

GABELLI GLOBAL UTILITY & INCOME TRUST

Form 497

November 09, 2018

Table of Contents

**THE GABELLI GLOBAL UTILITY & INCOME TRUST**

Filed Pursuant to Rule 497(c)  
Registration Statement No. 333-223652

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated October 17, 2018)

**THE GABELLI GLOBAL UTILITY & INCOME TRUST**

**4,111,297 Rights**

**Subscription Rights to Acquire Common Shares and Series B Cumulative Puttable and Callable Preferred Shares**

The Gabelli Global Utility & Income Trust (the Fund, we, us or our ) is issuing subscription rights (the Rights ) to common shareholders (the Common Shareholders ) to purchase additional common shares of beneficial interest (each, a Common Share, and collectively, the Common Shares ) and newly issued Series B Cumulative Puttable and Callable Preferred Shares (the Series B Preferred Shares ). The Rights may only be exercised to purchase an equal number of Common Shares and Series B Preferred Shares and may not be exercised to purchase only Common Shares or Series B Preferred Shares or an unequal number of Common Shares and Series B Preferred Shares.

The Fund is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act ). The Fund's investment objective is to seek a consistent level of after tax total return with an emphasis currently on tax-advantaged qualified dividend income. The Fund's investment adviser is Gabelli Funds, LLC (the Investment Adviser ).

The Common Shares are listed on the NYSE American LLC (the NYSE American ) under the symbol GLU. On November 7, 2018 (the last trading date prior to the Common Shares trading ex-Rights), the last reported sale price per share of our Common Shares was \$19.96 and the last reported net asset value per share of the Common Shares was \$20.35 per share. The Fund's outstanding Series A Cumulative Puttable and Callable Preferred shares (the Series A Preferred Shares ) are listed on the NYSE American under the symbol GLU Pr A. On November 7, 2018, the last reported sales price per share of the Series A Preferred Shares was \$46.39.

An investment in the Fund is not appropriate for all investors. We cannot assure you that the Fund's investment objective will be achieved. You should read this Prospectus Supplement and the accompanying Prospectus before deciding whether to invest in the Fund and retain them for future reference. The Prospectus Supplement and the accompanying Prospectus contain important information about us. Material that has been incorporated by reference

and other information about us can be obtained from us by calling 800-GABELLI (422-3554) or from the Securities and Exchange Commission's (SEC) website (<http://www.sec.gov>). For additional information all holders of Rights can contact the Fund by telephone at 800-GABELLI (422-3554) or 914-921-5070, or by written request to The Gabelli Global Utility & Income Trust, One Corporate Center, Rye, New York 10580-1422.

**Investing in Common Shares and Series B Preferred Shares through Rights involves certain risks, including risks related to a leveraged capital structure. You should review the information set forth under Risk Factors and Special Considerations beginning on page 46 of the accompanying Prospectus, Risk Factors and Special Considerations Special Risks to Holders of Common Shares beginning on page 74 of the accompanying Prospectus, and Risk Factors and Special Considerations Special Risks of Notes to Holders of Preferred Shares beginning on page 74 of the accompanying Prospectus, as well as in the Special Risks of the Offering and the Series B Preferred Shares section beginning on page S-27 of this Prospectus Supplement, including Principal Risks Associated with Investing in Common Shares in the**

**Table of Contents**

**Rights Offering Leverage** beginning on page S-28 of this Prospectus Supplement, before investing in the Common Shares and Series B Preferred Shares.

	Per Share	Total
Subscription price per Common Share to holders exercising Rights (1)	\$ 17.50	\$ 23,982,578
Subscription price per Series B Preferred Share to holders exercising Rights (1)	\$ 50.00	\$ 68,521,650
Underwriting discounts and commissions	None	None
Proceeds, before expenses, to the Fund (2)	\$ 67.50	\$ 92,504,228

- (1) The Rights may only be exercised to purchase an equal number of Common Shares and Series B Preferred Shares and may not be exercised to purchase only Common Shares or Series B Preferred Shares or an unequal number of Common Shares and Series B Preferred Shares.
- (2) The aggregate expenses of the offering (excluding underwriting discounts and commissions) are estimated to be \$330,000. This estimate includes \$6,000 in out-of-pocket expenses of G.research, LLC, the dealer manager for the Rights offering, that may be reimbursed by the Fund. See Distribution Arrangements.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SHAREHOLDERS WHO DO NOT EXERCISE THEIR RIGHTS MAY, AT THE COMPLETION OF THE OFFERING, OWN A SMALLER PROPORTIONAL INTEREST IN THE FUND THAN IF THEY EXERCISED THEIR RIGHTS. AS A RESULT OF THE OFFERING YOU MAY EXPERIENCE DILUTION OF THE AGGREGATE NET ASSET VALUE OF YOUR COMMON SHARES DEPENDING UPON WHETHER THE FUND'S NET ASSET VALUE PER COMMON SHARE IS ABOVE THE SUBSCRIPTION PRICE ON THE EXPIRATION DATE.

THE FUND HAS DECLARED REGULAR MONTHLY DISTRIBUTIONS TO COMMON SHAREHOLDERS PAYABLE ON NOVEMBER 23, 2018 AND DECEMBER 14, 2018, WHICH WILL NOT BE PAYABLE WITH RESPECT TO COMMON SHARES ISSUED PURSUANT TO THIS RIGHTS OFFERING.

The Common Shares and Series B Preferred Shares are expected to be ready for delivery in book-entry form through the Depository Trust Company on or about December 20, 2018, unless the offer is extended.

**The date of this Prospectus Supplement is November 9, 2018**

**You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The Fund has not authorized anyone to provide you with different information. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this Prospectus Supplement and the**

**accompanying Prospectus is accurate as of any date other than the date of this Prospectus Supplement and the accompanying Prospectus, respectively. Our business, financial condition, results of operations and prospects may have changed since those dates. In this Prospectus Supplement and in the accompanying Prospectus, unless otherwise indicated, Fund, us, our and we refer to The Gabelli Global Utility & Income Trust. This Prospectus Supplement also includes trademarks owned by other persons.**

S-2

**Table of Contents**

**TABLE OF CONTENTS**

**Prospectus Supplement**

	Page
<u>SUMMARY OF THE TERMS OF THE RIGHTS OFFERING</u>	S-5
<u>SUMMARY OF THE TERMS OF SERIES B PREFERRED SHARES</u>	S-9
<u>TABLE OF FEES AND EXPENSES</u>	S-11
<u>CAPITALIZATION</u>	S-13
<u>USE OF PROCEEDS</u>	S-13
<u>DESCRIPTION OF THE RIGHTS OFFERING</u>	S-14
<u>TERMS OF THE SERIES B PREFERRED SHARES</u>	S-22
<u>PRICE RANGE OF COMMON SHARES</u>	S-26
<u>ASSET COVERAGE RATIO</u>	S-26
<u>SPECIAL RISKS OF THE OFFERING AND THE SERIES B PREFERRED SHARES</u>	S-27
<u>EMPLOYEE BENEFIT PLAN CONSIDERATIONS</u>	S-32
<u>TAXATION</u>	S-33
<u>DISTRIBUTION ARRANGEMENTS</u>	S-35
<u>LEGAL MATTERS</u>	S-36

**Prospectus**

<u>PROSPECTUS SUMMARY</u>	1
<u>SUMMARY OF FUND EXPENSES</u>	27
<u>FINANCIAL HIGHLIGHTS</u>	29
<u>USE OF PROCEEDS</u>	32
<u>THE FUND</u>	32
<u>INVESTMENT OBJECTIVE AND POLICIES</u>	32
<u>RISK FACTORS AND SPECIAL CONSIDERATIONS</u>	46
<u>HOW THE FUND MANAGES RISK</u>	77
<u>MANAGEMENT OF THE FUND</u>	79
<u>PORTFOLIO TRANSACTIONS</u>	81
<u>DIVIDENDS AND DISTRIBUTIONS</u>	81
<u>AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS</u>	83
<u>DESCRIPTION OF THE SECURITIES</u>	84
<u>ANTI-TAKEOVER PROVISIONS OF THE FUND'S GOVERNING DOCUMENTS</u>	97
<u>CLOSED-END FUND STRUCTURE</u>	98
<u>REPURCHASE OF COMMON SHARES</u>	99
<u>RIGHTS OFFERING</u>	100
<u>TAXATION</u>	100
<u>CUSTODIAN, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT</u>	103
<u>PLAN OF DISTRIBUTION</u>	103
<u>LEGAL MATTERS</u>	105
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	105
<u>ADDITIONAL INFORMATION</u>	105
<u>PRIVACY PRINCIPLES OF THE FUND</u>	106
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	106

TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION  
CORPORATE BOND RATINGS

107  
A-108

S-3

**Table of Contents**

**CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus Supplement, the accompanying Prospectus and the Statement of Additional Information (the SAI ), incorporated by reference into the Prospectus, contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, and similar terms, or the negative of such terms. Such forward-looking statements may be contained in this Prospectus Supplement as well as in the accompanying Prospectus and the SAI, incorporated by reference into the Prospectus. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the SEC.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors and Special Considerations section of the accompanying Prospectus and Description of the Rights Offering Special Risks of the Offering and the Series B Preferred Shares in this Prospectus Supplement. All forward-looking statements contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus, or in the SAI are made as of the date of this Prospectus Supplement or the accompanying Prospectus or SAI, as the case may be. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this Prospectus Supplement, the accompanying Prospectus and the SAI are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the Securities Act ).

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors and Special Considerations section of the accompanying Prospectus as well as in the Description of the Rights Offering Special Risks of the Offering and the Series B Preferred Shares section of this Prospectus Supplement. We urge you to review carefully those sections for a more detailed discussion of the risks of an investment in the Common Shares and Series B Preferred Shares.

Table of Contents

**SUMMARY OF THE TERMS OF THE RIGHTS OFFERING**

**Terms of the Offering**

One transferable subscription right (a Right ) will be issued for each common share of beneficial interest of the Fund (each, a Common Share, and collectively, the Common Shares ) held on the record date. Rights are expected to trade through the NYSE American LLC (the NYSE American ). The Rights will allow holders of Common Shares to purchase additional Common Shares and newly issued Series B Cumulative Puttable and Callable Preferred Shares (the Series B Preferred Shares ). Three Rights will be required to purchase one Common Share and one Series B Preferred Share. The Rights may only be exercised to purchase an equal number of Common Shares and Series B Preferred Shares and may not be exercised to purchase only Common Shares or Series B Preferred Shares or an unequal number of Common Shares and Series B Preferred Shares. **The Fund has declared regular monthly distributions to Common Shareholders payable on November 23, 2018 and December 14, 2018, which will not be payable with respect to Common Shares issued pursuant to the Rights Offering.**

As of November 8, 2018, 4,111,297 Common Shares are outstanding, 46,374 Series A Preferred Shares are outstanding and no Series B Preferred Shares are outstanding. An over-subscription privilege will be offered. 1,370,433 Common Shares and 1,370,433 Series B Preferred Shares of the Fund will be issued if all Rights are exercised. *See Description of the Rights Offering Terms of the Rights Offering.*

**Amount Available for Primary Subscription**

Approximately \$92,504,228. The proceeds of the Rights offering will be reduced by the expenses. *See Use of Proceeds.*

**Title**

Subscription Rights to Acquire Common Shares and Series B Cumulative Puttable and Callable Preferred Shares

**Subscription Price**

Rights may be exercised at a price of \$67.50 (the Subscription Price ), which represents \$17.50 per Common Share and \$50.00 per Series B Preferred Share. The purchase price will be payable in cash. *See Description of the Rights Offering Terms of the Rights Offering.*

**Record Date**

Rights will be issued to holders of record of the Fund s Common Shares on November 12, 2018 (the Record Date ). *See Description of the Rights Offering Terms of the Rights Offering.*



<b>Number of Rights Issued</b>	One Right will be issued in respect of each Common Share of the Fund outstanding on the Record Date. <i>See Description of the Rights Offering Terms of the Rights Offering.</i>
<b>Number of Rights Required to Purchase One Common Share and One Series B Preferred Share</b>	A holder of Rights may purchase one Common Shares and one Series B Preferred Share for every three Rights exercised. The number of Rights to be issued to a shareholder on the Record Date will be rounded up to the nearest number of Rights evenly divisible by three. A holder of

**Table of Contents**

Rights may only purchase an equal number of Common Shares and Series B Preferred Shares and may not exercise any Rights so as to purchase only Common Shares or Series B Preferred Shares or an unequal number of Common Shares and Series B Preferred Shares. *See Description of the Rights Offering Terms of the Rights Offering.*

**Over-Subscription Privilege**

Holders of Common Shares as of the close of business on the Record Date ( Record Date Shareholders ) who fully exercise all Rights initially issued to them are entitled to buy those Common Shares and Series B Preferred Shares, referred to as primary over-subscription shares, that were not purchased by other Rights holders at the same Subscription Price. If enough primary over-subscription shares are available, all such requests will be honored in full. If the requests for primary over-subscription shares exceed the primary over-subscription shares available, the available primary over-subscription shares will be allocated pro rata among those fully exercising Record Date Shareholders who over-subscribe based on the number of Rights originally issued to them by the Fund. Common Shares and Series B Preferred Shares acquired pursuant to the over-subscription privilege are subject to allotment. *Rights acquired in the secondary market may not participate in the over-subscription privilege.*

Notwithstanding the above, the Board of Trustees (the Board ) has the right in its absolute discretion to eliminate the over-subscription privilege if it considers it to be in the best interest of the Fund to do so. The Board may make that determination at any time, without prior notice to Rights holders or others, up to and including the fifth day following the Expiration Date (as defined below). *See Description of the Rights Offering Over-Subscription Privilege.*

**Transfer of Rights**

The Rights will be transferable. *See Description of the Rights Offering Terms of the Rights Offering, Sales by Rights Agent, and Method of Transferring Rights.*

**Subscription Period**

The Rights may be exercised at any time after issuance and prior to expiration of the Rights, which will be 5:00 PM Eastern Time on December 14, 2018 (the Expiration Date ) (the Subscription Period ). *See Description of the Rights Offering Terms of the Offer and Method of Exercise of Rights.*

**Offering Expenses**

The expenses of the Rights offering are expected to be approximately \$330,000 and will be borne by holders of the Fund's Common Shares. *See Use of Proceeds.*

**Sale of Rights**

The Rights are expected to be transferable until the completion of the Subscription Period and will be admitted for trading through the NYSE American under the symbol GLU RT. Although no assurance can be given that a market for the Rights will develop, trading in the Rights through the NYSE American will begin on November 7, 2018 and may be conducted until the close of trading on the last NYSE American trading day prior to the Expiration Date.

S-6

**Table of Contents**

The value of the Rights, if any, may be reflected by the market price. Rights may be sold by individual holders or may be submitted to the Rights Agent (defined below) for sale. Any Rights submitted to the Rights Agent for sale must be received by the Rights Agent on or before 5:00 P.M. Eastern Time, on December 7, 2018, five Business Days prior to the Expiration Date (or, if the subscription is extended, by 5:00 P.M. Eastern Time, on the fifth Business Day prior to the extended Expiration Date). For purposes of this Prospectus Supplement, a Business Day will mean any day on which trading is conducted through the NYSE American.

Rights that are sold will not confer any right to acquire any Common Shares and Series B Preferred Shares in the over-subscription, and any holder of Common Shares on the Record Date who sells any of its Rights in respect of such shares will not be eligible to participate in the over-subscription.

Trading of the Rights through the NYSE American will be conducted on a when-issued basis until and including the date on which the Subscription Certificates are mailed to Record Date Shareholders and thereafter will be conducted on a regular-way basis until and including the last NYSE American trading day prior to the Expiration Date. The Common Shares will begin trading ex-Rights on November 8, 2018.

If the Rights Agent receives Rights for sale in a timely manner, it will use its best efforts to sell the Rights through the NYSE American. Record Date Shareholders whose addresses are outside the United States (for these purposes, the United States includes the District of Columbia and the territories and possessions of the United States) should refer to the portion of this Prospectus Supplement captioned Foreign Restrictions.

Any commissions on any such sales will be paid by the selling Rights holders. Neither the Fund nor the Rights Agent will be responsible if Rights cannot be sold and neither has guaranteed any minimum sales price for any Rights. If any Rights can be sold, sales of these Rights will be deemed to have been effected at the weighted average price received by the Rights Agent on the day such Rights are sold, less any applicable brokerage commissions, taxes and other expenses. Shareholders are urged to obtain a recent trading price for the Rights through the NYSE American from their broker, bank, financial advisor or the financial press.

Banks, broker-dealers and trust companies that hold shares for the accounts of others are advised to notify those persons that purchase Rights in the secondary market that such Rights will not be eligible to participate in the over-subscription privilege. *See Description of the Rights Offering Terms of the Rights Offering and Sales by Rights Agent.*

S-7

**Table of Contents**

**Use of Proceeds**

The Fund estimates the net proceeds of the Rights offering to be approximately \$92,174,228. This figure is based on the Subscription Price per share of \$67.50, which represents \$17.50 per Common Share and \$50.00 per Series B Preferred Share, and assumes all new Common Shares and Series B Preferred Shares offered are sold and that the expenses related to the offering estimated at approximately \$330,000 are paid.

The Investment Adviser anticipates that investment of the proceeds will be made in accordance with the Fund's investment objective and policies as appropriate investment opportunities are identified, which is expected to be substantially completed in approximately three months; however, the identification of appropriate investment opportunities pursuant to the Fund's investment objective and policies or changes in market conditions may cause the investment period to extend as long as six months. This could occur if market conditions are unstable to such an extent that the Investment Adviser believes market risk is greater than the benefit of making additional investments at that time. Pending such investment, the proceeds will be held in high quality short term debt securities and instruments.

The Fund may also use approximately \$2,318,700 of the net proceeds from the offering to redeem the remaining Series A Preferred Shares outstanding.

**Taxation/ERISA**

*See Taxation and Employee Benefit Plan Considerations.*

**Rights Agent**

Computershare Trust Company, N.A. *See Rights Agent.*

**Administrative Agent**

Morrow Sodali LLC. *See Administrative Agent.*

---

**Table of Contents****SUMMARY OF THE TERMS OF SERIES B PREFERRED SHARES**

<b>Issue</b>	Up to 1,370,433 Series B Cumulative Puttable and Callable Preferred Shares, par value \$0.001 (the Series B Preferred Shares ).
<b>Liquidation Preference</b>	\$50.00 per share.
<b>Dividend Payment Dates</b>	<p>Quarterly dividend payments are expected to be made when, as and if declared by the Board on March 26, June 26, September 26, and December 26 of each year (each, a Dividend Payment Date ), commencing on March 26, 2019 (if any Dividend Payment Date is not a Business Day, then on the next succeeding Business Day). As used herein, each period beginning on and including a Dividend Payment Date (or beginning on December 20, 2018 (the Date of Original Issue ), in the case of the first Dividend Period after the issuance of such Series B Preferred Shares) and ending on but excluding the next succeeding Dividend Payment Date (or, in the case of the first dividend period after the issuance of such Series B Preferred Shares, March 26, 2019) is referred to as a Dividend Period. The Dividend Period beginning on the Date of Original Issue, which constitutes the first Dividend Period, together with the next three Dividend Periods, are referred to herein as Year 1, the next four Dividend Periods are referred to as Year 2, and so on. See <i>Dividends</i>.</p>
<b>Dividend Rate</b>	<p>For the Dividend Periods occurring in Year 1, the Statement of Preferences for the Series B Preferred Shares provides for quarterly dividends to be paid at an annualized rate of 7.00% based on the liquidation preference of the Series B Preferred Shares. During the last Dividend Period occurring in Year 1, the Board will determine and publicly announce at least 30 days prior to the end of such Dividend Period a fixed annual dividend rate that will apply for the Dividend Periods occurring in Year 2 and Year 3. During the last Dividend Period occurring in Year 3, the Board will determine and publicly announce at least 30 days prior to the end of such Dividend Period a fixed annual dividend rate that will apply for all remaining Dividend Periods. Each reset dividend rate will be determined by the Board or a committee thereof in its sole discretion, and the Statement of Preferences provides that such rate will be at least 200 basis points over the yield of the ten year U.S. Treasury Note at the date of determination, but that in no case will the annual dividend rate be less than 4.00% or greater than 7.00% based on the liquidation preference of the Series B Preferred Shares.</p>

**Holder Put Option**

The Fund will redeem all or any part of the Series B Preferred Shares that holders have properly submitted for redemption and not withdrawn during the 30-day period prior to each of December 26, 2021 and December 26, 2023 at the liquidation preference, plus any accumulated and unpaid dividends. *See Holder Put Option.*

**Non-Call Period**

Prior to December 20, 2023 the shares of Series B Preferred Shares are not subject to optional redemption by the Fund unless the



**Table of Contents**

redemption is necessary, in the judgment of the Board, to maintain the Fund's status as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code).

**Stock Exchange Listing**

An application will be made to list the Series B Preferred Shares on the NYSE American. Prior to the offering, there has been no market for the Series B Preferred Shares. It is anticipated that the Series B Preferred Shares will begin trading on the NYSE American within 30 days of the date of issuance. See *Stock Exchange Listing*.

**Dividend Disbursing Agent**

Computershare Trust Company N.A.

S-10

**Table of Contents****TABLE OF FEES AND EXPENSES**

The following tables are intended to assist you in understanding the various costs and expenses directly or indirectly associated with investing in our Common Shares as a percentage of net assets attributable to Common Shares. Amounts are for the current fiscal year after giving effect to anticipated net proceeds of the Rights offering of \$92,174,228, assuming that we incur the estimated offering expenses of \$330,000.

**Shareholder Transaction Expenses**

Sales Load (as a percentage of offering price)		None
Offering Expenses Borne by the Fund (as a percentage of offering price)		0.36%(1)
Dividend Reinvestment and Cash Purchase Plan Fees		
Purchase Transaction	\$	0.75(2)
Sale Transaction	\$	2.50(2)

**Percentage of Net  
Assets Attributable  
to Common Shares**

**Annual Expenses**

Management Fees		0.83%(3)
Interest on Borrowed Funds		None(4)
Other Expenses		0.56%(5)
Total Annual Expenses		1.39%
Dividends on Preferred Shares		4.50%(6)
Total Annual Expenses and Dividends on Preferred Shares		5.89%

- (1) Total offering expenses are estimated to be \$330,000, and assumes that the Rights offering is fully subscribed. As reflected in the expense example following this table, the offering expenses will be borne by the Fund and indirectly by all of the Fund's Common Shareholders, including those who do not exercise their Rights and will result in a reduction of the NAV of the Common Shares.
- (2) Shareholders participating in the Fund's Automatic Dividend Reinvestment Plan do not incur any additional fees. Shareholders participating in the Voluntary Cash Purchase Plan would pay \$0.75 plus their pro rata share of brokerage commissions for transactions to purchase shares and \$2.50 plus their pro rata share of brokerage commissions per transaction to sell shares. See Automatic Dividend Reinvestment and Voluntary Cash Purchase Plan in the accompanying Prospectus.
- (3) The Investment Adviser's fee is 0.50% annually of the Fund's average weekly net assets, including proceeds attributable to any outstanding preferred shares and the outstanding principal amount of any debt securities the proceeds of which were used for investment purposes. Consequently, since the Fund has preferred shares outstanding, the investment management fees and other expenses as a percentage of net assets attributable to Common Shares may be higher than if the Fund did not utilize a leveraged capital structure.
- (4) The Fund has no current intention of borrowing from a lender or issuing notes during the one year following the date of this Prospectus Supplement.
- (5)

Other Expenses are based on estimated amounts for the current year assuming completion of the proposed issuance.

- (6) Represents distributions on the Series A Preferred Shares and the Series B Preferred Shares.

S-11

**Table of Contents****Example**

The following example illustrates the expenses (including the estimated offering expenses of \$330,000 from the issuance of \$23,982,578 in Common Shares and \$68,521,650 in Series B Preferred Shares) you would pay on a \$1,000 investment in Common Shares, assuming a 5% annual portfolio total return.\*

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Total Expenses Incurred	\$ 62	\$ 177	\$ 290	\$ 565

\* **The example should not be considered a representation of future expenses.** The example assumes that the amounts set forth in the Annual Expenses table are accurate and that all distributions are reinvested at net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund's actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

*The example above includes Dividends on Preferred Shares. If Dividends on Preferred Shares were not included in the example calculation, the expenses for the 1-, 3-, 5- and 10- year periods in the table above would be as follows (based on the same assumptions): \$17, \$47, \$79, and \$169.*

**Table of Contents****CAPITALIZATION**

The following table sets forth the unaudited capitalization of the Fund as of June 30, 2018 and its adjusted capitalization assuming all of the Common Shares and Series B Preferred Shares offered in this Prospectus Supplement had been issued.

	<b>As of June 30, 2018</b>	
	<b>Actual</b>	<b>As adjusted</b>
<b>Preferred Shares, \$0.001 par value per share</b>		
(The Actual column reflects the Fund's outstanding capitalization as of June 30, 2018; the As adjusted column assumes the repurchase of 800 Series A Preferred Shares, the issuance of 1,370,433 Series B Preferred Shares, \$50.00 liquidation preference per share and the Series A Preferred Shares outstanding at June 30, 2018.)	\$ 2,358,700	\$ 70,840,350
<b>Common Shares, \$0.001 par value per share</b>		
(The Actual column reflects the 4,111,297 shares outstanding as of June 30, 2018; the As adjusted column assumes the issuance of 1,370,433 shares and the 4,111,297 shares outstanding as of June 30, 2018.)	4,111	5,482
<b>Shareholders' equity applicable to Common Shares:</b>		
Paid-in surplus*	59,395,127	83,046,333
Undistributed net investment income	58,966	58,966
Accumulated net realized gain on investments, swap contracts, and foreign currency transactions	543,313	543,313
Net unrealized appreciation on investments, swap contracts, and foreign currency translations	24,431,274	24,431,274
<b>Net assets applicable to Common Shares</b>	<b>84,432,791</b>	<b>108,085,368</b>
<b>Liquidation preference of Preferred Shares</b>	<b>2,358,700</b>	<b>70,840,350</b>
<b>Net assets, plus the liquidation preference of Preferred Shares</b>	<b>86,791,491</b>	<b>178,925,718</b>

\* As adjusted paid-in surplus reflects a deduction for the estimated offering expenses of the Common Shares and Series B Preferred Shares of \$330,000.

**USE OF PROCEEDS**

The Fund estimates the net proceeds of the Rights offering to be approximately \$92,174,228, based on the Subscription Price of \$67.50, which represents \$17.50 per Common Share and \$50.00 per Series B Preferred Share, and after deduction of the estimated offering expenses payable by the Fund, and assuming all Common Shares and Series B Preferred Shares offered are sold.

The Investment Adviser anticipates that investment of the proceeds will be made in accordance with the Fund's investment objective and policies as appropriate investment opportunities are identified, which is expected to be substantially completed in approximately three months; however, the identification of appropriate investment opportunities pursuant to the Fund's investment objective and policies or changes in market conditions may cause the

investment period to extend as long as six months. This could occur if market conditions are unstable to such an extent that the Investment Adviser believes market risk is greater than the benefit of making additional investments at that time. Pending such investment, the proceeds will be held in high quality short term debt securities and instruments.

The Fund may also use approximately \$2,318,700 of the net proceeds from the offering to redeem the remaining Series A Preferred Shares outstanding.

Table of Contents**DESCRIPTION OF THE RIGHTS OFFERING****Terms of the Rights Offering**

The Fund is issuing to Common Shareholders of record as of the close of business on November 12, 2018 ( the Record Date, and such shareholders, the Record Date Shareholders ) Rights to subscribe for Common Shares and Series B Preferred Shares. Each Record Date Shareholder is being issued one transferable Right for each Common Share owned on the Record Date. The Rights entitle the holders to acquire for \$67.50 in cash (the Subscription Price ) one Common Share and one Series B Preferred Share for every three Rights. Fractional shares will not be issued upon the exercise of the Rights and Rights may be exercised only for an equal number of Common Shares and Series B Preferred Shares and not for only Common Shares or Series B Preferred Shares or an unequal number of Common Shares and Series B Preferred Shares. Rights may be exercised at any time during the period which commences on November 12, 2018, and ends at 5:00 PM Eastern Time on December 14, 2018 (the Subscription Period ). The right to acquire one Common Share and one Series B Preferred Share for every three Rights held during the Subscription Period at the Subscription Price will be referred to in the remainder of this prospectus supplement as the Subscription. *Rights will expire on the Expiration Date and thereafter may not be exercised.* **The Fund has declared regular monthly distributions to Common Shareholders payable on November 23, 2018 and December 14, 2018, which will not be payable with respect to Common Shares issued pursuant to the Rights Offering.**

Rights may be evidenced by subscription certificates or may be uncertificated and evidenced by other appropriate documentation ( Subscription Certificates ). The number of Rights issued to each holder will be stated on the Subscription Certificate delivered to the holder. The method by which Rights may be exercised and shares paid for is set forth below in Method of Exercise of Rights and Payment for Shares. A Rights holder will have no right to rescind a purchase after Computershare Trust Company, N.A. (the Rights Agent ) has received the Rights exercised. See Payment for Shares below. It is anticipated that the Common Shares and Series B Preferred Shares issued pursuant to an exercise of Rights will be listed on the NYSE American.

Rights holders who are Record Date Shareholders who fully exercise their Rights are entitled to subscribe for additional Common Shares and Series B Preferred Shares at the same Subscription Price pursuant to the over-subscription privilege, subject to certain limitations, allotment and the right of the Board to eliminate the over-subscription privilege. See *Over-Subscription Privilege* on page 15.

For purposes of determining the maximum number of shares a Record Date Shareholder may acquire pursuant to the offer, broker-dealers, trust companies, banks or others whose shares are held of record by Cede & Co. ( Cede ), as nominee for the Depository Trust Company ( DTC ) or by any other depository or nominee will be deemed to be the holders of the Rights that are held by Cede or such other depository or nominee on their behalf.

The Rights are transferable and are expected to be admitted for trading through NYSE American under the symbol GLU RT . Assuming a market exists for the Rights, the Rights may be purchased and sold through usual brokerage channels and sold through the Rights Agent. Although no assurance can be given that a market for the Rights will develop, trading in the Rights through NYSE American is expected to begin on November 7, 2018 and may be conducted until the close of trading through the last NYSE American trading day prior to the Expiration Date. Trading of the Rights through the NYSE American is expected to be conducted on a when-issued basis until and including the date on which the Subscription Certificates are mailed to Record Date Shareholders and thereafter is expected to be conducted on a regular way basis until and including the last NYSE American trading day prior to the Expiration Date. The method by which Rights may be transferred is set forth on page 17 under Method of Transferring Rights. The Common Shares are expected to begin trading ex-Rights on November 8, 2018.

S-14



**Table of Contents**

Nominees who hold the Fund's Common Shares for the account of others, such as banks, broker-dealers, trustees or depositories for securities, should notify the respective beneficial owners of such shares as soon as possible to ascertain such beneficial owners' intentions and to obtain instructions with respect to the Rights. If the beneficial owner so instructs, the nominee should complete the Subscription Certificate and submit it to the Rights Agent with proper payment. In addition, beneficial owners of the Common Shares or Rights held through such a nominee should contact the nominee and request the nominee to effect transactions in accordance with such beneficial owner's instructions.

Participants in the Fund's Automatic Dividend Reinvestment and Voluntary Cash Purchase Plan (the Plan) will be issued Rights in respect of the Common Shares held in their accounts in the Plan. Participants wishing to exercise these Rights must exercise the Rights in accordance with the procedures set forth in Method of Exercise of Rights and Payment for Shares.

**Important Dates to Remember**

Please note that the dates in the table below may change if the Rights offering is extended.

<b>EVENT</b>	<b>DATE</b>
Record Date	November 12, 2018
Subscription Period*	November 12, 2018 through December 14, 2018**
Final Day Rights Will Trade	December 13, 2018**
Expiration Date*	December 14, 2018**
Payment for shares and Subscription Certificate or Notice of Guaranteed of Delivery Due*	December 14, 2018**
Issuance Date	December 20, 2018**
Confirmation Date	December 26, 2018**

\* A shareholder exercising Rights must deliver by 5:00 PM Eastern Time on December 14, 2018 either (a) a Subscription Certificate and payment for shares or (b) a notice of guaranteed delivery and payment for shares.

\*\* Unless the offer is extended.

**Over-Subscription Privilege**

The Board has the right in its absolute discretion to eliminate the over-subscription privilege with respect to primary over-subscription shares if it considers it to be in the best interest of the Fund to do so. The Board may make that determination at any time, without prior notice to Rights holders or others, up to and including the fifth day following the Expiration Date. If the over-subscription privilege is not eliminated, it will operate as set forth below.

Record Date Shareholders who fully exercise their Rights are entitled to subscribe for additional Common Shares and Series B Preferred Shares at the same Subscription Price pursuant to the over-subscription privilege, subject to certain limitations, allotment, and the right of the Board to eliminate the over-subscription privilege.

Record Date Shareholders who fully exercise all Rights initially issued to them are entitled to buy those Common Shares and Series B Preferred Shares, referred to as primary over-subscription shares, that were not purchased by other holders of Rights at the same Subscription Price. If enough primary over-subscription shares are available, all such requests will be honored in full. If the requests for primary over-subscription shares exceed the primary

over-subscription shares available, the available primary over-subscription shares (the Excess Shares ) will be allocated pro rata among those fully exercising Record Date Shareholders who over-subscribe based on the number of Rights originally issued to them by the Fund.

S-15

**Table of Contents**

Record Date Shareholders who are fully exercising their Rights during the subscription period should indicate, on the Subscription Certificate that they submit with respect to the exercise of the Rights issued to them, how many Common Shares and Series B Preferred Shares they are willing to acquire pursuant to the over-subscription privilege. *Rights acquired in the secondary market may not participate in the over-subscription privilege.*

The formula to be used in allocating the Excess Shares is as follows:

Shareholder's Record Date Position	X Excess Shares Remaining
Total Record Date Position of All Over-Subscribers	

Banks, broker-dealers, trustees and other nominee holders of Rights will be required to certify to the Rights Agent, before any over-subscription privilege may be exercised with respect to any particular beneficial owner, as to the aggregate number of Rights exercised during the Subscription Period and the number of Common Shares and Series B Preferred Shares subscribed for pursuant to the over-subscription privilege by such beneficial owner and that such beneficial owner's Rights were exercised in full. Nominee holder over-subscription forms and beneficial owner certification forms will be distributed to banks, broker-dealers, trustees and other nominee holders of Rights with the Subscription Certificates. Nominees should also notify holders purchasing Rights in the secondary market that such Rights may not participate in the over-subscription privilege.

The Fund will not offer or sell any Common Shares or Series B Preferred Shares that are not subscribed for during the Subscription Period or pursuant to the over-subscription privilege.

**Insider Participation in Rights Offering**

The Fund has been advised that the Investment Adviser and the Fund's Trustees and officers that own Common Shares may exercise some or all of the Rights initially issued to them, and may request additional Common Shares and Series B Preferred Shares pursuant to the over-subscription privilege. An exercise of the over-subscription privilege by such persons will increase their proportionate voting power and share of the Fund's assets.

Mario J. Gabelli, the portfolio manager of the Fund and control person of the Investment Adviser, or his affiliated entities, may exercise some or all of the Rights initially issued to them, and may request additional Common Shares and Series B Preferred Shares pursuant to the over-subscription privilege. Mr. Gabelli, or his affiliated entities, may also offer to sell, or otherwise transfer, some or all of the Rights initially issued to them. If Mr. Gabelli, or his affiliated entities, sells or otherwise transfers some or all of the Rights initially issued to them, Mr. Gabelli intends to sell or transfer such Rights in accordance with the resale and/or transfer procedures set forth in this Prospectus Supplement under the headings *Description of the Rights Offering*, *Sales by Rights Agent* and *Description of the Rights Offering*, *Method of Selling or Transferring Rights*. Mr. Gabelli will be the beneficial owner of 270,350 Rights<sup>1</sup> and may offer to sell, or otherwise transfer, up to all of such Rights. If Mr. Gabelli determines to sell or transfer all of the Rights that he may offer hereby, he will beneficially own no Rights after the completion of this Rights offering. Mr. Gabelli reserves the right to sell or transfer no Rights or an amount of Rights that is otherwise less than all of the Rights set forth in this paragraph.

Mr. Gabelli is the portfolio manager of the Fund. Mr. Gabelli is Chairman, Chief Executive Officer, and Chief Investment Officer - Value Portfolios of GAMCO Investors, Inc. ( GBL ), an NYSE-listed asset manager and financial services company. He is also the Chief Investment Officer of Value Portfolios of the Investment Adviser and GAMCO Asset Management, Inc. ( GAMCO ), both of which are asset management

- <sup>1</sup> Mr. Gabelli will be deemed to be the direct beneficial owner of 1,881 Rights and the indirect beneficial owner of 268,469 Rights.

S-16

## **Table of Contents**

subsidiaries of GBL. In addition, Mr. Gabelli is Chief Executive Officer, Chief Investment Officer, a director and the controlling shareholder of GGCP, Inc. ( GGCP ), a private company that holds a majority interest in GBL, and the Chairman of MJG Associates, Inc., which acts as an investment manager of various investment funds and other accounts. He is also Executive Chairman of Associated Capital Group, Inc., a public company that provides alternative management and institutional research services, and is a majority-owned subsidiary of GGCP.

## **Sales by Rights Agent**

Holders of Rights who are unable or do not wish to exercise any or all of their Rights may instruct the Rights Agent to sell any unexercised Rights. The Subscription Certificates representing the Rights to be sold by the Rights Agent must be received on or before 5:00 P.M. Eastern Time, on December 7, 2018, five Business Days prior to the Expiration Date (or, if the subscription is extended, by 5:00 P.M. Eastern Time, on the fifth Business Day prior to the extended Expiration Date). Upon the timely receipt of the appropriate instructions to sell Rights, the Rights Agent will use its best efforts to complete the sale and will remit the proceeds of sale, net of any commissions, to the holders. The selling Rights holder will pay all brokerage commissions incurred by the Rights Agent. G.research, LLC (the Dealer Manager ), a registered broker-dealer, which may also act on behalf of its clients to purchase or sell Rights in the open market and be compensated for its services at a commission of up to \$0.01 per Right, provided that, if the Rights trade at a value of \$0.01 or less at the time of such sale, then no commission will be charged. The Dealer Manager is a wholly-owned subsidiary of Institutional Services Holdings, LLC, which in turn is a wholly owned subsidiary of Associated Capital Group, Inc., an affiliate of the Investment Adviser, which is, in turn, indirectly majority-owned by Mario J. Gabelli. *As a result of these relationships, Mr. Gabelli is a controlling person of the Dealer Manager.*

The Rights Agent will automatically attempt to sell any unexercised Rights that remain unclaimed as a result of Subscription Certificates being returned by the postal authorities as undeliverable as of the fifth Business Day prior to the Expiration Date. These sales will be made net of commissions, taxes and any other expenses paid on behalf of the non-claiming holders of Rights. Proceeds from those sales will be held by Computershare, in its capacity as the Fund s transfer agent, for the account of the non-claiming holder of rights until the proceeds are either claimed or escheated. There can be no assurance that the Rights Agent will be able to complete the sale of any of these Rights and neither the Fund nor the Rights Agent has guaranteed any minimum sales price for the Rights. All of these Rights will be sold at the market price, if any, through an exchange or market trading the Rights. If the Rights can be sold, sales of these Rights will be deemed to have been effected at the weighted average price received by the Rights Agent on the day such Rights are sold, less any applicable brokerage commissions, taxes and other expenses. Holders of Rights attempting to sell any unexercised Rights in the open market through a broker-dealer other than the Dealer Manager should consider the commissions and fees charged by the broker-dealer prior to selling their Rights on the open market.

Shareholders are urged to obtain a recent trading price for the Rights through NYSE American from their broker, bank, financial advisor or the financial press.

## **Method of Transferring Rights**

### *Sales on the NYSE American*

The Rights are transferable and will be admitted for trading on the NYSE American under the symbol GLU RT. Although no assurance can be given that a market for the Rights will develop, trading in the Rights on the NYSE American is expected to begin on November 7, 2018 and may be conducted until the close of trading on the last NYSE American trading day prior to the Expiration Date.

The value of the Rights, if any, will be reflected by the market price. Rights may be sold by individual holders or may be submitted to the Rights Agent for sale. Any Rights submitted to the Rights Agent for sale must

S-17

## **Table of Contents**

be received by the Rights Agent on or before 5:00 PM, Eastern Time, on December 7, 2018, five Business Days prior to the Expiration Date (or, if the subscription period is extended, by 5:00 PM, Eastern Time, on the fifth Business Day prior to the extended Expiration Date).

Rights that are sold will not confer any right to acquire any Common Shares or Series B Preferred Shares in any over-subscription privilege, and any Record Date Shareholder who sells any Rights will not be eligible to participate in the over-subscription privilege, if any.

Trading of the Rights on the NYSE American will be conducted on a when-issued basis until and including the date on which the Subscription Certificates (as defined below) are mailed to Record Date Shareholders and thereafter will be conducted on a regular-way basis until and including the last NYSE American trading day prior to the Expiration Date. The Common Shares are expected to begin trading ex-Rights on November 8, 2018.

### *Other Transfers*

The Rights evidenced by a single Subscription Certificate may be transferred in whole by endorsing the Subscription Certificate for transfer in accordance with the accompanying instructions. A portion of the Rights evidenced by a single Subscription Certificate (but not fractional Rights) may be transferred by delivering to the Rights Agent a Subscription Certificate properly endorsed for transfer, with instructions to register the portion of the Rights evidenced thereby in the name of the transferee (and to issue a new Subscription Certificate to the transferee evidencing the transferred Rights). In this event, a new Subscription Certificate evidencing the balance of the Rights will be issued to the Rights holder or, if the Rights holder so instructs, to an additional transferee.

Holders wishing to transfer all or a portion of their Rights (but not fractional Rights) should promptly transfer such Rights to ensure that: (i) the transfer instructions will be received and processed by the Rights Agent, (ii) a new Subscription Certificate will be issued and transmitted to the transferee or transferees with respect to transferred Rights, and to the transferor with respect to retained Rights, if any, and (iii) the Rights evidenced by the new Subscription Certificates will be exercised or sold by the recipients thereof prior to the Expiration Date. Neither the Fund nor the Rights Agent will have any liability to a transferee or transferor of Rights if Subscription Certificates are not received in time for exercise or sale prior to the Expiration Date.

Except for the fees charged by the Rights Agent (which will be paid by the Fund as described below), all commissions, fees and other expenses (including brokerage commissions and transfer taxes) incurred in connection with the purchase, sale or exercise of Rights will be for the account of the transferor of the Rights, and none of these commissions, fees or expenses will be borne by the Fund or the Rights Agent.

The Fund anticipates that the Rights will be eligible for transfer through, and that the exercise of the Subscription may be effected through, the facilities of DTC (Rights exercised through DTC are referred to as DTC Exercised Rights ).

### **Rights Agent**

The Rights Agent is Computershare Trust Company, N.A. The Rights Agent will receive from the Fund an amount estimated to be \$53,000, comprised of the fee for its services and the reimbursement for certain expenses related to the Rights offering.

### **Inquiries**

Edgar Filing: GABELLI GLOBAL UTILITY & INCOME TRUST - Form 497

For additional information all holders of Rights can contact the Fund by telephone at 800-GABELLI (422-3554) or 914-921-5070, or by written request to The Gabelli Global Utility & Income Trust, One Corporate Center, Rye, New York 10580-1422.

S-18



## **Table of Contents**

### **Administrative Agent**

Morrow Sodali LLC is serving as administrative agent for this Rights offering. Morrow Sodali LLC will perform administrative services in connection with the Rights offering, including consultation and preparation in connection with the search of, and distribution of materials to, brokers and banks, and other nominees. Morrow Sodali LLC will also perform other administrative and back office services at the Fund's authorization and instruction. For its services, Morrow Sodali LLC will receive a fee of \$4,000 from the Fund, plus reimbursement of its out-of-pocket expenses.

### **Method of Exercise of Rights**

Rights may be exercised by completing and signing the reverse side of the Subscription Certificate and mailing it in the envelope provided, or otherwise delivering the completed and signed Subscription Certificate to the Rights Agent, together with payment of the Subscription Price as described below under Payment for Shares. Rights may also be exercised through a Rights holder's broker, who may charge the Rights holder a servicing fee in connection with such exercise.

Completed Subscription Certificates must be received by the Rights Agent prior to 5:00 PM Eastern Time, on the Expiration Date (unless payment is effected by means of a notice of guaranteed delivery as described below under Payment for Shares ). Your broker, bank, trust company or other intermediary may also impose a deadline for exercising Rights earlier than 5:00 P.M., Eastern Time on the Expiration Date. The Subscription Certificate and payment should be delivered to the Rights Agent at the following address:

If By First Class Mail:

The Gabelli Global Utility & Income Trust

c/o Computershare Trust Company N.A.

P.O. Box 43011

Providence, RI 02940-3011

If By Registered, Certified or Express Mail or Overnight Courier:

The Gabelli Global Utility & Income Trust

c/o Computershare Trust Company N.A.

250 Royall Street

Suite V

Canton, MA 02021

### **Payment for Shares**

Holders of Rights who acquire Common Shares and Series B Preferred Shares in the Subscription may choose between the following methods of payment:

(1) A holder of Rights can send the Subscription Certificate together with payment in the form of a check (which must include the name of the shareholder on the check) for the Common Shares and Series B Preferred Shares subscribed for in the Rights offering and, if eligible, for any additional Common Shares and Series B Preferred Shares subscribed for pursuant to the over-subscription privilege, to the Rights Agent based on the Subscription Price of \$67.50, which represents \$17.50 per Common Shares and \$50.00 per Series B Preferred Share. To be accepted, the payment, together with the executed Subscription Certificate, must be received by the Rights Agent at the addresses noted above prior to 5:00 PM Eastern Time on the Expiration Date. The Rights Agent will deposit all share purchase checks received by it prior to the final due date into a segregated account pending proration and distribution of Common Shares and Series B Preferred Shares. The Rights Agent will not accept cash as a means of payment for Common Shares and Series B Preferred Shares.

S-19

---

**Table of Contents**

(2) Alternatively, a subscription will be accepted by the Rights Agent if, prior to 5:00 PM Eastern Time, on the Expiration Date, the Rights Agent has received a written notice of guaranteed delivery from a bank, a trust company, or a NYSE member, guaranteeing delivery of a properly completed and executed Subscription Certificate. In order for the notice of guaranteed delivery to be valid, full payment for the Common Shares and Series B Preferred Shares subscribed for in the Rights offering and, if eligible, for any additional Common Shares and Series B Preferred Shares subscribed for pursuant to the oversubscription privilege, at the Subscription Price of \$67.50, which represents \$17.50 per Common Share and \$50.00 per Series B Preferred Share, must be received with the notice. The Rights Agent will not honor a notice of guaranteed delivery if a properly completed and executed Subscription Certificate is not received by the Rights Agent by the close of business on the second Business Day after the Expiration Date. The notice of guaranteed delivery must be emailed to the Rights Agent at [canoticeofguarantee@computershare.com](mailto:canoticeofguarantee@computershare.com) or delivered to the Rights Agent at one of the addresses noted above.

EXCEPT AS OTHERWISE SET FORTH BELOW, A PAYMENT PURSUANT TO THIS METHOD MUST BE IN UNITED STATES DOLLARS BY CHECK (WHICH MUST INCLUDE THE NAME OF THE SHAREHOLDER ON THE CHECK) DRAWN ON A BANK LOCATED IN THE CONTINENTAL UNITED STATES, MUST BE PAYABLE TO THE GABELLI GLOBAL UTILITY & INCOME TRUST AND MUST ACCOMPANY AN EXECUTED SUBSCRIPTION CERTIFICATE TO BE ACCEPTED.

If a holder of Rights who acquires Common Shares and Series B Preferred Shares pursuant to the Subscription makes payment of an insufficient amount, the Fund reserves the right to take any or all of the following actions: (i) reallocate such subscribed and unpaid for Common Shares and Series B Preferred Shares to Record Date Shareholders exercising the over-subscription privilege who did not receive the full over-subscription requested; (ii) apply any payment actually received by it toward the purchase of the greatest whole number of Common Shares and Series B Preferred Shares which could be acquired by such holder upon exercise of the Rights or over-subscription privilege; and (iii) exercise any and all other rights or remedies to which it may be entitled, including, without limitation, the right to set off against payments actually received by it with respect to such subscribed Common Shares and Series B Preferred Shares (in other words, retain such payments) and to enforce the exercising Rights holder's relevant payment obligation.

Any payment required from a holder of Rights must be received by the Rights Agent prior to 5:00 PM Eastern Time on the Expiration Date. All payments by a holder of Rights must be in United States dollars by check (which must include the name of the shareholder on the check) drawn on a bank located in the continental United States and be payable to The Gabelli Global Utility & Income Trust. Whichever of the two methods of payment described above is used, issuance and delivery of certificates for the Common Shares and Series B Preferred Shares purchased are subject to collection of checks.

Within seven Business Days following the Expiration Date (the Confirmation Date), a confirmation will be sent by the Rights Agent to each holder of Rights (or, if the Common Shares are held by Cede or any other depository or nominee, to Cede or such other depository or nominee), showing (i) the number of Common Shares and Series B Preferred Shares acquired pursuant to the Subscription, (ii) the number of Common Shares and Series B Preferred Shares, if any, acquired pursuant to the over-subscription privilege, and (iii) the per Common Share and Series B Preferred Share and total purchase price for the Common Shares and Series B Preferred Shares. Any payment required from a holder of Rights must be received by the Rights Agent on the Expiration Date. Any excess payment to be refunded by the Fund to a holder of Rights, or to be paid to a holder of Rights as a result of sales of Rights on his behalf by the Rights Agent, will be mailed by the Rights Agent to the holder within seven Business Days after the Expiration Date. If the aggregate Subscription Price paid by a Record Date Shareholder exceeds the amount necessary to purchase the number of Common Shares and Series B Preferred Shares for which the Record Date Shareholder has indicated an intention to subscribe on the Subscription Certificate, then the Record Date Shareholder will be refunded

any such excess amount.

A Rights holder will have no right to rescind a purchase after the Rights have been exercised.

S-20

## **Table of Contents**

Holders, such as broker-dealers, trustees or depositories for securities, who hold Common Shares for the account of others, should notify the respective beneficial owners of the Common Shares as soon as possible to ascertain such beneficial owners' intentions and to obtain instructions with respect to the Rights. If the beneficial owner so instructs, the record holder of the Rights should complete a Subscription Certificate and submit it to the Rights Agent with the proper payment. In addition, beneficial owners of Common Shares or Rights held through such a holder should contact the holder and request the holder to effect transactions in accordance with the beneficial owner's instructions. **Banks, broker-dealers, trustees and other nominee holders that hold Common Shares of the Fund for the accounts of others are advised to notify those persons that purchase Rights in the secondary market that such Rights may not participate in the over-subscription privilege.**

THE INSTRUCTIONS ACCOMPANYING THE SUBSCRIPTION CERTIFICATES SHOULD BE READ CAREFULLY AND FOLLOWED IN DETAIL. DO NOT SEND SUBSCRIPTION CERTIFICATES TO THE FUND.

THE METHOD OF DELIVERY OF SUBSCRIPTION CERTIFICATES AND PAYMENT OF THE SUBSCRIPTION PRICE TO THE RIGHTS AGENT WILL BE AT THE ELECTION AND RISK OF THE RIGHTS HOLDERS, BUT IF SENT BY MAIL IT IS RECOMMENDED THAT THE CERTIFICATES AND PAYMENTS BE SENT BY REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED, AND THAT A SUFFICIENT NUMBER OF DAYS BE ALLOWED TO ENSURE DELIVERY TO THE RIGHTS AGENT AND CLEARANCE OF PAYMENT PRIOR TO 5:00 PM EASTERN TIME, ON THE EXPIRATION DATE.

All questions concerning the timeliness, validity, form, and eligibility of any exercise of Rights will be determined by the Fund, whose determinations will be final and binding. The Fund in its sole discretion may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as it may determine, or reject the purported exercise of any Right. Rights will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as the Fund determines in its sole discretion. Neither the Fund nor the Rights Agent will be under any duty to give notification of any defect or irregularity in connection with the submission of Subscription Certificates or incur any liability for failure to give such notification.

### **Notice of Net Asset Value Decline**

The Fund has, pursuant to the SEC's regulatory requirements, undertaken to suspend the Rights offering until the Fund amends this Prospectus Supplement if, after November 9, 2018 (the date of this Prospectus Supplement), the Fund's net asset value declines more than 10% from the Fund's net asset value as of that date. In that event, the Expiration Date will be extended and the Fund will notify Record Date Shareholders of any such decline and permit Rights holders to cancel their exercise of Rights.

### **Foreign Restrictions**

Subscription Certificates will not be mailed to Record Date Shareholders whose addresses are outside the United States (for these purposes, the United States includes the District of Columbia and the territories and possessions of the United States) (the "Foreign Shareholders"). The Rights Agent will send a letter via regular mail to Foreign Shareholders who own Common Shares directly ("Direct Foreign Shareholders"), as opposed to in street name with a broker or other financial intermediary, to notify them of the Rights offering. Direct Foreign Shareholders who wish to exercise their Rights should contact the Fund, as described above under "Inquiries," to facilitate the exercise of such Rights and for instructions or any other special requirements that may apply in order for such Direct Foreign Shareholder to exercise its Rights. Direct Foreign Shareholders who wish to sell their Rights should contact the Rights

Agent and follow the procedures described above under Sales by Rights Agent. **Direct Foreign Shareholders are encouraged to contact the Fund or the Rights Agent as**

S-21

**Table of Contents**

**far in advance of the Expiration Date as possible to ensure adequate time for their Rights to be exercised or sold.** Foreign Shareholders who own Common Shares in street name through a broker or other financial intermediary should contact such broker or other financial intermediary with respect to any exercise or sale of Rights.

**TERMS OF THE SERIES B PREFERRED SHARES**

The following is a brief description of the terms of the Series B Preferred Shares. This is intended to be a summary of the material provisions of the Fund's Statement of Preferences for the Series B Preferred Shares (the Statement of Preferences). Since this disclosure is only a summary, you should refer to the Statement of Preferences for a complete description of the obligations of the Fund and your rights. The Statement of Preferences will be attached as an exhibit to post-effective amendment number three to the Fund's registration statement. Copies may be obtained as described under Additional Information in the accompanying Prospectus. Any capitalized terms in this section that are not defined have the meaning assigned to them in the Statement of Preferences.

The Fund's Agreement and Declaration of Trust, as amended from time to time, provides that the Board may authorize and issue classes of shares with rights and preferences as determined by the Board, by action of the Board without the approval of the holders of the Common Shares. Currently, an unlimited number of the Fund's shares are available for classification by the Board as preferred shares, par value \$0.001 per share. The Statement of Preferences authorizes the issuance of up to 1,370,433 Series B Preferred Shares. All Series B Preferred Shares will have a Liquidation Preference of \$50.00 per share plus accumulated and unpaid dividends. Holders of Series B Preferred Shares shall be entitled to receive, when, as and if declared by, or under authority granted by the Board, out of funds legally available therefor, cumulative cash dividends and distributions at the rates described below under Dividends. Dividends and distributions on Series B Preferred Shares will accumulate from the date of their original issue, which is expected to be December 20, 2018 (the "Date of Original Issue").

The Series B Preferred Shares, when issued by the Fund and paid for pursuant to the terms of this Prospectus Supplement and the accompanying Prospectus, will be fully paid and non-assessable and will have no preemptive, exchange or conversion rights. Any Series B Preferred Shares purchased or redeemed by the Fund will, after such purchase or redemption, have the status of authorized but unissued preferred shares. The Board may by resolution classify or reclassify any authorized and unissued Series B Preferred Shares from time to time by setting or changing the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and distributions, and qualifications or terms or conditions of redemption of such shares.

Any dividend payment made on the Series B Preferred Shares will first be credited against the dividends and distributions accumulated with respect to the earliest Dividend Period (as defined below) for which dividends and distributions have not been paid.

The Series B Preferred Shares will not be rated by any rating agency.

*The disclosure set forth in this section and under the headings Asset Coverage Ratio and Summary of the Terms of the Series B Preferred Shares is intended to be a summary of the material provisions of the Series B Preferred Shares. Since this disclosure is only a summary, you should refer to the Statement of Preferences for a complete description of the obligations of the Fund and your rights. The disclosure set forth in this section and under the headings Asset Coverage Ratio and Summary of the Terms of the Series B Preferred Shares supplements the description of the preferred shares set forth under the caption Description of the Securities Preferred Shares in the accompanying Prospectus, and in the event that any provision described in the disclosure set forth in this section and under the headings Asset Coverage Ratio and*

S-22



---

**Table of Contents**

*Summary of the Terms of the Series B Preferred Shares* is inconsistent with any description contained in the accompanying Prospectus, the disclosure set forth in this section and under the headings *Asset Coverage Ratio* and *Summary of the Terms of the Series B Preferred Shares* will apply and supersede the description in the accompanying Prospectus.

**Dividends and Distributions**

Quarterly dividend payments are expected to be made when, as and if declared by the Board on March 26, June 26, September 26, and December 26 of each year (each, a Dividend Payment Date), commencing on March 26, 2019 (if any Dividend Payment Date is not a Business Day, as that term is defined in the Statement of Preferences, then on the next succeeding Business Day). As used herein, each period beginning on and including a Dividend Payment Date (or beginning on the Date of Original Issue, in the case of the first Dividend Period after the issuance of such Series B Preferred Shares) and ending on but excluding the next succeeding Dividend Payment Date (or, in the case of the first dividend period after the issuance of such Series B Preferred Shares, March 26, 2019) is referred to as a Dividend Period. The Dividend Period beginning on the Date of Original Issue, which constitutes the first Dividend Period, together with the next three Dividend Periods, are referred to herein as Year 1, the next four Dividend Periods are referred to as Year 2, and so on.

For the Dividend Periods occurring in Year 1, the Statement of Preferences for the Series B Preferred Shares provides for quarterly dividends to be paid at an annualized rate of 7.00% based on the liquidation preference of the Series B Preferred Shares. During the last Dividend Period occurring in Year 1, the Board will determine and publicly announce at least 30 days prior to the end of such Dividend Period a fixed annual dividend rate that will apply for the Dividend Periods occurring in Year 2 and Year 3. During the last Dividend Period occurring in Year 3, the Board will determine and publicly announce at least 30 days prior to the end of such Dividend Period a fixed annual dividend rate that will apply for all remaining Dividend Periods. Each reset dividend rate will be determined by the Board or a committee thereof in its sole discretion, and the Statement of Preferences provides that such rate will be at least 200 basis points over the yield of the ten year U.S. Treasury Note at the date of determination, but that in no case will the annual dividend rate be less than 4.00% or greater than 7.00% based on the liquidation preference of the Series B Preferred Shares.

Dividends and distributions will be paid to holders of record of Series B Preferred Shares as they appear on the stock register of the Fund at the close of business on the fifth preceding Business Day of a Dividend Payment Date in preference to dividends and distributions on Common Shares and any other capital shares of the Fund ranking junior to the new Series B Preferred Shares in payment of dividends and distributions. Dividends and distributions on Series B Preferred Shares shall accumulate from the date on which such shares are originally issued. Dividends and distributions on account of arrears for any past Dividend Period or in connection with the redemption of Series B Preferred Shares may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such date not exceeding 30 days preceding the payment date thereof as is fixed by the Board.

No full dividends or distributions will be declared or paid on Series B Preferred Shares for any Dividend Period or part thereof unless full cumulative dividends and distributions due through the most recent Dividend Payment Dates for all series of preferred shares of the Fund ranking on a parity with the Series B Preferred Shares as to the payment of dividends and distributions have been or contemporaneously are declared and paid through the most recent Dividend Payment Dates therefor. If full cumulative dividends and distributions due have not been paid on all such outstanding preferred shares, any dividends and distributions being paid on such preferred shares (including the Series B Preferred Shares) will be paid as nearly pro rata as possible in proportion to the respective amounts of dividends and distributions accumulated but unpaid on each such series of preferred shares on the relevant Dividend Payment Date.

S-23

---

**Table of Contents****Voting Rights**

The Statement of Preferences provides that, except as otherwise provided in the Fund's governing documents or a resolution of the Board or its delegatee, or as required by applicable law, holders of Series B Preferred Shares shall have no power to vote on any matter except matters submitted to a vote of the Fund's Common Shares. In any matter submitted to a vote of the holders of the Common Shares, each holder of Series B Preferred Shares shall be entitled to one vote for each Series B Preferred Share held and the holders of all outstanding preferred shares, including Series B Preferred Shares, and the Common Shares shall vote together as a single class; provided, however, that the holders of the outstanding preferred shares, including Series B Preferred Shares, shall be entitled, as a class, to the exclusion of the holders of all other securities and classes of capital shares of the Fund, to elect two of the Fund's Trustees.

During any period in which any one or more of the conditions described below exists (such period being referred to herein as a Voting Period), the number and/or composition of Trustees constituting the Board will be adjusted as necessary to permit the holders of outstanding preferred shares, including the Series B Preferred Shares, voting separately as one class (to the exclusion of the holders of all other classes of shares of the Fund) to elect the number of Trustees that, when added to the two Trustees elected exclusively by the holders of outstanding preferred shares, would constitute a simple majority of the Board as so adjusted. The Fund and the Board will take all necessary actions, including effecting the removal of Trustees or amendment of the Fund's governing documents, to effect an adjustment of the number and/or composition of trustees as described in the preceding sentence.

A Voting Period will commence:

- (i) if at any time accumulated dividends and distributions on the outstanding Series B Preferred Shares equal to at least two full years' dividends and distributions are due and unpaid; or
- (ii) if at any time holders of any other preferred shares are entitled to elect a majority of the Trustees of the Fund under the 1940 Act or Statement of Preferences creating such shares.

Additionally, the affirmative vote of the holders of a majority of the outstanding preferred shares (as defined in the 1940 Act), voting as a separate class, will be required to amend, alter or repeal any of the provisions of the Statement of Preferences so as to in the aggregate adversely affect the rights and preferences set forth in the Statement of Preferences. To the extent permitted under the 1940 Act, in the event that more than one series of the Fund's preferred shares is outstanding, the Fund will not affect any of the actions set forth in the preceding sentence which in the aggregate adversely affects the rights and preferences for a series of preferred shares differently than such rights and preferences for any other series of preferred shares without the affirmative vote of the holders of at least a majority (as defined in the 1940 Act) of the Fund's preferred shares outstanding of each series adversely affected (each such adversely affected series voting separately as a class to the extent its rights are affected differently). The holders of the Series B Preferred Shares are not entitled to vote on any matter that affects the rights or interests of only one or more other series of the Fund's preferred shares. The class vote of holders of preferred shares described above will in each case be in addition to any other vote required to authorize the action in question. An increase in the number of authorized preferred shares or the issuance of additional shares of any series of preferred shares (including Series B Preferred Shares) shall not in and of itself be considered to adversely affect the rights and preferences of the Fund's preferred shares.

Additional details regarding the voting rights of preferred shares are included in the Prospectus under "Description of the Securities Preferred Shares Voting Rights."

**Puts and Redemptions**

*Holder Put Rights.* The Fund will redeem all or any part of the Series B Preferred Shares that holders have properly submitted for redemption and not withdrawn during the 30-day period prior to each of December 26, 2021 and December 26, 2023 at the Liquidation Preference, plus any accumulated and unpaid dividends.

S-24

## **Table of Contents**

*Optional Redemptions.* The Fund may redeem all or any part of the Series B Preferred Shares, upon not less than 30 nor more than 60 days' prior notice, at the Liquidation Preference, plus any accumulated and unpaid dividends, at any time commencing on December 20, 2023 and thereafter, to the extent permitted by the 1940 Act and Delaware law. Prior to December 20, 2023 the Series B Preferred Shares are not otherwise subject to optional redemption by the Fund unless such redemption is necessary, in the judgment of the Board, to maintain the Fund's status as a regulated investment company under Subchapter M of the Code. Reference is also made to the heading "Description of the Securities Preferred Shares Redemption Procedures" in the Prospectus.

*Mandatory Redemptions.* Reference is made to the following headings in the Prospectus: "Description of the Securities Preferred Shares Asset Maintenance Requirements," "Description of the Securities Preferred Shares Mandatory Redemption Relating to Asset Coverage Requirements" and "Description of the Securities Preferred Shares Redemption Procedures."

The cure period for 1940 Act asset coverage failures for the Series B Preferred Shares is 60 days and the excess amount that may be redeemed in the case of a 1940 Act asset coverage failure is 10% (i.e., the Fund may redeem an additional number of preferred shares, including Series B Preferred Shares, which, when aggregated with all other preferred shares redeemed by the Fund, permits the Fund to have with respect to the preferred shares, including Series B Preferred Shares, remaining outstanding after such redemption a 1940 Act asset coverage of as great as 220%).

## **Liquidation**

In the event of any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the holders of Series B Preferred Shares shall be entitled to receive out of the assets of the Fund available for distribution to shareholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the Fund's Common Shares or any other shares of the Fund ranking junior to the Series B Preferred Shares as to liquidation payments, a liquidation distribution in the amount of \$50.00 per share, plus an amount equal to all unpaid dividends and distributions accumulated to and including the date fixed for such distribution or payment (whether or not earned or declared by the Fund, but excluding interest thereon), and such holders shall be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up of the Fund.

If, upon any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the assets of the Fund available for distribution among the holders of all outstanding Series B Preferred Shares and all outstanding shares of any other series of the Fund's preferred shares ranking on a parity with the Series B Preferred Shares as to payment upon liquidation shall be insufficient to permit the payment in full to such holders of Series B Preferred Shares of the liquidation preference plus accumulated and unpaid dividends and distributions and the amounts due upon liquidation with respect to all outstanding shares of such other series of preferred shares of the Fund, then such available assets shall be distributed among the holders of Series B Preferred Shares and such other series of preferred shares of the Fund ratably in proportion to the respective preferential liquidation amounts to which they are entitled. Unless and until the liquidation preference plus accumulated and unpaid dividends and distributions has been paid in full to the holders of Series B Preferred Shares, no dividends or distributions will be made to holders of the Fund's Common Shares or any other shares of the Fund ranking junior to the Series B Preferred Shares as to liquidation.

## **Stock Exchange Listing**

An application will be made to list the Series B Preferred Shares on the NYSE American. The Series B Preferred Shares are expected to commence trading on the NYSE American within 30 days of the date of issuance.

S-25

**Table of Contents****PRICE RANGE OF COMMON SHARES**

The following table sets forth for the quarters indicated, the high and low sale prices on the NYSE American per share of our Common Shares and the net asset value and the premium or discount from net asset value per share at which the Common Shares were trading, expressed as a percentage of net asset value, at each of the high and low sale prices provided.

Quarter Ended	Market Price		Corresponding Net Asset Value ( NAV ) Per Share		Corresponding Premium or Discount as a % of NAV	
	High	Low	High	Low	High	Low
	March 31, 2016	\$ 15.83	\$ 12.62	\$ 18.81	\$ 15.32	(15.88)%
June 30, 2016	\$ 16.71	\$ 15.35	\$ 19.58	\$ 18.30	(14.65)%	(16.14)%
September 30, 2016	\$ 16.96	\$ 16.16	\$ 19.42	\$ 18.72	(12.68)%	(13.67)%
December 31, 2016	\$ 16.64	\$ 14.56	\$ 19.05	\$ 17.30	(12.62)%	(15.87)%
March 31, 2017	\$ 17.61	\$ 15.83	\$ 20.04	\$ 18.54	(12.14)%	(14.65)%
June 30, 2017	\$ 19.94	\$ 17.48	\$ 21.26	\$ 19.93	(6.20)%	(12.30)%
September 30, 2017	\$ 20.65	\$ 19.35	\$ 21.88	\$ 20.40	(5.65)%	(5.14)%
December 31, 2017	\$ 21.09	\$ 19.39	\$ 22.21	\$ 21.71	(5.04)%	(10.66)%
March 31, 2018	\$ 21.03	\$ 18.05	\$ 21.74	\$ 19.75	(3.26)%	(8.61)%
June 30, 2018	\$ 18.70	\$ 18.01	\$ 20.78	\$ 20.03	(10.01)%	(10.08)%
September 30, 2018	\$ 19.99	\$ 18.60	\$ 20.80	\$ 20.73	(3.89)%	(10.27)%
October 1, 2018 - November 7, 2018	\$ 20.01	\$ 18.85	\$ 20.67	\$ 19.80	(3.19)%	(4.80)%

The last reported price for our Common Shares on November 7, 2018 was \$19.96 per share. As of November 7, 2018, the net asset value per share of the Fund's Common Shares was \$20.35. Accordingly, our Common Shares traded at a discount to net asset value of 1.92% on November 7, 2018.

**ASSET COVERAGE RATIO**

As provided in the 1940 Act and subject to certain exceptions, the Fund may issue debt and/or preferred shares with the condition that immediately after issuance the value of its total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the sum of the amount of debt and preferred shares outstanding. The Fund's preferred shares are expected to have an initial asset coverage on the date of issuance of approximately 251%. As provided in the 1940 Act and subject to certain exceptions, the Fund will not be permitted to declare any dividend, or declare any other distribution, upon any outstanding Common Shares, or repurchase Common Shares, unless, in every such case, all preferred shares issued by the Fund have at the time of declaration of any such dividend or distribution or at the time of any such purchase an asset coverage of at least 200% ( 1940 Act Asset Coverage Requirement ) after deducting the amount of such dividend, distribution, or purchase price, as the case may be.

Additional information regarding 1940 Act Asset Coverage Requirements is contained in the Prospectus under the headings Investment Objective and Policies Current Investment Practices Leverage and Risk Factors and Special Considerations Special Risks to Holders of Common Shares Leverage Risk.

**RIGHTS OFFERING**

The Rights offering will be made in accordance with the 1940 Act. Under the laws of Delaware, the Board is authorized to approve rights offerings without obtaining shareholder approval. The staff of the SEC has interpreted the 1940 Act as not requiring shareholder approval of a transferable rights offering to purchase

S-26



## **Table of Contents**

common stock at a price below the then current net asset value so long as certain conditions are met, including: (i) a good faith determination by a fund's Board that such offering would result in a net benefit to existing shareholders; (ii) the offering fully protects shareholders' preemptive rights and does not discriminate among shareholders (except for the possible effect of not offering fractional rights); (iii) management uses its best efforts to ensure an adequate trading market in the rights for use by shareholders who do not exercise such rights; and (iv) the ratio of a transferable rights offering does not exceed one new share for each three rights held.

### **SPECIAL RISKS OF THE OFFERING AND THE SERIES B PREFERRED SHARES**

Risk is inherent in all investing. Therefore, before investing in the Common Shares and Series B Preferred Shares you should consider the risks carefully. See "Risk Factors and Special Considerations" in the Prospectus and the special risks and considerations set out below.

#### **Principal Risks Associated with Investing in Common Shares in the Rights Offering**

***Dilution.*** As with any security, the price of the Fund's Common Shares fluctuates with market conditions and other factors. The Common Shares are currently trading at a discount to their net asset value. Shares of closed-end investment companies frequently trade at a discount from their net asset values. This characteristic is a risk separate and distinct from the risk that the Fund's net asset value could decrease as a result of its investment activities and may be greater for shareholders expecting to sell their Common Shares in a relatively short period of time following completion of this Rights offering. The net asset value of the Common Shares will be reduced immediately following this Rights offering as a result of the accrual of certain offering costs.

If you do not exercise all of your Rights, you may own a smaller proportional interest in the Fund when the Rights offering is over. In addition, you will experience an immediate dilution of the aggregate net asset value per Common Share if you do not participate in the Rights offering and will experience a reduction in the net asset value per Common Share whether or not you exercise your Rights, if the portion of the Subscription Price attributable to the additional Common Shares is below the Fund's net asset value per Common Share on the Expiration Date, because:

the offered Common Shares are being sold at less than their current net asset value;

you will indirectly bear the expenses of the Rights offering; and

the number of Common Shares outstanding after the Rights offering will have increased proportionately more than the increase in the amount of the Fund's net assets.

On the other hand, if the portion of the Subscription Price attributable to the additional Common Shares is above the Fund's net asset value per Common Share on the Expiration Date, you may experience an immediate accretion of the aggregate net asset value per Common Share of your Common Shares even if you do not exercise your Rights and an immediate increase in the net asset value per Common Share of your Common Shares whether or not you participate in the offering, because:

the offered Common Shares are being sold at more than their current net asset value after deducting the expenses of the Rights offering; and

the number of Common Shares outstanding after the Rights offering will have increased proportionately less than the increase in the amount of the Fund's net assets.

Furthermore, if you do not fully participate in the Rights offering, your percentage ownership may also be diluted. The Fund cannot state precisely the amount of any dilution because it is not known at this time what the net asset value per share will be on the Expiration Date or what proportion of the Rights will be exercised. The

S-27

**Table of Contents**

impact of the Rights offering on net asset value per share is shown by the following examples, assuming a Subscription Price of \$67.50, which represents \$17.50 per Common Share and \$50.00 per Series B Preferred Share:

**Scenario 1: (assumes net asset value per share is above subscription price per Common Share)<sup>(1)</sup>**

NAV <sup>(2)</sup>	\$ 20.09
Subscription Price per Common Share	\$ 17.50
Reduction in NAV(\$) <sup>(3)</sup>	\$ 0.71
Reduction in NAV(%)	3.53%

**Scenario 2: (assumes net asset value per share is below subscription price per Common Share)<sup>(1)</sup>**

NAV <sup>(4)</sup>	\$ 16.00
Subscription Price per Common Share	\$ 17.50
Increase in NAV(\$) <sup>(3)</sup>	\$ 0.31
Increase in NAV(%)	1.94%

- (1) Both examples assume the Rights offering is fully subscribed. Actual amounts may vary due to rounding.
- (2) For illustrative purposes only; reflects the Fund's net asset value per Common Share as of November 6, 2018. It is not known at this time what the net asset value per Common Share will be on the Expiration Date.
- (3) Assumes \$330,000 in estimated offering expenses.
- (4) For illustrative purposes only. It is not known at this time what the net asset value per Common Share will be on the Expiration Date.

If you do not wish to exercise your Rights, you should consider selling them as set forth in this Prospectus Supplement. Any cash you receive from selling your Rights may serve as partial compensation for any possible dilution of your interest in the Fund. The Fund cannot give assurance, however, that a market for the Rights will develop or that the Rights will have any marketable value.

The Fund's largest shareholders could increase their percentage ownership in the Fund through the exercise of the primary subscription and over-subscription privilege.

**Leverage.** Leverage creates a greater risk of loss, as well as a potential for more gain, for the Common Shares than if leverage were not used. Following the completion of the Rights offering, the Fund's amount of leverage outstanding will increase. The leverage of the Fund as of September 30, 2018 was approximately 2.66% of the Fund's total net assets (which includes the liquidation preference of the Series A Preferred Shares). After the completion of the Rights offering, the amount of leverage outstanding is expected to increase to approximately 40% of the Fund's total net assets (which includes the liquidation preference of both the Series A Preferred Shares and the Series B Preferred Shares). The use of leverage for investment purposes creates opportunities for greater total returns but at the same time increases risk. When leverage is employed, the net asset value and market price of the Common Shares and the yield to holders of Common Shares may be more volatile. Any investment income or gains earned with respect to the assets attributable to leverage in excess of the interest or dividend payments due on such leverage will augment the Fund's income. Conversely, if the investment performance with respect to the assets attributable to leverage fails to cover the interest or dividend payments on such leverage, the value of the Fund's Common Shares may decrease more quickly than would otherwise be the case, and distributions on the Common Shares could be reduced or eliminated. Interest or dividend payments and fees incurred in connection with such leverage will reduce the amount of net income available for distribution to holders of the Common Shares.

Because the fee paid to the Investment Adviser is calculated on the basis of the Fund's average weekly net assets, which include the proceeds of leverage, the dollar amount of the management fee paid by the Fund to the Investment Adviser will be higher (and the Investment Adviser will be benefited to that extent) when leverage is

S-28

**Table of Contents**

utilized. The Investment Adviser will utilize leverage only if it believes such action would result in a net benefit to the Fund's shareholders after taking into account the higher fees and expenses associated with leverage (including higher management fees).

The Fund's leveraging strategy may not be successful.

*Estimated Effects of Leverage after the Rights Offering.* Assuming that leverage will (1) be equal in amount to approximately 40% of the Fund's total net assets (which includes the liquidation preference of both the Series A Preferred Shares and the Series B Preferred Shares), and (2) involve dividend payments at a blended annual dividend rate of 6.9%, then the annual return generated by the Fund's portfolio (net of estimated expenses) must exceed approximately 2.94% of the Fund's total net assets (which includes the liquidation preference of both the Series A Preferred Shares and the Series B Preferred Shares) in order to cover such dividend payments and other expenses specifically related to leverage. Of course, these numbers are merely estimates, used for illustration.

The following table is furnished in response to requirements of the SEC. It is designed to illustrate the effect of leverage on Common Share total return, assuming investment portfolio total returns (composed of net investment income of the Fund, realized gains or losses of the Fund and changes in the value of the securities held in the Fund's portfolio) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns experienced or expected to be experienced by the Fund. The table further reflects leverage representing 40% of the Fund's total net assets, a 6.9% dividend rate on the liquidation preference of the preferred shares, a management fee at an annual rate of 0.50% of the liquidation preference of the preferred shares and estimated annual incremental expenses attributable to the preferred shares of 0.03% of the Fund's net assets attributable to Common Shares.

Assumed Return on Portfolio (Net of Expenses)	(10)%	(5)%	0%	5%	10%
Corresponding Return to Common Shareholder	(21.61)%	(13.28)%	(4.95)%	3.39%	11.72%

Common Share total return is composed of two elements—the Common Share distributions paid by the Fund (the amount of which is largely determined by the taxable income of the Fund (including realized gains or losses) after paying interest on any debt and/or dividends on any preferred shares) and unrealized gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table assumes that the Fund is more likely to suffer capital losses than to enjoy total return. For example, to assume a total return of 0% the Fund must assume that the income it receives on its investments is entirely offset by expenses and losses in the value of those investments.

***Increase in Share Price Volatility; Decrease in Share Price.*** The Rights offering may result in an increase in trading of the Common Shares, which may increase volatility in the market price of the Common Shares. The Rights offering may result in an increase in the number of shareholders wishing to sell their Common Shares, which would exert downward pressure on the price of the Common Shares.

**Principal Risks Associated with an Investment in the Series B Preferred**

***Market Price Risk.*** The market price for the Series B Preferred Shares will be influenced by changes in interest rates, the perceived credit quality of the Series B Preferred Shares and other factors, and may be higher or lower than the liquidation preference of the Series B Preferred Shares. There is currently no market for the Series B Preferred Shares, so the market price for the Series B Preferred Shares cannot yet be determined. After a holder of Common Shares subscribes for and purchases Series B Preferred Shares, and if a market is established for the Series B Preferred Shares, the public trading price of the Series B Preferred Shares may decline, in which case such holder would suffer

an immediate unrealized loss.

S-29

---

**Table of Contents**

**Dividend Rate Risk.** Holders of the Series B Preferred Shares will receive dividends and distributions on a quarterly basis.

The Board or a committee thereof may either increase (though not above 7.00%) or decrease (though not below 4.00%) the dividend rate at the dividend reset dates. A decrease in the dividend rate will reduce the income component of the return on the Series B Preferred Shares to holders thereof and increase the risk that the Series B Preferred Shares will decrease in value if interest rates rise. This risk is particularly pronounced after the second dividend reset date, but may be mitigated by the holder's right to put the Series B Preferred Shares on December 26, 2021 and December 26, 2023, each of which are after the second dividend reset date. Moreover, if the Board or a committee thereof increases the dividend rate at the first reset date, there is no guarantee that it will not decrease the dividend rate at the second reset date.

**Liquidity Risk.** Prior to this offering, there has been no public market for the Series B Preferred Shares. As noted above, an application will be made to list the Series B Preferred Shares on the NYSE American. However, during an initial period, which is not expected to exceed 30 days after the date of its issuance, the Series B Preferred Shares will not be listed on any securities exchange. The Dealer Manager for the Rights offering may make a market in the Series B Preferred Shares; however, it has no obligation to do so and has no current intention to do so. No assurances can be provided that listing on any securities exchange or market making by the Dealer Manager will result in the market for Series B Preferred Shares being liquid at any time.

**Redemption and Reinvestment Risk.** The Fund may at any time redeem Series B Preferred Shares to the extent necessary to meet regulatory asset coverage requirements. For example, if the value of the Fund's investment portfolio declines, thereby reducing the asset coverage for the Series B Preferred Shares, the Fund may be obligated under the terms of the Series B Preferred Shares or any indebtedness incurred by the Fund to redeem some or all of the Series B Preferred Shares. In addition, after December 20, 2023, the Fund is able to call the Series B Preferred Shares at the option of the Fund. Investors may not be able to reinvest the proceeds of any redemption in an investment providing the same or a better rate than that of the Series B Preferred Shares. Although unlikely (except in exceptional circumstances), precipitous declines in the value of the Fund's assets could result in the Fund having insufficient assets to redeem all of the Series B Preferred Shares for the full redemption price.

**Distribution Risk.** The Fund may not meet the asset coverage requirements or earn sufficient income from its investments to make distributions on the Series B Preferred Shares, in which case the distributions on the Series B Preferred Shares would be considered a return of capital. Additionally, if the Fund were to issue notes, the Fund's failure to meet certain asset coverage requirements with respect to such notes would prohibit the Fund from making distributions on the Series B Preferred Shares; any bank borrowings the Fund may enter into in the future could contain similarly restrictive terms. See "Description of the Securities Notes Limitations" in the Prospectus.

**Subordination Risk.** The Series B Preferred Shares are not a debt obligation of the Fund. The Series B Preferred Shares are junior in respect of distributions and liquidation preference to any indebtedness incurred by the Fund, and are of the same ranking as the distributions and liquidation preference of the existing Series A Preferred Shares. The Series B Preferred Shares are subject to greater credit risk than any of the Fund's debt instruments, which would be of higher priority in the Fund's capital structure.

**Interest Rate Risk.** The Series B Preferred Shares pay dividends at a fixed rate that resets twice, as described in "Special Features and Risks of the Series B Preferred Shares Dividends." Prices of fixed income investments tend to vary inversely with changes in market yields. The market yields on securities comparable to the Series B Preferred Shares may increase, which would likely result in a decline in the value of the Series B Preferred Shares. Additionally, if interest rates rise, securities comparable to the Series B Preferred Shares may pay higher dividend rates and holders of

the Series B Preferred Shares may not be able to sell the Series B Preferred Shares in the market at their liquidation preference and reinvest the proceeds at market rates. Likewise,

S-30



---

**Table of Contents**

the holders of the Series B Preferred Shares only have limited rights to put their Series B Preferred Shares to the Fund at the liquidation preference, plus any accumulated and unpaid dividends, and this may also limit holders' ability to sell the Series B Preferred Shares at their liquidation preference and reinvest the proceeds at market interest rates. The risks associated with rising interest rates are heightened given the low interest rate environment as of the date of this Prospectus Supplement. The Federal Reserve has begun to raise the Federal Funds rate, and each increase results in more pronounced interest rate risk in the current market environment.

**Principal Risks Associated with a Rights Offering of Common Shares and Series B Preferred Shares**

***Record Date Shareholders Who Do Not Wish to Purchase Series B Preferred Shares will Suffer Dilution to Their Interests in the Fund's Common Shares if They Do Not Purchase both Series B Preferred Shares and Common Shares.*** The Rights may only be exercised to purchase an equal number of Common Shares and Series B Preferred Shares in the Rights offering and may not be exercised to purchase only Common Shares or more Common Shares than Series B Preferred Shares. As a consequence a Record Date Shareholder who does not wish to purchase or own Series B Preferred Shares and who accordingly does not exercise its Rights will suffer dilution in its proportionate interest in the Common Shares and, if the portion of the exercise price attributable to the Common Shares is less than the net asset value per Common Share, to the net asset value per share of its Common Shares as well. This risk may be greater because the portion of the exercise price attributable to a Series B Preferred Share is considerably greater than the portion attributable to a Common Share.

***Holders of Rights Who Wish to Purchase Series B Preferred Shares in the Rights Offering May Not Do So Without Purchasing Common Shares in the Rights Offering.*** The Rights may only be exercised to purchase an equal number of Common Shares and Series B Preferred Shares in the Rights offering and may not be exercised to purchase only Series B Preferred Shares or more Series B Preferred Shares than Common Shares. As a consequence a holder of Rights who wishes to purchase only Series B Preferred Shares and who accordingly does not exercise its Rights may forego an opportunity to purchase Series B Preferred Shares at what may be an attractive price.

***Exercise of Rights Requires a Greater Investment than Purchasing Either Common Shares or Series B Preferred Shares.*** In order to exercise its Rights a holder of Rights must purchase both Common Shares and Series B Preferred Shares at a combined price of \$67.50, which represents \$17.50 per Common Share and \$50.00 per Series B Preferred Share. This is a higher amount than the price per share for either security by itself and may represent a greater investment than a holder may wish to make.

***The Market Value of a Series B Preferred Shares or Common Share May Differ from the Price per Share Described in this Rights Offering.*** The trading price per Common Share or Series B Preferred Share may be higher or lower than the price to purchase such share in this Rights offering.

***Under-Subscription.*** It is possible that the Rights offering will not be fully subscribed. Under-subscription of the Rights offering would have an impact on the net proceeds of the Rights offering and whether the Fund achieves any benefits.

***Benefits to Investment Adviser.*** The Investment Adviser will benefit from the Rights offering, in part, because the investment advisory fee paid by the Fund to the Investment Adviser is based on the Fund's net assets (including the liquidation preference of outstanding preferred shares, including the Series B Preferred Shares being offered). It is not possible to state precisely the amount of additional compensation the Investment Adviser will receive as a result of the Rights offering because it is not known how many Common Shares and Series B Preferred Shares of the Fund will be subscribed for and because the proceeds of the Rights offering will be invested in additional portfolio securities which will fluctuate in value. However, assuming all Rights are exercised, the Fund would pay the Investment Adviser a

management fee of 0.50% on the Fund's additional net assets attributable to the anticipated net proceeds of this Rights offering.

S-31

## **Table of Contents**

Because the net proceeds of this Rights offering will generally be invested in accordance with the Fund's investment objective and policies (see "Use of Proceeds"), the amount of the Fund's net assets attributable to the proceeds of this Rights offering will fluctuate in accordance with the Fund's investment performance.

Additionally, the Rights offering, if fully subscribed, will permit the Fund to reestablish a leveraged capital structure commensurate with its recent level of leverage through the issuance of preferred shares, following the Series A Preferred Shareholders' decision to put approximately 95% of the then outstanding Series A Preferred Shares on June 26, 2018. The Rights offering, if fully subscribed, will also further increase the Fund's net assets attributable to Common Shares, therefore increasing the Fund's asset base on which the Investment Adviser's fee is charged more than if the Fund had simply determined to issue only preferred shares to reestablish a leveraged capital structure. Each of these elements will lead to a larger asset base on which the Investment Adviser's fee is charged and, all else being equal, would allow the Investment Adviser to maintain comparable or higher fee levels.

### **EMPLOYEE BENEFIT PLAN CONSIDERATIONS**

Rights holders that are employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (including, without limitation, corporate retirement and 401(k) plans, each an "ERISA Plan"), or, are Individual Retirement Accounts ("IRAs") and other plans subject to Section 4975 of the Code (each a "Plan" and collectively with ERISA Plans, the "Plans") should be aware that additional contributions of cash to the Plan (other than rollover contributions or trustee-to-trustee transfers from other Plans) made in order to exercise Rights would be treated as Plan contributions and, when taken together with contributions previously made, may subject a Plan to excise taxes and nondeductible contributions. In the case of Plans qualified under Section 401(a) of the Code and certain other plans, additional contributions of cash could cause the maximum contribution limitations of Section 415 of the Code or other qualification rules to be violated. Plans contemplating the receipt of additional contributions of cash to exercise Rights should consult with their counsel prior to receiving or using such contributions.

Any fiduciary of a Plan with responsibility for decisions regarding the exercise or other disposition of Rights, and any investment in additional Common Shares and Series B Preferred Shares as a consequence thereof should consider, among other things, to the extent applicable, the fiduciary standards of ERISA and the Code in the context of the Plan's particular circumstances before making any such decisions. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of a Plan or the management or disposition of the assets of a Plan, or who renders investment advice for a fee or other compensation to a Plan, is generally considered to be a fiduciary of the Plan. Accordingly, among other factors, the fiduciary should consider whether the exercise and investment would satisfy the prudence and diversification requirements of ERISA, to the extent applicable, and would be consistent with its fiduciary responsibilities, and the documents and instruments governing the Plan. Neither the Fund nor the Investment Adviser, nor any of their respective affiliates has provided or will provide advice as a fiduciary (for purposes of ERISA or Section 4975 of the Code) with respect to the disposition of Rights by a Plan.

To the extent the Fund, the Investment Adviser or certain of their respective affiliates might be considered a party in interest or a disqualified person with respect to a Plan, prohibited transactions may arise in connection with exercises, transfers or other dispositions of Rights pursuant to an available exemption. In this regard the U.S. Department of Labor has issued prohibited transaction class exemptions that potentially may apply. These exemptions include transactions effected on behalf of a Plan by a qualified professional asset manager (prohibited transaction exemption 84-14) or an in-house asset manager (prohibited transaction exemption 96-23), transactions involving insurance company general accounts (prohibited transaction exemption 95-60), transactions involving insurance company pooled separate accounts (prohibited transaction exemption 90-1), and transactions involving bank collective investment funds (prohibited transaction exemption 91-38). In addition, Section 408(b)(17) of ERISA and Section

4975(d)(20) of the Code provide relief from the prohibited

S-32

## **Table of Contents**

transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less and pays no more than adequate consideration (within the meaning of Section 408(b)(17) of ERISA and Section 4975(f)(10) of the Code). There can be no assurance that all of the conditions of any such exemptions will be satisfied with respect to transactions involving Rights or any Common Shares and Series B Preferred Shares obtained pursuant to any Rights.

Governmental plans, certain church plans and non-U.S. plans may not be subject to the prohibited transaction provisions of ERISA or the Code but may be subject to similar laws ( Similar Laws ). Fiduciaries of any such plans should consult with counsel before exercise or transfer of Rights.

Because of the foregoing, the person making the decision on behalf of a Plan or a governmental, church or foreign plan will be deemed to represent on behalf of itself and the plan that the exercise of or disposition of any Rights will not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or any applicable Similar Law.

ERISA contains fiduciary responsibility requirements, and ERISA and the Code contain prohibited transaction rules that may impact the exercise or transfer of Rights. Due to the complexity of these rules and the penalties for non-compliance, Plans should consult with their counsel regarding the consequences of their exercise or transfer of Rights under ERISA and the Code.

## **TAXATION**

The following is a general summary of the U.S. federal income tax consequences of the Rights offering to holders who are U.S. Persons, as defined below. The following summary supplements the discussion set forth in the accompanying Prospectus and SAI under the headings Taxation and is subject to the qualifications and assumptions set forth therein. Please refer to such discussion for a general description of the consequences of investing in Common Shares and Series B Preferred Shares.

The summary below is based upon the Code, Treasury regulations promulgated thereunder ( Treasury regulations ), judicial authorities, published positions of the Internal Revenue Service (the IRS ) and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations possibly with retroactive effect. The discussion does not address all of the tax consequences that may be relevant to a particular investor, including those subject to special treatment under U.S. federal income tax laws such as financial institutions, insurance companies, broker-dealers, tax-exempt organizations, non-U.S. persons or persons holding Rights, Common Shares or Series B Preferred Shares as part of a straddle or conversion transaction. In addition, this discussion is limited to holders that hold Rights, Common Shares, and Series B Preferred Shares as capital assets. No ruling has been or will be sought from the IRS regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. Investors should consult their tax advisors as to the U.S. federal income tax consequences of the Rights offering that are relevant to their particular situations, as well as the effects of state, local and non-U.S. tax laws.

For purposes of this discussion, a U.S. person means a holder that is, for U.S. federal income tax purposes, any one of the following:

an individual who is a citizen or resident of the U.S.;

a corporation or other entity treated as a corporation that is created or organized in or under the laws of the U.S. or any state thereof or the District of Columbia;

S-33

---

**Table of Contents**

a trust if a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person; or

an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If a partnership (or any other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) receives a Right, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partners and partnerships holding Rights should consult their tax advisors concerning the U.S. federal income and other tax consequences relevant to their particular situation. In addition, non-U.S. persons may be subject to tax consequences that differ from those discussed below and should consult their tax advisors.

*Issuance of the Rights.* We intend to treat the distribution of the Rights as a non-taxable distribution to U.S. holders under Section 305(a) of the Code. This position is not binding on the IRS or the courts, and if this position were determined by the IRS or a court to be incorrect, the tax consequences of the Rights offering would differ from the consequences described below. The remainder of this discussion assumes that the distribution of the Rights will be a non-taxable distribution under Section 305(a) of the Code.

*Basis and Holding Period of the Rights.* Except as provided in the following sentence, the basis of a Right issued to a Record Date Shareholder will be zero, and the basis of the share with respect to which the Right was issued (the old share) will remain unchanged. A Record Date Shareholder must allocate a portion of the basis of the old share to the Right in proportion to its respective fair market value on the date of distribution if (i) either (a) the fair market value of the Right on the date of distribution is at least 15% of the fair market value of the old share, or (b) such shareholder affirmatively elects (in the manner set out in Treasury regulations under the Code) to allocate to the Right a portion of the basis of the old share, and (ii) the Right does not expire unexercised in the hands of the Record Date Shareholder (i.e., the Record Date Shareholder either exercises or sells the Right following its issuance). The basis of a Right purchased in the market will generally be its purchase price.

The holding period of a Right issued to a shareholder will include the holding period of the old share.

*Expiration of Rights.* A holder will generally recognize no gain or loss if a Right expires unexercised, except that if a Right that has been purchased in the market expired unexercised, the holder will recognize a loss equal to the basis of the Right. The deductibility of capital losses is subject to a number of limitations under the Code.

*Sale of Rights.* Except as described below under the heading Section 306 Stock, any gain or loss on the sale of a Right will be a capital gain or loss if the Right is held as a capital asset (which in the case of a Right issued to shareholders will generally depend on whether the old share is held as a capital asset), and will be a long-term capital gain or loss if the holding period, as determined under the discussion above, is deemed to exceed one year at the time of disposition.

*Exercise of Rights.* A holder will not recognize any gain or loss upon the exercise of a Right. The basis of the Common Shares and Series B Preferred Shares acquired through exercise of the Rights will equal the sum of the subscription price for the Common Shares and Series B Preferred Shares and the holder's tax basis in the Rights, if any, as described above. In the case of the Rights, such sum must be allocated between the Common Share and Series B Preferred Share received upon exercise of a Right. For this purpose, although not free from doubt, we expect that (i) the basis of a Right, if any, should generally be allocated equally between the Common Share and the Series B Preferred Share in proportion to their fair market values at the time the Right is issued, and (ii) the total

subscription price paid for the Common Share and the Series B Preferred Share should generally

S-34



**Table of Contents**

be allocated between the two shares based on their relative fair market values at the time such shares are acquired pursuant to the exercise of the Right. The IRS or a court could disagree with the foregoing method of allocation or could otherwise determine the allocation of basis in a manner different than determined by us or any shareholder. In addition, if the amount of basis allocated to a Series B Preferred Share received upon exercise of a Right is less than the liquidation preference of that share by more than a de minimis threshold (such difference, the discount), it is possible such Series B Preferred Share could be subject to the provisions of Section 305(c) of the Code, which could cause holders thereof to be deemed to receive constructive dividends over time in an aggregate amount equal to the discount. Investors are urged to consult their tax advisers regarding the calculation of basis of any Common Share and Series B Preferred Share acquired upon the exercise of Rights and the consequences of such allocation.

The holding period for the Common Shares and Series B Preferred Shares acquired through exercise of the Rights will begin on the date of exercise of the Right (or, in the case of a Right purchased in the market, potentially the day after the date of exercise).

*Section 306 Stock.* Assuming, as discussed above, that the distribution of Rights is treated as a tax-free distribution under Section 305(a), the portion of the Rights that relates to the Series B Preferred Shares (such portion, the 306 portion) may be treated as section 306 stock for U.S. federal income tax purposes. If a portion of the Rights is treated as section 306 stock, then subject to certain exceptions and certain special rules, a U.S. holder would recognize ordinary income on a sale or other taxable disposition of such portion (which would not be offset by the U.S. holder's adjusted tax basis, if any, in such Rights) in an amount equal to the lesser of (i) the amount realized on the disposition and (ii) the amount that would have been treated as a dividend distribution if, in lieu of the distribution of the 306 portion of the Rights, the shareholder had received a distribution of money in an amount equal to the fair market value of such 306 portion at the time of the Rights distribution. Any excess of the amount realized over the amount treated as ordinary income under the preceding sentence plus the U.S. holder's adjusted tax basis, if any, in the Rights would be treated as capital gain. No loss would be recognized upon a sale or taxable disposition of the portion of a holder's Rights that are treated as section 306 stock. Any adjusted tax basis in the Rights that a holder disposes of which is not used to offset the amount realized from such disposition under the foregoing rules regarding section 306 stock generally would be added to the adjusted tax basis in other shares of our stock a holder actually owns. In addition, a portion of the Series B Preferred Shares received upon exercise of the Rights would be treated as section 306 stock that is generally subject to the foregoing rules to the extent of the value of the 306 portion of the Rights as of date of the distribution of the Rights.

Special rules apply to redemptions of section 306 stock (including redemptions of any Series B Preferred Shares treated as section 306 stock), which may cause a shareholder to recognize different amounts of ordinary income than under the rules described above. In addition, certain exceptions to the rules may apply. For example, a disposition of section 306 stock to an unrelated party generally does not give rise to ordinary income if such disposition terminates a holder's entire actual and constructive ownership interest in the Fund.

Each U.S. person is urged to consult its tax advisor to determine whether and the extent to which the Rights or Series B Preferred Shares would constitute section 306 stock and the particular tax consequences of holding and disposing of section 306 stock.

## **DISTRIBUTION ARRANGEMENTS**

G.research, LLC, which is a broker-dealer and member of the Financial Industry Regulatory Authority, Inc., will act as dealer manager for the Rights offering (henceforth, the Dealer Manager). Under the terms and subject to the conditions contained in the Dealer Manager Agreement among the Fund, the Investment Adviser, and the Dealer Manager (the Dealer Manager Agreement), the Dealer Manager will provide financial structuring services and

marketing services in connection with the offering and will solicit the exercise of Rights

S-35

## **Table of Contents**

and participation in the over-subscription privilege. The Fund will not pay the Dealer Manager a fee for its financial structuring, marketing and soliciting services.

The Fund and the Investment Adviser have each agreed to indemnify the Dealer Manager or contribute to losses arising out of certain liabilities, including liabilities under the Securities Act. The Dealer Manager Agreement also provides that the Dealer Manager will not be subject to any liability to the Fund in rendering the services contemplated by the Dealer Manager Agreement except for any act of bad faith, willful misconduct or gross negligence of the Dealer Manager or reckless disregard by the Dealer Manager of its obligations and duties under the Dealer Manager Agreement.

Prior to the expiration of the Rights offering, the Dealer Manager may independently offer for sale Rights or Common Shares and Series B Preferred Shares to be acquired by it through purchasing and exercising Rights, at prices it sets. Gains or losses may be realized by the Dealer Manager through the purchase and exercise of Rights or purchase and sale of Common Shares and Series B Preferred Shares. Such activity is intended by the Dealer Manager to facilitate the Rights offering and any such gains or losses are not expected to be material to the Dealer Manager.

In the ordinary course of their businesses, the Dealer Manager and/or its affiliates may engage in investment banking or financial transactions with the Fund, the Investment Adviser and their affiliates.

The principal business address of G.research, LLC is One Corporate Center, Rye, New York 10580.

The Fund will pay the out-of-pocket expenses of the Dealer Manager, including fees and expenses incurred with respect to any filing with and review by FINRA, including the fees and disbursements of counsel to the Dealer Manager, not to exceed \$5,000 with respect thereto, and the printing or other production, mailing and delivery expenses incurred in connection with Offering Materials (as defined in the Dealer Manager Agreement), including all reasonable out-of-pocket fees and expenses, if any and not to exceed \$1,000, incurred by the Dealer Manager and other brokers, dealers and financial institutions in connection with their customary mailing and handling of materials related to the Rights offering to their customers. These reimbursements will not exceed 0.007% of the total public offering price of the Common Shares and Series B Preferred Shares.

G.research, LLC is a wholly-owned subsidiary of Institutional Services Holdings, LLC, which in turn is a wholly owned subsidiary of Associated Capital Group, Inc., an affiliate of the Investment Adviser, which is, in turn, indirectly majority-owned by Mario J. Gabelli. As a result of these relationships, Mr. Gabelli is a controlling person of G.research, LLC.

## **LEGAL MATTERS**

Certain legal matters will be passed on by Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Fund, in connection with this Rights offering and the offering of Common Shares and Series B Preferred Shares.

**Table of Contents**

**BASE PROSPECTUS**

**dated October 17, 2018**

**[GRAPHIC OMITTED]**

**\$150,000,000**

**The Gabelli Global Utility & Income Trust**

**Common Shares**

**Preferred Shares**

**Notes**

**Subscription Rights to Purchase Common Shares**

**Subscription Rights to Purchase Preferred Shares**

**Subscription Rights to Purchase Common and Preferred Shares**

*Investment Objective.* The Gabelli Global Utility & Income Trust (the Fund) is a non-diversified, closed-end management investment company, organized as a Delaware statutory trust, registered under the Investment Company Act of 1940, as amended (the 1940 Act). Gabelli Funds, LLC (the Investment Adviser) serves as investment adviser to the Fund. An investment in the Fund is not appropriate for all investors.

The Fund's investment objective is to seek a consistent level of after tax total return with an emphasis currently on tax-advantaged qualified dividend income. No assurance can be given that the Fund will achieve its investment objective. The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in (i) equity securities (including common stock, preferred stock, convertible stock and options on these securities) of domestic and foreign companies involved to a substantial extent (i.e., at least 50% of the assets, gross income or net profits of a company is committed to or derived from) in providing (a) products, services or equipment for the generation or distribution of electricity, gas or water, (b) infrastructure operations such as airports, toll roads and municipal services and (c) telecommunications services such as telephone, telegraph, satellite, cable, microwave, radiotelephone, mobile communication and cellular, paging, electronic mail, videotext, voice communications, data communications and internet (collectively, the Utilities Industry) and (ii) securities (including preferred and debt securities, as well as government obligations) of issuers that are expected to periodically pay dividends or interest. The Fund's 80% policy is not fundamental and shareholders will be notified if it is changed. In addition, under normal market conditions, at least 25% of the Fund's assets will consist of securities (including preferred and debt securities) of domestic and foreign companies involved to a substantial extent in the Utilities Industry. The remaining Fund assets will generally be invested in other securities that the Investment Adviser views as not being correlated with the Fund's Utilities Industry investments. Such investments may include convertible securities, securities of issuers subject to reorganization or other risk arbitrage investments, certain derivative

instruments including equity contract for difference swap transactions, other debt securities (including obligations of the U.S. Government), and money market instruments. The Fund may invest without limitation in securities of foreign issuers and will generally be invested in securities of issuers located in at least three countries, including the United States. It is anticipated that, under normal market conditions, at least 40% of the Fund's assets will be invested in foreign securities. Foreign securities are securities of issuers based outside the United States. The Fund considers an issuer to be based outside of the United States if (1) it is organized under the laws of, or has a principal office located in, another country; (2) the principal trading market for its securities is in another country; or (3) it (directly or through its consolidated subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country. The Fund may purchase sponsored American Depositary Receipts ( ADRs ) or U.S. dollar denominated securities of foreign issuers, which will be considered foreign securities for purposes of the Fund's investment policies. Typically, the Fund will not hold any foreign securities of emerging market issuers

**Table of Contents**

and, if it does, such securities are not expected to comprise more than 10% of the Fund's managed assets. The Fund expects to invest in securities across all market capitalization ranges. The Fund may invest up to 10% of its total assets in securities rated below investment grade by recognized statistical rating agencies or unrated securities of comparable quality, including securities of issuers in default, which are likely to have the lowest rating. Securities rated below investment grade, which may be preferred shares or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Securities that are rated lower than BBB by S&P, or lower than Baa by Moody's or unrated securities considered by the Investment Adviser to be of comparable quality, are commonly referred to as "junk bonds" or "high yield" securities.

We may offer, from time to time, in one or more offerings, our common and/or fixed rate preferred shares, each with a par value \$0.001 per share (together, "shares"), our promissory notes ("notes"), and/or our subscription rights to purchase our common and/or fixed rate preferred shares, which we refer to collectively as the "securities." Securities may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each, a "Prospectus Supplement"). You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in our securities.

Our securities may be offered directly to one or more purchasers, through agents designated from time to time by us, or to or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters, or among our underwriters, or the basis upon which such amount may be calculated. The Prospectus Supplement relating to any sale of preferred shares will set forth the liquidation preference and information about the dividend period, dividend rate, any call protection or non-call period and other matters. The Prospectus Supplement relating to any sale of notes will set forth the principal amount, interest rate, interest payment dates, maturities, prepayment protection (if any) and other matters. The Prospectus Supplement relating to any offering of subscription rights will set forth the number of common and/or preferred shares issuable upon the exercise of each right and the other terms of such rights offering. We may offer subscription rights for common shares, preferred shares or common and preferred shares. We may not sell any of our securities through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering of our securities.

Our common shares are listed on the NYSE American LLC (the "NYSE American") under the symbol "GLU" and our Series A Cumulative Puttable and Callable Preferred shares are listed on the NYSE American under the symbol "GLU Pr A." On October 16, 2018, the last reported sale price of our common shares was \$19.38. The net asset value of the Fund's common shares at the close of business on October 16, 2018, was \$20.30 per share.

**Shares of closed-end funds often trade at a discount from net asset value. This creates a risk of loss for an investor purchasing shares in a public offering.**

**Investing in the Fund's securities involves risks. See Risk Factors and Special Considerations beginning on page 46, Risk Factors and Special Considerations - Special Risks to Holders of Common Shares beginning on page 74,**

**and Risk Factors and Special Considerations Special Risks of Notes to Holders of Preferred Shares beginning on page 74, for factors that should be considered before investing in securities of the Fund, including risks related to a leveraged capital structure.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This Prospectus may not be used to consummate sales of securities by us through agents, underwriters or dealers unless accompanied by a Prospectus Supplement.

**Table of Contents**

This Prospectus, together with an applicable Prospectus Supplement, sets forth concisely the information about the Fund that a prospective investor should know before investing. You should read this Prospectus, together with an applicable Prospectus Supplement, which contains important information about the Fund, before deciding whether to invest in the shares, and retain it for future reference. A Statement of Additional Information, dated October 17, 2018 containing additional information about the Fund, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of our annual and semiannual reports, request a free copy of the Statement of Additional Information, the table of contents of which is on page 107 of this Prospectus, or request other information about us and make shareholder inquiries by calling (800) GABELLI (422-3554) or by writing to the Fund. You may also obtain a copy of the Statement of Additional Information (and other information regarding the Fund) from the Securities and Exchange Commission's website (<http://www.sec.gov>). Our annual and semiannual reports are also available on our website ([www.gabelli.com](http://www.gabelli.com)). The Statement of Additional Information is only updated in connection with an offering and is therefore not available on the Fund's website.

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency.

**You should rely only on the information contained or incorporated by reference in this Prospectus and any applicable Prospectus Supplement. The Fund has not authorized anyone to provide you with different information. The Fund is not making an offer to sell these securities in any state where the offer or sale is not permitted. You should not assume that the information contained in this Prospectus and any applicable Prospectus Supplement is accurate as of any date other than the date of this Prospectus or the date of the applicable Prospectus Supplement.**



Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<u>PROSPECTUS SUMMARY</u>	1
<u>SUMMARY OF FUND EXPENSES</u>	27
<u>FINANCIAL HIGHLIGHTS</u>	29
<u>USE OF PROCEEDS</u>	32
<u>THE FUND</u>	32
<u>INVESTMENT OBJECTIVE AND POLICIES</u>	32
<u>RISK FACTORS AND SPECIAL CONSIDERATIONS</u>	46
<u>HOW THE FUND MANAGES RISK</u>	77
<u>MANAGEMENT OF THE FUND</u>	79
<u>PORTFOLIO TRANSACTIONS</u>	81
<u>DIVIDENDS AND DISTRIBUTIONS</u>	81
<u>AUTOMATIC DIVIDEND REINVESTMENT AND VOLUNTARY CASH PURCHASE PLANS</u>	83
<u>DESCRIPTION OF THE SECURITIES</u>	84
<u>ANTI-TAKEOVER PROVISIONS OF THE FUND'S GOVERNING DOCUMENTS</u>	97
<u>CLOSED-END FUND STRUCTURE</u>	98
<u>REPURCHASE OF COMMON SHARES</u>	99
<u>RIGHTS OFFERING</u>	100
<u>TAXATION</u>	100
<u>CUSTODIAN, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT</u>	103
<u>PLAN OF DISTRIBUTION</u>	103
<u>LEGAL MATTERS</u>	105
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	105
<u>ADDITIONAL INFORMATION</u>	105
<u>PRIVACY PRINCIPLES OF THE FUND</u>	106
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	106
<u>TABLE OF CONTENTS OF STATEMENT OF ADDITIONAL INFORMATION</u>	107
<u>CORPORATE BOND RATINGS</u>	A-108

**Table of Contents**

**PROSPECTUS SUMMARY**

*This is only a summary. This summary may not contain all of the information that you should consider before investing in our securities. You should review the more detailed information contained in this prospectus (this Prospectus ), including the section titled Risk Factors and Special Considerations beginning on page 46, the applicable Prospectus Supplement and the Statement of Additional Information, dated October 17, 2018 (the SAI ).*

**The Fund**

The Gabelli Global Utility & Income Trust is a closed-end, non-diversified management investment company organized as a Delaware statutory trust on March 8, 2004. Throughout this Prospectus, we refer to The Gabelli Global Utility & Income Trust as the Fund or as we. See The Fund in the Prospectus.

The Fund's outstanding common shares, par value \$0.001 per share, are listed on the NYSE American LLC ( NYSE American ) under the symbol GLU. On October 16, 2018, the last reported sale price of our common shares was \$19.38. As of October 16, 2018, the net asset value of the Fund's common shares was \$20.30 per share. As of June 30, 2018, the Fund had outstanding 4,111,297 common shares. The Fund's outstanding Series A Cumulative Puttable and Callable Preferred Shares (the Series A Preferred ) are listed on the NYSE American under the symbol GLU Pr A. As of June 30, 2018, the Fund had outstanding 47,174 Series A Preferred at a liquidation value of \$50 per share for a total liquidation value of \$2,358,700.

**The Offering**

We may offer, from time to time, in one or more offerings, our common and/or fixed rate preferred shares, \$0.001 par value per share, our notes, or our subscription rights to purchase our common or fixed rate preferred shares or both, which we refer to collectively as the securities. The securities may be offered at prices and on terms to be set forth in one or more supplements to this Prospectus (each a Prospectus Supplement ). The offering price per common share of the Fund will not be less than the net asset value per common share at the time we make the offering, exclusive of any underwriting commissions or discounts, provided that transferable rights offerings that meet certain conditions may be offered at a price below the then current net asset value per common share of the Fund. See Rights Offerings in the Prospectus. You should read this Prospectus and the applicable Prospectus Supplement carefully before you invest in our securities. Our securities may be offered directly to one or more purchasers, through agents designated from time to time by us, or through underwriters or dealers. The Prospectus Supplement relating to the offering will identify any agents, underwriters or dealers involved in the sale of our shares, and will set forth any applicable purchase price, fee, commission or discount arrangement between us and our agents or

underwriters, or among our underwriters, or the basis upon which such amount may be calculated. The Prospectus Supplement relating to any sale of preferred shares will set forth the liquidation preference and information about the dividend period,

**Table of Contents**

dividend rate, any call protection or non-call period and other matters. The Prospectus Supplement relating to any sale of notes will set forth the principal amount, interest rate, interest payment dates, maturities, prepayment protection (if any), and other matters. The Prospectus Supplement relating to any offering of subscription rights will set forth the number of common and/or preferred shares issuable upon the exercise of each right and the other terms of such rights offering.

While the aggregate number and amount of securities we may issue pursuant to this registration statement is limited to \$150,000,000 of securities, our Board of Trustees (each member a Trustee, and collectively, the Board or the Board of Trustees ) may, without any action by the shareholders, amend our Second Amended and Restated Agreement and Declaration of Trust ( Agreement and Declaration of Trust ) from time to time to increase or decrease the aggregate number of shares or the number of shares of any class or series that we have authority to issue. We may not sell any of our securities through agents, underwriters or dealers without delivery of a Prospectus Supplement describing the method and terms of the particular offering.

**Investment Objective and Policies**

The Fund's investment objective is to seek a consistent level of after tax total return with an emphasis currently on tax-advantaged qualified dividend income.

The Fund will attempt to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in (i) equity securities (including common stock, preferred stock, convertible stock and options on these securities) of domestic and foreign companies involved to a substantial extent (i.e., at least 50% of the assets, gross income or net profits of a company is committed to or derived from) in providing (a) products, services or equipment for the generation or distribution of electricity, gas or water, (b) infrastructure operations such as airports, toll roads and municipal services and (c) telecommunications services such as telephone, telegraph, satellite, cable, microwave, radiotelephone, mobile communication and cellular, paging, electronic mail, videotext, voice communications, data communications and internet (collectively, the Utilities Industry ) and (ii) securities (including preferred and debt securities, as well as government obligations) of issuers that are expected to periodically pay dividends or interest. The Fund's 80% policy is not fundamental and shareholders will be notified if it is changed. In addition, under normal market conditions, at least 25% of the Fund's assets will consist of securities (including preferred and debt securities) of domestic and foreign companies involved to a substantial extent in the Utilities Industry. The remaining Fund assets will generally be invested in other securities that the Investment Adviser views as not

being correlated with the Fund's Utilities Industry investments. Such investments may include convertible securities, securities of issuers subject to reorganization or other risk

---

**Table of Contents**

arbitrage investments, certain derivative instruments including equity contract for difference swap transactions, other debt securities (including obligations of the U.S. Government), and money market instruments. The Fund may invest without limitation in securities of foreign issuers and will generally be invested in securities of issuers located in at least three countries, including the United States. It is anticipated that, under normal market conditions, at least 40% of the Fund's assets will be invested in foreign securities. Foreign securities are securities of issuers based outside the United States. The Fund considers an issuer to be based outside of the United States if (1) it is organized under the laws of, or has a principal office located in, another country; (2) the principal trading market for its securities is in another country; or (3) it (directly or through its consolidated subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country. The Fund may purchase sponsored American Depository Receipts ( ADRs ) or U.S. dollar denominated securities of foreign issuers, which will be considered foreign securities for purposes of the Fund's investment policies. Typically, the Fund will not hold any foreign securities of emerging market issuers and, if it does, such securities are not expected to comprise more than 10% of the Fund's managed assets. The Fund expects to invest in securities across all market capitalization ranges. The Fund may invest up to 10% of its total assets in securities rated below investment grade by recognized statistical rating agencies or unrated securities of comparable quality, including securities of issuers in default, which are likely to have the lowest rating. Securities rated below investment grade, which may be preferred shares or debt, are predominantly speculative and involve major risk exposure to adverse conditions. Securities that are rated lower than BBB by S&P, or lower than Baa by Moody's or unrated securities considered by the Investment Adviser to be of comparable quality, are commonly referred to as junk bonds or high yield securities. No assurance can be given that the Fund will achieve its investment objective. See Investment Objective and Policies in the Prospectus.

The Fund is intended for investors seeking a consistent level of after-tax total return consisting of income (with a current emphasis on qualifying dividends) and long-term capital gain. It is not intended for those who wish to play short-term swings in the stock market.

Gabelli Funds, LLC, a New York limited liability company, with offices at One Corporate Center, Rye, New York 10580-1422, serves as investment adviser to the Fund (the Investment Adviser). The Investment Adviser's investment philosophy with respect to selecting investments in the Utilities Industry is to emphasize quality. The Investment Adviser will seek companies that have proven dividend records and sound

financial structures. In addition, in making stock selections, the Fund's Investment Adviser looks for securities that

---

**Table of Contents**

have a superior yield, as well as capital gains potential. The Investment Adviser seeks to identify assets that are selling in the public market at a discount to their private market value. The Investment Adviser defines private market value as the value informed purchasers are willing to pay to acquire assets with similar characteristics. The Investment Adviser also normally evaluates an issuer's free cash flow and long-term earnings trends. Finally, the Investment Adviser looks for a catalyst, something indigenous to the company, its industry or country that will surface additional value.

**Preferred Shares**

The terms of each series of preferred shares may be fixed by the Board and may materially limit and/or qualify the rights of holders of the Fund's common shares. If the Fund's Board determines that it may be advantageous to the holders of the Fund's common shares for the Fund to utilize additional leverage, the Fund may issue additional series of fixed rate preferred shares. Any fixed rate preferred shares issued by the Fund will pay distributions at a fixed rate. Leverage creates a greater risk of loss as well as a potential for more gains for the common shares than if leverage were not used. See Risk Factors and Special Considerations Special Risks to Holders of Common Shares Leverage Risk in the Prospectus. The Fund may also determine in the future to issue other forms of senior securities, such as securities representing debt, subject to the limitations of the Investment Company Act of 1940, as amended (the 1940 Act). The Fund may also borrow money, to the extent permitted by the 1940 Act.

**Dividends and Distributions**

*Preferred Shares Distributions.* In accordance with the Fund's Governing Documents (as defined below) and as required by the 1940 Act, all preferred shares of the Fund must have the same seniority with respect to distributions. Accordingly, no complete distribution due for a particular dividend period will be declared or paid on any series of preferred shares of the Fund for any dividend period, or part thereof, unless full cumulative dividends and distributions due through the most recent dividend payment dates for all series of outstanding preferred shares of the Fund are declared and paid. If full cumulative distributions due have not been declared and made on all outstanding preferred shares of the Fund, any distributions on such preferred shares will be made as nearly pro rata as possible in proportion to the respective amounts of distributions accumulated but unmade on each such series of preferred shares on the relevant dividend payment date. As used herein, Governing Documents means the Fund's Agreement and Declaration of Trust and By-Laws, together with any amendments or supplements thereto, including any Statement of Preferences establishing a series of preferred shares.



The distributions to the Fund's preferred shareholders for the fiscal year ended December 31, 2017, were comprised of net investment income and long term capital gains. ***The Fund's annualized distributions may in the future contain a return of capital.***

---

**Table of Contents**

***Shareholders who receive the payment of a distribution consisting of a return of capital may be under the impression that they are receiving net profits when they are not. Shareholders should not assume that the source of a distribution from the Fund is net profit.*** The composition of each distribution is estimated based on the earnings of the Fund as of the record date for each distribution. The actual composition of each of the current year's distributions will be based on the Fund's investment activity through the end of the calendar year. In addition, any amount treated as a tax free return of capital will reduce a shareholder's adjusted tax basis in its shares, thereby increasing the shareholder's potential taxable gain or reducing the potential taxable loss on the sale of the shares.

Distributions on fixed rate preferred shares, at the applicable annual rate of the per share liquidation preference, are cumulative from the original issue date and are payable, when, as and if declared by the Board, out of funds legally available therefor. The holders of auction rate preferred shares are entitled to receive cash distributions, based on the applicable per share liquidation preference, that vary from dividend period to dividend period.

***Common Shares Distributions.*** In order to allow its common shareholders to realize a predictable, but not assured, level of cash flow and some liquidity periodically on their investment without having to sell shares, the Fund has adopted a managed distribution policy of paying, on a monthly basis, a minimum distribution at an annual rate equal to 6% of the Fund's initial public offering price of \$20.00 per common share. Pursuant to this policy, the Fund intends to pay a distribution of \$0.10 per share each month and, if necessary, an adjusting distribution in December which includes any additional income and realized net capital gains in excess of the monthly distributions for that year to satisfy the minimum distribution requirements of the Internal Revenue Code of 1986, as amended (the Code), to maintain its status as a regulated investment company under Subchapter M of the Code (RIC) and avoid paying U.S. federal excise tax. As a RIC under the Code, the Fund will not be subject to U.S. federal income tax on any taxable income that it distributes to shareholders, provided that at least 90% of its investment company taxable income for that taxable year is distributed to its shareholders. See "Taxation" in the Prospectus.

Under the Fund's distribution policy, the Fund declares and pays monthly distributions from net investment income, capital gains, and paid-in capital. The actual source of the distribution is determined after the end of the year. If the Fund does not generate sufficient earnings (dividends and interest income and realized net capital gain) equal to or in excess of the aggregate distributions paid by the Fund in a given year, then the amount distributed in excess of the Fund's earnings would be deemed a return of capital to the extent of the shareholder's tax basis in the shares

(reducing the basis accordingly) and as capital gains thereafter. Since a return of capital is considered a

---

**Table of Contents**

return of a portion of a shareholder's original investment, it is generally not taxable and is treated as a reduction in the shareholder's cost basis, thereby increasing the shareholder's potential taxable gain or reducing the potential taxable loss on the sale of the shares. In determining the extent to which a distribution will be treated as being made from the Fund's earnings and profits, earnings and profits will be allocated on a pro rata basis first to distributions with respect to preferred shares, and then to the Fund's common shares. Under federal tax regulations, some or all of the return of capital distributed by the Fund may be taxable as ordinary income in certain circumstances. This may occur when the Fund has a capital loss carry forward, net capital gains are realized in a fiscal year, and distributions are made in excess of investment company taxable income.

***Distributions sourced from paid-in capital should not be considered as the dividend yield or total return of an investment in the Fund. Shareholders who receive the payment of a distribution consisting of a return of capital may be under the impression that they are receiving net profits when they are not. Shareholders should not assume that the source of a distribution from the Fund is net profit.***

During the fiscal year ended December 31, 2017, the Fund made distributions of \$1.20 per common share, comprised of net investment income and long term capital gains. Notwithstanding the characterization of the Fund's common share distributions for the fiscal year ended December 31, 2017, a portion of the Fund's common share distributions for many years has included a return of capital. When the Fund makes distributions consisting of returns of capital, such distributions may further decrease the Fund's total assets and, therefore have the likely effect of increasing the Fund's expense ratio as the Fund's fixed expenses will become a larger percentage of the Fund's average net assets. In addition, in order to make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment may not dictate such action. These effects could have a negative impact on the prices investors receive when they sell shares of the Fund.

The Fund's distribution policy, including its policy to pay monthly distributions and the annualized amount that the Fund seeks to distribute, may be modified from time to time by the Board as it deems appropriate, including in light of market and economic conditions and the Fund's current, expected and historical earnings and investment performance. Common shareholders are expected to be notified of any such modifications by press release or in the Fund's periodic shareholder reports.

*Limitations on Distributions.* If at any time the Fund has borrowings outstanding, the Fund will be prohibited from paying any distributions on any of its common shares (other than in additional

**Table of Contents**

shares) and from repurchasing any of its common shares or preferred shares, unless the value of its total assets, less certain ordinary course liabilities, exceed 300% of the amount of the debt outstanding and exceed 200% of the sum of the amount of debt and preferred shares outstanding. In addition, in such circumstances the Fund will be prohibited from paying any distributions on its preferred shares unless the value of its total assets, less certain ordinary course liabilities, exceed 200% of the amount of debt outstanding.

**Indebtedness**

Under applicable state law and our Agreement and Declaration of Trust, we may borrow money without prior approval of holders of common and preferred shares. We may issue debt securities, including notes, or other evidence of indebtedness and may secure any such notes or borrowings by mortgaging, pledging or otherwise subjecting as security our assets to the extent permitted by the 1940 Act or rating agency guidelines. Any borrowings, including without limitation any notes, will rank senior to the preferred shares and the common shares. The Prospectus Supplement will describe the interest payment provisions relating to notes. Interest on notes will be payable when due as described in the related Prospectus Supplement. If we do not pay interest when due, it will trigger an event of default and we will be restricted from declaring dividends and making other distributions with respect to our common shares and preferred shares.

**Derivatives Transactions**

The Fund may enter into derivatives transactions or engage in investment management techniques that have leverage embedded in them, which will not be considered senior securities if the Fund establishes a segregated account with cash or other liquid assets, sets aside assets on its accounting records equal to the Fund's obligations in respect of such transactions or techniques or enters into an offsetting position. See

Investment Objective and Policies Certain Investment Practices in the Prospectus and Investment Objective and Policies Additional Investment Policies in the Statement of Additional Information. Such transactions entail certain execution, market, liquidity, counterparty, correlation, volatility, hedging, and tax risks. See Risk Factors and Special Considerations Special Risks Related to Investment in Derivatives in the Prospectus.

Because derivative transactions in which the Fund may engage may involve instruments that are not traded on an Exchange or cleared through a central counterparty but are instead traded between counterparties based on contractual relationships, the Fund is subject to the risk that a counterparty will not perform its obligations under the related contracts. Additionally, although both over the counter (OTC) and exchange-traded derivatives markets may experience a lack of

liquidity, OTC non-standardized derivative transactions are generally less liquid than exchange-traded instruments. The illiquidity of the derivatives markets may be due to various factors, including congestion, disorderly markets, limitations on deliverable supplies, the participation of speculators, government regulation and

**Table of Contents**

intervention, and technical and operational or system failures. The use of derivative transactions also presents certain tax risks depending on the character of income, gain, loss and deduction related to the instrument (ordinary vs. capital) and the timing of recognition of income, gain, loss and deduction. While hedging can reduce or eliminate losses arising from derivative transactions, it can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the derivative and the underlying security, and there can be no assurances that the Fund's hedging transactions will be effective.

**Use of Proceeds**

The Fund will use the net proceeds from the offering to purchase portfolio securities in accordance with its Investment Objective and Policies. The Investment Adviser anticipates that the investment of the proceeds will be made as appropriate investment opportunities are identified, which is expected to substantially be completed within three months; however, changes in market conditions could result in the Fund's anticipated investment period extending to as long as six months. This could occur if market conditions are unstable to such an extent that the Investment Adviser believes market risk is greater than the benefit of making additional investments at that time. Depending on market conditions and operations, a portion of the proceeds to be identified in any relevant Prospectus Supplement may be used to pay distributions in accordance with the Fund's distribution policy. See "Use of Proceeds" in the Prospectus.

The Fund may also use the net proceeds from the offering to call, redeem or repurchase shares of its Series A Preferred. To the extent permitted by the 1940 Act and Delaware law, the Fund may at any time upon notice redeem the Series A Preferred in whole or in part at a price equal to the \$50 liquidation preference per share plus accumulated but unpaid dividends through the date of redemption. The distribution rate on the Series A Preferred is 3.8%.

**Exchange Listing**

The Fund's common shares are listed on the NYSE American under the trading or ticker symbol GLU. The Fund's Series Preferred A are listed on the NYSE American under the ticker symbol GLU Pr A. See "Description of the Securities" in the Prospectus. The Fund's common shares have historically traded at a discount to the Fund's net asset value. Since the Fund commenced trading on the NYSE American, the Fund's common shares have traded at a discount to net asset value as high as 24.50% and a premium as high as 10.23%. Any additional series of fixed rate preferred shares or subscription rights issued in the future pursuant to a Prospectus Supplement by the Fund would also likely be listed on the NYSE American.



**Risk Factors and Special Considerations** Risk is inherent in all investing. Therefore, before investing in the Fund's securities, you should consider the risks carefully.

**Table of Contents**

A summary of certain risks associated with an investment in the Fund is set forth below. It is not complete and you should read and consider carefully the more detailed list of risks described in Risk Factors and Special Considerations.

*Sector Risk.* The Fund concentrates its investments in the Utility Industry. As a result, the Fund's investments may be subject to greater risk and market fluctuation than a fund that had securities representing a broader range of investment alternatives. The prices of securities issued by traditional utility companies may change in response to interest rate changes. There is no guarantee that this relationship will continue. See Risk Factors and Special Considerations Industry Risks Sector Risk in the Prospectus.

*Foreign Securities Risk.* Investing in securities of foreign companies, which are generally denominated in foreign currencies, may involve certain risks and opportunities not typically associated with investing in domestic companies. Foreign companies generally are not subject to the same accounting, auditing, and financial standards and requirements as those applicable to U.S. companies.

The Fund may invest in companies whose securities are denominated or quoted in currencies other than U.S. dollars or have significant operations or markets outside of the United States. In such instances, the Fund will be exposed to currency risk, including the risk of fluctuations in the exchange rate between U.S. dollars (in which the Fund's shares are denominated) and such foreign currencies, the risk of currency devaluations and the risks of non-exchangeability and blockage. As non-U.S. securities may be purchased with and payable in currencies of countries other than the U.S. dollar, the value of these assets measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. Fluctuations in currency rates may adversely affect the ability of the Investment Adviser to acquire such securities at advantageous prices and may also adversely affect the performance of such assets.

For more details on certain pronounced risks with foreign investing see Risk Factors and Special Considerations General Risks Foreign Securities Risk in the Prospectus.

*Small and Mid-Cap Stock Risk.* The Fund may invest in companies with small or medium capitalizations. Smaller and medium company stocks can be more volatile than, and perform differently from, larger company

stocks. There may be less trading in a smaller or medium company's stock, which means that buy and sell transactions in that stock could have a larger impact on the stock's price than is the case with larger company stocks. Smaller and medium company stocks may be particularly sensitive to changes in interest rates, borrowing costs and earnings. Smaller and medium companies may have fewer

---

**Table of Contents**

business lines; changes in any one line of business, therefore, may have a greater impact on a smaller and medium company's stock price than is the case for a larger company. As a result, the purchase or sale of more than a limited number of shares of a small and medium company may affect its market price. The Fund may need a considerable amount of time to purchase or sell its positions in these securities. In addition, smaller or medium company stocks may not be well known to the investing public. See *Risk Factors and Special Considerations* *General Risks* *Small and Mid-Cap Stock Risk* in the Prospectus.

*Value Investing Risk.* The Fund focuses its investments on the securities of companies that the Investment Adviser believes are undervalued or inexpensive relative to other investments. These types of securities may present risks in addition to the general risks associated with investing in common and preferred stocks. See *Risk Factors and Special Considerations* *General Risks* *Value Investing Risk* in the Prospectus.

*Risk Arbitrage.* Risk arbitrage investments are made in securities of companies for which a tender or exchange offer has been made or announced and in securities of companies for which a merger, consolidation, liquidation or reorganization proposal has been announced if, in the judgment of the Investment Adviser, there is a reasonable prospect of total return significantly greater than the brokerage and other transaction expenses involved. Risk arbitrage strategies attempt to exploit merger activity to capture the spread between current market values of securities and their values after successful completion of a merger, restructuring or similar corporate transaction. Transactions associated with risk arbitrage strategies typically involve the purchases or sales of securities in connection with announced corporate actions which may include, but are not limited to, mergers, consolidations, acquisitions, transfers of assets, tender offers, exchange offers, re-capitalizations, liquidations, divestitures, spin-offs and similar transactions. However, a merger or other restructuring or tender or exchange offer anticipated by the Fund and in which it holds an arbitrage position may not be completed on the terms contemplated or within the time frame anticipated, resulting in losses to the Fund.

*Selection Risk.* Different types of stocks tend to shift into and out of favor with stock market investors, depending on market and economic conditions. The performance of funds that invest in value-style stocks may at times be better or worse than the performance of stock funds that focus on other types of stocks or that have a broader investment style.

*Equity Risk.* A principal risk of investing in the Fund is equity risk, which is the risk that the securities held by the Fund will fall in market value due to adverse market and economic conditions,

---

**Table of Contents**

perceptions regarding the industries in which the issuers of securities held by the Fund participate and the particular circumstances and performance of particular companies whose securities the Fund holds. An investment in the Fund represents an indirect investment in the securities owned by the Fund, which are for the most part traded on securities exchanges or in the OTC markets. The market value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The net asset value of the Fund may at any point in time be less than the net asset value of the Fund at the time the shareholder invested in the Fund, even after taking into account any reinvestment of distributions. See **Risk Factors and Special Considerations** **General Risks** **Equity Risk** in the Prospectus.

*Distribution Risk for Equity Income Securities.* In selecting equity income securities in which the Fund will invest, the Investment Adviser will consider the issuer's history of making regular periodic distributions (i.e., dividends) to its equity holders. An issuer's history of paying dividends, however, does not guarantee that the issuer will continue to pay dividends in the future. The dividend income stream associated with equity income securities generally is not guaranteed and will be subordinate to payment obligations of the issuer on its debt and other liabilities. Accordingly, in the event the issuer does not realize sufficient income in a particular period both to service its liabilities and to pay dividends on its equity securities, it may forgo paying dividends on its equity securities. In addition, because in most instances issuers are not obligated to make periodic distributions to the holders of their equity securities, such distributions or dividends generally may be discontinued at the issuer's discretion. See **Risk Factors and Special Considerations** **General Risks** **Distribution Risk for Equity Income Securities** of the Prospectus.

*Preferred Stock Risk.* Special risks associated with the Fund investing in preferred securities include deferral of distributions or dividend payments, in some cases the right of an issuer never to pay missed dividends, subordination to debt and other liabilities, illiquidity, limited voting rights and redemption by the issuer. Because the Fund has no limit on its investment in non-cumulative preferred shares, the amount of dividends the Fund pays may be adversely affected if an issuer of non-cumulative preferred shares held by the Fund determines not to pay dividends on such shares. There is no assurance that dividends or distributions on preferred shares in which the Fund invests will be declared or otherwise made payable. See **Risk Factors and Special Considerations** **General Risks** **Preferred Stock Risk** in the Prospectus.

*Fixed Income Securities Risks.* Fixed income securities in which the Fund may invest are generally subject to the following risks:

*Interest Rate Risk.* The market value of bonds and other fixed-income or dividend paying securities changes in response to

**Table of Contents**

interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other income or dividend paying securities will increase as interest rates fall and decrease as interest rates rise. This effect is generally more pronounced for fixed rate securities than for securities whose income rate is periodically reset. The risks associated with rising interest rates are heightened given the historically low interest rate environment as of the date of this prospectus. The Federal Reserve has begun to raise the Federal Funds rate, and each increase results in more pronounced interest rate risk in the current market environment. Further, while longer term fixed rate securities may pay higher interest rates than shorter term securities, longer term fixed rate securities, like fixed rate securities, also tend to be more sensitive to interest rate changes and, accordingly, tend to experience larger changes in value as a result of interest rate changes. Any increase in market interest rate will also generally result in a decrease in the price of any of the Fund's outstanding preferred shares.

*Issuer Risk.* Issuer risk is the risk that the value of an income or dividend paying security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer, and the value of the assets of the issuer.

*Credit Risk.* Credit risk is the risk that one or more income or dividend paying securities in the Fund's portfolio will decline in price or fail to pay interest/distributions or principal when due because the issuer of the security experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates.

*Prepayment Risk.* Prepayment risk is the risk that during periods of declining interest rates, borrowers may exercise their option to prepay principal earlier than scheduled. For income or dividend paying securities, such payments often occur during periods of declining interest rates, forcing the Fund to reinvest in lower yielding securities, resulting in a possible decline in the Fund's income and distributions to shareholders.

*Reinvestment Risk.* Reinvestment risk is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called fixed income securities at market



interest rates that are below the Fund portfolio's current earnings rate.

Duration and Maturity Risk. The Fund may incur costs in seeking to adjust the portfolio average duration or maturity. In comparison to maturity (which is the date on which the issuer of a debt instrument is obligated to repay the principal amount),

---

**Table of Contents**

duration is a measure of the price volatility of a debt instrument as a result in changes in market rates of interest, based on the weighted average timing of the instrument's expected principal and interest payments. Specifically, duration measures the anticipated percentage change in net asset value (NAV) that is expected for every percentage point change in interest rates. The two have an inverse relationship. Duration can be a useful tool to estimate anticipated price changes to a fixed pool of income securities associated with changes in interest rates. Duration differs from maturity in that it takes into account a security's yield, coupon payments and its principal payments in addition to the amount of time until the security matures. As the value of a security changes over time, so will its duration. There can be no assurance that the Investment Adviser's assessment of current and projected market conditions will be correct or that any strategy to adjust duration or maturity will be successful at any given time.

See Risk Factors and Special Considerations General Risks Fixed Income Securities Risks in the Prospectus.

*Non-Investment Grade Securities.* The Fund may invest in securities rated below investment grade by recognized statistical rating agencies or unrated securities of comparable quality. The prices of these lower grade securities are more sensitive to negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher grade securities. Securities of below investment grade quality (those securities rated below Baa by Moody's Investors Service, Inc. (Moody's) or below BBB by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (S&P) (or unrated securities to comparable quality) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default and are commonly referred to as junk bonds or high yield securities.

As part of its investment in lower grade securities, the Fund may invest in securities of issuers in default. The Fund will make an investment in securities of issuers in default only when the Investment Adviser believes that such issuers will honor their obligations or emerge from bankruptcy protection under a plan pursuant to which the securities received by the Fund in exchange for its defaulted securities will have a value in excess of the Fund's investment. By investing in securities of issuers in default, the Fund bears the risk that these issuers will not continue to honor their obligations or emerge from bankruptcy protection or that the value of the securities will not otherwise appreciate.

The Fund may purchase securities of companies that are experiencing significant financial or business difficulties, including companies

---

**Table of Contents**

involved in bankruptcy or other reorganization and liquidation proceedings. Although such investments may result in significant financial returns to the Fund, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investments in issuers experiencing significant business and financial difficulties is unusually high. There can be no assurance that the Fund will correctly evaluate the assets collateralizing its investments or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a portfolio investment, the Fund may lose all or part of its investment or may be required to accept collateral with a value less than the amount of the Fund's initial investment.

See Risk Factors and Special Considerations General Risks Non-Investment Grade Securities in the Prospectus.

*U.S. Government Securities Risk and Credit Rating Downgrade Risk.* The Fund may invest in direct obligations of the government of the United States or its agencies. Obligations issued or guaranteed by the U.S. government, its agencies, authorities and instrumentalities and backed by the full faith and credit of the U.S. guarantee only that principal and interest will be timely paid to holders of the securities. These entities do not guarantee that the value of such obligations will increase, and, in fact, the market values of such obligations may fluctuate. In addition, not all U.S. government securities are backed by the full faith and credit of the United States; some are the obligation solely of the entity through which they are issued. There is no guarantee that the U.S. government would provide financial support to its agencies and instrumentalities if not required to do so by law. The events surrounding negotiations regarding the U.S. federal government debt ceiling and deficit reduction could adversely affect the Fund's ability to achieve its investment objective. In 2011, S&P lowered its long term sovereign credit rating on the U.S. to AA+ from AAA. The downgrade by S&P increased volatility in both stock and bond markets, resulting in higher interest rates and higher Treasury yields, and increased the costs of all kinds of debt. Repeat occurrences of similar events could have significant adverse effects on the U.S. economy generally and could result in significant adverse impacts on issuers of securities held by the Fund itself. The Investment Adviser cannot predict the effects of similar events in the future on the U.S. economy and securities markets or on the Fund's portfolio. The Investment Adviser monitors developments and seeks to manage the Fund's portfolio in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that it will be successful in doing so and the Investment Adviser may not timely anticipate or manage existing, new or additional risks, contingencies or developments. See Risk Factors and Special

Considerations General Risks U.S. Government Securities and Credit  
Rating Downgrade Risk in the Prospectus.

---

**Table of Contents**

*Restricted and Illiquid Securities Risk.* Unregistered securities are securities that cannot be sold publicly in the United States without registration under Securities Act of 1933 (the Securities Act ). An illiquid investment is a security or other investment that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the Fund has valued the investment. Unregistered securities often can be resold only in privately negotiated transactions with a limited number of purchasers or in a public offering registered under the Securities Act. Considerable delay could be encountered in either event and, unless otherwise contractually provided for, the Fund's proceeds upon sale may be reduced by the costs of registration or underwriting discounts. The difficulties and delays associated with such transactions could result in the Fund's inability to realize a favorable price upon disposition of unregistered securities, and at times might make disposition of such securities impossible. The Fund may be unable to sell illiquid investments when it desires to do so, resulting in the Fund obtaining a lower price or being required to retain the investment. Illiquid investments generally must be valued at fair value, which is inherently less precise than utilizing market values for liquid investments, and may lead to differences between the price a security is valued for determining the Fund's net asset value and the price the Fund actually receives upon sale. See Risk Factors and Special Considerations General Risks Restricted and Illiquid Securities Risk in the Prospectus.

*Derivative Transactions.* The Fund may participate in certain derivative transactions. Such transactions entail certain execution, market, liquidity, counterparty, correlation, volatility, hedging and tax risks. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the Fund would not be subject absent the use of these strategies. If the Investment Adviser's prediction of movements in the direction of the securities, foreign currency or interest rate markets is inaccurate, the consequences to the Fund may leave the Fund in a worse position than if it had not used such strategies. See Risk Factors and Special Considerations General Risks Special Risks Related to Investment in Derivatives in the Prospectus.

*Leverage Risk.* The Fund currently uses financial leverage for investment purposes by issuing preferred shares and is also permitted to use other types of financial leverage, such as through the issuance of debt securities or additional preferred shares and borrowing from financial institutions. As provided in the 1940 Act and subject to certain exceptions, the Fund may issue additional senior securities (which may be stock, such as preferred shares, and/or securities representing debt) only if immediately after such issuance the value of the Fund's total

assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares and debt outstanding. As of

**Table of Contents**

December 31, 2017, the amount of leverage represented approximately 36% of the Fund's net assets.

The Fund's leveraged capital structure creates special risks not associated with unleveraged funds having a similar investment objective and policies. These include the possibility of greater loss and the likelihood of higher volatility of the net asset value of the Fund and the asset coverage for the preferred shares. Such volatility may increase the likelihood of the Fund having to sell investments in order to meet its obligations to make distributions on the preferred shares or principal or interest payments on debt securities, or to redeem preferred shares or repay debt, when it may be disadvantageous to do so. The Fund's use of leverage may require it to sell portfolio investments at inopportune times in order to raise cash to redeem preferred shares or otherwise de-leverage so as to maintain required asset coverage amounts or comply with the mandatory redemption terms of any outstanding preferred shares. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Fund. To the extent that the Fund employs leverage in its investment operations, the Fund is subject to substantial risk of loss. The Fund cannot assure you that borrowings or the issuance of notes or preferred shares will result in a higher yield or return to the holders of the common shares. Also, since the Fund utilizes leverage, a decline in net asset value could affect the ability of the Fund to make common share distributions and such a failure to make distributions could result in the Fund ceasing to qualify as a regulated investment company (a RIC) under the Internal Revenue Code of 1986, as amended (the Code).

Any decline in the net asset value of the Fund's investments would be borne entirely by the holders of common shares. Therefore, if the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in net asset value to the holders of common shares than if the Fund were not leveraged. This greater net asset value decrease will also tend to cause a greater decline in the market price for the common shares. The Fund might be in danger of failing to maintain the required asset coverage of its borrowings, notes or preferred shares or of losing its ratings on its notes or preferred shares or, in an extreme case, the Fund's current investment income might not be sufficient to meet the distribution or interest requirements on the borrowings, preferred shares or notes. In order to counteract such an event, the Fund might need to liquidate investments in order to fund redemption or repayment of some or all of the borrowings, preferred shares or notes.

The issuance of preferred shares or notes causes the net asset value and market value of the common shares to become more volatile. If the



interest rate on the notes or the dividend rate on the preferred shares approaches the net rate of return on the Fund's investment

---

**Table of Contents**

portfolio, the benefit of leverage to the holders of the common shares would be reduced. If the interest rates on the notes or the dividend rate on the preferred shares plus the Fund's management fee rate exceeds the net rate of return on the Fund's portfolio, the leverage will result in a lower rate of return to the holders of common shares than if the Fund had not issued preferred shares or notes.

In addition, the Fund pays (and the holders of common shares bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares or notes, including any distributions on any preferred shares and interest payments on any notes, as well as any additional advisory fees on the incremental assets attributable to such preferred shares or notes. Holders of preferred shares and notes may have different interests than holders of common shares and at times may have disproportionate influence over the Fund's affairs. As provided in the 1940 Act and subject to certain exceptions, the Fund may issue senior securities (which may be stock, such as preferred shares, and/or securities representing debt, such as notes) only if immediately after such issuance the value of the Fund's total assets, less certain ordinary course liabilities, exceeds 300% of the amount of the debt outstanding and exceeds 200% of the amount of preferred shares and debt outstanding, which is referred to as the "asset coverage" required by the 1940 Act. In the event the Fund fails to maintain an asset coverage of 100% for any notes outstanding for certain periods of time, the 1940 Act requires that either an event of default be declared or that the holders of such notes have the right to elect a majority of the Fund's trustees (the "Trustees") until asset coverage recovers to 110%. In addition, holders of preferred shares, voting separately as a single class, have the right to elect two members of the Board at all times and in the event dividends become in arrears for two full years would have the right (subject to the rights of noteholders) to elect a majority of the Trustees until the arrearage is completely eliminated. In addition, preferred shareholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion of the Fund to open-end status, and accordingly can veto any such changes. Further, interest on notes will be payable when due as described in a Prospectus Supplement and if the Fund does not pay interest when due, it will trigger an event of default and the Fund expects to be restricted from declaring dividends and making other distributions with respect to common shares and preferred shares. Upon the occurrence and continuance of an event of default, the holders of a majority in principal amount of a series of outstanding notes or the trustee will be able to declare the principal amount of that series of notes immediately due and payable upon written notice to the Fund. The 1940 Act also generally restricts the Fund from declaring distributions on, or repurchasing, common or preferred shares unless notes have an asset coverage of 300% (200% in case of declaring distributions on preferred shares). The Fund's common shares are structurally subordinated as to

income and residual value to

---

**Table of Contents**

any preferred shares or notes in the Fund's capital structure, in terms of priority to income and payment in liquidation. See Risk Factors and Special Considerations Special Risks to Holders of Common Shares Leverage Risk and Description of the Securities Preferred Shares Asset Maintenance Requirements and Description of the Securities Notes Limitations in the Prospectus.

*Market Discount Risk.* The Fund is a diversified, closed-end management investment company. Whether investors will realize gains or losses upon the sale of additional securities of the Fund will depend upon the market price of the securities at the time of sale, which may be less or more than the Fund's net asset value per share or the liquidation value of any Fund preferred shares issued. The Fund cannot predict whether any such securities will trade at, below or above net asset value or at, below or above their public offering price. The risk of a market price discount from net asset value is separate and in addition to the risk that net asset value itself may decline. The Fund's securities are designed primarily for long term investors, and investors in the shares should not view the Fund as a vehicle for trading purposes. See Risk Factors and Special Considerations General Risks Market Discount Risk in the Prospectus.

*Special Risks to Holders of Fixed Rate Preferred Shares.* In the event any additional series of fixed rate preferred shares are issued and such shares are intended to be listed on an exchange, prior application will have been made to list such shares on an exchange. Prior to the offering of any additional series of fixed rate preferred shares, there will be no public market for such shares. During an initial period, not expected to exceed 30 days after the date of initial issuance, such shares may not be listed on any securities exchange. During such period, the underwriters may make a market in such shares, although they will have no obligation to do so. Consequently, an investment in such shares may be illiquid during such period. Fixed rate preferred shares may trade at a premium to or discount from liquidation preference for a variety of reasons, including changes in interest rates. See Risk Factors and Special Considerations Special Risks to Holders of Fixed Rate Preferred Shares in the Prospectus.

*Special Risks to Holders of Notes.* An investment in our notes is subject to special risks. Our notes are not likely to be listed on an exchange or automated quotation system. We cannot assure you that any market will exist for our notes or if a market does exist, whether it will provide holders with liquidity. Broker-dealers that maintain a secondary trading market for the notes are not required to maintain this market, and the Fund is not required to redeem notes if an attempted secondary market sale fails because of a lack of buyers. To the extent that our notes trade, they may trade at a price either higher or lower than their principal

amount depending on interest rates, the

**Table of Contents**

rating (if any) on such notes and other factors. See Risk Factors and Special Considerations Special Risks to Holders of Notes in the Prospectus.

*Special Risks of Notes to Holders of Preferred Shares.* As provided in the 1940 Act, and subject to compliance with the Fund's investment limitations, the Fund may issue notes. In the event the Fund were to issue such securities, the Fund's obligations to pay dividends or make distributions and, upon liquidation of the Fund, liquidation payments in respect of its preferred shares would be subordinate to the Fund's obligations to make any principal and interest payments due and owing with respect to its outstanding notes. Accordingly, the Fund's issuance of notes would have the effect of creating special risks for the Fund's preferred shareholders that would not be present in a capital structure that did not include such securities. See Risk Factors and Special Considerations Special Risks of Notes to Holders of Preferred Shares in the Prospectus.

*Special Risk to Holders of Subscription Rights.* There is a risk that changes in market conditions may result in the underlying common or preferred shares purchasable upon exercise of the subscription rights being less attractive to investors at the conclusion of the subscription period. This may reduce or eliminate the value of the subscription rights. Investors who receive subscription rights may find that there is no market to sell rights they do not wish to exercise. If investors exercise only a portion of the rights, the number of common or preferred shares issued may be reduced, and the common or preferred shares may trade at less favorable prices than larger offerings for similar securities. See Risk Factors and Special Considerations Special Risk to Holders of Subscription Rights in the Prospectus.

*Common Share Repurchases.* Repurchases of common shares by the Fund may reduce the net asset coverage of the notes and preferred shares, which could adversely affect their liquidity or market prices. See Risk Factors and Special Considerations Special Risks to Holders of Notes and Preferred Shares Common Share Repurchases in the Prospectus.

*Common Share Distribution Policy.* In the event the Fund does not generate a total return from dividends and interest received and net realized capital gains in an amount at least equal to its distributions for a given year, the Fund expects that it would return capital as part of its distributions on common shares. This would decrease the asset coverage per share with respect to the Fund's notes or preferred shares, which could adversely affect their liquidity or market prices. See Risk Factors and

Special Considerations Special Risks to Holders of Notes and Preferred  
Shares Common Share Distribution Policy in the Prospectus.

---

**Table of Contents**

*Credit Quality Ratings.* The Fund may obtain credit quality ratings for its preferred shares or notes; however, it is not required to do so and may issue preferred shares or notes without any rating. If rated, the Fund does not impose any minimum rating necessary to issue such preferred shares or notes. In order to obtain and maintain attractive credit quality ratings for preferred shares or borrowings, if desired, the Fund's portfolio must satisfy over-collateralization tests established by the relevant rating agencies. These tests are more difficult to satisfy to the extent the Fund's portfolio securities are of lower credit quality, longer maturity or not diversified by issuer and industry. These guidelines could affect portfolio decisions and may be more stringent than those imposed by the 1940 Act. A rating (if any) by a rating agency does not eliminate or necessarily mitigate the risks of investing in our preferred shares or notes, and a rating may not fully or accurately reflect all of the securities' credit risks. A rating (if any) does not address liquidity or any other market risks of the securities being rated. A rating agency could downgrade the rating of our notes or preferred shares, which may make such securities less liquid in the secondary market. If a rating agency downgrades the rating assigned to notes or preferred shares, we may alter our portfolio or redeem the preferred securities or notes under certain circumstances. See Risk Factors and Special Considerations Special Risks to Holders of Notes and Preferred Shares Credit Quality Ratings in the Prospectus.

*Dilution.* Shareholders who do not exercise their subscription rights may, at the completion of such an offering, own a smaller proportional interest in the Fund than if they exercised their subscription rights. As a result of such an offering, a shareholder may experience dilution in net asset value per share if the subscription price per share is below the net asset value per share on the expiration date. If the subscription price per share is below the net asset value per share of the Fund's shares on the expiration date, a shareholder will experience an immediate dilution of the aggregate net asset value of such shareholder's shares if the shareholder does not participate in such an offering and the shareholder will experience a reduction in the net asset value per share of such shareholder's shares whether or not the shareholder participates in such an offering. The Fund cannot state precisely the extent of this dilution (if any) if the shareholder does not exercise such shareholder's subscription rights because the Fund does not know what the net asset value per share will be when the offer expires or what proportion of the subscription rights will be exercised. See Risk Factors and Special Considerations Special Risks to Holders of Common Shares Dilution Risk in the Prospectus.

*Long Term Objective; Not a Complete Investment Program.* The Fund is intended for investors seeking a consistent level of after-tax total return consisting of income (with a current emphasis on qualifying dividends)



Edgar Filing: GABELLI GLOBAL UTILITY & INCOME TRUST - Form 497  
and long-term capital gain. The Fund is not meant to

---

**Table of Contents**

provide a vehicle for those who wish to play short term swings in the stock market. An investment in shares of the Fund should not be considered a complete investment program. Each shareholder should take into account the Fund's investment objective as well as the shareholder's other investments when considering an investment in the Fund. See Risk Factors and Special Considerations General Risks Long Term Objective; Not a Complete Investment Program in the Prospectus.

*Management Risk.* The Fund is subject to management risk because it is an actively managed portfolio. The Investment Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. See Risk Factors and Special Considerations General Risks Management Risk in the Prospectus.

*Non-Diversified Status.* The Fund is classified as a non-diversified investment company under the 1940 Act, which means the Fund is not limited by the 1940 Act in the proportion of its assets that may be invested in the securities of a single issuer. As a non-diversified investment company, the Fund may invest in the securities of individual issuers to a greater degree than a diversified investment company. As a result, the Fund may be more vulnerable to events affecting a single issuer and therefore, subject to greater volatility than a fund that is more broadly diversified. Accordingly, an investment in the Fund may present greater risk to an investor than an investment in a diversified company. See Risk Factors and Special Considerations General Risks Non-Diversified Status in the Prospectus.

*Dependence on Key Personnel.* The Investment Adviser is dependent upon the expertise of Mr. Mario J. Gabelli in providing advisory services with respect to the Fund's investments. If the Investment Adviser were to lose the services of Mr. Gabelli, its ability to service the Fund could be adversely affected. There can be no assurance that a suitable replacement could be found for Mr. Gabelli in the event of his death, resignation, retirement or inability to act on behalf of the Investment Adviser. See Risk Factors and Special Considerations General Risks Dependence on Key Personnel in the Prospectus.

*Market Disruption and Geopolitical Risk.* Events of recent years, such as the aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya, Syria, Russia, Ukraine and the Middle East, ongoing epidemics of infectious diseases in certain parts of the world, terrorist attacks in the U.S. and around the world, social and political discord, debt crises (such as the Greek crisis), sovereign debt downgrades,

increasingly strained relations between the United States and a number of foreign countries, including traditional allies, such as certain European countries, and historical adversaries, such as North

---

**Table of Contents**

Korea, Iran, China and Russia, and the international community generally, new and continued political unrest in various countries, such as Venezuela, the exit or potential exit of one or more countries from the European Union ( EU ) or the European Monetary Union ( EMU ), the change in the U.S. president and the new administration, among others, may result in market volatility, may have long term effects on the United States and worldwide financial markets, and may cause further economic uncertainties in the United States and worldwide.

As a consequence of the United Kingdom's vote to withdraw from the EU, the government of the United Kingdom gave notice of its withdrawal from the EU ( BREXIT ). As a result of this decision, the financial markets experienced high levels of volatility and it is likely that, in the near term, BREXIT will continue to bring about higher levels of uncertainty and volatility. During this period of uncertainty, the negative impact on not only the United Kingdom and European economies, but the broader global economy, could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. It is possible that certain economic activity will be curtailed until some signs of clarity begin to emerge, including negotiations around the terms for United Kingdom's exit out of the EU. Any further exits from the EU, or the possibility of such exits, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

The value and risk profile of the Fund's portfolio could be adversely impacted by the events above. The Fund does not know how long the securities markets may be affected by similar events and cannot predict the effects of similar events in the future on the U.S. economy and securities markets. There can be no assurance that similar events and other market disruptions will not have other material and adverse implications. See Risk Factors and Special Considerations General Risks Market Disruption and Geopolitical Risk in the Prospectus.

*Economic Events and Market Risk.* Periods of market volatility remain, and may continue to occur in the future, in response to various political, social and economic events both within and outside of the United States. These conditions have resulted in, and in many cases continue to result in, greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value. Such market conditions may make valuation of some of the Fund's securities uncertain and/or result in sudden and significant valuation increases or declines in its holdings. If there is a significant decline in the value of the Fund's portfolio, this may impact the asset

coverage levels for the Fund's outstanding leverage.

---

**Table of Contents**

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery, the financial condition of financial institutions and our business, financial condition and results of operation. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest-paying securities. Market volatility, rising interest rates and/or a return to unfavorable economic conditions could impair the Fund's ability to achieve its investment objective.

See Risk Factors and Special Considerations General Risks Economic Events and Market Risk in the Prospectus.

*Government Intervention in Financial Markets Risk.* The U.S. government and certain foreign governments have in the past taken actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity, including through direct purchases of equity and debt securities. Federal, state, and other governments, their regulatory agencies or self-regulatory organizations may take actions that affect the regulation of the issuers in which the Fund invests, or the issuers of such securities, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund is regulated. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective. See Risk Factors and Special Considerations General Risks Government Intervention in Financial Markets Risk in the Prospectus.

*Inflation Risk.* Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund's shares and distributions therefore may decline. In addition, during any periods of rising inflation, dividend rates of any debt securities issued by the Fund would likely increase, which would tend to further reduce returns to common shareholders. See Risk Factors and Special Considerations General Risks Inflation Risk in the Prospectus.

*Deflation Risk.* Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and their revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a

decline in the value of the Fund's portfolio. See Risk Factors and Special Considerations General Risks Inflation Risk in the Prospectus.

---

**Table of Contents**

*Status as a Regulated Investment Company.* The Fund has elected to qualify as a RIC under Subchapter M of the Code. Qualification requires, among other things, compliance by the Fund with certain distribution requirements. Statutory limitations on distributions on the common shares if the Fund fails to satisfy the 1940 Act's asset coverage requirements could jeopardize the Fund's ability to meet such distribution requirements. While the Fund presently intends to purchase or redeem notes or preferred shares, if any, to the extent necessary in order to maintain compliance with such asset coverage requirements, there can be no assurance that such actions can be effected in time to meet the Code's requirements. See *Risk Factors and Special Considerations - General Risks - Status as a Regulated Investment Company* in the Prospectus. See *Taxation* in the Prospectus for a more complete discussion of these and other U.S. federal income tax considerations.

*Anti-Takeover Provisions.* The Fund's Governing Documents (as defined herein) include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to an open-end fund. See *Anti-Takeover Provisions of the Fund's Governing Documents* in the Prospectus.

**Management and Fees**

Gabelli Funds, LLC serves as the Fund's Investment Adviser and is compensated for its services and its related expenses at an annual rate of 0.50% of the Fund's average weekly total assets. The Fund's total assets for purposes of calculating the level of the management fee will include assets attributable to any outstanding senior securities, such as preferred shares (including the aggregate liquidation preference of any preferred shares and accumulated dividends, if any), or indebtedness, such as notes (including the aggregate principal amount of any such debt securities, plus accrued and unpaid interest thereon), as well as assets attributable to derivatives transactions or other investment management techniques, if any, which have the effect of leveraging the common shares. Consequently, since the Fund has preferred shares outstanding, and may invest in derivatives and use other investment management techniques that involve leverage the investment management fees and other expenses as a percentage of net assets attributable to common shares may be higher than if the Fund did not utilize a leveraged capital structure or engage in transactions that leverage the common shares.

Because the investment advisory fees are based on a percentage of total assets, which includes assets attributable to the Fund's use of leverage, the Investment Adviser may have a conflict of interest in the input it provides to the Board regarding whether to use or increase the Fund's use of leverage. The Board bases its decision, with input from the Investment Adviser, regarding whether and how much leverage to use for the Fund



on its assessment of whether such use of leverage is in the best interests of the Fund, and the Board seeks to manage the Investment Adviser's potential conflict of interest by retaining the

**Table of Contents**

final decision on these matters and by periodically reviewing the Fund's performance and use of leverage.

See Management of the Fund General in the Prospectus.

**Repurchase of Common Shares**

The Board has authorized the Fund to consider the repurchase of its common shares in the open market when the common shares are trading at a discount of 10% or more from net asset value (or such other percentage as the Board may determine from time to time). Although the Board has authorized such repurchases, the Fund is not required to repurchase its common shares. During the years ended December 31, 2017 and 2016, the Fund did not repurchase and retire any shares in the open market. Any repurchases are subject to certain notice and other requirements under the 1940 Act. See Repurchase of Common Shares in the Prospectus.

**Anti-Takeover Provisions**

Certain provisions of the Governing Documents may be regarded as anti-takeover provisions. Pursuant to these provisions, only one of three classes of Trustees is elected each year; an affirmative vote or consent of 66-2/3% of the outstanding shares entitled to vote is required for the conversion of the Fund from a closed-end to an open-end investment company or for the authorization of certain transactions between the Fund and a beneficial owner of 10% or more of the Fund's outstanding shares, unless such action has been previously approved by both two-thirds of the Board and two-thirds of the Trustees who are not interested persons of the Fund (as defined in the Investment Company Act of 1940, as amended (the 1940 Act)), in which case, an affirmative vote of a majority of the outstanding voting securities (as defined in the 1940 Act) is required; advance notice to the Fund of any shareholder proposal is required; and any shareholder proposing the nomination or election of a person as a Trustee must supply significant amounts of information designed to enable verification of whether such person satisfies the qualifications required of potential nominees to the Board of Trustees. The overall effect of these provisions is to render more difficult the accomplishment of a merger with, or the assumption of control by, a principal shareholder. These provisions may have the effect of depriving the Fund's common shareholders of an opportunity to sell their shares at a premium to the prevailing market price. The issuance of preferred shares could make it more difficult for the holders of common shares to avoid the effect of these provisions. See Anti-Takeover Provisions of the Fund's Governing Documents in the Prospectus.

**Custodian, Transfer Agent and Dividend Disbursing Agent**

State Street Bank and Trust Company ( State Street ), whose principal address is 1776 Heritage Drive, North Quincy, Massachusetts, 02171,

serves as the custodian (the Custodian ) of the Fund s assets pursuant to a custody agreement. Under the custody agreement, the Custodian holds the Fund s assets in compliance with the 1940 Act. For its services, the Custodian will receive a monthly

**Table of Contents**

fee paid by the Fund based upon, among other things, the average value of the total assets of the Fund, plus certain charges for securities transactions and out of pocket expenses.

Computershare Trust Company, N.A. ( Computershare ), whose principal address is 250 Royall Street, Canton, Massachusetts 02021, serves as the Fund's dividend disbursing agent, as agent under the Fund's automatic dividend reinvestment and voluntary cash payment plans and as transfer agent and registrar with respect to the common shares and preferred shares of the Fund.

**Table of Contents****SUMMARY OF FUND EXPENSES**

The following table shows the Fund's expenses, which are borne directly and indirectly by holders of the Fund's common shares, including preferred shares offering expenses, as a percentage of net assets attributable to common shares. All expenses of the Fund are borne, directly or indirectly, by the common shareholders. The purpose of the table and example below is to help you understand all fees and expenses that you, as a holder of common shares, would bear directly or indirectly.

**Shareholder Transaction Expenses**

Sales Load (as a percentage of offering price)	0.61%(1)
Offering Expenses Borne by the Fund (excluding Preferred Shares Offering Expenses) (as a percentage of offering price)	1.08%(1)
Dividend Reinvestment and Cash Purchase Plan Fees	
Purchase Transaction	\$0.75(2)
Sale Transaction	\$2.50(2)
Preferred Shares Offering Expenses Borne by the Fund (as a percentage of net assets attributable to common shares)	0.40%(3)

**Percentage of Net  
Assets Attributable  
to Common Shares**

**Annual Expenses (as a percentage of net assets attributable to common shares)**

Management Fees	0.80%(4)
Interest Payments on Borrowed Funds	None (5)
Other Expenses	0.40%(4)
<b>Total Annual Expenses</b>	<b>1.20%</b>
Dividends on Preferred Shares	4.12%(6)
<b>Total Annual Expenses and Dividends on Preferred Shares</b>	<b>5.32%(4)</b>

- (1) Estimated maximum amount based on offering of \$64 million in common shares and \$86 million in preferred shares. The estimates assume a 0.57% sales load on common shares and \$689,000 in common offering expenses, and a 0.64% sales load on preferred shares and \$598,000 in preferred offering expenses. The total sales load was estimated by adding together the dollar amount of the estimated sales loads on the estimated common and preferred share offerings, and dividing by the total maximum offering price of securities that may be sold pursuant to this registration statement. Sales load on preferred shares is an expense borne by the Fund and indirectly by the holders of its common shares. This estimated expense, which amounts to \$550,600, based on the estimated preferred share offering amount of \$86 million, is reflected in the expense example following this table, and reflects an expense to common shareholders that is estimated to equal less than 1% of net assets attributable to common shares, assuming net assets attributable to common shares of \$148.4 million (which includes issuance of \$64 million in common shares). Actual sales loads and offering expenses may be higher or lower than these estimates and will be set forth in the Prospectus Supplement if applicable.

- (2) Shareholders participating in the Fund's Automatic Dividend Reinvestment Plan do not incur any additional fees. Shareholders participating in the Voluntary Cash Purchase Plan would pay \$0.75 plus their pro rata share of brokerage commissions for transactions to purchase shares and \$2.50 plus their pro rata share of brokerage commissions per transaction to sell shares. See Automatic Dividend Reinvestment and Voluntary Cash Purchase Plan.
- (3) Assumes issuance of \$86 million in liquidation preference of fixed rate preferred shares, net assets attributable to common shares of approximately \$148.4 million (which includes issuance of \$64 million in common shares) and \$598,000 in preferred offering expenses. The actual amounts in connection with any offering will be set forth in the Prospectus Supplement if applicable.

**Table of Contents**

- (4) The Investment Adviser's fee is 0.50% annually of the Fund's average weekly net assets, plus assets attributable to any outstanding senior securities, with no deduction for the liquidation preference of any outstanding preferred shares or the principal amount of any outstanding notes. Consequently, if the Fund has preferred shares or notes outstanding, the investment management fees and other expenses as a percentage of net assets attributable to common shares will be higher than if the Fund does not utilize a leveraged capital structure. Other Expenses are based on estimated amounts for the current year assuming completion of the proposed issuances.
- (5) The Fund has no current intention of borrowing from a lender or issuing notes during the one year following the date of this Prospectus.
- (6) The Dividends on preferred shares represent distributions on the existing preferred shares outstanding and assuming \$86 million of preferred shares are issued with a fixed dividend rate of 7.00%, with no mandatory call date. There can, of course, be no guarantee that any preferred shares would be issued or, if issued, the terms thereof.

For a more complete description of the various costs and expenses a common shareholder would bear in connection with the issuance and ongoing maintenance of any preferred shares or notes issued by the Fund, see Risk Factors and Special Considerations Special Risks to Holders of Common Shares Leverage Risk.

The following example illustrates the expenses you would pay on a \$1,000 investment in common shares, followed by a preferred share offering, assuming a 5% annual portfolio total return.\* The expenses illustrated in the following example include the maximum estimated sales load on common shares of \$5.72 and on preferred shares of \$6.40, and estimated offering expenses of \$8.67 from the issuance of \$64 million in common shares and \$86 million in preferred shares. The preferred shares sales load is spread over the Fund's entire net assets attributable to common shares (assuming completion of the proposed issuances); therefore, the allocable portion of such sales load to a common shareholder making a \$1,000 investment in these circumstances is estimated to be \$3.71. The actual amounts in connection with any offering will be set forth in the Prospectus Supplement if applicable.

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Total Expenses incurred	\$ 67	\$ 171	\$ 275	\$ 531

\* The example should not be considered a representation of future expenses. The example is based on total Annual Expenses and Dividends on Preferred Shares shown in the table above and assumes that the amounts set forth in the table do not change and that all distributions are reinvested at net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund's actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

The example includes Dividends on Preferred Shares. If Dividends on Preferred Shares were not included in the example calculation, the expense would be as follows (based on the same assumptions as above).

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Total Expenses incurred	\$ 27	\$ 52	\$ 80	\$ 158

**Table of Contents****FINANCIAL HIGHLIGHTS**

The selected data below sets forth the per share operating performance and ratios for the periods presented. The financial information was derived from and should be read in conjunction with the Financial Statements of the Fund and Notes thereto, which are incorporated by reference into the SAI. The financial information for the six months ended June 30, 2018 is unaudited. The financial information for the five fiscal years ended December 31, 2017, 2016, 2015, 2014, and 2013 has been audited by PricewaterhouseCoopers LLP, the Fund's independent registered public accounting firm, whose report is incorporated by reference into the SAI.

**Selected data for a common share of beneficial interest outstanding throughout the period:**

	<b>Six Months Ended</b>					
	<b>June 30, 2018 (Unaudited)</b>	<b>2017</b>	<b>Year Ended December 31,</b>			<b>2013</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>			
<b>Operating Performance:</b>						
Net asset value, beginning of year	\$22.43	\$19.83	\$19.57	\$21.93	\$22.36	\$20.44
Net investment income	0.40	0.62	0.78	0.60	0.86	0.44
Net realized and unrealized gain/(loss) on investments, swap contracts, and foreign currency transactions	(1.46)	3.65	1.11	(1.39)	0.47	4.13
Total from investment operations	(1.06)	4.27	1.89	(0.79)	1.33	4.57
<b>Distributions to Preferred Shareholders:<sup>(a)</sup></b>						
Net investment income	(0.23)*	(0.18)	(0.24)	(0.25)	(0.30)	(0.29)
Net realized gain		(0.29)	(0.19)	(0.12)	(0.26)	(0.17)
Total distributions to preferred shareholders	(0.23)	(0.47)	(0.43)	(0.37)	(0.56)	(0.46)
<b>Net Increase/(Decrease) in Net Assets Attributable to Common Shareholders Resulting from Operations</b>						
	(1.29)	3.80	1.46	(1.16)	0.77	4.11
<b>Distributions to Common Shareholders:</b>						
Net investment income	(0.14)*	(0.44)	(0.59)	(0.22)	(0.39)	(0.25)
Net realized gain		(0.76)	(0.49)	(0.11)	(0.33)	(0.15)
Return of capital	(0.46)*		(0.12)	(0.87)	(0.48)	(0.80)



Total distributions to common shareholders	(0.60)	(1.20)	(1.20)	(1.20)	(1.20)	(1.20)
<b>Fund Share Transactions:</b>						
Increase in net asset value from common share transactions						0.01
Decrease in net asset value from common shares issued in rights offering						(0.88)
Increase/(Decrease) in net asset value from repurchase of common shares				0.00 <sup>(b)</sup>	(0.00) <sup>(b)</sup>	
Net decrease from costs charged to repurchase of common shares				(0.00) <sup>(b)</sup>		
Offering expenses charged to paid-in capital					(0.00) <sup>(b)</sup>	(0.12)
Total Fund share transactions				0.00 <sup>(b)</sup>	(0.00) <sup>(b)</sup>	(0.99)
<b>Net Asset Value Attributable to Common Shareholders, End of Period</b>						
	\$20.54	\$22.43	\$19.83	\$19.57	\$21.93	\$22.36
NAV total return	(5.76)%	19.59%	7.53%	(5.52)%	3.53%	21.54%
Market value, end of period	\$18.63	\$21.30	\$16.80	\$16.70	\$19.43	\$20.04
Investment total return	(9.75)%	34.83%	7.81%	(8.16)%	2.98%	7.32%

**Table of Contents****Six Months Ended**

	<b>June 30, 2018 (Unaudited)</b>	<b>2017</b>	<b>Year Ended December 31,</b>			
			<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Ratios to Average Net Assets and Supplemental Data:</b>						
Net assets including liquidation value of preferred shares, end of period (in 000 s)	\$ 86,791	\$ 143,533	\$ 132,847	\$ 131,749	\$ 141,789	\$ 143,724
Net assets attributable to common shares, end of period (in 000 s)	84,433	92,229	81,543	80,445	90,167	92,103
Ratio of net investment income to average net assets attributable to common shares before preferred share distributions	3.83% <sup>(c)</sup>	2.88%	3.83%	2.81%	3.85%	2.40%
Ratio of operating expenses to average net assets attributable to common shares	1.37% <sup>(c)(d)(e)</sup>	1.34% <sup>(e)</sup>	1.39% <sup>(e)(f)</sup>	1.41% <sup>(e)</sup>	1.39%	1.22%
Portfolio turnover rate	4.6%	9.2%	21.8%	14.2%		