

EATON VANCE MUNICIPAL INCOME TRUST  
Form N-14 8C  
July 25, 2018

As filed with the Securities and Exchange Commission on July 25, 2018

1933 Act File No. \_\_\_\_\_

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933  [X]

Pre-Effective Amendment No. \_\_\_\_  [ ]

Post-Effective Amendment No. \_\_\_\_  [ ]

EATON VANCE MUNICIPAL INCOME TRUST

(Exact name of Registrant as Specified in Charter)

Two International Place, Boston, MA 02110

(Address of Principal Executive Offices)

(617) 672-8305

(Registrant's Telephone Number)

MAUREEN A. GEMMA

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Two International Place, Boston, MA 02110

(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering: As soon as practicable after this Registration Statement becomes effective.

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Titles of Securities Being Registered	Amount Being Registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Unit <sup>(1)</sup>	Proposed Maximum Aggregate Offering Price <sup>(1)</sup>	Amount of Registration Fees
Common Stock		N/A	\$1,000,000	\$124.50
\$0.01 par value	N/A			

<sup>(1)</sup> Estimated solely for the purposes of calculation the filing fee, pursuant to Rule 457(o) under the Securities Act of 1933.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

CONTENTS OF REGISTRATION STATEMENT ON FORM N-14

This Registration Statement contains the following papers and documents:

Cover Sheet

Part A – Proxy Statement/Prospectus

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Exhibits

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE JOINT SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON October 12, 2018**

**THE NOTICE, PROXY STATEMENT AND PROXY CARD FOR THE ACQUIRED FUNDS ARE AVAILABLE ON THE INTERNET AT [ ]**

**Eaton Vance Michigan Municipal Income Trust**

Eaton Vance Management

Two International Place  
Boston, Massachusetts 02110

August [ ], 2018

Dear Shareholder:

We cordially invite you to attend a Special Meeting of Shareholders of Eaton Vance Michigan Municipal Income Trust (“Acquired Fund”) on October 12, 2018, to consider a proposal to approve an Agreement and Plan of Reorganization providing for the reorganization (the “Reorganization”) of Acquired Fund into Eaton Vance Municipal Income Trust (“Acquiring Fund” and, together with Acquired Fund, the “Funds”). Under the terms of the Plan, if approved, the shares of Acquired Fund will, in effect, be exchanged for new common shares of Acquiring Fund with an equal aggregate net asset value, as described in greater detail in the enclosed Proxy Statement and Prospectus.

Acquired Fund and Acquiring Fund have begun redeeming outstanding Institutional MuniFund Term Preferred Shares (“IMTP”) at the liquidation preference of such shares, plus any accumulated unpaid dividends or other distributions. Both Funds intend to continue redeeming IMTP opportunistically until the time of the Reorganization. Any remaining outstanding IMTP will be redeemed in conjunction with the Reorganization. Both Funds expect to employ leverage following the Reorganization at a level similar to before the Reorganization, so the IMTP redemptions and the Reorganization are not expected to have a material direct effect on the level of leverage to which Acquired Fund and Acquiring Fund shareholders are exposed.

The enclosed combined Proxy Statement and Prospectus describes the Reorganization in detail. We ask you to read the enclosed information carefully and to submit your vote promptly.

After consideration and recommendation by Eaton Vance Management, the investment adviser to each of the Funds, the Board of Trustees of each of Acquired Fund and Acquiring Fund determined that the Reorganization is in the best

interest of Acquired Fund and Acquiring Fund, respectively. Common shareholders of Acquired Fund would benefit from the Reorganization because they would become common shareholders of a larger fund that has substantially similar investment objectives and policies as Acquired Fund. Both with and without giving effect to the IMTP refinancing, the post-Reorganization Acquired Fund is expected to have a lower total expense ratio than and higher net income than Acquired Fund currently. Acquired Fund shareholders are also expected to benefit from substantial continuity in management and administration following the Reorganization. Other than with respect to holders of IMTP shares, the Reorganization is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes. As noted above, holders of Acquired Fund IMTP will receive cash in full liquidation of their IMTP holdings.

We realize that most shareholders will not be able to attend the meeting and vote their shares in person. However, Acquired Fund does need your vote. You can vote by *mail, telephone*, or over the *Internet*, as explained in the enclosed materials. If you later decide to attend the meeting, you may revoke your proxy and vote your shares in person. By voting promptly, you can help Acquired Fund avoid the expense of additional solicitation.

If you would like additional information concerning this proposal, please call one of our service representatives at [ ] Monday through Friday 8:00 a.m. to 7:00 p.m., Eastern time. ***Your participation in this vote is extremely important.***

Sincerely,

/s/ [ ]

[ ]

President

**Your vote is important – please return your proxy card promptly.**

**Shareholders are urged to sign and mail the enclosed proxy in the enclosed postage prepaid envelope or vote by telephone or over the Internet by following the enclosed instructions. Your vote is important whether you own a few shares or many shares.**

**EATON VANCE MICHIGAN Municipal INCOME TRUST**

**(“Acquired Fund”)**

**Notice of SPECIAL Meeting of Shareholders  
TO BE HELD OCTOBER 12, 2018**

To the shareholders of Acquired Fund:

A shareholder meeting for Acquired Fund will be held at Two International Place, Boston, Massachusetts, on October 12, 2018, at [ ] [p.m.], Eastern Time, to consider the following:

A proposal to approve an Agreement and Plan of Reorganization by and between Eaton Vance Municipal Income Trust (“Acquiring Fund”) and Acquired Fund providing for the reorganization of Acquired Fund into Acquiring Fund. Under this agreement, Acquired Fund would transfer all its assets and liabilities to a wholly-owned subsidiary (“Merger Sub”) of Acquiring Fund, and Merger Sub would acquire such assets and assume such liabilities upon  
1. delivery by Merger Sub to Acquired Fund of common shares of Acquiring Fund, which would be distributed proportionately on the basis of net asset value, in complete liquidation and dissolution of Acquired Fund, to Acquired Fund shareholders. Merger Sub would merge with and into Acquiring Fund, with Acquiring Fund assuming the assets and liabilities of Merger Sub.

**The Board of Trustees of Acquired Fund recommends that you vote FOR this proposal.**

2. Any other business that may properly come before the meeting and any adjourned or postponed sessions thereof. Shareholders of record as of the close of business on August 3, 2018, are entitled to vote at the meeting or any postponement or adjournment thereof.

By order of the Board of Trustees,

Maureen A. Gemma

Secretary

August [ ], 2018

IMPORTANT

**Shareholders can help the Board of Trustees of Acquired Fund avoid the necessity and additional expense of further solicitations, which may be necessary to obtain a quorum, by promptly returning the enclosed proxy or voting by telephone or over the Internet. The enclosed addressed envelope requires no postage if mailed in the United States and is included for your convenience.**





## QUESTIONS AND ANSWERS

### **Regarding the Proposed Merger of Eaton Vance Michigan Municipal Income Trust (the “Fund”) into Eaton Vance Municipal Income Trust**

*Answers to questions about the proposed merger should be reviewed along with the proxy materials.*

#### **Q: Why did I receive a Proxy Statement?**

A: You are being asked to vote on an important matter related to your Fund. The Trustees of your Fund voted to recommend a merger of your Fund into Eaton Vance Municipal Income Trust. Fund shareholders are being asked to consider the proposed merger and approve an Agreement and Plan of Reorganization at a special meeting scheduled to be held on Friday, October 12, 2018 at [ ] Eastern time.

The Trustees of your Fund recommend that you vote **FOR** the proposal.

#### **Q: How will the proposed merger affect me?**

A: The Fund and Eaton Vance Municipal Income Trust have substantially similar investment objectives and policies except that the Fund seeks to provide income exempt from Michigan personal income taxes and the Eaton Vance Municipal Income Trust does not. There are no material differences between the Funds’ fundamental and non-fundamental investment restrictions. If the proposed merger is approved and completed, as a shareholder of the Fund, you will become a shareholder of Eaton Vance Municipal Income Trust, and the number of shares you receive will be based on the pre-merger net asset value of your Fund shares. Please refer to the Proxy Statement/Prospectus for a detailed explanation of the proposed merger, including a comparison of the investment objectives, policies and risks of the Fund and the Eaton Vance Municipal Income Trust, and for a more complete description of Eaton Vance Municipal Income Trust.

#### **Q: If approved, when would the proposed merger take place?**

A: The proposed merger would be expected to be completed within the several weeks following the October 12, 2018 shareholder vote or later if the meeting is adjourned or postponed.

#### **Q: What are the potential benefits of the proposed merger?**

A: It is expected that shareholders of the Fund will benefit from the proposed merger because they will become shareholders of a larger fund that has substantially similar investment objectives and policies. Following the merger, Eaton Vance Municipal Income Trust be expected to have a lower total expense ratio than and higher net income per share than the Fund currently, although Eaton Vance Municipal Income Trust’s management fee is higher than that of the Fund. Fund shareholders are also expected to benefit from substantial continuity in

management and administration following the proposed merger. Other than with respect to holders of IMTP shares, the proposed merger is intended to be tax-free for U.S. federal income tax purposes.

**Q: What are the costs of the proposed merger?**

The costs associated with the proposed merger are to be borne by the Fund's common shareholders and are  
A: estimated to be approximately \$80,000 (excluding any trading costs associated with repositioning the Fund's portfolio).

**Q: Who do I call with any questions?**

If you need assistance, or have questions regarding the proposal or how to vote your shares, please call [ ], your  
A: Fund's proxy solicitor, toll-free at [ ]. Please have your proxy materials available when you call.

**Q: Why should I vote?**

Your vote is very important. We encourage you to return your vote as soon as possible. If your Fund does not  
A: receive enough votes, it will have to spend money on additional mailings and to solicit votes by telephone so that the meeting can take place. In this event, you may receive telephone calls from the Fund's proxy solicitor in an attempt to obtain your vote. If you vote promptly, you likely will not receive such calls.

**Q: How do I vote my shares?**

You can vote your shares by completing and signing the enclosed proxy card, then mailing it in the postage-paid envelope provided. Alternatively, you can vote by telephone by calling the toll-free number on your proxy card and following the instructions given, using your proxy card as a guide.

**Q: Will Eaton Vance contact shareholders?**

Eaton Vance or its agents may contact shareholders directly. [ ] is the Fund's proxy solicitor and may call you, the shareholder, to verify that you have received proxy materials, to answer any questions that you may have and to offer to record your vote by telephone. If you vote promptly, you likely will not receive such calls.

**Important additional information about the proposal is set forth in the Proxy Statement/Prospectus.**

**Please read it carefully.**

*The information contained in this Joint Proxy Statement/Prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Joint Proxy Statement/Prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.*

**SUBJECT TO COMPLETION,**

**DATED AUGUST [ ], 2018**

**PROXY STATEMENT of**

**Eaton Vance Michigan Municipal Income Trust**

**(the “Acquired Fund”)**

**PROSPECTUS for**

**Common Shares of  
Eaton Vance Municipal Income Trust  
(the “Acquiring Fund”)**

**Two International Place**

**Boston, Massachusetts 02110**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE JOINT SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON October 12, 2018**

**THE NOTICE, PROXY STATEMENT AND PROXY CARD FOR THE ACQUIRED FUNDS ARE AVAILABLE ON THE INTERNET AT [ ]**

We are sending you this combined Proxy Statement and Prospectus (“Proxy Statement/Prospectus”) in connection with the Special Meeting of Shareholders (the “Special Meeting”) of Acquired Fund, a Massachusetts business trust registered as a closed-end management investment company, to be held on October 12, 2018 (the “Meeting Date”) at [ ] [p.m.], Eastern Time, at Two International Place, Boston, MA 02110. This document is both the Proxy Statement of Acquired Fund and the Prospectus of Acquiring Fund. (Acquired Fund and Acquiring Fund are each hereinafter sometimes referred to as a “Fund” or, collectively, as the “Funds”.) A proxy card is enclosed with the foregoing Notice of a Special Meeting of Shareholders for the benefit of shareholders of Acquired Fund who wish to vote, but do not expect to be present at the Special Meeting. Shareholders also may vote by telephone or via the Internet. The proxy is solicited on behalf of the Board of Trustees of Acquired Fund.

This Proxy Statement/Prospectus relates to the proposed reorganization of Acquired Fund into Acquiring Fund (the “Reorganization”). The Agreement and Plan of Reorganization (the “Plan”) is attached as Appendix A. The Plan provides for the reorganization of Acquired Fund into Acquiring Fund, which, if approved, would be effected in a multi-step process as follows:

Pursuant to Delaware’s merger statute, Acquired Fund would transfer all of its assets and assign its liabilities to a wholly-owned subsidiary (“Merger Sub”) of Acquiring Fund, and Merger Sub would acquire such assets and assume such liabilities upon delivery by Merger Sub to Acquired Fund of common shares of Acquiring Fund (including fractional shares, if applicable) having an aggregate net asset value equal to the value of the assets so transferred. The common shares of Acquiring Fund (including fractional shares, if applicable) would be distributed to Acquired Fund shareholders proportionately on the basis of net asset value, in complete liquidation and dissolution of Acquired Fund.

Pursuant to Delaware’s merger statute, immediately after the Closing, Merger Sub would merge with and into Acquiring Fund, with Merger Sub distributing its assets to Acquiring Fund, and Acquiring Fund assuming the liabilities of Merger Sub.

The transactions between Acquired Fund and Merger Sub and between Merger Sub and Acquiring Fund would constitute statutory mergers of Acquired Fund into Merger Sub and of Merger Sub into Acquiring Fund, respectively, for purposes of the Delaware Limited Liability Company Act.

Acquiring Fund will pay cash consideration to Acquired Fund equal in value to the aggregate liquidation preference of any Institutional MuniFund Term Preferred Shares outstanding of Acquired Fund (“IMTP”).

immediately prior to the Reorganization, plus any accumulated unpaid dividends or other distributions. Acquired Fund will, in turn, redeem all outstanding IMTP.

Completion of the above steps is expected to be substantially contemporaneous. Other than with respect to holders of IMTP shares, the Reorganization is intended to be tax-free for U.S. federal income tax purposes. After the Reorganization, Acquiring Fund will continue to operate as a registered closed-end investment company with the investment objective and policies described in this Proxy Statement/ Prospectus.

The common shares of Acquiring Fund are listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “EVN” and will continue to be so listed after the Reorganization. The common shares of Acquired Fund are listed on the NYSE American exchange under the ticker symbol “EMI.” [Reports, proxy statements and other information concerning the Funds may be inspected at the offices of the NYSE American exchange, 11 Wall Street, New York, New York 10005.] Documents filed by the Funds with the SEC may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Call 1-202-551-8090 for information. The SEC charges a fee for copies. The same information is available free from the SEC’s website (<http://www.sec.gov>). Investors may also e-mail requests for these documents to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or may make a request in writing to the SEC’s Public Reference Section, Washington, D.C. 20549-1520.

Each proxy will be voted in accordance with its instructions. If no instruction is given, an executed proxy will authorize the persons named as proxies, or any of them, to vote in favor of each matter. A written proxy is revocable by the person giving it prior to exercise by a signed writing filed with the Fund’s proxy tabulator, [ ], or by executing and delivering a later dated proxy, or by attending the meeting and voting the shares in person. Proxies voted by telephone or over the Internet may be revoked at any time in the same manner that proxies voted by mail may be revoked. This Proxy Statement/Prospectus is initially being mailed to shareholders on or about August [ ], 2018. Supplementary solicitations may be made by mail, telephone, telegraph, facsimile or electronic means.

The Trustees have fixed the close of business on August 3, 2018 as the record date (“Record Date”) for the determination of the shareholders entitled to notice of and to vote at the meeting and any adjournments or postponements thereof. Acquired Fund shareholders at the close of business on the Record Date will be entitled to one vote for each share of Acquired Fund held.

This Proxy Statement/Prospectus sets forth concisely the information that you should know before investing. You should read and retain this Proxy Statement/Prospectus for future reference. To ask questions about this Proxy Statement/Prospectus, please call our toll-free number at [ ] Monday through Friday 8:00 a.m. to 7:00 p.m., Eastern time.

The following documents are on file with the Securities and Exchange Commission (“SEC”) or are available at no charge by calling Eaton Vance Management at [ ]. The documents are incorporated by reference (and therefore legally part of) this Proxy Statement/Prospectus.

- § Acquiring Fund’s annual report to shareholders dated November 30, 2017
- § Acquiring Fund’s semi-annual report to shareholders dated May 31, 2018

§ Acquired Fund's annual report to shareholders dated November 30, 2017

§ Acquired Fund's semi-annual report to shareholders dated May 31, 2018

§ A Statement of Additional Information dated August [ ], 2018 that relates to this Proxy Statement/Prospectus and the Reorganization, and contains additional information about Acquired Fund and Acquiring Fund

**Shares of Acquiring Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank or other depository institution. These shares are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.**

**Shares of Acquiring Fund have not been approved or disapproved by the Securities and Exchange Commission nor has the Securities and Exchange Commission passed upon the accuracy or adequacy of this Proxy Statement/Prospectus. Any representation to the contrary is a criminal offense.**

**The date of this Proxy Statement/Prospectus is August [ ], 2018.**

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*No dealer, salesperson or any other person has been authorized to give any information or to make any representation other than those contained in this Proxy Statement/Prospectus, and you should not rely on such other information or representations.*



## SUMMARY

The following is a summary of certain information contained in or incorporated by reference in this Proxy Statement/Prospectus. This summary is not intended to be a complete statement of all material features of the proposed Reorganization and is qualified in its entirety by reference to the full text of this Proxy Statement/Prospectus, the Plan and the other documents referred to herein.

*Proposed Transaction.* The Trustees of Acquired Fund have approved the Plan, which provides for the merger of Acquired Fund into Merger Sub, with Merger Sub being the surviving entity. Common shareholders of Acquired Fund will receive shares of beneficial interest of Acquiring Fund (the “Merger Shares”) (including fractional shares if applicable). Merger Sub will then merge into Acquiring Fund, with Acquiring Fund being the surviving entity. Acquired Fund will then terminate its registration under the 1940 Act and dissolve under Massachusetts law. The Plan is attached hereto as Appendix A. The value of each shareholder’s shares of Acquiring Fund immediately after the Reorganization will be the same as the value of such shareholder’s Acquired Fund shares immediately prior to the Reorganization.

At or prior to the Closing, Acquired Fund shall declare a dividend or dividends that, together with all previous such dividends, shall have the effect of distributing to its shareholders all of its investment company taxable income (computed without regard to the deduction for dividends paid), its net tax-exempt interest income, and all of its net capital gains, if any, realized for the taxable year ending on the Closing Date and the prior taxable year. The Trustees, including the Trustees who are not “interested persons” of Acquired Fund and Acquiring Fund as defined in the Investment Company Act of 1940, as amended (the “1940 Act”) (the “Independent Trustees”), have determined that the interests of existing shareholders of each Fund will not be diluted as a result of the transaction contemplated by the Reorganization and that the Reorganization is in the best interests of each Fund.

*Background and rationale for the Proposed Transaction.* The Trustees of Acquired Fund considered a number of factors in approving the Reorganization, including, without limitation, the investment objectives, restrictions and policies of the Funds; the effect of the Reorganization on the Fund fees and expenses; potential effects on market discounts to net asset value (“NAV”) per share; Fund performance history; the expectation that the Reorganization will not result in NAV dilution for shareholders of either Fund; the tax implications of the Reorganization; potential economies of scale; the costs, tax consequences and proposed terms of the Reorganization; the potential effect of the Reorganization on Eaton Vance Management (“Eaton Vance”), the adviser to each Fund; the continuity of management and administration between the two Funds; and the potential effect of the Reorganization on Fund distributions. The Trustees considered that, among other things, combining the Funds would be expected to produce additional economies of scale and reduce the total expense ratio for Acquired Fund’s shareholders, and the Reorganization would qualify as a tax-free reorganization for federal income tax purposes (other than with respect to holders of IMTP shares. Moreover, the Trustees considered that shareholders of Acquired Fund would benefit from a larger combined fund with a substantially similar investment objective and investment policies except that the Acquired Fund seeks to provide income exempt from Michigan personal income taxes and the Acquiring Fund does not.

*Process and timing.* Common shareholders of Acquired Fund are being asked to vote on the Reorganization at a special meeting scheduled for October 12, 2018, at [ ] [p.m.], Eastern Time. Shareholders of record as of the close of business on August 3, 2018, are entitled to vote at the meeting or any postponement or adjournment thereof. If approved, the Reorganization is expected to be completed in the weeks following the shareholder meeting.

*Comparison of the Funds.* The following is a summary of certain information contained elsewhere in this Proxy Statement/Prospectus and is qualified in its entirety to the more complete information contained herein and in the Statement of Additional Information. Shareholders should read the entire Proxy Statement/Prospectus carefully.

§ *Investment Objectives and Policies.* Acquired Fund is a registered, non-diversified closed-end management investment company under the 1940 Act and Acquiring Fund is a registered, diversified closed-end management investment company under the 1940 Act. During normal market conditions, at least 80% of Acquired Fund's net assets will be invested in municipal obligations, the interest on which is exempt from federal income tax, including Michigan state and city income and single business taxes ("municipal obligations" or "municipal bonds"). During normal market conditions, at least 80% of Acquiring Fund's net assets will be invested in municipal obligations, the interest on which is exempt from federal income tax. An investment in each Fund may not be appropriate for

all investors, particularly those subject to the federal alternative minimum tax. At least 65% of each Fund's net assets will be invested in municipal obligations rated at least investment grade at the time of investment (which are those rated Baa or higher by Moody's Investors Service, Inc. ("Moody's") or BBB or higher by either S&P Global Ratings ("S&P") or by Fitch ("Fitch")), or, if unrated, determined by the investment advisor to be of at least investment grade quality. Up to 35% of each Fund's total assets may be invested in obligations rated below investment grade (but no more than 30% of total assets may be rated lower than B by each of Moody's S&P and Fitch) and unrated municipal obligations considered to be of comparable quality by the investment advisor.

Each Fund may invest in municipal obligations that are collateralized by the proceeds from class action or other litigation against the tobacco industry.

Each Fund may purchase derivative instruments, which derive their value from another instrument, security or index, including financials futures contracts and related options, interest rate swaps and forward rate contracts. Each Fund also may invest in residual interests of a trust (the "trust") that holds municipal securities ("residual interest bonds" or "RIBs"). The trust will also issue floating-rate notes ("Floating-Rate Notes") to third parties that may be senior to a Fund's residual interest ("inverse floaters"). See "Residual Interest Bonds ('RIBs') in the table following "Comparison of the Funds: Investment Objectives and Policies" below. Each Fund may purchase and sell financial futures contracts and related options, including futures contracts and related options based on various debt securities and securities indices, as well as interest rate swaps and forward rate contracts, to seek to hedge against changes in interest rates or for other risk management purposes.

*Purchase and Sale of Fund Shares.* Purchase and sale procedures for the common shares of each Fund are identical. Investors typically purchase and sell common shares of the Funds through a registered broker-dealer on the § respective stock exchange, or may purchase or sell common shares through privately negotiated transactions with existing shareholders. Both Funds currently have IMTP outstanding.

*Redemption Procedures.* Redemption procedures for Acquired Fund and Acquiring Fund are also similar. The common shares of each Fund have no redemption rights. However, the Board of each Fund may consider open market share repurchases of, or tendering for, common shares to seek to reduce or eliminate any discount in the market place of the common shares from the NAV thereof. Each Fund's ability to repurchase, or tender for, its § common shares may be limited by the 1940 Act asset coverage requirements and, in the case of each Fund, by the certain provisions in its Bylaws governing the IMTP. On November 11, 2013, the Boards of Trustees of each Fund authorized the repurchase by each Fund of up to 10% of its then currently outstanding common shares in open-market transactions at a discount to NAV. The repurchase program does not obligate either Fund to purchase a specific amount of shares.

**The Trustees of Acquired Fund believe that the proposed Reorganization is in the best interests of the Fund for the reasons described herein and has recommended that the Fund's shareholders vote "FOR" the Reorganization.**

## PROPOSAL 1

### APPROVE AGREEMENT AND PLAN OF REORGANIZATION

The Board of each Fund, including the Trustees who are not “interested persons” (as defined in the Investment Company Act of 1940, as amended (the “1940 Act”)) of each Fund (the “Independent Trustees”), has approved the Plan for the Reorganization. If the shareholders of Acquired Fund approve the Plan, then Acquired Fund will merge with and into Merger Sub pursuant to the Delaware merger statute, with Merger Sub being the surviving entity. Common shareholders of Acquired Fund will receive shares of beneficial interest of Acquiring Fund (the “Merger Shares”) (including fractional shares, if applicable). Merger Sub will then merge into Acquiring Fund, with Acquiring Fund being the surviving entity. Acquired Fund will then terminate its registration under the 1940 Act and dissolve under Massachusetts law. The aggregate NAV of Merger Shares received in the Reorganization will equal the aggregate NAV of Acquired Fund common shares held immediately prior to the Reorganization.

Both Funds have begun redeeming its respective outstanding IMTP at the liquidation preference of such shares, plus any accumulated unpaid dividends or other distributions. Both Funds intend to continue redeeming IMTP opportunistically until the time of the Reorganization. Any remaining outstanding IMTP will be redeemed in conjunction with the Reorganization. Acquiring Fund is expected to employ leverage following the Reorganization at a level similar to Acquired Fund, so the IMTP redemptions and the Reorganization are not expected to have a material direct effect on the level of leverage to which Acquired Fund shareholders are exposed.

The Reorganization seeks to combine two similar Funds, with the exception of Acquired Fund’s investment objective to invest in municipal obligations exempt from Michigan state and city income and single business taxes, and is expected to achieve certain economies of scale and other operational efficiencies. The Reorganization has been considered by the Board of Trustees of each Fund. Each Fund’s Board of Trustees, including the Independent Trustees, concluded that the Reorganization would be in the best interests of the Fund and that the interests of the Fund’s existing shareholders would not be diluted as a result of the Reorganization. In making these determinations, the Trustees considered a number of factors, including the following:

*Continuity of Objectives, Restrictions and Policies.* Acquired Fund and Acquiring Fund have substantially similar investment objectives, policies, restrictions and risk profiles, with the exception of Acquired Fund’s investment objective to invest in municipal obligations exempt from Michigan state and city income and single business taxes. Each Fund invests primarily in municipal obligations exempt from federal income taxes and Acquiring Fund invests in municipal obligations exempt from Michigan state and city income and single business taxes. Each Fund has issued IMTP to create investment leverage, while Acquiring Fund has also entered into residual interest bond (“RIB”) transactions to create leverage. The use of RIBs to replace IMTP is expected to benefit common shareholders because over the long term the cost of RIB financing is expected to be lower than the costs of IMTP financing at the currently applicable rates.

*Effect on Fund Fees and Expenses.* After the Reorganization, the surviving Acquiring Fund is expected to have a lower total expense ratio than Acquired Fund prior to the Reorganization. Acquiring Fund’s annual contractual advisory fee rate is the same that of Acquired Fund, but Acquiring Fund has a substantially lower overall expense ratio than Acquired Fund. On balance, Acquired Fund shareholders are expected to benefit from meaningfully reduced total expenses as a percentage of NAV as a result of the Reorganization. Although Acquiring Fund’s total expense ratio

is expected to remain the same immediately after the Reorganization, the Reorganization would result in the addition of assets to Acquiring Fund, which is expected to allow the Fund to spread certain fixed expenses across a larger asset base, potentially leading to economies of scale in the longer term. Pursuant to a fee reduction agreement between each Fund and EVM, commencing on May 1, 2010, EVM would reduce its advisory fee by 0.015% per annum in each of the next 19 years, provided that the advisory fee would be reduced to 0.40% of average weekly gross assets when each Fund's unrecovered distribution payment balance is fully depleted. EVM expects the Acquiring Fund's unrecovered distribution payment balance to be fully depleted in August 2019. For its last fiscal year ended November 30, 2017, each Fund's effective advisory fee rate was 0.58% of its average weekly gross assets. Each Fund is also subject to an annual administration fee of 0.20% of average weekly gross assets. For the twelve-month period ended May 31, 2018, the Acquired Fund's expense ratio on total managed assets was 1.95%, and the Acquiring Fund's expense ratio was 1.85%. The estimated expense ratio on total managed assets for the combined Fund is 1.81%, representing a reduction of 0.14%. Eaton Vance estimates that it will collect an additional \$79,000, \$78,000 and \$18,000 in advisory fees in for the years ending May 31, 2018, 2019 and 2020.

*Possible Reduction or Elimination of Trading Discounts to Net Asset Value per Share.* Acquiring Fund's common shares generally have traded at a slightly better discount or premium to NAV as has been the case for Acquired Fund's common shares. It is possible that combining the Funds would tend to have a positive effect on premiums or discounts by increasing the combined Fund's size and secondary trading market volumes. While it is not possible to predict trading levels at the time the Reorganization closes, a significant reduction or elimination in trading discount would be in the best interest of both Funds' common shareholders. There can be no assurance, however, that after the Reorganization, the common shares of the combined Fund will trade at a premium to NAV, or at a smaller discount to NAV than is currently the case for Acquired Fund's common shares.

*Relative Investment Performance.* The Funds have historically been managed according to substantially similar strategies and policies and, Acquiring Fund has generally had better investment performance at NAV over the trailing one-, three-, five- and ten-year periods. Acquiring Fund's total return at NAV for the one-year, three-year, five-year and ten-year periods ended March 31, 2018 exceeded that of Acquired Fund.

*Redemption of IMTP.* In advance of or in conjunction with the Reorganization, Fund holders of IMTP will receive cash at the liquidation preference of such shares, plus any accumulated unpaid dividends or other distributions. No IMTP are expected to remain outstanding following the Reorganization. As noted above, replacing Acquired Fund's IMTP with RIBs also is expected to benefit common shareholders.

*No Expected NAV Dilution.* Because the Merger Shares will be issued to Acquired Fund shareholders in exchange for Acquired Fund's net assets in amounts based on NAV, the Reorganization will not result in any NAV dilution to shareholders of either Fund.

*Tax-Free Reorganization.* Acquired Fund will obtain an opinion of counsel to the effect that the Reorganization will be treated as a tax-free reorganization pursuant to Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, other than with respect to holders of IMTP shares, no gain or loss is expected to be recognized by Acquired Fund or its shareholders as a direct result of the Reorganization, and the tax basis and holding period of a shareholder's Acquired Fund shares are expected to carry over to the Acquiring Fund shares the shareholder receives in the Reorganization. The receipt of cash consideration by Fund IMTP holders is a taxable exchange, and holders of the IMTP shares will recognize gain or loss based on the difference, if any, between the cash they receive in a Reorganization and their tax basis in their IMTP shares.

*Economies of Scale and Other Potential Benefits.* It is expected that the combined, larger Fund could offer economies of scale that may lead to lower per share expenses for common shareholders of both Funds. Such economies may be realized with respect to NYSE listing fees, printing fees, costs for legal, auditing, custodial and administrative services, and miscellaneous fees. In addition, the greater asset size of the combined Fund may allow it, relative to Acquired Fund, to obtain better net prices on securities trades and achieve greater diversification of portfolio holdings.

*Terms of the Plan and Cost Allocation.* The Trustees considered the terms and conditions of the Plan and the costs associated with the Reorganization, which (excluding any trading costs associated with repositioning Acquiring Fund's portfolio) are to be borne by Acquired Fund common shareholders and are estimated to be approximately \$80,000. The Trustees noted that because of the alignment between the Funds' objectives and strategies, Acquiring Fund is expected to retain substantially all of the assets acquired in the Reorganization. As a result, the costs of portfolio rebalancing are expected to be minimal.

*Effect on Eaton Vance.* The Board also considered the effect of the Reorganization on the Funds' investment adviser, Eaton Vance Management ("Eaton Vance," or the "Adviser"). The Adviser may achieve cost savings due to the Fund's lower fixed costs, which may result in reduced costs resulting from a consolidated portfolio management effort. The Board also considered that, after the Reorganization, Eaton Vance will continue to collect advisory fees on Acquired

Fund's assets acquired by Acquiring Fund pursuant to the Reorganization. Pursuant to a fee reduction agreement between each Fund and EVM, commencing on May 1, 2010, EVM would

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reduce its advisory fee by 0.015% per annum in each of the next 19 years, provided that the advisory fee would be reduced to 0.40% of average weekly gross assets when each Fund's unrecovered distribution payment balance is fully depleted.

*Continuity of Management and Administration.* Eaton Vance is the investment adviser of each of Acquired Fund and Acquiring Fund and intends to manage the combined, surviving Fund in substantially the same manner as Acquired Fund and Acquiring Fund prior to the Reorganization, with the exception of Acquired Fund's investment objective to invest in municipal obligations exempt from Michigan state and city income and single business taxes. There will also be continuity in portfolio management, as Cynthia J. Clemson manages both Acquired Fund and Acquiring Fund. Eaton Vance is also the administrator of each of the Funds and provides the same administrative services to both. Eaton Vance and its applicable personnel are expected to continue to provide these administrative services to the combined Fund following the Reorganization, such that Acquired Fund and all shareholders will continue to receive at least the same scope and quality of administrative services before and after the Reorganization.

*Fund Income Available for Distributions.* The Trustees considered that, based on data for the four months ended March 31, 2018, the combined Fund is expected to have greater net income per common share than either Acquiring Fund or Acquired Fund prior to the Reorganization. However, there is no assurance that the Trustees will determine to increase or not decrease Acquiring Fund's common share distribution following the Reorganization.

**The Board of Acquired Fund recommends that shareholders of Acquired Fund approve the Fund's proposed Reorganization at the Special Meeting to be held on October 12, 2018.** Shareholder approval of the Reorganization requires, with respect to Acquired Fund, the vote of the holders of at least a "majority of the outstanding" (as defined in the 1940 Act) common shares. Subject to the requisite approval of the shareholders of Acquired Fund with regard to the Reorganization, it is expected that the closing date of the Reorganization will be several weeks following the October 12, 2018 shareholder vote or later if the meeting is adjourned or postponed.

Comparison of the Funds:

#### Investment Objectives and Policies

The investment objectives, investment policies and risks of each Fund are substantially identical, except as described below. During normal market conditions, at least 80% of Acquiring Fund's net assets will be invested in municipal obligations, the interest on which is exempt from federal income tax. During normal market conditions, at least 80% of Acquired Fund's net assets will be invested in municipal obligations, the interest on which is exempt from federal income tax, including Michigan state and city income and single business taxes. An investment in each Fund may not be appropriate for all investors, particularly those subject to the federal alternative minimum tax. At least 65% of each Fund's net assets will be invested in municipal obligations rated at least investment grade at the time of investment (which are those rated Baa or higher by Moody's or BBB or higher by either S&P or by Fitch), or, if unrated, determined by the investment advisor to be of at least investment grade quality. Up to 35% of each Fund's total assets may be invested in obligations rated below investment grade (but no more than 30% of total assets may be rated lower than B by each of Moody's S&P and Fitch) and unrated municipal obligations considered to be of comparable quality by the investment advisor. Except as set forth below, each Fund's investment objectives and policies may be changed by the Board of Trustees without a shareholder vote. Set forth below is a comparison of the Funds, including their investment objectives, policies, fundamental investment restrictions and other pertinent factors.

	<b>Acquired Fund</b>	<b>Acquiring Fund</b>
Business	Non-diversified, closed-end management investment company organized as a Massachusetts business	Diversified, closed-end management investment company organized as a Massachusetts business



Investment objective	trust. To provide current income exempt from federal income tax and Michigan state personal income taxes.	trust. To provide current income exempt from federal income tax.
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	<b>Acquired Fund</b>	<b>Acquiring Fund</b>
Net assets attributable to common shares as of March 31, 2018	\$29.3 million	\$309.1 million
Listing (common shares)	NYSE American (ticker symbol "EMI")	NYSE (ticker symbol "EVN")
IMTP	One series, rated AAA by S&P and Fitch Ratings	One series, rated AAA by S&P and Fitch Ratings
Fiscal year end	November 30	
Investment adviser	Eaton Vance Management Cynthia J. Clemson	
Portfolio manager	<p>Ms. Clemson is a Vice President of EVM, is Co-Director of the Municipal Investments Group and has been a portfolio manager of the Fund since July 2015. She has managed other Eaton Vance portfolios for more than five years.</p> <p>Each Fund invests in municipal obligations, which includes bonds, notes and commercial paper issued by a municipality, a group of municipalities or participants in qualified issues of tax-exempt debt for a wide variety of both public and private purposes, the interest on which is, in the opinion of issuer's counsel (or on the basis of other reliable authority), exempt from federal income tax. Acquired Fund invests in municipal obligations the interest on which is exempt from Michigan state personal income taxes. Each Fund may also invest in municipal obligations issued by United States territories (such as Puerto Rico or Guam) the interest on which is exempt from federal income tax.</p>	
Primary investments	<p>Public purpose municipal bonds include general obligation and revenue bonds. General obligation bonds are backed by the taxing power of the issuing municipality. Revenue bonds are backed by the revenues of a project or facility or from the proceeds of a specific revenue source. Some revenue bonds are payable solely or partly from funds that are subject to annual appropriations by a state's legislature. Municipal notes include bond anticipation, tax anticipation and revenue anticipation notes (short-term obligations that will be retired with the proceeds of an anticipated bond issue, tax revenue or facility revenue, respectively).</p>	
Investment strategy	<p>During normal market conditions, at least 65% of the assets of the Trust will normally be invested in municipal obligations (i) issued by the state of Michigan or its political subdivisions, agencies, authorities and instrumentalities and (ii) rated at least investment grade at the time of investment (which are those rated Baa or higher by Moody's or BBB or higher by either S&amp;P or by Fitch), or, if unrated, determined by the investment advisor to be of at least investment grade quality. From time to time, the Funds may hold a significant amount of municipal obligations not rated by a Rating Agency.</p>	

The foregoing credit quality policies apply only at the time a security is purchased, and neither Fund is required to dispose of a security in the event that a rating agency downgrades its assessment of the credit characteristics of a particular issue or withdraws its assessment. In determining whether to retain or sell such a security, Eaton Vance may consider such factors as Eaton Vance's assessment of the credit quality of the issuer of such security, the price at which such security could be sold and the rating, if any, assigned to such security by Rating Agencies.

Tobacco settlement-related debt

Each Fund may invest in municipal obligations that are collateralized by the proceeds from class action or other litigation against the tobacco industry ("tobacco bonds").

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**Acquired Fund      Acquiring Fund**

Each Fund may invest in residual interests of a trust (the “trust”) that holds municipal securities (“residual interest bonds”). The trust will also issue floating-rate notes (“Floating-Rate Notes”) to third parties that may be senior to a Fund’s residual interest. A Fund receives interest payments on RIBs that bear an inverse relationship to the interest rate paid on the Floating-Rate Notes (“inverse floaters”). Typically, a Fund will sell a municipal bond to the trust to create the RIB. As a result of Financial Accounting Standards

Residual interest bonds (“RIBs”) Statement No. 140 (“FAS 140”), interest paid by the trust to the Floating-Rate Note holders may be reflected as income in a Fund’s financial statements with an offsetting expense for the interest paid by the trust to the Floating-Rate Note holders. The Fund will hold the RIB residuals and may use the proceeds of the sale of RIB floaters for investment purposes. Each Fund may do so to create investment leverage. See “Leverage” below. The RIB floaters are subject to a liquidity backstop financing facility provided by a major financial institution. Each Fund uses leverage to seek opportunities for increased net income. Each Fund has created leverage by issuing IMTP and Acquiring Fund has also created leverage by investing in RIBs, as described above. Acquired Fund may also invest in RIBs but as of

Leverage

	<p>March 31, 2018, did not have any investments in RIBs. The use of leverage involves special risks. It is expected that Acquired Fund's IMTP will be redeemed at the time of or in advance of the Reorganization. See "Leverage Risk" under "Risk Factors and Special Considerations" below.</p>
Municipal leases	<p>Each Fund may invest in municipal leases and participations therein. Municipal leases are obligations in the form of a lease or installment purchase arrangement which is issued by the state or local government to acquire equipment and facilities.</p>
Investment companies	<p>Each Fund may purchase common shares of closed-end investment companies that have a similar investment objective and policies to the Fund. In addition to providing tax-exempt income, such securities may provide capital appreciation. Such investments, which may also be leveraged and subject to the same risks as each Fund, will not exceed 10% of total assets, and no such company will be affiliated with Eaton Vance. These companies bear fees and expenses that each Fund will incur indirectly.</p>
Illiquid securities	<p>Each Fund does not have a limitation on its assets that may be invested in securities which are not readily marketable or are subject to restrictions on resale.</p>
When-issued purchases	<p>Each Fund may purchase securities on a "when-issued" basis, which means that payment and delivery occur on a future settlement date. The price and yield of such</p>

securities are generally fixed on the date of commitment to purchase. However, the market value of the securities may fluctuate prior to delivery and upon delivery the securities may be worth more or less than what a Fund agreed to pay for them. A Fund may be required to maintain a segregated account of liquid assets equal to outstanding purchase commitments. Each Fund may also purchase instruments that give the Fund the option to purchase a municipal obligation when and if issued. Each Fund's portfolio manager makes portfolio adjustments that reflect the Fund's investment strategy but does not trade securities for the Fund for the purpose of seeking short-term profits. However, if a Fund is required to sell assets to effect mandatory redemptions to repurchase common shares, or IMTP, in the case of Acquired Fund, the Fund's portfolio turnover may be higher than would otherwise be the case.

Active trading

The portfolio turnover rate for Acquired Fund for the fiscal year ended November 30, 2017 was 10% and the portfolio turnover rate for Acquiring Fund for the same period was 8%.

**Acquired Fund Acquiring Fund**

Each Fund may purchase and sell various kinds of financial futures contracts and options thereon to seek to hedge against changes in interest rates or for other risk management purposes. Futures contracts may be based on various debt securities and securities indices. Such transactions involve a risk of loss or depreciation due to unanticipated adverse changes in securities prices, which may exceed a Fund's initial investment in these contracts. A Fund will only purchase or sell futures contracts or related options in compliance with the rules of the Commodity Futures Trading Commission. These transactions involve transaction costs. There can be no assurance that Eaton Vance's use of futures will be advantageous to a Fund. Distributions by a Fund of any gains realized on the Fund's transactions in futures and options on futures will be taxable. In the case of each Fund, Rating Agency guidelines on the IMTP limit use of these transactions.

Futures and related options

Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to pay or receive interest, *e.g.*, an exchange of fixed rate payments for floating rate payments. Each Fund will only enter into interest rate swaps on a net basis, *i.e.*, the two payment streams are netted out with the Fund receiving or paying, as the case may be, only the net amount of the two payments. Each Fund may also enter forward rate contracts. Under these contracts, the buyer locks in an interest rate at

Interest rate swaps and forward rate contracts

a future settlement date. If the interest rate on the settlement date exceeds the lock rate, the buyer pays the seller the difference between the two rates. If the lock rate exceeds the interest rate on the settlement date, the seller pays the buyer the difference between the two rates. Any such gain received by a Fund would generally be taxable.

If the other party to an interest rate swap or forward rate contract defaults, a Fund's risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive. The net amount of the excess, if any, of each Fund's obligations over its entitlements will be maintained in a segregated account by the Fund's custodian. Each Fund will not enter into any interest rate swap or forward rate contract unless the claims-paying ability of the other party thereto is considered to be investment grade by the Adviser. If there is a default by the other party to such a transaction, a Fund will have contractual remedies pursuant to the agreements related to the transaction. These instruments are traded in the over-the-counter market.

During unusual market conditions, the Funds may invest up to 100% of assets in cash or cash equivalents temporarily. Cash equivalents are highly liquid, short-term securities such as commercial paper, certificates of deposit, short-term notes and short-term U.S. Government obligations. These securities may be subject to federal income, state income and/or other taxes.

Each Fund may borrow money subject to the requirements of the 1940 Act.

AAA – 15.8%    AAA – 10.8%

Temporary defensive positions

Borrowings

Breakdown on Credit Quality<sup>1</sup>



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AA – 43.7%      AA – 65.5%

A – 14.9%      A – 16.9%

BBB – 12.9%      BBB – 3.1%

BB – 4.9%      BB – 1.6%

Not Rated – 7.8%      Not Rated – 2.1%

Leverage Ratio<sup>2</sup>

42.1%      36.5%

Percentage of Fund Assets invested in Michigan Bonds<sup>3</sup>

95.9%      2.2%

**Acquired Fund Acquiring Fund**

Fundamental Investment Restrictions The following investment restrictions of each Fund are designated as fundamental policies and as such cannot be changed without the approval of the holders of a majority of the Fund's outstanding voting securities, which means the lesser of (a) 67% of the shares of the Fund present or represented by proxy at a meeting if the holders of more than 50% of the outstanding shares are present or represented at the meeting or (b) more than 50% of outstanding shares of the Fund. As a matter of fundamental policy each Fund may not

(1) Borrow money, except as permitted by the 1940 Act;

(2) Issue senior securities, as defined in the 1940 Act, other than (i) preferred shares which immediately after issuance will have asset coverage of at least 200%, (ii) indebtedness which immediately after issuance will have asset coverage of at least 300%, or (iii) the borrowings permitted by investment restriction (1) above;

(3) Purchase securities on margin (but the Fund may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities). The purchase of investment assets with the proceeds of a permitted borrowing or securities offering will not be deemed to be the purchase of securities on margin;

(4) Underwrite securities issued by other persons, except insofar as it may technically be deemed to be an underwriter under the Securities Act of 1933 in selling or disposing of a portfolio investment;

(5) Make loans to other persons, except by (a) the acquisition of loan interests, debt securities and other obligations in which the Fund is authorized to invest in accordance with its investment objective and policies, (b) entering into repurchase agreements, and (c) lending its portfolio securities;

(6) Purchase or sell real estate, although it may purchase and sell securities which are secured by interests in real estate and securities of issuers which invest or deal in real estate. Each Fund reserves the freedom of action to hold and to sell real estate acquired as a result of the ownership of securities; or

(7) Purchase or sell physical commodities or contracts for the purchase or sale of physical commodities. Physical commodities do not include futures contracts with respect to securities, securities indices or other financial instruments.

<sup>1</sup> Percentages shown are of total Fund assets as of March 31, 2018. Ratings shown based on Standard & Poor's Ratings Group ratings scale.

<sup>2</sup> As of March 31, 2018.

<sup>3</sup> Percentages shown are of total Fund assets as of March 31, 2018.

Risk Factors and Special Considerations

**Risks Related to the Reorganization**

*Expenses.* There is no guarantee that the combined Fund will realize economies of scale following the Reorganization and may never experience any savings if its fixed costs increase or the value of its assets decreases. The realization of any reduced expenses will not affect shareholders of the Funds proportionately.

*Earnings and Distribution Rate.* Based on data for the six months ended March 31, 2018, the combined Fund is expected to have greater net income per common share than either Acquiring Fund or Acquired Fund prior to the Reorganization. However a fund's earnings and net investment income vary over time and depend on many factors, including its asset mix, portfolio turnover level, the movement of interest rates and general market conditions. The combined Fund's earnings and distribution rate may change over time, and depending on market conditions, may be significantly higher or lower than each Fund's earnings and distribution rate prior to the Reorganization.

*Premium/Discount to NAV.* As with any capital stock, the price of each Fund's common shares will fluctuate based on market conditions and other factors. Shares of closed-end management investment companies frequently trade at a discount from their NAV. This risk may be greater for investors who sell their shares in a