

October 10, 2014

***THIRD QUARTER REVIEW  
2014***

**CLIENT PORTFOLIO PERFORMANCE**

Interest rates remain at historically low levels. There has been a dearth of new issues. Greenwich Investment Management's fixed income total return is considerably better than the MMA 30 year AAA bond since December 31, 2012. We have several prospective bonds under analysis. We intend to maintain our high credit standards but there may be a slight decline in current yield because of competitive market conditions.

In the third quarter of 2014 Greenwich Investment Management clients received \$6,450,559 of tax exempt income from bonds. The current yield on \$202,255,178 of tax-exempt bonds is 7%. Taxable bonds, stocks and partnerships generated \$3,092,182 of taxable income and currently yield 7.4% on assets of \$183,874,441.

In the three quarters of 2014 all sectors of the tax exempt bond market enjoyed robust performance. Note that Greenwich Investment Management's volatility compared favorably to the MMA 30 year AAA.

---

Michael D. Belsky  
Managing Director – Fixed Income Unit

In the past 12 months Greenwich Investment Management's major equity positions have underperformed the S&P 500/Russell 2000 blended index. That unwelcome fact leads us to examine and to question the investment merit that our Equity Unit sees in the major positions. Our analysis reaffirmed our confidence in the major positions and led us to place buy limit orders to opportunistically lower our average cost per share. The major positions are either directly or indirectly in the lucrative business of asset management. Our approach to valuation is summarized by Drew Collins' valuation matrix that we are now sending to you on a weekly basis. If you wish to understand the complex subject of asset valuation, please call Drew Collins or another member of our Equity Unit.

In summary Greenwich Investment Management equity positions satisfy our requirements of high profitability, secure competitive position, strong capital structure and most importantly ample distributions of cash to owners such as the clients of Greenwich Investment Management.

NOTICES

- Please let us know if you would like to receive your Quarterly Reports via logging into our secure website, instead of receiving hard copies.
- If you have had a change in circumstances that would alter your Statement of Investment Objectives, please contact GIM.
- Thank you for continued support of Greenwich Investment Management. We appreciate your loyalty. Many GIM clients have been clients (of GIM or predecessor firms) for 5, 10, 20 or even 30 years. They have enjoyed the continuous flow of income throughout those years. A referral is the best compliment you can give. If you think someone you know could benefit from our work then please ask them to contact our office. We are available for conversation or meetings to determine if we are a match for their investment goals.

*Disclosures:*

*Performance presented here represents past performance, which cannot guarantee future results. Investment return and principle value will fluctuate so that an investor's account value, at some future date, may be greater than or less than its value at inception. Current performance may be higher or lower than the performance quoted here. All investments involve risk, including loss of principal.*

*The performance numbers in this letter reflect actual returns of all equities and tax-exempt bonds held by all GIM portfolios during the period indicated. Not all clients hold the same securities and performance will be different for each client based on securities held, the length of time held, and expenses incurred. The performance results reflect the deduction of actual advisory fees at rates up to 1% per annum and include the reinvestment of dividends and income. Clients may also incur other transaction costs such as custodial fees and other expenses. Please refer to the Investment Advisor Agreement for a full disclosure of the applicable fee schedule. The volatility of the indices may be materially different from that of the performance of the Composite. In addition, the Composite's holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent appropriate benchmarks to compare the Composite's performance, but rather are disclosed to allow for comparison of the Composite's performance to that of well-known and widely recognized indices.*

*This material is for informational purposes only and should not be used or construed as recommendation regarding any security or be used as the sole basis for any investment decision. Not all GIM clients hold the same securities; therefore, a client's percentage held and income earned may be different from the information presented in paragraph 2.*