

# Firm Overview

2<sup>nd</sup> Quarter 2020

## About 1607 Capital Partners:

1607 Capital Partners is an independently owned, boutique investment firm located in Richmond, Virginia. The firm specializes in investing across multiple asset classes using closed-end funds and other similarly discounted investment vehicles. The investment principals of the firm have, on average, over two decades of experience specific to the closed-end fund universe. The firm manages assets primarily for institutional clients, as well as ultra high net worth individuals, through separately managed accounts and commingled limited partnerships.

## Investment Philosophy:

1607 Capital Partners uses a unique, bottom-up, value-oriented approach to evaluate closed-end funds across multiple asset classes. Few other firms employ this process and the 1607 investment team has identified key inefficiencies within the closed-end fund universe that have consistently created value over the last several decades. The firm's philosophy is based upon the belief that discounts and/or premiums will tend to revert to the mean over the long-term. Hence, the investment team purchases funds when discounts look attractive to their own history and sells when they look expensive.

## Closed-End Funds Definitions and Key Highlights:

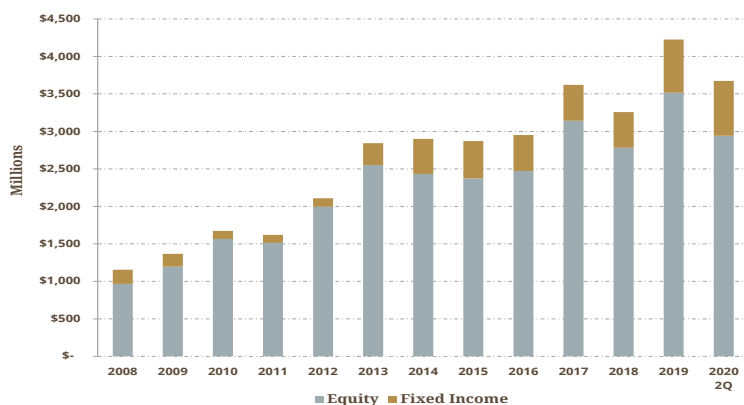
### What exactly is a closed-end fund?

Closed-end funds (CEFs) are actively managed investment vehicles. Each fund has its own unique investment objective. Shares of CEFs are created through an initial public offering (IPO), after which they trade on a major stock exchange, similar to common stocks. As a result of trading on an exchange, CEFs will have both a market price and a net asset value (NAV). Market prices fluctuate based on supply and demand and typically trade above (premium) or below (discount) the fund's NAV. (Source-Closed-end Fund Association website: [www.closed-endfunds.com](http://www.closed-endfunds.com))

### Advantages of CEFs

- **Discounts:** The single most unique feature of closed-end funds is the ability to buy a dollar's worth of assets for less than a dollar. Perhaps even more important though is that these discounts tend to be volatile rather than static. 1607 Capital's core investment philosophy is built upon the ability to take advantage of this volatility.
- **Liquidity in illiquid markets:** By only purchasing funds traded on the most liquid, highly regulated markets (U.S., U.K., Canada, Australia and European Union), we are able to bypass many of the liquidity constraints and regulatory restrictions that might exist in trying to purchase a portfolio consisting of all of the underlying holdings. This is of particular importance when buying funds that invest in less developed global markets.
- **Access to quality managers:** While not every active manager in the marketplace offers a closed-end fund, many do. Top quality managers range from the very large to the smaller boutique manager. The ability to invest with these quality managers at a discount can be very attractive.
- **Diversification:** With a few exceptions, most funds in our investable universe are diversified investment portfolios. Therefore, a portfolio with 50 to 90 funds might hold as many as 2,000 to 3,000 individual underlying securities, essentially eliminating any security specific risk.

## Total Firm Assets Under Management : As of 6/30/20



For more information on Closed End Funds: [www.cefconnect.com](http://www.cefconnect.com); [www.cefa.com](http://www.cefa.com)

# 1607

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## Investment Products

### International Equity:

**Range of Holdings:**

Typically 60-120 Funds

**Benchmarks / Composites:**

MSCI EAFE Index

MSCI ACW ex US Index

**Strategy Inception:**

January 31, 2008\*

### Domestic Equity:

**Range of Holdings:**

Typically 20-50 Funds

**Benchmark / Composite:**

Russell 3000® Index

**Strategy Inception:**

February 28, 2017\*

### Global Equity:

**Range of Holdings:**

Typically 60-120 Funds

**Benchmark / Composite:**

MSCI All Country World Index

**Strategy Inception:**

December 31, 2007\*

### Taxable Bond:

**Range of Holdings:**

Typically 15-40 Funds

**Benchmark / Composite:**

Bloomberg Barclays U.S. Aggregate Bond Index

**Strategy Inception:**

January 31, 2008\*

### Tax Advantaged Bond:

**Range of Holdings:**

Typically 15-40 Funds

**Benchmark / Composite:**

Bloomberg Barclays U.S. Municipal Index

**Strategy Inception:**

November 1, 2018\*\*

*\*Closed-End Fund strategy developed in 1988 by Fred Tattersall, and has been managed since that time by the current 1607 team.*

*\*\*Previously managed from 2/29/2008 to 7/31/2010.*

*See product fact sheets for performance results.*

### For More Information Contact:

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## The 1607 Capital Team

With over 100 years of combined experience specific to closed-end funds, 1607's team of investment professionals are supported by a back-office staff dedicated to our goal of providing superior service to each client.



**Jim Mallory, CFA**  
Founding Partner,  
Senior Portfolio Manager  
32 Years  
Investment Experience



**Shannon Fake, CFA**  
Founding Partner,  
Senior Portfolio Manager  
26 Years  
Investment Experience



**Ashley Long, CFA, CMT**  
Founding Partner,  
Senior Portfolio Manager  
26 Years  
Investment Experience



**Ryan Kalkowsky, CFA**  
Partner,  
Research Analyst  
14 Years  
Investment Experience



**Fred Tattersall**  
Senior Advisor  
49 Years  
Investment Experience



**Angus Wilton**  
Associate,  
Head of UK Operations  
19 Years  
Investment Experience



**Ruiyi Zhang, CFA**  
Associate,  
Quantitative Analyst  
10 Years  
Investment Experience



**Kirk Tattersall**  
Founding Partner,  
Client Service & Marketing  
17 Years  
Investment Experience



**Bryan Huntley, CPA**  
Partner,  
Finance & Operations  
23 Years  
Investment Experience

### Disclosure

The material in this presentation is based on information from sources we consider reliable, but we do not represent that the information is accurate or complete. The material provided herein is for information purposes only.

Opinions expressed are current opinions as of the date appearing in this material only, and are subject to change without notice.

This presentation is neither an offer to sell, nor a solicitation of an offer to buy any securities.

1607's portfolio risk management process includes an effort to monitor and manage risk, but should not be confused with, and does not imply low risk or the ability to control risk.

Please refer to 1607's Form ADV Part 2 for more information regarding the firm and its practices.

### For More Information Contact:

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ktattersall@1607capital.com



**Marty Hunt**  
Associate,  
Operations & Compliance  
21 Years  
Investment Experience



**Alex Bryant**  
Associate, Operations  
31 Years  
Investment Experience



**Vickie Sharp**  
Associate,  
Client Service & Marketing  
28 Years  
Investment Experience

**Sara Coelho**  
Associate,  
Accounting & Operations  
2 Years  
Investment Experience