

Benefits of Investing in CEF's



Presented by:



***Closed End Fund Conference Series
October 28, 2009***

www.altmangroup.com

Panel speakers:

Aberdeen Asset Management Inc.
Herzfeld Advisors
Gabelli
Closed-End Fund Advisors

Moderator: Ken Fincher of First Trust Advisors



Ability to Provide Regular Distributions

Common Pooled Vehicles for Individual Investors

- Exchange Traded Funds
- Open-End Funds
- Closed-End Funds



Why CEF Structure Supports Yield

Fixed Pool of Investments

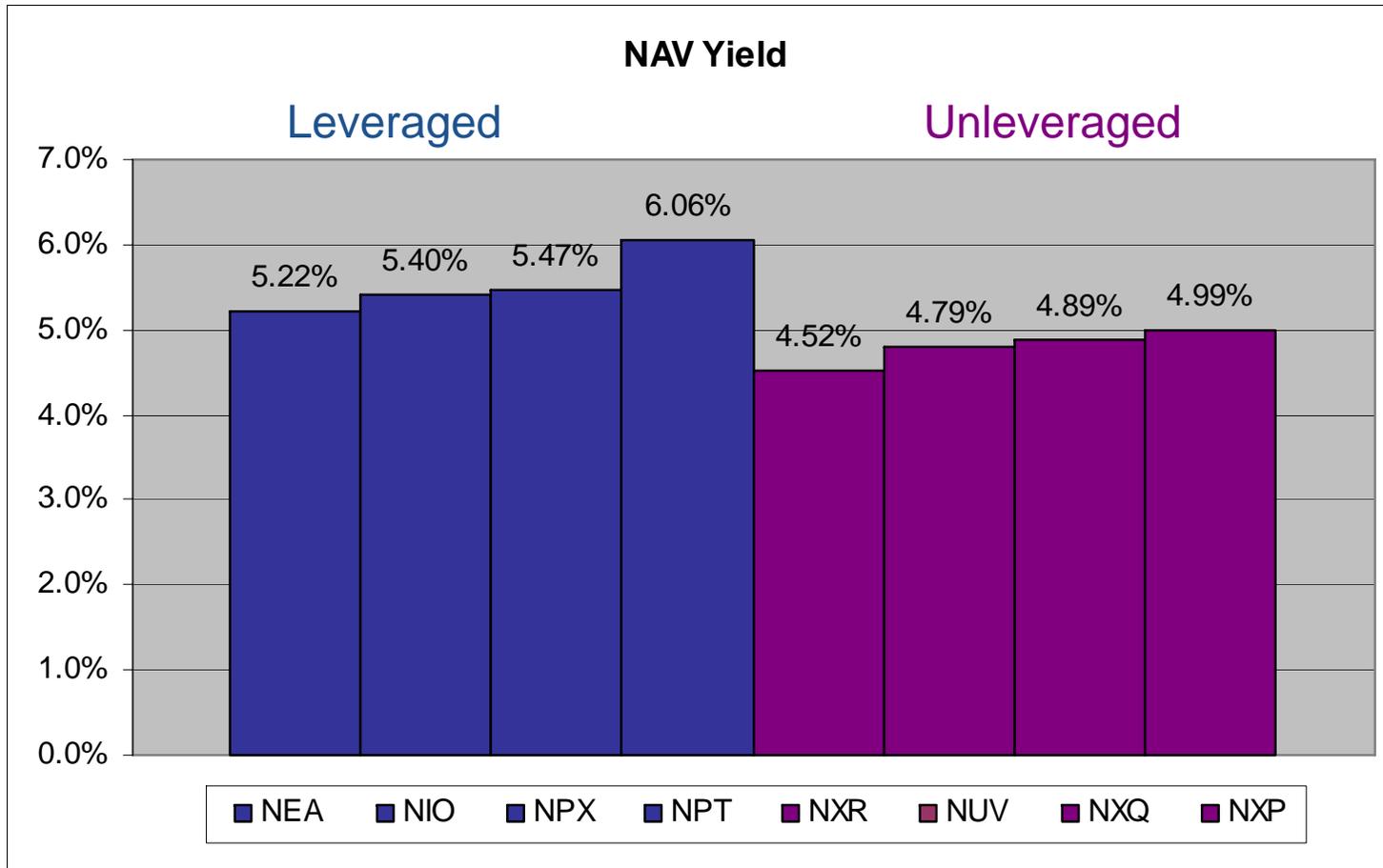
Leverage

Discount Yield Benefit

Past performance is not indicative of future results. This presentation is not intended as an offer to sell any of the funds shown. Rather, funds shown are for illustrative purposes only.



Impact of Leverage



Credit Quality ranges from AA- to AA+.

Source: Stifel Nicolaus, September 30, 2009

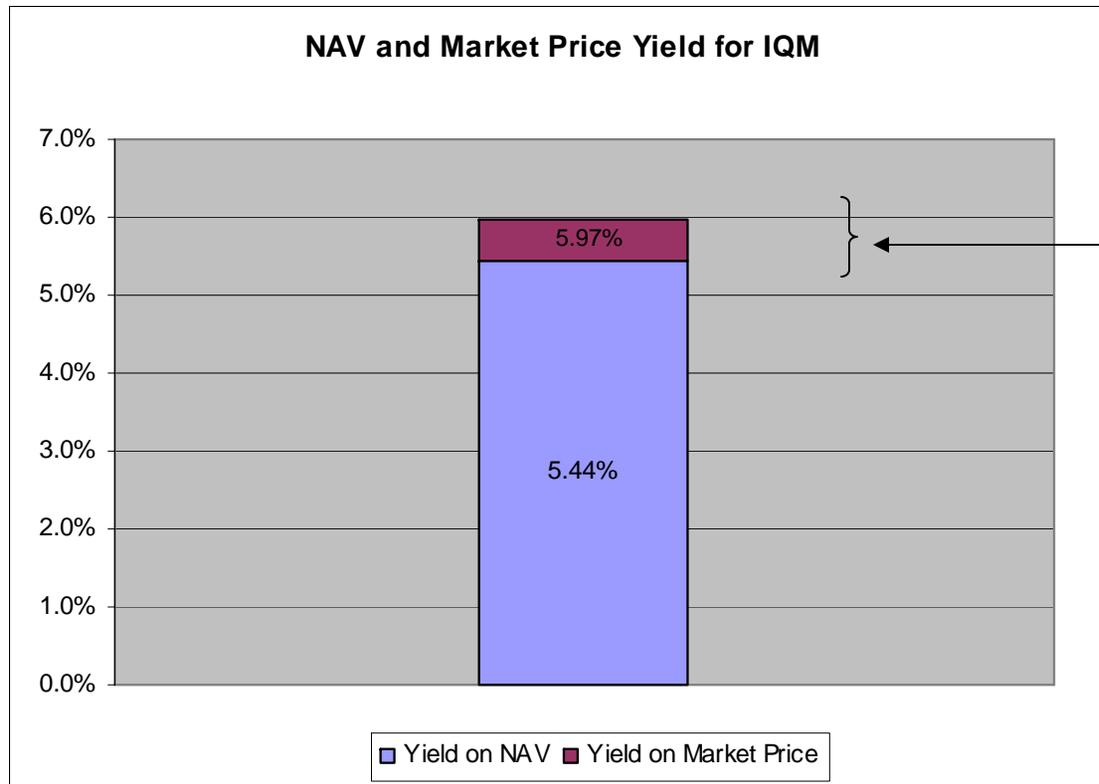
Past performance is not indicative of future results. This presentation is not intended as an offer to sell any of the funds shown. Rather, funds shown are for illustrative purposes only.



Discount Yield Benefit

Advantage of Paying “90 cents for \$1.00 of Assets”

Example: Morgan Stanley Quality Municipal Securities (“IQM”)



Discount Yield Benefit = 53 bps

As of September 30, 2009:

Market Price: \$13.33

NAV: \$14.69

Discount: 9.3%

Source: Stifel Nicolaus, September 30, 2009

Past performance is not indicative of future results. This presentation is not intended as an offer to sell any of the funds shown. Rather, funds shown are for illustrative purposes only.



Recent Market Yields

Average Yield for CEFs as of September 30, 2009

▪ National Municipal	5.03%
▪ Convertibles	6.60%
▪ High Yield Municipal	6.69%
▪ World Bond	7.27%
▪ US Long-Term Bond	8.02%
▪ Multi-Sector Bond	8.85%
▪ US High Yield Bond	12.48%

Source: Morningstar, September 30, 2009

Past performance is not indicative of future results. This presentation is not intended as an offer to sell any of the funds shown. Rather, funds shown are for illustrative purposes only.

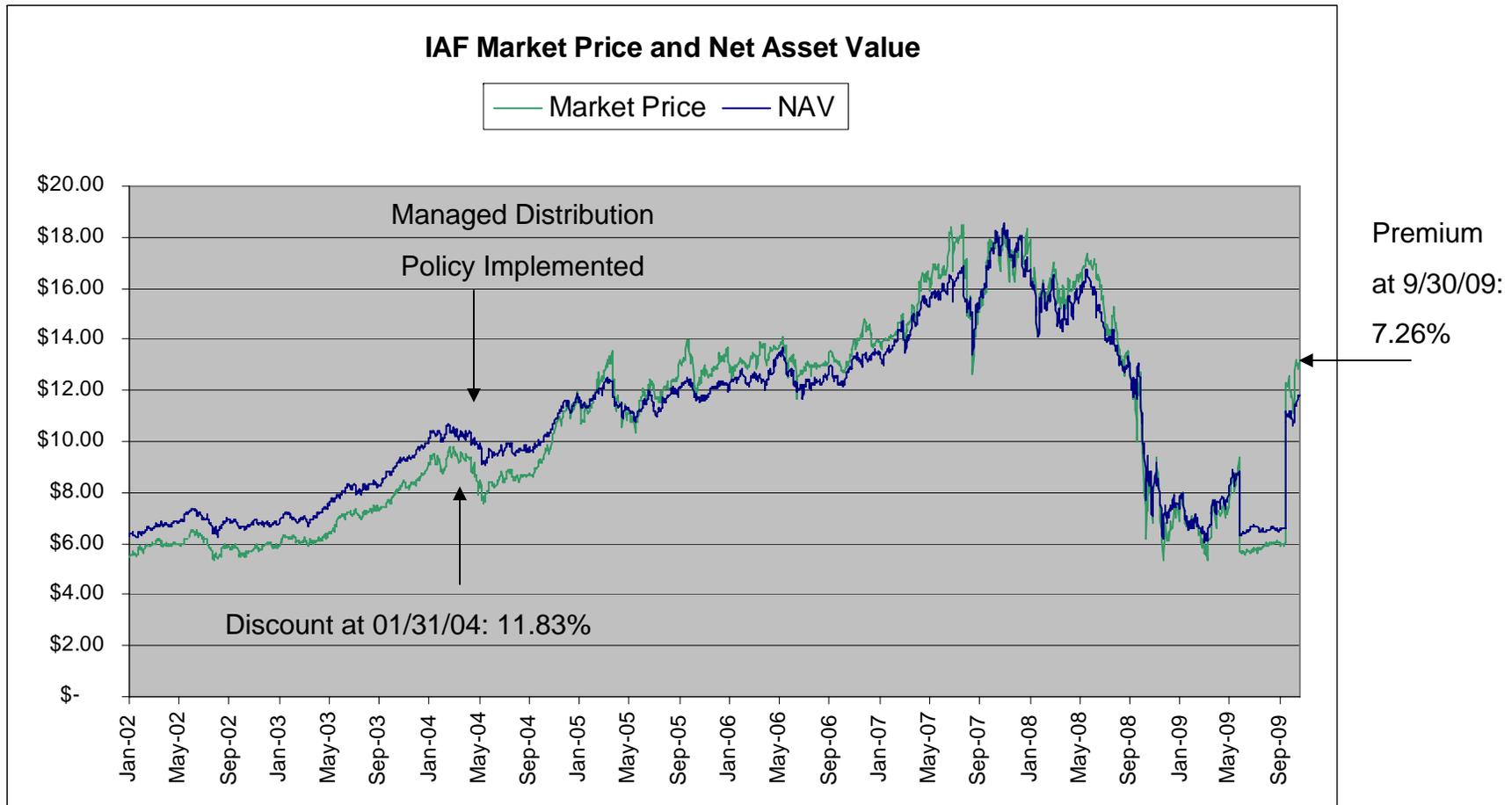


Four C's to Consider

- Characteristics of underlying portfolio
- Calendar
- Consistency
 - Managed Distributions
 - Level Distributions
- Composition
 - Income
 - Capital Gains
 - Return of Capital



Managed Distribution Policy



Source: Bloomberg, September 30, 2009

Past performance is not indicative of future results. This presentation is not intended as an offer to sell any of the funds shown. Rather, funds shown are for illustrative purposes only.



Where do I Look?

- Financial Statements
- Section 19 Notices
- Broker Research
- Websites
 - www.CEFA.com
 - www.CEFConnect.com
 - Company Website



Disclaimer

Important: The information in this presentation is not for general circulation and should not be considered an offer, or solicitation, to deal in any of the mentioned funds. The information is provided on a general basis for information purposes only, and is not to be relied on as advice, as it does not take into account the investment objectives, financial situation or particular needs of any specific investor.

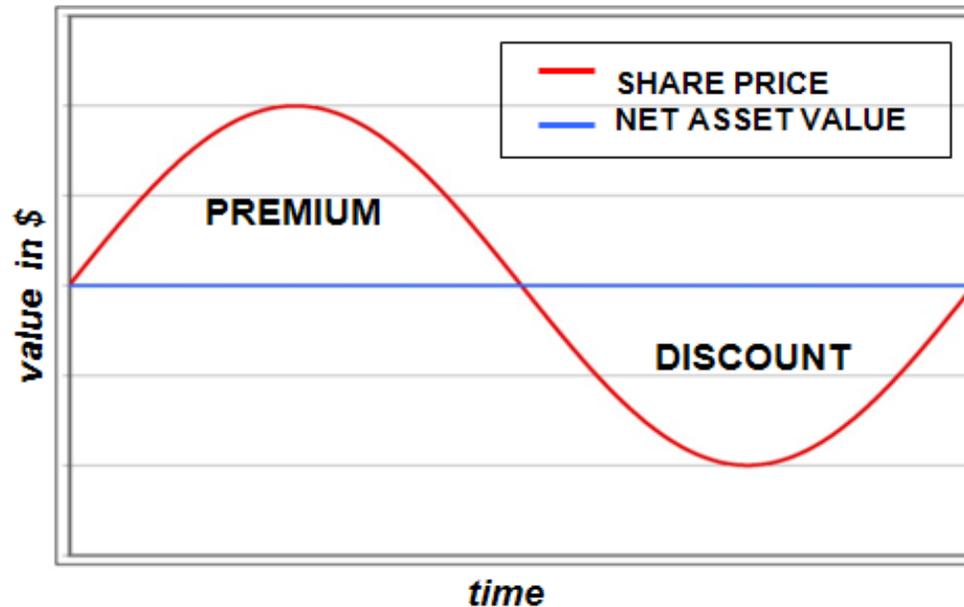
Any research or analysis used to derive, or in relation to, the information herein has been procured by Aberdeen Asset Management Inc. ('Aberdeen') for its own use, and may have been acted on for its own purpose. The information herein, including any opinions or forecasts have been obtained from or is based on sources believed by Aberdeen to be reliable, but Aberdeen does not warrant the accuracy, adequacy or completeness of the same, and expressly disclaims liability for any errors or omissions. As such, any person acting upon or in reliance of these materials does so entirely at his or her own risk. Any projections or other forward-looking statements regarding future events or performance of countries, markets or companies are not necessarily indicative of, and may differ from, actual events or results. No warranty whatsoever is given and no liability whatsoever is accepted by Aberdeen or its affiliates, for any loss, arising directly or indirectly, as a result of any action or omission made in reliance of any information, opinion or projection made in this presentation.

The information herein shall not be disclosed, used or disseminated, in whole or part, and shall not be reproduced, copied or made available to others. Aberdeen reserves the right to make changes and corrections to the information, including any opinions or forecasts expressed herein at any time, without notice.



Discounts and Premiums

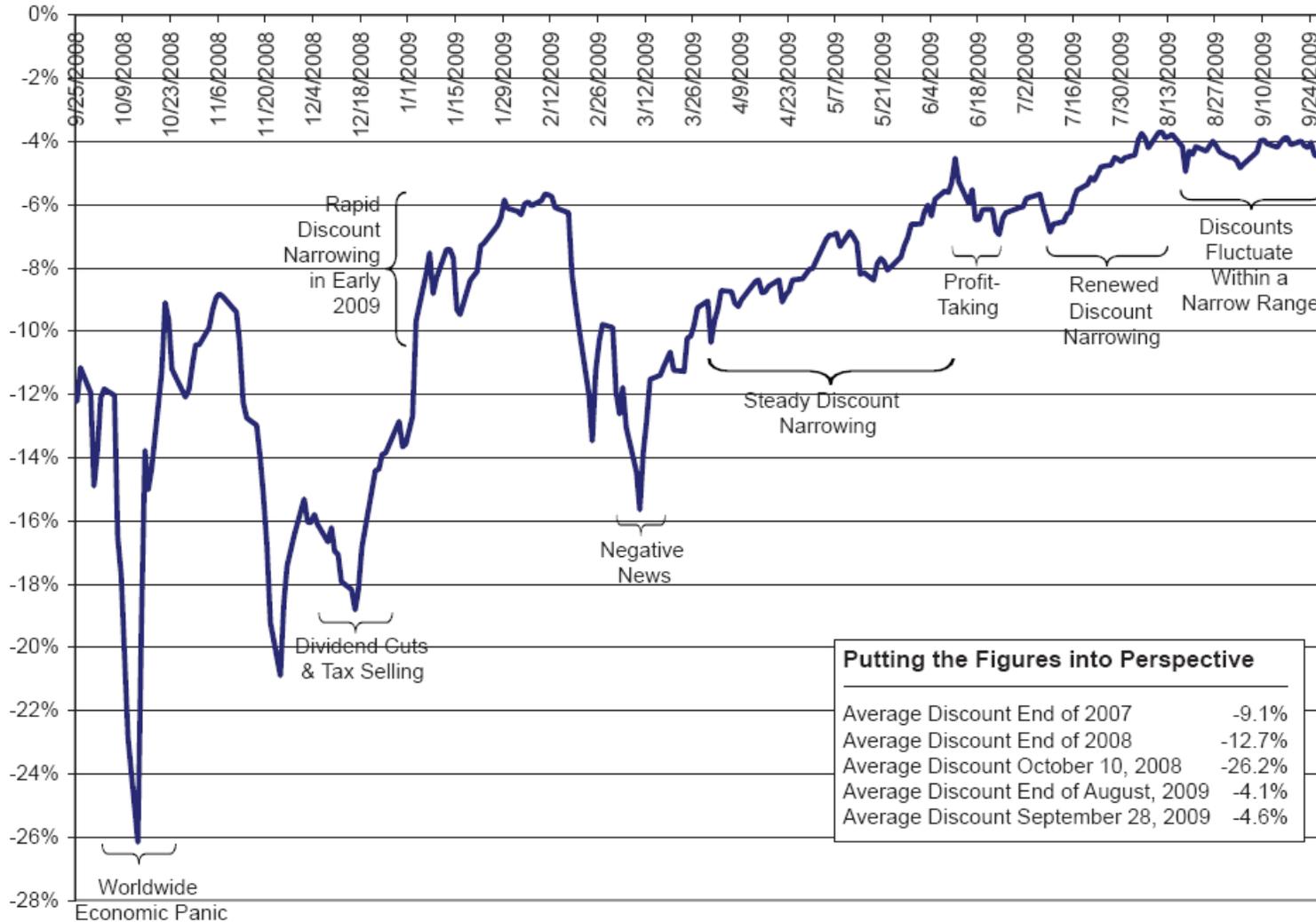
A closed-end fund can trade above its net asset value (NAV) per share, referred to as a **PREMIUM to NAV**; or below its NAV per share, referred to as a **DISCOUNT to NAV**.



The discount, equal to the difference between the share price and NAV, represents potential value.



Average Closed-End Fund Discount





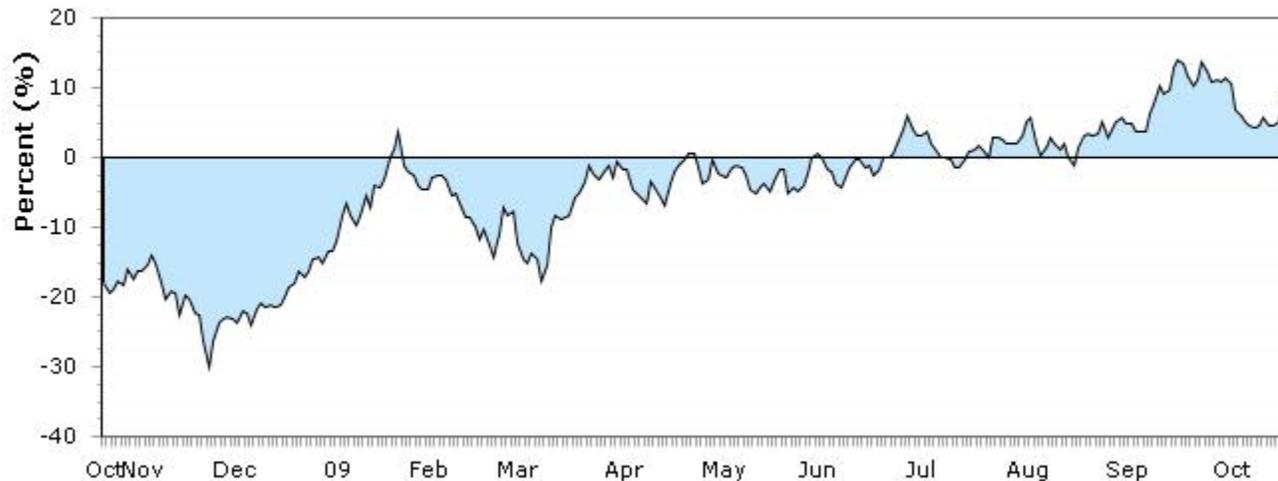
Relative Discount

Relative Discount: The current discount/premium of a closed-end fund vs. the fund's 52 week average discount/premium. This data point is intended to help identify relative value for the fund vs. the absolute value of the current discount/premium.



Example: IGA 52 Week Premium/Discount Chart

10/16/09



Current:

NAV: \$13.27

Mkt Price: \$14.35

IGA Disc/Prem: +8.14%

IGA 52 Wk Ave D/P: -4.81%

IGA Rel. Disc/Prm +12.95%

Source: CEFA's CEF Universe – 10/16/09

Chart Source: CEFconnect.com



Covered Call Funds

There are 29 Covered Call Closed-End Funds



Average Discount/Premium:	+0.85%	
Top Quintile (20%)	+15.40%	
Bottom Quintile (20%)	-12.57%	
Average Relative Discount (52 Wk):	+9.06%	Ave Exp Ratio: 1.17%
Top Quintile (20%)	+15.77%	
Bottom Quintile (20%)	+2.66%	Ave Mkt Cap: \$471M
NAV 52 Wk Performance:	+18.4%	Ave Liquidity: \$1.573M /day
Top Quintile (20%)	+33.55%	
Bottom Quintile (20%)	+6.1%	Ave 52 Wk Relative Price: 90
Average Distribution Yield:	11.4%	Ave 52Wk MP Return: +44.7%
Top Quintile (20%)	16.2%	
Bottom Quintile (20%)	7.8%	

Source: CEFA's Closed-End Fund Universe – 10/16/09



Covered Call Funds: Example #1

- **BlackRock Global Opportunities: BOE**
- Premium +1.01%
- 52 Wk Ave D/P: -7.25%
- Relative Premium: +8.26%
- Indicated Yield: 11.43%
- Net Assets (Mkt Cap): \$1,337M
- Liquidity: \$3.37M /day
- Expense Ratio: 1.15%
- 12 mo/ NAV Return: +26.6%
- 12 mo/ Mkt Pr Return: +34.9%
- 52 Wk Relative Price: 100

- **Madison/Claymore Cov Call & Equity: MCN**
- Discount -9.10%
- 52 Wk Ave D/P: -17.33%
- Relative Premium: +8.23%
- Indicated Yield: 8.83%
- Net Assets (Mkt Cap): \$188M
- Liquidity: \$709K /day
- Expense Ratio: 1.62%
- 12 mo/ NAV Return: +31.0%
- 12 mo/ Mkt Pr Return: +54.0%
- 52 Wk Relative Price: 100



Both funds have the same relative pricing. What are their differences?



Covered Call Funds: Example #2



Enhanced S&P 500 Covered Call: BEO

- Premium +19.66%
- 52 Wk Ave D/P: +2.11%
- Relative Premium: +17.55%
- Indicated Yield: 20.8%
- Net Assets (Mkt Cap): \$77M
- Liquidity: \$482K /day
- Expense Ratio: 1.06%
- 12 mo/ NAV Return: +17.1%
- 12 mo/ Mkt Pr Return: +49.1%
- 52 Wk Relative Price: 100

First Trust Enhanced Equity Income: FFA

- Discount -12.95%
- 52 Wk Ave D/P: -17.83%
- Relative Premium: +4.88%
- Indicated Yield: 8.4%
- Net Assets (Mkt Cap): \$241M
- Liquidity: \$873K /day
- Expense Ratio: 1.32%
- 12 mo/ NAV Return: +17.0%
- 12 mo/ Mkt Pr Return: +32.0%
- 52 Wk Relative Price: 98

These funds have the same 12 /mo NAV return, which fund offers a better relative value vs. risk?



Two California Municipal Bond Funds

- | | |
|---|--|
| • PIMCO California Municipal Income Fund II | • Morgan Stanley Cal Quality Municipal |
| • NYSE: PCK | • NYSE: IQC |
| • Market Cap: \$284 Mil | • Market Cap: \$107 Mil |
| • Average \$ Volume: \$859,160 | • Average \$ Volume: \$152,615 |
| • Indicated Yield: 8.16% | • Indicated Yield: 5.95% |
| • Leverage: 50.10% | • Leverage: 34.00% |
| • Premium: +18.33% | • Discount: -8.81% |
| • Expense Ratio: 1.43% | • Expense Ratio: 0.81% |
| • UNII (months): -2.83 | • UNII (months): 1.71 |



Is the PIMCO fund's high premium justified compared to the Morgan Stanley fund which is at a discount?

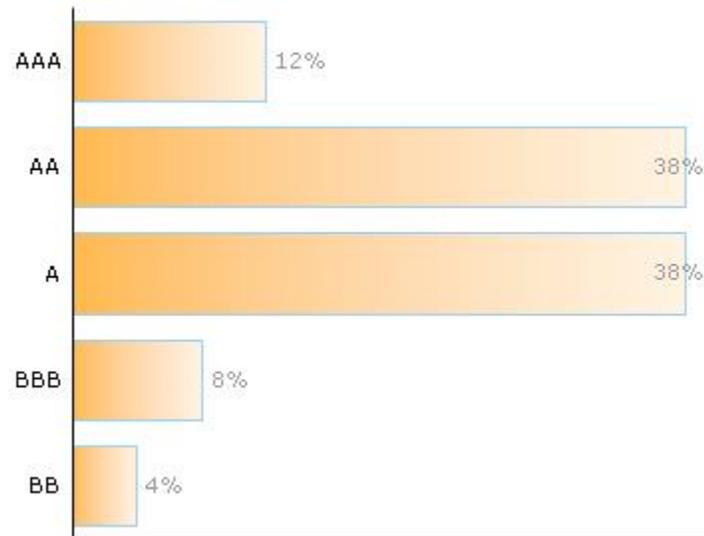


PCK Highlights



Credit Quality

As of 08/31/2009



Top Sectors

As of 08/31/2009

Sector	%Portfolio
State/Local Government	27.00%
Lease Revenue	15.00%
Hospital Revenue	13.00%
Special Tax	13.00%
Water & Sewer	7.00%
Tobacco	6.00%
Power Revenue	6.00%
Transportation	5.00%
Investment Grade Corporat	4.00%
Education Revenue	3.00%

Portfolio Characteristics

Average Credit Quality (As of 08/31/2009):	A+
Average Coupon (As of 10/19/2009):	5.98%
Average Duration (As of 07/31/2009):	29.94 yrs
Average Maturity (As of 07/31/2009):	22.35 yrs
Number of Holdings (As of 05/31/2008):	207
Annual Portfolio Turnover (As of 10/19/2009):	6.00%

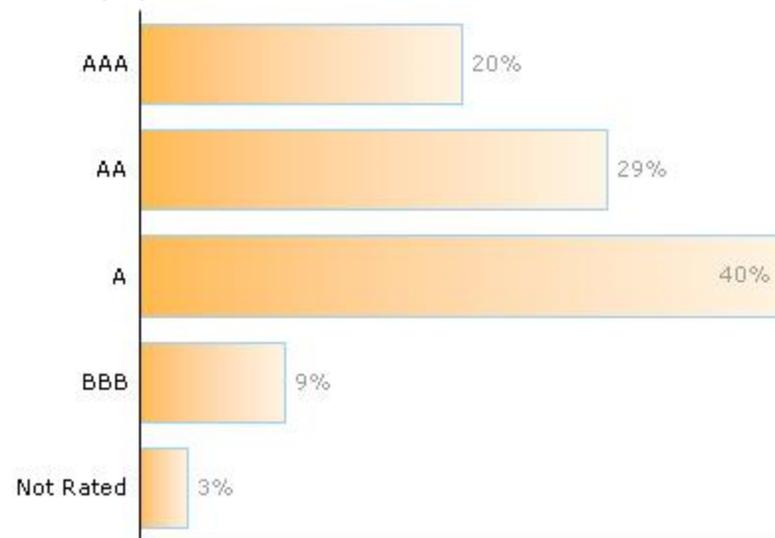


IQC Highlights



Credit Quality

As of 08/31/2009



Top Sectors

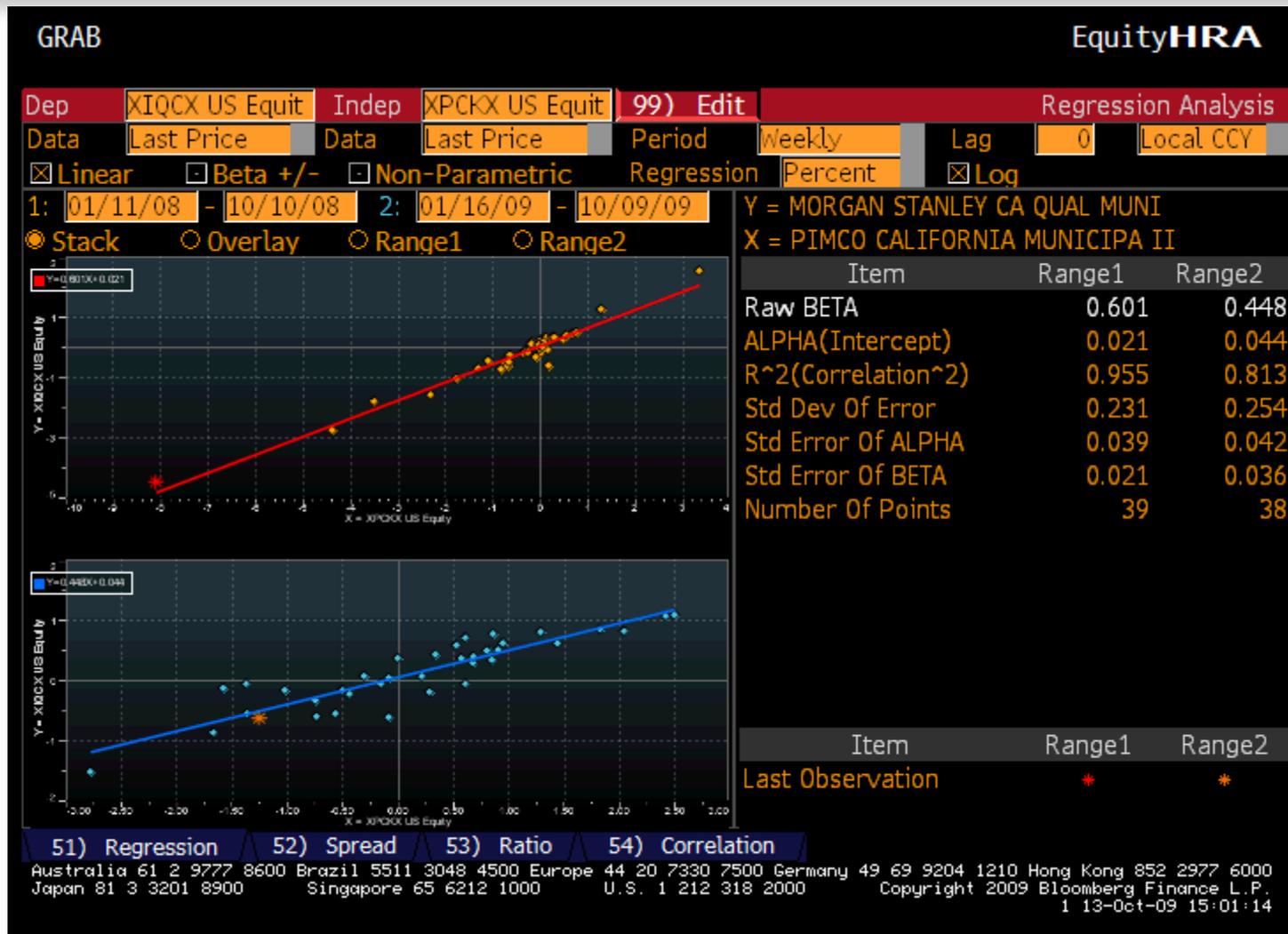
As of 08/31/2009

Sector	%Portfolio
Water / Sewer	13.00%
Hospital	13.00%
General Obligation	13.00%
Education	12.00%
Appropriation	10.00%
Public Power	8.00%
Dedicated Tax	7.00%
Tobacco	5.00%
Other Revenue	4.00%
Housing	3.00%

Portfolio Characteristics

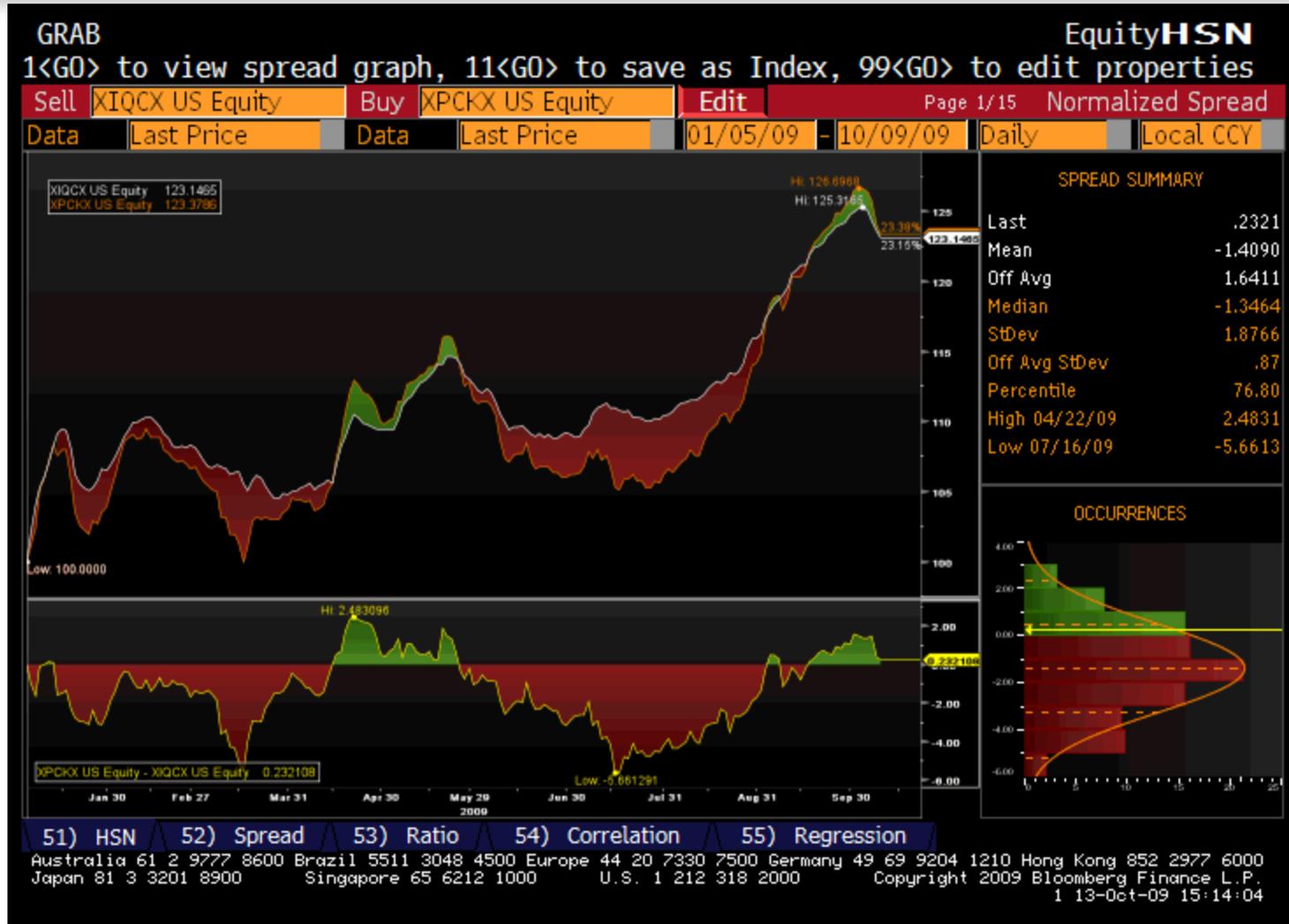
AMT (As of 08/31/2009):	5.00%
Average Credit Quality (As of 08/31/2009):	AA-
Average Coupon (As of 10/19/2009):	5.10%
Average Duration (As of 06/30/2009):	15.32 yrs
Average Maturity (As of 06/30/2009):	20.00 yrs
Annual Portfolio Turnover (As of 10/19/2009):	13.00%
Average Bond Price (As of 08/31/2009):	\$93.67

IQC & PCK NAV Tracking Error





IQC & PCK NAV Relative Spread





Cost Benefit Analysis of PCK & IQC



Pro's & Con's of PCK:

Pro's

- Bill Gross !
- Better liquidity
- Bigger yield
- Bill Gross !

Con's

- Big premium
- Greater leverage
- Negative UNII

Pro's & Con's of IQC:

Pro's

- >25% Cheaper than PCK
- Statistically identical
- Positive UNII
- Lower expense ratio
- Less leverage

Con's

- Worse Liquidity
- Lower yield

Conclusion: Buy IQC !



Key Secondary Factors

- Regulatory concerns
- Management reputation
- Open-end analysis
- Corporate governance
- Yield
- Special situations
- Expense ratio
- Income ratio
- Portfolio holdings
- Level of activism
- Volatility
- Liquidity
- High payout policies
- Declared shareholder stakes
- Correlation analysis
- Tax provisions
- Leverage characteristics
- “Lifeboat” provisions
- Dividend policy
- UNII





Disclaimer: None of the information contained herein should be constructed as an offer to buy or sell securities or as recommendations. Performance results shown should, under no circumstances, be construed as an indication of future performance. Data, while obtained from sources we believe to be reliable, cannot be guaranteed.



John Cole Scott, CFS

Portfolio Manager, Executive VP Closed-End Fund Advisors

John is a Portfolio Manager and Executive VP for Closed-End Fund Advisors where he has worked for almost 9 years. He sits on the firm's investment committee holds the Series 66 License and the Certified Fund Specialist designation (CFS). He is a graduate of The College of William and Mary.

John has been quoted in SmartMoney, Investment News, Bond Buyer, USA Today and The Richmond Times Dispatch and published in SR Consultant. He has presented at conferences in Atlanta , GA , Boca Raton, FL , Charlotte, NC, New York, NY , Richmond, VA and Washington DC including several keynote addresses. In 2008 John founded CEFA's Closed-End Fund Universe, a comprehensive weekly data service covering the closed-end fund industry.

He is a long time member of The Richmond Association for Business Economics (RABE), serves on the Investment Committee for The New York State Society of The Cincinnati and is Treasurer for The Virginia Museum of Fine Arts' Business Council.

John Cole Scott, CFS - Portfolio Manager, Executive VP - Closed-End Fund Advisors

7204 Glen Forest Drive, Suite #105
Richmond, Virginia 23226
Local: (804) 288-2482
Toll Free: (800) 356-3508
Fax: (866) 313-3002

www.cefadvisors.com

Asset Management, CEF Research & Data



Erik M. Herzfeld

Co-Portfolio Manager

Head of Trading

Erik has a decade of Wall Street experience in the equity and currency derivatives markets serving in both quantitative research and trading roles with buy and sell side institutions. He currently serves in a dual capacity as a co-portfolio manager for The Herzfeld Caribbean Basin Fund, a publicly traded closed-end fund, as well as head of trading for the firm.

After completing school, Erik served as a 'quant' on the Equity Derivatives Research desk at Lehman Brothers New York. Prior to his current role, Erik worked at JPMorgan Chase for seven years running a proprietary trading business in New York and serving as co-head of trading of the Asia emerging markets currency business based in Singapore and Tokyo.

He graduated with a BA in Economics and Mathematics from Johns Hopkins University ('95) and an SM (MBA) in Financial Engineering from MIT's Sloan School of Management ('97) and is proficient in Japanese.



David I. Schachter

Vice President of the Gabelli Utility Trust

Gabelli Utility Trust is one of nine closed-end funds advised by Gabelli Funds, LLC. Prior to joining Gabelli & Company, Inc. in 1998, Mr. Schachter worked for Thomas J. Herzfeld Advisors, a recognized authority specializing in closed-end funds. He wrote for the Herzfeld publication, *The Investor's Guide To Closed-End Funds*. In 1978, Mr. Schachter began working as a registered representative for Laidlaw, Adams and Peck before joining Drexel Burnham where he began to closely follow closed-end funds. He then worked for Smith-Barney where he specialized in closed-end funds. He has made several appearances on CNBC and CNN, and has been frequently quoted in newspapers and magazines on topics related to closed-end funds. Mr. Schachter has also produced several educational brochures on closed-end funds. He attended Queens College where he received a B.A. and earned a Master of Arts from New York University.



Ken Fincher

Senior Vice President of New Product Development at FTA

Mr. Fincher joined First Trust Advisors in November 2008 after spending the previous 3 years at Calamos Investments and 17 years at Nuveen Investments. His responsibilities at First Trust will include development of new product structures in the closed-end fund, ETF and UIT areas as well as management of newly launched separately managed accounts that invest primarily in the closed-end funds. At Calamos Mr. Fincher served as Product Manager and Client Advocate for the Calamos closed-end and open-end mutual funds. In this role, he works closely with strategic alliance partners, as well as Intermediary Distribution, Portfolio Attribution, CRM and Marketing teams, to ensure that Calamos funds are well supported and positioned. While at Nuveen he spearheaded the development of the Dividend Advantage structure that enabled Nuveen to raise significant new closed-end fund assets as well as development of the first publicly disseminated closed-end fund index, and the website ETFConnect.com. Mr. Fincher has been named Outstanding Individual Contributor to the Closed-End Fund Sector in 2007, 2006, 2005 and 2004 by financial analysts and his peers in the closed-end fund community.

Mr. Fincher received a B.A. in financial administration from Michigan State University and an M.B.A from Loyola University Graduate School of Business. He has been quoted in several business publications such as Investor's Business Daily, Barron's, Bloomberg News Service and Bond Buyer and has authored articles for Seeking Alpha. Fincher has also served on the Closed-End Fund committee of the Investment Company Institute (ICI)

Ken

kfincher@FTAdvisors.com

(630)765-8303



Contact Information

The Altman Group

60 East 42nd Street, Suite 916 - New
York, NY 10165

Main: 212.681.9600

Email: pbaronowski@altmangroup.com

www.altmangroup.com

Tim Sullivan
Aberdeen Asset Management, Inc.
1735 Market Street, 32nd Floor
Philadelphia, PA 19103
Phone: 800-522-5465

Email: Tim.Sullivan@aberdeen-asset.com
www.aberdeen-asset.us

John Cole Scott, CFS
Closed-End Fund Advisors
7204 Glen Forest Drive, Suite #105
Richmond, Virginia 23226
Phone: (804) 288-2482 / (800) 356-3508
Email: john@cefadvisors.com
www.cefadvisors.com

Erik M. Herzfeld
Thomas J. Herzfeld Advisors, Inc.
PO Box 161465
Miami, FL. 33116
Main: 305.271.1900
Fax: 305.270.1040
Email: emh@herzfeld.com
www.herzfeld.com

David Schachter
Vice President
Gabelli Funds
One Corporate Center
Rye, New York 10580-1422
Phone: (800) GABELLI (422-3554)
Email: dschachter@gabelli.com

Kenneth S. Fincher
Senior Vice President
Product Development
First Trust Advisors
120 E. Liberty
Wheaton, IL 60187
kfincher@FTAdvisors.com
(630)765-8303