

April 1, 2016

2016 FIRST QUARTER REVIEW

CLIENT PORTFOLIO PERFORMANCE

During the recent episode of historically low interest rates, Greenwich Investment Management (GIM) clients have enjoyed ample tax-exempt and taxable income. In the first quarter of 2016 Greenwich Investment Management clients received approximately \$6,565,743 in tax-exempt income and \$2,151,444 in taxable income. The tax-exempt portfolio's current yield as of March 31st is 6.5% and the taxable portfolio's current yield as of March 31st is 8.2%. The S&P 500 has a dividend yield of 2.1%. Greenwich Investment Management clients receive three to four times the yield offered by the market.

FIXED INCOME PERFORMANCE High Yield Tax-Exempt Bonds (HYTEBs)

We continue to identify quality single-handed bond transactions with yields of 7% or greater. In the second quarter, we expect to finance a \$15 million single-handed transaction for the Mariposa Point of Mesa project in Arizona. This will fund a 79 unit high-end assisted living facility with 49 assisted living units and 30 memory care units. The facility is located in an area with a growing senior population and is across the street from the Mountain Vista Medical Center. The tax-exempt coupon will be 5% for 12 months and 7% thereafter.

Also in the second quarter, we expect to finance a \$10.4 million single-handed transaction for the Oceanside Collegiate Academy in South Carolina. This charter school will serve students in grades 9 through 12. The school expects to accommodate 475 students and has applications for over 600. The tax-exempt coupon will be 7%.

Michael D. Belsky, Managing Director of Fixed Income



EQUITY PERFORMANCE

The first quarter of 2016 was a wild ride for the equity market, with the US stock market as measured by the S&P 500 falling 11.2% through February 11 and then rebounding through the end of the quarter to end the period with a total return of 1.3%. Contrary to the expectations of a number of “market experts” the US dollar fell during the quarter by roughly 3.7% using the index value of the greenback against the other major world currencies. This has the effect of making our stocks look cheaper to foreign buyers. It also sparked a rally in gold and gold miners. Our focus remains on identifying and investing in companies that have the ability to maintain and grow their dividends over time and have managements with a strategy to deliver value to shareholders.

Drew J. Collins, CFA, Managing Director of Equities

GREENWICH INVESTMENT MANAGEMENT HISTORY OF INCOME

Greenwich Investment Management clients’ wealth is “useable” because the wealth sends to its owners a steady stream of money. We are proud of this record because its achievement occurred during the long continuing episode of low interest rates. Maintaining ample cash flow has been a challenge, and we met it. The record shows that our clients have been able to spend their days in pleasures and their years in prosperity.

L. George Rieger, Chairman

NOTICES

- **History Report has been updated to include Average Capital Base (ACB). ACB is the dollars that management has had to work with over the management horizon.**
- Please let us know if you want to receive your Quarterly Reports in electronic format via our secure website.
- If you have had a change in circumstances that would alter your Statement of Investment Objectives, please contact our service team at Greenwich Investment Management.
- 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.

The return of principal for bonds is not guaranteed. Bonds are subject to interest rate, inflation, and credit risks. Income from municipal bonds may be subject to state and local income taxes and/or the federal alternative minimum tax. Clients may receive other income such as capital gains that is taxable.

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 the first paragraph of this letter.