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# Closed-End Fund Advisors

**FOR IMMEDIATE RELEASE**

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## **CEFA's International & REIT Portfolio Celebrates Its 5-Year Anniversary with Outstanding Results**

Richmond, VA — Dec. 6<sup>th</sup> 2007 — Closed-End Fund Advisors (CEFA), a Richmond-based global investment firm, announced today their *International & REIT* portfolio (I&R), a diversified growth model, has attained an outstanding record since its inception.

From October 31, 2002 through October 31, 2007, the I&R portfolio model attained higher performance than 95% of the 560 closed-end funds (CEFs) and exchange-traded funds with a 5-year record. CEFA's I&R portfolio was also compared to all nine unique open-end mutual funds with roughly the same characteristics, showing that CEFA's I&R portfolio outperformed all nine mutual funds. This proves the performance advantages of a competent active closed-end "manager of managers" approach to investing. The 5-year annualized performance of CEFA's International & REIT Portfolio, net of fees and commissions, was 28.33%\*.

Characteristics of the selected open-end funds included *all* open-funds: being open to new investors, having a bond allocation between 10% and 33%, no more than a 15% allocation to domestic equity, having a 5-year track record and not classified as a country or regional fund. This announcement is based on data published by Thompson Financial as of October 31, 2007.

When asked why he thought the *International & REIT* portfolio performed so well, George Cole Scott, Senior Portfolio Manager and President of CEFA responded: "We are not surprised that a managed CEF portfolio beats its open-end counterparts because of the advantages of the

CEF structure, which offers more control in execution. Consequently we can leverage our investment by buying at a discount to net asset value. This is why CEFA utilizes closed-end funds to achieve its clients' investment objectives. We find that active management of these funds is well suited for long-term portfolio strategies."

CEFA carefully researches and utilizes diverse asset allocations of the global markets, using closed-end funds to invest in stock, bond and real estate investments. Diversification of assets among many sectors and countries leads to lower volatility, i.e., lower risk, without limiting the potential for gain. As a crucial part of its research, CEFA conducts in-depth interviews with various closed-end fund managers, which have included; Dr. Mark Mobius of Franklin Templeton Investments, Martin Cohen of Cohen & Steers funds and other outstanding managers. These interviews are published monthly in *The Scott Letter: Closed-End Fund Report* and are available to all as a free download from [www.scottletter.com](http://www.scottletter.com).

CEFA is one of only two national registered investment advisory firms in the U.S. that specializes in using closed-end funds for individuals and institutional clients. Established in 1989 in Santa Barbara, California, CEFA has been headquartered in Richmond since 1997. They manage portfolios in four unique models for both growth and income-oriented investors. More information about the firm's investment strategies is available in their ADV-II or on their web site, [www.CEFAdvisors.com](http://www.CEFAdvisors.com).

<p>*All performance figures are net of expenses. Past performance is not a guarantee of future results. The investments are not guaranteed and are not FDIC insured.</p>
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