TAX-LOSS HARVESTING PART 1: A PRIMER

Background:

While some advisors look for opportunities to harvest tax-losses throughout the year, the vast majority usually don't start thinking about it until late-summer/early-fall. At a minimum, they look to offset any short-term gains they may have taken earlier in the year or are anticipating taking over the balance of the year. For the most part, this is a zero-sum game. It usually involves selling a mutual fund or ETF that was purchased in the previous 12 months and is now trading at a loss relative to that purchase price, and replacing the sold security with a similar one. The net short-term loss can then be used to offset any short-term gains.

When the tax-loss harvesting is isolated to open-end mutual funds and ETFs it is barely noticeable. When it involves closed-end mutual funds, it is highly noticeable. Most followers of our closed-end fund arbitrage strategies are well aware that the primary culprit for the existence of closed-end fund discounts is sloppy retail trading. They aren't illiquid, but it isn't like selling shares of Apple or SPY. Indiscriminate selling of CEFs for tax-loss harvesting purposes moves markets. As an example, in recent years in which tax-loss harvesting has been particularly strong in tax-exempt CEFs (2017, 2018, 2022 and 2023), the weighted average discount for the universe has widened out more than 3% in each of those years from August through October. We would prefer to get out of the way in front of that selling, and get back in once the damage has been done.

Top-Down Analysis:

We usually start our process for determining tax-loss harvesting vulnerability around the Fourth of July each year, and wrap it up, at the latest, by Labor Day. This year's process is already completed.

We begin with a top-down review of broad asset class indices and then drill down into sub-asset class indices. We compare current index prices with the average price over the previous 12 months. In general, the bigger the loss (if there is any) between the current price and the 12-month average price, the more vulnerable the asset class is to tax-loss harvesting.

This year's analysis has been relatively easy, as most equity indices, both domestic and international, are at or near their 52-week highs. The possible exceptions are domestic small-cap stocks (in particular small-cap value) and REITs.

For the most part, the bond markets offer the only real opportunity for tax-loss harvesting. Even there, the pickings are pretty slim. Short and intermediate taxable funds mostly have positive price returns for trailing 12-months. That leaves longer taxable bond funds and most of the tax-exempt bond funds as the only meaningful tax-loss harvesting opportunities. The Bloomberg 10+ Year Municipal Bond Index has a price return of negative 6.7% over trailing 12-months. That also happens to be the primary investment strategy of most tax-exempt closed-end funds.

Bottom-Up Analysis:

Since closed-end funds trade on stock exchanges, we have a digitized record of every single transaction. As such, we can get a much more precise measure of each fund's average price. We compare each fund's current price with its volume weighted average price (VWAP) over the trailing 12 months. As with our top-down analysis, the bigger the loss the more vulnerable the fund is to tax-loss selling; and, the more indiscriminate tax-loss selling that occurs, the wider the discount usually gets.

In general, the goal of this analysis is to identify and avoid those funds that are most vulnerable to tax-loss harvesting, and to replace them with less vulnerable CEFs and/or tax-exempt open-end mutual funds and ETFs. We track daily trading volumes for each fund to gauge how far along in the tax-loss selling process they are. When we believe we are near the end of the tax-loss selling process we will begin to move back into CEFs.

Summary:

- Tax-loss harvesting season typically runs from August through October.

- This year, Long Municipal Bond Funds/ETFs and Tax-Exempt CEFs offer the biggest losses to harvest, while most other asset classes have no losses to harvest.

- We have already begun re-positioning the portfolio in anticipation of tax-loss selling—lightening up on the most vulnerable CEFs and replacing them with less vulnerable CEFs and/or open-end mutual funds/ETFs.

- Historically, indiscriminate tax-loss selling has led to the weighted average discount of The Robinson Capital Management's Market Cap-Weighted National Tax-Exempt CEF Composite to widen out more than 3% in each of the previous four tax-loss selling years in the asset class.

- The near-term goal is to maintain exposure to the long-end of the municipal bond market (we believe it is the most undervalued sector of the fixed income markets), harvest some of our own losses, and wait to reinvest in CEFs when the hardest hit have seen their discounts widen meaningfully.

As of 6/30/25 The Robinson Tax Advantaged Income Fund's Top 10 Holdings (% of Net Assets) are: Invesco Municipal Opportunity Trust 6.81, Invesco Trust for Investment Grade Municipals 4.85, BlackRock Municipal Income Trust 4.78, Invesco Municipal Trust 4.50, BlackRock Municipal Income Trust II 4.43, Invesco Advantage Municipal Income Trust II 4.17, BlackRock MuniHoldings California Quality Fund Inc 3.37, BlackRock MuniYield Michigan Quality Fund Inc 3.08, Invesco Quality Municipal Income Trust 2.98, and Nuveen Quality Municipal Income Fund 2.79.

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security.

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information is in the prospectus and summary prospectus, a copy of which may be obtained on this website or by calling (800) 207-7108. Please read the prospectus or summary prospectus carefully before you invest.

RISKS AND OTHER DISCLOSURES:

An investment in the Fund is subject to risk, including the possible loss of principal amount invested and including, but not limited to, the following risks: **Market Risk:** the market price of a security may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular issuer, company, or asset class. **Fixed income/Interest rate risk:** A rise in interest rates could negatively impact the value of the Fund's shares. Generally, fixed income securities decrease in value if interest rates rise, and increase in value if interest rates fall, with longer-term securities being more sensitive than shorter-term securities. **Municipal Bond risk:** The underlying funds in which the Fund invests will invest primarily in municipal bonds. Litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on the ability of an issuer of municipal bonds to make payments of principal and/or interest. Changes related to taxation, legislation or the rights of municipal security holders can significantly affect municipal bonds and may cause them to decline in value. **Closed-end fund (CEF), exchange-traded fund (ETF) and open-end fund (Mutual Fund) Risk:** The Fund's investments in CEFs, ETFs and Mutual Funds ("underlying funds") are subject to various risks, including reliance on management's ability to manage the underlying fund's portfolio, risks associated with the fund's portfolio, risks associated with the underlying securities held by the underlying fund, fluctuation in the market value of the underlying fund's shares, and the Fund bearing a pro rata share of the fees and expenses of each underlying fund in which the Fund invests. **U.S. Treasury Futures Contracts Hedge Risk:** To the extent the Fund holds short positions in U.S. Treasury futures contracts, should market conditions cause U.S. Treasury prices to rise, the Fund's portfolio could experience a loss; and should U.S. Treasury prices rise at the same time municipal bond prices fall, these losses may be greater than if the hedging strategy not been in place. **Recent Market Events:** Periods of market volatility may occur in response to market events and other economic, political, and global macro factors, such as governmental actions to mitigate the Covid-19 pandemic, and the recent rise of inflation, could adversely affect the value of the Fund's investments. **Management and Strategy:** the evaluation and selection of the Fund's investments depend on the judgment of the Fund's Sub-Advisor about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, which may prove to be incorrect. **Leveraging Risk:** The underlying funds in which the Fund will invest may be leveraged as a result of borrowing or other investment techniques. As a result, the Fund may be exposed indirectly to leverage, and may expose the Fund to higher volatility and possible diminishment of long-term returns. In addition, future regulations may hinder or restrict an underlying fund's ability to maintain leverage; which in turn may reduce the total return and tax exempt income generated by the underlying funds and may cause a reduction in the value of the Fund's shares. **Tax Risk:** There is no guarantee that the Fund's income will be exempt from regular federal income taxes. Events occurring after the date of issuance of a municipal bond or after an underlying fund's acquisition of a municipal bond may result in a determination that interest on that bond is subject to federal income tax. The Fund's opportunistic trading strategies may also result in a portion of the Fund's distributions to shareholders being characterized as capital gains. **Portfolio Turnover Risk:** The Fund's turnover rate may be high. A high turnover rate may lead to higher transaction costs, a greater number of taxable transactions, and negatively affect the Fund's performance. **High Yield ("Junk") Bond risk:** The ETFs and Mutual Funds in which the Fund invests may invest in high yield ("junk") bonds which involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. **Liquidity Risk:** There can be no guarantee that an active market in shares of CEFs and ETFs held by the Fund will exist. The Fund may not be able to sell some or all of the investments it holds due to a lack of demand in the marketplace or other factors such as market turmoil, or if the Fund is forced to sell an asset to meet redemption requests, it may only be able to sell those investments at a loss. **Derivatives Risk:** The Fund and the underlying funds may use futures contracts, options, swap agreements, and/or sell securities short. Futures contracts may cause the value of the Fund's shares to be more volatile and expose the Fund to leverage and tracking risks; the Fund may not fully benefit from or may lose money on option or shorting strategies; swaps may be leveraged, are subject to counterparty risk and may be difficult to value or liquidate.

Diversification does not assure a profit or protect against a loss.

Volume Weighted Average Price (VWAP) is a technical analysis indicator that represents the average price of a security over a specific trading period, weighted by the volume traded at each price.

The Bloomberg 10+ Year Municipal Bond Index measures the performance of long-term, investment-grade, US municipal bonds with maturities of 10 years or longer.

Past performance is no guarantee of future results. Index performance is not indicative of fund performance. One cannot invest directly in an index. For current standardized performance of the Fund, visit www.libertystreetfunds.com.

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Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation.

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