Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Closed-End Fund Advisors, Inc. (IARD # 115562). If you have any questions about the contents of this brochure, please contact us at (804) 288-2482 and/or info@cefadvisors.com. The information in this brochure has not been approved or verified by The United States Securities and Exchange Commission or by any state securities authority.

Closed-End Fund Advisors, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Closed-End Fund Advisors, Inc. is available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

Annual Update:

The *Material Changes* section of this brochure will be updated annually and when there are material changes at the Firm since the previous release of this Brochure. We will provide you with a new Brochure as necessary based on these changes or new information, at any time, without charge.

Material Changes since Last Update:

There have been no material changes since the Firm last updated its Form ADV Part 2 in October of 2017.

How to Get an Updated Brochure:

Currently, our Brochure may be requested by contacting Joyce Fields, Executive Assistant & Office Manager at (804) 288-2482 or Joyce@CEFadvisors.com. Our most up-to-date Brochure is always available on our web site www.cefadvisors.com, at the bottom of the "Why Invest with Us" page.

Additional information about Closed-End Fund Advisors is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Closed-End Fund Advisors who are registered, or are required to be registered, as investment adviser representatives of Closed-End Fund Advisors.

Table of Contents

Item 4: Advisory Business

Overview:

Closed-End Fund Advisors, Inc. ("CEFA" or the "Firm") is a fee-based Registered Investment Advisory firm focused on investment management services and was founded on March 15, 1989. The Firm has been located in Richmond, Virginia since October 1997, has six employees and a combined 64 years of investment management experience for its portfolio managers.

The Firm's principal's background includes 29 years on the Board of Directors for a closed-end fund (1976-2003) and co-authoring *"Investing in Closed-End Funds; Finding Value and Building Wealth"* (NY Institute of Finance: 1991). In addition to the Firm's well-known newsletter and weekly CEF data service they founded and manage the largest CEF focused group on LinkedIn *"The CEF Network"* and a blog, *"Closed-End Fund Education & Ideas"*. CEFA publically publishes performance each quarter to its 6,500+ newsletter subscribers. The have 26 CEF/BDC indexes: 8 Portfolio Indexes, 8 Equity sector, and 10 bond sector. (www.cefdata.com/index)

CEFA's Team:

- President & Sr. Portfolio Manager: *George Cole Scott, III*
- Chief Investment Officer ("CIO") & Chief Compliance Officer ("CCO"): *John Cole Scott*
- General Counsel and Compliance Associate: *David W. Carter*
- Office Manager & Executive Assistant: *Joyce A. Fields*
- Executive Assistant: *Jennifer Rickman Campbell*
- Investment Advisory Representative: *Steven M. Kersey*

The Firm manages assets by primarily selecting an assortment of closed-end funds when combined seek to meet a client's investment goal. They research closed-end funds that best meet a client's objectives, often swapping funds in similar sectors as well as adjusting the asset allocation mixture for each model as market conditions change. When needed to fulfill an investment objective, mutual funds, exchange traded funds or common stocks can be utilized for client accounts.

What Is a Closed-End Fund?

First listed in the United States in 1893, a closed-end fund is a publicly traded investment company that invests in a variety of securities such as stocks and bonds. The fund typically raises capital through an initial public offering ("IPO"). Fund assets are then invested according to the fund's investment objectives. "Closed" refers to the fact that, once the capital is raised, there are typically no more shares available from the fund sponsor and the issuance of new shares is closed to investors.

After the IPO, most closed-end funds are listed on a national exchange, where the shares are purchased and sold in transactions with other investors, not with the sponsor company itself. When an investor wishes to purchase or sell shares of a closed-end fund, the investor finds buyers or sellers on an exchange such as the NYSE or the NASDAQ, just like a stock. Unlike a stock, the typical closed-end fund represents a strategy with an actively managed selection of holdings chosen by the portfolio manager. These investments in securities collectively add up to a value, known as its Net Asset Value ("NAV") that typically will be different from the fund's market price. The market price is determined by supply and demand, not the fund's net asset value. This creates either a discount or premium to net asset value in a fund's price. Fund shares can be purchased intraday with market, limit, stop-loss and good-till-cancelled orders. CEFs are considered by the Firm as the best way to capture market inefficiencies for a client's benefit.

With approximately 533 funds and $280 billion in assets, the closed-end fund sector (which included BDCs) is best known for international equity and income investing. Approximately one-third of closed-end funds are municipal (tax-free) bond funds with about half of these being state specific and half national funds. One-third of closed-end funds are in the taxable bond sector, and the remaining one-third are US equity, international equity and specialized equity funds. There are more than 50 BDCs available to investors. Closed-end funds cover just about every investment sector and even a few that are specialized and unique to CEFs.

Assets of Closed-End Funds by Type, End of Period
Millions of dollars

	4Q 2016	2Q 2016	4Q 2015	2Q 2015	4Q 2014
Total Trad CEF Equity	**107,145**	**108,577**	**105,205**	**121,445**	**125,870**
U.S. Equity	18,824	18,609	18,684	20,304	20,726
Non U.S. Equity	12,496	12,923	13,011	15,299	14,830
Hybrid / Balanced	4,854	4,655	4,717	5,334	5,785
Specialty Equity	70,972	72,390	68,794	80,507	84,529
Total Trad CEF Bond	**127,373**	**130,972**	**127,990**	**133,667**	**136,202**
Taxable Bond	63,381	60,599	61,231	68,549	69,062
National Municipal	45,959	50,466	47,834	46,649	48,140
Single State Municipal	18,034	19,908	18,925	18,470	19,000
Total Traditional CEF	**234,518**	**239,549**	**233,195**	**255,112**	**262,072**
Debt Focused BDC	**28,705**	**28,035**	**29,601**	**29,958**	**28,936**
Equity Focused BDC	**5,692**	**5,640**	**6,601**	**7,253**	**7,377**
Total BDC CEF	**34,398**	**33,675**	**36,202**	**37,212**	**36,312**
CEF GRAND TOTAL	**277,126**	**273,224**	**269,397**	**292,324**	**298,384**

All data used is from our CEF Universe Report unless otherwise noted

Account Structure & Model Overview:

CEFA uses separate account management for each client at qualified third party custodians. This means that each client has an account titled in their name at a custodian independent to the Firm in which CEFA is authorized to manage on the client's behalf. The Firm currently has 12 Diversified and 2 sector models. Models can be adjusted to bring out various traits if needed. Examples can include: Taxable vs Tax-Deferred accounts, lowing a models' Beta, or selecting funds that only pay monthly. They help us in managing a client's account in accordance to their specific investment goals and risk tolerances:

- Special Opportunity
- Diversified High Beta
- International Opportunities
- Diversified Growth

- Hybrid (High) Income
- Discount Opportunity
- Alternative Income
- Growth & Income
- Foundation / Balanced
- Taxable Bond & BDC
- Dividend Confidence Model
- Diversified Low Beta
- Low Correlation
- Diversified Tax Sensitive Income
- Conservative Diversified
- Select Municipal
- Select Business Development Company (BDCs)

The Firm's portfolio management approach can be described as a *blend* of fundamental research for selecting the asset allocation percentages for each model as well as technical analysis to assist in the timing and price for purchase and sale of the various funds held in an account.

Newsletter:

CEFA produces *The Scott Letter: Closed-End Fund Report,* in print 1988-1996 and online since 2001. The letter publishes some of CEFA's primary research and evaluates fund managers through personal, in-depth interviews. This newsletter assists the Firm in analyzing current and potential funds for client accounts. It also serves as a communication to educate clients about the funds and sectors we use for their accounts. This can help clients follow the closed-end fund industry and understand general market trends and the Firm's investment outlook and philosophy. The newsletter is distributed free of charge to those that sign up for email notification on the Firm's website and is available without subscription on a one issue lag archived on www.CEFadvisors.com/scottletter.html. Additionally, clients have the option to receive the newsletter via US postal service.

Research Articles & Webcasts:

Since 2012 the Firm has published articles on Seeking Alpha and WealthManagement.com in addition to our blog (www.cef-blog.com). We have found this a great opportunity to increase our coverage of closed-end fund ideas and trends in addition to engaging in a dialogue with closed-end fund investors and investment professionals. We also have continued our quarterly research and closed-end fund review and outlook webcasts in order to help fill the void in current closed-end fund coverage. More can be found on our webinar page: www.cefadvisors.com/webinars.html.

CEF Data Service:

In addition to *The Scott Letter*, the Firm offers a weekly data service, *CEFA's Closed-End Fund Universe,* archived since April 2008, which is used to improve the management of client assets, peer and peer-group comparisons and in tracking the closed-end fund industry from a historical perspective. The service currently covers 215 data points for US listed traditional closed-end funds and 189 data points for BDCs. *The CEF Universe* is a paid subscription service on our website for individuals and investment professionals.

The service does not give specific recommendations or ratings of funds. Data service fees are usually paid via credit card, but subscription payments can be made via check with the Firm's prior approval. The firm's principals have the authority to offer free or discounted rates on the CEF Universe report when warranted. Payments are made in advance for access to the weekly data.

CEF Data Premium Service

CEFData.com is the premium web-based extension of CEF Advisors' CEF Universe project. We currently collect and produce data points for US listed traditional closed-end funds and for Business Development Companies (BDCs). Our current offering is weekly XLS and PDF files with our expansive data coverage for the universe of funds and a Daily CEF/BDC News and SEC Filings Alert service. You can learn more about this offering on our main website: www.cefadvisors.com/universe.html

Subscription pricing for the premium CEFData.com service depends on the type of subscriber (i.e. individual investor, small RIA, or hedge fund) and ranges from $1,000 - $4,000 per quarter. Please contact CEFA for a quote.

Firm Services:

CEFA specifically does not engage in financial planning services, as it is an investment management firm. The Firm manages both taxable as well as tax-deferred and tax-free accounts. As the Firm's expertise is in analyzing and the utilization of closed-end funds for client investment objectives, there are limitations in CEFA's ability to serve clients interested in a portfolio manager that has expertise in individual common stocks or traditional fixed income securities. The Firm does not offer insurance products including variable or fixed annuities. CEFA offers, with limited availability to no more than five research related services clients, on a retainer or hourly schedule. See Item 5 in this brochure for more information.

Account Individuation:

While CEFA maintains ten portfolios composites which most clients are assigned, each account and model is allowed to have specific additions or changes to the investment objective. This is most commonly avoiding a sector (like REITs) when the client is a commercial real estate / REIT attorney and does want the extra exposure to the sector in their portfolio. In addition, clients sometimes request a type of investment be included in this account, like individual stocks, not followed by the Firm, which would preclude them from inclusion in one of the Firm's composites. As long as the Firm's principals agree that the client's request is prudent and the Firm is comfortable handling the management of the asset, we will modify a client's account as needed to fulfill their investment goals.

Typical Account Types:

CEFA deals primarily in the following account types: Individual, Trust, Partnership, Roth IRA, SEP IRA, Simple IRA, Rollover IRA and Defined Benefit Plans. The account types that the Firm is least interested in managing include 401(k), 403(b) and other similar corporate retirement accounts.

Portfolio Composites:

CEFA maintains composites for all ten of its portfolio models. We calculate composite performance returns net of the Firm's fees and brokerage commissions on a time-weighted basis. Each client account is placed in a composite unless the account has management or allocation characteristics making it inconsistent with one of CEFA's portfolio models. Composites are used to produce figures for public reporting of performance in CEFA's marketing materials and with investment databases. Accounts are entered into a composite 90 days after being assigned to the specific portfolio model's investment objective.

Personally Identifiable Information:

All information collected by CEFA for both clients and subscribers to *The Scott Letter* will be treated in the strictest confidence. CEFA will not voluntarily disclose confidential information to third parties without the clients' prior consent, unless required by law or regulatory agency directive. In the event that the client information is no longer retained by CEFA, the Firm will take responsible measures to destroy client information. Please see the Firm's full Privacy Notice in Addendum #2.

Firm Ownership:

Since 1997 President and Sr. Portfolio Manager, George Cole Scott, III has owned 100% of the Firm's common stock. There are no intermediate subsidiaries.

Firm Assets, Accounts & Households:

As of December 31, 2016, CEFA managed approximately $88,301,657 in assets for 133 active accounts or around 87 households in 22 states. The Firm manages both discretionary ($30,255,825) and non-discretionary ($58,045,832) assets.

More Information on CEFA:

Prospective clients are encouraged to attend a live or on-demand session of the webinar: ***"Why Hire CEFA as Your Portfolio Manager"*** and ***"The ABCs of BDCs and CEFs"*** located on our website: www.cefadvisors.com/webinars.html.

Item 5: Fees and Compensation

CEFA charges an asset based fee for its portfolio management services. CEFA charges its fee in advance of any services rendered at the beginning of each calendar quarter. These fees are directly deducted from the client's account (see example below). The fee is calculated by using the account value on the last day of the previous quarter. If an account is opened during a quarter, the quarter's fee is prorated based on the number of days CEFA will be actively managing the account. There are no back-end fees or lock-up periods. If a client closes their account during a quarter then CEFA will return to the client any unearned fees on a pro-rata basis (see Account Termination section below). For example, if the client pays their fee in advance and closes their account exactly half-way into the quarter then CEFA will return 50% of the fee paid up-front.

Fees are directly deducted from client accounts, though clients are welcome to choose which accounts are debited for fees. For example, some clients prefer to pay IRA fees out of a taxable account. Management fees are calculated by multiplying one-fourth by the appropriate fee schedule bellow:

Direct Client / Individual Investor Fee Schedule

Regular Client Billing	
Assets Under Management	Fee Rate
First $500,000	1.50%
Next $500,000	1.25%
$1,000,000 - $5,000,000	1.00%
Over $5,000,000	0.85%

Small Account Billing	
Assets Under Management	Fee Rate
First $50,000	2.50%
Next $50,000	2.25%
$100,000 - $175,000	2.00%
$175,001 - $250,000	1.75%

Municipal Models Client Billing	
Assets Under Management	Fee Rate
Accounts $1,500,000 to $3,000,000	0.50%
Accounts over $3,000,000	0.39%

Minimum Quarterly Fee: $1,875. CEFA takes small accounts alongside other household or family assets. CEFA has a state household minimum investment value of $500,000. When an account managed by the Firm is valued less than $250,000, the Firm has the option to charge the Small Account Billing Rate as long as the rate is included in the client's investment advisory contract.

Disclosure: Similar investment advisory services may be offered by other advisers at a lower rate.

Institutional / Sub-Advisor Fee Schedule

Accounts that qualify for Institutional/Sub-Advisor Fee Schedule:

- Other Registered Investment Advisory Firms
- Investment Companies as defined in The Investment Company Act of 1940
- Investment Adviser Representatives
- Hedge Funds (Limited Partnerships)

Institutional Billing	
Assets Under Management	Fee Rate
First $500,000	0.500%
Next $500,000	0.425%
$1,000,000 - $5,000,000	0.333%
Over $5,000,000	0.275%
Municipal Models	0.250%

Minimum Quarterly Institutional Fee: $625

At CEFA, each client pays their pre-determined quarterly fee for our advisory services as well as custodial and trading costs. In some cases, CEFA may elect to pay some or all transaction fees for a client account. In those cases, TD Ameritrade will not charge fees to the clients account, but will bill CEFA directly for those costs on a periodic basis.

Senior Management reserves the right to offer discounted fees or account minimums for clients. Fees may be negotiable in certain circumstances. The maximum fee allowed is 2.50% annualized of the account's present value.

CEFA is compensated primarily from these professional fees paid by its clients. The Firm does not receive any sales fees, referral fees or other forms of compensation from any third party on securities, investment selections and/or allocations. It will be the client's responsibility to verify the accuracy of the fee calculation, as the custodian is not responsible for the calculation of the fees due. Client accounts are not aggregated when determining the breakpoints noted in the above fee schedule.

Research Retainer / Hourly Consulting:

The Firm can offer a consulting arrangement with institutional clients in need of a closed-end fund expert on retainer. Current minimum institutional fees are $5,000 per quarter up to 20 hours and individual investor fees are $1,500 per quarter for 6 hours of personalized consulting. We currently limit this to a maximum of five relationships at a time. Our primary fiduciary responsibility is always to our managed account clients, and we treat research clients second to them. However, we will never recommend a closed-end fund to a research client we are selling or have recently sold in a portfolio composite without written disclosure and documentation to our research clients. Consulting fees can be waived or reduced by senior management. CEFA's data manager is billed out at $80 an hour, data analysts at $40 an hour and John Cole Scott is billed out at $385 an hour for consulting projects.

Account Termination:

Clients have the right to terminate CEFA's services by delivering written notice to that effect bearing their signature. If a client terminates an account, the previously billed management fee is promptly returned on a pro-rated basis. The effective termination date will be the date of the notice, unless a future termination date is specified. Clients are also able to end their relationship with the Firm by submitting those intentions to the custodian and removing the account from CEFA's management privileges.

Brokerage & Custodian Fees:

Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These transaction charges are usually relatively small and are incidental to the purchase or sales of a security. Closed-end, open-end and exchange traded funds also charge internal management fees, which are part of the expense ratio and are disclosed in a fund's prospectus or annual report. Such charges, fees and commissions are exclusive of and in addition to CEFA's fee, and CEFA shall not receive any portion of these commissions, fees, and costs.

This section further describes the factors that CEFA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions). Each custodian has a slightly different schedule of charges and fees, and it may be possible to find lower commissions or fees than at the custodians used by the Firm. CEFA looks at the total cost and benefits for client accounts when making such determinations.

Compensation for Sales of Investment Products:

The Firm's compensation is solely from fees paid directly by clients. The CEFA does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted.

Subscription Fees For CEFA's Closed-End Fund Universe:

CEFA produces a weekly report on all US listed closed-end funds. It currently covers 200+ data points for US listed traditional closed-end funds and 200+ data points for BDCs. We also produce a CEF Press release archive and charts on data points on peer-groups as they are organized in the service. The cost is $387.50 per quarter. Details are available at www.cefuniverse.com. We specifically do not give out recommendation or advice in the service, simply collect and organize data on the funds. Subscriptions for this service are paid in advance on a quarterly basis.

Subscription pricing for the premium CEFData.com service depends on the type of subscriber (i.e. individual investor, small RIA, or hedge fund) and ranges from $1,000 - $4,000 per quarter. Please contact CEFA for a quote. Subscriptions for this service are paid in advance on a quarterly basis.

CEFA Offers access to our Daily News and SEC Filings Alert Service for $156 per year. A trial is available and you can learn more on our website: www.cefuniverse.com. Subscriptions for this service are paid in advance on an annual basis.

If subscribing during a quarter or annually (the "billing period"), the billing period's fee is prorated based on number of days left in the billing period. If a client cancels their subscription prior to the end of the billing period then CEFA will return to the client any unearned fees of a pro-rata basis. Senior Management reserves the right to offer discounted subscription fees for clients. Subscription fees may be negotiable in certain circumstances.

Item 6: Performance-Based Fees and Side by Side Management

CEFA does not use a performance-based fee structure because of the potential conflict of interest (fees based on a share of capital gains on or capital appreciation of the assets of a client). Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows CEFA to participate in the long-term growth of the client's assets. This also means that our fees can decline when the client's portfolio declines in value.

Item 7: Types of Clients

Typical Clients:

The Firm has traditionally dealt with individual high net worth (HNW) clients but has been increasing its efforts to serve institutional clients, primarily independent financial advisors and financial planners in need of an outsourced investment solution as well as small to medium-sized foundations and endowments in need of CEFA's services. The majority of our current client base is comprised of individuals and couples and their related accounts. These relationships come both "direct" to the Firm and from "third-party" relationships (servicing financial advisors or financial planners).

Minimum Account Size:

The Firm expects clients to maintain an account with $500,000 in assets for most models and $1,500,000 for the municipal bond models. Senior management has the authority to reduce this figure as it fits into the business goals of the Firm. Smaller accounts may be accepted if the client also has a larger account or a family relationship already maintained with CEFA. See Item #5 for more detail on CEFA's Fee Schedule. Minimum Quarterly Fee: $1,875 or 2.50% of the account's value annually, whichever is lower.

Requirements to Open an Discretionary Account:

CEFA Requires That Each Client:

- Completes and Signs CEFA's Suitability Questionnaire
- Selects a CEFA Portfolio Model for Each Account to Be Managed
- Completes the Required Custodial Paperwork to Open an Account
- Executes the Firm's Investment Advisory Agreement
- Submits the Required ACAT/Transfer Paperwork or Sends a Check or Wire Transfer to the Custodian
- Receives a Copy of These Documents: Form ADV PART 2A & 2B, CEFA's Privacy Statement, and Custodian Disclosures
- Send CEFA a Copy of a government issued photo ID

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Investment Philosophy

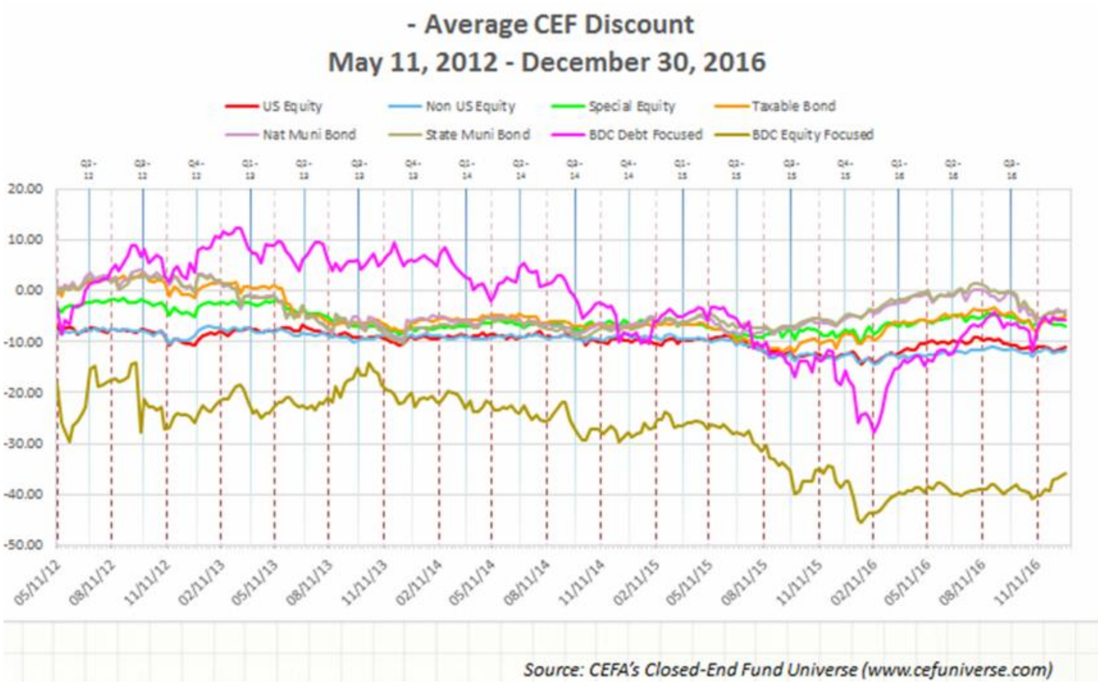
The primary investment strategy of CEFA is long-term capital appreciation for its portfolios, using total return derived from capital gains, income distributions and principal growth. Dividend distributions are important, and funds paying a regular distribution are often favored. For growth oriented accounts, CEFA typically chooses a regional focus on part of the world or sector to over-weight its investment exposure.

For income-oriented accounts, we use both equity and fixed income oriented funds, seeking monthly or quarterly distributions. More and more funds have followed market demand for regular "managed distributions" or regular pay-outs from income and capital gains to shareholders. We seek to avoid distributions comprising significant return of principal payments if we deem them to be eroding net assets and can lead to a potential dividend cut. Managed distributions tend to narrow fund discounts. Funds that repurchase their shares are also quite common, which can add to the value of the position.

Discounts & Premiums:

As a general rule, CEFA only buys funds trading at a discount to NAV as premiums are considered headwinds that often greatly increase the principal risk in a closed-end fund. However, it is important to know that CEFA doesn't buy a deep discount without other significant factors that lead us to believe the NAV and discount will narrow. Some discount levels are pervasive, and the Firm uses the concept of relative discounts and historical discount trends to assist in selecting funds for client accounts.

A fund selling at a premium to net asset value will often be sold, replacing it with a replacement funds usually at a discount. Not only is it unlikely that this premium will remain, but the fund could issue a rights or secondary offering, depressing the stock. When CEFA sells a particular fund at a premium we try to allocate the assets into a fund selling at a discount in the same region or sector.



Methods of Analysis:

Investment analysis methods for CEFA's models include fundamental and technical analysis. In addition to the Firm's proprietary sources ***The Scott Letter*** and ***The CEF Universe,*** the Firm also uses the following information and resources to make investment decisions:

- Telemet Live Trade Data & Economic Research
- Wall Street Journal, Financial Times, Barron's & The New York Times
- Numerous Industry & Sector Periodicals
- Contact with Many CEF Managers and Investor Relations Departments
- Relationships with most CEF Analysts
- Access to Updated NAV Values Intraday
- Access to Paid CEF Research and Data Sources
- Monitor All Known CEF Discussion Groups and Online Forums
- Public CEF Resources: www.cefa.com, www.cefconnect.com, www.morningstar.com
- Access to CEF Specialist Trading & Execution Firms
- Closed-End Fund & Industry Conference Calls
- CEF & Industry Conferences
- Research Reports Prepared by Others
- Filings with The Securities & Exchange Commission
- Fund Annual, Semi-Annual, Quarterly and Monthly Reports

Research:

Primary research is conducted at CEFA's Richmond-based corporate headquarters weekly, and files are kept for periodic reports on individual funds. CEFA seeks undervalued closed-end funds in every region and sector of the global stock and bond markets that have strong, NAV performance, manager tenure and favorable data characteristics. Interviews with fund portfolio managers are key to CEFA's investment research and analysis of funds. Fund portfolio manager interviews are published in ***The Scott Letter: Closed-End Fund Report*** (www.cefadvisors.com/scottletter.html), which also contains news items and investment commentaries. See Item 4 for more information on the Firm's newsletter.

Most of the economic and market analyses can be classified as fundamental, though CEFA often uses its analyses on the technical aspects of an investment to helping the timing of purchases or sales.

The financial services industry has moved more and more toward global investment. Flow-of-fund trends are tracked worldwide. When a sector looks overvalued or the particular fund sells above net asset value, CEFA is likely to start selling or swapping funds in this sector.

Closed-End Fund Data Team:

In 2011 CEFA hired and an in-house data team to supplement our data on closed-end funds. In May of 2012 we commenced self-sourcing the data for our weekly data service *"CEFA's Universe Report"*, replacing Morningstar as our data vendor. At the time we collected 26 data points per fund. Almost three years later, we produced 235+ data columns per fund and expect to continue add 5-10 per quarter in the coming year. The team reviews all press releases, SEC filings and fund updates from the fund sponsors websites as well as reviews and monitors the newswires and closed-end discussion groups. We offer free public CEF/BDC fund profiles, 26 CEF/BDC indexes and a fund screener.

Firm Buy/Sell Disciplines:

Each week, CEFA reviews all the funds in the portfolios and Firm watch list. We review the previous week's net asset value, stock price, and discount to net asset value, the relative discount and the total returns for both the net asset value and the market price. Each fund is then rated as a buy, sell or hold.

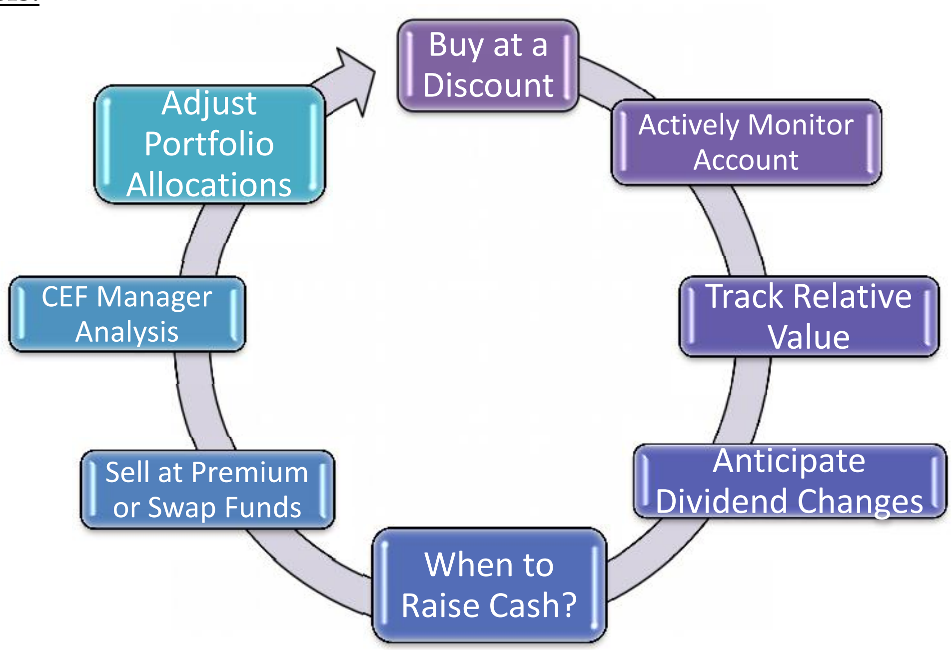
CEFA has a list of potential core holdings for new client accounts or assets and chooses positions according to the client's individual investment objectives. For new accounts or large amounts of new assets it typically takes 30 –90 days to fully invest into the selected model. This is the Firm's endeavor to reduce entry risk, by placing assets at a relative high in the markets or sectors. CEFA uses levels of discounts and other value-oriented analyses for fund purchases and sales.

Closed-End Fund Evaluation Factors:

Yield	Fundamental	Value
Fund's Dividend Policy	Manager Reputation	Historical Discount or Premium
Income Yield vs. Indicated or Distribution Yield	Portfolio Characteristics	Peer and Peer Average Discounts
Undistributed Net Investment Income Levels (UNII) & Relative UNII	Who Owns the Fund (institutions & activists)	Liquidity & Volatility
Dividend Changes	Expense Ratio (amount and make-up)	Correlation Analysis
Return of Capital (levels and effects)	Regulatory and Tax Changes	52 Week Relative Price
		Upcoming IPOs in the Sector

Typical Portfolio Investment Process:

Portfolio Models:



CEFA's asset allocation models are derived to balance the investment risks with a client's goals and needs. The company's investment approach focuses on the following areas of investment:

Active CEFA Managed Portfolio Models

- ***Special Opportunities:*** This model is designed for investors who are not in need of asset allocation or a diversified income stream, but want to access the Firm's focused expertise in closed-end fund data, alerts and research. Designed to be a focused portfolio of 3-6 closed-end funds at any given time, it will contain positions based on three main investment themes: 1) Event Driven Investing, 2) Pre-Activist/Activist following, and 3) Strong Fundamental Buys. The portfolio can be 0% or 100% of each category and has a very wide and open mandate. This model can be 100% cash for a prolonged period of time and has a goal of absolute return as a primary guideline vs. relative returns. The volatility and individual fund risk is expected to be greater than our other portfolio models. Composite inception will be May 31, 2013 as the first client in the model incepted in March of 2013.

- ***International Opportunity:*** Diversified portfolio of non-US and global sector of closed-end funds. We seek to blend our global market outlook with the ability to buy funds, often at significant discounts to NAV while having the opportunity for discount narrowing over time. Yield is a byproduct of the model as many CEFs pay at least annual or semi-annual distributions. We expect the model to be 60%-80% Equity exposure and 55% to 85% Non US holdings at the fund level. We seek duration of the portfolio on a "cash weighted" basis under 2 and a Beta to the S&P 500 between 0.75 and 0.90.

- ***Diversified High Beta:*** Diversified portfolio seeking 65% to 85% equity exposure and 15% to 35% debt exposure. The Beta to the S&P 500 is expected to be 1.25 to 1.50. This model is a good candidate for adding SpiderRock's option overlay, as you could outperform in an option-overlaid portfolio when the holdings are more volatile by nature. This portfolio is expected to have little to no duration exposure.

- ***Diversified Growth:*** Diversified portfolio focusing on the sectors and funds where we see the best risk-adjusted growth potential. Yield is a byproduct of the model as many CEFs pay at least annual or semi-annual distributions. We expect the model to be 65% to 90% equity exposure based on the fund's reported holdings and seeking to have duration of the portfolio on a "cash weighted" basis around 1 and a Beta to the S&P 500 between 0.70 and 1.0.

- ***Hybrid (High) Income:*** Diversified portfolio seeking 50/50 allocation to equity and debt at the fund level; focusing on the highest sustainable dividend levels possible in the current environment with at least 75% of funds paying monthly. Historically 8%-9% is our target income level. We seek to have duration of the portfolio on a "cash weighted" basis under 2 and a Beta to the S&P 500 between 0.75 and 0.95. We offer a 100% monthly paying version of this model for investors that seek this feature to their investment needs. A SpiderRock overlay can be a nice addition to this model.

- ***Discount Opportunity:*** Diversified portfolio seeking 50/50 allocations to equity and debt at the fund level. Researching funds that both have a larger that average absolute discount to NAV as well as wider than normal Comp Discount (vs. peer-group average) without a significantly worse NAV total return performance vs. their peer funds. This model can work well for contrarian investors. A SpiderRock overlay can be a nice addition to this model.

- ***Alternative Income:*** Diversified portfolio seeking 50 /50 allocation to equity and debt at the fund level; focusing on less "plain vanilla" or core sectors and managers that could offer a more "hedge fund" like experience and a diversifier to traditional equity and bond allocations. We seek 2% a quarter in distributions at roughly half the Beta o the S&P 500 with "cash weighted" duration under 2. A SpiderRock overlay can be a nice addition to this model.

- ***Foundation/Balanced:*** Diversified model based on a 60% equity / 40% debt allocation at the fund level. We believe this model is a "medium risk portfolio" for a typical retired investor. Historically 7%-8% is our target income level. We seek to have duration of the portfolio on a "cash weighted" basis under 2.5 and a Beta to the S&P 500 between 0.60 and 0.85. This model is a good candidate for adding SpiderRock's option overlay, as you could outperform in an option-overlaid portfolio at these Beta levels. We offer a "Tax Advantaged" version of this model, that could reduce the after tax friction by 65%-75% for a typical investor in a taxable environment. We also offer more conservative portfolio (Conservative Diversified), comprised of 2/3 the F/B model and 1/3 invested in non-traditional asset classes using ETFs and open-end funds to reduce the expected volatility over time.

- ***Taxable Bond and BDC:*** Diversified portfolio focused on the taxable bond and debt-focused business development company (BDC) sectors. This income focused model historically targets a 7%-8% income level. It seeks "cash weighted" duration under 4 and a Beta to the S&P 500 from 0.35-0.50.

- ***Dividend Confidence Model:*** Diversified portfolio of roughly 50% equity and bond funds where we see above average dividend coverage as the primary factor after our Trifecta analysis. Historically 6.25% - 7.5% is our target income level and we expect durations under 2.5 and a beta under 0.80.

- ***Diversified Low Beta:*** Diversified portfolio seeking 50/50 allocations to equity and debt at the fund level focusing on a lower Beta for to the S&P 500 in the sector when selecting funds. We seek to have duration of the portfolio on a "cash weighted" basis under 1.75 and a Beta to the S&P 500 between 0.40 and 0.60. This model is a good candidate for adding SpiderRock's option overlay, as you could potentially lower the Beta to 0.25 to 0.40 levels.

- ***Low Correlation:*** Diversified portfolio seeking roughly 50/50 allocations to equity and debt at the fund level. Focusing on exposure to the CEF sectors we find have the lowest long-term NAV correlations to each other. Historically 6%-7% is our target income level. We seek to have duration of the portfolio on a "cash weighted" basis under 3.25 and a Beta to the S&P 500 between 0.50 and 0.70. We offer an "IRA" version of this model that replaces Build America Bond (BABs) exposure for the municipal bond exposure. A SpiderRock overlay can be a nice addition to this model.

- ***Diversified Tax-Sensitive Income:*** Designed to maximize after–tax yield for high income investors seeking little–to-no tax friction. Equal weight exposure to three CEF sectors who historically have low correlation: municipal bonds, master limited partnerships and tax-advantage equity funds. Muni's, the most common tax-avoidance sector for many investors has a 39% 10 Year NAV correlation to MLPs and 33% correlation to Covered Call Funds. Covered Call funds have only a 70% correlation to MLP funds. We seek a Beta to the S&P 500 of 0.55 to 0.70 and an after-tax yield of 6% to 7%. Duration is expected to be under 4. We offer a Municipal bond overweight version of this model where 50% of the portfolio is Muni bond CEFs.

- ***Business Development Company Select:*** Diversified portfolio of BDCs with strong fundamental research on each BDC's portfolio and management. Seeking BDCs exposure with above average dividend sustainability, NAV performance, variable and senior secured loan exposure as well as low non-accruals (defaults). We look for sector and geographic diversity. We expect a Beta to the S&P 500 of 0.6 to 0.8 and historically yield levels of 8.5% to 9.5% are common. BDCs have low 10-year correlation to most asset classes; including 15% to municipal bond, 13% to preferred equity and 27% to REITs and only a 40%-43% correlation to high yield and Sr. loans. We offer a "100% monthly paying only", "low Beta" and Premium BDC version of this model.

- ***Municipal Bond Select:*** A focused portfolio managed for 100% tax-free municipal bond exposure. We seek to build and manage the portfolio for better than average: discount to NAV, NAV total return performance, distribution levels, duration exposure, dividend coverage and other criteria we believe can give investors a better experience when looking to allocate funds into this sector. We also offer this model with lower duration (and yield) exposure.

Inactive Portfolio Models Available to Clients

These portfolio models are available upon request, subject to management approval:

- ***Aggressive Growth:*** This model provides the best opportunity for higher than normal returns for long-term investors. It will include access to a diversified and actively managed group of funds. The primary objective is to seek a long-term average annualized growth 5% or greater over the S&P 500 index.

- ***International Balanced:*** This model is designed for moderate investors seeking non US exposure while still seeking the diversification of both equity and bond funds. The primary objective is stable growth with income generation.

- ***Diversified Bond:*** This model provides active management in the fixed-income sector for conservative investors. The primary objective is steady income. Quality of underlying bonds is a key factor in analysis. The model's secondary objective is preservation of capital.

- ***Absolute Return / Alternative Portfolio*****:** This model is designed as an active, diversified way to access the nontraditional or hedging strategies available to investors. Some offerings may be limited to investors of certain income or net worth levels. The goal of the portfolio is to provide 7%-10% return independent of the stock and bond market trends.

Rebalancing of Accounts:

Account allocations are rebalanced at periodically, reducing positions or sectors that have made the biggest moves and adding to those selling at better value. Model allocations are adjusted as needed based on market changes.

Every account is separately managed and usually monitored on a daily basis, attending to specific objectives of the client. The allocations may be adjusted up to a variance of 10% of the portfolio model allocations and still be considered part of the composite.

Typical Model Turnover:

CEFA's model portfolios can be considered actively managed with the average account typically having 25-75 trades in a given year. The two main factors that determine this are: 1) The account size; large accounts tend to have more positions and thus more transactions, and 2) Changes in market, sector and fund conditions. We sell or swap funds when we feel it is prudent for the portfolio model.

This means clients could have frequent trading of securities in their accounts, and frequent trading can affect investment performance, particularly through increased commissions and taxes paid on short-term and long-term gains.

Closed-End Fund Specific Risk Factors:

The primary risk factors for closed-end funds include:

- **Liquidity Risk:** Some funds trade with wide bid/ask spreads and limited shares per day. CEFA generally avoids funds with less than $100 million in NAV assets or trading less than $250K a day in USD.
- **Discount Risk:** This risk is when a fund's discount moves wider than your purchased discount.
- **Dividend Cut Risk:** When a fund significantly reduces its monthly or quarterly dividend payment, the market price of the fund often suffers a quick and significant pullback. This hurts both principal and income production in the account. CEFA monitors fund press releases, CEF discussion groups and income risk data points to reduce this likelihood.
- **Market Price Risk:** Closed-end funds trade at market prices but are inherently worth their net asset value. There can be long-term disparity between the NAV performance and the market price performance which could potentially hurt shareholders.

Investment Risk:

All investment programs have certain risks that are born by the investor. Our various investment approaches keep the risk of loss in mind. However, as with all investments, clients face investment risk including the following: Loss of Principal, Interest Rate Risk, Market Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk and Financial Risk. CEFA cannot guarantee results of its models, and past performance cannot be used to predict future results. Investments in a CEFA managed account are not FDIC insured and may lose value.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CEFA or the integrity of CEFA's management. CEFA and its employees have not been involved in any legal or disciplinary events related to past or present activities and thus we have no information applicable to this item.

Item 10: Other Financial Industry Activities and Affiliations

CEFA's management persons are solely employed by CEFA and have no relationships or arrangements that could pose a conflict of interest or are material in the management of our client accounts. We are not required to disclose any information in this section.

CEFA utilizes TD Ameritrade, Charles Schwab and Wells Fargo as custodians for client accounts. With TD Ameritrade we have institutional access which greatly assists us in managing the client accounts. Primary benefits include block trading, step-out trading, direct account billing, access to research and software integration between our customer relationship management ("CRM") software, portfolio reporting software and our custodians.

CEFA provides sub-advisory services to other investment managers. As of the date of this Brochure, CEFA provides sub-advisory services to one client at Wells Fargo.

Clients may be referred to CEFA by a third party solicitor. Any client that is referred to CEFA from a third party solicitor will at the time of referral be required to sign a separate written disclosure agreement that details the arrangement between CEFA and the solicitor, such as fees paid to the solicitor for such referral.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CEFA has adopted a Code of Ethics pursuant to SEC rule 204A-1 for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts, business entertainment items and personal securities trading procedures, among other things. All supervised persons at CEFA must acknowledge the terms of the Code of Ethics annually, or as amended.

CEFA anticipates that, in appropriate circumstances consistent with clients' investment objectives, it will cause accounts over which CEFA has management authority to affect and will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which CEFA, its affiliates and/or clients directly or indirectly have a position of interest. CEFA's employees and persons associated with CEFA are required to follow CEFA's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of CEFA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for CEFA's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CEFA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of CEFA's clients. In addition, the Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between CEFA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with CEFA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. CEFA will retain records of the trade order specifying each participating account and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis unless trade commissions make such proration costly to clients. Any exceptions will be explained on the order.

CEFA's clients or prospective clients may request a copy of the Firm's Code of Ethics by contacting Joyce Fields.

It is CEFA's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. CEFA will also not cross trades between client accounts.   Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12: Brokerage Practices

CEFA is an independent investment advisory firm unaffiliated with any custodian. Currently all but one direct client accounts are held at TD Ameritrade. The Firm considers TD Ameritrade a vendor vs. an employer as is sometimes the case for other investment advisory services. CEFA monitors the level of service it and its client(s) receive from TD Ameritrade on an ongoing basis. At any point CEFA is free to select a new custodian for its clients.

The benefits of working with one primary direct custodian includes consolidated access to institutional trading and a dedicated service team which assists CEFA in managing the operational aspects of our client's accounts. CEFA has access to consolidate block and error accounts which allows the Firm access to step-out trading and average pricing of funds for client accounts. Step-out trading is when the Firm utilizes a specialist execution firm to assist in buying or selling large amounts of (closed-end fund) shares in the same period of time (usually within a few days) and having those shares allocated to our block account at the custodian each day to then allocate to client accounts.

Directed Brokerage:

CEFA does not recommend, request or require that a client direct us to execute transactions through a specified broker/dealer. CEFA does not permit clients to direct brokerage.

Other Custodians:

CEFA is open to relationships with any custodian that allows similar access to services as long as the relationship makes business and compliance sense for the Firm and especially our clients. Wells Fargo Advisors currently has accounts with CEFA, and, in order to work through their advisors, the accounts are maintained on their custodian, First Clearing. The Firm also has one account at Charles Schwab for a unique client relationship where the client understood the limitations on our trading abilities when managing a client account on a non-institutional basis with a custodian.

CEFA does not direct brokerage or allow a client to direct brokerage outside of the custodian where the client assets are held. The firm as a general rule uses aggregate or block trading when making a buy or sell decision across an entire composite across the entire firm. We make trades inside the account on an individual basis when the client has added or requested funds, or when an account is new to the composite and individual trading may be the most effective way to add or change a position. Non-aggregated trades can give less favorable execution to client portfolios. As our interest are closely aligned with the client, as an asset-based fee-only firm, it is in our best interest and the best interest of the clients to make the most favorable trading arrangements possible for each transaction.

TD Ameritrade Program:

The Firm participates in the TD Ameritrade Institutional program for advisors. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer.

- TD Ameritrade offers to independently registered investment advisers services which include custody of securities, trade execution, and clearance and settlement of transactions. CEFA receives some benefits from TD Ameritrade through its participation in the program.

- The Firm may recommend TD Ameritrade to clients for custody and brokerage services.

- The Firm receives economic benefits through its participation in the program which may include any one or more of the following: compliance, marketing, technology and practice management products or services provided to the Firm by third party vendors.

- TD Ameritrade and the Firm are separate and unaffiliated. The Firm and TD Ameritrade are independent of one another and have neither an agency nor employment relationship.

There is no direct link between the Firm's participation in the program and the investment advice it gives to its Clients, although the Firm receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount):

- Receipt of Duplicate Client Statements and Confirmations
- Research Related Products and Tools
- Consulting Services; Access to a Trading Desk Serving Advisor Participants
- Access to Block Trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts)
- The Ability to Have Advisory Fees Deducted Directly from Client Accounts
- Access to an Electronic Communications Network for Client Order Entry and Account Information
- Access to Mutual Funds with No Transaction Fees and to Certain Institutional Money Managers
- Discounts on Compliance, Marketing, Research, Technology, and Practice Management Products or Services Provided to the Firm by Third Party Vendors

- TD Ameritrade May Also Have Paid for Business Consulting and Professional Services Received by the Firm's Related Persons

Some of the products and services made available by TD Ameritrade through the program may benefit the Firm but may not benefit its Client accounts. These products or services may assist the Firm in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Firm manage and further develop its business enterprise.

The benefits received by the Firm or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Firm's choice of TD Ameritrade for custody and brokerage services.

TD Ameritrade Additional Services:

CEFA also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program.

TD Ameritrade provides the Additional Services to the Firm in its sole discretion and at its own expense, and Firm does not pay fee to TD Ameritrade for the Additional Services. The Firm and TD Ameritrade have entered into a separate agreement to govern the terms of the provision of the Additional Services. The Firm's receipt of Additional Services raises potential conflicts of interest.

In providing Additional Services to the Firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, the Firm's Client accounts maintained with TD Ameritrade.

TD Ameritrade has the right to terminate the Additional Services Addendum with the Firm, in its sole discretion, provided certain conditions are not met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, the Firm has an incentive to recommend to its Clients that the assets under management by the Firm be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade.

The Firm's receipt of Additional Services does not diminish its duty to act in the best interest of its Clients, including seeking best execution of trades for Client accounts.

Soft Dollars:

CEFA does not engage in soft dollar benefits.

Item 13: Review of Accounts

Frequency of Review:

Client accounts are monitored on an ongoing basis. A formal review occurs each quarter. However, accounts are monitored on an almost daily basis. Each account is reviewed, in particular, for the need to re-balance or swap one fund for a superior investment exposure.

Review Triggers:

Account reviews for client accounts are performed more frequently when market conditions dictate, or when a client's objectives change. A review may be triggered by client request, changes in market conditions, new information about an investment, changes in tax laws or other important changes.

Performance & Client Reporting:

The performance for each account is currently measured using portfolio management software. Clients are mailed or emailed quarterly reports as well as have access to their accounts via the web both through their custodian and CEFA's portfolio management software's web portal. Clients can access this though a link on our website in the upper left-hand corner named "client login".

Account Reviewers:

Accounts are reviewed by the Firm's portfolio managers, George Cole Scott or John Cole Scott.

Account Custody:

Detailed information about client custody is available in Item 15.

Item 14: Client Referrals and Other Compensation

CEFA's Compensation for Referrals:

CEFA has adopted the following referral compensation schedule which can be used to compensate a solicitor on a one-time basis for significantly assisting the Firm in gaining a new client household relationship.

In order to be paid the referral fee, the individual must disclose in writing to the referee that they will be compensated for making the introduction as 65%-80% of the first full quarter's fee (depending on the account size). Payments will be made once a full quarter's fees are paid by the client, unless otherwise agreed upon. The referring individual will be sent a 1099 for the income by CEFA during the first quarter of the following calendar year. Any referring party receiving compensation related to our investment advisory services in the State of Washington will also be registered as an investment adviser and/or investment adviser representative.

One-Time Referral Fee Schedule

Example Account Size	Example Client Fee	Est. Quarterly Fee	Referral Pay-Out %	Referral Pay-Out $
$500,000	1.50%	37.5 bp	65%	$1,219
$500,001 - $1,000,000	1.25%	31.25 bp	70%	$1,094 - $2,188
$1,000,001 - $5,000,000	1.00%	25 bp	75%	$1,875 - $9,375
$5,000,001+	0.85%	21.25 bp	80%	$8,500+

The referral fee will be calculated by the actual fee paid by the client, which sometimes can differ from CEFA's Regular Fee Schedule.

Compensation to CEFA:

CEFA participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. The Firm receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 12 above.)

CEFA receives no sales awards or other prizes from any sources)

Item 15: Custody

CEFA does not custody client assets. All investments are held at qualified custodians, who provide account statements directly to clients at their address of record or via email and web-access at least quarterly.

The Firm urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16: Investment Discretion

Discretionary Authority for Trading:

CEFA usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, CEFA observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, CEFA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Limited Power of Attorney:

Clients must sign a limited power of attorney and our Investment Advisory Agreement before CEFA is given discretionary authority. The limited power of attorney is often included in the qualified custodian's paperwork and in the Firm's Investment Advisory Contract.

Investment Guidelines and Restrictions:

Investment guidelines and restrictions must be provided to CEFA in writing as a client's risk tolerance, financial conditions or investment objectives change.

Item 17: Voting Client Securities

As a matter of Firm policy and practice, CEFA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. CEFA may provide advice to clients regarding the clients' voting of proxies and welcomes questions at any time about a particular proxy solicitation.

Item 18: Financial Information

CEFA does not have any financial impairment that will preclude the Firm from meeting contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. A balance sheet is not required to be provided because CEFA does not serve as a custodian for client funds or securities and does not require pre-payment of fees more than $1,200 per client, six months or more in advance.

Item 19: Requirements for State Registered Advisers

A. George Cole Scott, III – President & Senior Portfolio Manager
   See attached Form ADV Part 2B

   John Cole Scott – CIO, and CCO
   See attached Form ADV Part 2B

B. The Firm and its principals are only engaged in fee-based investment advice.

C. The Firm does not charge performance based fees.

D. No one at the Firm has been involved in a disclosable event.

E. CEFA and its principals do not have any relationships or arrangements with the issuer of securities.

Addendum #1: Business Continuity Plan

General:

CEFA has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters:

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornadoes, fire and flooding. The Plan covers man-made disasters such as the loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, communication outage, Internet outage, railway and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices:

Alternate work locations are identified to support ongoing operations in the event that the main office is unavailable. It is our intension to contact all clients within 72 hours of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel:

CEFA maintains a list of potential candidates to replace each employee should the need arise from an unplanned event.

Addendum #2: Information Security Program

Information Security:

CEFA maintains an information security program to reduce the risk that personal and confidential information is breached.

CEFA's Privacy Policy:

CEFA is committed to the confidentiality, integrity and security of the personal information entrusted to us. The categories of non-public information that we collect from you may include information about your personal finances and transactions between you and third parties. CEFA uses this information to better manage its clients' portfolios. With the client's written permission, CEFA may disclose limited information to the client's attorneys, accountants, and others with whom the client may indicate to receive such information. CEFA may be required to share a limited amount of client information with a brokerage firm in order to execute security transactions on behalf of the client.

A secure office environment is maintained to ensure client information is not placed at unreasonable risk. CEFA does not provide your personal information to mailing lists or vendors. We require strict confidentially in our agreements with unaffiliated third parties that may require access to your personal information, including financial services companies and auditors.

Federal and state security regulators may review CEFA's and our clients' personal records as permitted by law. Personally identifiable information about all clients will be maintained during the client's continued relationship with CEFA and for the required period thereafter, as are required to be maintained by federal and state securities law. After that time, personal information will be destroyed using reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal as required by the Securities and Exchange Commission, 17 CFR Part 248, Disposal of Consumer Report Information.

Supervised Persons

George Cole Scott, John Cole Scott & Steven M. Kersey

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This brochure supplement provides information about George Cole Scott, John Cole Scott & Steven M. Kersey that supplements the Closed-End Fund Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Joyce A. Fields, Executive Assistant and Office Manager, if you did not receive Closed-End Fund Advisors, Inc's brochure or if you have a question about the contents of this supplement.

Additional information about George Cole Scott (CRD# 416994), John Cole Scott (CRD# 4364191) & Steven M. Kersey (CRD# 2033366) is available on the SEC's website at www.adviserinfo.sec.gov

Education & Business Standards:

Closed-End Fund Advisors, Inc. ("CEFA") requires that all parties involved in final investment analyses or client portfolio decision-making capabilities to have:

1. At least a four-year college degree
2. Five years of actual investment experience
3. Be properly registered for all advisory activities in which they are engaged

Professional Certifications:

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP®)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 73,900 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Certified Fund Specialist:

The Certified Fund Specialist® (CFS®) was founded in 1990 and more than 11,000 members of the financial services community have completed the program. CFS® is the oldest designation in the fund industry.

As a certified funds specialist, you learn criteria such as alpha, beta, correlation coefficient, first-auto correlation, R-squared, and standard deviation that should be incorporated into the Fund selection process.

The programs also benefit individuals in related job functions such as operations, marketing, sales support, distribution, customer service and back office support.

With funds training, a Certified Fund Specialist® is able to evaluate and compare financial measurements and benchmarks when constructing a portfolio. Modern portfolio theory ("MPT") is a key part of the program; its components are broken down and detailed in terms the advisor can easily understand and convey to a client. Armed with MPT and other selection criteria learned as part of the mutual fund education, a suitable and efficient portfolio using closed-end, exchange-traded, and open-end funds can be derived.

Practitioners and academics continually update the CFS® materials. Students obtain the best of both worlds—the practical as well as the theoretical. Closed-end funds, ETFs, REITs and UITs are also covered, thereby providing the student with a more rounded education. With this additional investment knowledge, advisors and brokers offer ideas to clients that they would not receive elsewhere.

Program Structure:

- The CFS® consists of six modules, designed to be completed within 15 weeks
- The CFS® counts as 3 semester units toward the Masters of Science in Financial Services degree
- Materials include all study and exam preparation
- There are three non-cumulative exams and one case study

Examination:

- Each exam is based on two modules
- Each exam consists of 50 multiple-choice questions
- More than one exam can be taken at a time

Case Study:

- A written case study is required
- The case study is based on a one-page fact pattern
- The case study answer must be two to five pages

Following initial certification and authorization to use Institute of Business and Finance (“IBF”) designation marks, certification must be renewed annually. By meeting IBF’s ongoing competency requirements of continuing education (30 hours of CE every two years), adhering to IBF’s Code of Ethics and Standards of Practice, designees' demonstrate their commitment to ongoing education and professionalism. Designees' compliance with IBF’s certification standards helps to ensure the integrity of IBF designation marks.

George Cole Scott, III: President and Senior Portfolio Manager (CRD# 416994)

George Scott has been President since 1996 and is a graduate of the University of Washington.

George has been in the investment business since 1969. In 1976, he joined the Board of Directors of the award-winning closed-end fund, Bergstrom Capital, and has specialized in using closed-end funds for investment clients since the mid-1980's. Bergstrom is the only fund — open-end or closed-end fund — to have been on the *Forbes* Honor Roll for 10 consecutive years. Because of his expertise, George has advised several funds (both domestic and foreign) as a consultant.

George is editor-in-chief of *The Scott Letter: Closed-End Fund Report.* For the period from January 1, 1990 to December 31, 1995, *Hulbert's Guide to Financial Newsletters* rated *The Scott Letter* in the top five mutual fund letters. In 1991, George, with Albert Fredman, Ph.D., Professor Emeritus (Finance), California State University at Fullerton, published the 500-page hardback book, *Investing in Closed-End Funds: Finding Value and Building Wealth.*

George has been on the closed-end fund committee of the Investment Company Institute, the trade association for the open-end and closed-end fund industry. He also is a long-standing member of the Richmond Society of Financial Analysts, now CFA Virginia, and has been widely quoted in such publications as *The Wall Street Journal, Business Week, Financial Times, Kipplingers, Mutual Fund Magazine* and *Money,* as well as many metropolitan newspapers. George has published articles on closed-end funds in both *Barron's* and *Pensions & Investments.* He has also been interviewed by various televised investment programs and has presented at conferences in New York, Atlanta, Las Vegas, San Francisco and Seattle. George was born in July 1937.

Other Professional Activities: None

Disciplinary Information: None

Additional Compensation: None

Supervision:

George Cole Scott's compliance-related activities are supervised by John Cole Scott, Chief Compliance Officer. He reviews George's investment advisory work through frequent office interactions. He also reviews George's interactions through email review.

John Cole Scott's contact information:

(804) 288-2482
jcs@cefadvisors.com

John Cole Scott, CFS: Chief Investment Officer & CCO (CRD# 4364191)

John is responsible for portfolio management, research, compliance and operations for CEFA. He has a B.S. in Psychology from The College of William & Mary, is an Investment Advisory Representative for CEFA, and holds the Certified Fund Specialist ("CFS") designation.

For more than fourteen years John has specialized in closed-end fund research, trading and analysis. He is also a resource for investment strategy and available resources for professionals or institutions on an hourly consulting basis. He founded and manages the 1300+ member ***"CEF Network"*** group on LinkedIn (www.cef-network.com) and is editor-in-chief for the Firm's blog, ***"Closed-End Fund Education and Ideas"*** (www.cef-blog.com).

He has been quoted by Bloomberg, The Street, SmartMoney, Investment News, Fund Action, Registered Rep Magazine, Bond Buyer, Better Investing, the Money Section of USA Today and The Richmond Times Dispatch and published in SR Consultant. He has presented at conferences in Atlanta, GA, Boca Raton, Miami, Naples, and Tampa, FL Denver, CO, Charlotte, NC, Houston, TX, Richmond, VA, San Francisco, CA, New York, NY 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 and BDC industry (www.CEFUniverse.com).

John is a long-time member and current board member of The Richmond Association for Business Economics (RABE). He was awarded the "Character Counts" award from the Capital Area of the YMCA in 1999 and "Master of Networking" from Business Networking International (BNI) in 2003 and 2004.

John has served as Co-President of the Richmond Chapter of The College of William & Mary Society of the Alumni. He serves on the investment committee for The New York State Society of the Cincinnati. John joined CEFA in January 2001 and was born in February 1978.

Other Professional Activities: None

Disciplinary Information: None

Additional Compensation: None

Supervision:
John Cole Scott's compliance-related activities are supervised by George Cole Scott, President. He reviews John's investment advisory work through frequent office interactions.

George Cole Scott's contact information:
(804)-288-2482
gcs@cefadvisors.com

Steven M. Kersey, CFP: Investment Advisory Representative (CRD# 2033366)

Steven is an investment advisory representative at CEFA He has a BA in Economics from Western Washington University.

Steven joined CEFA in January 2007 and was born in February 1962.

Steven completed the CFP course work through the College for Financial Planning in Denver, and passed the national certification exam in 1994. He also completed Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU) certification course work through the American College in Bryn Mawr, PA. He is currently a CFP in good standing with the CFP Board of Standards.

Other Professional Activities: Member of the Bellingham Yacht Club (BYC), serving on the board of the BYC, and the volunteer manager of the BYC's community youth sailing program for four years during which time nearly 300 local youth learned to sail on Bellingham Bay.

Disciplinary Information: None

Additional Compensation: Steve earns compensation from annuity and insurance sales (mainly long term care and life insurance). He also earns income from providing business consulting services and managing rental property.

Supervision:

Steven M. Kersey's compliance-related activities are supervised by John Cole Scott, CCO. He reviews Steven's investment advisory work through regular email, shared CRM notes & tasks, as well as periodic phone calls.

John Cole Scott's contact information:

(804)-288-2482
jcs@cefadvisors.com