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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 4)

PIMCO FLEXIBLE MUNICIPAL INCOME FUND

(Name of Issuer)

VARIABLE RATE MUNIFUND TERM PREFERRED  
(Title of Class of Securities)

72203E400

72203E509

72203E707

(CUSIP Number)

Bank of America Corporation  
Bank of America Corporate Center  
100 N. Tryon Street  
Charlotte, North Carolina 28255

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

January 13, 2022

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box .

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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SCHEDULE 13D

CUSIP No. 72203E400, 72203E509, 72203E707

1	<b>NAMES OF REPORTING PERSONS</b> Bank of America Corporation 56-0906609	
2	<b>CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP</b> (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	<b>SEC USE ONLY</b>	
4	<b>SOURCE OF FUNDS (SEE INSTRUCTIONS)</b> WC	
5	<b>CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(D) OR 2(E)</b> <input checked="" type="checkbox"/>	
6	<b>CITIZENSHIP OR PLACE OF ORGANIZATION</b> Delaware	
<b>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</b>	<b>7</b> 0	<b>SOLE VOTING POWER</b>
	<b>8</b> 1,000	<b>SHARED VOTING POWER</b>
	<b>9</b> 0	<b>SOLE DISPOSITIVE POWER</b>
	<b>10</b> 1,000	<b>SHARED DISPOSITIVE POWER</b>
11	<b>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</b> 1,000	
12	<b>CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)</b> <input type="checkbox"/>	
13	<b>PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)</b> 57.14%	
14	<b>TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)</b> HC	

<b>1</b>	<b>NAMES OF REPORTING PERSONS</b> Banc of America Preferred Funding Corporation 75-2939570	
<b>2</b>	<b>CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP</b> (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
<b>3</b>	<b>SEC USE ONLY</b>	
<b>4</b>	<b>SOURCE OF FUNDS (SEE INSTRUCTIONS)</b> WC	
<b>5</b>	<b>CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(D) OR 2(E)</b> <input type="checkbox"/>	
<b>6</b>	<b>CITIZENSHIP OR PLACE OF ORGANIZATION</b> Delaware	
<b>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</b>	<b>7</b>	<b>SOLE VOTING POWER</b> 0
	<b>8</b>	<b>SHARED VOTING POWER</b> 1,000
	<b>9</b>	<b>SOLE DISPOSITIVE POWER</b> 0
	<b>10</b>	<b>SHARED DISPOSITIVE POWER</b> 1,000
<b>11</b>	<b>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</b> 1,000	
<b>12</b>	<b>CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)</b> <input type="checkbox"/>	
<b>13</b>	<b>PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)</b> 57.14%	
<b>14</b>	<b>TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)</b> CO	

This Amendment No. 4 (this “**Amendment**”) amends, as set forth below, the statement on Schedule 13D, dated June 17, 2019 and filed with the SEC on June 27, 2019 (the “**Original Schedule 13D**”), as amended by Amendment No. 1 dated November 18, 2019 and filed with the SEC on November 20, 2019 (“**Amendment No. 1**”), as further amended by Amendment No. 2 dated April 20, 2020 and filed with the SEC on April 22, 2020 (“**Amendment No. 2**”), and as further amended by Amendment No. 3, dated December 6, 2021 and filed with the SEC on December 8, 2021 (“**Amendment No. 3**”) for Bank of America Corporation (“**BAC**”) and Banc of America Preferred Funding Corporation (“**BAPFC**”) (collectively, the “**Reporting Persons**”) with respect to the remarketable variable rate munifund term preferred shares (“**RVMTM Shares**”) of PIMCO Flexible Municipal Income Fund (the “**Issuer**”).

This Amendment is being filed as a result of the entry into the Omnibus Amendment to RVMTM Purchase Agreements by and between the Issuer and BAPFC, dated January 13, 2022 (the “**Omnibus Amendment**”), amending (i) that certain RVMTM Purchase Agreement dated as of November 18, 2019 and (ii) that certain RVMTM Purchase Agreement dated April 20, 2020, as each may have been previously amended or supplemented (together, the “**Existing Purchase Agreements**”) relating to the 2049-A RVMTM Shares (CUSIP No. 72203E509) and 2050-A RVMTM Shares (CUSIP No. 72203E707) of the Issuer.

**Item 2 Identity and Background**

Item 2 of the Original Schedule 13D is hereby amended by:

deleting Schedule I and Schedule II referenced therein and replacing them with Schedule I and Schedule II included with this Amendment.

**Item 6 Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

Item 6 of the Original Schedule 13D is hereby amended by adding the following at the end of the first paragraph thereof:

“The Issuer and BAPFC have entered into the Omnibus Amendment, which amends certain terms of the Existing Purchase Agreements related to relating to the 2049-A RVMTM Shares (CUSIP No. 72203E509) and 2050-A RVMTM Shares (CUSIP No. 72203E707) of the Issuer.”

**Item 7 Material to be Filed as Exhibits**

Item 7 of the Original Schedule 13D is hereby amended by deleting Exhibit 99.1 and Exhibit 99.2 thereto and the insertion of the following exhibits:

“Exhibit Description of Exhibit

99.1 Joint Filing Agreement

99.2 Power of Attorney

99.12 Omnibus Amendment to RVMTM Purchase Agreements, dated January 13, 2022”

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: January 18, 2022

**BANK OF AMERICA CORPORATION**

By: /s/ Michael Jentis

Name: Michael Jentis

Title: Attorney-in-fact

**BANC OF AMERICA PREFERRED FUNDING CORPORATION**

By: /s/ Michael Jentis

Name: Michael Jentis

Title: Authorized Signatory

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LIST OF EXHIBITS

Exhibit            Description of Exhibit

[99.1](#)            Joint Filing Agreement

[99.2](#)            Power of Attorney

[99.12](#)          Omnibus Amendment to RVMTP Purchase Agreements, dated January 13, 2022

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**SCHEDULE I**

**EXECUTIVE OFFICERS AND DIRECTORS OF  
REPORTING PERSONS**

The following sets forth the name and present principal occupation of each executive officer and director of Bank of America Corporation. The business address of each of the executive officers and directors of Bank of America Corporation is Bank of America Corporate Center, 100 North Tryon Street, Charlotte, North Carolina 28255.

<u>Name</u>	<u>Position with Bank of America Corporation</u>	<u>Principal Occupation</u>
Brian T. Moynihan	Chairman of the Board, Chief Executive Officer, President and Director	Chairman of the Board, Chief Executive Officer, and President of Bank of America Corporation
Holly O'Neill	President, Retail Banking	President, Retail Banking of Bank of America Corporation
Aditya Bhasin	Chief Technology and Information Officer	Chief Technology and Information Officer of Bank of America Corporation
Sheri Bronstein	Chief Human Resources Officer	Chief Human Resources Officer of Bank of America Corporation
Alastair Borthwick	Chief Financial Officer	Chief Financial Officer of Bank of America Corporation
Geoffrey Greener	Chief Risk Officer	Chief Risk Officer of Bank of America Corporation
Kathleen A. Knox	President, Private Bank	President, Private Bank of Bank of America Corporation
Lauren Anne Mogensen	Global General Counsel	Global General Counsel of Bank of America Corporation
Thomas K. Montag	Chief Operating Officer	Chief Operating Officer of Bank of America Corporation
Anne Finucane	Vice Chairman	Vice Chairman of Bank of America Corporation
Andrew M. Sieg	President, Merrill Lynch Wealth Management	President, Merrill Lynch Wealth Management
Andrea B. Smith	Chief Administrative Officer	Chief Administrative Officer of Bank of America Corporation
Sharon L. Allen	Director	Former Chairman of Deloitte LLP
Susan S. Bies	Director	Former Member, Board of Governors of the Federal Reserve System
Lionel L. Nowell, III	Lead Independent Director	Former Senior Vice President and Treasurer, PepsiCo Inc.
Frank P. Bramble, Sr.	Director	Former Executive Vice Chairman, MBNA Corporation

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Pierre de Weck <sup>1</sup>	Director	Former Chairman and Global Head of Private Wealth Management, Deutsche Bank AG
Arnold W. Donald	Director	President and Chief Executive Officer, Carnival Corporation & Carnival plc
Linda P. Hudson	Director	Former Executive Officer, The Cardea Group, LLC and Former President and Chief Executive Officer of BAE Systems, Inc.
Monica C. Lozano	Director	Chief Executive Officer, College Futures Foundation and Former Chairman, US Hispanic Media Inc.
Thomas J. May	Director	Former Chairman, President, and Chief Executive Officer of Eversource Energy
Lionel L. Nowell, III	Director	Former Senior Vice President and Treasurer, PepsiCo Inc.
Denise L. Ramos	Director	Former Chief Executive Officer and President of ITT Inc.
Clayton S. Rose	Director	President of Bowdoin College
Michael D. White	Director	Lead Director of Kimberly-Clark Corporation; Former Chairman, President, and Chief Executive Officer of DIRECTV
Thomas D. Woods <sup>2</sup>	Director	Former Vice Chairman and Senior Executive Vice President of Canadian Imperial Bank of Commerce; Former Chairman, Hydro One Limited
R. David Yost	Director	Former Chief Executive Officer of AmerisourceBergen Corp.
Maria T. Zuber	Director	Vice President for Research and E.A., Griswold Professor of Geophysics, MIT

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<sup>1</sup> Mr. de Weck is a citizen of Switzerland.

<sup>2</sup> Mr. Woods is a citizen of Canada.

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The following sets forth the name and present principal occupation of each executive officer and director of Banc of America Preferred Funding Corporation. The business address of each of the executive officers and directors of Banc of America Preferred Funding Corporation is 214 North Tryon Street, Charlotte, North Carolina 28255.

<u>Name</u>	<u>Position with Banc of America Preferred Funding Corporation</u>	<u>Principal Occupation</u>
John J. Lawlor	Director and President	Managing Director, Municipal Markets and Public Sector Banking Executive of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, National Association
Edward H. Curland	Director and Managing Director	Managing Director, Municipal Markets Executive for Trading of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, National Association
James Duffy	Managing Director	Director; MBAM BFO, The CFO Group of Bank of America, National Association
Michael I. Jentis	Managing Director	Managing Director, Head of Sales – Public Finance of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, National Association
Mona Payton	Managing Director	Managing Director, Municipal Markets Executive for Short-Term Trading of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, National Association
Edward J. Sisk	Director and Managing Director	Managing Director, Public Finance Executive of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, National Association
John B. Sprung	Director	Corporate Director
David A. Stephens	Director and Managing Director	Managing Director, Executive for Public Finance and Public Sector Credit Products of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, National Association

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**SCHEDULE II**

**LITIGATION SCHEDULE**

New York Attorney General Investor Protection Bureau Masking Settlement 3/22/2018

On March 22, 2018, the Attorney General of the State of New York Investor Protection Bureau (“NYAG”) alleged that Bank of America Corporation (“BAC”) and Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) (1) concealed from its institutional clients that orders were routed to and executed by “electronic liquidity providers,” (2) misstated the composition of orders and trades in its dark pool, and (3) did not accurately describe its use of a proprietary “venue ranking” analysis, in violation of the Martin Act and Executive Law § 63(12). In connection with the agreement, BAC and MLPF&S agreed (1) not to engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to the Martin Act and Executive Law § 63(12); (2) to pay a penalty in the amount of \$42,000,000; and (3) provide the NYAG a summary of the review of its electronic trading policies and procedures.

**NOTE:** In addition, Bank of America Corporation and certain of its affiliates, including MLPF&S and BANA, have been involved in a number of civil proceedings and regulatory actions which concern matters arising in connection with the conduct of its business. Certain of such proceedings have resulted in findings of violations of federal or state securities laws. Such proceedings are reported and summarized in the MLPF&S Form BD as filed with the SEC, which descriptions are hereby incorporated by reference.

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JOINT FILING AGREEMENT

Pursuant to and in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder, each party hereto hereby agrees to the joint filing, on behalf of each of them, of any filing required by such party under Section 13 or Section 16 of the Exchange Act or any rule or regulation thereunder (including any amendment, restatement, supplement, and/or exhibit thereto) with the Securities and Exchange Commission (and, if such security is registered on a national securities exchange, also with the exchange), and further agrees to the filing, furnishing, and/or incorporation by reference of this agreement as an exhibit thereto. This agreement shall remain in full force and effect until revoked by any party hereto in a signed writing provided to each other party hereto, and then only with respect to such revoking party.

IN WITNESS WHEREOF, each party hereto, being duly authorized, has caused this agreement to be executed and effective as of the date set forth below.

Date: January 18, 2022

BANK OF AMERICA CORPORATION

By: /s/ Michael Jentis

Name: Michael Jentis

Title: Attorney-in-fact

BANC OF AMERICA PREFERRED FUNDING CORPORATION

By: /s/ Michael Jentis

Name: Michael Jentis

Title: Authorized Signatory

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**BANK OF AMERICA CORPORATION**

**LIMITED POWER OF ATTORNEY**

**BANK OF AMERICA CORPORATION**, a Delaware corporation (the "Corporation"), does hereby make, constitute, and appoint Michael Jentis as an attorney-in-fact for the Corporation acting for the Corporation and in the Corporation's name, place and stead, for the Corporation's use and benefit, to bind the Corporation by his execution of those agreements, forms and documents related specifically to Section 13 and Section 16 of the Securities Exchange Act of 1934.

Any documents executed by the attorney-in-fact in accordance with this Limited Power of Attorney shall fully bind and commit the Corporation and all other parties to such documents may rely upon the execution thereof by the attorney-in-fact as if executed by the Corporation and as the true and lawful act of the Corporation.

This Limited Power of Attorney shall automatically terminate as to the authority of Michael Jentis upon the earlier of the attorney-in-fact's resignation or termination from or transfer out of Global Banking and Markets – Municipal Banking and Markets; however, any such resignation, termination or transfer shall have no impact on any documents or instruments executed by the attorney-in-fact named above for the Corporation prior to such resignation, termination or transfer.

**IN WITNESS WHEREOF**, this Power of Attorney has been executed and delivered by the Corporation to the Attorney-in-Fact on this 27th day of May, 2020

**BANK OF AMERICA CORPORATION**

By: \_\_\_\_\_ /s/ Ellen A. Perrin

Name: Ellen A. Perrin

Title: Associate General Counsel and Senior Vice President

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**OMNIBUS AMENDMENT TO RVMTP PURCHASE AGREEMENTS**

This **OMNIBUS AMENDMENT TO RVMTP PURCHASE AGREEMENTS**, dated January 13, 2022 (this “**Amendment**”), is entered into by and among:

**BANC OF AMERICA PREFERRED FUNDING CORPORATION**, a Delaware corporation, including its successors by merger or operation of law (and not merely by assignment of all or part of this Amendment) (the “**Purchaser**”), and

**PIMCO FLEXIBLE MUNICIPAL INCOME FUND**, a non-diversified closed-end fund organized as a Massachusetts business trust (the “**Fund**”):

Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in each Purchase Agreement (as defined below).

**RECITALS**

**WHEREAS**, Purchaser and the Fund are parties to each of the RVMTP Purchase Agreement dated November 18, 2019 and the RVMTP Purchase Agreement dated April 20, 2020, as each may have been previously amended or supplemented (together, the “**Existing Purchase Agreements**” and, as amended by this Amendment, and as hereafter further amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the “**Purchase Agreements**” and each a “**Purchase Agreement**”);

**WHEREAS**, pursuant to Article VII, Section 7.4 of the Purchase Agreements, the parties hereto desire to amend the terms of each Existing Purchase Agreement to replace the exhibit to each of the Existing Purchase Agreements titled “Exhibit B—Eligible Assets” with a revised exhibit titled “Exhibit B—Eligible Assets”, attached hereto as Exhibit A, and to waive any notice for such amendment that may be required by Article VI, Section 6.1 of the Purchase Agreements; and

**NOW THEREFORE**, in consideration of the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. The exhibit to each of the Existing Purchase Agreements titled “Exhibit B—Eligible Assets” is hereby deleted in its entirety and replaced with the exhibit attached hereto as Exhibit A titled “Exhibit B—Eligible Assets”.
2. The definition of “Overconcentration Amount” in Article I of each Existing Purchase Agreement is hereby deleted in its entirety and replaced with the following:

“**Overconcentration Amount**” means as of any date of calculation of the Effective Leverage Ratio for the Issuer, an amount equal to the sum of (without duplication): (i) for investments (excluding pre-refunded securities) of the Issuer rated below BBB- (or the equivalent): the Market Value of such investments in excess of 40.0% as a percentage of the Market Value of the Issuer’s Total Assets, (ii) for investments in assets other than municipal bonds and other municipal securities: the Market Value of such investments in excess of 20.0% as a percentage of the Market Value of the Issuer’s Total Assets, (iii) for investments in assets that constitute taxable obligations (which shall include total return swaps measured at their notional amount): the Market Value of such investments (which shall include total return swaps measured at their notional amount) in excess of 20.0% as a percentage of the Market Value of the Issuer’s Total Assets, (iv) for investments in assets that constitute securities of ~~other~~ municipal closed-end funds **and municipal open-end funds (as defined in Sections 1.F and 1.G, respectively, of Exhibit B to this Agreement)**: the Market Value of such investments in excess of 5.0% as a percentage of the Market Value of the Issuer’s Total Assets, and (v) for total return swap transactions: the notional amount of such contracts in excess of 3.0% of the Issuer’s Total Assets outstanding. The rating of any investment (e.g., BB (or the equivalent)) used in determining the Overconcentration Amount shall be (a) the rating assigned to such investment if rated by only one of Fitch, Moody’s and S&P, (b) the higher of the ratings assigned to such investment if rated by any two of Fitch, Moody’s and S&P, (c) the highest rating assigned to such investment if rated by all three of Fitch, Moody’s and S&P, or (d) the equivalent rating based on the Issuer’s internal credit due diligence, if not rated by any of Fitch, Moody’s and S&P. For investments which qualify for multiple overconcentration categories listed in (i) to (v) above, the Overconcentration Amount will be calculated utilizing the individual concentration limit resulting in the largest amount (without duplication) to be subtracted from the sum determined pursuant to sub-section (ii) of the definition of Effective Leverage Ratio (set out in Section 2.4(d) of the Statement) pursuant to Sections 4.11 and 6.12 hereof.

3. Miscellaneous.

(a) The headings in this Amendment are for convenience of reference only and shall not affect the interpretation or construction of this Amendment.

(b) This Amendment contains a final and complete integration of all prior expressions by the parties with respect to the subject matter hereof and shall constitute the entire agreement among the parties with respect to such subject matter, superseding all prior oral or written understandings.

(d) A copy of the Amended and Restated Agreement and Declaration of Trust of each Fund is on file with the Secretary of State of The Commonwealth of Massachusetts, and notice hereby is given that this Amendment is executed on behalf of the Fund by an officer or Trustee of the Fund in his or her capacity as an officer or Trustee of the Fund and not individually and that the obligations under or arising out of this Amendment are not binding upon any of the Trustees, officers or shareholders individually but are binding only upon the assets and properties of the Fund.

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4 . Counterparts and Electronic Signatures. This Amendment may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Any counterpart or other signature delivered by facsimile or by electronic mail shall be deemed for all purposes as being a good and valid execution and delivery of this Amendment by that party. The parties hereto further acknowledge and agree that this Amendment may be signed and/or transmitted by e-mail or a .pdf document or using electronic signature technology (e.g., via DocuSign, Adobesign, or other electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature.

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IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed, as of the day and year first above written.

**PIMCO FLEXIBLE MUNICIPAL INCOME FUND**

By: /s/ Eric D. Johnson

Name: Eric D. Johnson

Title: President

[Signature Page to Omnibus Amendment to RVMTF Purchase Agreement ]

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**BANC OF AMERICA PREFERRED FUNDING  
CORPORATION**

By:           /s/ Michael Jentis          

Name: Michael Jentis

Title: Authorized Signatory

[Signature Page to Omnibus Amendment to RVMTP Purchase Agreement]

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**EXHIBIT B****ELIGIBLE ASSETS**

1. "Eligible Assets" are hereby defined to consist only of the following as of the time of investment:

A. Debt obligations

- i. "Municipal securities," defined as obligations of a State, the District of Columbia, a U.S. territory or a political subdivision thereof, and including general obligations, limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986 issued by or on behalf of any State, the District of Columbia, any U.S. territory or any political subdivision thereof, including any municipal corporate instrumentality of 1 or more States, or any public agency or authority of any State, the District of Columbia, any U.S. territory or any political subdivision of thereof, including obligations of any of the foregoing types related to financing a 501(c)(3) organization. The purchase of any municipal security will be based upon the Investment Manager's assessment of an asset's relative value in terms of current yield, price, credit quality, and future prospects; and the Investment Manager will monitor the Issuer's creditworthiness of its portfolio investments and analyze economic, political and demographic trends affecting the markets for such assets. Eligible Assets shall include any municipal securities that at the time of purchase are paying scheduled principal and interest or if at the time of purchase are in payment default, then in the sole judgment of the Investment Manager are expected to produce payments of principal and interest whose present value exceeds the purchase price.
  - ii. Debt obligations of the United States.
  - iii. Debt obligations issued, insured, or guaranteed by a department or an agency of the U.S. Government, if the obligation, insurance, or guarantee commits the full faith and credit of the United States for the repayment of the obligation.
  - iv. Debt obligations of the Washington Metropolitan Area Transit Authority guaranteed by the Secretary of Transportation under Section 9 of the National Capital Transportation Act of 1969.
  - v. Debt obligations of the Federal Home Loan Banks.
  - vi. Debt obligations, participations or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association.
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- vii. Debt obligations which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to sections 305 or 306 of the Federal Home Loan Mortgage Corporation Act.
  - viii. Debt obligations of any agency named in 12 U.S.C. § 24(Seventh) as eligible to issue obligations that a national bank may underwrite, deal in, purchase and sell for the bank's own account, including qualified Canadian government obligations.
  - ix. Debt obligations of issuers other than those specified in (i) through (viii) above that are not "distressed or in default" and that are "marketable." For these purposes, an obligation is
    - (aa) "marketable" if:
      - (A) it is registered under the Securities Act;
      - (B) it is offered and sold pursuant to Securities and Exchange Commission Rule 144A; 17 CFR 230.144A; or
      - (C) it can be sold with reasonable promptness at a price that corresponds reasonably to its fair value; and
    - (bb) not "distressed or in default" if:
      - (A) it has received an investment grade rating from an NRSRO or, if not rated by an NRSRO, from the Investment Manager's internal rating analysis,
      - (B) the obligor had adequate capacity to meet financial commitments under the security for the projected life of the asset or exposure as solely determined by the Investment Manager based on the Investment Manager's internal credit due diligence, which capacity is presumed if the risk of default by the obligor is low and the full and timely repayment of principal and interest at the time of acquisition by the Fund was expected, or
      - (C) it is purchased by the Fund at a price that the Investment Manager believes is below the aggregate principal and interest expected to be received on the obligation, provided that, with respect to assets qualifying as "not 'distressed or in default'" by way of this clause (C), the Issuer may not invest more than 5% of its total assets in such assets.
  - x. Other assets that are not described in (i) through (viii) above, if the Investment Manager provides written notice to the Purchaser indicating the Issuer's intent to invest in such asset and describing such asset in reasonable detail at least five Business Days prior to such investment and the Purchaser affirmatively approves such investment. The Purchaser will use commercially reasonable efforts to respond to the Investment Manager's request within such five Business Day period.
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- xii. Bank capital securities of both non-U.S. (foreign) and U.S. issuers, other obligations including without limitation certificates of deposit, bankers' acceptances and fixed time deposits.

The bonds, notes and other debt securities referenced in (A) above shall be defined as Eligible Assets. An asset shall not lose its status as an Eligible Asset solely by virtue of the fact that:

- it provides for repayment of principal and interest in any form including fixed and floating rate, zero interest, capital appreciation, discount, leases, and payment in kind; or
- it is for long-term or short-term financing purposes.

B. Derivatives

- i. Interest rate derivatives;
- ii. Swaps, futures, forwards, structured notes, options and swaptions related to Eligible Assets or on an index related to Eligible Assets; or
- iii. Credit default swaps.

C. Other Assets

- i. Cash;
- ii. Repurchase agreements on assets described in A above; or
- iii. Taxable fixed-income securities, for the purpose of acquiring control of an issuer whose municipal bonds (a) the Issuer already owns and (b) have deteriorated or are expected shortly to deteriorate that such investment should enable the Issuer to better maximize its existing investment in such Issuer, provided that the Issuer may invest no more than 0.5% of its total assets in such securities.

- D. Assets not otherwise covered in A, B or C above that the Investment Manager may determine are in the best interest of shareholders of the Issuer to acquire in pursuing a workout arrangement with issuers (of the types described in A above) of defaulted obligations, including, but not limited to, loans to the defaulted issuer or another party pursuant to the workout arrangement, or a debt, equity or other interest in the defaulted issuer or other party to the workout arrangement, provided that the Issuer may not invest more than 2% of its total assets in any such assets (as measured at the time of investment). The Issuer agrees that it will only acquire equity securities pursuant to this Section 1.D. that it reasonably expects at the time of acquisition to hold for a period not to exceed five (5) years from the date of acquisition.
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- E. Other assets, upon written agreement of all Holders of the RVMTP Shares (“Holders”) that such assets are eligible for purchase by the Holders.
  - F. Shares of any investment company registered under the 1940 Act sub-classified as a “closed-end company” pursuant to Section 5(a)(2) of the 1940 Act that has adopted and disclosed in its registration statement an investment policy to invest, under normal circumstances, at least 80% of the value of its Assets (as defined in Rule 35d-1 under the 1940 Act) in municipal securities.
  - G. Shares of any investment company registered under the 1940 Act sub-classified as an “open-end company” pursuant to Section 5(a)(1) of the 1940 Act that has adopted and disclosed in its registration statement an investment policy to invest, under normal circumstances, at least 80% of the value of its Assets (as defined in Rule 35d-1 under the 1940 Act) in municipal securities.
2. The Investment Manager has instituted policies and procedures that it believes are sufficient to ensure that the Issuer and it comply with the representations, warranties and covenants contained in this Exhibit B to the Agreement.
  3. The Issuer will, upon request, provide the Holder(s) and their internal and external auditors and inspectors as the Holder(s) may from time to time designate, with all reasonable assistance and access to information and records of the Issuer relevant to the Issuer’s compliance with and performance of the representations, warranties and covenants contained in this Exhibit B to the Agreement, but only for the purposes of internal and external audit.
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