

Sierra Total Return Fund Announces Q4 2017 Distribution



NEW YORK, NY (November 20, 2017) – Sierra Total Return Fund (“Sierra” or the “Fund”) today announced that its Board of Trustees declared a fourth quarter distribution of \$0.3277 per share on November 15, 2017. Stockholders of record as of November 21, 2017 will be entitled to receive the distribution which will be paid on December 15, 2017.

About Sierra Total Return Fund

Sierra is a Delaware statutory trust registered under the Investment Act of 1940 as a continuously offered, non-diversified, closed-end investment management company that operates as an interval fund. Sierra’s investment objective is to seek total return through a combination of current income and long-term capital appreciation by investing in a portfolio of debt securities and equities. Sierra is externally managed by STRF Advisors LLC, which is an investment adviser registered under the Investment Advisers Act of 1940, as amended. For additional information, please visit Sierra Total Return Fund’s website at www.sierratotalreturnfund.com.

About STRF Advisors LLC

STRF Advisors LLC is an affiliate of Medley Management Inc. (NYSE: MDLY, “Medley”). Medley is an alternative asset management firm offering yield solutions to retail and institutional investors. Medley’s national direct origination franchise, with over 85 people, is a premier provider of capital to the middle market in the U.S. As of September 30, 2017, Medley has over \$5 billion of assets under management in two business development companies, Medley Capital Corporation (NYSE:MCC) and Sierra Income Corporation, a credit interval fund, Sierra Total Return Fund (NASDAQ:SRNTX) and several private investment vehicles. Over the past 15 years, Medley has provided capital to over 400 companies across 35 industries in North America¹. For additional information, please visit Medley Management Inc. at www.mdly.com.

Medley LLC, the operating company of Medley Management Inc., has outstanding bonds which trade on the NYSE under the symbol (NYSE: MDLX) and (NYSE:MDLQ). Medley Capital Corporation (NYSE: MCC) has outstanding bonds which trade on the NYSE under the symbols (NYSE: MCV) and (NYSE: MCX).

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the federal securities laws and regulations. These forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “should,” “will” and other similar terms and phrases, including references to assumptions and forecasts of future results. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. Although Sierra believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. Sierra undertakes no obligation to update any forward-looking statement contained herein to conform the statement to actual results or changes in Sierra’s expectations.

This is not an offer or a solicitation of an offer to buy any securities of Sierra Total Return Fund. Such an offer can be made only by means of a prospectus. A copy of the prospectus can be obtained by visiting www.sierratotalreturnfund.com. This is a speculative security and as such, involves a high degree of risk.

Investor Relations Contact:

Sam Anderson, 212-759-0777

Head of Capital Markets & Risk

Medley Management Inc.

Media Contact:

Erin Clark, 646-214-8355

Teneo Holdings LLC

¹ Medley Management Inc. is the parent company of Medley LLC and several registered investment advisors (collectively, “Medley”). Assets under management refers to assets of our funds, which represents the sum of the net asset value of such funds, the drawn and undrawn debt (at the fund level, including amounts subject to restrictions) and uncalled committed capital (including commitments to funds that have yet to commence their investment periods). Assets under management are as of September 30, 2017.

Important Risk Information

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by contacting your financial advisor or visiting www.sierratotalreturnfund.com. The prospectus should be read carefully before investing.

Investing in the Fund involves risks, including, but not limited to, the risk that you may receive little or no return on your investment or that you may lose part or all of your investment. The ability of the Fund to achieve its investment objective depends, in part, on the ability of its investment adviser to effectively allocate the assets of the Fund among the various securities and investments in which the Fund invests. There can be no assurance that the actual allocations will be effective in achieving the Fund's investment objective or delivering positive returns. Investment return and principal value of an investment will fluctuate, and an investor's shares, when redeemed, may be worth more or less than their original cost. Alternative investment funds, ETFs, interval funds, and closed-end funds, in which the Fund may invest, are subject to management and other expenses, which will be indirectly paid by the Fund. Preferred securities are subject to credit risk and interest rate risk. Convertible securities are typically issued as bonds, debentures, notes, or preferred shares with the option to convert into or exchanged for a specified amount of common stock. As a result, convertible securities are hybrids that have characteristics of both bonds and common stocks and are subject to risks associated with both debt securities and equity securities. Issuers of debt securities may not make scheduled interest and principal payments, resulting in losses to the Fund. Typically, a rise in interest rates causes a decline in the value of fixed-income securities. The use of leverage, such as borrowing money to purchase securities, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses.

The distribution rate illustrated is based off the fourth quarter 2017 distribution of \$0.3277 per share and the Fund's NAV of \$24.97 per share as of 9/30/17. Distributions are not guaranteed and are subject to change without notice. Distribution is an annual distribution paid quarterly. Distributions are not guaranteed and are made at the discretion of the Board of Trustees and will depend on the Fund's earnings, financial condition, maintenance of our regulated investment company ("RIC") tax treatment and other factors the Fund's Board of Trustees may deem relevant. While distributions for the aforementioned period were funded entirely through ordinary income, it should be noted that a portion of distributions may consist of a return of capital and other non-income items such as loan proceeds or borrowings in the future. Therefore, shareholders should not assume that the source of a distributions will always be from the Fund's net profit. In addition, Class T, Class I and Class L shares are subject to an ongoing distribution fee (0.75%, 0.50% and 0.25%, respectively); and Class T and Class L shares are subject to upfront sales load (2.00% and 4.25% respectively), all of which can impact the amount of distributions paid to investors.

Future distributions are not guaranteed and are made at the discretion of the Board of Trustees and will depend on the Fund's earnings, financial condition, maintenance of our regulated investment company ("RIC") tax treatment and other factors the Fund's Board of Trustees may deem relevant. A portion of distributions may consist of a return of capital and shareholders should not assume that the source of a distribution is from the Fund's net profit.

There currently is no secondary market for the Fund's shares and the Fund expects that no secondary market will develop. Limited liquidity is expected to be provided to shareholders only through the Fund's quarterly repurchase offers, regardless of how the Fund performs. The Fund is an interval fund and, as such, has adopted a fundamental policy to make one repurchase offer of each class of outstanding shares at the net asset value or NAV of that class of shares per year. In addition to this mandatory repurchase offer, the Fund intends to make three additional repurchase offers in each year. Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations. The Fund's investments may be negatively affected by the broad investment environment and capital markets in which the Fund invests, including the real estate market, the debt market and/or the equity securities market. The value of the Fund's investments will increase or decrease based on changes in the prices of the investments that it holds. This will cause the value of the Fund's shares to increase or decrease. The Fund is "non-diversified" under the Investment Company Act of 1940, as amended, since changes in the financial condition or market value of a single issuer may cause a greater fluctuation in the Fund's net asset value than in a "diversified" fund. The Fund is not intended to be a complete investment program.

SC Distributors is the exclusive wholesale marketing agent for Sierra Total Return Fund. ALPS Distributors, Inc. is the distributor of Sierra Total Return Fund. ALPS Distributors, Inc. is not affiliated with Sierra Total Return Fund, Medley or SC Distributors. ALPS Distributors, Inc., 1290 Broadway, Suite 1100, Denver, CO 80203, member FINRA.