

July 13, 2018

2018 SECOND QUARTER REVIEW

USEABLE WEALTH

Greenwich Investment Management (GIM) is focused on tangible cash income for our clients. The table below shows that in the first two quarters of 2018 GIM clients received approximately \$11,916,964 in tax-exempt income and \$1,091,684 in taxable income from the fixed income portfolio. Clients received approximately \$4,203,501 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 your assets rising in price. This income flows into client portfolios on market up days AND market down days. 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. Reinvestment of surplus income allows GIM clients to purchase new assets that in turn produce more income. Compound income is a powerful engine of growth.

As of the end of the second quarter, the current yield on GIM's tax-exempt bonds is 6.6% and the current yield on GIM's taxable bonds is 6.9%. For comparison, the current yield of the Barclays Long Term Municipal Index is 4.4%. 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).

The current yield on the GIM common stock portfolio as of June 30, 2018 is 7.3%. The S&P 500 has a current yield of 1.8%. GIM clients expect to receive over four times the current yield offered by an S&P 500 fund.

GIM complies with Global Investment Performance Standards ("GIPS"). We submit our performance data to PSN Enterprise, a database of investment managers. Each quarter PSN awards its Top Guns designation to the top 10 performers in each investment universe. In the PSN Municipal Fixed Income Universe, comprised of 100 managers and 206 strategies, GIM has won the Top Guns award for the trailing three-year period for fifteen consecutive quarters. A copy of the latest Top Guns report (first quarter 2018) is attached to this letter.⁶

The Financial Times (FT), a well known economic and business publication, placed GIM as one of their Top 300 registered investment advisers (RIAs) in the US. FT selects from over 2000 RIAs based on advisers' SEC compliance record, AUM, asset growth, company's age, industry certifications of key employees and online accessibility when inviting RIAs to compete for a spot on this elite list. GIM is one of 5 RIAs from Connecticut on the FT 300⁷.

¹ Tax-exempt bonds represent 61.9 percent of the GIM master composite as of June 30, 2018.

² Taxable bonds represent 8.9 percent of the GIM master composite as of June 30, 2018.

³ Equities represent 17.2 percent of the GIM Master Composite as of June 30, 2018.

NOTICES

- 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.

⁶ Working with a Top Guns Manager or any wealth manager is no guarantee as to future investment success, and the inclusion of a wealth manager on the Top Guns list should not be construed as an endorsement of the manager by PSN. For more information on the Top Guns award and the research/selection methodology, please see the attached information.

⁷ The Financial Times 300 Top Registered Investment Advisers is an independent listing produced annually by the *Financial Times* (June 2018). The FT 300 is based on data gathered from RIA firms, regulatory disclosures, and the FT's research. The listing reflected each practice's performance in six primary areas: assets under management, asset growth, compliance record, years in existence, credentials and online accessibility. This award does not evaluate the quality of services provided to clients and is not indicative of the practice's future performance. Neither the RIA firms nor their employees pay a fee to The *Financial Times* in exchange for inclusion in the FT 300.