

SHAREHOLDER UPDATE
AUGUST 27, 2024

Recently, the Fund has received questions from shareholders through this website for information on efforts to fully wind up the Fund's affairs and make a final liquidating distribution. In response to those questions, the Fund is providing this update.

Both the Fund and the court-appointed Special Master overseeing the distribution of Fund assets and the Fund's liquidation have been and continue to be actively engaged in winding down the Fund in an orderly manner that is in the best interest of all shareholders. To date, the Fund has distributed approximately \$1.174 billion (inclusive of net investment income earned) of the \$1,249,485,022 in total assets held by the Fund as of March 25, 2021, which was the date as of which the Fund reported its total assets after liquidating its legacy portfolio (see [FAQ 4.7](#)). Several impediments remain, however, before the Fund can fully wind up its affairs and make a final liquidating distribution. As described below, because of these impediments, the Special Master has determined that a final distribution is not possible at this time, but is taking steps along with the Fund to remove the impediments to a final distribution.

First, as set forth in [FAQ 2.7](#), the Fund is legally required to maintain sufficient assets to meet its potential obligations to creditors and to satisfy all outstanding legal claims. These creditors include multiple parties who are contractually indemnified by the Fund from any losses they might incur arising from services they provided to the Fund, and their existing or potential claims have priority to the claims of current shareholders. Moreover, although the Fund reached an agreement to settle the securities class actions filed against it, the Fund remains a defendant in three lawsuits filed by certain Fund shareholders who opted out of those settlements.

As described [here](#), the existence of these potential claims and lawsuits prompted the Fund to establish a Special Reserve when it proposed a Plan of Distribution to the Securities and Exchange Commission in June 2021. The Special Master's Amended Distribution Plan, which was approved by the federal court overseeing the Fund's liquidation (available [here](#)), continues to maintain a Special Reserve.

Second, despite the continued existence of these potential liabilities, the Fund and Special Master have sought and obtained approval from the federal court overseeing the Fund's liquidation to make multiple distributions to shareholders, the most recent being a distribution of over \$487 million in April 2024. That distribution reduced the size of the Special Reserve to approximately \$100 million, which, when added to the Fund's other assets, results in the Fund holding total assets of approximately \$110 million as of July 31, 2024. With the April 2024 distribution, the Fund has distributed over 90% of the assets it held at the time it submitted its initial Plan of Distribution in June 2021.

Third, in order to hasten the distribution of the Fund's remaining assets to shareholders, on August 9, 2024, the Special Master filed a request with the federal court overseeing the Fund's liquidation to have a permanent injunction entered that would bar all current and future lawsuits against the Fund and other parties that the Fund is contractually obligated to indemnify. The Fund also filed a notice with the court joining the Special Master's request. As the Special Master argued in its court filing, the proposed permanent injunction would "bar competing claims to the Fund's limited assets [and] facilitate a final distribution of the Fund's remaining assets." The Fund has posted a copy of the Special Master's motion

on the Fund's website, which you can find [here](#). To date, the federal court has not ruled on the Special Master's request.

Fourth, the Fund, through its Special Litigation Committee ("SLC"), is pursuing claims against the Fund's administrator and accountant, U.S. Bancorp Fund Services, LLC ("USBFS"), and auditor, EisnerAmper LLP ("Eisner") and has filed litigation against those parties. To the extent that litigation results in a monetary recovery from one or both of those defendants, those funds would be added to the Fund's assets and could potentially be part of a future distribution to shareholders. You can find more information about the SLC's lawsuit in [FAQ 3.3](#).

We hope the above information is helpful and provides shareholders with assurances that the Fund and the Special Master are taking appropriate steps to enable the Fund to make distributions to shareholders, and that the Fund, acting through the SLC, is pursuing actions that could benefit the Fund's shareholders. The Fund will continue to keep shareholders apprised of future developments as the Fund and the Special Master continue to work to bring the Fund's final liquidation to completion.