



April 12, 2017

2017 FIRST QUARTER 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 first quarter of 2017 GIM clients received approximately \$6,424,214 in tax-exempt income and \$172,211 in taxable income from the fixed income portfolio. Clients received approximately \$2,149,655 in dividends from the common and preferred stock portfolio.

Cash income is evidence that your wealth returns something valuable to you. The return is not contingent upon on your assets rising in price. Our strategy is to enable your assets to generate cash income surplus to your requirements, so that you may not need to invade principal to access money.

The reinvestment of income allows GIM to purchase new assets that in turn produce more income. Compound income is a powerful engine of growth.

Fixed Income Performance

As of the end of the quarter, the current yield on GIM's tax-exempt bonds is 6.7% and the current yield on GIM's taxable bonds is 6.1%. **Current yield is defined as cash income divided by 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 4.6%.

GIM Does Not Price The Bonds In Your Portfolio. Who Does?

The price of every listed common stock and bond on your monthly brokerage statement and on your custodian's website is reported by independent pricing services (the two largest are Interactive Data Corp., or IDC, and S&P JI Kenny). Pricing for common stocks is simply the closing price of each stock at the end of each day. Bonds, however, may not trade for days or even weeks. The pricing services report ESTIMATES based on available public data including financial information, past trades, and comparisons with other publicly traded bonds of similar type. In our experience, the prices are close to where the bonds would trade in the secondary market. However, these estimated prices are not used to price a bond for an actual purchase or sale.

Actual bond pricing occurs when a bond trades in the secondary market between unrelated parties or when GIM clients purchase or sell bonds to other GIM clients. Client cross trades are executed in arms-length transactions by a licensed broker/dealer (often the original underwriter). The broker/dealer is legally responsible for an accurate evaluation based on the underlying credit of the project, first hand information of new bond issues, and trading in the secondary market for similar bonds. Actual transaction prices for every trade are recorded and can be viewed by anyone logging onto the Municipal Securities Rulemaking Board (MSRB) website: <http://emma.msrb.org>. In addition to pricing, the MSRB give access to all ongoing required disclosure documents including financial reports. The prices at which bonds are transacted often differ from the price on your statement because pricing services are not buyers or sellers of securities. They function as reporting entities and make estimates of the approximate value of a security based on available data.

Common Stock Performance

The current yield on the GIM equity portfolio as of March 31, 2017 is 7%. The S&P 500 has a current yield of 1.9%. Greenwich Investment Management clients expect to receive over three times the current yield offered by an S&P 500 fund.

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.