MCDONALDS CORP
Form 425
July 25, 2006

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Subject Company: McDonald's Corporation
Subject Company's Commission File No.: 1-5231

In connection with the proposed separation of Chipotle Mexican Grill, Inc. from McDonald's Corporation, Chipotle will file with the Securities and Exchange Commission a registration statement on Form S-4 that will include a prospectus describing McDonald's proposed exchange of its interest in Chipotle for shares of McDonald's common stock. The prospectus will contain important information about the exchange offer and related matters. Investors and security holders are urged to read the prospectus, and other related documents filed with the SEC, when they become available and before making any investment decision. You will be able to obtain a free copy of the prospectus (when available) and other related documents filed with the SEC by McDonald's and Chipotle at the SEC's website at www.sec.gov, and those documents may also be obtained for free, as applicable, from McDonald's at www.investor.mcdonalds.com or Chipotle at www.chipotle.com. Neither McDonald's, Chipotle nor any of their respective directors or officers or any dealer manager appointed with respect to the exchange offer makes any recommendation as to whether you should participate in the exchange offer.

EXCHANGE OFFER OF COMMON STOCK OF CHIPOTLE MEXICAN GRILL FOR COMMON STOCK OF McDONALD'S CORPORATION

QUESTIONS AND ANSWERS

In its press release dated July 25, 2006, available at www.investor.mcdonalds.com, McDonald's Corporation has stated its plan to proceed with the disposition of its remaining interest in Chipotle Mexican Grill, Inc., consisting of 16,539,967 shares of Chipotle class B common stock, which represented approximately 82.2% of the voting interest and 50.8% of the economic interest in Chipotle as of June 30, 2006. The disposition will be effected through an exchange offer with eligible McDonald's shareholders, who will have the option to tender some, all or none of their McDonald's shares for Chipotle class B common stock on terms to be determined. We refer to this transaction as the "exchange offer" or the "split-off." In the event that all the Chipotle shares owned by McDonald's are not exchanged in the split-off (and the offer has not been terminated), McDonald's plans to distribute those shares to its shareholders promptly following the completion of the split-off. We refer to this potential distribution as the "spin-off." After these transactions, Chipotle will be wholly independent from McDonald's. The following are answers to common questions about the separation of Chipotle from McDonald's.

1. Why has McDonald's decided to separate Chipotle from McDonald's?

McDonald's board of directors has authorized the separation in order to enable McDonald's to focus its management and financial resources on the McDonald's brand. McDonald's also believes that Chipotle's separation from McDonald's will afford Chipotle increased flexibility and decision-making power to pursue its own strategic objectives.

2. Why did McDonald's choose an exchange offer as the way to separate Chipotle from McDonald's?

McDonald's believes that the exchange offer is a tax-efficient way to divest its interest in Chipotle. It gives McDonald's shareholders an opportunity to adjust their investment between McDonald's and Chipotle on a tax-free basis for U.S. federal income tax purposes (except with respect to cash received in lieu of a fractional share) and is expected to be tax-free to McDonald's and Chipotle.

McDonald's and Chipotle also have significantly different competitive strengths and operating strategies. The exchange offer is an efficient means of placing Chipotle class B common stock with holders who wish to own an interest in Chipotle. By comparison, a separation effected exclusively by spin-off would result in all McDonald's shareholders becoming owners of Chipotle, regardless of their desire to own shares of Chipotle.

3. What are the main ways that the relationship between Chipotle and McDonald’s will change after the separation is completed?

The separation will establish Chipotle as wholly independent from McDonald’s. Because McDonald’s will no longer own any interest in Chipotle, Chipotle will be free to pursue its own initiatives, regardless of whether those initiatives are consistent with McDonald’s view. After the separation, Chipotle will also be responsible for securing all of its own management, financial, tax, accounting, legal and other resources. Chipotle and McDonald’s are in the process of completing the transition to Chipotle or its service providers of substantially all services McDonald’s previously provided to Chipotle. The companies expect the transition to be complete concurrently with the separation, except for certain limited information technology systems and facilities services that may continue to be provided by McDonald’s for no more than 24 months following the completion of the exchange offer.

After the separation, Chipotle may also lose some other benefits of its relationship with McDonald’s, such as with respect to supply or service arrangements available to it as a subsidiary of McDonald’s. Chipotle has been evaluating and pursuing alternatives to minimize any potential disruption to its operations caused by the separation from McDonald’s.

4. Will the separation from McDonald’s have a material financial impact on Chipotle as an independent company?

Chipotle does not expect that the financial impact of its separation from McDonald’s will be material to its financial condition or results of operations, taken as a whole.

5. Who may participate in the exchange offer and will it be extended outside the United States?

Any holder of McDonald’s common stock during the exchange offer period, which will be at least 20 business days, may participate in the exchange offer, including directors and officers of McDonald’s, Chipotle and their respective subsidiaries.

The decision whether to exchange McDonald’s common stock held in the McDonald’s Corporation Profit Sharing and Savings Plan and the McDonald’s Ventures 401(k) Plan will be made by an independent fiduciary appointed under those plans upon the pricing of the exchange offer.

McDonald’s does not plan to take any action to facilitate a public offer outside the United States. Accordingly, the ability of persons resident outside the United States to tender McDonald’s common stock in the exchange offer will be limited and will depend on whether they are permitted to do so under local law.

6. How many shares of Chipotle class B common stock will be received for each share of McDonald's common stock tendered?

The number of shares of Chipotle class B common stock receivable by persons tendering McDonald's shares in the exchange offer will be determined primarily based on the market prices of the common stock of the two companies. We call this the "exchange ratio," and more information about when and how it will be determined (including any discounts to encourage participation) will be included in the documentation for the exchange offer when it becomes available.

7. What is the aggregate number of shares of Chipotle class B common stock being offered in the exchange offer?

McDonald's is offering an aggregate of 16,539,967 shares of Chipotle class B common stock. The aggregate outstanding Chipotle common stock consists of approximately 42.4% of class A common stock and 57.6% of class B common stock. McDonald's currently owns 16,539,967 shares of Chipotle's class B common stock representing approximately 82.2% of the voting interest and 50.8% of the economic interest in Chipotle. In the exchange offer, McDonald's will offer all of its remaining interest in Chipotle. If the exchange offer is not fully subscribed (and is not terminated), McDonald's plans to distribute any remaining shares to its shareholders in a spin-off promptly following the completion of the exchange offer.

8. Are there any conditions to McDonald's obligation to complete this exchange offer?

McDonald's expects that the exchange offer will be subject to certain conditions, which may include a requirement that the shares tendered for exchange by all participating holders exceed a minimum threshold. If any of the conditions is not satisfied, McDonald's will have the ability to terminate the exchange offer, among other rights. More information about these conditions will be included in the documentation for the exchange offer when it becomes available.

9. What happens if not enough shares of McDonald's common stock are tendered to allow McDonald's to exchange all of the shares of Chipotle class B common stock it owns?

In that case, assuming that the exchange offer is not terminated, McDonald's plans to distribute in a spin-off to its shareholders, on a pro rata basis, all of its remaining shares of Chipotle class B common stock promptly following the completion of the exchange offer. The spin-off will be a special dividend distribution with respect to McDonald's common stock, and the record date for holders to receive shares in any potential distribution will be set promptly following expiration of the exchange offer.

10. What happens if the exchange offer is oversubscribed and McDonald's is unable to fulfill all tenders of McDonald's common stock at the exchange ratio?

In that case, shares of McDonald's common stock that are properly tendered will generally be accepted for exchange on a pro rata basis in proportion to the number of shares tendered. We refer to this as "proration," and more information about how proration will be effected (including any exceptions), will be included in the documentation for the exchange offer when it becomes available. Any shares of McDonald's common stock not accepted for exchange as a result of proration would be returned to tendering shareholders.

11. How long will the exchange offer be open?

U.S. securities laws require that the exchange offer period be at least 20 business days, although this period may be extended or terminated. The exchange offer period, the expiration date and information about how the exchange offer period may be extended or terminated will be included in the documentation for the exchange offer when it becomes available.

Eligible holders of McDonald's common stock who want to participate in the exchange offer must tender their shares prior to the expiration of the exchange offer, which will be a time specified in the documentation for the exchange offer, and must follow the procedures described in such documentation.

12. How many shares of McDonald's common stock will be acquired by McDonald's if this exchange offer is completed?

The number of shares of McDonald's common stock that will be accepted if the exchange offer is completed will depend on the exchange ratio, the number of shares tendered by holders of McDonald's common stock and other factors that will be described in the documentation for the exchange offer when it becomes available.

13. How do I decide whether to participate in the exchange offer?

Whether you should participate in the exchange offer depends on many factors. You should examine carefully your specific financial position, plans and needs before you decide whether to participate, as well as the relative risks associated with an investment in Chipotle and McDonald's. Information about those risks is contained in the periodic reports that each company files with the Securities and Exchange Commission and that information, together with other information about each company, will be included in the documentation for the exchange offer when it becomes available.

Neither McDonald's, Chipotle nor any of their respective directors or officers or any dealer manager appointed with respect to the exchange offer makes any recommendation as to whether you should tender your shares of McDonald's common stock. You must make your own decision after carefully reading the documentation for the exchange offer when it becomes available and consulting with your advisors in light of your own particular circumstances. You should read that documentation carefully because it will contain important information about the exchange offer.

14. How will I be able participate in the exchange offer?

The procedures you must follow to participate in this exchange offer will depend on whether you hold your shares of McDonald's common stock in certificated form, through a bank or broker or through McDirect Shares. The specific procedures you must follow will be included in the documentation for the exchange offer when it becomes available.

15. If I hold equity-based compensation awards related to the value of McDonald's common stock (e.g., stock options or restricted stock units), will my awards be affected by the exchange offer?

No.

16. Will I be able to tender only a part of my McDonald's common stock in the exchange offer?

Yes. You will be able to tender all, some or none of your McDonald's common stock.

17. What do I do if I want to retain all of my McDonald's common stock?

If you want to retain your McDonald's common stock, you will not need to take any action in connection with the exchange offer.

18. Will the exchange offer permit me to change my mind after I tender my McDonald's common stock?

Yes. The exchange offer will permit tendering holders of McDonald's common stock to withdraw shares tendered at any time before the exchange offer expires. If you change your mind again prior to the expiration of the exchange offer, you will be able to re-tender your McDonald's common stock by following the tender procedures again.

19. How soon would I receive delivery of my Chipotle common stock once I have tendered my McDonald's shares?

Shares of Chipotle class B common stock are expected to be delivered by book-entry transfer as soon as practicable after acceptance of shares of McDonald's common stock in the exchange offer and the determination of any proration if the exchange offer is oversubscribed, all as determined on expiration of the exchange period.

20. Will the Chipotle class B common stock be listed on an exchange following the completion of this exchange offer?

Yes. Chipotle plans to apply to list its class B common stock on the New York Stock Exchange, where its class A common stock is also listed.

21. Will trading prices for the class A common stock and class B common stock be different?

There is currently no trading market for Chipotle class B common stock, and neither McDonald's nor Chipotle can assure you that one will develop. Chipotle class A common stock is listed on the New York Stock Exchange under the symbol "CMG," and Chipotle plans to apply to list the class B common stock on the NYSE as well. Neither McDonald's nor Chipotle can predict whether there will be any disparity in the trading prices for the two classes of stock once both are publicly listed.

22. Will the Chipotle class B common stock be convertible into Chipotle class A common stock following the completion of this exchange offer?

No.

23. Does the Chipotle class B common stock have different voting rights from the class A common stock? How do they share in dividends?

Holders of Chipotle class A common stock are entitled to one vote per share, while holders of Chipotle class B common stock are generally entitled to ten votes per share on matters subject to shareholder vote. Holders of Chipotle class A common stock and class B common stock will share equally on a per share basis in any dividend declared by Chipotle's board of directors, subject to any preferential rights of holders of any outstanding shares of Chipotle preferred stock. Chipotle did not pay any dividends in 2004, 2005 or 2006 and anticipates that it will retain future earnings for the operation and expansion of its business.

Holders of Chipotle class A common stock and class B common stock also participate on a pro rata basis in any distribution of assets on liquidation, dissolution or winding up of Chipotle, subject to prior rights of holders of Chipotle preferred stock.

You can find out more information about Chipotle's capital stock by reading Chipotle's certificate of incorporation, which is on file with the SEC.

24. Does McDonald's own any shares of Chipotle class A common stock?

No.

25. How long will Chipotle maintain two classes of common stock?

Chipotle plans to maintain the two classes of common stock indefinitely.

26. Will I be taxed on the shares of Chipotle common stock that I receive in this exchange offer?

It will be a condition to the exchange offer and, if applicable, any spin-off, that McDonald's receive an opinion of counsel confirming the tax-free status for U.S. federal income tax purposes of the exchange offer and any spin-off to McDonald's and its shareholders (except with respect to any cash received in lieu of a fractional share). The opinion of counsel will not address any state, local or foreign tax consequences of the exchange offer that may apply to McDonald's or its shareholders. You will need to consult your own tax advisor as to the particular tax consequences to you of the exchange offer.

27. Are there any appraisal rights for holders of McDonald's or Chipotle common stock?

No.

28. What will McDonald's do with the shares of McDonald's common stock it acquires in the exchange offer?

The McDonald's common stock acquired by McDonald's in the exchange offer will be held as treasury stock.

29. What is the impact of the exchange offer on McDonald's share count?

Any McDonald's common stock acquired by McDonald's in the exchange offer will reduce McDonald's shares outstanding, although McDonald's actual number of shares outstanding on a given date reflects a variety of factors such as option exercises.

30. How does this affect McDonald's share repurchase program?

Due to a regulatory restriction relating to the exchange offer, investors should not expect McDonald's share repurchase activity to resume until 10 business days after the exchange offer. Once the restriction ends, we expect repurchase activity to resume, subject to market conditions. McDonald's has not made any purchases to date in the third quarter of 2006.

31. Where can I find out more information about McDonald's and Chipotle?

You can find out more information about McDonald's and Chipotle by reading the reports that each company files with the Securities and Exchange Commission. You may read and copy those reports at the SEC's principal office in Washington D.C., and the SEC also maintains a website at www.sec.gov, where these reports may be obtained free of charge. Those documents may also be obtained for free, as applicable, from McDonald's at www.investor.mcdonalds.com or Chipotle at www.chipotle.com.

Special Note Regarding Forward-Looking Statements

Information in this communication contains forward-looking statements, which reflect expectations of McDonald's and Chipotle's management about future events and speak only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties. Such forward-looking statements include, but are not limited to, statements about the implications of the separation of Chipotle from McDonald's, and each company's plans, objectives, expectations and intentions and other statements that are not historical facts. A list of the factors that could cause actual results to differ materially from those expressed in, or underlying, those forward-looking statements is detailed in the SEC filings of McDonald's and Chipotle, such as annual and quarterly reports and, when available, the prospectus for the exchange offer. McDonald's and Chipotle disclaim any obligation to update and revise statements contained in these materials.

Date: July 25, 2006

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day, an exchange traded or NASDAQ security does not trade, then the mean between the most recent quoted bid and asked prices will be used. For equity investments traded on more than one exchange, the last reported sale price on the exchange where the stock is primarily traded is used. Equity-linked structured notes are valued by referencing the last reported sale or settlement price of the underlying security on the day of valuation. Foreign exchange adjustments are applied to the last reported price to convert the underlying security's trading currency to the equity-linked structured note's settlement currency. Each option security traded on a securities exchange in the United States is valued at the last current reported sales price as of the time of valuation if the last current reported sales price falls within the consolidated bid/ask quote. If the last current reported sale price does not fall within the consolidated bid/ask quote, the security is valued at the mid-point of the consolidated bid/ask quote for the option security. Forward currency contracts are valued based on third-party vendor quotations. Each security traded in the over-the-counter market and quoted on the NASDAQ National Market System is valued at the NOCP, as determined by NASDAQ, or lacking an NOCP, the last current reported sale price as of the time of valuation by NASDAQ, or lacking any current reported sale on NASDAQ at the time of valuation, at the mean between the most recent bid and asked quotations. Each over-the-counter option that is not traded through the Options Clearing Corporation is valued by the counterparty of the option, or if the counterparty's price is not readily available, then by using the Black-Scholes method. Debt and short-term securities are valued based on an evaluated bid price as furnished by pricing services approved by the Board, which may be based on market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders, a computerized matrix system, or appraisals derived from information concerning the securities or similar securities received from recognized dealers in those securities. Each other security traded over-the-counter is valued at the mean between the most recent bid and asked quotations.

Securities that are principally traded in a foreign market are valued at the last current sale price at the time of valuation or lacking any current or reported sale, at the time of valuation, at the mean between the most recent bid and asked quotations as of the close of the appropriate exchange or other designated time. Trading in securities on European and Far Eastern securities exchanges and over-the-counter markets is normally completed at various times before the close of business on each day on which the NYSE is open. Trading of these securities may not take place on every NYSE business day. In addition, trading may take place in various foreign markets on Saturdays or on other days when the NYSE is not open and on which the Fund's NAV is not calculated.

When market quotations are not readily available or when the valuation methods mentioned above are not reflective of a fair value of the security, the security is valued at fair value following procedures and/or guidelines approved by the Board. The Fund may also use fair value pricing, if the value of a security it holds is, pursuant to the Board guidelines, materially affected by events occurring before the Fund's NAV is calculated but after the close of the primary market or market transactions for comparable securities and various relationships between securities that are generally recognized by institutional traders, a computerized matrix system, or appraisals derived from information concerning the securities or similar securities received from recognized dealers in those securities. The Board has approved the use of a third-party pricing vendor's proprietary fair value pricing model to assist in determining current valuation for foreign equities and over-the-counter derivatives traded in markets that close prior to the NYSE. When fair value pricing is employed, the value of the portfolio security used to calculate the Fund's NAV may differ from quoted or official closing prices. The Fund may also fair value a security if the Fund or Adviser believes that the market price is stale. Other types of securities that the Fund may hold for which fair value pricing might be required include illiquid securities including restricted securities and private placements for which there is no public market.

For securities valued by the Fund, valuation techniques are used to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

The Board of Trustees adopted procedures which utilize fair value procedures when any assets for which reliable market quotations are not readily available or for which the Fund's pricing service does not provide a valuation or provides a valuation that in the judgment of the Adviser does not represent fair value. The Board of Trustees has established a Valuation Committee which is responsible for: (1) monitoring the valuation of Fund securities and other investments; and (2) as required, when the Board of Trustees is not in session, reviewing and approving the fair value of illiquid and other holdings after consideration of all relevant factors, which determinations are reported to the Board of Trustees.

Fair Value Measurement:

In accordance with FASB ASC, "Fair Value Measurement" ("ASC 820"), defines fair value as the value that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 uses a three-tier hierarchy to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entities' own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Level 1 -	Unadjusted quoted prices in active markets for identical investments.
Level 2 -	Other significant observable inputs (including quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, etc.).

Level 3 -	Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Various inputs are used in determining the value of the Fund's investments as of the reporting period end. The designated input levels are not necessarily an indication of the risk or liquidity associated with these investments. These inputs are categorized in the following hierarchy under ASC 820.

The following is a summary of the inputs used to value the Fund’s assets and liabilities carried at fair value as of July 31, 2017:

	Valuation Inputs			
Investments in Securities at Value *	**Level 1**	**Level 2**	**Level 3**	**Total Value**
Common Stocks				
Australia	$6,368,000	$—	$ —	$6,368,000
Brazil	4,247,719	—	—	4,247,719
Chile	7,555,701	—	—	7,555,701
China	21,936,373	—	—	21,936,373
France	27,496,760	—	—	27,496,760
Germany	49,739,457	—	—	49,739,457
India	26,231,650	—	0	26,231,650
Ireland	31,546,692	—	—	31,546,692
Italy	4,972,227	—	—	4,972,227
Japan	69,962,023	—	—	69,962,023
Mexico	23,950,237	—	—	23,950,237
Netherlands	11,300,850	—	—	11,300,850
Norway	1,602,472	—	—	1,602,472
Singapore	6,582,444	—	—	6,582,444
Spain	34,519,194	—	—	34,519,194
Thailand	—	1,890,469	—	1,890,469
United Arab Emirates	6,281,428	—	—	6,281,428
United Kingdom	41,000,381	—	—	41,000,381
United States	266,394,903	—	—	266,394,903
Total	$641,688,511	$1,890,469	$ 0	$643,578,980

	Valuation Inputs			
Other Financial Instruments	**Level 1**	**Level 2**	**Level 3**	**Total Value**
Assets				
Forward Currency Contracts	$—	$183,873	$ —	$183,873
Liabilities				
Forward Currency Contracts	—	(1,202,438)	—	(1,202,438)
Total	$—	$(1,018,565)	$ —	$(1,018,565)

* For detailed industry descriptions, see accompanying Schedule of Portfolio Investments.

For the period ended July 31, 2017, there were no transfers between Level 1, Level 2 and Level 3. The Fund recognizes transfers as of the beginning of the period.

B. Federal and Other Income Taxes:

It is the Fund's policy to comply with the Federal income and excise tax requirements of the Internal Revenue Code of 1986 (the "Code"), as amended, applicable to regulated investment companies and to timely distribute all of its investment company taxable income and net realized capital gains to shareholders in accordance with the timing requirements imposed by the Code. Therefore, no Federal income tax provision is required. Capital gains realized on some foreign securities are subject to foreign taxes. Dividends and interest from non-U.S. sources received by the Fund are generally subject to non-U.S. withholding taxes at rates ranging up to 30%. Such capital gains and withholding taxes, which are accrued as applicable, may be reduced or eliminated under the terms of applicable U.S. income tax treaties, and the Fund intends to undertake procedural steps to claim the benefits of such treaties. Where available, the Fund will file refund claims for foreign taxes withheld.

As of July 31, 2017, net unrealized appreciation/(depreciation) of investments, excluding foreign currency, based on Federal tax costs was as follows:*

Cost of investments	**Gross unrealized appreciation**	**Gross unrealized depreciation**	**Net unrealized appreciation**
$ 536,743,330	$ 134,689,776	$ (27,854,126)	$ 106,835,650

* Because tax adjustments are calculated annually, the above table reflects the tax adjustments outstanding at the Fund’s previous fiscal year end. For the previous fiscal year’s Federal income tax information, please refer to the Notes to Financial Statements section in the Fund’s most recent semi-annual or annual report.

C. Distributions to Shareholders:

On July 5, 2011, the Fund, acting in accordance with an exemptive order received from the SEC and with approval of the Board, adopted a level distribution policy under which the Fund intends to make regular monthly cash distributions to common shareholders, stated in terms of a fixed amount per common share. With this policy, the Fund can include long-term capital gains in its distribution as frequently as twelve times a year. The Board views approval of this policy as a potential means of further supporting the market price of the Fund through the payment of a steady and predictable level of cash distributions to shareholders.

The level distribution rate may be modified or eliminated by the Board from time to time. If a monthly distribution exceeds the Fund’s monthly estimated investment company taxable income (which may include net short-term capital gain) and net tax exempt income, the excess could result in a tax-free return of capital distribution from the Fund’s assets. The determination of a tax-free return of capital is made on an annual basis as further described below. The Fund’s final distribution for each calendar year will include any remaining investment company taxable income and net tax exempt income undistributed during the year, as well as all net capital gains, if any, realized during the year. If the total distributions made in any fiscal year exceed annual investment company taxable income, net tax exempt income and net capital gain, such excess distributed amount would be treated as ordinary dividend income to the extent of the Fund’s current and accumulated earnings and profits. Distributions in excess of the accumulated investment company taxable income, net tax-exempt income and net capital gain would first be a tax- free return of capital to the extent of the adjusted tax basis in the shares. After such adjusted tax basis is reduced to zero, the distribution would constitute capital gain (assuming the shares are held as capital assets). Distributions to shareholders are recorded by the Fund on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

The current monthly distribution rate is $0.05 per share. The Board continues to evaluate its monthly distribution policy in the light of ongoing economic and market conditions and may change the amount of the monthly distributions in the future.

D. Foreign Currency Translation Transactions:

The Fund may invest in foreign securities. In the event that the Fund executes a foreign security transaction, the Fund will generally enter into a forward foreign currency contract to settle the foreign security transaction. The Fund does not isolate the portion of each portfolio invested in foreign securities of its net realized and unrealized gains and losses on investments resulting from changes in foreign exchange rates from the impact arising from changes in market process. Such fluctuations are included with net realized and unrealized gain or loss from investments. Net realized foreign currency transaction gains and losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, and the differences between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund’s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency translations gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, resulting from changes in the exchange rates. The books and records of the Fund are maintained in U.S. dollars. Non-U.S. dollar-denominated amounts are translated into U.S. dollars as follows, with the resultant translations gains and losses recorded in the Statement of Operations:

i) fair value of investment securities and other assets and liabilities at the exchange rate on the valuation date.

ii) purchases and sales of investment securities, income and expenses at the exchange rate prevailing on the respective date of such transactions.

E. Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of domestic issuers. Such risks include future political and economic developments and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is a possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments, which could adversely affect investments in those countries. Generally, when the U.S. dollar rises in value against a foreign currency, the Fund’s investments denominated in that currency will lose value because that currency is worth fewer U.S. dollars; the opposite effect occurs if the U.S. dollar falls in relative value.

Certain countries may also impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers or industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available to the Fund or result in a lack of liquidity and high price volatility with respect to securities of issuers from developing countries.

F. Equity-Linked Structured Notes:

The Fund may invest in equity-linked structured notes. Equity-linked structured notes are securities which are specially designed to combine the characteristics of one or more underlying securities and their equity derivatives in a single note form. The return and/or yield or income component may be based on the performance of the underlying equity securities, and equity index, and/or option positions. Equity-linked structured notes are typically offered in limited transactions by financial institutions in either registered or non-registered form. An investment in equity-linked structured notes creates exposure to the credit risk of the issuing financial institution, as well as to the market risk of the underlying securities. There is no guaranteed return of principal with these securities and the appreciation potential of these securities may be limited by a maximum payment or call right. In certain cases, equity-linked structured notes may be more volatile and less liquid than complex securities or other types of fixed-income securities. Such securities may exhibit price behavior that does not correlate with other fixed-income securities.

G. Options:

The Fund may engage in option transactions and in doing so achieve similar objectives to what they would achieve through the sale or purchase of individual securities. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller of the option the obligation to sell, the underlying security, index or other instrument at the exercise price. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the seller the obligation to buy, the underlying security, index, or other instrument at the exercise price.

To seek to offset some of the risk of a potential decline in value of certain long positions, the Fund may also purchase put options on individual securities. The Fund may also seek to generate income from option premiums by writing (selling) options on a portion of the equity securities in the Fund’s portfolio.

When a Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When a Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. If an option expires unexercised, the Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase. The difference between the premium and the amount received or paid on a closing purchase or sale transaction is also treated as a realized gain or loss. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid. Gain or loss on written options and purchased options is presented separately as net realized gain or loss on written options and net realized gain or loss on purchased options, respectively. There were no options contracts held as of July 31, 2017.

H. Forward Currency Contracts:

The Fund is subject to foreign currency exchange rate risk in the normal course of pursuing its investment objective. The Fund may use forward currency contracts to gain exposure to or economically hedge against changes in the value of foreign currencies. A forward currency contract ("forward") is an agreement between two parties to buy and sell a currency at a set price on a future date. The market value of the forward contract fluctuates with changes in forward currency exchange rates. The forward contract is marked-to-market daily and the change in market value is recorded by the Fund as unrealized appreciation or depreciation. When the forward contract is closed, a Fund records a realized gain or loss equal to the fluctuation in value during the period the forward contract was open. A Fund could be exposed to risk if a counterparty is unable to meet the terms of a forward or if the value of the currency changes unfavorably. The Fund's forward contracts are not subject to a master netting agreement or similar agreement.

The following forward currency contracts were held as of July 31, 2017:

Description	Counterparty	Settlement Date	Currency		**Settlement Value**	**Current Value**	**Unrealized Appreciation/ (Depreciation)**
Contracts Sold:							
Euro	State Street Bank and Trust Company	12/07/17	15,000,000	EUR	$17,085,120	$17,879,516	$ (794,396)
British Pound	State Street Bank and Trust Company	12/07/17	15,000,000	GBP	19,465,500	19,873,542	(408,042)
Japanese Yen	State Street Bank and Trust Company	12/07/17	2,000,000,000	JPY	18,435,813	18,251,940	183,873
						$56,004,998	$ (1,018,565)

Item 2 - Controls and Procedures.

(a) The Registrant's principal executive officer and principal financial officer have evaluated the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) as of a date within 90 days of this filing and have concluded that the Registrant's disclosure controls and procedures were effective, as of that date.

(b) There was no change in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the Registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3 – Exhibits.

Separate certifications for the Registrant's principal executive officer and principal financial officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached as Ex99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALPINE GLOBAL PREMIER PROPERTIES FUND

By: /s/ Samuel A. Lieber
Samuel A. Lieber
President (Principal Executive Officer)

Date: September 25, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Samuel A. Lieber
Samuel A. Lieber
President (Principal Executive Officer)

Date: September 25, 2017

By: /s/ Ronald G. Palmer, Jr.
Ronald G. Palmer, Jr.
Chief Financial Officer (Principal Financial Officer)

Date: September 25, 2017