

A N C O R A

February 28, 2017

Via Electronic Delivery and Mail

Board of Trustees
Madison Strategic Sector Premium Fund
550 Science Drive
Madison, Wisconsin 53711

To the Board of Trustees of Madison Strategic Sector Premium Fund:

We are writing in response to the Board of Trustees decision announced on November 15, 2016 to effectively ignore the votes of its own shareholders, who had recently approved the Rule 14a-8 proposal submitted by Ancora Advisors LLC on September 8, 2016. The proposal can be found on the following link: [MSP Proxy containing Ancora's 14a-8 proposal](#)

Failures Regarding Shareholder Proposal to Open-End or Liquidate

Ancora believes that the Board not only erred in its decision to not act upon the matters recommended in the approved shareholder proposal, but also failed to effectively announce this decision to shareholders, as there was only a limited release on the Fund's website and extremely limited external distribution (in fact the release cannot be located on most major news aggregators including Bloomberg LP).

These errors were only compounded by the Board's decision to not take immediate action based on the passage of the shareholder proposal. We strongly believe the only reason the Fund's discount remains narrow is because shareholders have incorrectly assumed that the Board would do the right thing and either open-end or liquidate the Fund. We have spoken to several shareholders and other interested parties that were completely unaware of the November 15 announcement due to the ineffective means by which the Board chose to broadcast its decision to ignore the affirmative votes of the Fund's shareholders.

We call upon the Board of Trustees to do the right thing and follow through on the approved shareholder proposal to either open-end or liquidate Madison Strategic Sector Premium Fund.

Comment on Shareholder Proposal to Terminate Investment Adviser

We noted that another shareholder recently submitted (and publicly filed) a new Rule 14a-8 shareholder proposal that if approved by investors would be binding and result in the termination of the Fund's investment adviser. We believe considering the comedy of errors exhibited by MSP's adviser and its Board of Trustees that shareholders would be best served if the Fund's investment adviser was terminated, as we have lost confidence in the adviser's ability to effectively manage a publicly traded fund.

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To recap the incompetence displayed by MSP's investment adviser over the past 12 months:

1. MSP's original proxy statement filed on July 25, 2016 had to be filed again after we discovered an error relating to Ancora's shareholder proposal. The error was in regards to language in the proxy which incorrectly stated that approval of the shareholder proposal required "the affirmative vote of a majority of the outstanding voting securities". Since our shareholder proposal was a non-binding proposal, the required approval was in fact a majority of the shares voted (not outstanding).
2. On September 13, 2016, MSP incorrectly reported that Ancora's shareholder proposal was defeated; the report can be found at the following link: [MSP Sep 13, 2016 Announcement](#)
3. On September 21, 2016, Ancora sent a letter to the Board demanding a tabulation of the vote. Had it not been for this demand, it's unlikely MSP's adviser would have reported that in fact Ancora's proposal had received majority support, which the Fund disclosed on September 23, 2016 ; the report can be found at the following link: [MSP Announces Shareholder Proposal was Approved by Shareholders](#)

Sincerely,

MERLIN PARTNERS LP



Fred DiSanto
Chief Executive Officer and Executive Chairman of
Ancora Advisors LLC, General Partner of Merlin Partners LP

cc. Madison Strategic Sector Premium Fund Board of Trustees