



January 12, 2017

2016 YEAR END REVIEW

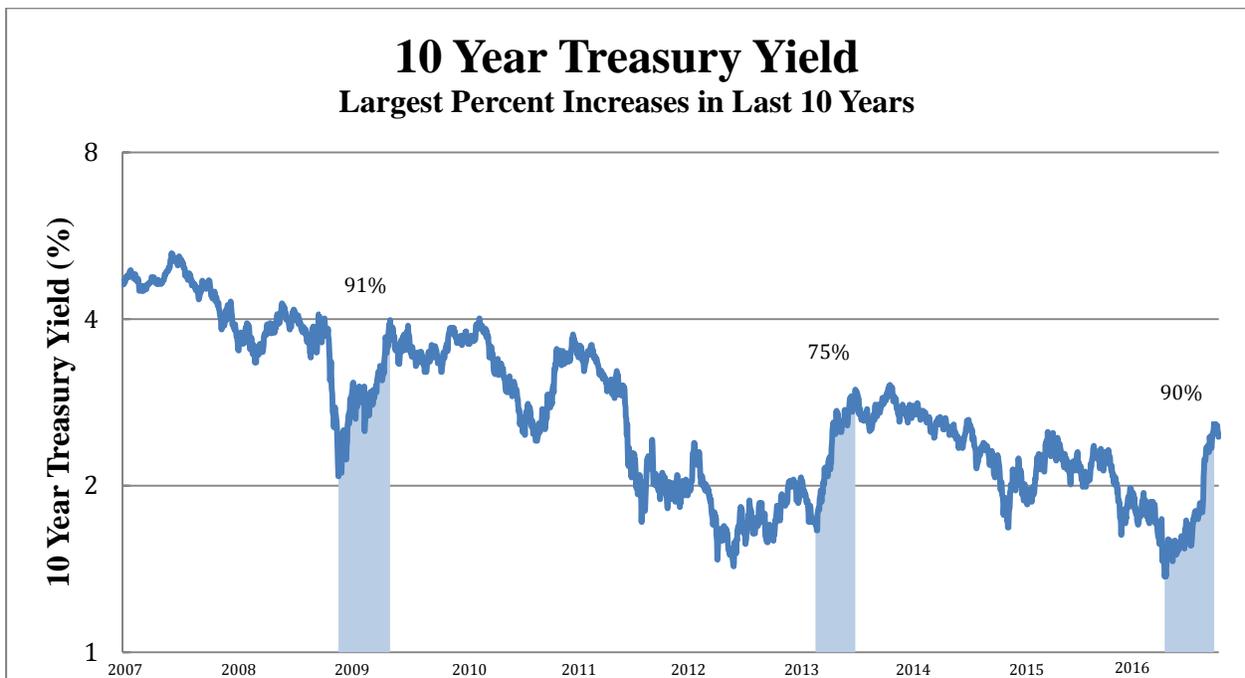
USEABLE WEALTH

During the current episode of historically low interest rates, Greenwich Investment Management (GIM) clients have enjoyed ample tax-exempt and taxable income. In the year 2016 GIM clients received approximately \$17,282,707 in tax-exempt income and \$933,646 in taxable income from the fixed income portfolio. Clients received approximately \$8,544,915 in dividends from the common and preferred stock portfolio.

The income GIM clients receive is USEABLE WEALTH. Our philosophy is that income from GIM-selected financial assets both evidences wealth and when reinvested can increase the production of cash income. Compounding income is a powerful creator of wealth.

As of the end of the year, the current yield on GIM's tax-exempt bonds is 6.7% and the current yield on GIM's taxable bonds is 6.8%. **Current yield is defined as the cash income divided by the market value. Clients who wish to understand more about bond mathematics should call Dan Laflamme (203-625-5316).** As a comparison, the current yield of the Barclays Long Term Municipal Index is 4.7%.

2016 was a volatile year for interest rates. The year began with the 10-year treasury yield at 2.24%. It reached its low for the year, 1.37%, on July 5th. The 2016 high was 2.60% on December 15th, 2016, which is a 90% increase from the low and the second largest increase in the last 10 years.



What is the effect on GIM bonds prices?

Bond prices have an inverse relationship with interest rates. Bond prices decreased when the market interest rates rose drastically in the second half of 2016. From the end of June 2016 through the end of the year, the Barclays Long Term Municipal Bond Index price decrease was 7.1%.

What is the effect on GIM bond portfolio performance?

The recent decline in bond prices may provide GIM clients with the opportunity to compound income at higher rates. GIM's management strategy is not orientated towards trading bonds. We carefully select projects to finance based on their investment merit, and then purchase the entire bond issue. We believe the merit of GIM bonds to our clients is their substantial cash flow, never diminished by market fluctuations.

2016 Single-Handed Bond Transactions

Date	Type of Project	Project Name	Size (\$ Millions)	Location	Interest Rate (%)
February 2016	Fixed Base Operation	Hayward Airport	5.6	St. Lucie County, FL	4.5-6.875 ¹
July 2016	Senior Living	Mariposa Point at Mesa	15.2	Maricopa County, AZ	5-7 ²
October 2016	Senior Living	Beach House at Wiregrass Ranch	22.8	Hillsborough County, FL	5-7 ³
October 2016	Charter School	Oceanside Academy	11	Charleston County, SC	7
November 2016	Charter School	Academy Del Sol	10	Pima County, AZ	7
December 2016	Senior Living	Lakewood Senior Living	10.9	Spartanburg County, SC	7

\$75.5 million

The current yield on the GIM equity portfolio as of December 31, 2016 is 7.7%. The S&P 500 has a current yield of 2%. Greenwich Investment Management clients expect to receive nearly four times the current yield offered by an S&P 500 fund.

We are pleased to report that GIM clients enjoyed substantially improved common stock returns in 2016.

¹ Interest rate stepped up to 6.875% on November 1, 2016.

² Interest rate steps up to 7% after July 13, 2017.

³ Interest rate steps up to 7% after October 6, 2017.

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. Although performance has varied, they have experienced 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. Net 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.