.

Item 15

CUSTODY

Client assets are generally held in custody at unaffiliated qualified custodians; however Saba Capital is deemed to have custody of certain Clients' funds and securities because it has the authority to obtain those Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Investment advisers with custody of Client funds or securities are required to comply with the requirements of Rule 206(4)-2 of the Advisers Act (the "Custody Rule").

Each Client for whom Saba Capital is deemed to have custody is subject to audit at least annually by an independent public accountant that is registered with, and subject to regular oversight by, the Public Company Accounting Oversight Board ("PCAOB"). Ernst & Young is the Clients' independent public accountant. Within 90-120 days of the applicable fiscal year, Saba Capital will ensure that the Clients distribute their audited financial statements to all Clients, and investors within the Clients.

Item 16
INVESTMENT DISCRETION

Generally, Saba Capital has discretionary authority to manage the securities portfolios of certain Clients pursuant to investment management agreements.

Saba Capital's discretionary authority is generally subject to such restrictions as set forth in each Client's offering documents (i.e., offering memorandum, investment management agreement, subscription documents, and limited partnership agreement for the Delaware and Cayman Islands limited partnerships or offering memorandum, investment management agreement, subscription documents, articles of association for the Cayman Islands companies) as well as any written instructions provided by the Client to Saba Capital and applicable regulations.

Item 17

VOTING CLIENT SECURITIES

Proxy Voting

The SEC adopted Rule 206(4)-6 under the Advisers Act (the “Proxy Voting Rule”), requiring registered investment advisers that exercise voting authority over Client securities to implement proxy voting policies. Saba Capital has adopted proxy voting policies and procedures to ensure compliance with the Advisers Act. Saba Capital’s general policy is to vote proxy proposals, amendments, consents or resolutions relating to Client securities, including interests in private investment funds, if any (collectively “proxies”), in a manner it believes serves the best interests of the Clients. Except as set forth below, the Firm has engaged BroadRidge Financial Solutions, Inc. to compile and vote all proxy ballots on behalf of the Firm, using specific guidelines and recommendations provided by Glass, Lewis & Co., LLC (“Glass Lewis”). Notwithstanding the foregoing, with respect to the proxy proposals relating to CEFs, the Firm will (1) generally vote in favor of liquidation, open-ending and tender offers, against entrenched directors, and in favor of other similar votes that the Firm, in its good faith discretion, believes can potentially positively impact (i.e., narrow) a CEF’s discount (collectively, “Discount Recommendations”), and (2) for all other CEF related matters, in accordance with Glass Lewis or, in Saba’s good faith discretion, vote in accordance with the recommendation adopted by a majority of the Independent Directors of any Client invested in the CEF (the “Independent Board”). In certain situations, an abstention or no vote is the only method to vote against a proposal.

In the event Saba believes that it may have a conflict of interest relative to a specific proxy vote for a Client portfolio holding, Saba shall vote such proxies, on behalf of its Clients in accordance with any of the following, in Saba’s good faith discretion: (i) the recommendation of Glass Lewis; (ii) the recommendation adopted by an Independent Board (even if such Board made its determination only on behalf of the Client which it serves and not on behalf of the other Clients invested in the holding with the proxy at issue); or (iii) in the case of Saba ETF and BRW, the Mirror Vote (the foregoing is hereby referred to as the “Conflicts Voting Procedure”).

Saba Capital may, from time to time, determine that it is in the best interests of its Clients to depart from (i) specific Glass Lewis recommendations (ii) and Discount Recommendations, such as where a portfolio manager, with the approval of the CIO or his designee, has a view on a particular issuer or corporate action that deviates from such recommendations. Investment professionals deviating from these recommendations must seek preapproval from Compliance and provide Compliance with a written explanation of the reason for the deviation.

If the Saba ETF or BRW invests in investment companies (and in the case of the Saba ETF, pursuant to Section 12(d)(1)(F) of the Investment Company Act), it will generally (i) seek instruction from the fund’s shareholders with regard to the voting of all proxies and vote in accordance with such instructions, (ii) vote the shares held by such fund in the same proportion as the vote of all other holders of the securities of the investment company (“Mirror Vote”) or (iii) elect to not submit a proxy vote. However, under certain circumstances (including when the Firm believes voting the shares in a particular manner is in the best interests of BRW) and only to the extent permitted by law, the Firm may vote the funds’ shares of an investment company in the same manner as would be voted for other Clients holding such shares in accordance with Saba Capital’s general policy.

For the avoidance of doubt, Saba Capital retains the authority to vote proxies, has not delegated such authority to any other party, and may vote against any proxy voting service recommendation if it determines such recommendation is contrary to its Clients' best interests. Saba Capital performs ongoing due diligence on its proxy voting vendors and believes that the proxy voting vendor's internal policy regarding conflicts of interest satisfies conflicts of interest concerns. Clients may contact Saba Capital for a copy of the proxy voting policies or information with respect to a specific Client proxy vote.

Class Actions

Saba Capital does not commit to participate in all class actions that may arise with regard to a Client's portfolio securities. Upon receipt of class action information, the General Counsel will evaluate the costs versus the benefits of participation in the suit for each pertinent Client. Unless the General Counsel determines that it would be in the best interests of a Client, Saba Capital will not participate in the class action on behalf of the Client. Saba Capital generally does not serve as the lead plaintiff in class actions because the costs of such participation typically exceed any extra benefits that accrue to lead plaintiffs.

Item 18
FINANCIAL INFORMATION

Saba Capital is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.