Delaware Enhanced Global Dividend & Income Fund
Form N-14 8C
June 24, 2011

As filed with the Securities and Exchange Commission on June 24, 2011
1933 Act File No. [_________]

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-14

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|---|---|
| REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 | \|X\| |
| Pre-Effective Amendment No. ____ | \|_\| |
| Post-Effective Amendment No. ____ | \|_\| |

(Check appropriate box or boxes)

DELAWARE ENHANCED GLOBAL DIVIDEND AND INCOME FUND
(Exact Name of Registrant as Specified in Charter)

2005 Market Street, Philadelphia, PA 19103
(Address of Principal Executive Offices) (Zip Code)

(800) 523-1918
(Registrant's Telephone Number, including Area Code)

David F. Connor, Esq., 2005 Market Street, Philadelphia, PA 19103
(Name and Address of Agent for Service of Process)

Approximate Date of Proposed Public Offering: As soon as practical after this Registration Statement becomes effective under the Securities Act of 1933.

Calculation of Registration Fee under the Securities Act of 1933:

| Title of Securities Being Registered | Amount Being Registered | Proposed Maximum Offering Price per Unit | Proposed Maximum Aggregate Offering Price (1) | Amount of Registration Fee |
|---|---|---|---|---|
| Common Shares (no par value) | | | $37,081,353.12 | $ 4,305.15 |

(1) Estimated solely for the purpose of calculating the registration fee. Based on net asset value per share of $7.52 for Delaware Investments Global Dividend and Income Fund, Inc. as of the close of business on June 22, 2011 with 4,931,031 shares outstanding, in accordance with Rule 457(f)(1) of the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration

Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.

PROXY MATERIALS
Delaware Investments Global Dividend and Income Fund, Inc. (NYSE: DGF)
Delaware Enhanced Global Dividend and Income Fund (NYSE: DEX)

Dear Shareholder:

I am writing to let you know that a joint special meeting of shareholders of the closed-end registered investment companies listed above (the "Funds") will be held at the offices of Stradley Ronon Stevens & Young, LLP, 2005 Market Street, 26th Floor, Philadelphia, Pennsylvania 19103 on September 21, 2011 at 4:00 p.m. Eastern time. The purpose of the meeting is to vote on an important proposal that affects the Funds and your investment. As a shareholder, you have the opportunity to voice your opinion on certain matters that affect the Funds. This package contains information about the proposal and the materials to use when voting by mail, by telephone, or through the Internet.

Please read the enclosed materials and cast your vote. Please vote your shares promptly. Your vote is extremely important, no matter how large or small your holdings may be.

The proposal has been carefully reviewed by each Fund's Board of Trustees/Directors (the "Board"). The Board, all but one of whose members are not affiliated with Delaware Investments, is responsible for protecting your interests as a shareholder. The Board believes the proposal is in the best interests of the shareholders of both Funds.

Each Fund's Board recommends that you vote FOR the proposal.

The proposal is described in greater detail in the enclosed Proxy Statement/Prospectus.

Voting is quick and easy. Everything you need is enclosed. To cast your vote, simply complete the proxy card enclosed in this package. Be sure to sign the card before mailing it in the postage-paid envelope. You may also vote your shares by touch-tone telephone or through the Internet. Simply call the toll-free number or visit the website indicated on your proxy card and follow the recorded or online instructions.

If you have any questions before you vote, please call Computershare Fund Services, Inc., the Funds' proxy solicitor, at 866-612-5812, and they will be glad to help you get your vote in quickly. You may also receive a telephone call from the solicitor reminding you to vote your shares. Thank you for your participation in this important initiative.

Sincerely,

Patrick P. Coyne

Chairman

July [__], 2011

NOTICE OF JOINT SPECIAL MEETING OF SHAREHOLDERS OF
Delaware Investments Global Dividend and Income Fund, Inc. (NYSE: DGF)
and
Delaware Enhanced Global Dividend and Income Fund (NYSE: DEX)
To be held on September 21, 2011

Important notice regarding the availability of proxy materials for the shareholder meeting to be held on September 21, 2011: this proxy statement is available at www.delawareinvestments.com/CEProxy.

To the Shareholders:

NOTICE IS HEREBY GIVEN that a joint special meeting (the "Meeting") of shareholders of Delaware Investments Global Dividend and Income Fund, Inc. (the "Target Fund") and Delaware Enhanced Global Dividend and Income Fund (the "Acquiring Fund") has been called by the Board of Trustees of the Acquiring Fund and the Board of Directors of the Target Fund. The Meeting will be held at the offices of Stradley Ronon Stevens & Young, LLP, located at 2005 Market Street, 26th Floor, Philadelphia, PA 19103, on Wednesday, September 21, 2011 at 4:00 p.m. Eastern time. The purpose of the Meeting is for each Fund:

To approve an Agreement and Plan of Reorganization (the "Agreement") providing for (i) the acquisition by the Acquiring Fund of substantially all of the assets, and certain of the liabilities, of the Target Fund, in exchange for newly issued common shares of the Acquiring Fund; (ii) the distribution of such newly issued common shares of the Acquiring Fund to holders of common shares of the Target Fund; and (iii) the dissolution of the Target Fund thereafter.

Shareholders of record of the Funds as of the close of business on July 13, 2011 are entitled to notice of, and to vote at, the Meeting or any adjournment thereof. Whether or not you plan to attend the Meeting, please vote your shares by returning the proxy card by mail in the enclosed postage-paid envelope, or by voting by telephone or over the Internet. Your vote is important.

By Order of the Board,

Patrick P. Coyne

Chairman

July [__], 2011

To secure the largest possible representation and to save the expense of further mailings, please mark your proxy card(s), sign, and return it (them) in the enclosed envelope, which requires no postage if mailed from the United States. If you prefer, you may instead vote by telephone or the Internet. You may revoke your proxy at any time before or at the Meeting or vote in person if you attend the Meeting, as provided in the attached Proxy Statement/Prospectus.

PROXY STATEMENT/PROSPECTUS

Dated [___], 2011

Acquisition of Substantially All of the Assets, and Certain of the Liabilities, of
Delaware Investments Global Dividend and Income Fund, Inc. (NYSE: DGF)
By, and In Exchange For Shares of,
Delaware Enhanced Global Dividend and Income Fund (NYSE: DEX)

This proxy statement/prospectus ("Proxy Statement/Prospectus") solicits proxies to be voted at a joint special meeting of shareholders (the "Meeting") of Delaware Investments Global Dividend and Income Fund, Inc. (the "Target Fund") and Delaware Enhanced Global Dividend and Income Fund (the "Acquiring Fund" and, together with the Target Fund, the "Funds").

The Meeting will be held at the offices of Stradley Ronon Stevens & Young, LLP, located at 2005 Market Street, 26th Floor, Philadelphia, PA 19103, on Wednesday, September 21, 2011 at 4:00 p.m. Eastern time. The purpose of the Meeting is for each Fund:

To approve an Agreement and Plan of Reorganization (the "Agreement") providing for (i) the acquisition by the Acquiring Fund of substantially all of the assets, and certain of the liabilities, of the Target Fund, in exchange for newly issued common shares of the Acquiring Fund; (ii) the distribution of such newly issued common shares of the Acquiring Fund to holders of common shares of the Target Fund; and (iii) the dissolution of the Target Fund thereafter.

A form of the Agreement is set forth in Appendix A of this Proxy Statement/Prospectus. If the shareholders of the Funds vote to approve the Agreement, substantially all of the assets, and certain of the liabilities, of the Target Fund will be acquired by the Acquiring Fund in exchange for common shares of the Acquiring Fund (such transaction, the "Reorganization").

The principal executive offices of the Funds are located at 2005 Market Street, Philadelphia, Pennsylvania 19103-7094. You can reach the offices of the Funds by telephone by calling 1-800-523-1918.

The Board of Trustees/Directors (the "Board") of each Fund is soliciting these proxies. If the shareholders of the Funds vote to approve the Agreement, each holder of common stock of the Target Fund ("Target Fund Shares") will receive Acquiring Fund common shares of beneficial interest ("Acquiring Fund Shares") of equivalent aggregate net asset value ("NAV") to the aggregate NAV of the Target Fund Shares they own. No sales charge will be imposed on the Acquiring Fund Shares received in connection with the Reorganization, and the Reorganization is designed to be a tax-free reorganization. After the Reorganization is completed, the Target Fund will be liquidated and dissolved.

Each Fund is a diversified, closed-end, management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Acquiring Fund's primary investment objective is to seek current income, with a secondary objective of capital appreciation. The Target Fund's primary investment objective is to seek high current income, with a secondary objective of capital appreciation.  The Target Fund Shares and the Acquiring Fund Shares (together, "Shares") are listed on the New York Stock Exchange (the "Exchange") under the ticker symbols set forth above.  Delaware Management Company (the "Manager"), a series of Delaware Management Business Trust, serves as investment manager to each Fund.  The Board of each Fund believes that the Reorganization will benefit the shareholders of the Funds, as discussed further in this Proxy Statement/Prospectus.

This Proxy Statement/Prospectus will first be sent to shareholders on or about July 20, 2011.  It sets forth concisely the information about the Acquiring Fund that a prospective investor ought to know before investing.  It should be retained for future reference.  A statement of additional information dated July [__], 2011 (the "SAI") relating to this Proxy Statement/Prospectus is incorporated by reference into and is deemed part of this Proxy Statement/Prospectus.  Each Fund's most recent shareholder report includes financial highlights for the Fund, which are hereby incorporated by reference into this Proxy Statement/Prospectus.  The SAI and other information about the Funds has been filed with the Securities and Exchange Commission (the "SEC") and is available upon request and without charge by contacting the Funds at the address or phone number of its principal executive offices given above.  Reports, proxy materials and other information concerning the Funds can also be inspected at the Exchange.

THE SEC HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OF THIS PROXY STATEMENT/PROSPECTUS.  ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ACQUIRING FUND SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK, AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER U.S. GOVERNMENT AGENCY.  THE ACQUIRING FUND SHARES INVOLVE INVESTMENT RISKS INCLUDING THE POSSIBLE LOSS OF PRINCIPAL.

Investments in the Funds are not and will not be deposits with or liabilities of Macquarie Bank Limited ABN 46 008 583 542 and its holding companies, including their subsidiaries or related companies (Macquarie Group), and are subject to investment risk, including possible delays in repayment and loss of income and capital invested.  No Macquarie Group company guarantees or will guarantee the performance of the Funds, the repayment of capital from the Funds, or any particular rate of return.

TABLE OF CONTENTS

SUMMARY

This is only a summary of certain information contained in this Proxy Statement/Prospectus. You should read the more complete information in the rest of this Proxy Statement/Prospectus, including the Form of Agreement (attached as Exhibit A).

Key Features of the Funds

The Acquiring Fund is organized as a Delaware business trust. The Target Fund is organized as a Maryland corporation. Each Fund is registered as a closed-end investment company under the 1940 Act, and each Fund's Shares trade on the Exchange. As of May 31, 2011, the total net assets of the Funds were as follows:

| Fund | Total Net Assets |
|---|---|
| Target Fund | $38.85 million |
| Acquiring Fund | $176.76 million |

Key Features of the Reorganization

The Board of each Fund has concluded that the Reorganization is in the best interests of such Fund's shareholders and has determined that the interests of that Fund's shareholders will not be diluted as a result of the Reorganization. The Board of each Fund has approved submitting the Agreement to a vote of each Fund's shareholders at the Meeting, and recommends that shareholders vote FOR approval of the Agreement.

The Reorganization
If the Agreement is approved, on the date that the Reorganization takes place (the "Closing Date"), the Acquiring Fund will acquire substantially all of the assets, and certain of the liabilities, of the Target Fund, and shareholders of the Target Fund will then receive Acquiring Fund Shares in exchange for their Target Fund Shares (this event, the "Closing"). Each Fund currently uses a line of credit for leverage purposes. Following the Reorganization, the Acquired Fund will continue to use the line of credit and, it is anticipated that the Funds' lines of credit will be combined. The Target Fund will retain sufficient assets to pay off any remaining liabilities. After provision has been made for any remaining liabilities to be paid off, the Target Fund will be dissolved. For more information about the Reorganization, see the section below entitled "Information About the Reorganization."

Acquiring Fund Shares
The Agreement provides that, on the Closing Date, holders of Target Fund Shares will receive Acquiring Fund Shares having an aggregate NAV equal to the aggregate NAV of the Target Fund Shares they hold on the Closing Date. As a result, the aggregate net asset value (but not necessarily market value) of a shareholder's investment in Acquiring Fund Shares will be the same immediately after the Closing as the aggregate net asset value of such shareholder's investment in Target Fund Shares immediately before the Reorganization. Similarly, the

Reorganization will have no effect on the aggregate net asset value (but not necessarily market value) of an Acquiring Fund shareholder's investment. This structure is designed to avoid any dilution in the investments of holders of either Fund's Shares. No certificates representing shares of beneficial interest of Acquiring Fund will be issued to shareholders of Target Fund shares, irrespective of whether such shareholders hold their Target Fund Shares in certificated form, and each outstanding certificate of the Target Fund will be cancelled and will no longer evidence ownership thereof. Shareholders of the Target Fund will receive instructions on how to return their Target Fund share certificates. For more information about the Acquiring Fund Shares, see the section below entitled "Information About the Reorganization — Material Features of the Reorganization — Description of the Acquiring Fund Shares to be Issued."

Key Features of the Acquiring Fund and the Target Fund

Investment Objectives and Strategies

Investment Objectives. The Funds have substantially similar investment objectives. The Acquiring Fund's primary investment objective is to seek current income, with a secondary objective of capital appreciation. The Target Fund's primary investment objective is to seek high current income, with a secondary objective of capital appreciation. Each Fund's investment objective is non-fundamental, meaning that it may be changed by the Fund's Board without shareholder approval, although shareholders will receive advance notification of any change in a Fund's investment objective. There is no guarantee that a Fund will achieve its investment objective.

Investment Strategies. The investment strategies of the Funds are similar. Each Fund may invest in both equity and debt securities, however there are differences between the Funds with respect to the minimum investment in debt versus equity securities. The Target Fund invests at least 50% of its total assets in equities and the remainder of its total assets in non-convertible debt securities, while the Acquiring Fund is not constrained as to its mix between debt and equity securities. Each Fund may invest up to 40% in the securities of non-U.S. issuers.

Each Fund seeks to pursue its investment objective by investing globally in dividend paying and income generating securities. With respect to the equity component of the Acquiring Fund and Target Fund's portfolio, both Funds are permitted to invest in common stock of U.S. and foreign countries. In addition, the Acquiring Fund invests primarily in securities of large-capitalization companies but is permitted to invest in companies of any size. Each Fund may also invest in securities issued by real estate companies (including real estate investment trusts ("REITs")).

Each Fund is permitted to invest in preferred stock and convertible securities, which may be rated below investment grade (i.e., "Ba" or lower for convertible securities or "ba" or lower for preferred stock by Moody's Investors Service ("Moody's") or "BB" or lower for both convertible securities and preferred stock by Standard and Poor's ("S&P") or similarly rated by other rating agencies) or, if unrated, determined to be of comparable quality by the Manager.

Under normal market conditions, each Fund invests at least 40% of its net assets in securities of non-U.S. issuers, unless market conditions are not deemed favorable by the Manager, in which case the Fund would invest at least 30% of its net assets in the securities of non-U.S. issuers. Additionally, the Target Fund invests at least 65% of the value of its assets in issuers organized or having a majority of their assets in or deriving a majority of their operating income in at least three different countries, one of which is the United States, however, the Target Fund may not invest more than 50% of its total assets in the securities of any developed or emerging markets foreign country.

Each Fund may purchase securities in any developed or emerging foreign country and such foreign investments may be denominated in currencies other than the U.S. dollar. Each Fund may invest directly in securities of foreign issuers or in depository receipts (such as American and European Depository Receipts (the Acquiring Fund may also invest in Global Depository Receipts) that represent indirect interests in securities of foreign issuers. Each Fund may also invest directly in foreign currencies. The Manager may for each Fund employ forward foreign currency contracts, futures contracts and options on futures contracts to hedge currency risks associated with the income stream generated by foreign investments.

The debt component of each Fund's portfolio consists of corporate and government debt securities, including high yield, high risk U.S. or foreign (including emerging markets) debt securities that are rated below investment grade ("Ba1" or lower by Moody's or "BB+" or lower by S&P). The Target Fund is permitted to invest the entire debt component of its portfolio in securities that are rated below investment grade or that are unrated but of comparable quality as determined by the Manager. Additionally, the corporate and government bonds in which the Target Fund may invest may have the lowest ratings for interest paying debt instruments by Moody's or S&P (i.e., rated "C" by Moody's or "CC" by S&P).

Each Fund may lend its portfolio securities to banks or dealers which meet the creditworthiness standards established by the Board of such Fund. Additionally, each Fund currently borrows through a line of credit which it has established with The Bank of New York Mellon ("BNY Mellon") for purposes of leveraging. Leveraging may result in greater volatility because a Fund's NAV may be subject to fluctuations in short-term interest rates and changes in the market value of portfolio securities attributable to the leverage.

Additionally, in managing the Acquiring Fund, the Manager uses a combination of dividend capture trading, option overwriting, realization of gains on the sale of securities, dividend growth and currency forwards to try to enhance the sustainability of the Acquiring Fund's income stream.

Generally, securities are purchased or sold by the Acquiring Fund on national securities exchanges and in the over-the-counter market. From time to time, securities may be purchased or sold in private transactions, including securities that are not publicly traded or that are otherwise illiquid.

The Manager may invest the Acquiring Fund's cash balances in any investments it deems appropriate, including, without limitation and as permitted under the 1940 Act, money market funds, including the Delaware Cash Reserve Fund, repurchase agreements, U.S. Treasury and U.S. agency securities, municipal bonds, and bank accounts. Any income earned from such investments is ordinarily reinvested by the Acquiring Fund in accordance with its investment program.  Many of the considerations entering into the Manager's recommendations and the portfolio managers' decisions are subjective.

For more information about the investment objectives and strategies of the Funds, see the section below entitled "Information About the Funds — General Description" and the SAI.

Trading of Shares on the Exchange

Each Fund's Shares trade on the Exchange.  Generally, an investor purchasing Fund Shares enters into a purchase transaction on the Exchange through a broker-dealer and thus indirectly purchases the Shares from a selling Fund shareholder.  A shareholder who sells Shares generally sells them on the Exchange through a broker-dealer, indirectly to another investor.  Unlike a mutual fund (also called an "open-end" fund), holders of Shares of a Fund generally do not purchase and sell Shares from and to the Fund, either directly or through an intermediary such as a broker-dealer.

Primary Consequences of the Reorganization

If the Reorganization is completed, the Acquiring Fund will acquire substantially all of the assets of the Target Fund, as well as certain liabilities related to the Target Fund's line of credit with BNY Mellon, and the Target Fund's shareholders will become shareholders of the Acquiring Fund.  The Acquiring Fund will continue to operate as a closed-end fund managed by the Manager and investing its assets pursuant to the Acquiring Fund's existing investment objectives and strategies.  Acquiring Fund Shares will continue to trade on the Exchange.

If the Reorganization is completed, the Target Fund will not hold an annual meeting in 2012.  If the Reorganization does not take place, the Target Fund's Board will announce the date of the 2012 annual meeting for the Target Fund.  The Acquiring Fund will hold an annual meeting in 2012 regardless of whether the Reorganization is consummated.

If the Agreement is not approved by a Fund's shareholders, the Board may consider alternative actions.

For more information about the Reorganization, see the section below entitled "Information About the Reorganization."

Primary Tax Consequences

It is expected that neither the Funds nor their shareholders will recognize any gain or loss for federal income tax purposes as a result of the Reorganization.  Shareholders should consult their own tax advisor regarding the effect, if any, of the Reorganization in light of their individual circumstances.  Shareholders should also consult their tax advisor about state and local tax consequences, if any, because the information about tax consequences in this Proxy Statement/Prospectus relates only to the federal income tax consequences.  The discussions of tax consequences in this Proxy Statement/Prospectus are not intended or written to be used as, and should not be considered a substitute for, tax advice.  For more information about the Federal tax consequences of the Reorganization, see the section below entitled "Information About the Reorganization — Federal Income Tax Consequences."

## PRINCIPAL RISK FACTORS

The risks associated with an investment in the Funds are similar. As with most investments, investments in a Fund involve risks, including the risk that shareholders may receive little or no return on their investment, and the risk that shareholders may lose part or all of the money they invest. There can be no guarantee against losses resulting from an investment in a Fund, nor can there be any assurance that a Fund will achieve its investment objectives. Whether a Fund achieves its investment objectives depends on market conditions generally and on the Manager's analytical and portfolio management skills. Before investing in a Fund, potential shareholders should carefully evaluate the risks. Because of the nature of the Funds, shareholders should consider an investment in a Fund to be a long-term investment that typically provides the best results when held for a number of years. Following are the principal risks that shareholders assume when investing in the Funds. These risks are generally the same, except that the Acquiring Fund utilizes a specific dividend capture strategy that carries specific risks that are somewhat different from the risks of seeking dividend income generally. Information on the risks associated with the dividend capture strategy may be found in the SAI.

Market Risk. Market risk is the risk that all or a majority of the securities in a certain market — like the stock or bond market — will decline in value because of factors such as adverse political or economic conditions, future expectations, investor confidence, or heavy institutional selling.

Security Risk. Security risk is the risk that the value of an individual stock or bond will decline because of changing expectations for the performance of the individual company issuing the stock or bond (due to situations that could range from decreased sales to events such as a pending merger or actual or threatened bankruptcy).

Market price of shares. Shares of closed-end investment companies, such as the Funds, frequently trade at a discount from their NAV, although it is possible that they may trade at a premium above NAV. This risk is distinct from the risk that a Fund's NAV may decrease. Whether shareholders realize gains or losses upon the sale of Shares will depend entirely upon whether the market price of the Shares at the time of sale is above or below the original purchase price for such Shares. Because the market price for a Fund's shares is determined by various factors beyond the control of a Fund, a Fund cannot control whether its Shares trade at a price equal to, above, or below their NAV. Shares are designed for long-term investors and should not be treated as trading vehicles.

Equity Risk. This includes the risk that stocks and other equity securities generally fluctuate in value more than bonds.

Small and Medium Cap Company Risk. Small- and medium-sized companies are more vulnerable than larger companies to adverse business or economic developments, including limited financial resources or dependence on narrow product lines. Consequently, the stock prices of smaller companies tend to fluctuate in value more drastically than the stocks of larger companies.

Foreign Securities Risk. This includes the risk that foreign securities (particularly in emerging markets) may be adversely affected by political instability, inefficient markets and higher transaction costs, changes in currency exchange rates, foreign economic conditions, or inadequate or different regulatory and accounting standards. Dividends paid on foreign securities may not qualify for the reduced federal income tax rates applicable to individuals for qualified dividends under the Code. As a result, there can be no assurance as to what portion of the Fund's distributions attributable to foreign securities will be reported as qualified dividend income.

Foreign Government/Supranational Risk. This risk involves the ability of a foreign government or government-related issuer to make timely principal and interest payments on its external debt obligations. This ability to make payments will be strongly influenced by the issuer’s balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates, and the extent of its foreign reserves.

Emerging Markets Risk. The risks associated with international investing will be greater in emerging markets than in more developed foreign markets because, among other things, emerging markets may have less stable political and economic environments. In addition, in many emerging markets there is substantially less publicly available information about issuers and the information that is available tends to be of a lesser quality. Economic markets and structures tend to be less mature and diverse, and securities markets which are subject to less government regulation or supervision may also be smaller, less liquid and subject to greater price volatility. Dividends paid by issuers in emerging market countries will generally not qualify for the reduced federal income tax rates applicable to individuals for qualified dividends.

Information Risk. Information risk is the risk that foreign companies may be subject to different accounting, auditing, and financial reporting standards than U.S. companies. There may be less information available about foreign issuers than domestic issuers. Furthermore, regulatory oversight of foreign issuers may be less stringent or less consistently applied than in the U.S.

Inefficient Market Risk. Inefficient market risk is the risk that foreign markets may be less liquid, have greater price volatility, less regulation, and higher transaction costs than U.S. markets.

Transaction Cost Risk. Transaction costs risk is the risk that the costs of buying, selling, and holding foreign securities, including brokerage, tax, and custody costs, may be higher than those involved in domestic transactions.

Currency Risk. Currency risk is the risk that the value of an investment may be negatively affected by changes in foreign currency exchange rates. Adverse changes in exchange rates may reduce or eliminate any gains produced by investments that are denominated in foreign currencies and may increase any losses.

Leverage Risk. The use of leverage by a Fund would create three major types of risks for shareholders. First, the likelihood of greater volatility of net asset value and market price of common shares because changes in value of the Fund’s portfolio (including changes in the value of any interest rate swap, if applicable) are borne entirely by the common shareholders. Second, the possibility either that share income will fall if the interest rate on any borrowings or the dividend rate on any preferred shares issued rises, or that share income and distributions will fluctuate because the interest rate on any borrowings or the dividend rate on any preferred shares issued varies. Third, the Fund may not be permitted to declare dividends or other distributions with respect to its common shares or purchase its capital stock, unless at the time thereof the Fund meets applicable asset coverage requirements.

In the event a Fund uses leverage, the fees paid to the Manager for investment advisory services and the Administrator for administrative services will be higher than if the Fund did not use leverage because such fees are generally calculated on the basis of a Fund's net assets, including proceeds from issuance of preferred shares, commercial paper or borrowings, which may create an incentive to leverage the Fund.

Real Estate Industry Risk. Real estate industry risk includes, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition; changes in property taxes, and operating expenses; changes in zoning laws; costs of clean-up of, and liability to third parties resulting from environmental problems; casualty for condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates. Dividends paid by REITs will not generally qualify for the reduced federal income tax rates applicable to individuals for qualified dividends, and may result in "excess inclusion income" subject to special tax rules. REITS are also subject to substantial cash flow dependency, defaults by borrowers, self-liquidation, and the risk of failing to qualify for tax-free pass-through of income under the Internal Revenue Code of 1986, as amended (the "Code"), or other similar statutes in non-U.S. countries and/or failing to qualify for an exemption from registration as an investment company under the 1940 Act.

Convertible and Preferred Securities Risk. Convertible and preferred securities have many of the same characteristics as stocks, including many of the same risks. In addition, convertible bonds may be more sensitive to changes in interest rates than stocks. Convertible bonds may also have credit ratings below investment grade (i.e., they may be "junk bonds"), meaning that they carry a higher risk of failure by the issuer to pay principal and/or interest when due. Dividends paid on preferred securities may not qualify for the reduced federal income tax rates applicable to individuals for qualified dividends under the Code.

High Risk, High Yield Corporate Bond Risk. High yield securities or high yield corporate bonds (commonly known as "junk bonds"), while having higher yields, are subject to reduced creditworthiness of issuers; increased risk of default and a more limited and less liquid secondary market than higher rated securities. These securities are also subject to greater price volatility and risk of loss of income and principal than are higher rated securities. Lower rated and unrated fixed income securities tend to reflect short-term corporate and market development movements to a greater extent than higher rated fixed income securities, which react primarily to fluctuations in the general level of interest rates. Fixed income securities of this type are considered to be of poor quality and primarily speculative. Such securities are subject to a substantial degree of credit risk. Investing in junk bonds entails the risk of principal loss, which may be greater than the risks involved in investment grade bonds. High yield bonds are sometimes issued by companies whose earnings at the time the bond is issued are less than the projected debt payments on the bonds. A protracted economic downturn may severely disrupt the market for high yield bonds, adversely affect the value of outstanding bonds, and adversely affect the ability of high yield issuers to repay principal and interest.

Credit Risk. The possibility that a bond's issuer (and/or an entity that insures the bond) will be unable to make timely payments of interest and principal. Changes in an issuer's financial strength or in a security's credit rating may affect a security's value, which would impact a Fund's performance.

Interest Rate Risk. Securities may decrease in value if interest rates rise. This risk is generally associated with bonds; however, because small and medium-sized companies often borrow money to finance their operations, they may be adversely affected by rising interest rates.

Liquidity Risk. The possibility that securities cannot be readily sold within seven days at approximately the price at which a Fund has valued them. Illiquid securities may trade at a discount from comparable, more liquid investments, and may be subject to wide fluctuations in market value. A Fund may also not be able to dispose of illiquid securities at a favorable time or price during periods of infrequent trading of an illiquid security.

The high yield secondary market is particularly susceptible to liquidity problems when institutional investors, such as the Funds and certain other financial institutions, temporarily stop buying bonds for regulatory, financial, or other reasons.

Inflation Risk. The return from investments may be less than the increase in the cost of living due to inflation.

Special Risks Associated with Foreign Currency Futures Contracts and Related Options. Buyers and sellers of foreign currency futures contracts are subject to the same risks that apply to the use of futures generally as well as certain other risks, which are described in the SAI.

Counterparty Risk. If a Fund enters into a derivative contract (such as a futures or options contract) or a repurchase agreement, it will be subject to the risk that the counterparty to such a contract or agreement may fail to perform its obligations under the contract or agreement due to financial difficulties (such as a bankruptcy or reorganization). As a result, a Fund may experience significant delays in obtaining any recovery, may only obtain a limited recovery, or may obtain no recovery at all.

Portfolio Turnover Risk. High portfolio turnover rates may increase a Fund's transaction costs and lower returns. Higher portfolio turnover rates could result in corresponding increases in brokerage commissions, may generate short-term capital gains taxable as ordinary income and cause dividends received on portfolio securities to not be qualified dividends eligible to individuals for reduced federal income tax rates under the Code.

Securities Lending Risk. Securities lending is subject to the risk that loaned securities may not be available to a Fund on a timely basis and a Fund may, therefore, lose the opportunity to sell the securities at a desirable price. Any loss in the market price of securities loaned by a Fund that occurs during the term of the loan would be borne by the Fund and would adversely affect the Fund's performance. Also, there may be delays in recovery, or no recovery, of securities loaned or even a loss of rights in the collateral should the borrower of the securities fail financially while the loan is outstanding. A Fund's entry into securities lending transactions may cause the replacement income earned on the loaned securities to fall outside of the definition of qualified dividend income. This replacement income generally will not be eligible to individuals for reduced federal income tax rates.

Market Disruption and Geopolitical Risk. Unstable situations in various areas around the world, including the possibility of terrorist attacks, natural disasters, or war, could result in market volatility and have long-term effects on the United States and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. A Fund does not know how long the securities markets would be affected by such events and cannot predict the effects of such events.

Government and Regulatory Risk. Governments or regulatory authorities have, from time to time, taken or considered actions that could adversely affect various sectors of the securities markets. Government involvement in the private sector may, in some cases, include government investment in, or ownership of, companies in certain commercial business sectors; wage and price controls; or imposition of trade barriers and other protectionist measures. For example, an economic or political crisis may lead to price controls, forced mergers of companies, expropriation, the creation of government monopolies, or other measures that could be detrimental to the investments of a fund.

Tax Risks. A Fund's investment policies and trading strategies may result in a larger portion of its income being taxable at ordinary income tax rates than might otherwise be the case. In addition, a Fund may invest in complex securities that could be subject to numerous special and complex tax rules. These rules could accelerate the recognition of income by a Fund (possibly causing the Fund to sell securities to raise the cash for necessary distributions) and/or defer a Fund's ability to recognize a loss, and, in limited cases, subject a Fund to U.S. federal income tax on income. These rules could also affect whether gain or loss recognized by a Fund is treated as ordinary or capital, or as interest or dividend income. These rules could, therefore, affect the amount, timing or character of the income distributed by