BOULDER GROWTH & INCOME FUND
Form 497
October 16, 2014
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BOULDER GROWTH & INCOME FUND, INC.

BOULDER TOTAL RETURN FUND, INC.

THE DENALI FUND INC.

FIRST OPPORTUNITY FUND, INC.

2344 Spruce Street, Suite A

Boulder, CO 80302

October 15, 2014

Dear Stockholders,

On November 4, 2013, a press release was issued announcing that the board of directors of each of Boulder Growth & Income Fund, Inc., Boulder Total Return Fund, Inc., The Denali Fund Inc., and First Opportunity Fund, Inc. approved the reorganization of these funds into a single surviving fund, which, subject to the approval of various matters by stockholders of each fund, will be the Boulder Growth & Income Fund, Inc.

Today, we are happy to present to you the details of the proposed reorganization and related business, which can be found in the accompanying Notice of Joint Special Meeting and Joint Proxy Statement/Prospectus. In addition, you are cordially invited to attend a joint special meeting of stockholders (the **Special Meeting**) of Boulder Growth & Income Fund, Inc., Boulder Total Return Fund, Inc., The Denali Fund Inc. and First Opportunity Fund, Inc. (each a **Fund** and together, the **Funds**) which will be held concurrently on **November 14, 2014**, at the time indicated below, at Millennium Harvest House Boulder, 1345 28th Street, Boulder, Colorado 80302.

We are excited by the proposed reorganization and believe it represents an important step forward to better serve the Funds stockholders and potentially reduce the Funds share price discounts. This is based on our belief that the proposed reorganizations represent a common sense approach to managing each of the Funds. All four Funds are managed by the same portfolio managers, utilize similar investment philosophies, share similar investment objectives and have portfolios that have been constructed utilizing those comparable investment philosophies and objectives. By combining these similarly managed Funds, the reorganization would eliminate certain operational redundancies encountered in managing the four Funds separately. Furthermore, the reorganization will provide for, among other benefits, reduced contractual advisory fee rates and administrative fee expenses, reduced board fees, reduced individual position concentrations, and, we believe, increased secondary market liquidity and market visibility. It is our hope that the combination of these proposed actions will help narrow the share price discount to net asset value per share of the surviving Fund by increasing overall investment interest as compared to the interest in the four participating Funds on a standalone basis.

Each Fund s Board of Directors believes that the proposal(s) applicable to its respective Fund are in the best interests of that Fund and its stockholders, and unanimously recommends that stockholders vote **FOR** such proposal(s).

I encourage you all to take the time to thoroughly review all of the enclosed materials explaining these proposals and come to your own conclusion. We hope you will view it as favorably as we do.

Sincerely,

/s/ Richard I. Barr
Richard I. Barr
Lead Independent Director
BOULDER GROWTH & INCOME FUND, INC.
BOULDER TOTAL RETURN FUND, INC.
THE DENALI FUND INC.
FIRST OPPORTUNITY FUND, INC.

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BOULDER TOTAL RETURN FUND, INC.

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2344 Spruce Street, Suite A

Boulder, CO 80302

October 15, 2014

NOTICE OF JOINT SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON NOVEMBER 14, 2014

Dear Stockholder:

Pursuant to applicable law and the By-Laws of the Funds (defined hereinafter), notice is hereby given that a joint special meeting (the **Special Meeting**) of stockholders of Boulder Growth & Income Fund, Inc., Boulder Total Return Fund, Inc., The Denali Fund Inc. and First Opportunity Fund, Inc. (each a **Fund** and together, the **Funds**) will be held at Millennium Harvest House Boulder, 1345 28th Street, Boulder, Colorado 80302, on **November 14, 2014** at 9:00 a.m. Mountain Daylight Time. Copies of the Joint Proxy Statement/Prospectus accompanying this Notice are available at http://www.viewproxy.com/boulderfunds/2014SM. **The enclosed proxy is being solicited on behalf of the Board of Directors of each Fund.**

At the Special Meeting:

1. Stockholders of First Opportunity Fund, Inc. will be asked:

   a. To approve an amendment to Article IV of the Fund s Articles of Amendment and Restatement eliminating the right to demand the fair value of their shares but only upon reorganization of the Fund with and into another affiliated registered investment company (**Proposal 1**); and

   b. To approve an agreement and plan of reorganization pursuant to which First Opportunity Fund, Inc. would transfer all of its assets to Boulder Growth & Income Fund, Inc. in exchange for shares of Boulder Growth & Income Fund, Inc., and the assumption by Boulder Growth & Income Fund, Inc. of all of the liabilities of First Opportunity Fund, Inc. (**Proposal 2**);

2. Stockholders of Boulder Total Return Fund, Inc. will be asked to approve an agreement and plan of reorganization pursuant to which Boulder Total Return Fund, Inc. would transfer all of its assets to Boulder Growth & Income Fund, Inc. in exchange for shares of Boulder Growth & Income Fund, Inc., and the assumption by Boulder Growth & Income Fund, Inc. of all of the liabilities of Boulder Total Return Fund, Inc. (**Proposal 3**);

3. Stockholders of The Denali Fund Inc. will be asked to approve an agreement and plan of reorganization pursuant to which The Denali Fund Inc. would transfer all of its assets to Boulder Growth & Income Fund, Inc. in exchange for shares of Boulder Growth & Income Fund, Inc., and the assumption by Boulder Growth & Income Fund, Inc. of all of the liabilities of The Denali Fund Inc. (**Proposal 4**);

4. Stockholders of Boulder Growth & Income Fund, Inc. will be asked:

    a. To approve the issuance of additional common shares of Boulder Growth & Income Fund, Inc. in connection with the reorganizations pursuant to an agreement and plan of reorganization among the Funds (**Proposal 5**);

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b. To approve the elimination of Boulder Growth & Income Fund, Inc. s fundamental investment policy limiting the ability to invest more than 4% of total assets in any single issuer (**Proposal 6**);

c. To approve a new investment advisory agreement between Boulder Growth & Income Fund, Inc. and Rocky Mountain Advisers, LLC, effective upon completion of the reorganizations of the Funds, and pursuant to which Rocky Mountain Advisers, LLC will provide investment advisory services as a co-investment adviser (**Proposal 7**); and

d. To approve a new investment advisory agreement between Boulder Growth & Income Fund, Inc. and Stewart West Indies Trading Company, Ltd. (doing business as Stewart Investment Advisers), effective upon completion of the reorganizations of the Funds, and pursuant to which Stewart Investment Advisers will provide investment advisory services as a co-investment adviser (**Proposal 8**).

5. Stockholders of all Funds will be asked to approve a motion to adjourn or postpone the Special Meeting to another time and/or place for the purpose of soliciting additional proxies in favor of the proposals to be submitted at the Special Meeting, if necessary (**Proposal 9**).

6. Stockholders of all Funds will be asked to transact such other business applicable to their Fund as may properly come before the Special Meeting.

Any stockholder who owned shares of a Fund as of the close of business on August 22, 2014 (the **Record Date**) will receive notice of the Special Meeting and will be entitled to vote at the Special Meeting. Proxies or voting instructions may be revoked at any time before they are exercised by executing and submitting a revised proxy, by giving written notice of revocation to the Fund or by voting in person at the Special Meeting. **In order to avoid delay and additional expense for the Funds, and to assure that your shares are represented, please vote as promptly as possible, whether or not you plan to attend the Special Meeting. You may vote by mail, by telephone or over the Internet. If your shares are held through a broker, you must provide voting instructions to your broker about how to vote your shares in order for your broker to vote your shares as you instruct at the Special Meeting. If you have any questions about the proposals or the voting instructions, please call Alliance Shareholder Communications at 1-855-976-3331.**

Under Maryland law and the by-laws of the Funds, the only matters that may be acted on at a special meeting of stockholders are those stated in the notice of the special meeting. Accordingly, other than procedural matters relating to Proposals 1-9, no other business may properly come before the Special Meeting. If any procedural matter is submitted to stockholders, the persons named as proxies will vote on such procedural matter in accordance with their discretion.

By order of the Board of Directors of each of Boulder Growth & Income Fund, Inc., Boulder Total Return Fund, Inc., The Denali Fund Inc. and First Opportunity Fund, Inc.

/s/ Stephanie Kelley
Stephanie Kelley

Secretary
BOULDER GROWTH & INCOME FUND, INC.
BOULDER TOTAL RETURN FUND, INC.
THE DENALI FUND INC.
FIRST OPPORTUNITY FUND, INC.

October 15, 2014

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Instructions for signing proxy cards

The following general guidelines for signing proxy cards may be of assistance to you and avoid the time and expense to the Funds of validating your vote if you fail to sign your proxy card(s) properly.

1. **Individual accounts:** Sign your name exactly as it appears in the registration on the proxy card.

2. **Joint accounts:** Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration on the proxy card.

3. **All other accounts:** The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example:

Registration	**Valid signature**
Corporate accounts	
(1) ABC Corp.	ABC Corp. John Doe, treasurer
(2) ABC Corp.	John Doe, treasurer
(3) ABC Corp. c/o John Doe, treasurer	John Doe
(4) ABC Corp. profit sharing plan	John Doe, trustee
Partnership accounts	
(1) The XYZ partnership	Jane B. Smith, partner
(2) Smith and Jones, limited partnership	Jane B. Smith, general partner
Trust accounts	
(1) ABC trust account	Jane B. Doe, trustee
(2) Jane B. Doe, trustee u/t/d 12/18/78	Jane B. Doe
Custodial or estate accounts	
(1) John B. Smith, Cust. f/b/o John B. Smith, Jr. UGMA/UTMA	John B. Smith
(2) Estate of John B. Smith	Jane B. Smith, Executor Estate of John B. Smith

If you have questions concerning the accompanying Joint Proxy Statement/Prospectus, please contact Alliance Shareholder Communications at 1-855-976-3331.

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QUESTIONS & ANSWERS REGARDING THE JOINT SPECIAL MEETING AND PROPOSALS

Question 1. Why did you send me this booklet?
Answer: This booklet was sent to you because you own shares, either directly or beneficially, of Boulder Growth & Income Fund, Inc. (**BIF**), Boulder Total Return Fund, Inc. (**BTF**), The Denali Fund Inc. (**DNY**) and/or First Opportunity Fund, Inc. (**FOFI**) (each a **Fund** and together, the **Funds**) as of August 22, 2014, which is the record date for determining the stockholders of the Funds entitled to notice of and to vote at the joint special meeting of stockholders to be held on **November 14, 2014** and any postponements or adjournments thereof (the **Special Meeting**). The Boards of Directors (the **Boards**) of the Funds urge you to review the information contained in this booklet before voting on the proposals that will be presented at the Special Meeting (collectively, the **Proposals**).

Question 2. What issues am I being asked to vote on?
Answer: At the Special Meeting, stockholders will be asked to consider certain Proposals as set forth in the table below, and to transact such other business applicable to their Fund as may properly come before the Special Meeting. Collectively, the transactions contemplated by Proposals 2 through 5 are referred to as the **Reorganizations**. The change to BIF s fundamental investment policies contemplated by Proposal 6 is referred to as the **BIF Policy Amendment**.

For Stockholders of First Opportunity Fund, Inc.:	
Proposal 1	To approve an amendment to Article IV of the Fund s Articles of Amendment and Restatement eliminating the right to demand the fair value for shares but only upon reorganization of the Fund with and into another affiliated registered investment company.
Proposal 2	To approve an agreement and plan of reorganization pursuant to which FOFI would transfer all of its assets to BIF in exchange for shares of BIF, and the assumption by BIF of all of the liabilities of FOFI.
For Stockholders of Boulder Total Return Fund, Inc.:	
Proposal 3	To approve an agreement and plan of reorganization pursuant to which BTF would transfer all of its assets to BIF in exchange for shares of BIF, and the assumption by BIF of all of the liabilities of BTF.
For Stockholders of The Denali Fund Inc.:	

Proposal 4	To approve an agreement and plan of reorganization pursuant to which DNY would transfer all of its assets to BIF in exchange for shares of BIF, and the assumption by BIF of all of the liabilities of DNY.
For Stockholders of Boulder Growth & Income Fund, Inc.:	
Proposal 5	To approve the issuance of additional common shares of BIF in connection with the reorganizations pursuant to an agreement and plan of reorganization among BIF, BTF, DNY, and FOFI.
Proposal 6	To approve the elimination of a fundamental investment policy limiting the ability to invest more than 4% of total assets in any single issuer.
Proposal 7	To approve a new investment advisory agreement between BIF and Rocky Mountain Advisers, LLC (**RMA**), effective upon completion of the Reorganizations, and pursuant to which RMA will provide investment advisory services as a co-investment adviser.

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Proposal 8	To approve a new investment advisory agreement between BIF and Stewart West Indies Trading Company, Ltd. (doing business as Stewart Investment Advisers) (**SIA**), effective upon completion of the Reorganizations, and pursuant to which SIA will provide investment advisory services as a co-investment adviser.
For Stockholders of All Funds:	
Proposal 9	To approve a motion to adjourn or postpone the Special Meeting to another time and/or place for the purpose of soliciting additional proxies in favor of the proposals to be submitted at the Special Meeting, if necessary.

Question 3. Have the Boards approved the Proposals and how do the Boards recommend I vote?

Answer: The Boards, including all of the directors who are not interested persons (as defined in the Investment Company Act of 1940, as amended (the **1940 Act**)) (the **Independent Directors**), have unanimously approved the Proposals and recommend that stockholders vote FOR all of the Proposals. If no instructions are indicated on your proxy, the representatives holding proxies will vote in accordance with the recommendations of your Board.

Question 4. Why have the Boards recommended that I vote FOR the Reorganizations?

Answer: Among the factors the Board of each Fund considered in recommending the Reorganizations were the following: a reduction in the contractual advisory fee rate; similarities in the characteristics of certain of the Funds (as explained below), including common portfolio managers and similar investment objectives, investment philosophies and portfolio construction; the fact that there is substantial overlap in the holdings of several of the Funds; economies of scale available through the consolidation of the Funds; reductions in issuer concentrations; increased secondary market liquidity; and possibility of narrowing of discounts. In addition, because shares of FOFI are presently traded over-the-counter, FOFI stockholders may enjoy even greater secondary market liquidity because the BIF shares issued to FOFI stockholders in the Reorganization will be traded on a national exchange. The Board also took into consideration that, although FOFI s investment objective is substantially similar to the other Funds (i.e., total return), there were substantive differences in FOFI s portfolio composition (e.g., a significant portion of FOFI s current portfolio consists of financial related securities) and FOFI has a policy of investing in hedge funds while the other Funds do not have such a policy. The Board recognized that the Reorganization would result in an abandonment of FOFI s policy of investing in hedge funds but believed that the benefits of being listed on a national exchange outweighed those of investing in hedge funds. The Boards also considered the potential disadvantages associated with the Reorganizations, including the possibility of liquidating a portion of certain concentrated positions and the attendant transaction costs. The Boards did not identify any factor as all-important or all-controlling and instead considered these factors collectively in light of each Fund s surrounding circumstances. Each Board concluded that the proposed Reorganizations would be in the best interest of the respective Fund and that the interests of the respective Fund s existing stockholders will not be diluted as part of the Reorganizations.

Question 5. How will the Reorganizations affect the Funds holders of common shares?

Answer: If the Proposals are all approved, common stockholders of BTF, DNY and FOFI will receive newly-issued common shares of BIF. Each of BTF, DNY and FOFI will then cease operations and terminate its registration under the 1940 Act. The aggregate net asset value (not the market value) of BIF common shares received by BTF, DNY and/or FOFI common stockholders in the Reorganizations will equal the aggregate net asset value (not the market value) of, as applicable, BTF, DNY and/or FOFI common shares held as of a valuation date set forth in the agreement and plan of reorganization. BIF will continue to operate after the Reorganizations as a non-diversified, closed-end registered management investment company with the investment objectives and policies described in the accompanying Joint Proxy Statement/Prospectus. No fractional shares of the combined BIF will be issued to BTF, DNY or FOFI stockholders and, in lieu of such fractional shares, such stockholders will receive cash.

Provided that all requisite approvals are obtained and other conditions met, the change to BIF s investment policies will take effect following the Special Meeting. In addition, based on the Funds combined total assets as of September 30, 2014, the managers of the combined BIF are expected to liquidate approximately $39 million of its holdings in Berkshire Hathaway in order to comply with the diversification requirements of Subchapter M of the Internal Revenue Code. Such liquidation would represent approximately 11.6% of the Acquiring Fund s holdings in Berkshire Hathaway and about 3.2% of its total assets. If such a level of liquidation occurs following the Reorganizations, if not offset by realized losses, it could result in taxable realized gain that would likely be distributed to all stockholders. Using values as of September 30, 2014 for such liquidations, BIF expects realized gains totaling $16,819,536.05, or approximately $0.16 per share. The attendant transaction cost of such a liquidation are expected to be less than $1,800.

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Question 6. How do the Funds investment objective and investment policies compare?

Answer: The Funds have substantially similar (but not identical) investment objectives, in that each Fund seeks total return, which DNY additionally pursues to the extent consistent with dependable, but not assured, cash flow. Additionally, three of the Funds have similar (but not identical) principal investment strategies and investment universes, in that BIF, BTF and DNY generally seek long-term capital appreciation and income and, under normal market conditions, invest either at least 80% of total assets or primarily in common stocks, and may invest in fixed-income securities. In the case of FOFI, in 2010, the Fund sought and received stockholder approval of, among other things, a change to FOFI s investment adviser, which resulted in FOFI investing a substantial portion of assets in hedge funds managed by Wellington Hedge Management (the **WHM Hedge Funds**).

Under normal market conditions, the balance of FOFI s assets may be invested primarily in common stocks, including dividend paying common stocks such as those issued by utilities, real estate investment trusts and regulated investment companies. FOFI may also invest in fixed income securities such as U.S. government securities, preferred stocks and bonds.

In July 2014, FOFI was notified of proposed structural changes to the two WHM Hedge Funds in which it is invested. FOFI s investment advisers reviewed the proposed changes and determined that the hedge funds no longer satisfied the advisers original investment thesis. Consequently, for reasons separate from the Reorganization, the advisers gave notice to the hedge fund managers of their decision to redeem all of FOFI s interests in the WHM Hedge Funds. Such redemptions will occur as of September 30, 2014. The initial redemption proceeds are expected to be received on or about October 1, 2014.

If the Proposals are all approved, BIF would not intend to make any further investments in private funds, although it will continue to hold residual side-pocket interests in a single WHM Hedge Fund having a fair value of approximately $9.77 million as of July 31, 2014. BIF and DNY redeemed their interests in this hedge fund as of June 30, 2014, at which time the Funds received the majority of their redemption proceeds. However, receipt of the balance of the redemption proceeds is subject to the hedge fund manager s liquidation of a side pocket of illiquid securities which will likely occur incrementally and over a period of years.

With the sole exception of BTF, each Fund is a non-diversified fund under the 1940 Act. As a result, these Funds can invest a greater portion of their assets in obligations of a single issuer than a diversified fund. BTF is a diversified fund. In addition, the Funds share comparable risk factors, and comparable portfolio compositions. The Funds are currently jointly managed by the same portfolio managers Stewart Horejsi, Brendon Fischer and Joel Looney. Information regarding the portfolio managers can be found in the accompanying Joint Proxy Statement/Prospectus. In order to better align the Funds investment policies in the combined BIF, the Board is also recommending at this time the elimination of one of BIF s fundamental investment policies, as set forth in the BIF Policy Amendment.

Question 7. How will each Fund s distributions be impacted?

Answer: Following the Reorganizations, BIF intends to continue its current policy of distributing substantially all net investment income and net realized capital gains realized during the year, which amount may vary year to year depending on net income and realized capital gains. Prior to the Reorganizations, each Fund is expected to distribute estimated undistributed net investment income and net realized capital gain, if any exists. All or a portion of such distribution may be taxable to the respective Fund s stockholders for federal income tax purposes.

Question 8. Will I have to pay federal income tax as a result of the Reorganizations?

Answer: The Reorganizations are each intended to qualify as a U.S. tax-free reorganization for U.S. federal income tax purposes. Stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes solely as a result of the Reorganizations. However, certain transactions in connection with the Reorganizations could result in some negative tax consequences for certain stockholders. For example, as discussed in the response to Question 5 above, in order to meet the diversification requirements of the Internal Revenue Code of 1986 (the **Code**) the acquiring Fund (BIF) may have to liquidate a portion of its Berkshire Hathaway holdings because after the Reorganizations such holdings will exceed the 25% limitation permitted under Subchapter M of the Code. Such liquidation could result in a taxable distribution to all BIF stockholders which would not otherwise occur if the Reorganizations are not approved. As noted above, using values as of September 30, 2014 for such liquidations, BIF expects realized gains totaling $16,819,536.05, or approximately $0.16 per share.

Question 9. How will the Reorganizations impact holders of Auction Rate Preferred Shares (ARPS) or Auction Market Preferred Stock (AMPS)?

Answer: As of the date of the accompanying Joint Proxy Statement/Prospectus, only DNY has outstanding Auction Preferred Shares (the **DNY ARPS**). If the Reorganizations are approved by the stockholders of the Funds, it is anticipated that notice of redemption will be given to DNY ARPS holders after the Special Meeting and all of the outstanding DNY ARPS will be redeemed prior to the closing of the Reorganizations. In other words, holders of DNY ARPS will not become preferred stockholders of the combined BIF as a result of the Reorganizations. Redemption of the DNY ARPS is expected to be consummated within the few weeks prior to the Closing Date (defined below). At that time, DNY ARPS holders will be paid the redemption price of the ARPS (i.e., $25,000 per share) plus any accrued but unpaid dividends. DNY will use cash on hand or borrowings from a bank line of credit to redeem the DNY ARPS. Although, there are no other costs or expenses anticipated with respect to the DNY ARPS redemption, if DNY uses bank borrowings for any portion of the redemption proceeds, the Fund will incur interest charges on such borrowings.

Question 10. How will the Reorganizations affect Fund advisory fees and expenses?

Answer: SIA and RMA have agreed to a reduction of their advisory fee from the current 125 basis points (with a temporary waiver of 10 basis points) to 100 basis points. Accordingly, stockholders of BIF, BTF, DNY and FOFI will experience a lower contractual advisory fee rate (as stockholders of the combined BIF) following the Reorganizations. Taking into account acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that existing stockholders of all the Funds will experience a lower operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. Excluding acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that stockholders of BTF, DNY and BIF will experience a lower operating expense ratio and FOFI stockholders will experience a higher operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. The increase to FOFI stockholders, excluding acquired fund fees and expenses will be approximately $0.03 per share based on FOFI s NAV on May 31, 2014.

A comprehensive fee table can be found in the accompanying Joint Proxy Statement/Prospectus in the section titled Proposals 2-5: The Reorganizations , indicating the current and anticipated expense ratios both including fees and expenses of any registered investment companies or private funds in which a Fund invests as well as expense ratios where such fees and expenses have been excluded. Hedge fund managers such as Wellington Management are typically paid a performance-based fee with respect to annual gains generated in their hedge funds subject to a high-water mark (i.e., the performance-based fee only applies to profits after losses in previous years have been recovered). In the case of the WHM Hedge Funds, the performance fee is 20%. Any performance-based fees paid by a Fund are not included in the expense ratios provided in the table below.

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Question 11. Who will pay the expenses of the Reorganizations?
Answer: Each Fund will be responsible for a portion of the expenses incurred in connection with the Reorganizations (including printing, mailing, solicitation, legal and other expenses) allocated *pro rata* among the Funds based on each Fund s respective net asset value at the time such expenses are incurred. If the Reorganizations are not approved, each Fund will be responsible for a *pro rata* portion of any outstanding unpaid expenses incurred in connection with the Reorganizations based on each Fund s respective net asset value as of the date the Boards determine to cease pursuing the Reorganizations.

The total anticipated cost of the Reorganizations is expected to be approximately $1,085,770, which includes, without limitation, (a) expenses associated with Board materials; (b) registration statement preparation and filing fees; (c) printing and distribution expenses; (d) filing fees; (e) legal and audit fees in connection with filings; (f) certain legal fees in connection with Board meetings; (g) auditing fees associated with each Fund s financial statements; (h) stock exchange fees; (i) transfer agency fees; (j) portfolio transfer taxes (if any); (k) solicitation costs of the transactions; and (l) any similar expenses incurred in connection with the Reorganizations.

Question 12. When would the Reorganizations take place?
Answer: If approved, the Reorganizations would occur on or about March 20, 2015 (the **Closing Date**).

Question 13. Why are stockholders of BIF being asked to approve new advisory agreements?
Answer: It is currently anticipated that, shortly after completion of the Reorganizations, Boulder Investment Advisers, LLC (**BIA**), one of the co-investment advisers to BIF, will begin the process of de-registration as an investment adviser. Because BIA and RMA are affiliated entities with common beneficial ownership, management and staffing, if the Reorganizations are approved by stockholders, the owners of BIA will cause BIA to de-register and terminate BIA in order to eliminate a redundant entity. If the Reorganizations are not approved, BIA will remain as a co-investment adviser to BIF under its present advisory agreement. In order to provide for continuity of service to BIF, the Board of BIF has determined that it is in the best interests of BIF and its stockholders to approve new investment advisory agreements with RMA and SIA, to take effect upon completion of the Reorganizations. RMA is an affiliate of BIA and there will be no change in the personnel servicing BIF as a result of the change in advisers. SIA, also an affiliate of BIA, will continue in its present capacity as a co-investment adviser to BIF albeit under a new investment advisory agreement. Approval of the new SIA agreement will allow the consideration and renewal process for the combined BIF Fund s advisory agreements to proceed in the future on a synchronized schedule.

Question 14. How will the approval of the new advisory agreements affect me as a BIF stockholder?
Answer: Under its current advisory agreements with SIA and BIA, BIF pays an aggregate advisory fee to SIA and BIA computed at the annual rate of 1.25% of the value of BIF s average monthly net assets plus leverage, subject to a temporary fee waiver of 0.10% expiring on November 30, 2014. Such advisory fees are currently split between SIA and BIA in a 25%/75% proportion. Under the new advisory agreements with SIA and RMA, the advisory fee rate will be reduced from 1.25% to 1.00%. Except for the reduction of the advisory fee rate, the new advisory agreements will be similar to the current advisory agreements and the 25%/75% fee split will be allocated between SIA and RMA, respectively. The new advisory agreements with SIA and RMA will not have any other material effect on BIF stockholders. If approved by the stockholders, each new advisory agreement will have an initial two-year term and will be subject to annual renewal thereafter.

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Question 15. Why is a change to BIF s fundamental investment policies being proposed?
Answer: Because the Reorganizations contemplate BIF acquiring the various assets of the acquired Funds, and because such acquisitions could result in the combined BIF exceeding the current existing 4% limit with respect to certain issuers, management of the Funds is proposing to eliminate BIF s fundamental investment policy limiting its ability to invest more than 4% of assets in a single issuer.

Question 16. What happens if some Proposals are approved and others are not, or if the Proposals for one Fund are approved but not for the other?
Answer: Because many of the benefits of the Reorganizations depend on all four Funds participating, and in light of certain likely negative consequences associated with a reorganization that involves fewer than all the Funds, the consummation of the Reorganizations will be dependent on all the Funds receiving the requisite affirmative vote on all proposals to either approve the agreement and plans of reorganization or, in the case of BIF, approve the issuance of new common shares (**Proposals 2-5**).

In addition, management of the Funds believes that the aggregate anticipated benefits of the Reorganizations are likely to be more fully realized, and the combined BIF will be better positioned to serve the interests of its stockholders, if certain of the proposed policy and constituent document amendments with respect to FOFI and BIF are approved. Consequently, consummation of the Reorganizations will also be dependent upon stockholder approval of **Proposal 1** (amendment to FOFI constituent documents eliminating the right to demand the fair value of shares but only upon reorganization with another affiliated registered investment company) and **Proposal 6** (elimination of the BIF fundamental investment policy limiting the ability to invest more than 4% of total assets in any single issuer).

In other words, closing of the Reorganizations is contingent upon approval (by stockholders of the applicable Funds) of **all** of the aforementioned **Proposals 1-6**. If sufficient votes are not obtained to approve these Proposals, each Fund will continue to operate as a stand-alone fund and each Fund s Board may take such further action as it deems in the best interests of the Fund, including adjourning the Special Meeting and making a reasonable effort to solicit support with respect to the Proposals that have not received sufficient votes. If, after additional proxy solicitation, the Boards believe it to be unlikely that certain Proposals will pass with regard to a Fund, the Boards will consider whether it is appropriate and in the best interests of stockholders to allow the other Proposals contemplated under this Joint Proxy Statement/Prospectus to be implemented without inclusion of that Proposal.

If **Proposal 1** is approved by FOFI stockholders, Articles of Amendment will be immediately filed with the State Department of Assessments and Taxation of Maryland, or SDAT, while the Special Meeting is temporarily recessed. **Proposals 2-9** will not be considered or voted upon until the aforementioned Articles of Amendment approved by stockholders and are filed and effective.

Although approval of **Proposals 7-8** (approval of new advisory agreements) is not a condition for the completion of the Reorganizations, stockholders of the Funds should be aware that certain anticipated benefits that are associated with such Proposals (such as, for example, changes in fees) may not be fully realized if one or more of these Proposals is not approved. **Proposal 9** is likewise not a condition for the completion of the Reorganizations.

In addition, note that **Proposal 7** and **Proposal 8**, while not conditions for the completion of the Reorganizations, are premised upon the Reorganizations being successfully completed. As a consequence, even if approved by stockholders of BIF, the advisory agreements contemplated by **Proposal 7** and **Proposal 8** will not be entered into if the Reorganizations are themselves not successfully completed.

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Question 17. Will the structure of the Board change as a result of the Reorganizations?
Answer: Although the basic structure of the BIF Board will not change as a direct result of the Reorganizations, one of the current interested directors, John S. Horejsi, is expected to resign from the Board and Stephen Miller, BIF s current president, is expected to stand for election fill the resulting vacancy prior to BIF s next annual meeting.

Question 18. What vote is required to approve the Proposals?
Answer: Approval of **Proposal 1** requires the affirmative vote of the holders of a majority of the outstanding shares of FOFI common stock. With respect to **Proposals 2-4**, approval requires the affirmative vote of a majority of all the votes entitled to be cast by the stockholders of the applicable Fund. Approval of **Proposal 5** requires the affirmative vote of a majority of the votes cast. With respect to **Proposals 6-8**, approval requires the affirmative vote of either (i) 66 $\frac{2}{3}$% or more of the voting securities of the applicable Fund present at the Special Meeting, if the holders of more than 50% of the outstanding voting securities of the applicable Fund are present or represented by proxy or (ii) more than 50% of the outstanding voting securities of the applicable Fund, whichever is less. Approval of **Proposal 9** requires the affirmative vote of a majority of all the votes cast on the matter by stockholders of the applicable Fund entitled to vote at the Special Meeting who are present in person or by proxy.

Holders of DNY ARPS shall be entitled, with respect to **Proposal 4**, to one vote for each DNY ARPS held by such holder, and shall vote together with holders of DNY common stock as a single class.

Question 19. How do the Horejsi Affiliates (as defined in the accompanying Joint Proxy Statement/Prospectus) intend to vote on the Proposals?
Answer: As of the Record Date, the Horejsi Affiliates own approximately 5,215,262, 3,196,432, 11,402,886 and 8,693,484 of the outstanding common shares of BTF, DNY, FOFI and BIF respectively (representing 42.3%, 76.9%, 39.7% and 34.1% of such Funds), and no shares of DNY preferred stock. The Horejsi Affiliates have indicated that they will vote FOR all of the Proposals.

Question 20. How can I vote my shares?
Answer: Please follow the instructions included on the enclosed Proxy Card. Stockholders whose shares are held in street name may also submit proxy instructions on the Internet. Instructions for Internet voting should be included with the proxy materials you received from the brokerage firm holding your shares.

Question 21. What if I want to revoke my proxy?
Answer: Stockholders can revoke their proxy at any time prior to its exercise by (i) giving written notice to the secretary of the relevant Fund at 2344 Spruce Street, Suite A, Boulder, Colorado 80302, or (ii) by signing and submitting another proxy of a later date than the originally submitted proxy, or (iii) by personally voting at the Special Meeting to be held at the time and place as set forth in the accompanying Joint Proxy Statement/Prospectus.

Question 22. Whom should I call if I have questions?
Answer: You should direct your questions to the Funds proxy solicitation firm Alliance Shareholder Communications at 1-855-976-3331.

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October 15, 2014

JOINT PROXY STATEMENT/PROSPECTUS

BOULDER GROWTH & INCOME FUND, INC.

BOULDER TOTAL RETURN FUND, INC.

THE DENALI FUND INC.

FIRST OPPORTUNITY FUND, INC.

2344 Spruce Street, Suite A

Boulder, CO 80302

(303) 444-5483

JOINT SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON

NOVEMBER 14, 2014

This Joint Proxy Statement/Prospectus is being furnished in connection with a solicitation of proxies by the Boards of Directors (each, a **Board** and together, the **Boards**) of Boulder Growth & Income Fund, Inc. (**BIF**), Boulder Tota Return Fund, Inc. (**BTF**), The Denali Fund Inc. (**DNY**) and First Opportunity Fund, Inc. (**FOFI**) (each a **Fund** together, the **Funds**), to be used at the joint special meeting of stockholders of each Fund to be held on **November 14, 2014** at Millennium Harvest House Boulder, 1345 28th Street, Boulder, Colorado 80302, at 9:00 a.m. Mountain Daylight Time (the **Special Meeting**). Stockholders of record at the close of business on August 22, 2014 (the **Record Date**) are entitled to receive notice of and to vote at the Special Meeting.

This Joint Proxy Statement/Prospectus, along with the Notice of Joint Special Meeting of Stockholders and the proxy card, is being mailed to stockholders of record on or about October 16, 2014. It explains concisely what you should know before voting on the proposals or investing in BIF, a non-diversified closed-end, management investment company registered under the Investment Company Act of 1940, as amended (the **1940 Act**). Please read it carefully and keep it for future reference.

The enclosed proposals, and the transactions contemplated thereby, seek to reorganize three of the four Funds BTF, DNY and FOFI (collectively, the **Acquired Funds**) into the fourth fund, BIF (the **Acquiring Fund**) with BIF being the surviving entity (the **Reorganizations**). If completed, it is anticipated that the Reorganizations would combine four Funds that have similar investment objectives, policies and risk profiles to achieve certain economies of scale, enhanced liquidity and other operational efficiencies for the Funds and their stockholders. In addition, the Funds currently have overlaps in advisory personnel and portfolio management.

As a result of the Reorganizations, taking into account acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that existing stockholders of all the Funds will experience a lower operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. Excluding acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that stockholders of BTF, DNY and BIF will experience a lower operating expense ratio and FOFI stockholders will experience a higher operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. The increase to FOFI stockholders, excluding

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acquired fund fees and expenses, will be approximately $0.03 per share based on FOFI s NAV on May 31, 2014. Such acquired fund fees and expenses reflect fees and expenses of any registered investment companies or private funds in which a Fund invests. It is anticipated that the Reorganizations will reduce certain issuer concentrations currently existing in several of the Funds, thus potentially reducing the risk profile of the Acquiring Fund. The Reorganizations may also provide stockholders greater secondary market liquidity as the combined Acquiring Fund would be larger than and have more outstanding common shares than any one of the Funds.

Pursuant to an agreement of plan of reorganization, attached here to as Exhibit A, and contingent on stockholder approval of **Proposals 1-6** (as further defined and described in this Joint Proxy Statement/Prospectus), the Acquiring Fund will acquire all of the assets and assume all the liabilities of each Acquired Fund in exchange for the issuance of a number of Acquiring Fund common shares. Each Acquired Fund will distribute the Acquiring Fund s common shares received in the applicable Reorganization to the respective Acquired Fund common stockholders and will then terminate its registration under the 1940 Act and dissolve in accordance with applicable Maryland law. The aggregate net asset value (**NAV**) (not the market value) of BIF common shares received by BTF, DNY and/or FOFI stockholders in the Reorganizations will equal the aggregate net asset value (not the market value) of, as applicable, BTF, DNY and/or FOFI common shares held as of the valuation date set forth in the agreement and plan of reorganization, which is expected to be immediately prior to the Reorganizations.

In addition to the proposals relating to the Reorganizations, stockholders of BIF are also being asked to consider a proposal to eliminate one of the Fund s fundamental investment policies.

The Reorganizations will not be consummated unless **Proposals 1-6** are approved by stockholders of the respective Funds.

The investment advisory agreements being considered under **Proposal 7** and **Proposal 8** will not be entered into if the Reorganizations are not consummated.

As of the Record Date, the shares of the Funds issued and outstanding were as follows:

Fund Ticker Symbol	Common Shares	Auction Rate Preferred Shares/Auction Market Preferred Stock
BIF	25,495,585	None
BTF	12,338,660	None
DNY	4,157,117	878
FOFI	28,739,389	None

The following documents have been filed with the Securities and Exchange Commission (the **SEC**) and are incorporated into this Joint Proxy Statement/Prospectus by reference:

(i) the Statement of Additional Information relating to the proposed Reorganizations, dated October 15, 2014 (the **Reorganization SAI**);

(ii) the audited financial statements and related independent registered public accounting firm s report for BIF contained in the Fund s Annual Report for the fiscal year ended November 30, 2013;

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(iii) the audited financial statements and related independent registered public accounting firm s report for BTF contained in the Fund s Annual Report for the fiscal year ended November 30, 2013;

(iv) the audited financial statements and related independent registered public accounting firm s report for DNY contained in the Fund s Annual Report for the fiscal year ended October 31, 2013;

(v) the audited financial statements and related independent registered public accounting firm s report for FOFI contained in the Fund s Annual Report for the fiscal year ended March 31, 2014;

(vi) the unaudited financial statements for BIF contained in the Fund s Semi-Annual Report for the six months ended May 31, 2014;

(vii) the unaudited financial statements for BTF contained in the Fund s Semi-Annual Report for the six months ended May 31, 2014; and

(viii) the unaudited financial statements for DNY contained in the Fund s Semi-Annual Report for the six months ended April 30, 2014.

Each Fund will furnish copies of the foregoing documents to stockholders, upon request, without charge, by writing to the Fund at 2344 Spruce Street, Suite A, Boulder, Colorado 80302 or by calling (303) 444-5483. These reports are also available on the Funds joint website at www.boulderfunds.net.

The Annual Reports and/or Semi-Annual Reports are not to be regarded as proxy solicitation material.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), and in accordance therewith file reports, proxy statements, proxy material and other information with the SEC. Materials filed with the SEC can be reviewed and copied at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 or downloaded from the SEC s web site at www.sec.gov. Information on the operation of the SEC s Public Reference Room may be obtained by calling the SEC at (202) 551-8090. You may also request copies of these materials, upon payment at the prescribed rates of a duplicating fee, by electronic request to the SEC s e-mail address (publicinfo@sec.gov) or by writing the Public Reference Branch, Office of Consumer Affairs and Information Services, SEC, Washington, D.C., 20549-0102.

One Notice of Joint Special Meeting of Stockholders is being delivered to multiple stockholders sharing an address, unless your Fund has received contrary instructions from one or more of the stockholders. Each Fund will undertake to deliver promptly, upon written or oral request, a separate copy of the Joint Proxy Statement/Prospectus to any stockholder who contacts the Fund in writing, or by phone, as stated above. Similarly, stockholders of a Fund sharing an address can request single copies of a future proxy statement or annual report by contacting the Fund in writing or by contacting the Fund s transfer agent.

The common shares of the Acquiring Fund are listed on the New York Stock Exchange (the **NYSE**) under the ticker symbol BIF and will continue to be so listed subsequent to the Reorganizations. The common shares of BTF and DNY are listed on the NYSE under the ticker symbols BTF and DNY, respectively. Reports, proxy statements and other information concerning BIF, BTF and DNY may be inspected at the offices of the NYSE, 11 Wall Street, New York, New York 10005. FOFI is traded over-the-counter and its ticker symbol is FOFI .

This Joint Proxy Statement/Prospectus serves as a prospectus of common shares of BIF in connection with the issuance of BIF common shares in the Reorganizations, and sets forth concisely certain information about BIF that a prospective investor ought to know before investing. It should be retained

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for future reference. No person has been authorized to give any information or make any representation not contained in this Joint Proxy Statement/Prospectus and, if so given or made, such information or representation must not be relied upon as having been authorized. This Joint Proxy Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

THE SEC HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS.

ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Joint Proxy Statement/Prospectus is October 15, 2014.

On the matters coming before the Special Meeting as to which a choice has been specified by stockholders on the accompanying proxy card, the shares will be voted accordingly where such proxy card is properly executed, timely received and not properly revoked (pursuant to instructions). If a proxy is returned and no choice is specified, the shares will be voted **FOR** the proposals. Stockholders of a Fund who execute proxies may revoke them at any time before they are voted by filing with that Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Special Meeting and voting in person. Merely attending the Special Meeting, however, will not revoke any previously submitted proxy.

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PROPOSAL 1

AMENDMENT OF THE ARTICLES OF AMENDMENT AND RESTATEMENT

OF FIRST OPPORTUNITY FUND, INC.

Description of Proposal 1

Stockholders of FOFI are being asked to adopt an amendment to Article IV of FOFI s Articles of Amendment and Restatement eliminating the right of stockholders to demand the fair value of their shares but only upon reorganization of the Fund with and into another affiliated registered investment company.

Summary of the Proposed Amendment

If approved by stockholders, **Proposal 1** will add the following Section 4.8 to Article IV of FOFI s Articles of Amendment and Restatement:

> Holders of shares of the Corporation s stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the Maryland General Corporation Law or any successor statute in connection with a reorganization of the Corporation with another investment company in a family of investment companies having the same investment advisor or administrator as the Corporation.

If Proposal 1 is approved by FOFI stockholders, Articles of Amendment will be immediately filed with the State Department of Assessments and Taxation of Maryland, or SDAT, while the Special Meeting is temporarily recessed. **Proposals 2-9 will not be considered or voted upon until the aforementioned Articles of Amendment have been approved by stockholders and are filed and effective**.

Discussion

Under Maryland law, stockholders of a corporation have the right to demand the fair value of their stock upon a merger. However, such right to fair value does not apply in certain circumstances, including if (i) the stock is listed on a national securities exchange (e.g., NYSE or NASDAQ) or (ii) the charter provides that the holders of the stock are not entitled to exercise the rights of an objecting stockholder.

Shares of FOFI are not traded on a national securities exchange but rather are traded over the counter and FOFI s Articles of Amendment and Restatement do not provide that FOFI s stockholders are not entitled to exercise the rights of an objecting stockholder. Absent Proposal 1, upon a merger with BIF, stockholders of FOFI who did not vote in favor of the merger may have the right to demand to receive in cash the fair value of their stock. There would likely be disagreements about the fair value of such stock and the objecting stockholder could petition a court of equity in the county where the combined Acquiring Fund s principal office is located for an appraisal to determine the fair value of such stock. The costs associated with any such appraisal proceeding could be significant and such costs would be borne by all stockholders of the combined Acquiring Fund. In addition, once the fair value was determined, the combined Acquiring Fund would likely be required to dispose of assets to pay such value to the dissenters. It is anticipated that any such dispositions would trigger significant capital gains that would be allocated to all stockholders of the combined Acquiring Fund.

In order to mitigate these potential adverse consequences for FOFI, it is proposed that FOFI s Articles of Amendment and Restatement be amended to eliminate the right of stockholders to demand the fair value of their stock but only upon reorganization of FOFI with and into another affiliated registered investment company. If Proposal 1 is approved, FOFI s stockholders will not be in any different a position than the

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stockholders in any other closed-end registered management investment company that is listed on a national securities exchange, including BIF, BTF and DNY (which are all NYSE listed companies). If Proposal 1 is approved, upon consummation of the Reorganization, stockholders of FOFI will receive shares of BIF based on the aggregate net asset value (not the market value) of BIF common shares received by FOFI common stockholders in the Reorganizations and will equal the aggregate net asset value (not the market value) of FOFI common shares held as of a valuation date set forth in the agreement and plan of reorganization. If Proposal 1 is not approved, the Reorganization will not proceed and FOFI stockholders will not be in any different position than they are in presently other than not being entitled to the proposed benefits of the Reorganization. Given the foregoing, the Board believes that Proposal 1 is in the best interests of FOFI and its stockholders and recommends that FOFI s stockholders vote FOR Proposal 1.

Required Vote

Approval of Proposal 1 requires the affirmative vote of the holders of a majority of outstanding shares of FOFI common stock.

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PROPOSALS 2 - 5

THE REORGANIZATIONS

SYNOPSIS

The following is a summary of certain information contained elsewhere in this Joint Proxy Statement/Prospectus and is qualified in its entirety by reference to the more complete information contained in this Joint Proxy Statement/Prospectus and in the Statement of Additional Information. Stockholders should read the entire Joint Proxy Statement/Prospectus carefully.

Description of the Proposals

Stockholders of FOFI will be asked to approve an agreement and plan of reorganization pursuant to which FOFI would transfer all of its assets to BIF in exchange for shares of BIF, and the assumption by BIF of all of the liabilities of FOFI (**Proposal 2**).

Stockholders of BTF will be asked to approve an agreement and plan of reorganization pursuant to which BTF would transfer all of its assets to BIF in exchange for shares of BIF, and the assumption by BIF of all of the liabilities of BTF (**Proposal 3**).

Stockholders of DNY will be asked to approve an agreement and plan of reorganization pursuant to which DNY would transfer all of its assets to BIF in exchange for shares of BIF, and the assumption by BIF of all of the liabilities of DNY (**Proposal 4**).

Stockholders of BIF will be asked to approve the issuance of additional common shares of BIF in connection with the reorganizations pursuant to an agreement and plan of reorganization among BIF, BTF, DNY, and FOFI (**Proposal 5**).

Overview and Background of the Reorganizations

Proposals 2 - 5 seek to reorganize three of the four Funds BTF, DNY and FOFI into the fourth Fund, BIF, with BIF being the surviving entity. If completed, it is anticipated that the Reorganizations would combine four Funds that have similar investment objectives, policies and risk profiles to achieve certain economies of scale, enhanced liquidity and other operational efficiencies for the Funds and their stockholders. In addition, the Funds currently have overlaps in advisory personnel and portfolio management.

As a result of the Reorganization, taking into account acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that existing stockholders of all the Funds will experience a lower operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. Excluding acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that stockholders of BTF, DNY and BIF will experience a lower operating expense ratio and FOFI stockholders will experience a higher operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. The increase to FOFI stockholders, excluding acquired fund fees and expenses, will be approximately $0.03 per share based on FOFI s NAV on May 31, 2014. Such acquired fund fees and expenses reflect fees and expenses of any registered investment companies or private funds in which a Fund invests. It is anticipated that the Reorganizations will reduce certain issuer concentrations currently existing in several of the Funds, thus potentially reducing the risk profile of the Acquiring Fund. The Reorganizations may also provide stockholders greater secondary market liquidity as the combined Acquiring Fund would be larger than and have more outstanding common shares than any one of the Funds. In addition, because shares of FOFI are presently traded over-the-counter, FOFI stockholders may enjoy even greater secondary market liquidity because the Acquiring Fund shares issued to FOFI stockholders in the Reorganization will be traded on a national exchange.

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Pursuant to the Agreement and Plan of Reorganization by and among each Acquired Fund and the Acquiring Fund, in the form attached as Exhibit A (the **Agreement**), and if **Proposals 1 - 6** are approved by the applicable stockholders, the Acquiring Fund will acquire all of the assets and assume all the liabilities of each Acquired Fund in exchange for the issuance of a number of Acquiring Fund common shares. Each Acquired Fund will distribute the Acquiring Fund s common shares received in its Reorganization to the respective Acquired Fund common stockholders and will then terminate its registration under the 1940 Act and dissolve in accordance with applicable Maryland law. The aggregate NAV of the Acquiring Fund common shares received by each Acquired Fund in its Reorganization will equal, as of the valuation date set forth in the Agreement, the aggregate NAV of the Acquired Fund common shares held by stockholders of such Acquired Fund.

Following discussions at meetings held on May 10, July 29, August 5, October 30 and November 4, 2013, each Fund s Board determined that the proposed Reorganizations would be in the best interest of the respective Fund. At each of its regular quarterly meetings since November 4, 2013, each Fund s Board has discussed the proposed Reorganization and has affirmed its determination that the Fund should proceed with the proposed Reorganization. The considerations taken into account by each Board are summarized in the section titled Board Consideration of the Reorganizations below.

Federal Tax Consequences of the Reorganizations

Each Reorganization is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the **Code**). If the Reorganizations so qualify, in general, each Acquired Fund stockholder will recognize no gain or loss for U.S. federal income tax purposes upon the exchange of the assets of each Acquired Fund solely for Acquiring Fund common shares pursuant to the Reorganizations. Based on the Funds approximate combined total assets as of September 30, 2014, the managers of the Acquiring Fund are expected to liquidate approximately $39 million of its holdings in Berkshire Hathaway in order to comply with the diversification requirements of Subchapter M of the Internal Revenue Code. Such liquidation would represent approximately 11.6% of the Acquiring Fund s holdings in Berkshire Hathaway and about 3.2% of its total assets. If such a level of liquidation occurs following the Reorganizations, if not offset by realized losses, it could result in taxable realized gain that would likely be distributed to all stockholders. Using values as of September 30, 2014 for such liquidations, the Acquiring Fund expects realized gains totaling $16,819,536.05, or approximately $0.16 per share. The attendant transaction cost of such a liquidation are expected to be less than $1,800. Except in the foregoing circumstances, in which case the Acquiring Fund would recognize capital gains, neither the Acquiring Fund nor its stockholders are expected recognize any gain or loss for U.S. federal income tax purposes pursuant to the Reorganizations.

Investment Objectives and Principal Investment Strategies

The Funds have substantially similar (but not identical) investment objectives, in that each Fund seeks total return, which DNY additionally pursues to the extent consistent with dependable, but not assured, cash flow. Additionally, three of the Fund have similar (but not identical) principal investment strategies and investment universes, in that BIF, BTF and DNY generally seek long-term capital appreciation and income and, under normal market conditions, invest either at least 80% of total assets or primarily in common stocks, and may invest in fixed-income securities.

In the case of FOFI, in 2010, the Fund sought and received stockholder approval of, among other things, a change to FOFI s investment adviser, which resulted in FOFI investing a substantial portion of assets in hedge funds managed by Wellington Hedge Management (the **WHM Hedge Funds**). Under normal market conditions, the balance of FOFI s assets may be invested primarily in common stocks, including dividend paying common stocks such as those issued by utilities, real estate investment trusts and regulated investment companies. FOFI may also invest in fixed income securities such as U.S. government securities, preferred stocks and bonds. In July 2014, FOFI was notified of proposed structural changes to the two WHM Hedge Funds in which it is invested. FOFI s investment advisers reviewed the proposed changes and determined that the hedge funds no longer satisfied the advisers original investment thesis. Consequently, for reasons separate from the Reorganization, the advisers gave notice to the hedge fund managers of their decision to redeem all of FOFI s interests in the WHM Hedge Funds. Such redemptions will occur as of September 30, 2014. The initial redemption proceeds are expected to be received on or about October 1, 2014.

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If the Proposals are all approved, BIF will be the surviving Fund and will continue to be listed on the NYSE. As the NYSE has an informal policy against listed funds holding private fund investments, upon closing of the Reorganizations, BIF no longer intends to invest in WHM Hedge Funds or any other private funds, although it will continue to hold residual side-pocket interests in a single WHM Hedge Fund having a fair value of approximately $9.77 million as of July 31, 2014. BIF and DNY redeemed their interests in this hedge fund as of June 30, 2014, at which time the Funds received the majority of their redemption proceeds. However, receipt of the balance of the redemption proceeds is subject to the hedge fund manager s liquidation of side pockets of illiquid securities which will likely occur incrementally and over a period of years.

With the sole exception of BTF, each Fund is classified as a non-diversified under the 1940 Act. As a result, these Funds can invest a greater portion of their assets in obligations of a single issuer than a diversified fund. BTF is a diversified fund. In addition, the Funds share comparable risk factors, and comparable portfolio compositions. The Funds are currently jointly managed by the same portfolio managers Stewart Horejsi, Brendon Fischer and Joel Looney.

Information regarding the portfolio managers can be found in this Joint Proxy Statement/Prospectus under the heading Management of the Funds. Additional information regarding the Funds investment objectives and principal investment strategies can be found below under the heading Comparison of Investment Objectives, Principal Investment Strategies and Principal Risks.

Effect on Expenses

If Proposals 7 and 8 (approval of new advisory agreements) are approved, stockholders of all the Funds will experience a lower contractual advisory fee rate (as stockholders of the combined BIF) following the Reorganizations. As a result of the Reorganizations, taking into account acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that existing stockholders of all the Funds will experience a lower operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. Excluding acquired fund fees and expenses and after expense waivers/reimbursements (if any), it is anticipated that stockholders of BTF, DNY and BIF will experience a lower operating expense ratio and FOFI stockholders will experience a higher operating expense ratio (as stockholders of the combined BIF) following the Reorganizations. The increase to FOFI stockholders, excluding acquired fund fees and expenses, will be approximately $0.03 per share based on FOFI s NAV on May 31, 2014. Such acquired fund fees and expenses reflect fees and expenses of any registered investment companies or private funds in which a Fund invests.

The tables below (i) compare the estimated fees and expenses of each Fund, as of each Fund s fiscal year end (shown below), and (ii) show the estimated fees and expenses of the combined BIF, on a *pro forma* basis, as if the Reorganizations occurred on May 31, 2014. The annual operating expenses of the *pro forma* combined BIF are projections for a 12-month period, assuming average combined net assets of $1,041,990,931. Accordingly, the actual fees and expenses of each Fund and the combined BIF as of the Closing Date of the Reorganizations may differ from those in the tables below due to changes in net assets and expenses paid to various service providers.

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Total Expense Table

	BTF (Acquired Fund)	**DNY (Acquired Fund)**	**FOFI (Acquired Fund)**	**BIF (Acquiring Fund)**	***Pro Forma* (Combined Fund)**
Sales Load (as a percentage of the offering price)	None	None	None	None	None
Dividend Reinvestment and Cash Purchase Plan Fees	None	None	None	None	None
Management Fee as a Percentage of Net Assets	1.49%	1.54%	0.91%	1.37%	1.11%
Interest Payments on Borrowed Funds	0.18%	0.00%	0.00%	0.09%	0.11%
Distributions to Preferred Stockholders	0.00%	0.03%	0.00%	0.00%	0.00%
Other Expenses[1a]	0.39%	0.65%	0.38%	0.41%	0.29%
Administration Fees[1b]	0.20%	0.24%	0.17%	0.19%	0.17%
	0.07%	0.54%	1.47%	0.31%	0.09%[5]

Acquired Fund Fees and Expenses[2]					
Total Annual Fund Operating Expenses	2.13%	2.76%	2.76%	2.18%	1.60%
Expense Waiver / Reimbursement[7]	-0.11%	-0.13%	-0.06%[4]	-0.10%[3]	0.00%[3]
Total Annual Fund Operating Expenses after Waiver / Reimbursement[6]	2.02%	2.63%	2.70%	2.08%	1.60%

(1a) Based on estimated amounts for the current fiscal year.

(1b) Reflects only administration fees payable to Fund Administrative Services, LLC (FAS), an affiliate of the adviser. Total administration fees are included in Other Expenses above.

(2) Reflects estimated fees and expenses of underlying registered investment companies or private funds in which one or more of the Funds may invest and indirectly borne by the investing Fund. Based on historical fees and expenses of such underlying funds.

(3) FAS, the Funds co-administrator, has contractually agreed to waive a portion of BIF s administration fees payable to FAS to the extent the aggregate of administration fees paid directly by the Fund, custody fees and transfer agency fees for any calendar month exceed thirty (30) basis points, for as long as the administration agreement between BIF and FAS is in effect.

(4) RMA and SIA, the advisers to FOFI, have contractually agreed to waive that portion of the advisory fee payable by FOFI equal to up to 1.00% of the Fund s assets invested in any hedge fund managed by Wellington Hedge Management, LLC (a ***WHM Hedge Fund*** *) to offset any asset-based fees (but not any performance-based fees) paid to Wellington Hedge Management, LLC (* ***Wellington Management*** *) with respect to the Fund s assets invested in any WHM Hedge Fund, for as long as the investment advisory agreement among RMA, SIA and FOFI is in effect.*

(5) Reflects adjustments to BIF, DNY and FOFI s schedule of investments in connection with the liquidation of certain private fund investments occurring after May 31, 2014, as described more fully under the heading ***Investment Objectives and Principal Investment Strategies****.*

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(6) The costs of the Reorganization anticipated to be borne by each Fund are $260,520, $401,830, $117,581 and $305,839 with respect to BIF, BTF, DNY and FOFI respectively. These amounts represent 0.08%, 0.42%, 0.04% and 0.13% of average net assets of BIF, BTF, DNY and FOFI respectively. These costs are not considered in the expense ratios above as they are not recurring costs. Of the total $1,085,770 in Reorganization expenses, $506,960 has already been incurred and paid by the Funds.

(7) The advisers to each of the Funds have agreed to waive 0.10% of the advisory fee such that the advisory fee will be calculated at the annual rate of 1.15% of net assets. As of the date hereof, the advisers have renewed each fee waiver through December 1, 2015 or the termination of the existing advisory agreements, whichever is earlier.

If acquired fund fees and expenses were excluded for purposes of calculating total annual expenses and taking into account expense waivers/reimbursements, the expense ratios for BTF, DNY, FOFI, BIF (as the Acquiring Fund) and BIF (as the *pro forma* Combined Fund) would be 1.95%, 2.09%, 1.23%, 1.77% and 1.51% respectively.

If Proposals 7 and 8 are not approved, your management fee would change from 1.11% to 1.29% of net assets. NOTE: Except with respect to the pro forma combined fund and adjustments to acquired fund fees resulting from recent redemptions or notices of redemption with respect to hedge fund positions, information presented is as of each Fund s most recently completed fiscal year end (BTF: 11/31/13; BIF: 11/30/13; DNY: 10/31/13; FOFI: 3/31/14). The purpose of the foregoing table and the following example is to assist stockholders in understanding the various costs and expenses that a stockholder will bear directly or indirectly. The figures provided under Other Expenses are based upon estimated amounts for the current fiscal year.

The Funds will bear a portion of the expenses incurred in connection with the Reorganizations that are not reflected in Other Expenses, including, but not limited to, costs related to the preparation and distribution of materials distributed to each Fund s Board, expenses incurred in connection with the preparation of the Agreement and the registration statement on Form N-14, the printing and distribution of this Joint Proxy Statement/Prospectus and any other materials required to be distributed to stockholders, SEC and state securities commission filing fees, legal and audit fees in connection with the Reorganizations, legal fees incurred preparing each Fund s Board materials, attending each Fund s Board meetings and preparing the minutes, auditing fees associated with each Fund s financial statements, stock exchange fees, transfer agency fees, portfolio transfer taxes (if any), solicitation costs and any similar expenses incurred in connection with the Reorganizations, which will be allocated pro rata among the Funds based on each Fund s respective NAV at the time such expenses are incurred. Such expenses are estimated to be $1,085,770 in the aggregate.

Example

The following example helps you compare the costs of investing in the Funds common shares with the costs of investing in other funds. The example assumes that you invest $1,000 in common shares for the periods shown, that your investment has a 5% return each year, that you reinvest all distributions and dividends and that the Funds operating expenses, including acquired fund fees, remain the same. The effects of any waivers or reimbursements on expenses are reflected for all such periods on the assumption that FAS administration agreement with BIF and the advisory agreement among RMA, SIA and FOFI remain in effect through all such periods except that the advisory fee waiver described in footnote (7) above is reflected for the first year only. **The example should not be considered a representation of past or future expenses or annual rates of return. Actual expenses or annual rates of return may be more or less than those assumed for purposes of the example.** Although your actual costs may be higher or lower, based on these assumptions your costs would be:

	1 Year	3 Years	5 Years	10 Years
BTF (Acquired Fund)	$21	$66	$113	$245
DNY (Acquired Fund)	$27	$84	$145	$308
FOFI (Acquired Fund)	$27	$85	$145	$308
BIF (Acquiring Fund)	$21	$67	$116	$250
Pro Forma Combined Fund	$16	$50	$87	$190

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Comparative Performance Information

The table below presents total return performance for the Funds for the period ended May 31, 2014. The performance data quoted represents past performance. Past performance is no guarantee of future results. Fund returns include reinvested dividends and distributions, but do not reflect the reduction of taxes that a stockholder would pay on Fund distributions or the sale of Fund shares and do not reflect brokerage commissions, if any.

	Average Annual Total Return on Net Asset Value				Average Annual Total Return on Market Value			
	One Year	Five Years	Ten Years	Since Inception	One Year	Five Years	Ten Years	Since Inception
BIF*	14.1%	15.7%	9.5%	6.8%	17.1%	15.8%	9.2%	6.1%
BTF**	14.2%	20.1%	7.7%	7.7%	14.3%	21.1%	7.4%	7.7%
DNY***	13.0%	19.6%	10.5%	6.7%	11.4%	20.2%	9.4%	5.4%
FOFI****	12.5%	13.8%	3.4%	11.2%	16.1%	15.7%	2.0%	11.9%

Average Annual Total Returns

	One Year	Five Years	Ten Years		Since BIF Inception	Since BTF Inception	Since DNY Inception	Since FOFI Inception
S&P 500	20.5%	18.4%	7.8%		6.5%	4.5%	5.7%	17.8%
DJIA	13.3%	17.6%	7.8%		7.0%	5.4%	5.7%	16.3%
NASDAQ Composite	24.3%	20.4%	8.9%		7.4%	3.7%	6.2%	17.1%

* Inception date reflects annualized information since January 2002 when the current investment advisers became advisers to the Fund. Does not include the effect of dilution of non-participating stockholders from the December 2002 rights offering.

** Inception date reflects annualized information since August 1999 when the current investment advisers became advisers to the Fund. Does not include the effect of dilution on non-participating stockholders from the July 2003 rights offering.

*** Inception date reflects annualized information since October 2007 when the current investment advisers became advisers to the Fund.

**** Inception date reflects annualized information since May 2010 when the current investment advisers became advisers to the Fund.

Data for broad-based securities indices typically does not reflect deductions for commissions, expenses or taxes, as applicable. You cannot invest directly in an index.

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Comparison of the Funds

The following comparison summarizes certain similarities and differences among the Funds. If the Reorganizations (**Proposals 2 5**) are approved, as well as **Proposals 6 8** described further in this Joint Proxy Statement/Prospectus, the terms and provisions below relating to the combined Acquiring Fund (BIF) will apply.

	Acquiring Fund (BIF)	**BIF (Current)**	**BTF**	**DNY**	**FOFI**
Date of Organization	October 27, 1972	October 27, 1972	December 15, 1992	September 11, 2002	March 3, 1986
Organization	Each Fund is a Maryland corporation registered as a closed-end management investment company under the 1940 Act.				
Diversification	Non-diversified	Non-diversified	Diversified	Non-diversified	Non-diversified
Fiscal Year End	November 30	November 30	November 30	October 31	March 31
Investment Adviser(s)	Stewart West Indies Trading Co. Ltd. (**SIA**) and Rocky Mountain Advisers, LLC (**RMA**)	SIA and Boulder Investment Advisers, LLC (**BIA**)	SIA and BIA	SIA and BIA	SIA and RMA
Investment Advisory Fee	The proposed advisory fee for the Acquiring Fund is 100 basis points on AUM up to $1 billion.	125 basis points on AUM with a temporary fee waiver of 10 basis points	125 basis points on AUM with a temporary fee waiver of 10 basis points	125 basis points on AUM with a temporary fee waiver of 10 basis points	125 basis points on AUM with a temporary fee waiver of 10 basis points*
Co-Administrators	Fund Administrative Services, LLC (**FAS**) and ALPS Fund Services, Inc. (**ALPS**)	FAS and ALPS	FAS and ALPS	FAS and ALPS	FAS and ALPS

Net Assets as of August 29, 2014	N/A	$281,812,768	$401,154,557	$114,554,261	$354,116,353
Listing	NYSE under the symbol BIF	NYSE under the symbol BIF	NYSE under the symbol BTF	NYSE under the symbol DNY	Over-the-counter under the symbol FOFI
Leverage	Each Fund may borrow money, issue preferred stock or issue other senior securities to the extent permitted by the 1940 Act.				
Distribution, Purchase and Redemption Procedures	Each Fund is not currently offering shares directly to the public. Stockholders of each Fund may not request that the Fund redeem securities outside of a stock repurchase program or tender offer announced by the particular Fund.				

* SIA and RMA, the advisers to FOFI, have contractually agreed to waive that portion of the advisory fee payable by FOFI equal to up to 1.00% of the Fund s assets invested in any WHM Hedge Fund to offset any asset-based fees (but not any performance-based fees) paid to Wellington Management with respect to the Fund s assets invested in any WHM Hedge Fund.

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COMPARISON OF INVESTMENT OBJECTIVES, PRINCIPAL INVESTMENT STRATEGIES AND PRINCIPAL RISKS

The following comparison summarizes the differences in the investment objectives, principal investment strategies, and principal risks of the Funds.

	Acquiring Fund (BIF)	BIF (Current)	BTF	DNY	FOFI
Investment Objective: *Substantially similar, except that DNY seeks total return consistent with dependable, but not assured, cash flow.*	Total return	Total return	Total return	Total return, consistent with dependable, but not assured, cash flow	Total return
Principal Investment Strategies: *Substantially similar, with minor differences as noted.*	Seeks to produce both income and long-term capital appreciation by investing in a portfolio of equity and debt securities.	Seeks to produce both income and long-term capital appreciation by investing in a portfolio of equity and debt securities.	Seeks to produce both long-term capital appreciation through investment in common stocks and current income consistent with preservation of capital through investments in income producing securities.	Seeks total return through long-term capital appreciation and income from dividends and interest, and providing a distribution of consistent and dependable cash flow in a manner that takes advantage of favorable tax treatment of dividends, long term capital gains and return of capital.	Seeks its investment objective by utilizing a bottom-up, value driven investment process to identify securities of good quality businesses trading below estimated intrinsic value.
Investment Universe: *Similar, except that with respect to DNY, the percentage of total assets expected to be invested in*	Under normal market conditions, invests at least 80% of its total	Under normal market conditions, invests at least 80% of its total	Under normal market conditions, invests at least 80% of its	Invests primarily in common stocks, including dividend paying	May invest a substantial portion of its assets in hedge funds. Under

	assets in common stocks, primarily domestic common stocks and secondarily in	assets in common stocks, primarily domestic common stocks and secondarily in	assets in common stocks and income securities. The term common stocks includes	common stocks such as those issued by utilities, REITs and regulated investment	normal market conditions, the balance of assets may be invested primarily

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	Acquiring Fund (BIF)	BIF (Current)	BTF	DNY	FOFI
certain securities under normal conditions is 90% as opposed to 80%, and that FOFI may invest a substantial portion of its assets in hedge funds.	foreign common stocks denominated in foreign currencies; investments in common stocks may include, but are not limited to, investment companies whose objective is income, real estate investment trusts (**REITs**), and other dividend-paying common stocks. The portion of the Fund s assets that is not invested in common stocks may be invested in fixed income securities, cash equivalents and other income-producing securities.	foreign common stocks denominated in foreign currencies; investments in common stocks may include, but are not limited to, investment companies whose objective is income, REITs, and other dividend-paying common stocks. The portion of the Fund s assets that is not invested in common stocks may be invested in fixed income securities, cash equivalents and other income-producing securities.	income-producing closed end funds and REITs. The term income securities includes preferred stocks, bonds, notes, bills, debentures, convertible securities, bank debt obligations, repurchase agreements and short term money market obligations.	companies under the Code. The Fund may also invest in fixed income securities such as U.S. government securities, preferred stocks and bonds.	in common stocks, including dividend paying common stocks such as those issued by utilities, REITs and regulated investment companies under the Code. The Fund may also invest in fixed income securities such as U.S. government securities, preferred stocks and bonds. Although the Fund expects to invest primarily in securities of U.S.-based companies, it may invest without limitation in foreign equity securities and sovereign debt, in each case denominated in foreign currency.
Illiquid Securities: *Identical policies.*	The Fund has no limitation on the amount of its assets that may be invested in securities which are not readily marketable or are	The Fund has no limitation on the amount of its assets that may be invested in securities which are not readily marketable or are	The Fund has no limitation on the amount of its assets that may be invested in securities which are not readily marketable or are	The Fund has no limitation on the amount of its assets that may be invested in securities which are not	The Fund has no limitation on the amount of its assets that may be invested in securities which are not readily

	subject to restrictions on resale.	subject to restrictions on resale.	subject to restrictions on resale.	readily marketable or are subject to restrictions on resale.	marketable or are subject to restrictions on resale.
Industry Concentration: *Identical policies.*	Does not concentrate.	Does not concentrate.	Does not concentrate.	Does not concentrate.	Does not concentrate.
Issuer Concentration: *Current 4% limitation will be eliminated if Proposal 6 is approved.*	No express prohibition other than what is required by the 1940 Act and by the Code.[1] The Fund may not, as a matter of fundamental policy, invest in the securities of companies conducting their principal business activity in the same industry if, immediately after such investment, the value of its investments in such industry would exceed 25% of the value of its total assets.	BIF is prohibited from investing more than 4% of its assets at the time of purchase in a single issuer.	BTF is prohibited from investing more than 4% of its assets at the time of purchase in a single issuer.	DNY is prohibited from investing more than 4% of its assets at the time of purchase in a single issuer.	No express prohibition other than what is required by the 1940 Act and by the Code.[1]

[1] The 1940 Act requires that each registered fund state as a fundamental investment policy its policy with respect to concentration, which, for purposes of the 1940 Act, is generally understood to refer to whether a particular fund may invest in excess of 25% of its total assets in issuers within the same industry or group of industries.

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	Acquiring Fund (BIF)	BIF (Current)	BTF	DNY	FOFI
Investments in Real Estate: *Substantially similar policies, except that BTF is additionally prohibited from oil and gas interests as a matter of fundamental policy.*	Prohibited from purchasing or selling real estate, except it can purchase or sell REITs and securities secured by real estate or interests therein issued by companies owning real estate or interests therein.	Prohibited from purchasing or selling real estate, except it can purchase or sell REITs and securities secured by real estate or interests therein issued by companies owning real estate or interests therein.	May not purchase, hold or deal in real estate or oil and gas interests, except that it may invest in securities secured by real estate or interests in real estate.	May not purchase real estate unless acquired as a result of the ownership of securities or instruments, except that the Fund may (i) invest in securities of issuers that mortgage, invest or deal in real estate or interests therein, (ii) invest in securities that are secured by real estate or interests therein, (iii) purchase and sell mortgage related securities, (iv) hold and sell real estate acquired by the Fund as a result of the ownership of securities, and (v) invest in REITs of any kind.	Will not purchase or sell real estate, except that investments in securities of issuers that invest in real estate and investments in mortgage backed securities, mortgage participations or other instruments supported by interests in real estate are not subject to this limitation.
Short Sales: *BIF, DNY and FOFI do not have an express policy. BTF is prohibited from selling securities short except in certain situations.*	No express policy.	No express policy.	May not sell securities short, except for such short-term credits as are necessary for the clearance of transactions and except that it may make short	No express policy.	No express policy.

			sales of securities against the box.		
Commodities: *Similar policies. (For these purposes, all swap agreements and other derivative investments that were not classified as commodities or commodity contracts prior to the adoption of the Dodd-Frank Wall Street Reform and Consumer Protection Act are not deemed to be commodities or commodity contracts.)*	May not purchase or sell commodities or commodity contracts.	May not purchase or sell commodities or commodity contracts.	May not invest in commodities, except that the Fund may enter into futures contracts, including interest rate and stock index futures contracts, and may purchase options and write covered options on futures contracts, securities and stock indices.	May not purchase physical commodities or contracts thereon, unless acquired as a result of the ownership of securities or instruments, but this restriction shall not prohibit the Fund from purchasing futures contracts or options or from investing in securities of any kind.	May not purchase or sell commodities or commodity contracts.

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	Acquiring Fund (BIF)	BIF (Current)	BTF	DNY	FOFI
Derivatives: *Identical policies.*	No express prohibition.	No express prohibition.	No express prohibition.	No express prohibition.	No express prohibition.
Foreign Securities: *Substantially similar policies, in that BIF is explicitly permitted to invest in foreign securities, while the other funds may do so in the absence of an express restriction.*	Permitted to invest in foreign securities without limitation.	Permitted to invest in foreign securities without limitation.	No express provision.	No express provision.	No express provision.
Private Funds: *Identical policies.*	No express limitation.	No express limitation.	No express limitation.	No express limitation.	No express limitation.
Lending/Loans: *Substantially similar policies, in that, except with respect to BIF, loans through entry into repurchase agreements are explicitly permitted.*	BIF may not make loans other than through the purchase of debt securities in private placements and the loaning of portfolio securities.	BIF may not make loans other than through the purchase of debt securities in private placements and the loaning of portfolio securities.	BTF may not lend any funds or other assets, except through purchasing debt securities, lending portfolio securities and entering into repurchase agreements.	Except for the purchase of debt securities and engaging in repurchase agreements, DNY may not make any loans other than securities loans.	FOFI will not make loans, except through loans of portfolio securities or through repurchase agreements, provided that for purposes of this limitation, the acquisition of bonds, debentures, other debt securities or instruments, or participations or other interests therein and investments in government obligations, commercial paper, certificates of deposit, bankers

acceptances or similar instruments will not be considered the making of a loan.

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	Acquiring Fund (BIF)	BIF (Current)	BTF	DNY	FOFI
Borrowing: *Similar policies.*	May not borrow money in an amount exceeding the maximum permitted under the 1940 Act.[2]	May not borrow money in an amount exceeding the maximum permitted under the 1940 Act.[2]	May not borrow except as permitted by law. [2]	May not borrow money in excess of 33 1/3% of its total assets (including the amount of money borrowed) minus liabilities (other than the amount borrowed), except that the Fund may borrow up to an additional 5% of its total assets for temporary purposes.	May not issue senior securities or borrow money, except as permitted by law, and then not in excess of 33-1/3% of its total assets (including the amount borrowed but reduced by any liabilities not constituting senior securities), except that the Fund may borrow up to an additional 5% of its total assets (not including the amount borrowed) for temporary or emergency purposes. [2]

RISK FACTORS

Investment in the Acquiring Fund may not be appropriate for all investors. The Acquiring Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objectives. Investors should consider their long-term investment goals and financial needs when making an investment decision with respect to the Acquiring Fund. An investment in the Acquiring Fund is intended to be a long-term investment, and you should not view the Fund as a trading vehicle. Your shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions, if applicable. Because the Funds have similar investment strategies, the principal risks of each Fund are similar. The principal risks of investing in the Acquiring Fund and the Acquired Funds are described below. The risks and special considerations listed below should be considered by stockholders of each Fund in their evaluation of the Reorganizations.

Investments in Common Stocks. The Fund intends to invest, under normal market conditions, at least 80% of its total assets in publicly traded common stocks. Common stocks generally have greater risk exposure and reward potential over time than bonds. The volatility of common stock prices has historically been greater than bonds, and as the Fund invests primarily in common stocks, the Fund s NAV may also be volatile. Further, because the time horizon for the Fund s investments in common stock is longer, the time necessary for the Fund to achieve its objective of total return will likely be longer than for a fund that invests solely for income.

[2] Section 18(f) of the 1940 Act provides that a registered investment company may borrow from a bank if the registered investment company maintains at least 300% asset coverage over all such bank borrowings. Additionally, Section 18(a) of the 1940 Act limits a closed-end fund s issuance of an evidence of indebtedness, unless the fund has 300% asset coverage, and preferred stock, unless the fund has 200% asset coverage.

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Fixed Income Securities. The Fund may invest in fixed income securities from time to time. Fixed income securities are affected by changes in interest rates and credit quality. A rise in interest rates typically causes bond prices to fall. The longer the average maturity of the bonds held by a Fund, the more sensitive the Fund is likely to be to interest-rate changes. There is the possibility that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments.

Non-Diversified Status Risk. The Fund is classified as non-diversified under the 1940 Act. As a result, it can invest a greater portion of its assets in obligations of a single issuer than a diversified fund. The Fund will therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence. The Fund intends to diversify its investments to the extent necessary to qualify, and maintain its status, as a regulated investment company under U.S. federal income tax laws.

Issuer Focus Risk. The Fund may hold significant positions in a few issuers. Taking larger positions is also likely to increase the volatility of the Fund s NAV, reflecting fluctuation in the value of large Fund holdings. In addition, both the Code and 1940 Act allow positions in single issuers to exceed statutory diversification thresholds if the excess occurs as a result of market variations. In such cases, the Fund may continue to hold such excess positions for the sake of tax efficiency. Thus, in such circumstances, the Fund may be even more susceptible to being adversely affected by any corporate, economic, political or regulatory occurrence affecting issuer positions which exceed such thresholds. Note that the risk described here is distinct from the risk of concentration as the term is generally understood under the 1940 Act, which refers whether a particular fund invests in excess of 25% of its total assets in issuers within the same industry or group of industries. As a matter of fundamental policy, the Acquiring Fund may not invest in the securities of companies conducting their principal business activity in the same industry if, immediately after such investment, the value of its investments in such industry would exceed 25% of the value of its total assets.

Investments in Mid- and Small-cap Securities. The Fund may invest in small- and mid-cap companies from time to time. Generally, small-cap stocks are those securities issued by companies with a total market capitalization of between $250 million to $2 billion, and mid-cap stocks are those securities issued by companies with a total market capitalization of between $2 billion to $10 billion. As a result of the Reorganization, the Fund will acquire a number of legacy assets from FOFI having market capitalizations below $250 million. These as well as other small- and mid-cap stocks in which the Fund may invest may present greater opportunities for capital growth than larger companies, but also may be more volatile and subject to greater risk. The small- and mid-cap stocks in which the Fund may invest may present greater opportunities for capital growth than larger companies, but also may be more volatile and subject to greater risk. This is because smaller companies generally may have limited financial resources, product lines and markets, and their securities may trade less frequently and in more limited volumes than the securities of larger companies, which could lead to higher transaction costs and reduced returns to holders of these securities, including potentially the Fund. In addition, there may be less publicly available information about smaller companies which can also lead to higher risk in terms of arriving at an accurate valuation for these smaller companies.

Leveraging Risk. The Fund may use leverage. Use of leverage may have a number of adverse effects on the Fund and its stockholders including without limitation: (i) leverage may magnify market fluctuations in the Fund s underlying holdings thus causing a disproportionate change in the Fund s NAV; and (ii) the Fund s cost of leverage may exceed the return on the underlying securities acquired with the proceeds of the leverage, thereby diminishing rather than enhancing the return to stockholders and generally making the Fund s total return to such stockholders more volatile.

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Discount From NAV. The common stock of closed-end funds frequently trade at market prices less than the value of the net assets attributable to those shares (a discount). The possibility that the Fund s shares will trade at a discount from NAV is a risk separate and distinct from the risk that the Fund s NAV will decrease. The risk of purchasing shares of a closed-end fund that might trade at a discount is more pronounced for investors who wish to sell their shares in a relatively short period of time because, for those investors, realization of a gain or loss on their investments is likely to be more dependent upon the existence of a premium or discount than upon portfolio performance.

Repurchase of the Shares. The Fund is authorized to repurchase shares on the open market when the shares are trading at a discount from NAV per share as determined by the Board from time to time. Any acquisition of shares by the Fund will decrease the total assets of the Fund and, therefore, have the effect of increasing the Fund s expense ratio and may adversely affect the ability of the Fund to achieve its investment objectives.

Issuer Risk. The value of the Fund s portfolio may decline for a number of reasons directly related to the issuers of the securities in the portfolio, such as management performance, financial leverage and reduced demand for an issuer s goods and services.

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 portfolio can decline.

Repurchase Agreements. The use of repurchase agreements involves certain risks. For example, if the seller of securities under a repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Fund s ability to dispose of the underlying securities may be restricted. Finally, it is possible that the Fund may not be able to substantiate its interest in the underlying securities.

Foreign Securities Risk. The Fund is permitted to invest in foreign securities without limitation. Investment in non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers. These risks are more pronounced to the extent that the Fund invests a significant portion of its non-U.S. investments in one region or in the securities of emerging market issuers.

Currency Risk. The Fund holds investments in foreign securities and thus a portion of the Fund s assets may be quoted or denominated in non-U.S. currencies. These securities may be adversely affected by fluctuations in relative currency exchange rates and by exchange control regulations. The Fund s investment performance may be negatively affected by a devaluation of a currency in which the Fund s investments are quoted or denominated. Further, the Fund s investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities quoted or denominated in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

Sovereign Debt Risk. An investment in debt obligations of non-U.S. governments and their political subdivisions (sovereign debt) involves special risks that are not present in corporate debt obligations. The non-U.S. issuer of the sovereign debt or the non-U.S. governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due, and the Fund may have limited recourse in the event of a default. During periods of economic uncertainty, the market prices of sovereign debt may be more volatile than prices of debt obligations of U.S. issuers.

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Investments in Registered Investment Companies. The Fund may invest in securities issued by other registered investment companies subject to such limitations, restrictions and conditions as imposed by Federal law. Accordingly, the Fund will be subject to the particular risks associated with investing in other funds that are separate from risks associated with the underlying investments held by such registered investment companies. Both the Fund and any registered investment companies in which it invests have management fees. In addition, the registered investment companies in which the Fund invests will typically incur other operating expenses that are borne by their investors, including the Fund. As a result, Fund stockholders will bear not only the Fund s management fees and operating expenses, but also the fees and expenses of the registered investment companies in which the Fund invests. Investors would bear less expense if they invested directly in the underlying registered investment companies in which the Fund invests. The Fund may also invest in registered investment companies that are not limited in their portfolio trading activity and thus may experience high portfolio turnover rates. Higher turnover rates generally result in correspondingly greater brokerage commissions and other transactional expenses which may be borne by the Fund, directly or through its investment in registered investment companies.

Liquidity Risk. Although the Fund invests primarily in securities traded on national exchanges, it may invest in less liquid assets from time to time that are not readily marketable and may be subject to restrictions on resale. Illiquid securities may be more difficult to value or may impair the Fund s ability to realize the full value of its assets in the event of a voluntary or involuntary liquidation of such assets and thus may cause a decline in the Fund s NAV. The Fund is not limited in the amount of its assets that may be invested in securities which are not readily marketable or are subject to restrictions on resale, although it may not invest more than 30% of the value of its total assets in securities which have been acquired through private placement. In certain situations, the Fund could find it more difficult to sell such securities at times, in amounts and at prices they consider reasonable.

Risks Associated with Investments in Private Funds. Private funds in which the Fund invests may in turn invest and trade in a wide range of instruments and markets and such activity may give rise to the wide range of risks associated with such instruments and markets. For example:

- Private funds may typically invest in all types of securities and financial instruments, including but not limited to equities, fixed income investments, options, futures, swaps and other derivatives or derivative transactions. Such investments may be illiquid and highly leveraged, or subject to extreme volatility.

- Private funds are generally not limited in the markets in which they are expected to invest, or the investment discipline that their managers may employ, such as value or growth or bottom-up or top-down analysis.

- Private funds may typically use various investment techniques for hedging and non-hedging purposes, some of which may subject investors to heightened risk (e.g., selling securities short, leveraging, purchasing and selling options contracts and entering into other derivatives).

Investment in a particular type of investment or the use of a particular technique may be an integral part of a private fund s investment strategy and may involve certain risks and result in significant losses. There can be no assurance that managers of private funds in which the Fund invests will succeed in any of these investment types or techniques.

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As noted above, for reasons unrelated to the Reorganizations, FOFI has given notice to redeem all of its outstanding interests in certain private funds in which it invests. If the Proposals are all approved, BIF will be the surviving Fund and will continue to be listed on the NYSE. As the NYSE has an informal policy against listed funds holding private fund investments, upon closing of the Reorganizations, BIF no longer intends to invest in WHM Hedge Funds or any other private funds, although it will continue to hold residual side-pocket interests in a single WHM Hedge Fund having a fair value of approximately $10.96 million as of July 30, 2014. In light thereof, as well as taking into account the combined Fund s expected operations, risks associated with investments in private funds are not expected to be a principal risk factor for the combined post-Reorganization Fund.

Derivatives Risk. The Fund s use of derivative instruments (such as options, futures and swaps) could produce disproportionate gains or losses, more than the principal amount invested. Investing in derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments (including, for example, risks associated with the creditworthiness of counterparties). The Fund may also be indirectly exposed to derivatives risk through an underlying fund s use of such instruments. Under certain market conditions, derivatives may become harder to value or sell at a fair price, and may thus entail liquidity risks.

Anti-Takeover Risk. The Fund s constituent documents, as amended, include provisions that could limit the ability of other entities or persons to acquire control of the Fund or to change the composition of its Board. Such provisions could limit the ability of stockholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund. These provisions include, for example, mechanisms governing the consideration of certain matters at stockholder meetings and special voting requirements for the approval of certain transactions. The Funds Boards are also classified, which means that membership of the Boards is divided into separate classes, each class serving staggered terms. Finally, the Horejsi Affiliates (as defined below) will continue to own a substantial portion of the Fund s common shares and thus may discourage a third party from seeking to obtain control of the Fund. Such structures and share ownership may have the overall effect of making any hostile attempt to take control of a Fund through a proxy contest more difficult.

Convertible Securities Risk. Convertible securities risk is the risk that the market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security s market value, however, also tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security s conversion price.

Preferred Securities Risk. Preferred securities may include (i) hybrid or taxable preferred securities and (ii) traditional preferred/preference stock. Fully taxable or hybrid preferred securities typically contain provisions that allow an issuer, at its discretion, to defer distributions for up to 20 consecutive quarters. Traditional preferred securities contain provisions that allow an issuer, under certain conditions, to skip (in the case of noncumulative preferred securities) or defer (in the case of cumulative preferred securities) dividend payments. If a Fund owns a preferred security that is deferring its distributions, the Fund may be required to report income for tax purposes even though it has not received a corresponding cash distribution.

Risk Comparison

The following table provides an overview and comparison of the risks applicable to the Funds. Risks are categorized as principal risks (P), non-principal risks (NP) or not applicable (NA).

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Risk	Combined BIF	BIF (Current)	BTF	DNY	FOFI
Common Stocks	P	P	P	P	P
Fixed Income Securities	P	P	P	P	P
Non-Diversified Status	P	P	N/A	P	P
Issuer Focus Risk	P	P	P	P	P
Investments in Mid- and Small-cap Securities	P	P	P	P	P
Leveraging Risk	P	P	P	P	P
Discount from NAV	P	P	P	P	P
Repurchase of Shares	NP	NP	NP	NP	NP
Issuer Risk	P	P	P	P	P
Inflation Risk	P	P	P	P	P
Repurchase Agreements	NP	NP	NP	NP	NP
Foreign Securities Risk	P	P	P	P	P
Sovereign Debt Risk	P	P	P	P	P
Investments in Registered Investment Companies	P	P	P	P	P
Currency Risk	P	P	P	P	P
Private Funds Risk	NP	NP	N/A	NP	P
Liquidity Risk	P	P	P	P	P
Derivatives Risk	P	P	N/A	P	P
Anti-Takeover Risk	P	P	P	P	P
Convertible Securities Risk	NP	NP	NP	NP	NP
Preferred Securities Risk	NP	NP	NP	NP	NP

ADDITIONAL INFORMATION ABOUT THE FUNDS INVESTMENTS

BIF is a registered closed-end, non-diversified management investment company and was incorporated under the laws of the State of Maryland on October 27, 1972.

Investment Objective

BIF. BIF s investment objective is total return. The Fund s investment objective is fundamental and may not be changed without a vote of the holders of a majority of voting securities.

BTF. BTF s investment objective is total return. The Fund s investment objective is fundamental and may not be changed without a vote of the holders of a majority of voting securities.

DNY. DNY s investment objective is total return, to the extent consistent with dependable, but not assured, cash flow. The Fund s investment objective is non-fundamental, and may be changed without a vote of the holders of a majority of voting securities.

FOFI. FOFI s investment objective is total return. The Fund s investment objective is non-fundamental, and may be changed without a vote of the holders of a majority of voting securities.

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Investment Strategies

BIF. BIF seeks to produce both income and long-term capital appreciation by investing in a portfolio of equity and debt securities. The Fund invests primarily in common stocks, including dividend paying common stocks such as those issued by utilities, real estate investment trusts or REITs and regulated investment companies under the Code. The Fund also invests in fixed income securities such as U.S. government securities, preferred stocks and bonds. The Fund invests primarily in securities of U.S.-based companies and to a lesser extent in foreign equity securities and sovereign debt, in each case denominated in foreign currency. The Fund has no restrictions on its ability to invest in foreign securities. The Fund does not concentrate, as such term is used with respect to Item 8 of Form N-2.

Other than the Fund s investment objective and fundamental investment policies as set forth in the Statement of Additional Information accompanying this Joint Proxy Statement/Prospectus, the investment strategies and policies described in this section (including any percentage limitations) may be changed by the Board of the Fund without a vote of stockholders.

BTF. Under normal market conditions, BTF intends to invest in a portfolio of common stocks and income securities. The portion of the Fund s assets invested in each can vary depending on market conditions. The term common stocks includes both stocks acquired primarily for their appreciation potential and stocks acquired for their income potential, such as dividend-paying registered investment companies and REITs. The term income securities includes bonds, U.S. Government securities, notes, bills, debentures, preferred stocks, convertible securities, bank debt obligations, repurchase agreements and short-term money market obligations. The term preferred stocks or preferreds includes traditional preferred stocks as well as so-called hybrid, or taxable, preferred securities and other similar or related investments.

DNY. DNY invests primarily in common stocks, including dividend paying common stocks such as those issued by utilities, REITs and regulated investment companies under the Code.

FOFI. In the case of FOFI, in 2010, the Fund sought and received stockholder approval of, among other things, a change to FOFI s investment adviser, which resulted in FOFI investing a substantial portion of assets in WHM Hedge Funds. Under normal market conditions, the balance of FOFI s assets may be invested primarily in common stocks, including dividend paying common stocks such as those issued by utilities, real estate investment trusts and regulated investment companies. FOFI may also invest in fixed income securities such as U.S. government securities, preferred stocks and bonds.

Portfolio Contents and Additional Investment Policies of the Funds

At any given time, each Fund may invest in some or all of the types of investments, or utilize some or all of the investment policies, described below. The following table indicates whether each such investment type or policy is a principal (P) or non-principal (NP) investment type or policy of the particular Fund.

	BIF	BTF	FOFI	DNY
Common Stocks	P	P	P	P
Fixed Income Securities	P	P	P	P
Real Estate Companies and REITs	P	P	P	P
Registered Investment Companies	P	P	P	P

Preferred Stocks	**NP**	**NP**	**NP**	**NP**
Money Market Instruments	**P**	**P**	**P**	**P**
Repurchase Agreements	**NP**	**NP**	**NP**	**NP**
Government Securities	**P**	**P**	**P**	**P**
Zero Coupon Securities	**NP**	**NP**	**NP**	**NP**

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Short Sales	**NP**	**NP**	**NP**	**NP**
Illiquid Securities	**P**			