



QUARTERLY CLOSED-END FUND REVIEW & OUTLOOK

**2nd Quarter 2014 Review &
3rd Quarter 2014 Outlook**

Intermediate/Advanced CEF Skill Level

July 9, 2014

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Closed-End Fund Advisors, Inc.**

***Closed-End Fund Advisors is a Registered Investment Advisory Firm Specializing
in Closed-End Fund Research, Trading and Management Founded in 1989.***

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- Investment Management, Research & Data
- Independent, Fee Only & Family Owned
- *“Scott Letter: Closed-End Fund Report”*
- Discretionary Portfolio Management
- CEF News/SEC Filings Alert System
- “CEFA’s Closed-End Fund Universe” Report
- “Best Ideas List”, Hourly & Project-Based CEF Consulting Work
- Founder: “CEF Network” on LinkedIn



Celebrating 25 Years as
Closed-End Fund
Specialists



www.CEFadvisors.com

Founded in 1989



Current Closed-End Fund Options & Assets

2Q 2014 Ended with **585*** *US Traditional Closed-End Funds*
50* *Business Development Company CEFs*

- 40 **(-1)** US Equity CEFs
- 124 Specialty Equity CEFs
- 62 Non US Equity CEFs

226 Total Equity Traditional CEFs

- 162 **(-1)** Taxable Bond CEFs
- 104 National Municipal Bond CEFs
- 93 **(-8)** Single State Municipal Bond CEFs

359 Total Bond Traditional CEFs

- 41 Debt Focused BDCs
- 9 Equity Focused BDCs

50 Total BDC Closed-End Funds

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

Millions of dollars

	2Q 2014	1Q 2014	4Q 2013	3Q 2013	2Q 2013	1Q 2013
Total Equity	130,192	121,996	118,784	115,742	110,672	114,078
U.S. Equity	23,928	23,354	22,826	21,529	20,698	22,265
Non U.S. Equity	17,936	17,452	17,884	17,863	16,799	17,842
Specialty Equity	88,327	81,190	78,074	76,350	73,176	73,971
Total Bond	140,157	137,357	132,840	133,059	134,101	136,242
Taxable Bond	74,656	74,036	72,761	72,223	71,420	69,135
National Municipal	46,981	45,363	43,041	43,590	45,008	47,929
Single State Municipal	18,521	17,958	17,038	17,246	17,673	19,177
All	270,349	259,353	251,624	248,801	244,773	250,319

Assets of Closed-End Funds by Type, as reported in their latest Quarterly Report

Millions of dollars

Debt Focused	24,882
Equity Focused	7,001
All	31,884

Source: CEFA's CEF Universe Report 6/30/14 (cef universe.com)

Source: CEF Universe Data



Traditional & BDC CEF Overview

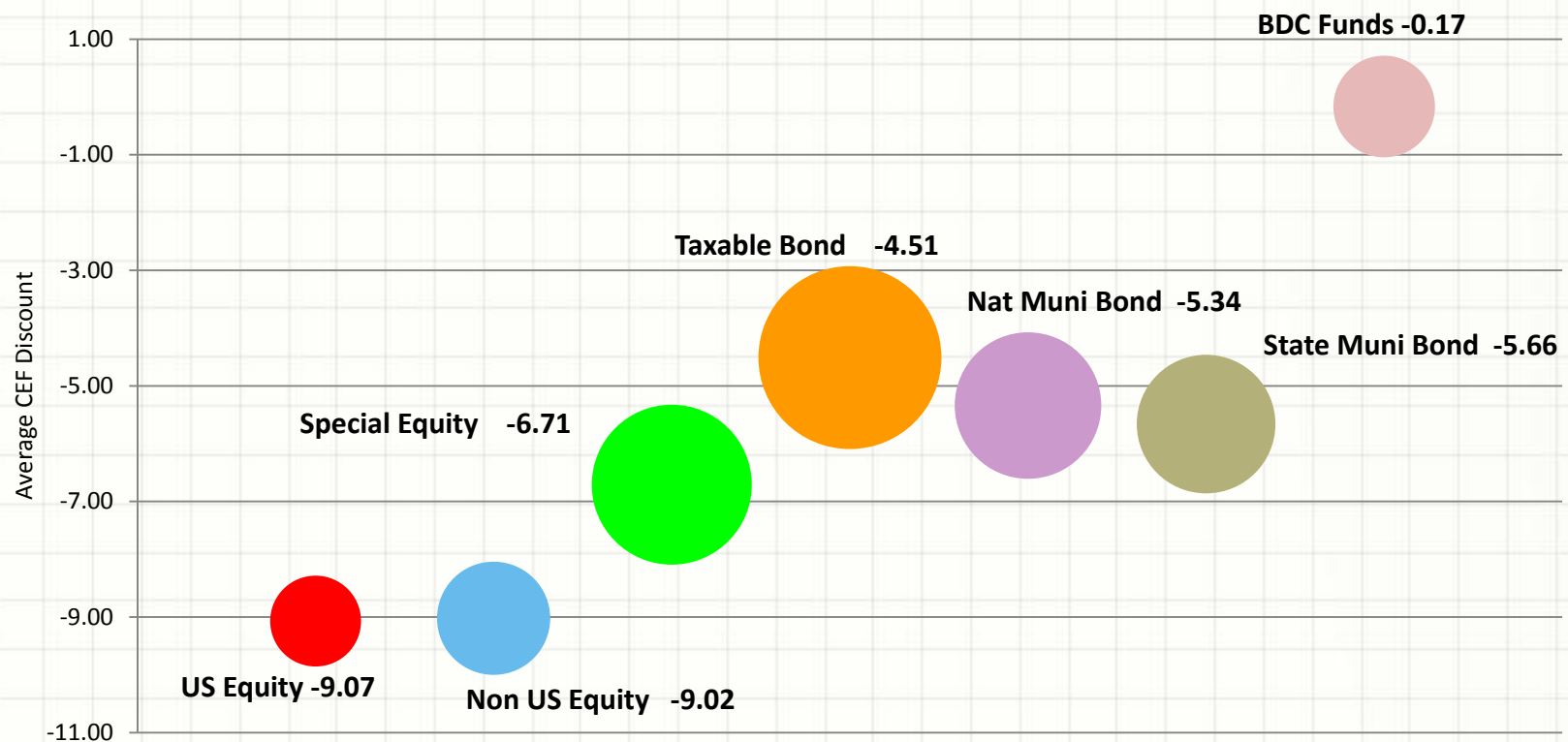
Data for Major Groups

Fund Sector	Funds	Discount				Yield			Dividend												
		Current		Rel	1-Yr Z-Stat	Inc	Tot	LevAdj NAV	%RoC 3m	Inc/ Dec(%)		Rel. UNII	Earn Cov%	Lev %	Std Dev	Rel SD	Exp Rt	Net Ast	Avg Daily \$	Shares Inst%	Shares Activ%
EQUITY CLOSED-END FUNDS	226 Funds	-7.76		-0.1	0.29	3.3	7.4	6.2	27	14		-62.1	35	13	14.7	2.6	1.70	\$576	1,515	22.33	8.33
U.S. Equity Funds	40 Funds	-9.07		-0.2	0.42	3.2	8.0	7.0	18	39		-95.1	38	11	15.3	2.3	1.62	\$598	1,191	15.98	5.10
Non U.S. Equity Funds	62 Funds	-9.02		0.1	0.18	3.1	7.9	6.8	12	24		-2.3	41	7	16.5	1.7	1.74	\$289	836	29.16	20.29
Specialty Equity Funds	124 Funds	-6.71		-0.2	0.30	3.5	7.1	5.8	37	-1		-81.3	31	16	13.6	3.2	1.71	\$712	1,959	20.88	2.32
BOND CLOSED-END FUNDS	359 Funds	-5.05		0.4	0.52	6.3	6.4	4.7	2	-4		7.3	95	30	10.9	6.5	1.63	\$390	941	13.68	4.14
Taxable Bond Funds	162 Funds	-4.51		0.6	0.67	6.8	7.1	5.4	4	-6		-1.9	91	27	10.4	5.9	1.68	\$461	1,304	21.50	5.38
National Muni Bond	104 Funds	-5.34		0.2	0.35	6.1	6.1	4.3	0	-1		16.0	99	32	11.1	6.8	1.44	\$452	925	9.99	4.67
Single State Muni Bond	93 Funds	-5.66		0.2	0.47	5.6	5.6	3.9	0	-4		13.7	99	34	11.5	7.3	1.75	\$199	329	6.80	1.31
Traditional CEF AVERAGE	585 Funds	-6.10		0.2	0.4	5.2	6.8	5.3	11	3		-16.2	73	24	12.4	5.0	1.66	\$462	1,163	16.92	5.76
Debt Focused BDCs	41 Funds	5.13			-0.03	9.7	9.9	7.3	0				86	37	18.4		8.44	\$631	9,708		
Equity Focused BDCs	9 Funds	-23.71			0.01	3.1	4.6	4.3	0				44	9	30.0		4.35	\$790	8,494		
BDC CEF AVERAGE	50 Funds	-0.17			-0.02	9.1	9.4	7.0	0				82	32	20.9		7.69	\$660	9,489		

Source: CEFA's Closed-End Fund Universe 6/30/14
(www.cef universe.com)

Current Closed-End Discounts

Avg Trad & BDC CEF Discount % as of June 30, 2014



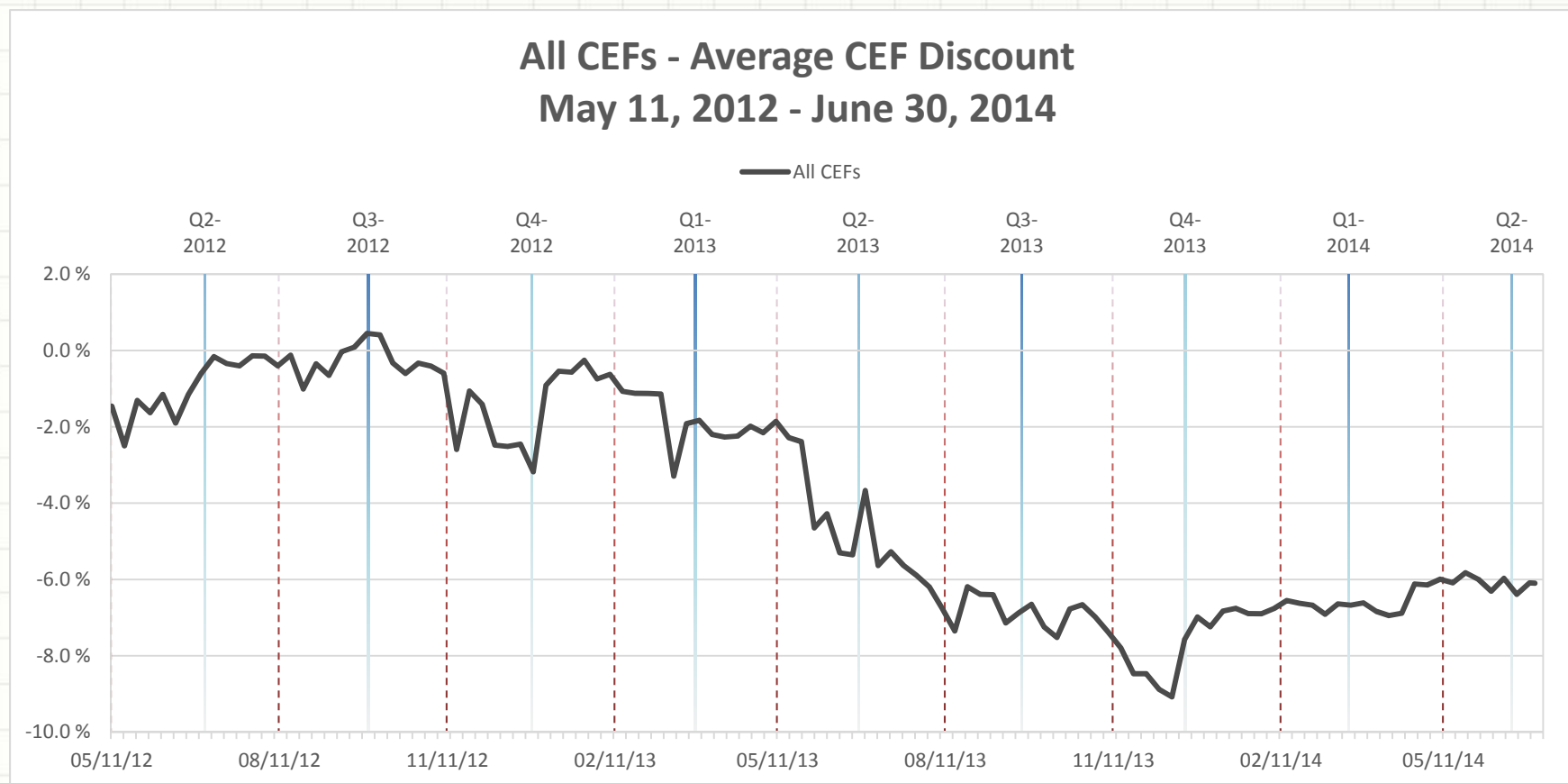
Source: CEFA's Closed-End Fund Universe (www.cef universe.com)



Closed-End Discount Trends

Traditional

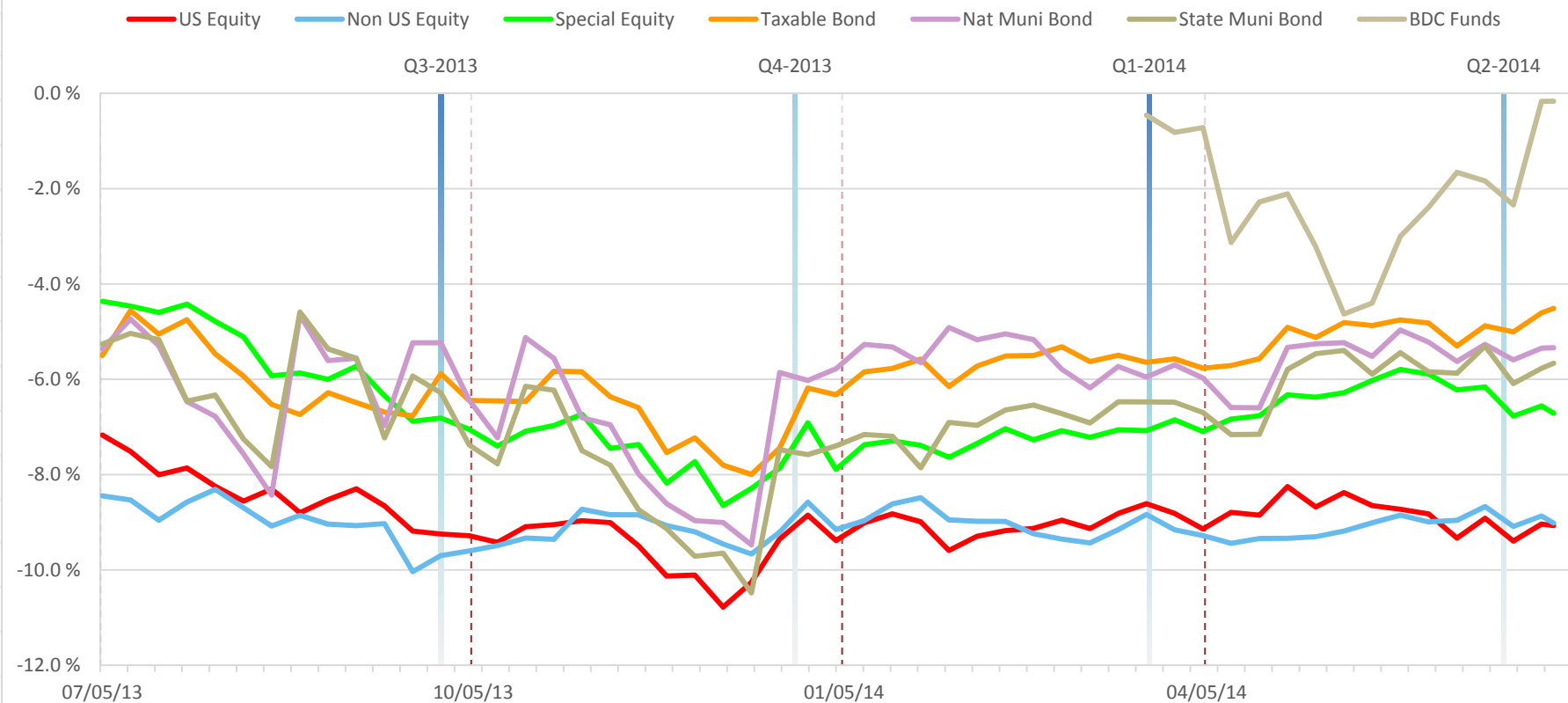
2Q 2014 Ended with *an average CEF Discount of -6.1%*



Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)

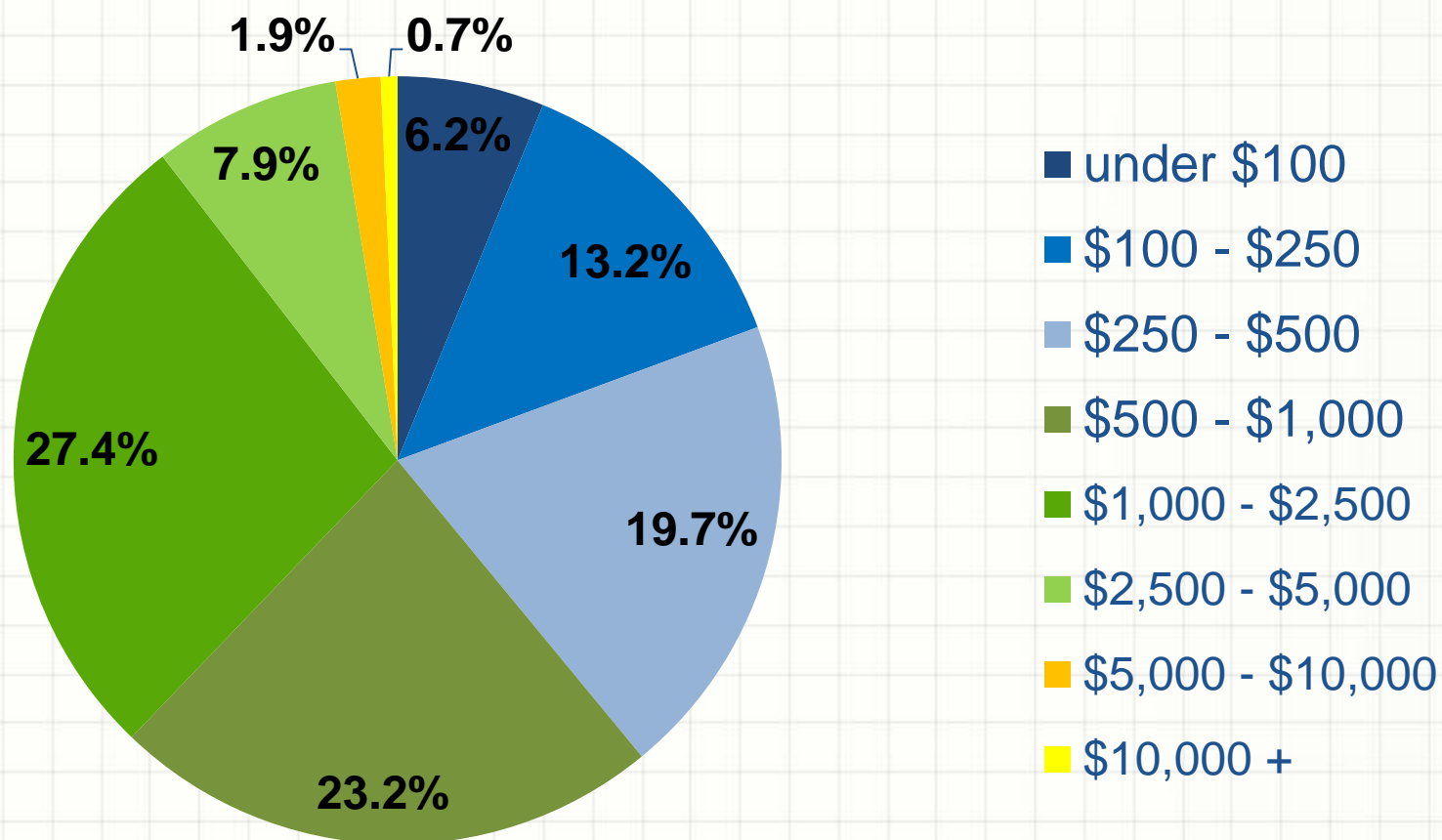
Closed-End Discount Trends

Main Peer Groups - Average CEF Discount
July 01, 2013 - June 30, 2014



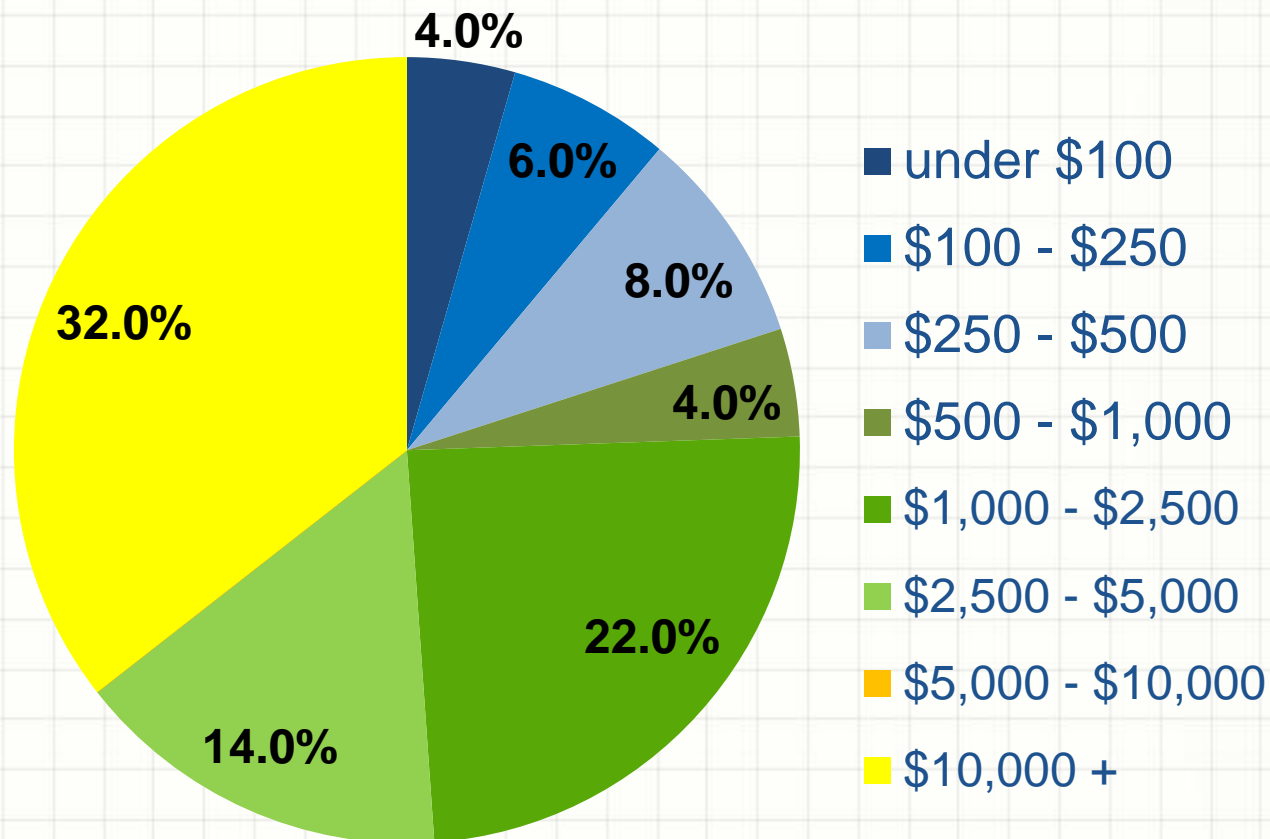
Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

Traditional Closed-End Funds: By Average Daily Liquidity (thousands)



Note: 585 traditional closed-end funds; data as of 6/30/14, Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)

BDC CEFs: By Average Daily Liquidity (thousands)



Note: 50 business development company CEF; data as of 6/30/14, Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)

CEF Volume Trends

Fund Grouping	Avg Vol 30day	Avg Vol 90day	Volume Trend
US Equity Funds	96,810	99,448	-4%
Non-US Equity Funds	66,260	65,041	-6%
Specialty Equity Funds	124,596	120,079	2%
<i>Ave Traditional Equity CEF</i>	<i>103,674</i>	<i>101,329</i>	<i>-2%</i>
Taxable Bond Funds	107,801	111,323	-6%
National Muni Bond Funds	69,166	70,330	-5%
State Muni Bond Funds	24,464	25,625	-12%
<i>Ave Traditional Bond CEF</i>	<i>75,020</i>	<i>77,247</i>	<i>-7%</i>
<i>Average Traditional CEF</i>	<i>88,647</i>	<i>95,416</i>	<i>-4%</i>
Debt Focused BDC Funds	783,136	598,128	36%
Equity Focused BDC Funds	561,990	473,101	20%
<i>Average BDC CEF</i>	<i>743,329</i>	<i>575,164</i>	<i>33%</i>
<i>Average For ALL CEFs</i>	<i>137,346</i>	<i>124,698</i>	<i>-3%</i>



Data as of June 30, 2014

www.CEFadvisors.com

Source: CEFA's Closed-End Fund Universe Report

CEF Quiet Liquidity: More Depth in Trading

GRAB

PCI US Equity 1) Actions 97) Settings Page 1 Trade/Quote Recap USD

Trade Recap Quote Recap

From 04/15/14 04:00:00 Min Size Cond
To 04/15/14 15:18:40 Price Range High 22.97 Low 22.85

Time	BMMKR	E	Bid/Trd/Ask	E	Size*	AMMKR	Cond
15:18:40		D	22.93		.39		T,OL
15:18:40		D	22.93		1		T
15:18:40		D	22.93		1		T
15:18:40		D	22.93		1		T
15:18:40		D	22.93		6.61		T
15:18:39		T	22.92		.39		OL
15:18:39		P	22.92/22.93	N	1x2		
15:18:39		N	22.92		1		
15:18:39		K	22.91/22.93	N	19x2		
15:18:39		K	22.92		1		
15:18:39		K	22.92		6.61		
15:18:39		P	22.92		1		
15:18:39		N	22.92/22.93	N	1x2		
15:18:30		D	22.9289		1		T
15:18:30		D	22.929		1		T
15:18:16		D	22.93		1300		T
15:17:19		D	22.9288		3		T
15:17:19		K	22.92/22.93	N	7x2		
15:16:51		K	22.92/22.93	N	7x1		
15:14:24		D	22.93		1.50		T

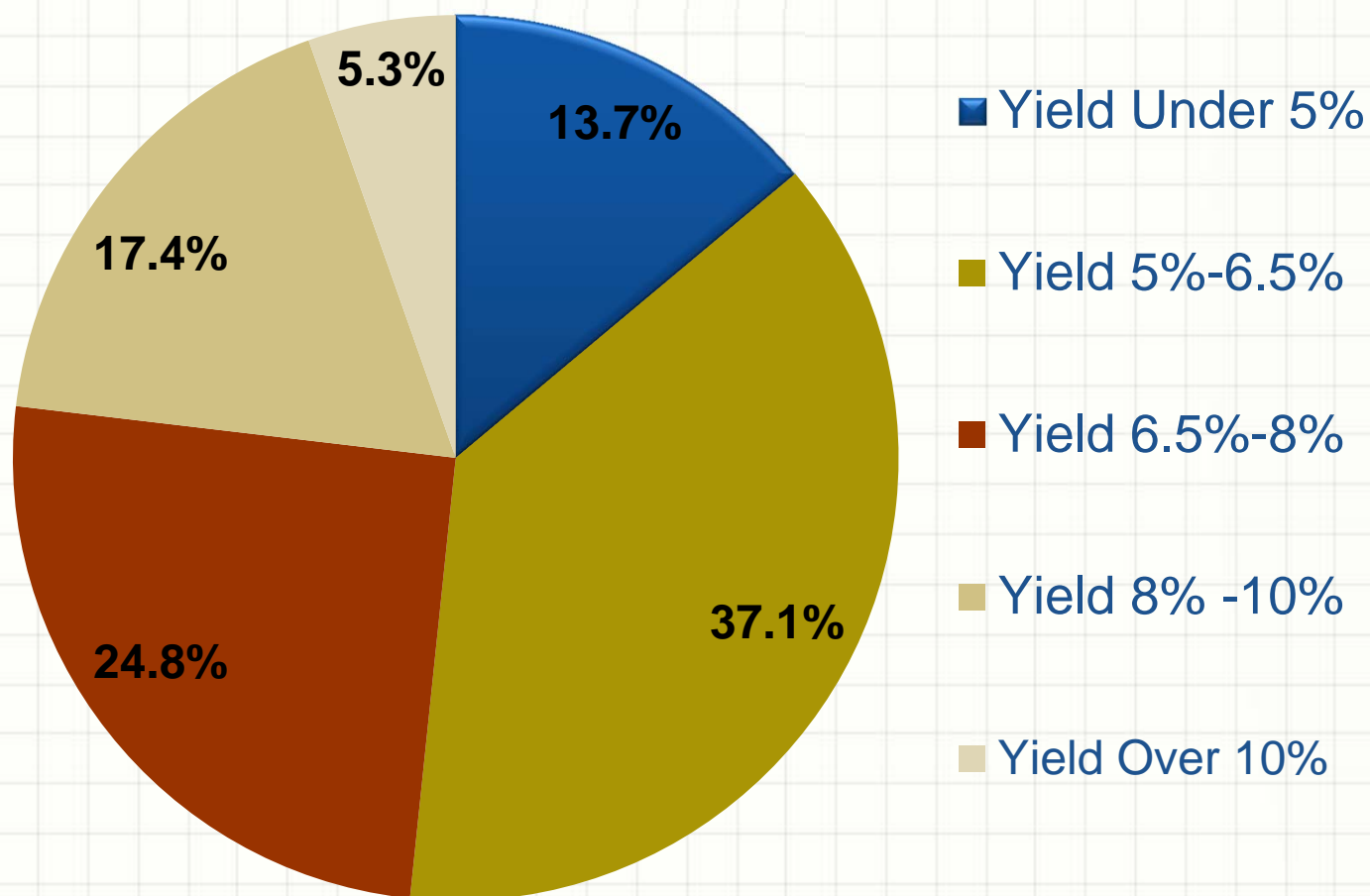
Price White: Best qt Amber: MM qt Gray: Prev qt *Size scaled by 100 Zoom 100%

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2014 Bloomberg Finance L.P.
SN 851197 H192-4402-0 10-Jun-14 13:43:00 EDT GMT-4:00

*Bought 130k PCI (25% of ADV), on the offer.

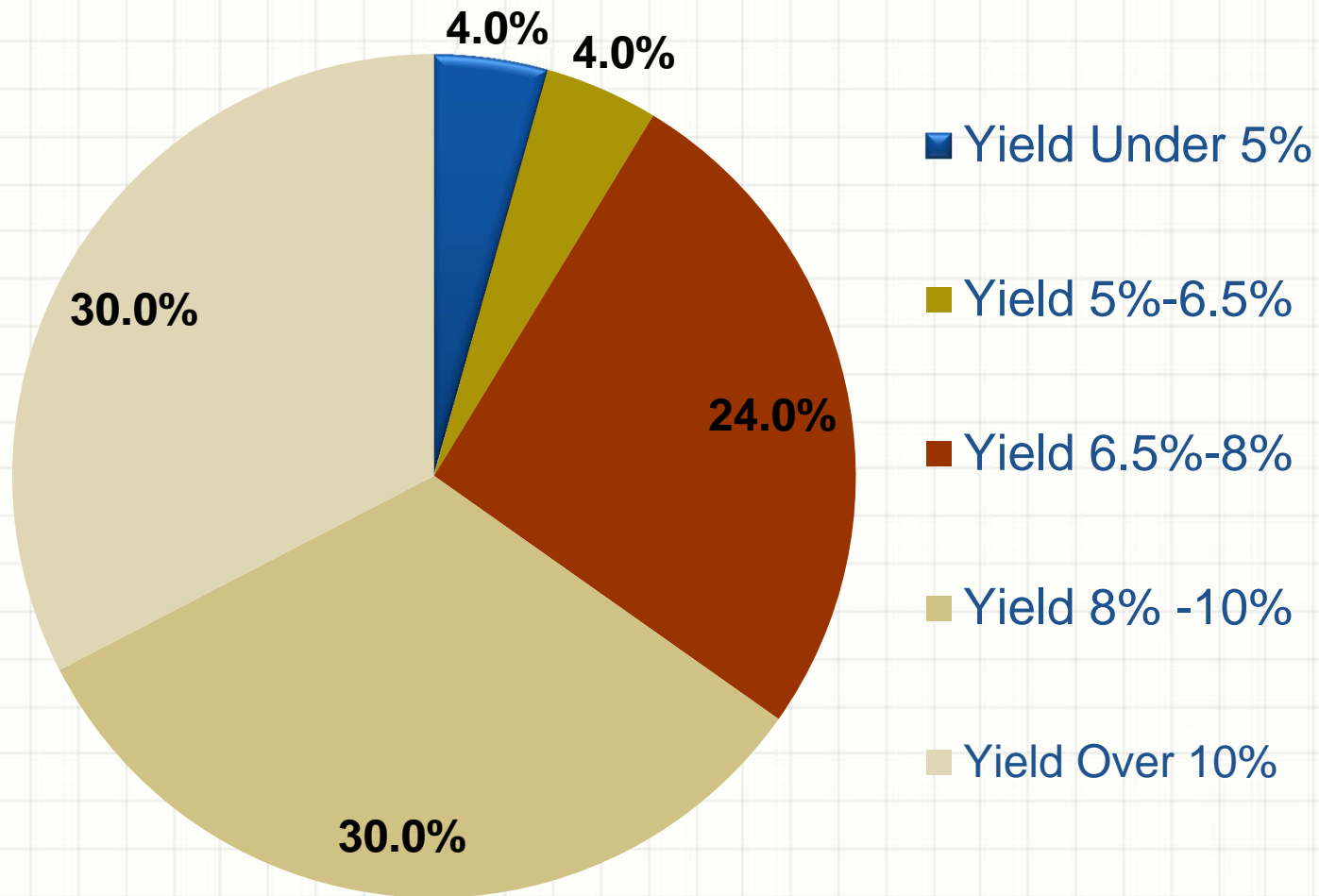
Source: WallachBeth Capital – www.wallachbeth.com

Traditional Closed-End Funds: By Yield



Note: 585 traditional closed-end funds; data as of 6/30/2014 , CEFU Report

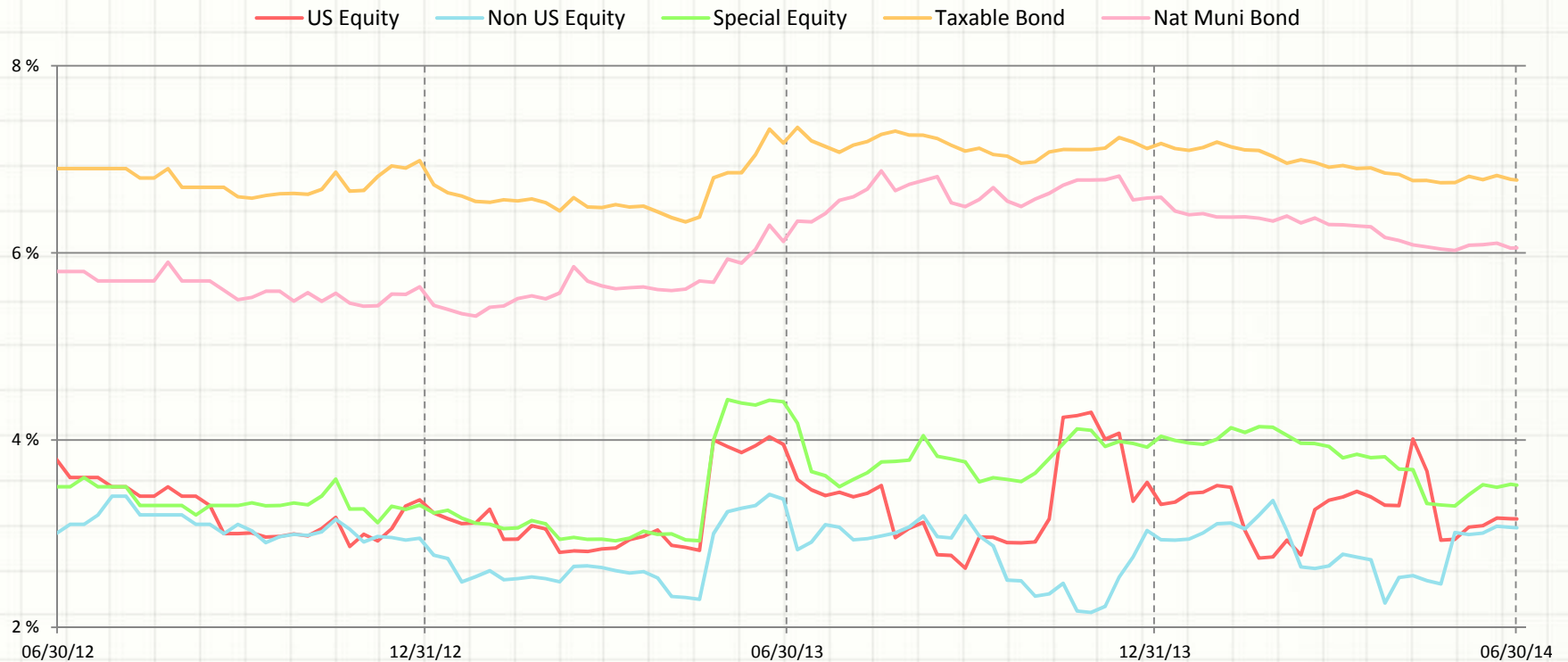
BDC CEFs: By Yield



Note: 50 business development company CEFs; data as of 6/30/2014 , CEFU Report

Income Only Yield For Closed-End Funds

Traditional CEF Peer Groups - Income - Yield
June 30, 2012 - June 30, 2014



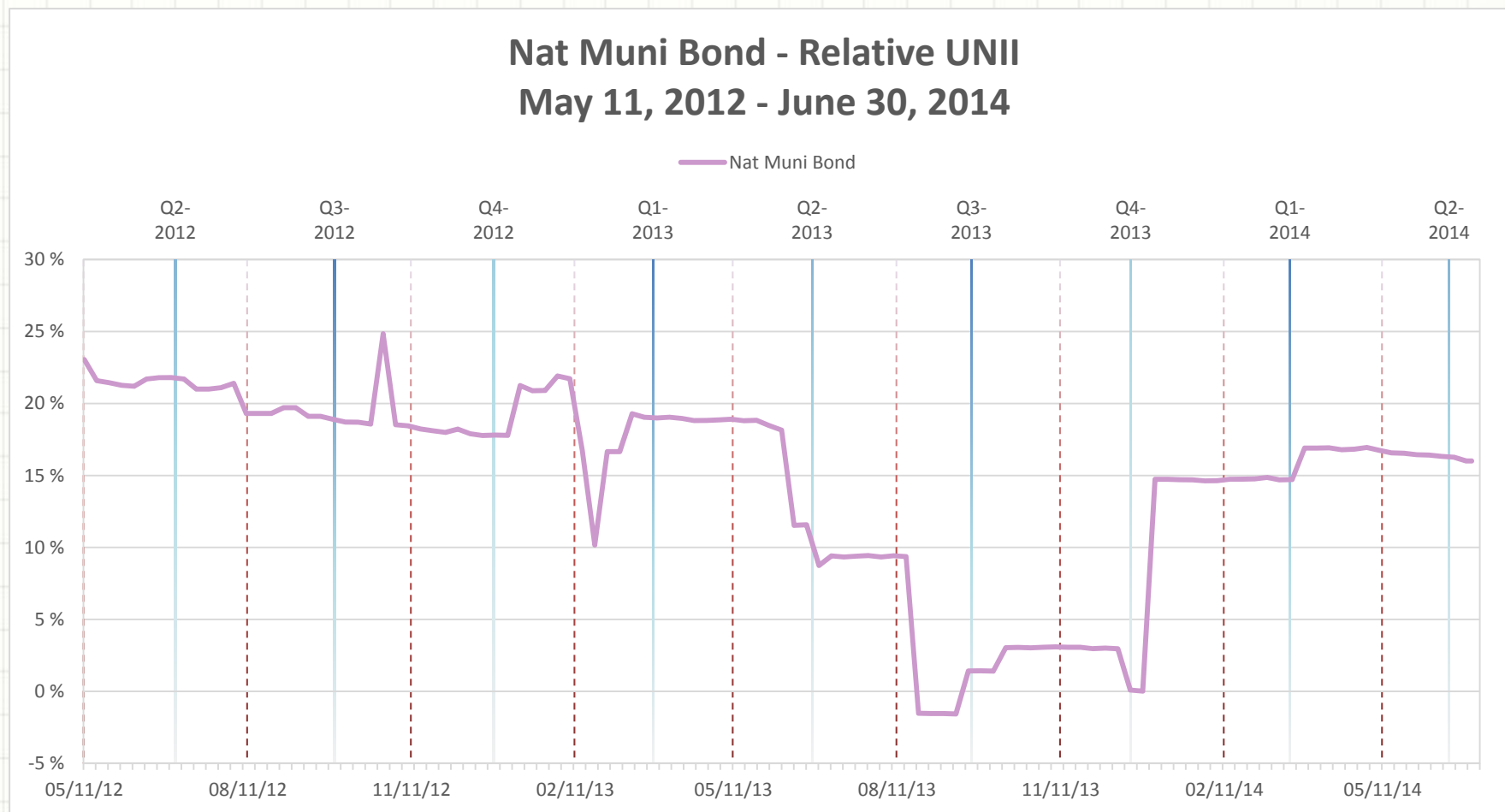
Income Only Yield for BDC CEFs, as of June 30, 2014:

- Debt Focused BDC CEFs: 9.7%
- Equity Focused BDC CEFs: 3.1%
- All BDC CEFs: 9.1%

Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)



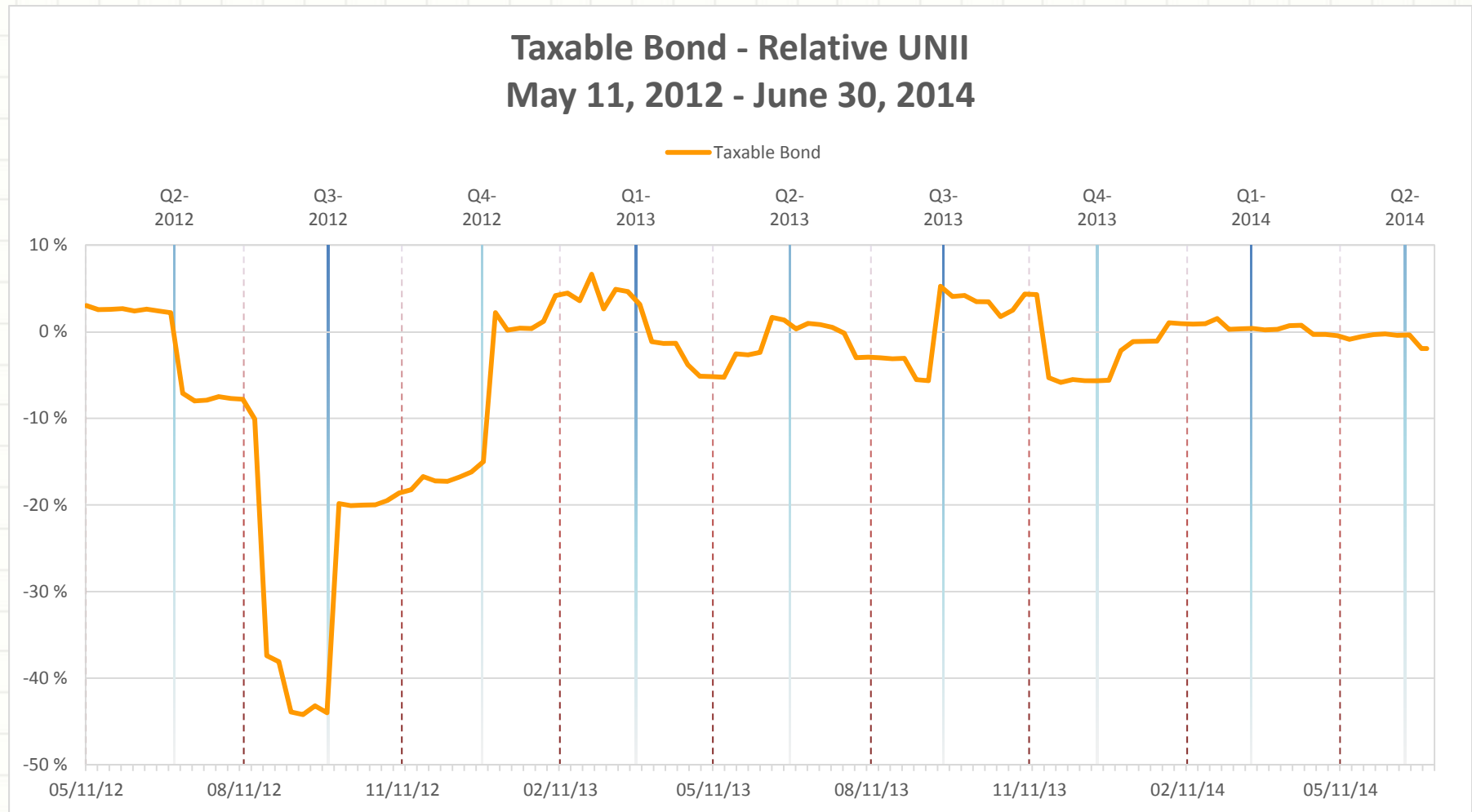
Relative UNII for Traditional CEF Municipal Bond Funds



Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)



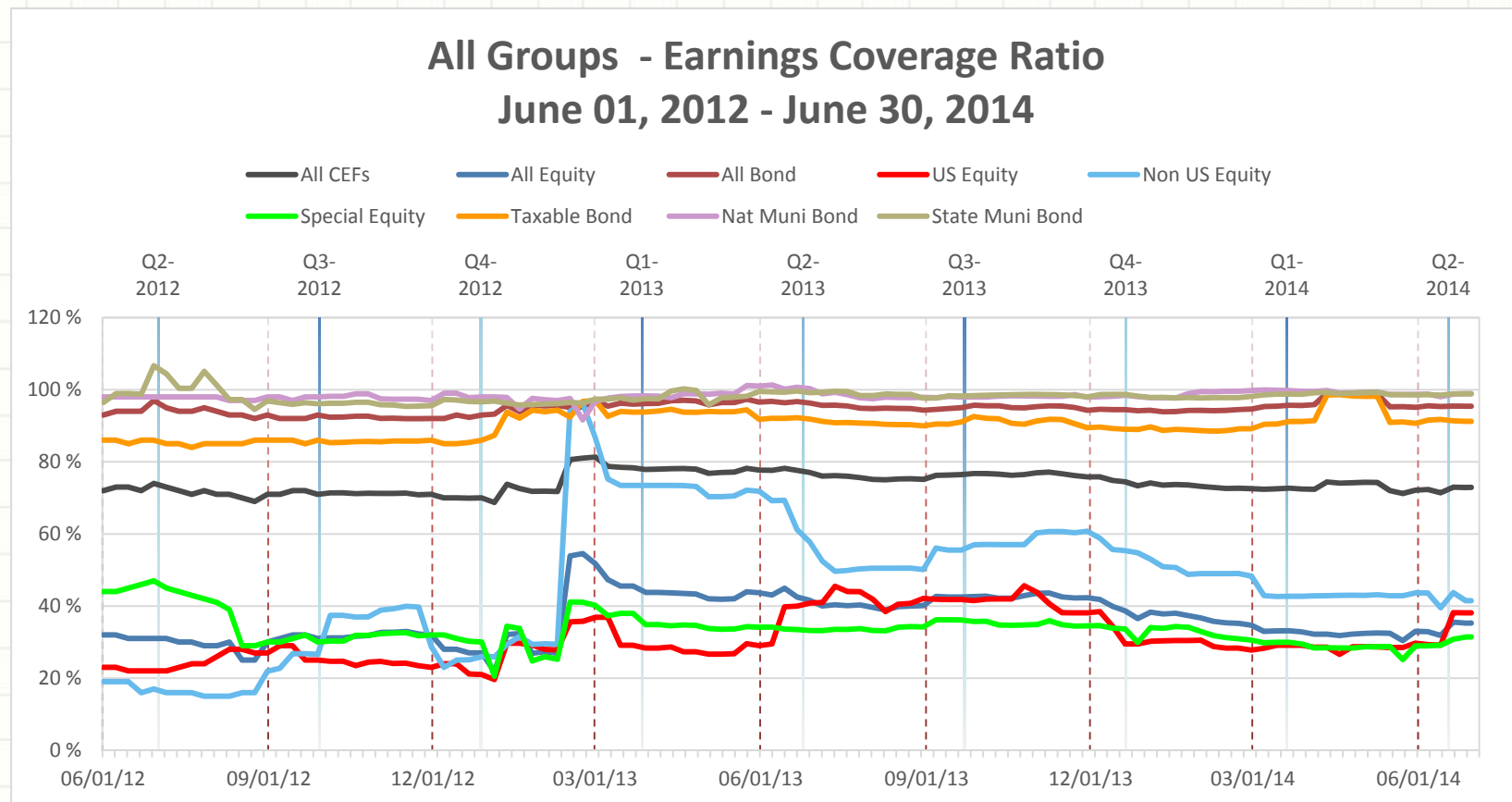
Relative UNII for Traditional CEF Taxable Bond Funds



Source: CEFA's Closed-End Fund Universe (www.cef universe.com)



Earnings Coverage Ratio For Closed-End Funds



Earnings Coverage Ratio for BDC CEFs, as of June 30, 2014:

- Debt Focused BDC CEFs: 86%
- Equity Focused BDC CEFs: 44%
- All BDC CEFs: 82%

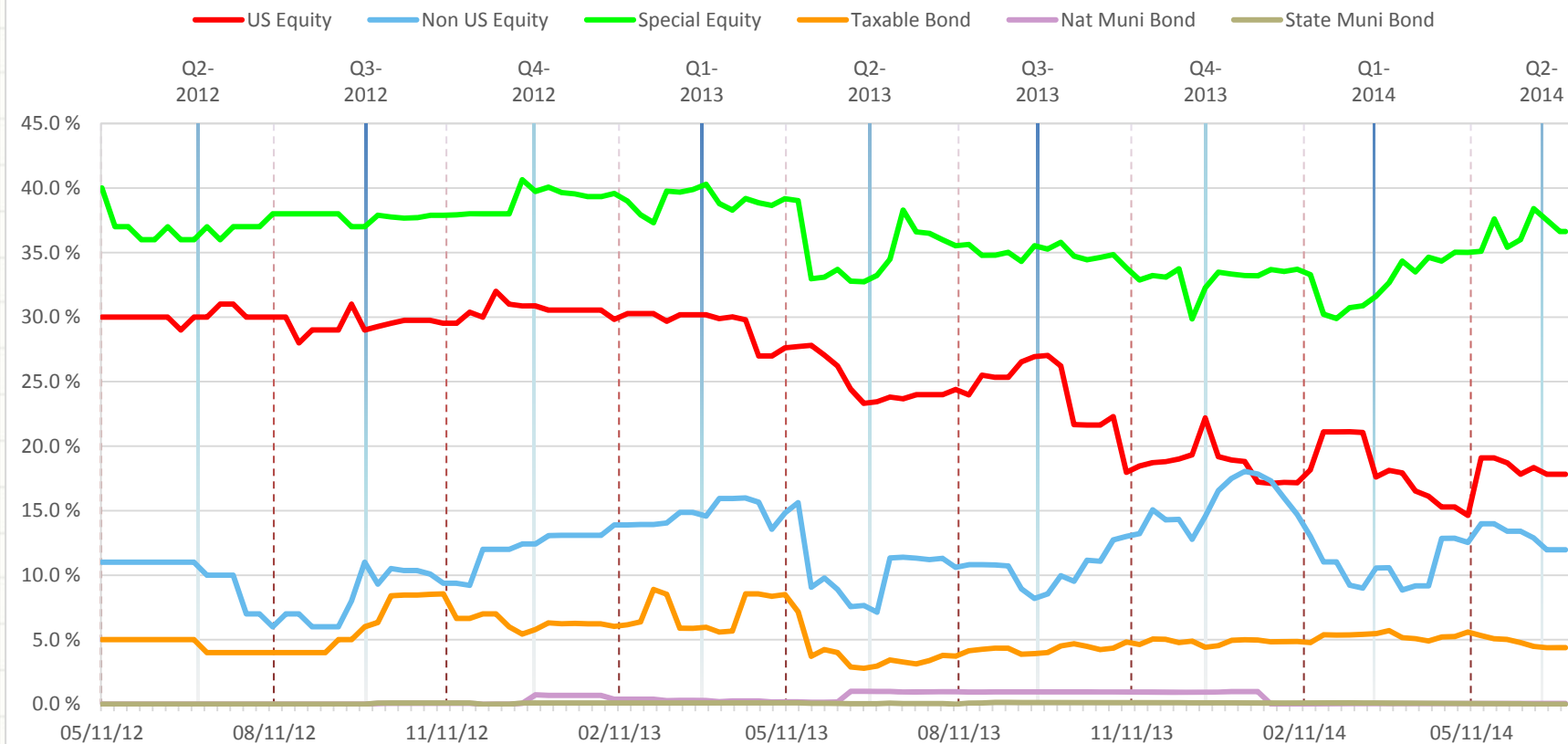
Source: CEFA's Closed-End Fund Universe (www.cef universe.com)



Return of Capital (90 Day) For CEFs

(Traditional)

Main Peer Groups - Historical ROC
May 11, 2012 - June 30, 2014



Source: CEFA's Closed-End Fund Universe (www.cef universe.com)



Destructive Return of Capital (DRoC)

(Traditional)

Fund Grouping	# Funds with Destructive RoC	% Funds with Destructive RoC	Average Destructive RoC %
US Equity Funds	0	0%	N/A
Non-US Equity Funds	1	2%	64%
Specialty Equity Funds	2	2%	61%
<i>Equity CEF</i>	3	1%	62%
Taxable Bond Funds	8	5%	21%
National Muni Bond Funds	0	0%	N/A
State Muni Bond Funds	0	0%	N/A
<i>Bond CEF</i>	8	2%	N/A
Average CEF	11	2%	32%

*Whitepaper

Source: CEFA's Closed-End Fund Universe 6/30/2014
(www.cef universe.com)



Top 10 Funds with Highest Destructive RoC % (Traditional)

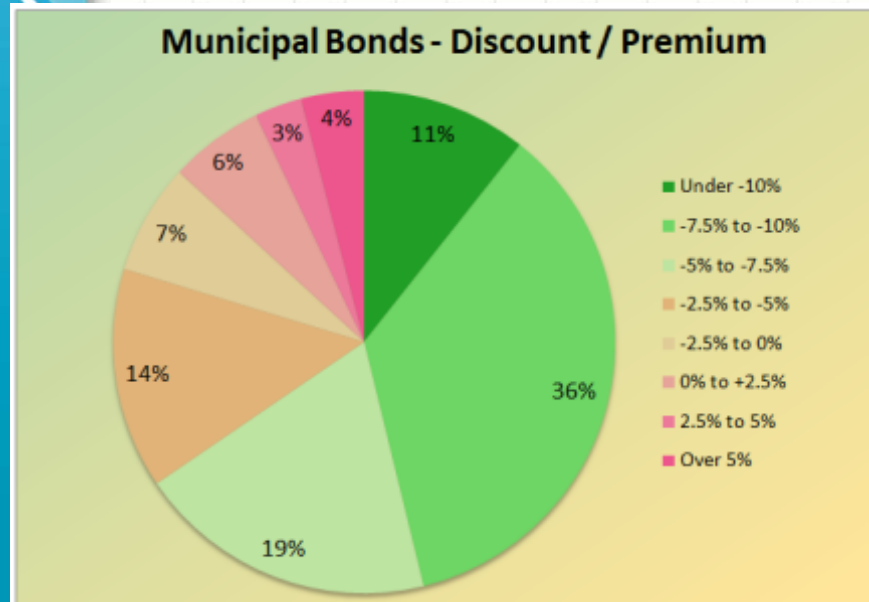
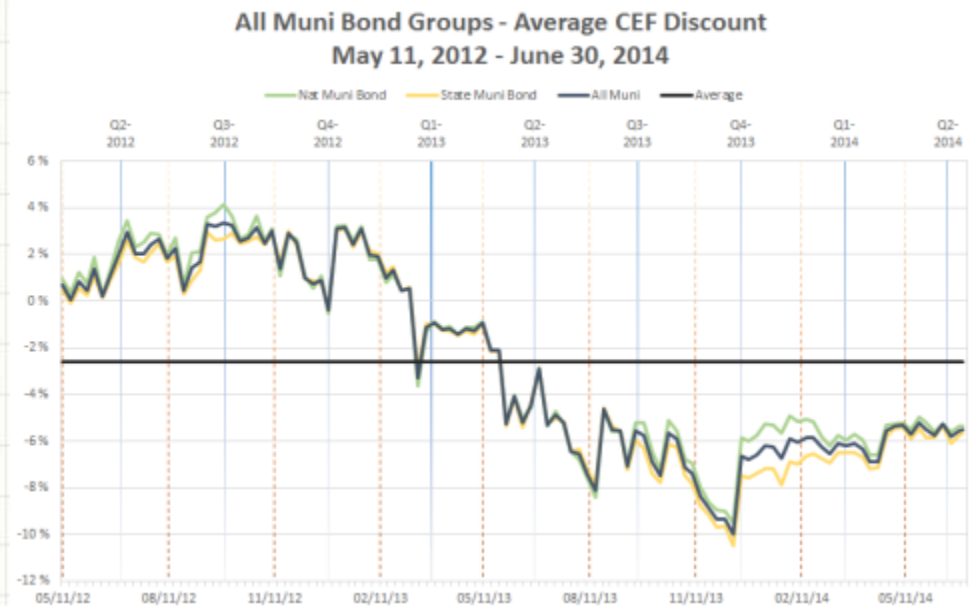
Rank	Ticker	Name	Classification	Destructive RoC %
1	EXD	EV Tx-Adv Bnd & Opt Stgs Fd	Specialty Equity Funds	95%
2	CH	Abd Chile Fd	Non U.S. Equity Funds	64%
3	MIN	MFS Imd Incm Tr	Taxable Bond Funds	45%
4	MGF	MFS Govt Mkt Incm Tr	Taxable Bond Funds	35%
5	JGT	Nuv Divr Crncy Opp Fd	Taxable Bond Funds	33%
6	SELF	Self Storage Grp	Specialty Equity Funds	26%
7	FTT	Fed Enh Treasury Incm Fd	Taxable Bond Funds	16%
8	DUC	D&P Util & Corp Bnd Tr	Taxable Bond Funds	11%
9	EVG	EV Srt Dur Divr Incm Fd	Taxable Bond Funds	11%
10	EGF	BR Enh Govt Fd	Taxable Bond Funds	10%

Source: CEFA's Closed-End Fund Universe 6/30/14
(www.cefadvisors.com)



Municipal Bond Closed-End Fund Universe

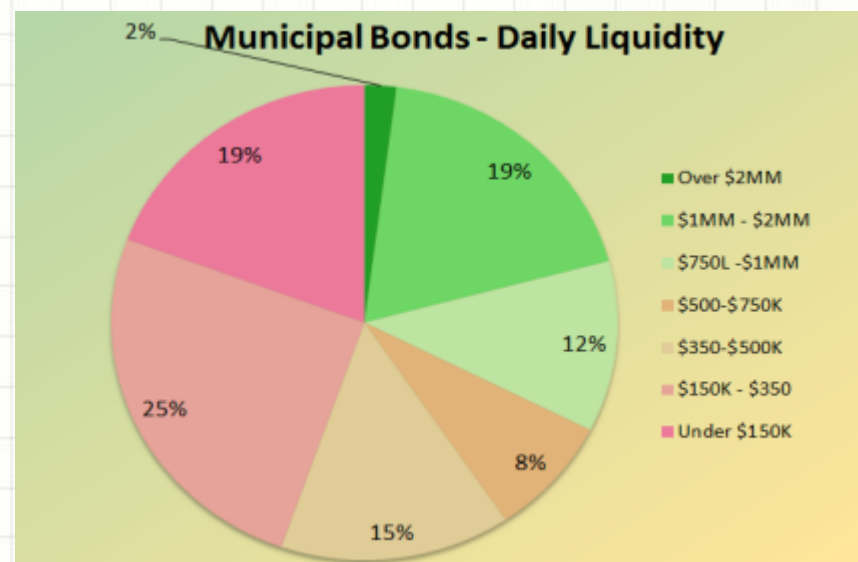
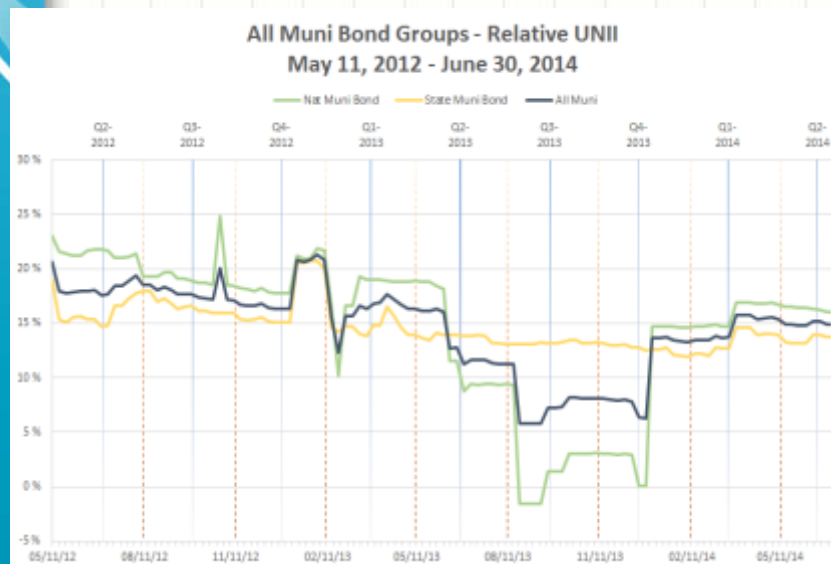
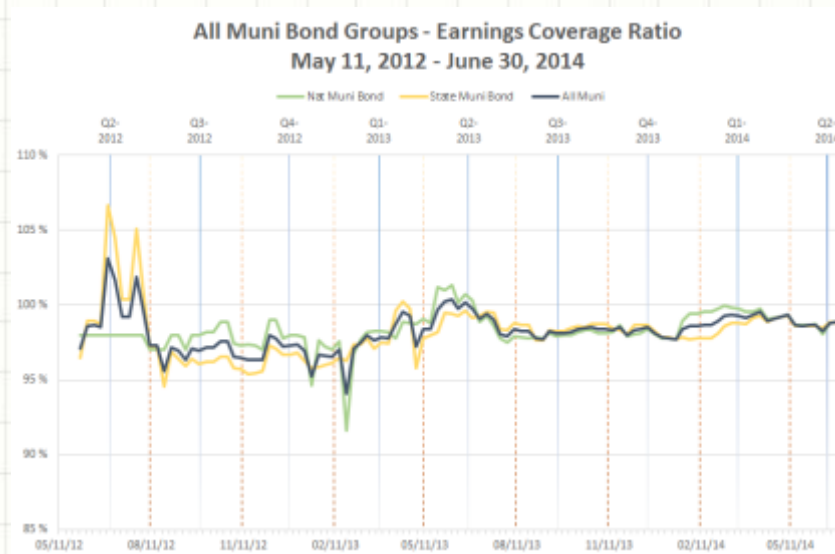
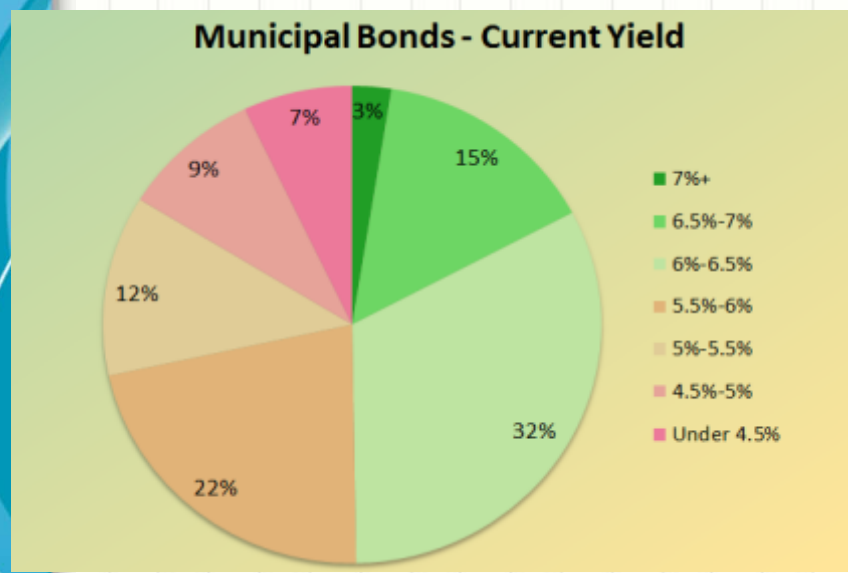
	National Muni Funds	Single State Muni Funds	Total
Number of Funds	104	93	197
Net Assets (Total)	\$47,009	\$18,532	\$65,541
Net Assets	\$452	\$199	\$333
Earnings Coverage Ratio %	98.9	98.8	98.9
Premium / Discount %	-5.35	-5.77	-5.55
Total Mkt Yield %	6.05	5.57	5.82
Leverage Adj NAV Yield %	4.34	3.91	4.14
NAV Volatility	4.36	4.20	4.28
Leverage %	32.2	34.0	33.0
Leverage Cost %	0.43	0.56	0.49
Duration	10.36	10.22	10.29
Insured %	22.7	28.0	25.2
Investment Grade %	87	91	89
Credit Quality	A	A	A



Note: Volatility is a one year rolling calculation

Source: Data as of June 30, 2014 from CEFA's Universe Data

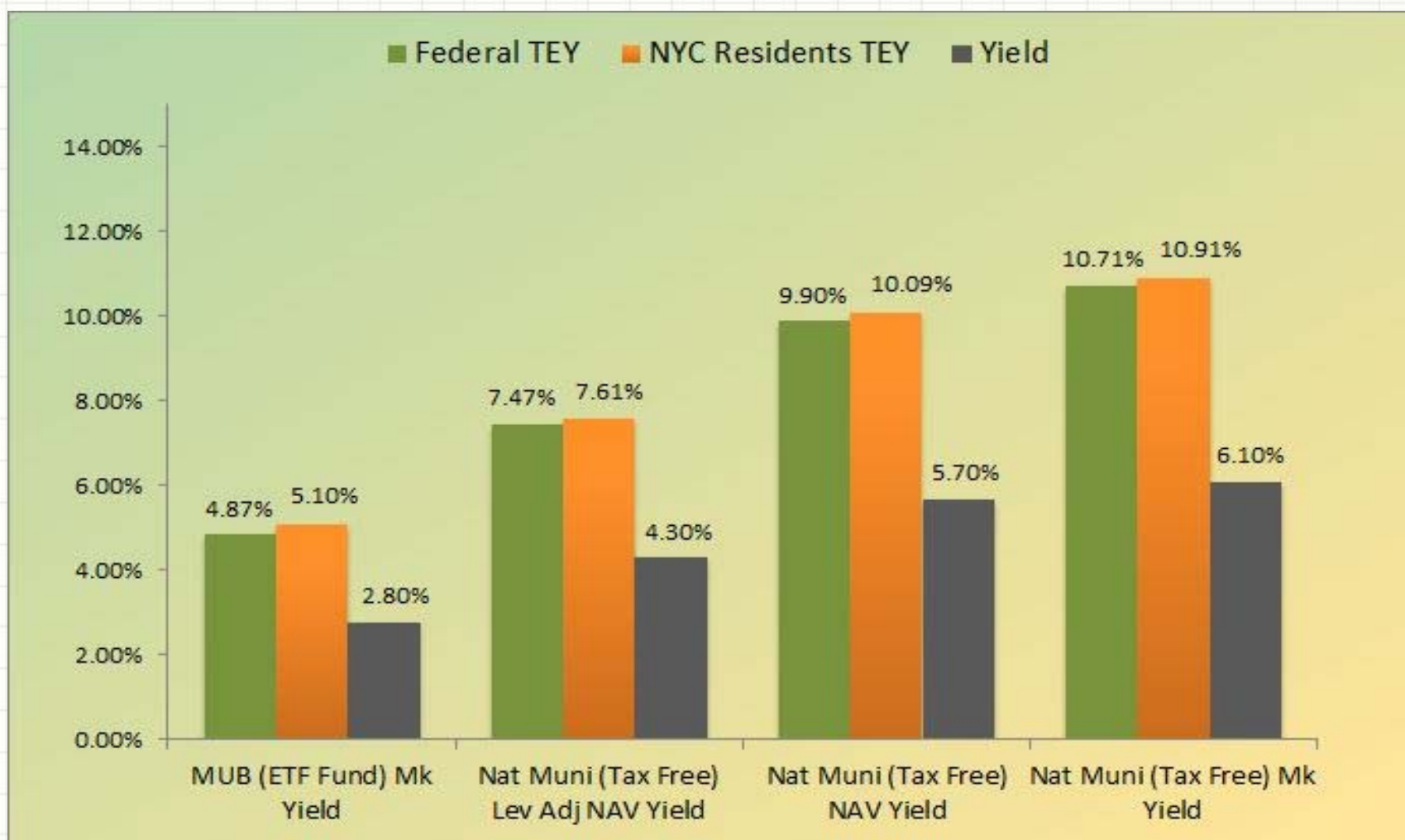
Municipal Bond Closed-End Fund Universe



Source: Data as of June 30, 2014 from CEFA's Universe Data

Tax Equivalent Yield Comparison

Married Couple with W-2 Income of \$1MM+



Sources: Telemet, CEFA's Universe Data as of 6/30/14 and tax rates from IRS and NY State. Note: Slides updated to fix a data lag post webinar recording.

Traditional CEF Press Release Summary

(2822 CEF PRs in 2Q14)

Announcement Type	2Q 2014	Full Year 2013	2Q 2013	Avg per Q since 2013
Investment Policy Change	7	30	10	7
Leverage Amount Change	49	70	13	23
Name Change	16	13	1	6
Rights Issue	16	27	11	9
Tender Offer	11	63	19	15
Director Change	0	35	3	6
Fund Manager Change	0	18	1	3
Secondary Offering	3	7	2	2
Distribution Policy Change	14	12	6	5
Leverage Type Change	4	41	6	9

Source: Fund Press Releases.



2Q 2014 Traditional Closed-End Fund Dividend Increases vs. Decreases

Dividend Announcement	Number of Announcements	Average Percentage Change
Dividend Maintains	1286 (92%)	N/A
Dividend Increases	48 (3%)	+3.38%
Dividend Decreases	72 (5%)	-6.66%
Under 5% Increase	35 (73%)	+1.7%
Over 5% Increase	13 (27%)	+7.92%
Under 5% Decrease	40 (56%)	-2.6%
Over 5% Decrease	32 (44%)	-12.2%

Note: We only counted monthly and quarterly paying CEFs, which is a change from the previous quarter's tables.

Source: Fund Press Releases



2Q 2014 Traditional Closed-End Fund Dividend Increases vs. Decreases

Major CEF Groups: Number of dividend decreases / increases
April 1, 2014 to June 30, 2014



Source: Fund Press Releases

2Q and YTD 2014 Closed-End Fund NAV / Market Price Performance

Fund Grouping	2Q NAV	2Q Mkt Pr	YTD NAV	YTD Mkt Pr
US Equity Funds	3.6%	3.9%	7.3%	7.7%
Non-US Equity Funds	5.3%	5.9%	7.5%	8.5%
Specialty Equity Funds	7.2%	7.7%	12.6%	14%
<i>Avg Traditional Equity CEF</i>	6.0%	6.5%	10.3%	11.3%
Taxable Bond Funds	3.1%	4.4%	6.5%	8.6%
National Muni Bond Funds	5.1%	5.7%	12.2%	13.4%
State Muni Bond Funds	4.6%	5.4%	11.1%	13.6%
<i>Avg Traditional Bond CEF</i>	4.1%	5.1%	9.3%	11.3%
<i>Average Traditional CEF</i>	4.8%	5.6%	9.7%	11.3%
<i>Debt Focused BDC</i>	2.08%	3.95%	4.4%	3.0%
<i>Equity Focused BDC</i>	-0.34%	0.27%	-1.7%	0.4%
<i>Average BDC CEF</i>	1.63%	3.27%	3.2%	2.5%



Data as of June 30, 2014

Source: CEFA's Closed-End Fund Universe Report

www.CEFadvisors.com

Closed-End Fund Activist Update

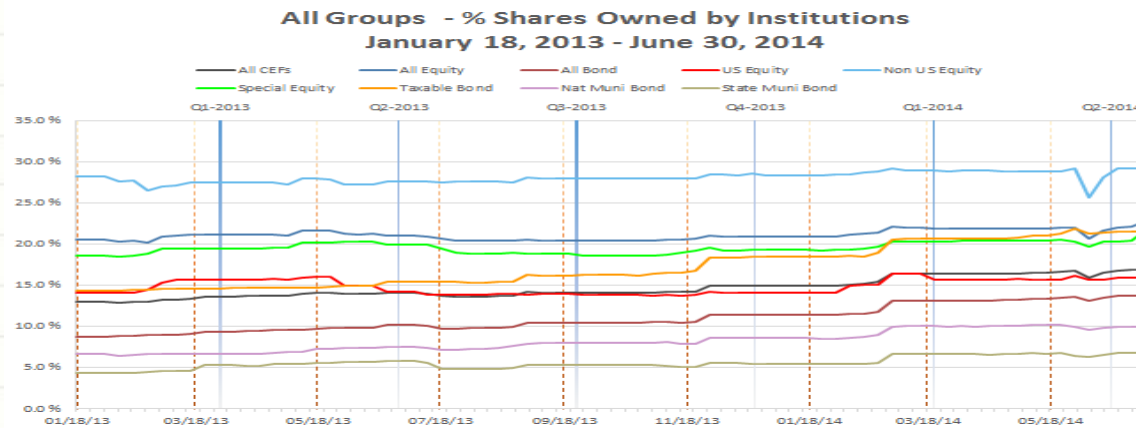
2Q 2014

Month Filed	Filing	Closed-End Fund	Investor	Notes
Jun	13G	Aberdeen Greater China Fund (GCH)	City of London	14.4%
Jun	13G	Asia Pacific Fund (APB)	Karpus	Inc (38.1%)
Jun	Tender	Delaware Investments Dividend & Income Fund (DDF)	Public	98% of NAV per share
May	13D	Nuveen Global Income Opportunities Fund (JGG)	Bulldog	7.25% New
May	Tender	Delaware Investments Dividend & Income Fund INC (DDF)	Public	98% of NAV per share
Apr	13D	Madison Strategic Sector Premium Fund (MSP)	Bulldog	6.07% New
Apr	13G/A	Pacholder High Yield Fund Inc (PHF)	First Trust	Inc (11.17%)



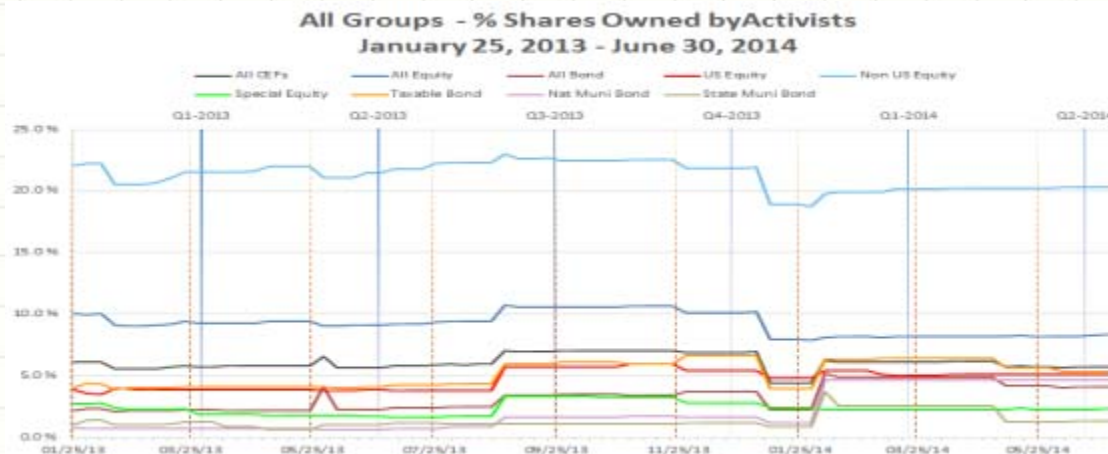
CEF Institutional & Activist Holdings

(Traditional CEFs 2Q 14)



Activist Holdings Trends
-previous 6 months-

Increase: 202 funds
Decrease: 75 funds



Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

Traditional Closed-End Fund

Historical IPOs (2Q 14)

	2014 YTD	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of IPOs	4	25	23	19	17	13	2	40	21	47	50
Average Assets In \$ millions	\$320	\$580	\$517	\$316	\$451	\$200	\$131	\$690	\$506	\$452	\$462
Total New CEF IPO Assets in \$ Billions	\$1.3	\$14.5	\$11.9	\$6.0	\$7.7	\$2.6	\$0.3	\$27.6	\$10.6	\$21.2	\$23.1

10 Year Average: 26 Funds per year, \$431M Ave Fund, \$12.6 Billion Per Year



2014 IPO Details

2Q 2014

The Gabelli Global Small and Mid Cap Value Trust (GGZ) - Traditional CEF -

IPOed on June 23, 2014

IPO Price: \$11.90

IPO Assets: \$100M

Price as of 6/30/14: \$10.75

Disc/Prm as of 3/31/14 : -10.49%

Duff & Phelps Select Energy MLP Fund (DSE) - Traditional CEF -

IPOed on June 26, 2014

IPO Price: \$20.00

IPO Assets: \$485M

Price as of 6/30/14: \$20.02

Disc/Prm as of 3/31/14 : 5.04%

Alcentra Capital Corporation (ABDC) - BDC CEF -

IPOed on May 8, 2014

IPO Price: \$15.00

IPO Assets: \$100M

Price as of 6/30/14: \$14.89

Disc/Prm as of 6/30/14 : N/A

TriplePoint Venture Growth BDC Corp. (TPVG) - BDC CEF -

IPOed on June 6, 2014

IPO Price: \$15.00

IPO Assets: \$125M

Price as of 6/30/14: \$16.15

Disc/Prm as of 6/30/14 : 10.77%



Source: Fund Press Releases

www.CEFadvisors.com

IPOs during 3Q 2013 – 1Q 2014

Current Discount / Premium

IPO Date	Ticker	Fund Name	Type	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
3Q 2013	KIO	KKR Income Opportunities Fund	Traditional	-7.37%	\$17.96	\$20.00	89.80%
	TSLF	THL Credit Senior Loan Fund	Traditional	-5.31%	\$18.36	\$20.00	91.80%
	CEN	Center Coast MLP & Infr Fund	Traditional	-4.88%	\$18.31	\$20.00	91.55%
	FSFR	Fifth Street Senior Floating Rate Corp.	BDC	-9.12%	\$13.75	\$15.00	91.67%
	CPTA	Capitala Finance Corp.	BDC	-4.92%	\$19.33	\$20.00	96.65%
4Q 2013	RGT	Royce Gbl Val Tr	Traditional	-11.87%	\$8.98	\$8.88	101.13%
	ARMF	Ares Multi-Stgy Cr Fd	Traditional	-8.64%	\$22.00	\$25.00	88.00%
	GMZ	GS MLP Incm Opp Fd	Traditional	-5.92%	\$19.07	\$20.00	95.35%
	BANX	StoneCastle Fin Corp	Traditional	6.55%	\$24.58	\$25.00	98.32%
1Q 2014	JMLP	Nuv All Cap Nrg MLP Opp Fd	Traditional	-2.79%	\$19.83	\$20.00	99.15%
	FPL	FT New Opp MLP & Nrg Fd	Traditional	-5.20%	\$19.52	\$20.00	97.60%
	ACSF	American Capital Senior Floating, Ltd.	BDC	-6.95%	\$14.06	\$15.00	93.73%
	CMFN	CM Finance Inc	BDC	-1.57%	\$14.40	\$15.00	96.00%
	TSLX	TPG Specialty Lending Inc	BDC	22.89%	\$19.06	\$16.00	119.13%

Data as of June 30, 2014

Source: CEFA's Closed-End Fund Universe Report



Traditional Closed-End Fund NAV – Market Price Correlation

Fund Grouping	Correlation 30day	Correlation 90day	Correlation Trend
US Equity Funds	62.8%	76.4%	-14%
Non-US Equity Funds	71.5%	86.4%	-15%
Specialty Equity Funds	63.1%	78.7%	-16%
<i>Ave Equity CEF</i>	<i>65.4%</i>	<i>80.4%</i>	<i>-15%</i>
Taxable Bond Funds	42.7%	52.7%	-10%
National Muni Bond Funds	43.7%	83.3%	-40%
State Muni Bond Funds	34.8%	76.3%	-42%
<i>Ave Bond CEF</i>	<i>40.1%</i>	<i>67.7%</i>	<i>-27%</i>
Average CEF	50.3%	72.6%	-22%

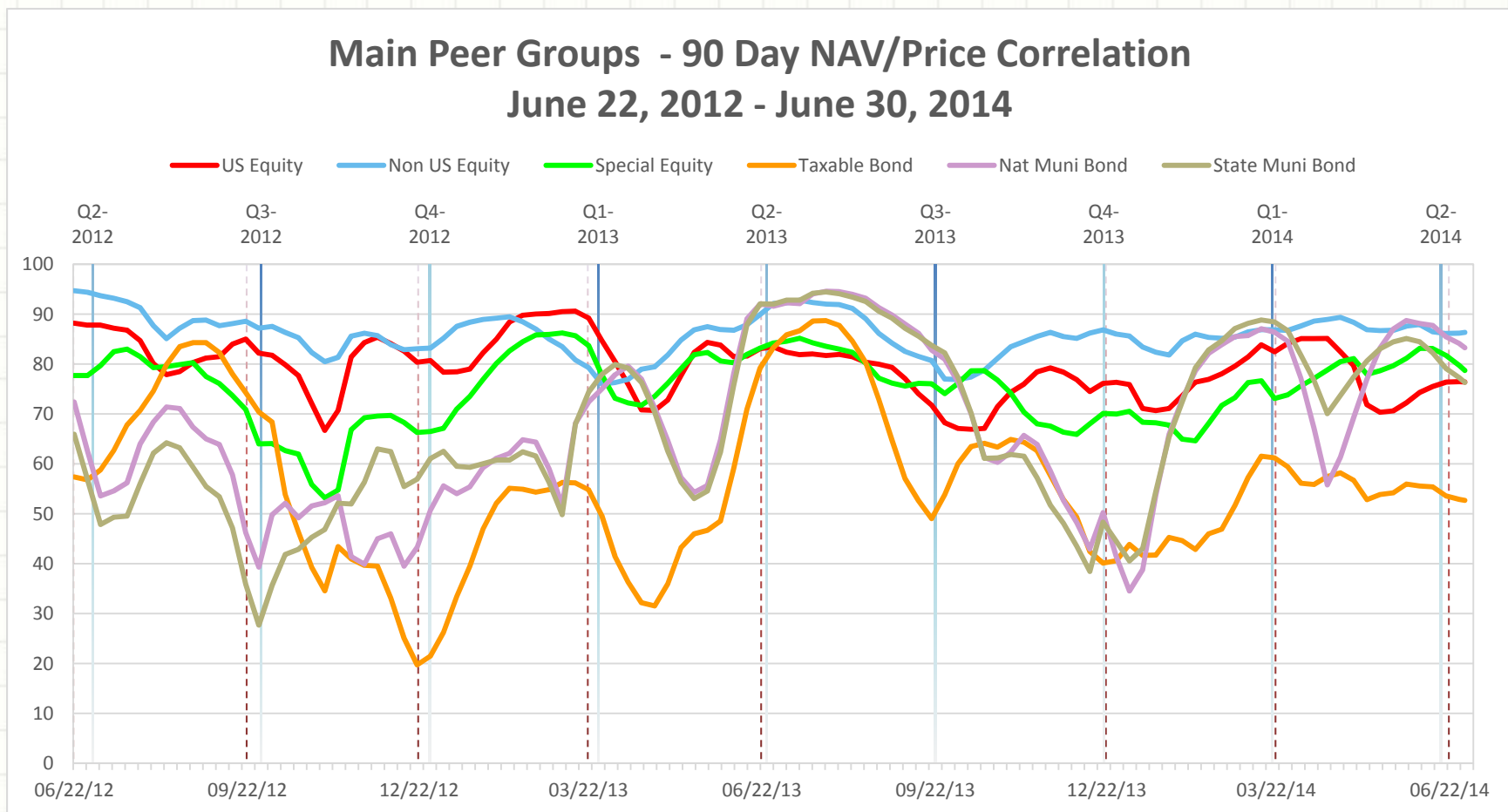
Data as of June 30, 2014

Source: CEFA's Closed-End Fund Universe Report



Traditional Closed-End Fund

90 Day NAV – Market Price Correlation



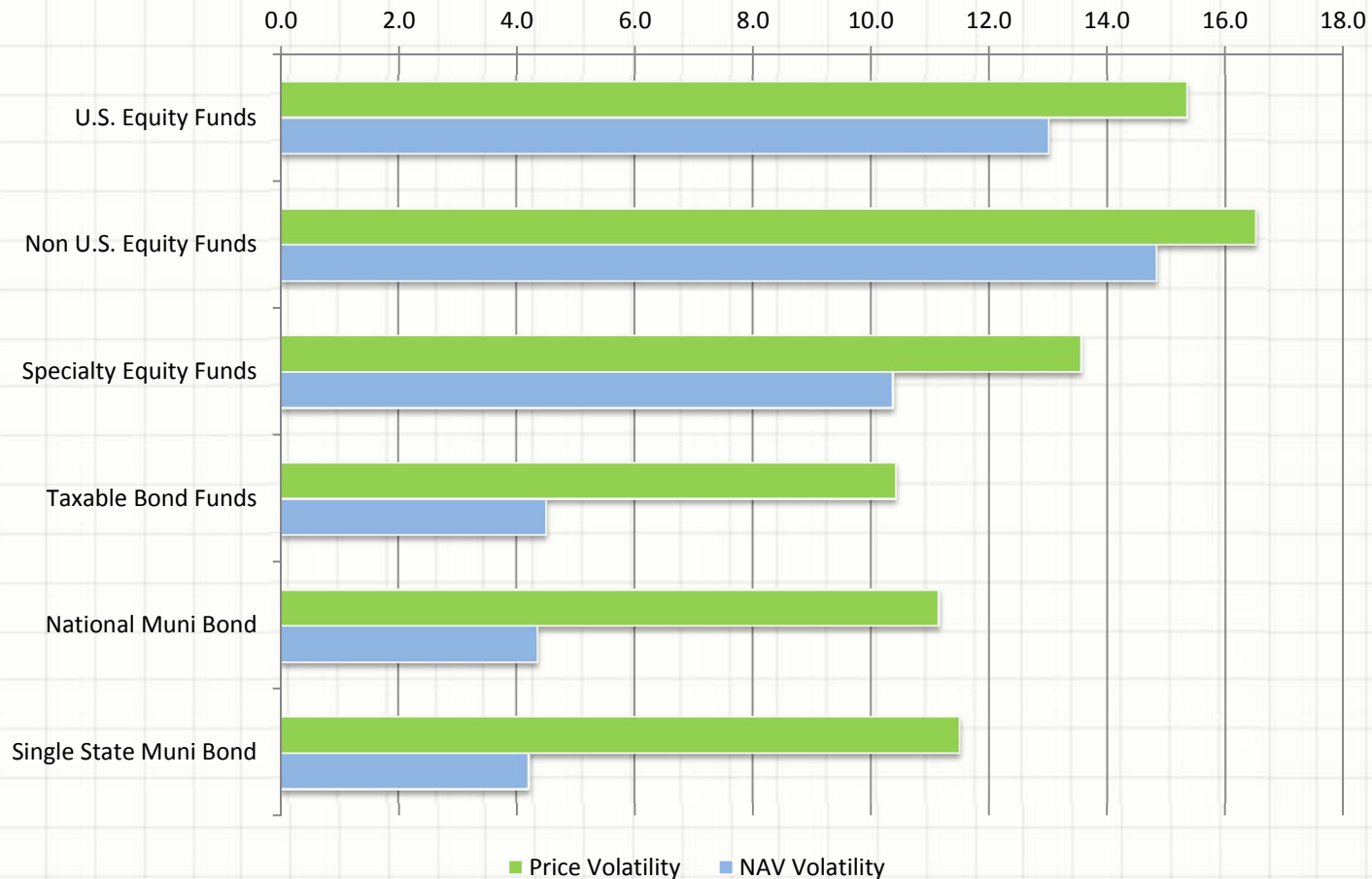
Source: June 30, 2014 - CEFA's Closed-End Fund Universe Report

www.CEFadvisors.com



Traditional Closed-End Fund

Market Price volatility vs. NAV volatility (1 Year)



Source: June 30, 2014 - CEFA's Closed-End Fund Universe Report

www.CEFadvisors.com



CEFA's Outlook for 3Q 2014

- Business Development Company (BDC) CEFs – Yield for Rising Rates.
- Bond Funds (Taxable / Muni) vs. Equity Funds (US & Non US) → Why?
- Dividend Cuts slowing for Bond CEFs, increases for Equity expected.
- CEFs Benefit From Fixed Capital. Thinking @ Pervasive Discounts.
- Muni Cheap (July 2014), UNII solid EC positive, TEY. (2 Muni Investors)
- We like REIT, Senior Loan, Debt-BDCs, High Yield, multi-sector bond, US Equity, Global Equity, MLP (DTL, RoC and Disc Cap)* Cov Call CEFs (historically expensive but still good sector)
- Be Selective: Watch UNII Trend, RoC % (Destructive)/ Trends and Earnings Coverage – is data stale? Fund Sponsor differences.
- Sustainable Dividends, Lev Adj NAV Yield, vs. EC Trend% for Bond CEFs
- NAV Perf. vs. Peers “Anchor Point” - Swap As Needed 0.5 – 0.75 Rel Std Dev.
- Relative Discount and Z-Stat, Relative Discount Range: Think about time period. Cost of leverage and impact in 2015.
- Are you buy and hold or are you capturing any alpha?

What You Asked Us to Cover

In Webinar Registration

- *Upcoming IPOs (6), New issuance outlook (2)
- *Trends for MLP funds (esp. oil & gas funds) (2)
- *BDCs (esp. new info, changes, & valuations) (7)
- *How to build a long – term portfolio w/ CEFs (esp. how to start a position & diversify your portfolio) (8)
- *Leverage (esp. the different types & the pluses & minuses of a fund having leverage) (3)
- *The difference between “non-leverage yield” & “total yield”
- *Macro trends for 3rd Quarter (esp. performance in rising rate environments – equity & fixed income) (13)
- *How to choose CEFs in a particular category (inc. risk management & best data source) (4)
- *CEF Strategy (taxable v. non-taxable)
- *Why has much of the data for taxable bond funds not been updated since 2013
- *NAV prm./disc. trends + distributions (6)
- *Attractive discounts vs. historical discounts (4)
- *Actual income v. RoC (3), DRoC (2)
- *Updated activist trends (2), Recent trends in corporate actions (tenders, etc.)
- *Credit Deterioration in PR & other municipalities affecting CEF valuation
- *Should I buy or hold high yield in a selloff
- *BNP issues (?)
- *How to decide whether to exercise or sell rights (2)
- *Is selling options a good strategy in this environment
- *CEF muni funds (3), Covered call CEFs (2), Emerging markets
- *TSI (dividend cut), GF, NHF (outlook)

New Data for CEF Universe

During 2Q 2014

Traditional CEF Data:

- 1 Yr NAV/Mk Pr Disp
- Top CEF Sheet
- Gross Assets
- Gross Expense Ratio %
- Non lev Expense Ratio %
- % Shares Owned by Insiders
- Payable Date
- Carrying Cost
- "Extended Portfolio Allocation" (46 new data columns)

**We are open to ideas on what to include*



New Data for CEF Universe

During 2Q 2014 (continued)

BDC CEF Data:

- Volume trend
- 52 Week Relative Price
- Market Price Standard Deviation
- 1-Yr Z-Stat
- 1-Yr & 3-Yr Average Discount
- 3-Yr Price & NAV Total Return
- YTD Price & NAV Total Return
- 1-Yr Price & NAV Total Return
- Inc Yield
- %RoC3m
- RoC Trend
- %RoC 12m
- %Inc 12M
- %LCAP 12M
- %SCAP 12M
- Expected Dividend Date
- Dividend Payable Date
- % Fixed Rate Leverage
- % Variable Rate Leverage
- % Structural Leverage
- Inception Date

**We are open to ideas on what to include*

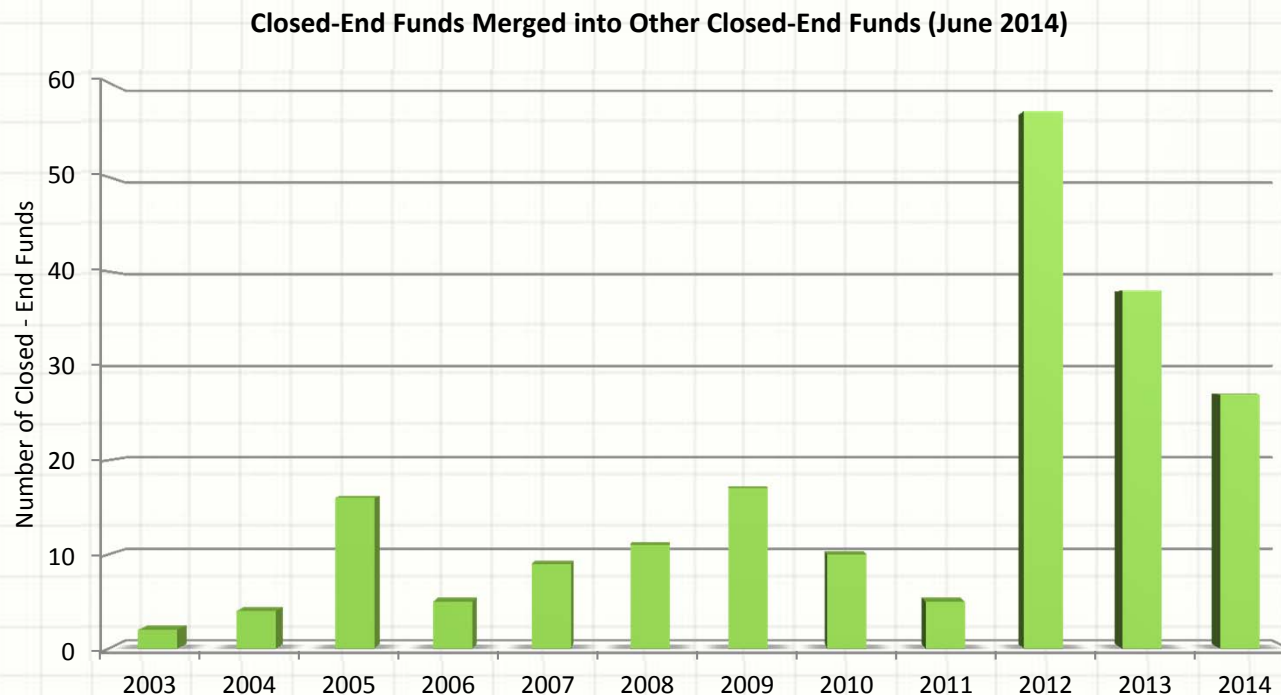


CEF Heat Map

<https://cefalyzer.com/treemap> (Example, not a recent day)



Traditional Closed-End Fund Mergers



Reasons to Merge:

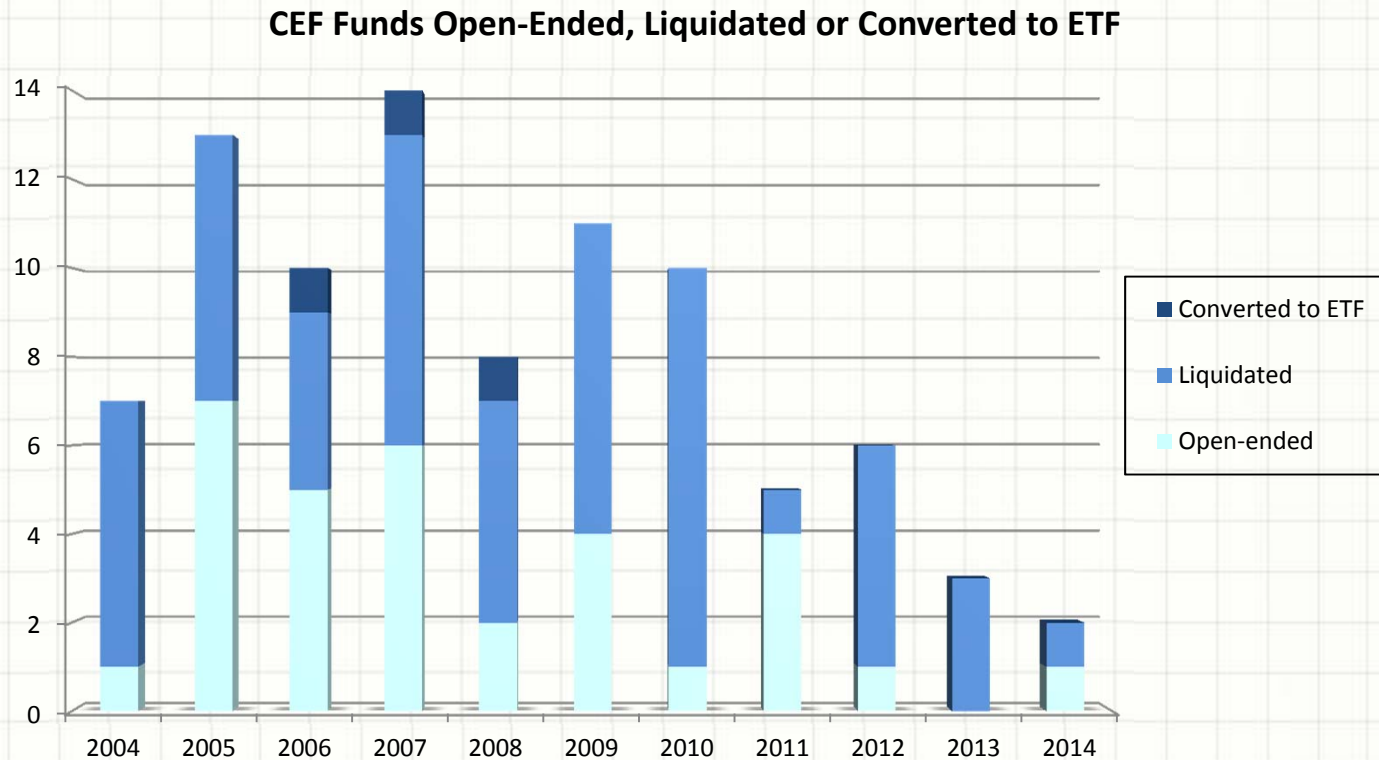
1. Reduce expense ratio
2. Increase liquidity
3. Reduce bid/ask spread
4. Improve cost of future leverage

Source: Fund Press Releases

Avg. – 15.8 per year



Closed-End Fund Deaths (Traditional)



Causes: Open-ending, liquidation & conversion

Source: Fund Press Releases

CEF Advisors Links

- **CEFA Website:** www.CEFadvisors.com
- **CEFA's Blog:** www.CEF-Blog.com
- **Published Articles**
 - Benzinga: <http://www.benzinga.com/author/john-cole-scott>
 - Seeking Alpha: <http://seekingalpha.com/author/john-cole-scott/articles>
 - WealthManagement.com: <http://wealthmanagement.com/author/john-scott>
- **Weekly CEF Data (14 Day Trial), Daily News Alerts (10 Day Trial), Best Ides List**
www.CEFUniverse.com
- **CEF Universe Data Definitions:**
<http://www.cefadvisors.com/Download/CEFUDataDefinitions.pdf>
- **CEFA's Form ADV Part 2A and 2B**
<http://www.cefadvisors.com/Download/ADV-II-Form.pdf>

For Your Information

Free CEF Resources

****NEW**** CEFAnalyzer LLC: <http://CEFalyzer.com>

The Closed-End Fund Association: www.Closed-EndFunds.com

CEF Connect (Nuveen Sponsored): www.CEFconnect.com

Morningstar's CEF Site:

<http://www.morningstar.com/Cover/CEF-Closed-End-Funds.aspx>

Investment Company Institute: http://www.ici.org/research#fact_books

CEFNetwork (Pristine Advisers): www.CEFnetwork.com

CEF Insight (Activist Info from AST Fund Solutions): www.CEFinsight.com

Capital Link's CEF Portal: <http://cef.capitallink.com/>

Morningstar Discussion Board (86K+ posts since 1998):

<http://socialize.morningstar.com/NewSocialize/forums/100000006.aspx>

Yahoo CEF Discussion Board: <https://groups.yahoo.com/neo/groups/closedendfunds2/info>

The CEF Network on LinkedIn (1200+ Members): www.CEF-Network.com

Seeking Alpha: <http://seekingalpha.com/articles?filters=closed-end-funds>

More Useful Links at: www.cefadvisors.com/investRes.html



Current CEFA Portfolio Models

- **Globally Diversified Growth** (1/1999)
 - 84% equity, 16% bond: tactical and wide mandate w/ 3%-4% est. yield
- **Growth & Income** (1/1999)
 - 68% equity, 30% bond: tactical and wide mandate w/ 4%-5% est. yield
- **International Opportunity** (11/2002)
 - Primarily equity oriented funds w/ little US exposure 2%-3% est. yield
- **Hybrid Income** (12/2006)
 - 68/30 split of above normal equity & bond income w/ 7.25%-8.75% est. yield
- **Foundation/Balanced** (10/2009)
 - 62/34 balance of equity & bond funds w/ 5%-6.75% est. yield
- **Conservative Diversified** (5/2009)
 - Primarily CEF-based with 38/20 balance of equity & bond funds. 36% Exposure to Non traditional equity/bond ETFs & OEFs to reduce portfolio volatility
- **Special Situations** (6/2013)
 - A focused portfolio of 4-6 CEFs looking for ideas in three areas: 1. Activist Involved Funds 2. Severe Discount Arbitrage 3. CEFA's Best Fundamental Ideas
- **Managed Municipal Bond** (8/2014)
 - Actively managed municipal bond portfolio comprising National and State funds. Constantly monitoring for diversified, high quality blended tax free yield while seeking to protect principal
- **Business Development Company (BDC)** (Anticipated Fall 2014)
 - A portfolio comprised of 6-8 BDC CEFs where we balance both the goal for income stability or growth as well as a positive outlook to NAV and the funds market price. Yield is expected to be between 10% and 11% seeking growth of principal ahead of inflation. *Note:* BDC CEFs are generally more volatile and act more independently vs. peer funds than traditional CEFs.

Note: When the percentage allocations above do not add up to 100%, the balance is cash exposure for the portfolio model. (As of 6/30/14)



Principal's Biographies

George Cole Scott

Sr. Portfolio Manager, President of Closed-End Fund Advisors

George's investment career started in 1969 after joining a regional brokerage firm after a journalism career. In 1976 he and a client bought control of a deeply discounted CEF which became Bergstrom Capital. He served on the board of the fund for 27 years. In 1987 he founded *The Scott Letter: Closed-End Fund Report* which was a well regarded print newsletter ending the publication when he became a shareholder of CEF Advisors in 1996. In 1991 he co-authored the only hardback book on CEFs with a finance professor. He is a graduate of The University of Washington, holds the FINRA 66 License and is a long time member of The CFA Society and CFA Virginia. He has been widely published and interviewed and has worked with closed-end funds on a consulting basis. George is one of two CEF specialists, that we know of, with more than four decades CEF expertise.

John Cole Scott, CFS

Portfolio Manager, Executive VP of Closed-End Fund Advisors

John has worked at the firm since 2001. He sits on the firm's investment committee and holds the FINRA 66 License and the Certified Fund Specialist designation (CFS). He is a graduate of The College of William and Mary and has been quoted widely in the financial press and presented at conferences and for investment groups on more than 30 occasions. In 2008 John founded *CEFA's Closed-End Fund Universe*, a comprehensive weekly data service covering 155+ data points for traditional closed-end funds and 45+ data points on Business Development Company (BDC) CEFs. He also founded and manages The CEF Network group on LinkedIn and is editor of the firm's blog. John is a board member of The Richmond Association for Business Economics (RABE), and serves on the Standing and Investment Committees for The New York State Society of The Cincinnati.





QUESTIONS?

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