

**STATEMENT OF ADDITIONAL INFORMATION**

May 1, 2018

**BOYAR VALUE FUND, INC.**

**17605 Wright Street, Suite 2, Omaha, Nebraska 68130**

For information, call 1-800-266-5566

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This Statement of Additional Information is meant to be read in conjunction with the Prospectus for the Boyar Value Fund, Inc. (the "Fund") dated May 1, 2018, as amended or supplemented from time to time, and is incorporated by reference in its entirety into that Prospectus. Because this Statement of Additional Information is not itself a prospectus, no investment in shares of the Fund should be made solely upon the information contained herein. Copies of the Fund's Prospectus may be obtained by calling the Fund at 1-800-266-5566.

## THE FUND

The Fund is a diversified, open-end management investment company incorporated on February 28, 1997 under the laws of the State of Maryland under the name "Boyar Value Fund, Inc." The Fund's charter authorizes the Board to issue one billion (1,000,000,000) shares of common stock, \$.001 par value per share (the "Shares").

All shareholders of the Fund, upon liquidation, will participate ratably in the Fund's net assets. Shares do not have cumulative voting rights, which means that holders of more than 50% of the Shares voting for the election of Directors can elect all Directors. Shares are transferable, but have no preemptive, conversion or subscription rights.

### INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Fund is long-term capital appreciation.

The following policies supplement the descriptions of the Fund's investment objective and policies in the Prospectus.

### STOCK OPTIONS

When the Adviser believes that individual portfolio securities are approaching the top of the Adviser's growth and price expectations, the Fund may write covered call options against such securities. The Fund may also purchase put options. The value of the underlying securities on which covered call and put options will be written or purchased, respectively, at any one time by the Fund is not anticipated to exceed 5% of the Fund's total assets. The Fund writes and purchases options only for hedging purposes and not for speculation.

The Fund realizes fees (referred to as "premiums") for granting the rights evidenced by the options it has written. A call option embodies the right of its purchaser to compel the writer of the option to sell to the option holder an underlying security at a specified price for a specified time period or at a specified time. A put option embodies the right of its purchaser to compel the writer of the option to purchase from the option holder an underlying security at a specified price for a specified period or at a specified time.

The principal reason for writing covered call options on a security is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the securities alone. In return for a premium, the Fund as the writer of a covered call option forfeits the right to any appreciation in the value of the underlying security above the strike price for the life of the option (or until a closing purchase transaction can be effected). Nevertheless, the Fund as a call writer retains the risk of a decline in the price of the underlying security. The size of the premiums that the Fund may receive may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option-writing activities.

In the case of options written by the Fund that are deemed covered by virtue of the Fund's holding convertible or exchangeable preferred stock or debt securities, the time required to convert or exchange and obtain physical delivery of the underlying common stock with respect to which the Fund has written options may exceed the time within which the Fund must make delivery in accordance with an exercise notice. In these instances, the Fund may purchase or temporarily borrow the underlying securities for purposes of physical delivery. By so doing, the Fund will not bear any market risk, since the Fund will have the absolute right to receive from the issuer of the underlying security an equal number of shares to replace the borrowed securities, but the Fund may incur additional transaction costs or interest expenses in connection with any such purchase or borrowing.

Options written by the Fund will normally have expiration dates between one and nine months from the date written. The exercise price of the options may be below, equal to or above the market values of the underlying securities at the times the options are written. In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money" and "out-of-the-money," respectively. The Fund may write (i) in-the-money call options when the Adviser expects that the price of the underlying security will remain flat or decline moderately during the option period, (ii) at-the-money call options when the Adviser expects that the price of the underlying security will remain flat or advance moderately during the option period and (iii) out-of-the-money call options when the Adviser expects that the premiums received from writing the call option plus the appreciation in market price of the underlying security up to the exercise price will be greater than the appreciation in the price of the underlying security alone. In any of the preceding situations, if the market price of the underlying security declines and the security is sold at this lower price, the amount of any realized loss will be offset wholly or in part by the premium received.

To secure its obligation to deliver the underlying security when it writes a call option, the Fund will be required to deposit in escrow the underlying security or other assets in accordance with the rules of the Options Clearing Corporation (the "Clearing Corporation") and of the securities exchange on which the option is written.

Prior to their expirations, call options may be sold in closing sale or purchase transactions (sales or purchases by the Fund prior to the exercise of options that it has purchased or written, respectively, of options of the same series) in which the Fund may realize a profit or loss from the sale. An option position may be closed out only where there exists a secondary market for an option of the same series on a recognized securities exchange or in the over-the-counter market.

When the Fund has purchased a put option and engages in a closing sale transaction, whether the Fund realizes a profit or loss will depend upon whether the amount received in the closing sale transaction is more or less than the premium the Fund initially paid for the original option plus the related transaction costs. Similarly, in cases where the Fund has written a call option, it will realize a profit if the cost of the closing purchase transaction is less than the premium received upon writing the original option and will incur a loss if the cost of the closing purchase transaction exceeds the premium received upon writing the original option. The Fund may engage in a closing purchase transaction to realize a profit, to prevent an underlying security with respect to which it has written an option from being called or, in the case of a call option, to unfreeze an underlying security (thereby permitting its sale or the writing of a new option on the security prior to the outstanding option's expiration). The obligation of the Fund under an option it has written would be terminated by a closing purchase transaction, but the Fund would not be deemed to own an option as a result of the transaction. So long as the obligation of the Fund as the writer of an option continues, the Fund may be assigned an exercise notice by the broker-dealer through which the option was sold, requiring the Fund to deliver the underlying security against payment of the exercise price. This obligation terminates when the option expires or the Fund effects a closing purchase transaction. The Fund can no longer effect a closing purchase transaction with respect to an option once it has been assigned an exercise notice.

There is no assurance that sufficient trading interest will exist to create a liquid secondary market on a securities exchange for any particular option or at any particular time, and for some options no such secondary market may exist. A liquid secondary market in an option may cease to exist for a variety of reasons. In the past, for example, higher than anticipated trading activity or order flow or other unforeseen events have at times rendered certain of the facilities of the Clearing Corporation and various securities exchanges inadequate and resulted in the institution of special procedures, such as trading rotations, restrictions on certain types of orders or trading halts or suspensions in one or more options. There can be no assurance that similar events, or events that may otherwise interfere with the timely execution of customers' orders, will not recur. In such event, it might not be possible to effect closing transactions in particular options. Moreover, the Fund's ability to terminate options positions established in the over-the-counter market may be more limited than for exchange-traded options and may also involve the risk that securities dealers participating in over-the-counter transactions would fail to meet their obligations to the Fund. The Fund, however, intends to purchase over-the-counter options only from dealers whose debt securities, as determined by the Adviser, are considered to be investment grade. If, as a covered call option writer, the Fund is unable to effect a closing purchase transaction in a secondary market, it will not be able to sell the underlying security until the option expires or it delivers the underlying security upon exercise. In either case, the Fund would continue to be at market risk on the security and could face higher transaction costs, including brokerage commissions.

Securities exchanges generally have established limitations governing the maximum number of calls of each class which may be held or written, or exercised within certain time periods by an investor or group of investors acting in concert (regardless of whether the options are written on the same or different securities exchanges or are held, written or exercised in one or more accounts or through one or more brokers). It is possible that the Fund and other clients of the Adviser may be considered to be such a group. A securities exchange may order the liquidation of positions found to be in violation of these limits and it may impose certain other sanctions. These limits may restrict the number of options the Fund will be able to purchase on a particular security.

## **CURRENCY EXCHANGE TRANSACTIONS**

The value in U.S. dollars of the assets of the Fund that are invested in foreign securities may be affected favorably or unfavorably by changes in exchange control regulations, and the Fund may incur costs in connection with conversion between various currencies. Currency exchange transactions may be from any non-U.S. currency into U.S. dollars or into other appropriate currencies. The Fund will conduct its currency exchange transactions (i) on a spot (i.e., cash) basis at the rate prevailing in the currency exchange market, (ii) through entering into forward contracts to purchase or sell currency or (iii) by purchasing exchange-traded currency options.

## **FOREIGN INVESTMENTS**

Investors should recognize that investing in foreign companies involves certain risks, including those discussed below, which are not typically associated with investing in U.S. issuers. Since the Fund may invest in securities denominated in currencies other than the U.S. dollar, and since the Fund may temporarily hold funds in bank deposits or other money market investments denominated in foreign currencies, the Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the dollar. A change in the value of a foreign currency relative to the U.S. dollar will result in a corresponding change in the dollar value of the Fund's assets denominated in that foreign currency. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, to be distributed to shareholders by the Fund. The rate of exchange between the U.S. dollar and other currencies is determined by the forces of supply and demand in the foreign exchange markets. Changes in the exchange rate may result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the United States and a particular foreign country, including economic and political developments in other countries.

Of particular importance are rates of inflation, interest rate levels, the balance of payments and the extent of government surpluses or deficits in the United States and the particular foreign country, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of the United States and foreign countries important to international trade and finance. Governmental intervention may also play a significant role. National governments rarely voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies.

Individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments positions. The Fund may invest in securities of foreign governments (or agencies or instrumentalities thereof), and many, if not all, of the foregoing considerations apply to such investments as well.

Securities of some foreign companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Certain foreign countries are known to experience long delays between the trade and settlement dates of securities purchased or sold. Due to the increased exposure of the Fund to market and foreign exchange fluctuations brought about by such delays, and due to the corresponding negative impact on Fund liquidity, the Fund will avoid investing in countries which are known to experience settlement delays which may expose the Fund to unreasonable risk of loss.

### **U.S. GOVERNMENT SECURITIES**

The Fund may invest in debt obligations of varying maturities issued or guaranteed by the United States government, its agencies or instrumentalities ("U.S. Government securities"). Direct obligations of the U.S. Treasury include a variety of securities that differ in their interest rates, maturities and dates of issuance. U.S. Government securities also include securities issued or guaranteed by the Federal Housing Administration, Farmers Home Loan Administration, Export-Import Bank of the United States, Small Business Administration, Government National Mortgage Association, General Services Administration, Central Bank for Cooperatives, Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Intermediate Credit Banks, Federal Land Banks, Federal National Mortgage Association, Maritime Administration, Tennessee Valley Authority, and District of Columbia Armory Board and Student Loan Marketing Association. The Fund may also invest in instruments that are supported by the right of the issuer to borrow from the U.S. Treasury and instruments that are supported by the credit of the instrumentality. No assurance can be given that the U.S. Government will provide financial support to foregoing U.S. Government agencies, authorities, instrumentalities or sponsored enterprises that are not supported by the full faith and credit of the United States, therefore, the Fund will invest in obligations issued by such an instrumentality only if the Adviser determines that the credit risk with respect to the instrumentality does not make its securities unsuitable for investment by the Fund.

### **LENDING OF PORTFOLIO SECURITIES**

The Fund may lend portfolio securities to brokers, dealers and other financial organizations that meet capital and other credit requirements or other criteria established by the Fund's Board of Directors (the "Board"). These loans, if and when made, may not exceed 33 1/3% of the Fund's total assets taken at current value. The Fund will not lend portfolio securities to affiliates of the Adviser unless it has applied for and received specific authority to do so from the Securities and Exchange Commission (the "SEC"). Loans of portfolio securities will be collateralized by cash, letters of credit or U.S. Government securities, which are maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. Any gain or loss in the market price of the securities loaned that might occur during the term of the loan would be for the account of the Fund. From time to time, the Fund may return a part of the interest earned from the investment of collateral received for securities loaned to the borrower and/or a third party that is unaffiliated with the Fund and that is acting as a "finder."

By lending its securities, the Fund can increase its income by continuing to receive interest and any dividends on the loaned securities as well as by either investing the collateral received for securities loaned in short-term instruments or obtaining yield in the form of interest paid by the borrower when U.S. Government securities are used as collateral. Although the generation of income is not an investment objective of the Fund, income received could be used to pay the Fund's expenses and would increase an investor's total return. The Fund will adhere to the following conditions whenever its portfolio securities are loaned: (i) the Fund must receive at least 100% cash collateral or equivalent securities of the type discussed in the preceding paragraph from the borrower; (ii) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (iii) the Fund must be able to terminate the loan at any time; (iv) the Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions on the loaned securities and any increase in market value; (v) the Fund may pay only reasonable custodian fees in connection with the loan; and (vi) voting rights on the loaned securities may pass to the borrower, provided, however, that if a material event adversely affecting the investment occurs, the Board must terminate the loan and regain the right to vote the securities. Loan agreements involve certain risks in the event of default or insolvency of the other party including possible delays or restrictions upon the Fund's ability to recover the loaned securities or dispose of the collateral for the loan. The Fund did not engage in securities lending activities in the most recently completed fiscal year ended December 31, 2017.

### **AMERICAN, EUROPEAN AND CONTINENTAL DEPOSITARY RECEIPTS**

The assets of the Fund may be invested in the securities of foreign issuers in the form of American Depositary Receipts ("ADRs") and European Depositary Receipts ("EDRs"). These securities may not necessarily be denominated in the same currency as the securities into which they may be converted. ADRs are receipts typically issued by a U.S. bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. EDRs, which are sometimes referred to as Continental Depositary Receipts ("CDRs"), are receipts issued in Europe typically by non-U.S. banks and trust companies that evidence ownership of either foreign or domestic securities. Generally, ADRs in registered form are designed for use in U.S. securities markets and EDRs and CDRs in bearer form are designed for use in European securities markets.

In a "sponsored" ADR, the foreign issuer typically bears certain expenses of maintaining the ADR facility. While "unsponsored" ADRs may be created without the participation of the foreign issuer. Holders of unsponsored ADRs generally bear all costs of the ADR facility. The bank or trust company depository of an unsponsored ADR may be under no obligation to distribute shareholder communications received from the foreign issuer or to pass through voting rights.

## **CONVERTIBLE SECURITIES**

Convertible securities are fixed income securities that may be converted at either a stated price or stated rate into underlying shares of common stock. As a result of this conversion feature, convertible securities enable an investor to benefit from increases in the market price of the underlying common stock while permitting the investor to obtain a yield that is generally greater than that obtainable from the underlying common stock. In addition, convertible securities generally offer greater stability of price than the underlying common stock during declining market periods. The value of convertible securities fluctuates in relation to changes in interest rates and, in addition, also fluctuates in relation to the underlying common stock. The Adviser may make modifications of its investment strategy for the Fund as it deems advisable in light of its experience in managing the Fund or in response to changing market or economic conditions.

## **WARRANTS**

The Fund may purchase warrants issued by domestic and foreign companies to purchase newly created equity securities consisting of common and preferred stock. The equity security underlying a warrant is outstanding at the time the warrant is issued or is issued together with the warrant.

Investing in warrants can provide a greater potential for profit or loss than an equivalent investment in the underlying security, and, thus, can be a speculative investment. The value of a warrant may decline because of a decline in the value of the underlying security, the passage of time, changes in interest rates or in the dividend or other policies of the company whose equity underlies the warrant or a change in the perception as to the future price of the underlying security, or any combination thereof. Warrants generally pay no dividends and confer no voting or other rights other than to purchase the underlying security.

## **COMMERCIAL PAPER**

Commercial paper consists of short-term (usually from one to two hundred seventy days) unsecured promissory notes issued by corporations in order to finance their current operations. The Fund will only invest in commercial paper rated at least A-2 by Standard & Poor's Ratings Group ("Standard & Poor's") or Prime-2 by Moody's Investors Service, Inc. ("Moody's") or unrated paper of issuers who have outstanding unsecured debt rated AA or better by Standard & Poor's or Aa or better by Moody's. Certain notes may have floating or variable rates. Variable and floating rate notes with a demand notice period exceeding seven days will be subject to the Fund's policy with respect to illiquid investments (see "Investment Limitations") unless, in the judgment of the Adviser, such note is liquid.

The rating of Prime-1 is the highest commercial paper rating assigned by Moody's. Among the factors considered by Moody's in assigning ratings are the following: valuation of the management of the issuer; economic evaluation of the issuer's industry or industries and an appraisal of speculative-type risks which may be inherent in certain areas; evaluation of the issuer's products in relation to competition and customer acceptance; liquidity; amount and quality of long-term debt; trend of earnings over a period of 10 years; financial strength of the parent company and the relationships which exist with the issuer; and recognition by the management of obligations which may be present or may arise as a result of public interest questions and preparations to meet such obligations. These factors are all considered in determining whether the commercial paper is rated Prime-1 or Prime-2. Commercial paper rated A-1 (highest quality) by Standard & Poor's has the following characteristics:

- liquidity ratios are adequate to meet cash requirements;
- long-term senior debt is rated "A" or better, although in some cases "BBB" credits may be allowed; the issuer has access to at least two additional channels of borrowing; basic earnings and cash flow have an upward trend with allowance made for unusual circumstances; typically, the issuer's industry is well established and the issuer has a strong position within the industry; and the reliability and quality of management are unquestioned.

The relative strength or weakness of the above factors determines whether the issuer's commercial paper is rated A-1 or A-2.

## **BANK DEBT INSTRUMENTS**

Bank debt instruments in which the Fund may invest consist of certificates of deposit, bankers' acceptances and time deposits issued by national banks and state banks, trust companies and mutual savings banks, or by banks or institutions the accounts of which are insured by the Federal Deposit Insurance Corporation (the "FDIC") or the Federal Savings and Loan Insurance Corporation. These instruments are insured by the FDIC only to the extent of \$250,000 per depositor per bank (on January 1, 2010, the standard coverage limit will return, unless extended by the FDIC, to \$100,000 for all deposit categories except IRAs and Certain Retirement Accounts, which will continue to be insured up to \$250,000 per owner). Certificates of deposit are negotiable certificates evidencing the indebtedness of a commercial bank to repay funds deposited with it for a definite period of time (usually from fourteen days to one year) at a stated or variable interest rate.

Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft which has been drawn on it by a customer, which instruments reflect the obligation both of the bank and of the drawer to pay the face amount of the instrument upon maturity. Time deposits are non-negotiable deposits maintained in a banking institution for a specified period of time at a stated interest rate. The Fund will not invest in time deposits maturing in more than seven days if, as a result thereof, more than 15% of the value of its net assets would be invested in such securities and other illiquid securities.

#### **OTHER INVESTMENT COMPANIES**

The Fund from time to time invests in securities issued by other investment companies. In particular, the Fund from time to time invests in cash pending investment in accordance with the Fund's investment program in money market mutual funds. When the Fund invests in another investment company, the Fund will indirectly bear its proportionate share of any fees and expenses payable directly by the investment company. These fees and expenses are in addition to, and may be duplicative of, the Fund's direct fees and expenses. The Fund has no control over the investment decisions made by other investment companies. If the investment company is buying (or selling) a security of the same issuer whose securities are being sold (or bought) by the Fund, the result of this would be an indirect expense to the Fund without accomplishing any investment purpose. Certain of the investment companies in which the Fund may invest may follow "passive strategies" by holding securities included in, or representative of, an underlying index. Although the Fund may invest in such funds to gain exposure to the index, the performance of a passively-managed fund may not track its index because the fund charges additional fees and expenses and may hold additional or different securities from the index. The Fund may invest in "non-diversified" funds, which invest most of their assets in a small number of companies, or in funds that concentrate their investments in an industry or group of industries. Such funds may be more susceptible to the economic, political or other risks associated with investing in those particular companies or industries, respectively. The Fund's investments in other investment companies are subject to limitations prescribed by the Investment Company Act of 1940, as amended (the "1940 Act"), unless an exemption is applicable or as may be permitted by rules under the 1940 Act or interpretations thereof by the staff of the SEC.

#### **REPURCHASE AGREEMENTS**

Repurchase agreements are transactions by which the Fund purchases a security and simultaneously commits to resell that security to the seller at an agreed upon time and price, thereby determining the yield during the term of the agreement. In the event of a bankruptcy or other default by the seller of a repurchase agreement, the Fund could experience both delays in liquidating the underlying security and losses. To minimize these possibilities, the Fund intends to enter into repurchase agreements only with its Custodian, with banks having assets in excess of \$10 billion and with broker-dealers who are recognized as primary dealers in U.S. Government obligations by the Federal Reserve Bank of New York. At the time the Fund enters into a repurchase agreement, the value of the collateral, including accrued interest, will equal at least 102% of the value of the repurchase agreement and, in the case of a repurchase agreement exceeding one day, the seller agrees to maintain sufficient collateral so that the value of the collateral, including accrued interest, will at all times equal at least 102% of the value of the repurchase agreement. Collateral for repurchase agreements is held in safekeeping in the customer-only account of the Fund's Custodian at the Federal Reserve Bank. The Fund will not enter into a repurchase agreement not terminable within seven days if, as a result thereof, more than 15% of the value of its net assets would be invested in such securities and other illiquid securities.

Although the securities subject to a repurchase agreement might bear maturities exceeding one year, settlement for the repurchase would never be more than one year after the Fund's acquisition of the securities and normally would be within a shorter period of time. The resale price will be in excess of the purchase price, reflecting an agreed upon market rate effective for the period of time the Fund's money will be invested in the securities, and will not be related to the coupon rate of the purchased security. At the time the Fund enters into a repurchase agreement, the value of the underlying security, including accrued interest, will equal or exceed the value of the repurchase agreement, and, in the case of a repurchase agreement exceeding one day, the seller will agree that the value of the underlying security, including accrued interest, will at all times equal or exceed the value of the repurchase agreement. The collateral securing the seller's obligation must be of a credit quality at least equal to the Fund's investment criteria for portfolio securities and will be held by the Custodian or in the Federal Reserve Book Entry System.

For purposes of the 1940 Act, a repurchase agreement is deemed to be a loan from the Fund to the seller subject to the repurchase agreement and is therefore subject to the Fund's investment restriction applicable to loans. It is not clear whether a court would consider the securities purchased by the Fund subject to a repurchase agreement as being owned by the Fund or as being collateral for a loan by the Fund to the seller. In the event of the commencement of bankruptcy or insolvency proceedings with respect to the seller of the securities before repurchase of the security under a repurchase agreement, the Fund may encounter delay and incur costs before being able to sell the security. Delays may involve loss of interest or decline in price of the security. If a court characterized the transaction as a loan and the Fund has not perfected a security interest in the security, the Fund may be required to return the security to the seller's estate and be treated as an unsecured creditor of the seller. As an unsecured creditor, the Fund would be at the risk of losing some or all of the principal and income involved in the transaction. As with any unsecured debt obligation purchased for the Fund, the Adviser seeks to minimize the risk of loss through repurchase agreements by analyzing the creditworthiness of the obligor, in this case, the seller. Apart from the risk of bankruptcy or insolvency proceedings, there is also the risk that the seller may fail to repurchase the security, in which case the Fund may incur a loss if the proceeds to the Fund of the sale of the security to a third party are less than the repurchase price.

However, if the market value of the securities subject to the repurchase agreement becomes less than the repurchase price (including interest), the Fund will direct the seller of the security to deliver additional securities so that the market value of all securities subject to the repurchase agreement will equal or exceed the repurchase price. It is possible that the Fund will be unsuccessful in seeking to enforce the seller's contractual obligation to deliver additional securities.

## **ILLIQUID SECURITIES**

The Fund may not invest more than 15% of its net assets in illiquid securities, including securities that are illiquid by virtue of the absence of a readily available market, time deposits maturing in more than seven days and repurchase agreements that have a maturity of longer than seven days. Securities that have legal or contractual restrictions on resale but have a readily available market are not considered illiquid for purposes of this limitation. Repurchase agreements subject to demand are deemed to have a maturity equal to the notice period.

Historically, illiquid securities have included securities subject to contractual or legal restrictions on resale because they have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), securities which are otherwise not readily marketable and repurchase agreements having a maturity of longer than seven days. Securities which have not been registered under the Securities Act are referred to as private placements or restricted securities and are purchased directly from the issuer or in the secondary market. Mutual funds do not typically hold a significant amount of these restricted or other illiquid securities because of the potential for delays on resale and uncertainty in valuation. The Fund's investment in illiquid securities is subject to the risk that, should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the value of the Fund's net assets could be adversely affected.

## **BORROWING**

The Fund may borrow, temporarily, up to 33 1/3% of its total assets for extraordinary purposes or to meet redemption requests that might otherwise require untimely disposition of portfolio holdings. To the extent the Fund borrows for these purposes, the effects of market price fluctuations on portfolio net asset value ("NAV") will be exaggerated. If, while such borrowing is in effect, the value of the Fund's assets declines, the Fund could be forced to liquidate portfolio securities when it is disadvantageous to do so. The Fund would incur interest and other transaction costs in connection with borrowing. The Fund will borrow only from a bank.

## **QUALITY RATINGS OF OBLIGATIONS**

The ratings of Moody's Investors Service, Inc. and Standard & Poor's Ratings Group for obligations in which the Fund may invest are as follows:

### **MOODY'S INVESTORS SERVICE, INC.**

Aaa - Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa - Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A - Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa - Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present, but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and have speculative characteristics as well.

### **STANDARD & POOR'S RATINGS SERVICES**

AAA - Bonds rated AAA have the highest rating assigned by Standard & Poor's to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA - Bonds rated AA have a very strong capacity to pay interest and repay principal and differ from the highest rated issues only in small degree.

A - Bonds rated A have a strong capacity to pay interest and repay principal although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories.

BBB - Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than for bonds in higher rated categories.

## INVESTMENT LIMITATIONS

The investment limitations numbered 1 through 10 may not be changed without the affirmative vote of the holders of a majority of the Fund's outstanding Shares. Such majority is defined as the lesser of (i) 67% or more of the Shares present at the meeting, if the holders of more than 50% of the outstanding Shares of the Fund are present or represented by proxy, or (ii) more than 50% of the outstanding Shares. Investment limitations 11 through 14 may be changed by a vote of the Board at any time. The Fund may not:

1. Issue senior securities, except to the extent permitted by applicable law, as amended, interpreted or modified from time to time by any regulatory authority having jurisdiction.
2. Borrow money except that the Fund may borrow from banks for temporary or emergency purposes in an amount that may not exceed 33 1/3% of the value of the Fund's total assets at the time of such borrowing. For purposes of this restriction, short sales, the entry into currency transactions, options, and forward commitment transactions that are not accounted for as financings (and the segregation of assets in connection with any of the foregoing) shall not constitute borrowing.
3. Make loans, except that the Fund may purchase or hold fixed-income securities, lend portfolio securities up to 33 1/3% of the Fund's total assets and enter into repurchase agreements in accordance with its investment objective, policies and limitations.
4. Purchase any securities that would cause 25% or more of the value of the Fund's total assets at the time of purchase to be invested in the securities of issuers conducting their principal business activities in the same industry; provided that there shall be no limit on the purchase of U.S. Government Securities.
5. Purchase the securities of any issuer if as a result (a) more than 5% of the value of the Fund's total assets would be invested in the securities of such issuer or (b) the Fund would acquire 10% or more of the voting securities of such issuer, except that these limitations do not apply to U.S. Government Securities and repurchase agreements collateralized by U.S. Government Securities and except that up to 25% of the value of the Fund's total assets may be invested without regard to these limitations.
6. Underwrite any securities issued by others except to the extent that the investment in restricted securities and the sale of securities or the purchase of securities directly from the issuer in accordance with the Fund's investment objective, policies and limitations may be deemed to be underwriting.
7. Purchase or sell real estate, except that the Fund may invest in securities (a) secured by real estate, mortgages or interests therein, (b) issued by companies which invest in real estate or interests therein or (c) hold and sell real estate acquired by the Fund as the result of the ownership of securities
8. Make short sales of securities or maintain a short position, except that the Fund may maintain short positions in currencies, securities and stock indexes, futures contracts and options on futures contracts and enter into short sales or short sales "against the box" in accordance with the Fund's investment objective, policies and limitations.
9. Purchase securities on margin, except that the Fund may obtain any short-term credits necessary for the clearance of purchases and sales of securities. For purposes of this restriction, the deposit or payment of initial or variation margin in connection with transactions in currencies, options, futures contracts or related options will not be deemed to be a purchase of securities on margin.
10. Invest in commodities, except that the Fund may (a) purchase and sell futures contracts, including those relating to securities, currencies and indexes, and options on futures contracts, securities, currencies or indexes, (b) purchase and sell currencies on a forward commitment or delayed-delivery basis and (c) enter into stand-by commitments.
11. Pledge, mortgage or hypothecate its assets, or otherwise issue senior securities, except (a) to the extent necessary to secure permitted borrowings and (b) to the extent related to the deposit of assets in escrow in connection with the purchase of securities on a forward commitment or delayed-delivery basis and collateral and initial or variation margin arrangements with respect to currency transactions, options, futures contracts, and options on futures contracts.
12. Invest more than 15% of the Fund's net assets in securities that may be illiquid because of legal or contractual restrictions on resale or securities for which there are no readily available market quotations. For purposes of this limitation, repurchase agreements with maturities greater than seven days shall be considered illiquid securities.
13. Make additional investments if the Fund's borrowings exceed 5% of its total assets.
14. Purchase securities of other investment companies except in connection with a merger, consolidation, acquisition, reorganization or offer of exchange, or as otherwise permitted under the 1940 Act.

Notwithstanding paragraphs numbered 1, 2, 8, 9, 10 and 11, the Fund has no present intention of engaging in transactions involving futures contracts and options on futures contracts or of entering into short sales and short sales "against the box," and will not do so until approved by the Fund's Board.

If a percentage restriction (other than the percentage limitation set forth in No. 2 above) is adhered to at the time of an investment, a later increase or decrease in the percentage of assets resulting from a change in the values of portfolio securities or in the amount of the Fund's assets will not constitute a violation of such restriction.

## **PORTFOLIO HOLDINGS DISCLOSURE POLICY**

The Board of Directors of the Fund has adopted policies and procedures that prohibit the disclosure of non-public portfolio holdings information to third parties except in certain limited circumstances where the Fund or a service provider has a legitimate business purpose for disclosing that information and the recipients are obligated to maintain the confidentiality of that information and prohibit trading based on that non-public information. Only an officer of the Fund may authorize such disclosure in those limited circumstances, and that authorization must be approved by the Chief Compliance Officer of the Fund. The policies and procedures adopted by the Fund also prohibit the Fund and any service provider from entering into any arrangement to receive any compensation or consideration, directly or indirectly, in return for the disclosure of non-public information about the Fund's portfolio holdings.

Subject to the foregoing, non-public portfolio holdings information is disclosed only to the following persons for the sole purpose of assisting the service provider in carrying out its designated responsibilities for the Fund:

- Officers and Directors of the Fund;
- The Adviser;
- The Manager;
- The Fund's custodian and accounting agent;
- Counsel to the Fund;
- The Independent Registered Public Accounting Firm to the Fund;
- Certain broker-dealers with respect to securities the Fund wants to sell through those broker-dealers; and
- Certain service providers with respect to compliance testing services.

The Fund seeks to avoid potential conflicts between the interests of the Fund's shareholders and those of the Fund's service providers and to ensure that non-public portfolio holdings information is disclosed only when such disclosure is in the best interests of the Fund. The Fund seeks to accomplish this by permitting such disclosure solely for the purpose of assisting the service provider in carrying out its designated responsibilities for the Fund and by requiring any such disclosure to be authorized in the manner described above. In order to carry out various functions on behalf of the Fund, it may be necessary or desirable to disclose portfolio holdings information of the Fund to certain third parties prior to the public dissemination of such information. As of the date of this Statement of Additional Information, no entity receives portfolio holdings information prior to public dissemination, other than service providers as described above and certain rating agencies. Potential recipients of such information in the future may include additional rating agencies, lenders or providers of a borrowing facility. The Fund, or its duly authorized service providers, may distribute nonpublic portfolio holdings information to third parties before its public disclosure, provided that:

1. A good faith determination is made that the Fund has a legitimate business purpose to provide the information and the disclosure is in the Fund's best interests;
2. The recipient does not trade on such information or distribute the portfolio holdings or results of the analysis to third parties, other departments, or persons who are likely to use the information for purposes of purchasing or selling shares of the Fund prior to the portfolio holdings or results of the analysis becoming public information as discussed above; and
3. The recipient signs a written agreement (as provided below) (an "Agreement"). Persons unwilling to execute an acceptable Agreement may only receive portfolio holdings information that has otherwise been publicly disclosed in accordance with the Fund's policies.

The above determinations shall be documented in writing and approved by the Chief Compliance Officer of the Fund or his designee. The Chief Compliance Officer of the Fund or his designee shall maintain a list of third party recipients and shall distribute such list to appropriate business units and service providers.

The Fund's portfolio holdings are made available to the Fund's service providers on an "as-needed" basis, depending on the nature of the service provided and the duties with respect to the Fund. Therefore, the frequency with which this information is provided to service providers varies, based on the circumstances, and may be provided on a real time or other basis. At least annually, the Board of Directors receives a report prepared by the Chief Compliance Officer concerning the effectiveness and operation of the Fund's policies and procedures, including those governing the disclosure of portfolio information. On a periodic basis, the Chief Compliance Officer of the Fund or his designee shall monitor marketing and sales practices and other communications with respect to the Fund to determine compliance with the Fund's portfolio holdings disclosure policies and procedures. The Chief Compliance Officer requests such information from service providers, as he deems necessary, to determine compliance with these policies and procedures.

### **DIRECTORS AND OFFICERS**

The names, ages, addresses, present position(s) with the Fund, term of office and length of time served, principal occupation(s) during the past five years and other directorships held outside the Fund complex of the Fund's Directors and officers are set forth in the table below.

<b>Name, Contact Address and Age</b>	<b>Position Held with the Fund</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupations During the Last 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>	<b>Other Directorships Held Outside the Fund Complex</b>
<b>INTERESTED DIRECTOR</b>					
Mark A. Boyar <sup>(2)</sup> 32 West 39 <sup>th</sup> Street, 9 <sup>th</sup> Floor New York, NY 10018 Age: 75	Chairman	Since Inception	President, Boyar Asset Management, Inc., June 1983 - present; President, Mark Boyar & Co., Inc., January 1979 –present; Partner, Boyar G.P. Holdings Ltd., May 1990 – present; Manager Ebbets Field Association LLC, April 1998 – present;	1	Chairman, Boyar G.P. Holdings Ltd., May 1990 - present; Chairman, N.R.M.B. Management, Inc., February 1988 - present
<b>DISINTERESTED DIRECTORS</b>					
Jay R. Petschek c/o Corsair Capital Management, LLC 366 Madison Avenue, 12 <sup>th</sup> Floor New York, NY 10017 Age: 59	Director	Since Inception	Managing Member, Corsair Capital Management, LLC, June 2002 – present.	1	Chairman, Recognition Media, LLC, December 2003 – present; Director, Dab- O -Matic Corp, April 2000 – present.
Henry A. Alpert 3333 New Hyde Park Road, Suite 201 New Hyde Park, NY 11042 Age: 70	Director	Since Inception	President, Spartan Petroleum Corp., 1974 – present.	1	Director, Griffon Corp., February 1995 – present;
Richard Finkelstein 500 NE Spanish River Blvd., Suite 108 Boca Raton, FL 33431 Age: 69	Director	Since Inception	Principal, Merit Builders, Inc. 2012-Present.	1	Trustee, The University of Maryland, July 2006 – present.
<b>OFFICERS</b>					
Sam Singh 80 Arkay Drive Suite 110, Hauppauge, NY 11788 Age: 42	President	February 2016 – present	Vice President, Gemini Fund Services, LLC (since January 2015); Assistant Vice President, Gemini Fund Services, LLC (2011-2014).	N/A	N/A
Dawn Borelli 80 Arkay Drive, Suite 110, Hauppauge, NY 11788 Age: 45	Treasurer	February 2011 – present	Assistant Vice President, Fund Administration, Gemini Fund Services, LLC (since 2010).	N/A	N/A
Stephanie Shearer 80 Arkay Drive, Suite 110, Hauppauge, NY 11788 Age: 39	Secretary	2012-present	Senior Paralegal, Gemini Fund Services, LLC (since 2013); Paralegal, Gemini Fund Services, LLC (2010 - 2013).	N/A	N/A
Michael J. Wagner 80 Arkay Drive, Suite 110, Hauppauge, NY 11788 Age: 67	Chief Compliance Officer	August 2014 - Present	President (2006 – Present) Northern Lights Compliance Services, LLC.	N/A	N/A

(1) Each Director is elected to serve in accordance with the Articles of Incorporation and By-Laws of the Fund until his or her successor is duly elected and qualified.

(2) Mr. Boyar is an "interested person" of the Fund as defined in the 1940 Act, because of his relationship with Boyar Asset Management, Inc.

**Board Structure.** The Board is comprised of four Directors, three of whom (75%) are not “interested persons” (as that term is defined in the 1940 Act) of the Fund (the “Independent Directors”). The Board appointed Mr. Boyar (an interested Director) as its Chairman. The Board has established two standing committees: the Audit Committee and the Nominating Committee. Each such committee is chaired by, and composed entirely of, Independent Directors. See the discussion above for a further description of the composition, duties and responsibilities of these committees. The Board has not established the position of “Lead Independent Director.”

The Directors and the members of the Board’s committees annually evaluate the performance of the Board and the committees, which evaluation includes considering the effectiveness of the Board’s committee structure. The Board believes that their leadership structure, including an interested Director as the Chairman, is appropriate in light of the asset size of the Fund and the nature of the Fund’s business, and is consistent with industry practices for similar funds. In particular, the Board believes that having a super-majority of Independent Directors is appropriate and in the best interests of Fund shareholders. The Board, including the Independent Directors, believe the existing structure enables them to exercise effective oversight over the Fund and its operations and to access the expertise and views of the Adviser, the Manager and the Distributor.

**Risk Oversight.** As part of their responsibilities for oversight of the Fund, the Board oversees risk management of the Fund’s investment program and business affairs. Day-to-day risk management functions are subsumed within the responsibilities of the Adviser, the Manager, the Fund’s administrator, and other service providers (depending on the nature of the risk). The Fund is subject to a number of risks, including investment, compliance, valuation and operational risks. The Board interacts with and reviews reports from the Adviser, the Manager, the independent registered public accounting firm for the Fund and the Fund’s administrator regarding risks faced by the Fund and the service providers’ risk functions.

The Board performs its oversight responsibilities as part of its Board and committee activities. The Board has delegated to the Audit Committee oversight responsibility of the integrity of the Fund’s financial statements, the Fund’s compliance with legal and regulatory requirements as they relate to the financial statements, the independent registered public accounting firm’s qualifications and independence, the Fund’s internal controls over financial reporting, the Fund’s disclosure controls and procedures and the Fund’s code of business conduct and ethics pursuant to the Sarbanes-Oxley Act of 2002. The Audit Committee reports areas of concern, if any, to the Board for discussion and action.

The Board, including the Independent Directors, has approved the Fund’s compliance program and appointed the Fund’s Chief Compliance Officer, who is responsible for testing the compliance procedures of the Fund and certain of its service providers. Senior management and the Chief Compliance Officer report at least quarterly to the Board regarding compliance matters relating to the Fund, and the Chief Compliance Officer annually assesses (and reports to the Board regarding) the operation of the Fund’s compliance program. The Independent Directors meet at least quarterly with the Chief Compliance Officer, which meeting is generally outside the presence of management. The Independent Directors have not engaged independent legal counsel in light of their current needs and the asset size of the Fund. In developing the Board’s leadership structure, the Board considered their role in overseeing risk management.

**Qualifications of Directors and Nominees.** The Board believes that each Director’s experience, qualifications, attributes or skills on an individual basis and in combination with those of the other Directors lead to the conclusion that each Director should serve in such capacity. Among other attributes common to all Directors are their ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with the Adviser, the Manager, the Distributor, other service providers, counsel and the independent registered public accounting firm, and to exercise effective business judgment in the performance of their duties. A Director’s ability to perform his or her duties effectively may have been attained through his or her educational background or professional training; business or consulting positions; experience from service as a Director of the Fund, or in various roles at public companies, private entities or other organizations; and/or other life experiences. In addition to these shared characteristics, set forth below is a brief discussion of the specific experience, qualifications, attributes or skills of each Director that further support the conclusion that each person is qualified to serve as a Director.

Mr. Boyar has served as Director on the Board since inception. His relevant experience includes being the Fund’s portfolio manager since inception and President of the Adviser and Mark Boyar & Company, Inc.

Mr. Petschek has served as Director on the Board since inception. His relevant experience includes serving as the managing member of an investment adviser, as a Vice President of two investment management firms and as a member of boards of private companies.

Mr. Alpert has served as Director on the Board since inception. His relevant experience includes serving as the president of an oil company and serving on the board of a public diversified manufacturing company.

Mr. Finkelstein has served as Director on the Board since inception. His relevant experience includes serving as president of a real estate development firm.

Messrs. Alpert, Finkelstein, and Petschek are members of the Audit Committee. The Audit Committee is responsible for overseeing the Fund’s accounting and financial reporting policies, practices and internal controls and the Fund’s independent registered public accounting firm. The Committee held three regularly scheduled meetings during the fiscal year ended December 31, 2017.

Messrs. Alpert, Finkelstein, and Petschek are members of the Nominating Committee. The Nominating Committee is responsible for making recommendations to the Board as to the selection of appropriate persons to serve as Director in the event of a vacancy or an increase in the size of the Board. The Nominating Committee shall consider a number of criteria in evaluating candidates for Independent Director and in evaluating the re-nomination of current Independent Directors, including: (i) the candidate must be an Independent Director, (ii) the candidate should have a reputation for integrity, honesty and adherence to high ethical standards, (iii) the candidate should have a commitment to understand the Fund and the responsibilities of an Independent Director of an investment company and the candidate should have a commitment to regularly attend and participate in meetings of the Board and the committees of which the candidate would be a member, and (iv) the candidate should not have a conflict of interest that would impair the candidate's ability to represent the interests of all the shareholders and to fulfill the responsibilities of an Independent Director. For each candidate, the Nominating Committee evaluates specific experience in light of the makeup of the then current Board. The Nominating Committee does not necessarily place the same emphasis on each criteria and each nominee may not have each of these qualities. The Nominating Committee does not discriminate on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law.

As long as an existing Independent Director continues, in the opinion of the Nominating Committee, to satisfy these criteria, the Fund anticipates that the Committee would favor the re-nomination of an existing Director rather than a new candidate. Consequently, while the Nominating Committee will consider candidates recommended by shareholders to serve as Director, the Nominating Committee may only act upon such recommendations if there is a vacancy on the Board or the Nominating Committee determines that the selection of a new or additional Independent Director is in the best interests of the Fund. In the event that a vacancy arises or a change in Board membership is determined to be advisable, the Nominating Committee will, in addition to any shareholder recommendations, consider candidates identified by other means, including candidates proposed by members of the Nominating Committee or other Independent Director. While it has not done so in the past, the Nominating Committee may retain a consultant to assist the Committee in a search for a qualified candidate.

Any shareholder recommendation must be submitted in compliance with all of the pertinent provisions of Rule 14a-8 under the Securities Exchange Act of 1934 (the "1934 Act") to be considered by the Nominating Committee. In evaluating a nominee recommended by a shareholder, the Nominating Committee, in addition to the criteria discussed above, may consider the objectives of the shareholder in submitting that nomination and whether such objectives are consistent with the interests of all shareholders.

Shareholders may communicate with the members of the Board as a group or individually. Any such communication should be sent to the Board or an individual Director via the secretary of the Fund, c/o the Administrator. The secretary may determine not to forward any letter to the members of the Board that does not relate to the business of the Fund. The Nominating Committee did not meet during the fiscal year ended December 31, 2017.

#### **DIRECTORS' COMPENSATION**

<b>Name of Director</b>	<b>Total Compensation From Fund+</b>
Mark A. Boyar	None
Henry A. Alpert	\$5,000
Richard Finkelstein	\$5,000
Jay R. Petschek	\$5,000

+ Amounts shown include all payments made to the Directors in the fiscal year ended December 31, 2017.

All of the Directors elected to receive their payment in Shares of the Fund. The Fund does not pay any retirement benefits to the Directors for their service. No employee of the Manager, the Adviser or any of their respective affiliates will receive any compensation from the Fund for acting as an officer or director of the Fund. Each Director will receive an annual fee of \$3,000, and \$500 for each meeting of the Board attended by him for his services as Director and will be reimbursed for expenses incurred in connection with his attendance at Board meetings.

#### **DIRECTORS' OWNERSHIP IN BOYAR VALUE FUND, INC.**

The following table indicates the dollar range of equity securities that each director beneficially owned in the Fund as of December 31, 2017. The Share value of the Fund is based on the NAV of the Shares on December 31, 2017.

<b>Name of Director</b>	<b>Dollar Range of Equity Securities in the Fund</b>
Henry A. Alpert	Over \$100,000
Mark A. Boyar+	\$150,001-\$200,000
Richard Finkelstein	Over \$100,000
Jay R. Petschek	\$50,001-\$100,000

+ As of December 31, 2017, Mr. Boyar does not directly own any shares of the Fund. However, Mr. Boyar's wife beneficially owns between \$150,001-\$200,000 worth of shares in the Fund. In accordance with SEC rules, Mr. Boyar may be deemed to be the beneficial owner of a portion of such shares.

## **MATERIAL RELATIONSHIPS OF THE INDEPENDENT DIRECTORS**

For purposes of the statements below:

- the immediate family members of any person includes their spouse, children in the person's household (including step and adoptive children) and any dependent of the person.
- an entity in a control relationship means any person who controls, is controlled by or is under common control with the named person. For example, Ebbets Field Association LLC is an entity that is in a control relationship with Ladenburg Thalmann Fund Management LLC (the "Manager").
- a related fund is a registered investment company or an entity exempt from the definition of an investment company pursuant to Sections 3(c)(1) or 3(c)(7) of the 1940 Act, for which the Manager or Boyar Asset Management, Inc. (the "Adviser"), or any of their respective affiliates act as investment adviser or manager.

As of December 31, 2017, 2016, 2015, 2014 and 2013, none of the Independent Directors, nor any of their immediate family members, beneficially owned any securities issued by the Manager, the Adviser, or the Distributor or any other entity in a control relationship to those entities. During the calendar years 2017, 2016, 2015, 2014 and 2013, none of the Independent Directors, nor any of their immediate family members, had any direct or indirect interest (the value of which exceeded \$120,000), whether by contract, arrangement or otherwise, in the Adviser, the Manager, or the Distributor or any other entity in a control relationship to those entities. During the calendar years 2017, 2016, 2015, 2014 and 2013, none of the Independent Directors, nor any of their immediate family members, had an interest in a transaction or a series of transactions in which the aggregate amount involved exceeded \$120,000 and to which any of the following were a party (each a "fund related party"):

- the Fund - an officer of the Fund
- a related fund
- an officer of any related fund
- the Adviser
- the Manager
- the Distributor
- an officer of the Distributor
- any affiliate of the Manager, the Adviser, or the Distributor
- an officer of any such affiliate

During the calendar years 2017, 2016, 2015, 2014 and 2013, none of the Independent Directors, nor any of their immediate family members, had any relationship (the value of which exceeded \$120,000) with any fund related party, including, but not limited to, relationships arising out of (i) the payments for property and services, (ii) the provision of legal services, (iii) the provision of investment banking services (other than as a member of the underwriting syndicate) or (iv) the provision of consulting services.

During the calendar years 2017, 2016, 2015, 2014 and 2013, none of the Independent Directors, nor any of their immediate family members, served as a member of a board of directors on which an officer of any of the following entities also serves as a director:

- the Manager
- the Adviser
- the Distributor
- any other entity in a control relationship with the Manager, the Adviser, or the Distributor

None of the Fund's directors or officers has any arrangement with any other person pursuant to which that director or officer serves on the Board of Directors. During the calendar years 2017, 2016, 2015, 2014 and 2013, none of the Independent Directors, nor any of their immediate family members, had any position, including as an officer, employee, director or partner, with any of the following:

- the Fund
- any related fund
- the Manager
- the Adviser
- the Distributor
- any affiliated person of the Fund
- any other entity in a control relationship to the Fund

## **THE MANAGER**

Ladenburg Thalmann Fund Management LLC (the "Manager") serves as manager of the Fund pursuant to a Management Agreement. The services provided by, and the fees payable by the Fund to, the Manager under the Management Agreement are described in the Prospectus. The fees are calculated at an annual rate based on a percentage of the Fund's average daily net assets. See "Management of the Fund" in the Prospectus. For the fiscal years ended December 31, 2017, 2016 and 2015, the Manager waived management fees of \$60,020, \$52,424 and \$48,044, respectively, and retained management fees of \$68,037, \$65,630 and \$74,600, respectively. The Manager reimbursed expenses in the amount of \$0, \$0, and \$0 for the fiscal years ended December 31, 2017, 2016 and 2015.

The Fund is responsible for the payment of all expenses incurred in connection with the organization, registration of Shares and operations of the Fund, including fees and expenses in connection with membership in investment company organizations, brokerage fees and commissions, legal, auditing and accounting expenses, expenses of registering Shares under federal and state securities laws, insurance expenses, taxes or governmental fees, fees and expenses of the custodian, transfer agent and accounting and pricing agent of the Fund, fees and expenses of members of the Board of Directors who are not interested persons of the Fund, the cost of preparing and distributing prospectuses, statements, reports and other documents to shareholders, expenses of shareholders' meetings and proxy solicitations, and such extraordinary or non-recurring expenses as may arise, such as litigation to which the Fund may be a party. The Fund may have an obligation to indemnify the Fund's officers and Directors with respect to such litigation, except in instances of willful misfeasance, bad faith, gross negligence or reckless disregard by such officers and Directors in the performance of their duties. The Manager bears promotional expenses in connection with the distribution of the Fund's Shares to the extent that such expenses are not assumed by the Fund under its Distribution and Shareholder Servicing Plan (the "12b-1 Plan") (see below). The Manager pays the compensation and expenses of any officer, Director or employee of the Fund who also is an officer, director or employee of the Manager.

By its terms, the Fund's Management Agreement will remain in effect for an initial period of two years and thereafter will remain in effect from year to year, subject to annual approval by (a) the Board of Directors or (b) a vote of the majority of the Fund's outstanding voting securities; provided that in either event continuance is also approved by a majority of the Directors who are not interested persons of the Fund, by a vote cast in person at a meeting called for the purpose of voting on such approval. The Fund's Management Agreement may be terminated at any time, on sixty days' written notice, without the payment of any penalty, by the Board of Directors, by a vote of the majority of a Fund's outstanding voting securities, or by the Manager. The Management Agreement automatically terminates in the event of its assignment, as defined by the 1940 Act and the rules thereunder.

Ladenburg Thalmann Asset Management, Inc. ("LTAM") owns 50% of the outstanding voting securities of the Manager. LTAM and Ladenburg Thalmann & Co. Inc., the Distributor, are wholly owned subsidiaries of Ladenburg Thalmann Financial Services, Inc. An entity controlled by Mark A. Boyar, Ebbets Field Association LLC, owns the other 50% of the outstanding voting securities of the Manager.

The principal business address of the Manager is 277 Park Avenue, 26<sup>th</sup> Floor, New York, New York 10172.

#### **THE INVESTMENT ADVISER**

Boyar Asset Management, Inc. (the "Adviser") serves as investment adviser to the Fund pursuant to an Investment Advisory Agreement. The services provided by, and the fees payable by the Fund to, the Adviser under the Investment Advisory Agreement are described in the Prospectus. These fees are calculated at an annual rate based on a percentage of the Fund's average daily net assets. See "Management of the Fund" in the Prospectus. For the fiscal years ended December 31, 2017, 2016 and 2015, the Adviser waived investment advisory fees of \$60,020, \$52,424 and \$48,044, respectively, and retained advisory fees of \$68,037, \$65,630 and \$74,600, respectively.

By its terms, the Fund's Advisory Agreement will remain in force from year to year, subject to annual approval by (a) the Board of Directors or (b) a vote of the majority of the Fund's outstanding voting securities; provided that in either event continuance is also approved by a majority of the Directors who are not interested persons of the Fund, by a vote cast in person at a meeting called for the purpose of voting on such approval. The Fund's Advisory Agreement may be terminated at any time, on sixty days' written notice, without the payment of any penalty, by the Board of Directors, by a vote of the majority of a Fund's outstanding voting securities, or by the Adviser. The Advisory Agreement automatically terminates in the event of its assignment, as defined by the 1940 Act and the rules thereunder.

The name "Boyar" is a property right of the Adviser. The Adviser may use the name "Boyar" in other connections and for other purposes, including in the name of other investment companies. The Fund has agreed to discontinue any use of the name "Boyar" if the Adviser ceases to be employed as the Fund's investment adviser.

The Adviser is an affiliate of Mark Boyar & Co. The Adviser's principal business address is 32 West 39<sup>th</sup> Street, New York, New York 10018. Mark A. Boyar, Chairman and Chief Executive Officer of the Fund, is a controlling person of the Adviser and Mark Boyar & Co.

#### **ADDITIONAL INFORMATION ABOUT THE PORTFOLIO MANAGER**

**OTHER ACCOUNTS THE PORTFOLIO MANAGER IS MANAGING.** The table below indicates for the portfolio manager of the Fund information about the accounts over which the portfolio manager has day-to-day investment responsibility. All information on the number of accounts and total assets in the table is as of December 31, 2017. For purposes of the table, "Other Pooled Investment Vehicles" may include investment partnerships and group trusts, and "Other Accounts" may include separate accounts for institutions or individuals, insurance company general or separate accounts, pension funds and other similar institutional accounts.

Name	Other Accounts Managed by the Portfolio Manager
Mark A. Boyar	Other Registered Investment Companies: None  Other Pooled Investment Vehicles: 1 entity with total assets of approximately \$19.2 million  Other Accounts: approximately 216 accounts with total assets of approximately \$181,982,401 million

An affiliate of the Adviser receives a performance-based fee from the one pooled investment vehicle noted in the above table.

**CONFLICTS OF INTERESTS OF THE PORTFOLIO MANAGER.** When a portfolio manager is responsible for the management of more than one account, the potential arises for the portfolio manager to favor one account over another. The principal types of potential conflicts of interest that may arise are discussed below. Generally, the risks of such conflicts of interests are increased to the extent that the portfolio manager has a financial incentive to favor one account over another. For the reasons outlined below, the Fund does not believe that any material conflicts are likely to arise out of the portfolio manager's responsibility for the management of the Fund as well as one or more other accounts. The Fund and the Adviser have adopted procedures that are intended to monitor compliance with the policies referred to in the following paragraphs, including trade allocation policies that are intended to result in the equitable treatment of all clients of the Adviser over time.

- The portfolio manager could favor one account over another in allocating new investment opportunities that have limited supply, such as initial public offerings and private placements. If, for example, an initial public offering that was expected to appreciate in value significantly shortly after the offering was allocated to a single account, that account may be expected to have better investment performance than other accounts that did not receive an allocation on the initial public offering. The Adviser has policies that require a portfolio manager to allocate such investment opportunities in an equitable manner and generally to allocate such investments proportionately among all accounts with similar investment objectives. However, not all clients of the Adviser will at all times participate in all such investment opportunities due to a number of reasons, including, without limitation, available cash for investment, diversification, size limits, minimum size requirements and different investment guidelines.

- The portfolio manager could favor one account over another in the order in which trades for the accounts are placed. If the portfolio manager determines to purchase a security for more than one account in an aggregate amount that may influence the market price of the security, accounts that purchased or sold the security first may receive a more favorable price than accounts that made subsequent transactions. The less liquid the market for the security or the greater the percentage that the proposed aggregate purchases or sales represent of average daily trading volume, the greater the potential for accounts that make subsequent purchases or sales to receive a less favorable price. When the portfolio manager intends to trade the same security for more than one account, the policies of the Adviser generally requires that such trades be "bunched," which means that the trades for the individual accounts are aggregated and each account receives the same price. There are some types of accounts as to which bunching may not be possible for contractual reasons (such as directed brokerage arrangements). Circumstances may also arise where the trader believes that bunching the orders may not result in the best possible price. Where those accounts or circumstances are involved, the portfolio manager will place the order in a manner intended to result in as favorable a price as possible for such client. Trades for clients of the Adviser that direct brokerage are not bunched and may receive different execution prices than other clients of the Adviser.

- The portfolio manager may favor an account if the portfolio manager's compensation is tied to the performance of that account rather than all accounts managed by the portfolio manager. If, for example, the portfolio manager receives a bonus based upon the performance of certain accounts relative to a benchmark while other accounts are disregarded for this purpose, the portfolio manager will have a financial incentive to seek to have the accounts that determine the portfolio manager's bonus achieve the best possible performance to the possible detriment of other accounts. Similarly, if the Adviser receives a performance-based advisory fee, the portfolio manager may favor that account, whether or not the performance of that account directly determines the portfolio manager's compensation. The Adviser's trade allocation policies are intended to address this conflict of interest.

- The portfolio manager may favor an account if the portfolio manager has a beneficial interest in the account, in order to benefit a large client or to compensate a client that had poor returns. For example, if the portfolio manager held an interest in an investment partnership that was one of the accounts managed by the portfolio manager, the portfolio manager would have an economic incentive to favor the account in which the portfolio manager held an interest. The Adviser imposes certain trading restrictions and reporting requirements for accounts in which a portfolio manager or certain family members have a personal interest in order to confirm that such accounts are not favored over other accounts. If the different accounts have materially and potentially conflicting investment objectives or strategies, a conflict of interest may arise. For example, if a portfolio manager purchases a security for one account and sells the same security short for another account, such trading pattern may disadvantage either the account that is long or short. In making portfolio manager assignments, the Adviser seeks to avoid such potentially conflicting situations. However, where a portfolio manager is responsible for accounts with differing investment objectives and policies, it is possible that the portfolio manager will conclude that it is in the best interest of one account to sell a portfolio security while another account continues to hold or increase the holding in such security.

**COMPENSATION OF THE PORTFOLIO MANAGER.** As the president, chief executive officer and principal owner of the Adviser, Mr. Boyar, the Fund's portfolio manager, does not receive a salary or bonus from the Adviser. Rather, Mr. Boyar is entitled to the net profits of the Adviser after paying all the Adviser's expenses, including, without limitation, compensation to its employees. As such, Mr. Boyar's compensation from the Adviser is based upon the profitability of the Adviser. Mr. Boyar participates in the Adviser's benefit plans on terms that are generally offered to all the Adviser's employees. In addition, as an indirect owner of the Manager, Mr. Boyar receives a portion of the profits of the Manager. Mr. Boyar does not receive any other compensation from the Manager.

**SHARE OWNERSHIP BY PORTFOLIO MANAGER.** As of December 31, 2017, Mr. Boyar does not directly own any shares of the Fund. However, Mr. Boyar's wife beneficially owns shares of the Fund worth between \$150,001-\$200,000. In accordance with SEC rules, Mr. Boyar may be deemed to be the beneficial owner of a portion of such shares.

#### **EXPENSE LIMITATION AGREEMENT**

Pursuant to an Expense Limitation Agreement (the "Agreement"), the Manager, the Adviser and the Distributor have agreed, to waive all or a portion of their respective management fee, advisory fee and amounts, if any, payable to the Distributor pursuant to the Fund's 12b-1 Plan (see below), and the Manager has agreed to reimburse the Fund for other expenses to the extent necessary so that the total expenses incurred by the Fund (excluding interest, taxes, brokerage commissions, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other extraordinary expenses not incurred in the ordinary course of the Fund's business (i.e., litigation)) and underlying fund fees and expenses ("Operating Expenses") do not exceed 1.75% per annum of the Fund's average daily net assets. During the term of the Agreement, to the extent that Operating Expenses incurred by the Fund in any fiscal year after waiver of advisory fees of the Adviser, management fees of the Manager and fees payable to the Distributor ("Rule 12b-1 fees") exceed 1.75% per annum of the Fund's average daily net assets, such excess amount shall be the liability of the Manager. To the extent Operating Expenses in any fiscal year do not exceed 1.75% per annum of the Fund's average daily net assets, the management fee, advisory fee and Rule 12b-1 fees shall be payable by the Fund in the following order:

- first, the Distributor shall be entitled to receive the Rule 12b-1 fees up to the amount payable under the Fund's 12b-1 Plan; and
- thereafter, the Manager and the Adviser shall each be entitled to receive a proportionate amount of their respective management fee and advisory fee up to the amounts payable under the Management Agreement or the Advisory Agreement, as applicable.

If the Manager, the Adviser or the Distributor waives any fee or reimburses any expense pursuant to the Agreement, and the Fund's Operating Expenses are subsequently less than 1.75% of average daily net assets, the Manager, the Adviser and the Distributor shall be entitled to reimbursement by the Fund for such waived fees or reimbursed expenses provided that such reimbursement does not cause the Fund's expenses to exceed 1.75% of average daily net assets. If Fund Operating Expenses subsequently exceed 1.75% per annum of the Fund's average daily net assets, the reimbursements shall be suspended. The Adviser, the Manager and the Distributor may each seek reimbursement only for expenses waived or paid by it during the two fiscal years prior to such reimbursement; provided, however, that such expenses may only be reimbursed hereunder to the extent they were waived or paid after the date of the Agreement (or any similar agreement). This Agreement continues from year to year unless the Adviser, the Manager and the Distributor unanimously agree not to continue the term of the Agreement. In addition, the Fund can terminate the Agreement and the Agreement shall terminate automatically with respect to the Fund and to the Adviser, the Manager or the Distributor upon the termination of the Advisory Agreement, the Management Agreement or the 12b-1 Plan, respectively.

#### **THE DISTRIBUTOR**

Ladenburg Thalmann & Co. Inc. (the "Distributor") is the principal underwriter of the Fund, and as such, the exclusive agent for distribution of Shares of the Fund. The Distributor is obligated to sell the Shares on a best efforts basis only against purchase orders for the Shares. Shares of the Fund are offered to the public on a continuous basis.

The Distributor may compensate dealers based on the average balance of all accounts in the Fund for which the dealer is designated as the party responsible for the account. See "Distribution and Shareholder Servicing Plan" below.

#### **DISTRIBUTION AND SHAREHOLDER SERVICING PLAN**

The Fund has entered into a 12b-1 Plan, pursuant to Rule 12b-1 under the 1940 Act, pursuant to which the Fund will pay the Distributor a fee calculated at an annual rate of 0.25% of the average daily net assets of the Fund. Services performed by the Distributor include (i) ongoing servicing and/or maintenance of the accounts of shareholders of the Fund, as set forth in the 12b-1 Plan ("Shareholder Services"), and (ii) sub-transfer agency services, sub-accounting services or administrative services related to the sale of Shares, as set forth in the 12b-1 Plan ("Administrative Services" and collectively with Shareholder Services, "Services") including, without limitation, (a) payments reflecting an allocation of overhead and other office expenses of the Distributor related to providing Services; (b) payments made to, and reimbursement of expenses of, persons who provide support services in connection with the distribution of Shares including, but not limited to, office space and equipment, telephone facilities, answering routine inquiries regarding the Fund, and providing any other Shareholder Services; (c) payments made to compensate selected dealers or other authorized persons for providing any Services; (d) costs of printing and distributing prospectuses, statements of additional information and reports of the Fund to prospective shareholders of the Fund; and (e) costs involved in obtaining whatever information, analyses and reports with respect to service activities that the Fund may, from time to time, deem advisable.

Under the 12b-1 Plan, the Distributor is compensated regardless of whether it incurs any distribution expenses on behalf of the Fund. For the fiscal year ended December 31, 2017, the Distributor received fees of \$64,028 under the 12b-1 Plan and did not waive any fees. From the fees received during the fiscal year ended December 31, 2017, the Distributor spent \$0 for commissions to broker-dealers with the remaining amount being retained by the Distributor.

Pursuant to the 12b-1 Plan, the Distributor provides the Board, at least quarterly, with reports of amounts expended under the 12b-1 Plan and the purpose for which the expenditures were made. The 12b-1 Plan will continue in effect for so long as its continuance is specifically approved at least annually by the Board, including a majority of the Directors who are not interested persons of the Fund and who have no direct or indirect financial interest in the operation of the 12b-1 Plan ("Independent Directors"). Any material amendment of the 12b-1 Plan would require the approval of the Board in the manner described above. The 12b-1 Plan may not be amended to increase materially the amount to be spent thereunder without shareholder approval. The 12b-1 Plan may be terminated at any time, without penalty, by vote of a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund.

### **SECURITIES TRANSACTIONS**

The Adviser is responsible for establishing, reviewing and, where necessary, modifying the Fund's investment program to achieve its investment objective. Purchases and sales of newly issued portfolio securities are usually principal transactions without brokerage commissions effected directly with the issuer or with an underwriter acting as principal. Other purchases and sales may be effected on a securities exchange or over-the-counter, depending on where it appears that the best price or execution will be obtained. The purchase price paid by the Fund to underwriters of newly issued securities usually includes a concession paid by the issuer to the underwriter, and purchases of securities from dealers, acting as either principals or agents in the aftermarket, are normally executed at a price between the bid and asked price, which includes a dealer's mark-up or mark-down. Transactions on U.S. stock exchanges and some foreign stock exchanges involve the payment of negotiated brokerage commissions. On exchanges on which commissions are negotiated, the cost of transactions may vary among different brokers. On most foreign exchanges, commissions are generally fixed. There is generally no stated commission in the case of securities traded in domestic or foreign over-the-counter markets, but the price of securities traded in over-the-counter markets includes an undisclosed commission or mark-up. U.S. government securities are generally purchased from underwriters or dealers, although certain newly issued U.S. government securities may be purchased directly from the U.S. Treasury or from the issuing agency or instrumentality.

The Adviser will select specific portfolio investments and effect transactions for the Fund and in doing so seeks to obtain the overall best execution of portfolio transactions. In evaluating prices and executions, the Adviser will consider the factors it deems relevant, which may include the breadth of the market in the security, the price of the security, the financial condition and execution capability of a broker or dealer and the reasonableness of the commission, if any, for the specific transaction and on a continuing basis. All orders for transactions in securities and options on behalf of the Fund are placed with broker-dealers selected by the Adviser.

The Adviser may, in its discretion, effect transactions in portfolio securities with dealers (other than the Adviser, the Manager and their affiliates) who provide brokerage and research services (as those terms are defined in Section 28(e) of the 1934 Act) to the Fund and/or other accounts over which the Adviser exercises investment discretion. The Adviser may place portfolio transactions with a broker or dealer with whom it has negotiated a commission that is in excess of the commission another broker or dealer would have charged for effecting the transaction if the Adviser determines in good faith that such amount of commission was reasonable in relation to the value of such brokerage and research services provided by such broker or dealer viewed in terms of either that particular transaction or of the overall responsibilities of the Adviser. Research and other services received may be useful to the Adviser in serving both the Fund and its other clients and, conversely, research or other services obtained by the placement of business of other clients may be useful to the Adviser in carrying out its obligations to the Fund. Research may include furnishing advice, either directly or through publications or writings, as to the value of securities, the advisability of purchasing or selling specific securities and the availability of securities or purchasers or sellers of securities; furnishing seminars, information, analyses and reports concerning issuers, industries, securities, trading markets and methods, legislative developments, changes in accounting practices, economic factors and trends and portfolio strategy; access to research analysts, corporate management personnel, industry experts and economists; comparative performance evaluation and technical measurement services and quotation services; and products and other services (such as third party publications, reports and analyses, and computer and electronic access, equipment, software, information and accessories that deliver, process or otherwise utilize information, including the research described above) that assist the Adviser in carrying out its responsibilities. Research received from brokers or dealers is supplemental to the Adviser's own research program. The fees to the Adviser under its advisory agreement with the Fund are not reduced by reason of its receiving any brokerage and research services. Since the Adviser and the Manager are obligated to provide management, which includes elements of research and related skills, such research and related skills will not be used by the Adviser or the Manager (or their affiliates) for negotiating commissions at a rate higher than that determined in accordance with the above criteria.

Investment decisions for the Fund concerning specific portfolio securities are made independently from those for other clients advised by the Adviser. Such other investment clients may invest in the same securities as the Fund. When purchases or sales of the same security are made at substantially the same time on behalf of such other clients, transactions are averaged as to price and available investments allocated as to amount, in a manner which the Adviser believes to be equitable to each client, including the Fund. In some instances, this investment procedure may adversely affect the price paid or received by the Fund or the size of the position obtained or sold for the Fund. To the extent permitted by law, securities to be sold or purchased for the Fund may be aggregated with those to be sold or purchased for such other investment clients in order to obtain best execution.

During the fiscal periods ended December 31, 2017, 2016, and 2015, the Fund paid brokerage commissions of \$579, \$725, and \$1,122, respectively.

Any portfolio transaction for the Fund on a securities exchange may be executed through the Distributor and an affiliate of the Manager, or other affiliates of the Manager or the Distributor ("affiliated brokers") if, in the Adviser's judgment is likely to result in price and execution at least as favorable as those of other qualified brokers, and if, in the transaction, the affiliated broker charges the Fund a commission rate consistent with those charged by the affiliated broker to comparable unaffiliated customers in similar transactions. All transactions with affiliated brokers will comply with Rule 17e-1 under the 1940 Act.

During the year ended December 31, 2011, Mark Boyar & Co., Inc., previously a registered broker/dealer and an affiliate of the Fund, executed trades on behalf of the Fund. These trades were cleared through Fidelity Investments LLC and Pershing Investments LLC and Mark Boyar & Co., Inc. Mark Boyar & Co., Inc. received \$5,506 in trade commissions, which was 88% of all brokerage commissions paid by the Fund in 2011. Mark Boyar & Co., Inc. affected 62% of the total dollar amount of securities traded by the Fund in 2011.

In no instance will portfolio securities be purchased from or sold to the Manager, the Adviser or the Distributor or any affiliated person of such companies. In addition, the Fund will not give preference to any institutions with whom the Fund enters into distribution or shareholder servicing agreements concerning the provision of distribution services or support services. The Fund has adopted procedures that are designed to prevent the Fund from directing its portfolio securities transactions to a broker or dealer that promotes or sells shares issued by the Fund.

Transactions for the Fund may be effected on foreign securities exchanges. In transactions for securities not actively traded on a foreign securities exchange, the Fund will deal directly with the dealers who make a market in the securities involved, except in those circumstances where better prices and execution are available elsewhere. Such dealers usually are acting as principal for their own account. On occasion, securities may be purchased directly from the issuer. Such portfolio securities are generally traded on a net basis and do not normally involve brokerage commissions. Securities firms may receive brokerage commissions on certain portfolio transactions, including options, futures and options on futures transactions and the purchase and sale of underlying securities upon exercise of options.

The Fund may participate, if and when practicable, in bidding for the purchase of securities for the Fund's portfolio directly from an issuer in order to take advantage of the lower purchase price available to members of such a group. The Fund will engage in this practice, however, only when the Adviser, in its sole discretion, believes such practice to be otherwise in the Fund's interest.

#### **CODE OF ETHICS**

The Fund, the Adviser, the Manager and the Distributor have each adopted a Code of Ethics under Rule 17j-1 of the 1940 Act that permits Fund personnel to invest in securities for their own accounts.

#### **PROXY VOTING POLICY**

The Fund's proxy voting policy is attached as Appendix A to this SAI. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling (toll-free) 1-800-266-5566, and (2) on the SEC's website at <http://www.sec.gov>.

#### **PORTFOLIO TURNOVER**

The Fund's portfolio turnover rate is calculated by dividing the lesser of purchases or sales of portfolio securities for the fiscal year by the monthly average of the value of the portfolio securities owned by the Fund during the fiscal year. High portfolio turnover involves correspondingly greater brokerage commissions and other transaction costs, which will be borne directly by the Fund. The Adviser anticipates that the portfolio turnover rate for the Fund normally will not exceed 50%. A 100% turnover rate would occur if all of the Fund's portfolio securities were replaced once within a one-year period.

Generally, the Fund intends to invest for long-term purposes. However, the rate of portfolio turnover will depend upon market and other conditions, and it will not be a limiting factor when the Adviser believes that portfolio changes are appropriate. For the fiscal years ended December 31, 2017 and 2016 the Fund's portfolio turnover rate was 2% and 4%, respectively.

#### **CALCULATION OF SHARE PRICE**

The public offering price (NAV plus applicable sales load) of each class of Shares of the Fund is determined as of the close of the regular session of trading on the New York Stock Exchange ("NYSE") (generally 4:00 p.m., Eastern Time) on each business day, except on days when the NYSE is closed. Currently, there is only one class of Shares of the Fund, sometimes referred to as Class A shares. The NYSE is currently scheduled to be closed on New Year's Day, Dr. Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas, and on the preceding Friday or subsequent Monday when one of these holidays falls on a Saturday or Sunday, respectively.

The Fund's portfolio securities are valued as follows: (1) securities which are traded on stock exchanges or are quoted on the NASDAQ National Market are valued at the last reported sale price or in the case of securities listed on NASDAQ, at the NASDAQ Official Closing Price (NOCP) as of the close of the regular session of trading on the New York Stock Exchange on the day the securities are being valued, or, if the last sale price is not readily available, at the mean of the current bid and ask prices., (2) securities traded in the over-the-counter market, and which are not quoted by NASDAQ Global Market, are valued at the mean between the bid and asked quotes as of the close of the regular session of trading on the New York Stock Exchange on the day the securities are being valued, (3) securities which are traded both in the over-the-counter market and on a stock exchange are valued according to the broadest and most representative market, and (4) securities (and other assets) for which market quotations are not readily available are valued at their fair value as determined in good faith in accordance with consistently applied procedures established by and under the general supervision of the Board of Directors. The NAV per Share of the Fund will fluctuate with the value of the securities it holds.

Trading in securities in certain foreign countries is completed at various times prior to the close of business on each business day in New York (i.e., a day on which the NYSE is open for trading). In addition, securities trading in a particular country or countries may not take place on all business days in New York. Furthermore, trading takes place in various foreign markets on days which are not business days in New York and days on which the Fund's NAV is not calculated. As a result, calculation of the Fund's NAV may not take place contemporaneously with the determination of the prices of certain portfolio securities used in such calculation. Events affecting the values of portfolio securities that occur between the time their prices are determined and the close of regular trading on the NYSE will not be reflected in the Fund's calculation of NAV unless the Board or its delegates deems that the particular event would materially affect NAV, in which case an adjustment may be made. All assets and liabilities initially expressed in foreign currency values will be converted into U.S. dollar values at the prevailing rate as quoted by a pricing service. If such quotations are not available, the rate of exchange will be determined in good faith pursuant to consistently applied procedures established by the Board.

### **ADDITIONAL PURCHASE AND REDEMPTION INFORMATION**

Information on how to purchase and redeem Fund Shares and how such Shares are priced is included in the Prospectus. The Prospectus describes generally how to purchase Shares of the Fund. Additional information with respect to certain types of purchases of Shares of the Fund is set forth below.

### **RIGHT OF ACCUMULATION**

You have the right to combine the cost or current NAV (whichever is higher) of your existing Class A Shares of the Fund with the amount of your current Class A purchases in order to take advantage of the reduced sales loads set forth in the tables in the Prospectus. You or your dealer must notify the Transfer Agent that an investment qualifies for a reduced sales load. The reduced sales load will be granted upon confirmation of your holdings by the Transfer Agent.

### **LETTER OF INTENT**

If you submit a Letter of Intent to the Transfer Agent you may be entitled to purchase Class A shares at a reduced sales load. The Letter must state an intention to invest in the Fund within a thirteen-month period a specified amount which, if made at one time, would qualify for a reduced sales load. A Letter of Intent may be submitted with a purchase at the beginning of the thirteen-month period or within ninety days of the first purchase under the Letter of Intent. Upon acceptance of this Letter, the purchaser becomes eligible for the reduced sales load applicable to the level of investment covered by such Letter of Intent as if the entire amount were invested in a single transaction.

The Letter of Intent is not a binding obligation on the purchaser to purchase, or the Fund to sell, the full amount indicated. During the term of a Letter of Intent, Shares representing 5% of the intended purchase will be held in escrow. The amount held in escrow will be invested in Class A shares. These Shares will be released upon the completion of the intended investment. If the Letter of Intent is not completed during the thirteen-month period, the applicable sales load will be adjusted by the redemption of sufficient Shares held in escrow, depending upon the amount actually purchased during the period. The minimum initial investment under a Letter of Intent is \$10,000.

A ninety-day backdating period can be used to include earlier purchases at the purchaser's cost (without a retroactive downward adjustment of the sales load). The thirteen-month period would then begin on the date of the first purchase during the 90-day period. No retroactive adjustment will be made if purchases exceed the amount indicated in the Letter of Intent. You or your dealer must notify the Transfer Agent that an investment is being made pursuant to an executed Letter of Intent.

### **OTHER INFORMATION**

The Fund does not impose a sales load nor does it impose a reduced sales load in connection with purchases of Shares of the Fund made under the reinvestment privilege or the purchases described in the "Reduced Sales Load" or "Purchases at Net Asset Value" sections in the Prospectus because such purchases require minimal sales effort by the Distributor. Purchases described in the "Purchases at Net Asset Value" section may be made for investment only, and the Shares may not be resold except through redemption by or on behalf of the Fund. Employees, officers, directors and clients of the Adviser, Manager, Distributor or the Fund or any affiliated company, including members of the immediate family of such individuals and employee benefit plans established by such entities, may purchase Shares of the Fund at Net Asset Value (and, therefore, without any sales charges being imposed), if they properly notify the Transfer Agent as per the Prospectus.

Under the 1940 Act, the Fund may suspend the right of redemption or postpone the date of payment upon redemption for any period during which the NYSE is closed, other than customary weekend and holiday closings, or during which trading on the NYSE is restricted, or during which (as determined by the SEC) an emergency exists as a result of which disposal or fair valuation of portfolio securities is not reasonably practicable, or for such other periods as the SEC may permit.

If the Board determines that conditions exist which make payment of redemption proceeds wholly in cash unwise or undesirable, the Fund may make payment wholly or partly in securities or other investment instruments which may not constitute securities as such term is defined in the applicable securities laws. If a redemption is paid wholly or partly in securities or other property, a shareholder would incur transaction costs in disposing of the redemption proceeds.

The Fund may assess a short-term redemption fee of 2.00% of the total redemption amount if you sell your Shares, including exchanging your Shares for shares of another fund, after holding them for less than 60 days.

## **TAXES**

The following is a summary of the material federal income tax considerations regarding the purchase, ownership and disposition of Shares in the Fund for shareholders who are U.S. persons and who are subject to U.S. federal income tax and hold their shares as capital assets. Except as otherwise provided, this description does not address the special tax rules that may be applicable to particular types of investors, such as financial institutions, insurance companies, securities dealers, or tax-exempt or tax deferred plans, accounts or entities. Each prospective shareholder is urged to consult his own tax adviser with respect to the specific federal, state, local and foreign tax consequences of investing in the Fund. The summary is based on the laws in effect on the date of this Statement of Additional Information, which are subject to change.

The Fund has elected to be treated, has qualified and intends to continue to qualify each year as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). To so qualify, the Fund must, among other things: (a) derive at least 90% of its gross income in each taxable year from dividends, interest, payments with respect to securities, loans and gains from the sale or other disposition of stock or securities or foreign currencies, or other income (including, but not limited to, gains from options, futures or forward contracts) derived with respect to its business of investing in such stock, securities or currencies, and net income derived from an interest in a qualified publicly traded partnership (as defined in Section 851(h) of the Code) and (b) diversify its holdings so that at the end of each quarter of the Fund's taxable year (i) at least 50% of the market value of the Fund's assets is represented by cash, securities of other regulated investment companies, United States government securities and other securities, with such other securities limited, in respect of any one issuer, to an amount not greater than 5% of the Fund's assets and not greater than 10% of the outstanding voting securities of such issuer and (ii) not more than 25% of the value of its assets is invested in the securities (other than United States government securities or securities of other regulated investment companies) of any one issuer or any two or more issuers that the Fund controls and are determined to be engaged in the same or similar trades or businesses or related trades or businesses or the securities of one or more qualified publicly traded partnerships. The Fund expects that all of its foreign currency gains will be directly related to its principal business of investing in stocks and securities.

If the Fund qualifies as a regulated investment company, the Fund will not be subject to federal income tax on its net realized income that is distributed to its shareholders each year, provided that it distributes to such shareholders an amount equal to at least 90% of the sum of its "investment company taxable income" (generally its income from dividends, taxable interest and its net short-term capital gain in excess of net long-term capital loss and certain net foreign exchange gains) and its net tax-exempt income for the taxable year. However, if the Fund meets such distribution requirements, but chooses to retain some portion of its investment company taxable income or "net capital gain" (the excess of net long-term capital gain over net short-term capital loss), it generally will be subject to U.S. federal income tax at regular corporate rates on any taxable income or gains that it does not distribute.

Any dividend declared by the Fund in October, November or December of any calendar year and payable to shareholders of record on a specified date in such a month shall be deemed to have been received by each shareholder on December 31 of such calendar year and to have been paid by the Fund not later than such December 31, provided that such dividend is actually paid by the Fund during January of the following calendar year. In addition, certain other distributions made after the close of a taxable year of the Fund may be "spilled back" and treated as paid by the Fund (except for purposes of the 4% excise tax described below) during such taxable year. In such case, shareholders generally will be treated as having received such dividends in the taxable year in which the distributions were actually made.

The Fund intends to distribute annually to its shareholders all or substantially all of its investment company taxable income and net tax-exempt income (if any). The Board of Directors of the Fund will determine annually whether to distribute any net capital gain (after taking into account any capital loss carryovers). The Fund currently expects to distribute any such net capital gain annually to its shareholders. However, if the Fund retains for investment an amount equal to all or a portion of, it will be subject to a corporate tax on the amount retained. In that event, the Fund will designate such retained amounts as undistributed capital gains in a notice to its shareholders who (a) will be required to include in income for federal income tax purposes, as long-term capital gains, their proportionate shares of the undistributed amount, (b) will be entitled to credit their proportionate shares of the tax paid by the Fund on the undistributed amount against their federal income tax liabilities, if any, and to claim refunds to the extent their credits exceed their liabilities, if any, and (c) will be entitled to increase their tax basis, for federal income tax purposes, in their shares by an amount equal to the difference between the amount of undistributed capital gains included in the shareholder's income and the tax deemed paid by such shareholders. Organizations or persons not subject to federal income tax on such capital gains will be entitled to a refund of their pro rata share of such taxes paid by the Fund upon filing appropriate returns or claims for refund with the Internal Revenue Service (the "IRS").

For U.S. federal income tax purposes, the Fund is permitted to carryforward its net capital losses (1) attributable to any taxable year of the Fund commencing prior to December 23, 2010, for up to eight years following the year of the loss and (2) attributable to any taxable year of the Fund commencing on or after December 23, 2010, indefinitely to offset future capital gains of the Fund in such years (if any). Pursuant to an ordering rule, however, net capital losses incurred in taxable years of a Fund beginning before December 23, 2010 may not be used to offset the Fund's future capital gains until all net capital losses incurred in taxable years of the Fund beginning after December 22, 2010 have been utilized. As a result of the application of this rule, certain net capital losses incurred in taxable years of the Fund beginning before December 23, 2010 may expire unutilized. If the Fund so elects, all or a portion of certain losses realized by the Fund in the portion of its taxable year after October 31 will be treated as arising on the first day of its following taxable year.

The Code requires each regulated investment company to pay a nondeductible 4% excise tax to the extent the company does not distribute, during each calendar year, 98% of its ordinary income, determined on a calendar year basis, and 98.2% of its capital gains in excess of capital losses, determined, in general, for a one-year period ending on October 31 of such year, plus certain undistributed amounts from previous years. The Fund anticipates that it will make sufficient timely distributions to avoid imposition of the excise tax.

With regard to the Fund's investments in foreign securities, exchange control regulations may restrict repatriations of investment income and capital or the proceeds of securities sales by foreign investors such as the Fund and may limit the Fund's ability to pay sufficient dividends and to make sufficient distributions to satisfy the income and excise tax distribution requirements.

If, in any taxable year, the Fund were to fail to qualify as a regulated investment company under the Code, it would be taxed in the same manner as an ordinary corporation and distributions to its shareholders would not be deductible by the Fund in computing its taxable income. In addition, in such event, the Fund's distributions, to the extent derived from the Fund's current or accumulated earnings and profits, would constitute dividends to shareholders and would be subject to a further tax at the shareholder level. If the Fund were to fail to qualify as a regulated investment company in any year, it would be required pay out its earnings and profits accumulated in that year in order to qualify again as a regulated investment company. In addition, if the Fund failed to qualify as a regulated investment company for a period greater than two taxable years, the Fund may be required to recognize any net built-in gains (the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized if it had been liquidated) in order to qualify as a regulated investment company in a subsequent year.

The Fund's short sales against the box, if any, and transactions in foreign currencies, forward contracts, options and futures contracts (including options and futures contracts on foreign currencies) will be subject to special provisions of the Code that, among other things, may affect the character of gains and losses realized by the Fund (i.e., may affect whether gains or losses are ordinary or capital), accelerate recognition of income to the Fund and defer Fund losses. These rules could therefore affect the character, amount and timing of distributions to shareholders. These provisions also (a) will require the Fund to mark-to-market certain types of the positions in its portfolio (i.e., treat them as if they were closed out) and (b) may cause the Funds to recognize income without receiving cash with which to pay dividends or make distributions in amounts necessary to satisfy the distribution requirements for avoiding income and excise taxes. The Fund will monitor its transactions, will make the appropriate tax elections and will make the appropriate entries in its books and records when it acquires any foreign currency, forward contract, option, futures contract or hedged investment in order to mitigate the effect of these rules and prevent disqualification of the Fund as a regulated investment company.

#### **PASSIVE FOREIGN INVESTMENT COMPANIES ("PFIC")**

If the Fund acquires any equity interest (under proposed Treasury regulations, generally including not only stock but also an option to acquire stock such as is inherent in a convertible bond) in certain foreign corporations that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, certain rents and royalties, or capital gains) or that hold at least 50% of their assets in investments producing such passive income ("passive foreign investment companies"), the Fund could be subject to U.S. federal income tax and additional interest charges on "excess distributions" received from such companies or on gain from the sale of stock in such companies, even if all income or gain actually received by the Fund is timely distributed to its shareholders. The Fund would not be able to pass through to its shareholders any credit or deduction for such a tax. Elections may generally be available that would ameliorate these adverse tax consequences, but such elections could require the Fund to recognize taxable income or gain (subject to tax distribution requirements) without the concurrent receipt of cash. These investments could also result in the treatment of capital gains from the sale of stock of passive foreign investment companies as ordinary income. The Fund may limit and/or manage its holding in passive foreign investment companies to limit its tax liability or maximize its return from these investments.

#### **DIVIDENDS AND DISTRIBUTIONS**

For U.S. federal income tax purposes, all dividends generally are taxable whether a shareholder takes them in cash or reinvests them in additional shares of the Fund. In general, assuming that the Fund has sufficient earnings and profits, dividends from investment company taxable income are taxable either as ordinary income or, if so designated by the Fund and certain other conditions are met, as "qualified dividend income" taxable to individual shareholders at a reduced maximum U.S. federal income tax rate.

Dividend income distributed to individual shareholders will qualify for the applicable U.S. federal income tax rate on dividends to the extent that such dividends are attributable to “qualified dividend income” as that term is defined in Section 1(h)(11)(B) of the Code from the Fund’s investments in common and preferred stock of U.S. companies and stock of certain qualified foreign corporations and are reported by the Fund as attributable to such qualified dividend income, provided that certain holding period and other requirements are met by both the Fund and the shareholders.

A dividend that is attributable to qualified dividend income of the Fund that is paid by the Fund to an individual shareholder will not be eligible to be treated as qualified dividend income if (1) the dividend is received with respect to any Share of the Fund held for fewer than 61 days during the 121-day period beginning on the date which is 60 days before the date on which such Share became ex-dividend with respect to such dividend, (2) to the extent that the shareholder is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, or (3) the shareholder elects to have the dividend treated as investment income for purposes of the limitation on deductibility of investment interest. The “ex-dividend” date is the date on which the owner of the Share at the commencement of such date is entitled to receive the next issued dividend payment for such Share even if the Share is sold by the owner on that date or thereafter.

Dividends received by the Fund from U.S. corporations in respect of any share of stock with a tax holding period of at least 46 days (91 days in the case of certain preferred stock) extending before and after each dividend held in an unleveraged position and distributed and reported by the Fund (except for capital gain dividends received from a regulated investment company) may be eligible for the 70% dividends-received deduction generally available to corporations under the Code. In order to qualify for the deduction, corporate shareholders must meet the minimum holding period requirement stated above with respect to their Fund shares, taking into account any holding period reductions from certain hedging or other transactions or positions that diminish their risk of loss with respect to their Fund shares, and, if they borrow to acquire or otherwise incur debt attributable to Fund shares, they may be denied a portion of the dividends-received deduction.

Distributions from net long-term capital gains, if any, that the Fund reports as capital gains dividends are taxable as long-term capital gains, regardless of how long a shareholder has held Shares of the Fund. Capital gain dividends distributed by the Fund to individual shareholders generally will qualify for the reduced maximum U.S. federal income tax rate on long-term capital gains. A shareholder should also be aware that the benefits of the favorable tax rate applicable to long-term capital gains and qualified dividend income may be impacted by the application of the alternative minimum tax to individual shareholders.

Also, a 3.8% Medicare contribution tax generally is imposed on the net investment income of U.S. individuals, estates and trusts whose income exceeds certain threshold amounts. For this purpose, net investment income generally includes taxable dividends (including capital gain dividends) and capital gains recognized from the sale, redemption or exchange of Fund shares. For U.S. individuals, this threshold generally will be exceeded if an individual filer has modified adjusted gross income in excess of \$200,000, if a married joint filer has modified adjusted gross income in excess of \$250,000, or if a married separate filer has modified adjusted gross income in excess of \$125,000. This 3.8% Medicare tax is in addition to the income taxes that are otherwise imposed on ordinary income, qualified dividend income and capital gains as discussed above.

Distributions in excess of the Fund's current and accumulated earnings and profits will, as to each shareholder, be treated as a tax-free return of capital, to the extent of (and in reduction of) a shareholder's basis in his Shares of the Fund. To the extent that such distributions exceed the tax basis of the shareholder, the excess amounts will be treated as gain from the sale of the shares.

Shareholders receiving dividends or distributions in the form of additional Shares will be treated for federal income tax purposes as receiving a distribution in the amount equal to the amount of money that the shareholders receiving cash dividends or distributions will receive and will have a cost basis in the Shares received equal to such amount.

Investors considering buying Shares just prior to a dividend or capital gain distribution should be aware that, although the price of Shares just purchased at that time may reflect the amount of the forthcoming distribution, such dividend or distribution may nevertheless be taxable to them.

Different tax treatment, including penalties on certain excess contributions and deferrals, certain pre-retirement and post-retirement distributions and certain prohibited transactions, is accorded to accounts maintained as qualified retirement plans. Shareholders and plan participants should consult their tax advisers for more information.

If the Fund is the holder of record of any stock on the record date for any dividends payable with respect to such stock, such dividends are included in the Fund's gross income not as of the date received, but as of the later of (a) the date such stock became ex-dividend with respect to such dividends or (b) the date the Fund acquired such stock. Accordingly, in order to satisfy its income distribution requirements, the Fund may be required to pay dividends based on anticipated earnings, and shareholders may receive dividends in an earlier year than would otherwise be the case.

## **SALES OF SHARES**

Redemptions generally are taxable events for shareholders that are subject to tax. Shareholders should consult their own tax advisers with reference to their individual circumstances to determine whether any particular transaction in Fund Shares is properly treated as a sale for tax purposes, as the following discussion assumes, and the tax treatment of any gains or losses recognized in such transactions. In general, upon the sale of Shares, a shareholder will realize a taxable gain or loss equal to the difference between the amount realized and the shareholder's basis in the Shares. Such gain or loss will be treated as capital gain or loss, if the Shares are capital assets in the shareholder's hands and will be long-term capital gain or loss if the Shares are held for more than one year and short-term capital gain or loss if the Shares are held for one year or less. Any loss realized on a sale will be disallowed to the extent the Shares disposed of are replaced, including replacement through the reinvestment of dividends and capital gains distributions in the Fund, within a 61-day period beginning 30 days before and ending 30 days after the disposition of the Shares. In such a case, the basis of the Shares acquired will be increased to reflect the disallowed loss. Any loss realized by a shareholder on the sale of a Fund Share held by the shareholder for six months or less will be treated for federal income tax purposes as a long-term capital loss to the extent of any distributions or deemed distributions of long-term capital gains received by the shareholder with respect to such Share.

In addition to reporting gross proceeds from redemptions, exchanges or other sales of mutual fund shares, federal law requires mutual funds, such as the Fund, to report to the Internal Revenue Service and shareholders the "cost basis" of shares acquired by shareholders on or after January 1, 2012 that are redeemed, exchanged or otherwise sold on or after such date. These requirements generally do not apply to investments through a tax-deferred arrangement or to certain types of entities (such as C corporations). S corporations, however, are not exempt from these new rules. Also, if the shareholder holds Fund shares through a broker (or another nominee), the shareholder should contact that broker (nominee) with respect to the reporting of cost basis and available elections for the shareholder's account.

If a shareholder holds Fund shares directly, the shareholder may request that the shareholder's cost basis be calculated and reported using any one of a number of IRS-approved alternative methods. A shareholder should contact the Fund to make, revoke or change such an election. If a shareholder does not affirmatively elect a cost basis method, the Fund will use the average cost basis method as its default method for determining the cost basis for such shareholder.

Please note that shareholders will continue to be responsible for calculating and reporting the cost basis, as well as any corresponding gains or losses, of Fund shares that were purchased prior to January 1, 2012 that are subsequently redeemed, exchanged or sold. Shareholders are encouraged to consult their tax advisors regarding the application of the new cost basis reporting rules to them and, in particular, which cost basis calculation method a shareholder should elect. In addition, because the Fund is not required to, and in many cases does not possess the information to, take into account all possible basis, holding period or other adjustments into account in reporting cost basis information to shareholders, shareholders also should carefully review the cost basis information provided to them by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on a federal income tax return.

Under Treasury regulations, if a shareholder recognizes a loss with respect to Fund Shares of \$2 million or more for an individual shareholder, or \$10 million or more for a corporate shareholder, in any single taxable year (or greater amounts over a combination of years), the shareholder must file with the IRS a disclosure statement on Form 8886. Shareholders who own portfolio securities directly are in many cases excepted from this reporting requirement but, under current guidance, shareholders of regulated investment companies are not accepted. A shareholder who fails to make the required disclosure to the IRS may be subject to substantial penalties. The fact that a loss is reportable under these regulations does not affect the legal determination of whether or not the taxpayer's treatment of the loss is proper. Shareholders should consult with their tax advisers to determine the applicability of these regulations in light of their individual circumstances.

## **FOREIGN TAXES**

Income received by the Fund from non-U.S. sources may be subject to withholding and other taxes imposed by other countries. Because it is not expected that more than 50 percent of the value of the Fund's total assets at the close of its taxable year will consist of stock and securities of non-U.S. corporations, it is not expected that the Fund will be eligible to elect to "pass through" to the Fund's shareholders the amount of foreign income and similar taxes paid by the Fund. In the absence of such an election, the foreign taxes paid by the Fund will reduce its investment company taxable income and shareholders will not be entitled to a tax deduction or credit for such taxes on their own tax returns.

## **BACKUP WITHHOLDING**

Shareholders who fail to provide certain required certifications to the Fund will be subject to backup withholding at the rate of 24% on all dividends (including exempt-interest dividends), distributions, and redemption proceeds paid by the Fund. Backup withholding is not a separate tax, and it may be recovered by filing a timely U.S. federal income tax return and claiming it as a credit.

## NOTICES

Shareholders will be notified annually by the Fund as to the federal income tax status of the dividends, distributions and deemed distributions attributable to undistributed capital gains made by the Fund to its shareholders. Furthermore, shareholders will also receive, if appropriate, various written notices after the close of the Fund's taxable year regarding the federal income tax status of certain dividends, distributions and deemed distributions that were paid (or that are treated as having been paid) by the Fund to its shareholders during the preceding taxable year.

## OTHER TAXATION

The foregoing discussion relates solely to U.S. federal income tax laws as applicable to shareholders who are U.S. persons (i.e., U.S. citizens or residents, domestic corporations and partnerships, and certain trusts and estates) and hold their shares as capital assets and is not intended to be a complete discussion of all federal tax consequences. Except as otherwise provided, this discussion does not address the special tax rules that may be applicable to particular types of investors, such as financial institutions, insurance companies, securities dealers or tax-exempt or tax-deferred plans, accounts or entities.

Investors other than U.S. persons may be subject to different U.S. federal income tax treatment, including a non-residential alien U.S. withholding tax at the rate of 30% or at a lower treaty rate on certain dividends from a Fund. The withholding tax does not apply to capital gain dividends or to dividends derived from a Fund's net interest income or short-term capital gains and so reported by the Fund.

Under legislation known as "FATCA" (the Foreign Account Tax Compliance Act), the Fund will be required to withhold 30% of certain ordinary dividends it pays, and, after December 31, 2018, 30% of the gross proceeds of share redemptions and certain capital gain dividends it pays, to shareholders that fail to meet prescribed information reporting or certification requirements. In general, no such withholding will be required with respect to a U.S. person that timely provides a valid IRS Form W-9 or a non-U.S. individual that timely provides a valid IRS Form W-8BEN. A non-U.S. entity that invests in the Fund will need to provide the Fund with documentation properly certifying the entity's status under FATCA in order to avoid FATCA withholding.

Distributions also may be subject to additional state, local and foreign taxes depending on each shareholder's particular situation.

THE FOREGOING IS ONLY A SUMMARY OF CERTAIN MATERIAL TAX CONSEQUENCES AFFECTING THE FUND AND ITS SHAREHOLDERS. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF AN INVESTMENT IN THE FUND.

## PRINCIPAL SECURITY HOLDERS

As of April 2, 2018, the following persons of record owned more than 5% of the outstanding voting Shares of the Fund:

Vector Group	33.45%
4440 Biscayne Boulevard, Floor 10	
Miami, Florida 33131	

As of April 2, 2018, the Directors and officers of the Fund as a group owned of record or beneficially approximately 1.5% of the outstanding Shares of the Fund.

## CUSTODIAN

The Bank of New York Mellon, 225 Liberty Street, New York, NY 10286, has been retained to act as Custodian for the Fund's investments. The Bank of New York Mellon acts as the Fund's depository, safe keeps its portfolio securities, collects all income and other payments with respect thereto, disburses funds as instructed and maintains records in connection with its duties.

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The firm of BBD, LLP, with principal offices at 1835 Market Street, 3<sup>rd</sup> Floor, Philadelphia, Pennsylvania 19103, has been selected as the independent registered public accounting firm of the Fund for the fiscal year ending December 31, 2017.

## FUND COUNSEL

Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts, 02109, serves as counsel for the Fund as well as counsel to the Adviser.

## GEMINI FUND SERVICES, LLC

The Fund has entered into separate servicing agreements with Gemini Fund Services, LLC ("Gemini"), whereby Gemini will provide administrative, fund accounting and transfer agent services to the Fund. Gemini has its principal office at 80 Arkay Drive, Suite 110 Hauppauge, New York 11788. Gemini's compensation for providing such services and necessary personnel is:

Administration. The Fund pays Gemini a minimum annual fee or basis points in decreasing amounts as Fund assets reach certain breakpoints. The Fund also pays Gemini for any out-of-pocket expenses. Fees are billed monthly.

Fund Accounting. Total charges for Fund Accounting services include fees and out-of-pocket expenses. Fees are calculated based upon the average net assets of the Fund for the previous month. The Fund pays Gemini a base annual fee plus a basis point fee in decreasing amounts as Fund assets reach certain breakpoints, plus a flat fee for each additional class.

Transfer Agent. For the services rendered by Gemini, in its capacity as transfer agent, the Fund pays Gemini transfer agent fees, out-of-pocket expenses, activity charges, and special report charges, billed monthly.

For the fiscal year ended December 31, 2017, Gemini received fees of \$48,349, \$25,635 and \$35,230 for administrative, fund accounting and transfer agency services, respectively. For the fiscal year ended December 31, 2016, Gemini received fees of \$44,923, \$23,308 and \$36,604 for administrative, fund accounting and transfer agency services, respectively. For the fiscal year ended December 31, 2015, Gemini received fees of \$44,846, \$25,999, and \$33,670 for administrative, fund accounting and transfer agent services, respectively.

Certain affiliates of GFS also provide services to the Fund, as follows:

- Northern Lights Compliance Services, LLC (“NLCS”) is a Gemini affiliate that provides CCO and compliance program services to the Trust for a flat fee pursuant to a consulting agreement with the Trust;
- Blu Giant is a Gemini affiliate that provides printing and EDGARization services to the Fund on an ad-hoc, per job basis. Printing services are provided at discount rates and EDGAR services are provided at a flat filing fee plus per page conversion fee.

### **FINANCIAL STATEMENTS**

The financial statements appearing in the Annual Report to Shareholders for the fiscal year ended December 31, 2017, have been audited by BBD, LLP, and are incorporated by reference herein.

**APPENDIX A**  
**BOYAR VALUE FUND, INC.**  
**PROXY VOTING POLICIES AND PROCEDURES**

**1. DEFINITIONS.**

"BAM" shall mean Boyar Asset Management, in its capacity as the Fund's investment adviser.

"BOARD" shall mean the Board of Directors of the Fund.

"BAM'S PROXY VOTING POLICIES AND PROCEDURES" shall mean BAM's Proxy Voting Policies and Procedures, as amended from time to time, a current copy of which is attached hereto as EXHIBIT A.

"FUND" shall mean Boyar Value Fund, Inc.

**2. ADOPTION OF BAM'S PROXY VOTING POLICIES AND PROCEDURES AND DELEGATION.** The provisions of BAM's Proxy Voting Policies and Procedures are hereby incorporated herein by this reference and adopted as the Fund's procedures for voting proxies and procedures. The Fund has delegated to BAM responsibility for voting all proxies for which the Fund is entitled to vote in accordance with these Proxy Voting Policies and Procedures, and BAM has accepted such delegation.

**3. LIMITATIONS ON BAM'S RESPONSIBILITIES.**

(i) **LIMITED VALUE.** BAM may abstain from voting a Fund proxy if it concludes that the effect on the Fund's economic interests or the value of the portfolio holding is indeterminable or insignificant.

(ii) **UNJUSTIFIABLE COSTS.** BAM may abstain from voting a Fund proxy for cost reasons (E.G., costs associated with voting proxies of non-U.S. securities). In accordance with BAM's duties, it shall weigh the costs and benefits of voting proxy proposals relating to foreign securities and shall make an informed decision with respect to whether voting a given proxy proposal is prudent. BAM's decision shall take into account the effect that the Fund's vote, either by itself or together with other votes, is expected to have on the value of the Fund's investment and whether this expected effect would outweigh the cost of voting.

(iii) **FUND RESTRICTIONS.** BAM shall vote Fund proxies in accordance with any applicable investment restrictions of the Fund.

(iv) **BOARD DIRECTION.** Notwithstanding the foregoing delegation to BAM, the Board may from time to time direct BAM to vote the Fund's proxies in a manner that is different from the guidelines set forth in BAM's Proxy Voting Policies and Procedures. After its receipt of any such direction, BAM shall follow such direction for proxies for which the stockholder meeting has not been held and the vote not taken.

**4. SUBDELEGATION.** BAM may delegate its responsibilities under these Proxy Voting Policies and Procedures to a third party, provided that no such delegation shall relieve BAM of its responsibilities hereunder and BAM shall retain final authority and fiduciary responsibility for proxy voting. If BAM delegates such responsibilities, BAM shall monitor the delegate's compliance with these Proxy Voting Policies and Procedures.

**5. PROXY VOTING EXPENSE.** The Fund shall bear all expenses associated with voting the Fund's proxies and complying with applicable laws (including without limitation expenses associated with regulatory filings and engaging third parties to vote the Fund's proxies). The Fund shall promptly reimburse BAM for any out-of-pocket expenses incurred by BAM in performing its services hereunder.

**6. CONFLICTS OF INTEREST.** The provisions for addressing conflicts of interest set forth in BAM's Proxy Voting Policies and Procedures are hereby incorporated herein by this reference and adopted as the Fund's procedures for addressing conflicts of interests between the interests of the Fund on the one hand and BAM and its affiliates, directors, officers, employees (and other similar persons) on the other hand.

**7. APPROVAL OF MATERIAL CHANGES.** BAM shall promptly submit to the Board any material changes to these Proxy Voting Policies and Procedures and BAM's Proxy Voting Policies and Procedures. Unless objected to by the Board within six months after such submission, the Board shall be deemed to have approved the change on the six-month anniversary of such submission (unless such change was early approved by the Board).

**8. REPORTS TO THE BOARD.** At each quarterly meeting of the Board, BAM shall submit a report to the Board describing:

(i) any issues arising under these Proxy Voting Policies and Procedures since the last report to the Board, including but not limited to, information about conflicts of interests; and

(ii) any proxy votes taken by BAM on behalf of the Fund since the last report to the Board which were exceptions from BAM's Proxy Voting Policies and Procedures and the reasons for any such exceptions.

In addition, no less frequently than annually, BAM shall furnish to the Board, and the Board shall consider, a report identifying any recommended changes in existing policies based upon BAM's experience under these Proxy Voting Policies and Procedures, evolving industry practices and developments in applicable laws or regulations.

9. MAINTENANCE OF RECORDS. BAM shall maintain at its principal place of business the records required to be maintained by the applicable Fund with respect to proxies by the Investment Company Act of 1940 and the Investment Advisers Act of 1940 in accordance with the requirements and interpretations thereof. BAM may, but need not, maintain proxy statements that it receives regarding Fund securities to the extent that such proxy statements are available on the SEC's EDGAR system. BAM may also rely upon a third party to maintain certain records required to be maintained by the Advisers Act.

**APPENDIX B**  
***PRIVACY NOTICE***

**FACTS**    **WHAT DOES BOYAR VALUE FUND, INC. DO WITH YOUR PERSONAL INFORMATION?**

**Why?**    Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**    The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Assets
- Retirement Assets
- Transaction History
- Checking Account Information
- Purchase History
- Account Balances
- Account Transactions
- Wire Transfer Instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**    All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Boyar Value Fund, Inc. chooses to share; and whether you can limit this sharing.

<b>Reasons we can share your personal information</b>	<b>Does Boyar Value Fund, Inc., share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes –</b> to offer our products and services to you	No	We don’t share
<b>For joint marketing with other financial companies</b>	No	We don’t share
<b>For our affiliates’ everyday business purposes –</b> information about your transactions and experiences	No	We don’t share
<b>For our affiliates’ everyday business purposes –</b> information about your creditworthiness	No	We don’t share
<b>For nonaffiliates to market to you</b>	No	We don’t share

**Questions?**    Call 1-402-493-4603

## Who we are

**Who is providing this notice?** Boyar Value Fund, Inc.

## What we do

**How does Boyar Value Fund, Inc. protect my personal information?** To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.

**How does Boyar Value Fund, Inc. collect my personal information?**

We collect your personal information, for example, when you

- Open an account
- Provide account information
- Give us your contact information
- Make deposits or withdrawals from your account
- Make a wire transfer
- Tell us where to send the money
- Tells us who receives the money
- Show your government-issued ID
- Show your driver's license

We also collect your personal information from other companies.

**Why can't I limit all sharing?**

Federal law gives you the right to limit only

- Sharing for affiliates' everyday business purposes – information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## Definitions

**Affiliates** Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Boyar Value Fund, Inc. does not share with our affiliates.*

**Nonaffiliates** Companies not related by common ownership or control. They can be financial and nonfinancial companies

- *Boyar Value Fund, Inc. does not share with nonaffiliates so they can market to you.*

**Joint marketing** A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Boyar Value Fund, Inc. does not jointly market.*