



QUARTERLY CLOSED-END FUND & BDC REVIEW AND OUTLOOK

**1st Quarter 2015 Review &
2nd Quarter 2015 Outlook**

Intermediate/Advanced CEF Skill Level

April 13, 2015

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Closed-End Fund Advisors, Inc.

***Closed-End Fund Advisors is a Registered Investment Advisory Firm Specializing
in Closed-End Fund & BDC 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 (SMA), Unit Investment Trust (UIT) Portfolio Consultant
- CEF & BDC News/SEC Filings Alert System
- *“CEFA’s Closed-End Fund Universe”* Report (w/ BDCs)
- Consulting with Institutional Investors and CEF Fund Sponsors
- Founder: *“CEF Network”* on LinkedIn



Celebrating 25 Years as
Closed-End Fund
Specialists



www.CEFadvisors.com

Founded in 1989



Current Closed-End Fund/BDC Options & Assets

1Q 2015 Ended with **567 US Traditional Closed-End Funds**
53 Business Development Company CEFs

- 38 (-2) US Equity CEFs
 - 121 Specialty Equity CEFs
 - 63 (-1) Non US Equity CEFs
- 222 Total Equity Traditional CEFs**

- 153 (-1) Taxable Bond CEFs
 - 103 National Municipal Bond CEFs
 - 89 Single State Municipal Bond CEFs
- 345 Total Bond Traditional CEFs**

- 44 (+2) Debt Focused BDCs
 - 9 Equity Focused BDCs
- 53 Total BDC Closed-End Funds**

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

Millions of dollars

	1Q 2015	4Q 2014	2Q 2014	4Q 2013	2Q 2013
Total Trad CEF Equity	123,849	124,963	130,192	118,784	110,672
U.S. Equity	22,686	23,608	23,928	22,826	20,698
Non U.S. Equity	17,117	16,758	17,936	17,884	16,799
Specialty Equity	84,046	84,598	88,327	78,074	73,176
Total Trad CEF Bond	136,998	137,108	140,157	132,840	134,101
Taxable Bond	69,603	69,968	74,656	72,761	71,420
National Municipal	48,350	48,140	46,981	43,041	45,008
Single State Municipal	19,046	19,000	18,521	17,038	17,673
Total Traditional CEF	260,848	262,072	270,349	251,624	244,773
Debt Focused BDC	27,967	28,936	24,882	N/A	N/A
Equity Focused BDC	7,307	7,377	7,001	N/A	N/A
Total BDC CEF	35,274	36,312	31,884	N/A	N/A
CEF GRAND TOTAL	296,122	298,384	302,233	N/A	N/A

Source: CEFA's CEF Universe Report 3/31/15 (cefuniverse.com)

Source: CEF Universe Data



Traditional & BDC CEF Overview

Data for Major Groups

Fund Sector	Funds	Discount			Yield			Dividend											Shares Inst%	Shares Activ%	
		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 \$				
EQUITY FUNDS	222 Funds	-7.73	-0.2	-0.12		2.9	8.0	6.7	28	-5		6.2	26	13	16.5	2.7	1.71	\$558	1,403	24.48	13.60
U.S. Equity Funds	38 Funds	-9.33	0.3	-0.14		2.4	8.2	7.1	24	6		-25.9	27	11	15.9	2.5	1.57	\$597	1,105	17.19	12.17
Non U.S. Equity Funds	63 Funds	-9.37	-0.1	-0.51		2.4	8.6	7.4	13	-7		70.5	24	7	16.7	2.6	1.72	\$272	788	29.90	25.62
Specialty Equity Funds	121 Funds	-6.37	-0.3	0.09		3.2	7.6	6.2	37	-8		-18.2	27	17	16.5	2.7	1.76	\$695	1,817	24.13	7.79
BOND FUNDS	345 Funds	-6.20	0.2	0.18		6.3	6.5	4.8	2	-2		7.8	96	29	9.3	5.2	1.59	\$397	886	15.86	9.56
Taxable Bond Funds	153 Funds	-6.70	-0.1	-0.21		7.2	7.7	5.8	5	-2		-0.4	92	25	9.8	4.7	1.71	\$455	1,247	25.32	15.80
National Muni Bond	103 Funds	-5.65	0.4	0.51		5.8	5.8	4.1	0	0		14.2	99	31	8.3	5.0	1.39	\$469	850	11.06	4.86
Single State Muni Bond	89 Funds	-5.98	0.3	0.44		5.3	5.3	3.7	0	-5		14.3	98	33	9.6	6.4	1.60	\$214	306	8.10	4.41
Traditional CEF AVERAGE	567 Funds	-6.80	0.0	0.1		5.0	7.1	5.5	12	-3		7.3	69	23	12.1	4.2	1.64	\$460	1,088	19.10	11.13
Fund Sector	Funds	Discount				Yield			Dividend											Shares Inst%	Shares Activ%
		Current	Rel	1-Yr Z-Stat	3-Yr Z-Stat	Inc	Tot	LevAdj NAV	%RoC 3m	Inc/Dec(%)	% NAV Growth	Earn Cov%	Lev %	Std Dev	Rel SD	Exp Rt	Net Ast	Avg Daily \$			
Debt Focused BDC CEF	44 Funds	-5.57		-0.09	-0.24	9.8	9.8	6.6	0			-1.4	113	41	20.3		10.30	\$682	3,747		11.27
Equity Focused BDC CEF	9 Funds	-26.45		-0.03	-0.04	1.5	9.5	5.9	0			-2.9	96	10	25.8		7.18	\$812	3,144		18.70
BDC CEF AVERAGE	53 Funds	-9.19		-0.1	-0.2	9.1	9.8	6.5	0			-1.6	111	36	21.3		9.75	\$705	3,642		12.53
OVERALL CEF AVERAGE	620 Funds	-7.00		0.1		5.3	7.3	5.6	11				73	24	12.8		2.31	\$480	1,303		11.25

Source: CEFA's Closed-End Fund Universe 3/31/15
(www.cefuniverse.com)



CEF Universe Update

Fund Grouping	Discount / Premium		1Q NAV TR		1Q Price TR	
	Discount	Premium	Positive	Negative	Positive	Negative
Equity Traditional CEFs	196 (88%)	26 (12%)	154 (69%)	67 (30%)	149 (67%)	72 (32%)
Taxable Bond Traditional CEFs	137 (90%)	16 (10%)	136 (89%)	15 (10%)	127 (83%)	26 (17%)
Municipal Bond Traditional CEFs	165 (86%)	27 (14%)	191 (99%)	1 (1%)	184 (96%)	8 (4%)
BDCs	39 (75%)	13 (25%)	41 (79%)	0 (0%)	39 (75%)	13 (25%)
ALL CEFs	537 (87%)	82 (13%)	406 (85%)	83 (13%)	499 (81%)	119 (19%)

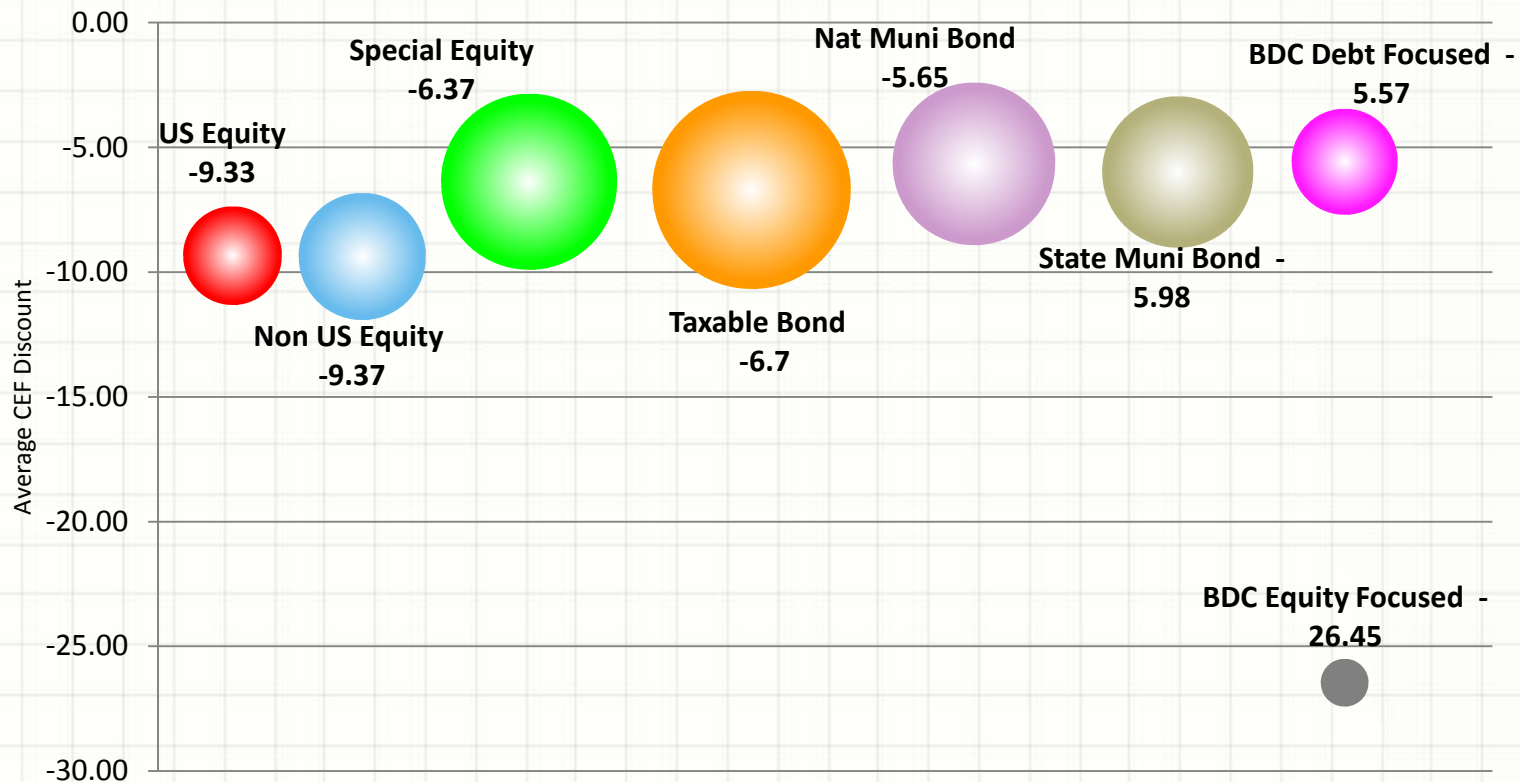
Data as of March 31, 2015

Source: CEFA's Closed-End Fund Universe Report



Current Closed-End Discounts

Avg CEF Discount % as of March 31, 2015



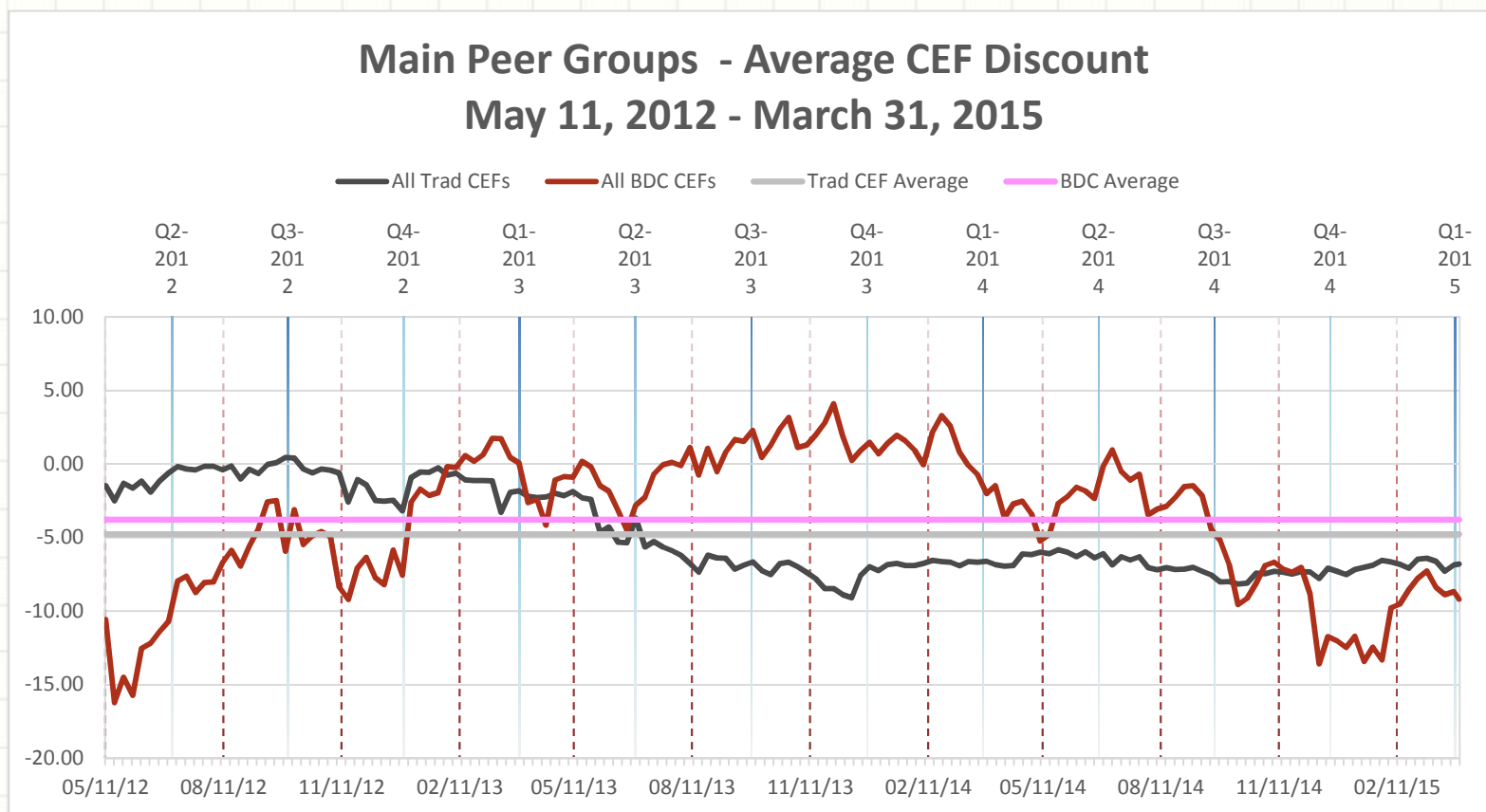
Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)



Closed-End Discount Trends

Traditional & BDC

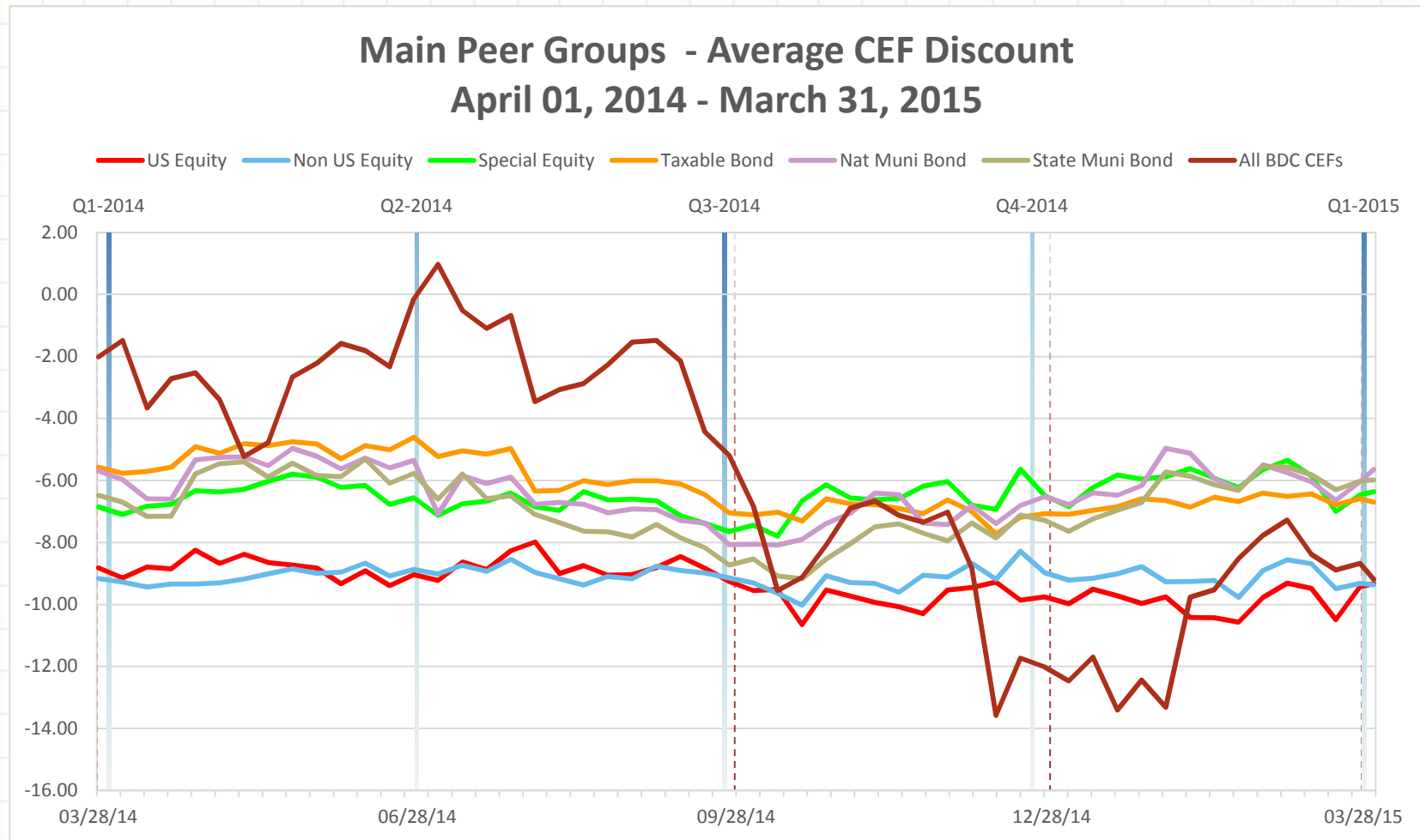
1Q 2015 Ended with *an average CEF Discount of -7.00%*



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

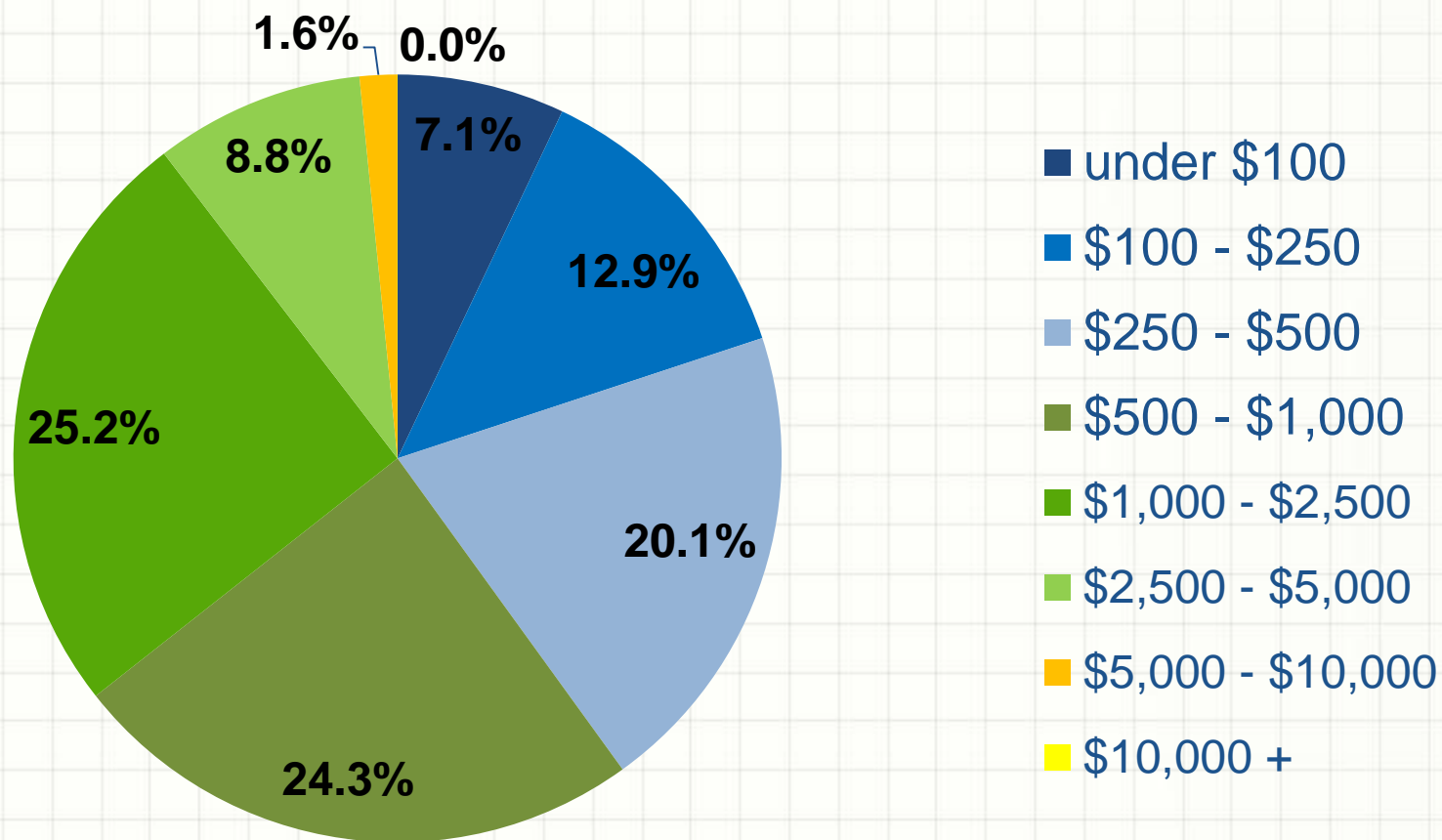


Closed-End Discount Trends



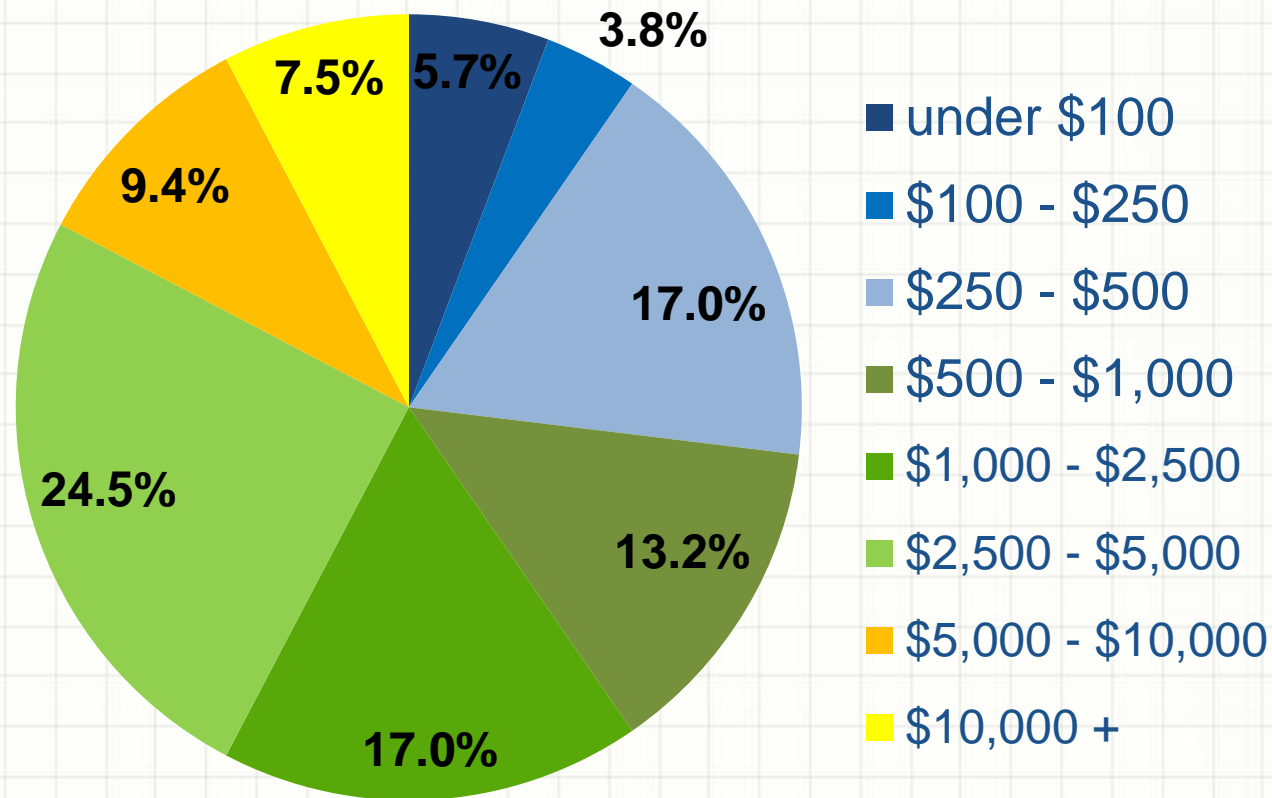
Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

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



Note: 567 traditional closed-end funds; data as of 3/31/15, Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)

BDCs : By Average Daily Liquidity (thousands)



Note: 53 business development company CEF; data as of 3/31/15, Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

CEF Volume Trends – 1Q 2015

Fund Grouping	Avg Vol 1Q 2015	Avg Vol 4Q 2014	Volume Trend
US Equity Funds	86,681	97,411	-11%
Non-US Equity Funds	67,069	89,662	-25%
Specialty Equity Funds	152,940	171,918	-11%
<i>Ave Traditional Equity CEF</i>	<i>111,779</i>	<i>135,151</i>	<i>-17%</i>
Taxable Bond Funds	127,236	154,061	-17%
National Muni Bond Funds	77,186	68,460	13%
State Muni Bond Funds	27,345	26,852	2%
<i>Ave Traditional Bond CEF</i>	<i>86,524</i>	<i>95,719</i>	<i>-10%</i>
Average Traditional CEF	96,412	111,213	-13%
Debt Focused BDC Funds	352,738	443,318	-20%
Equity Focused BDC Funds	243,568	346,694	-30%
<i>Average BDC</i>	<i>333,843</i>	<i>426,267</i>	<i>-22%</i>
Average For ALL CEFs	116,358	137,297	-15%



Data as of March 31, 2015

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

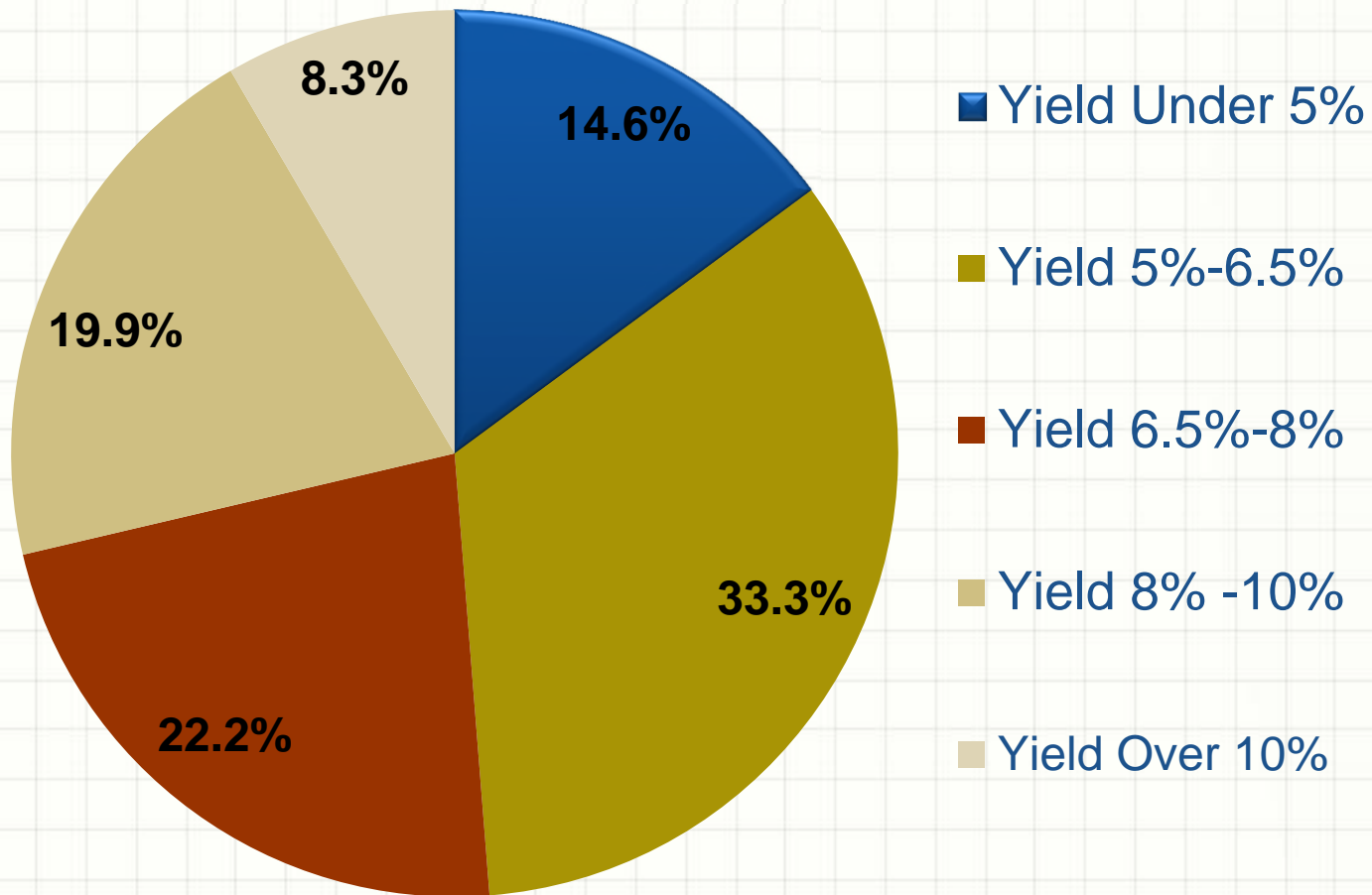
Price White: Best qt Amber: MM qt Gray: Prev qt *Size scaled by 100 Zoom 100%

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.

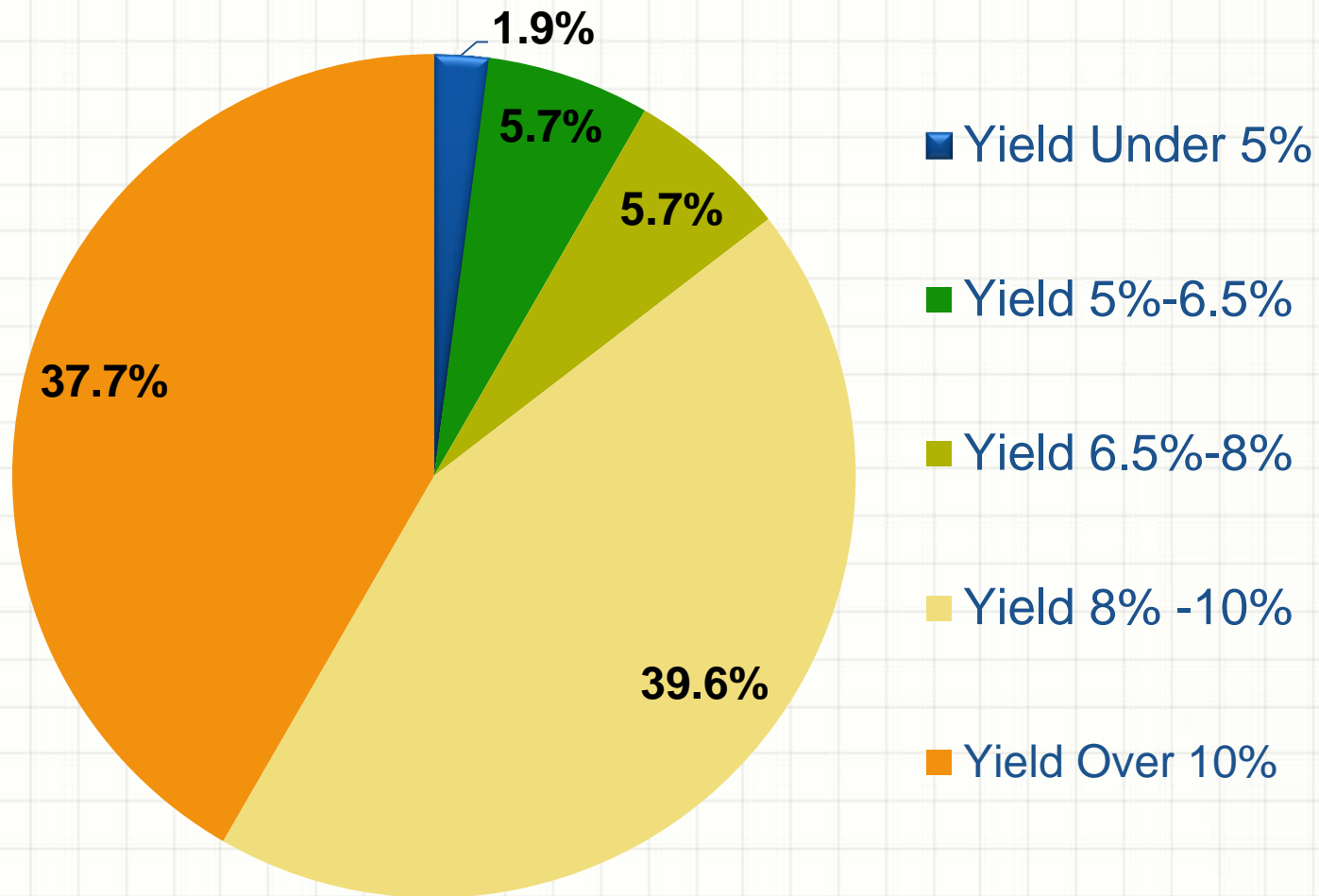
Source: WallachBeth Capital – www.wallachbeth.com

Traditional Closed-End Funds: By Yield



Note: 567 traditional closed-end funds; data as of 3/31/2015 , CEFU Report

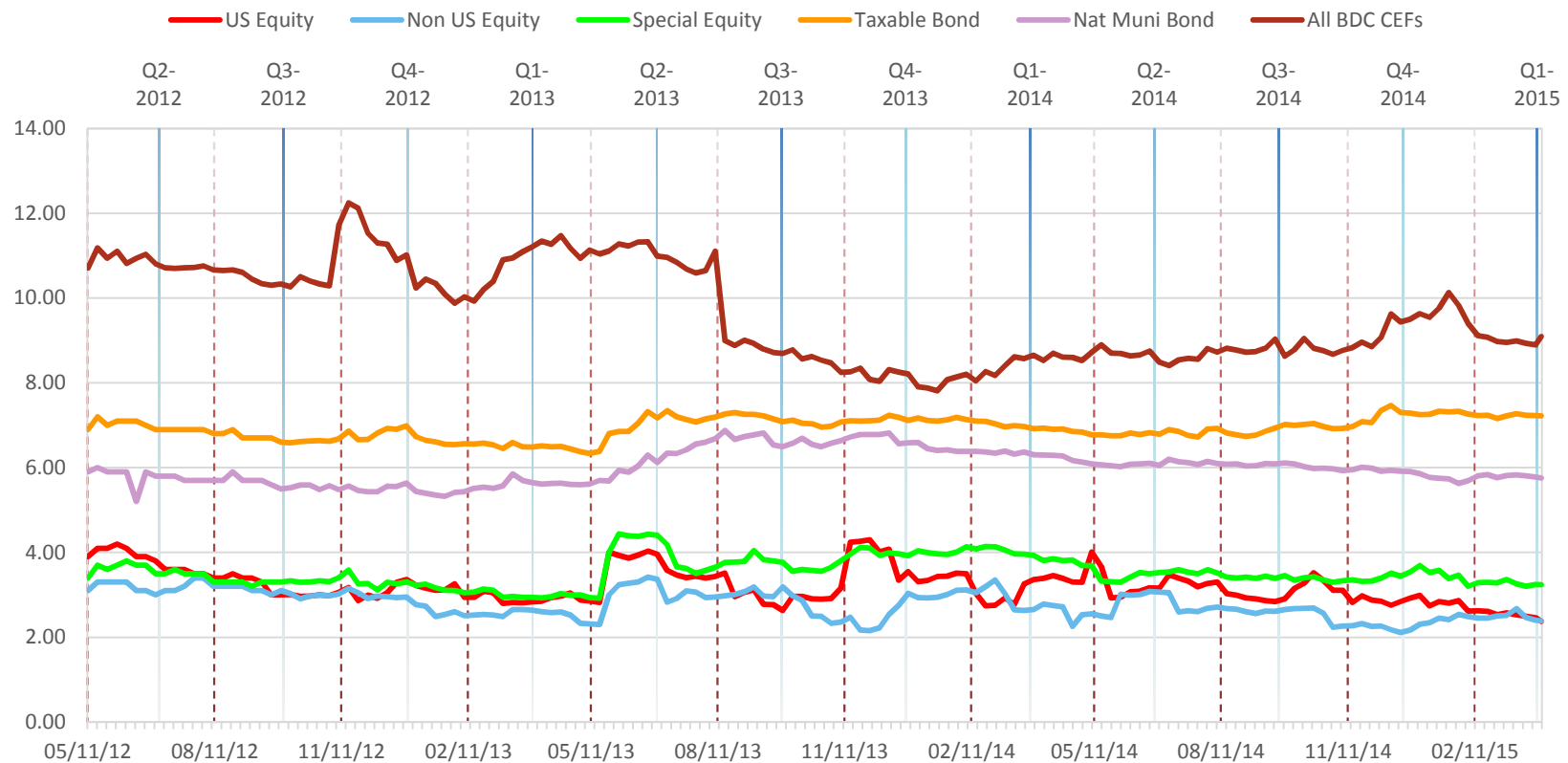
BDCs: By Yield



Note: 53 business development company CEFs; data as of 3/31/2015, CEFU Report

Income Only Yield For Closed-End Funds

**Main Peer Groups - Historical Dividend - Income only Yield
May 11, 2012 - March 31, 2015**

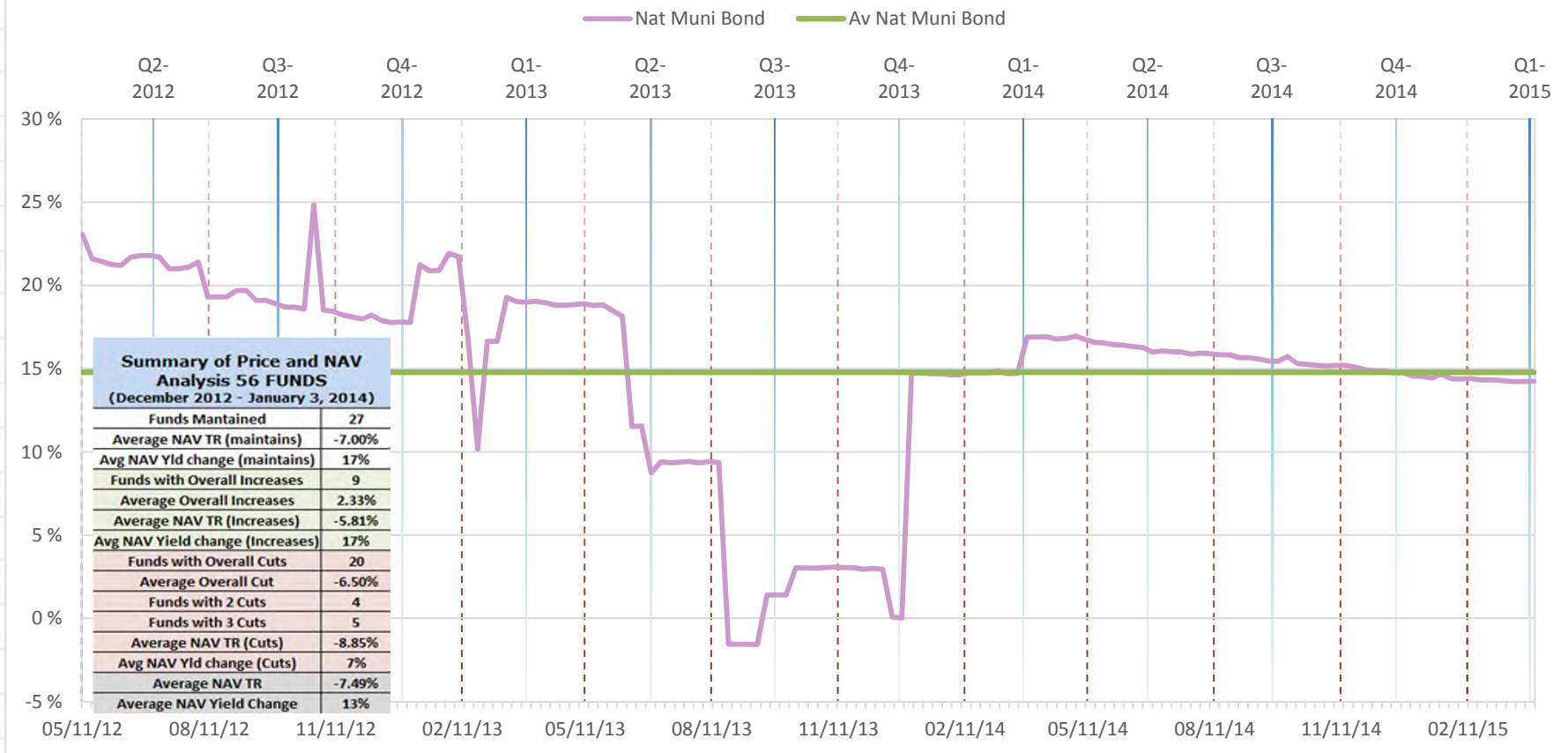


Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)



Relative UNII for Traditional CEF Municipal Bond Funds

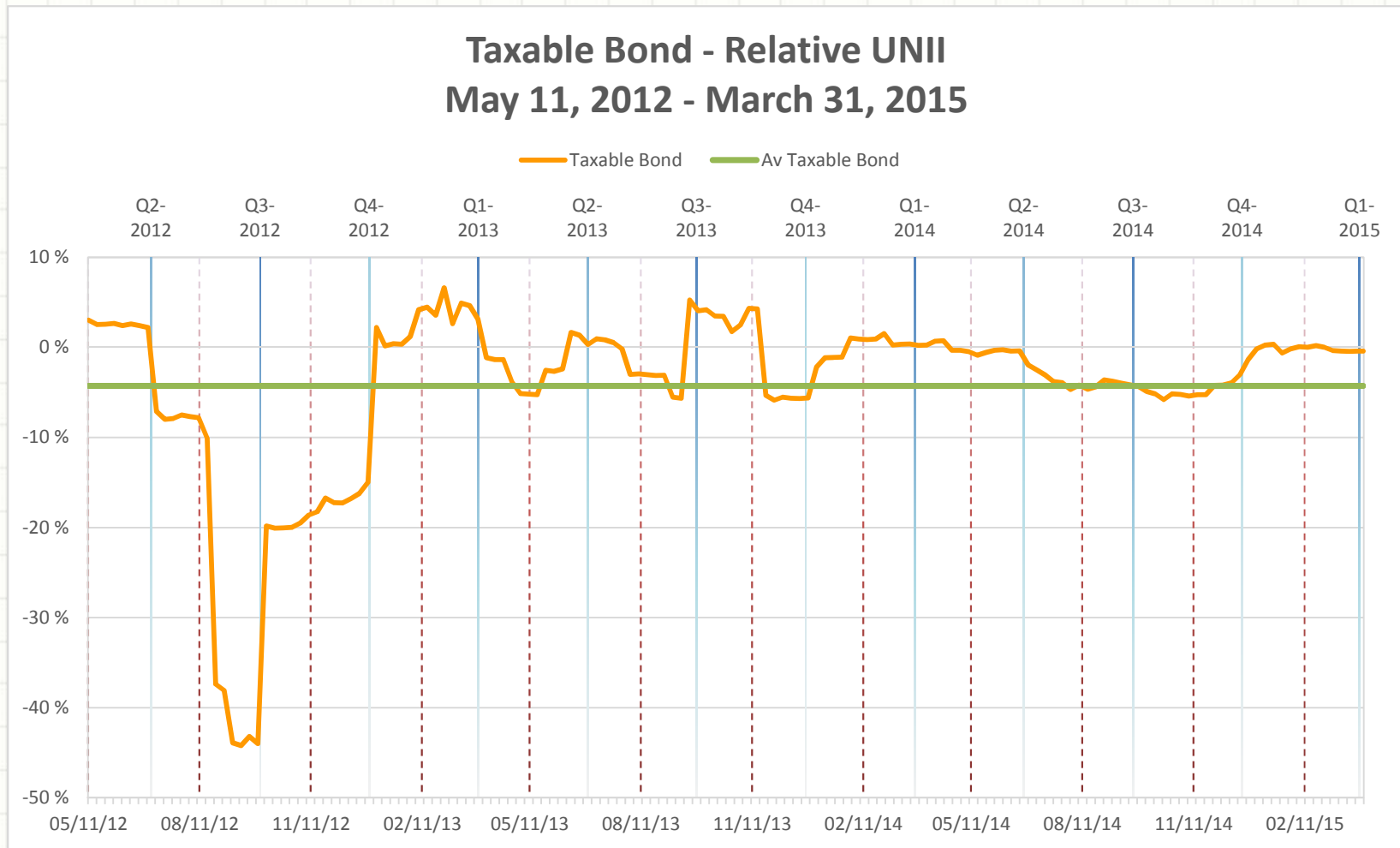
Nat Muni Bond - Relative UNII
May 11, 2012 - March 31, 2015



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



Relative UNII for Traditional CEF Taxable Bond Funds

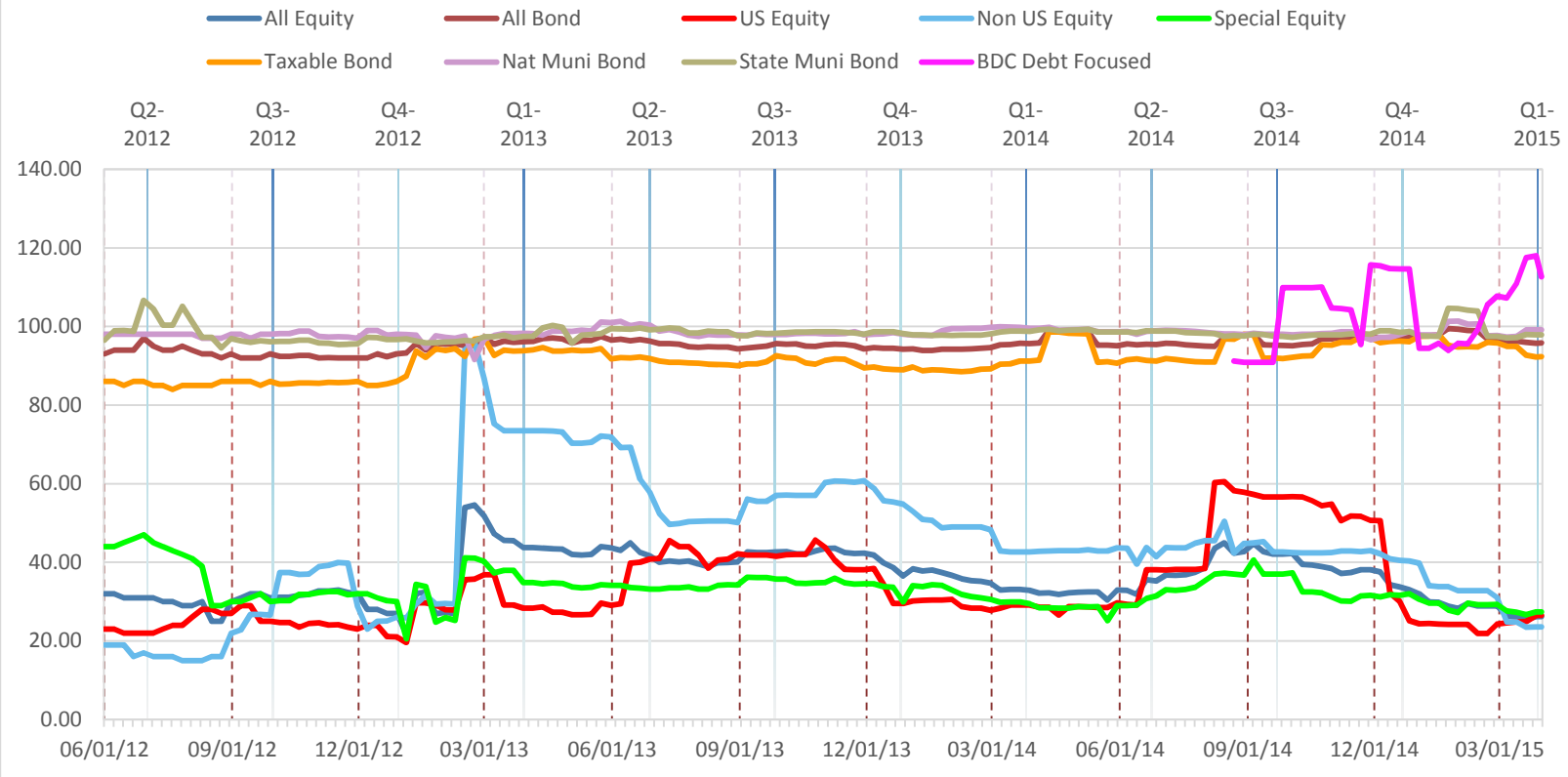


Source: CEFA's Closed-End Fund Universe (www.cef universe.com)



Earnings Coverage Ratio For Closed-End Funds

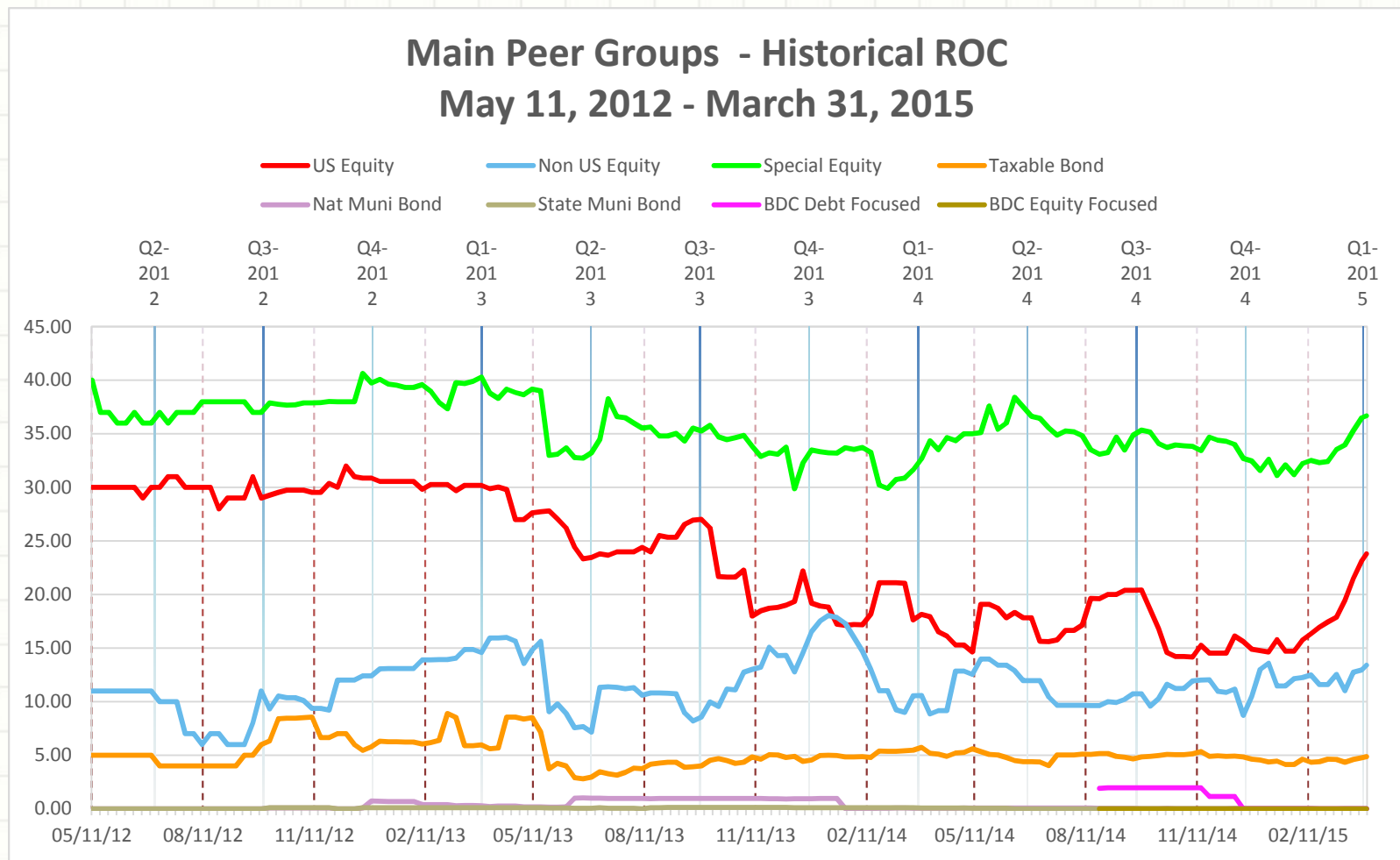
Main Peer Groups - Earnings Coverage Ratio June 01, 2012 - March 31, 2015



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



Return of Capital (90 Day) For CEFs



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	12	32%	36%
Non-US Equity Funds	17	27%	35%
Specialty Equity Funds	39	32%	55%
<i>Equity CEF</i>	68	31%	47%
Taxable Bond Funds	45	29%	11%
National Muni Bond Funds	0	0%	N/A
State Muni Bond Funds	0	0%	N/A
<i>Bond CEF</i>	45	13%	11%
Average CEF	113	20%	33%

*Whitepaper

Source: CEFA's Closed-End Fund Universe 3/31/2015
(www.cefuniverse.com)



Top 10 Funds with Highest Destructive RoC % (Traditional)

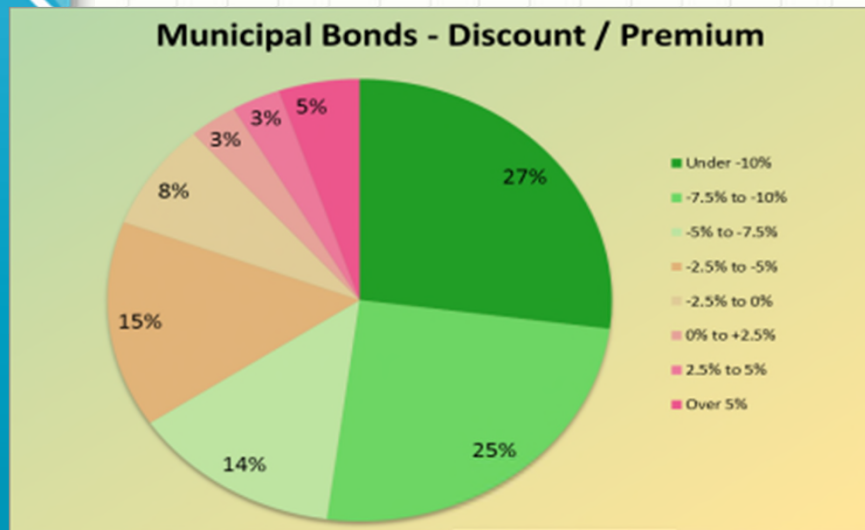
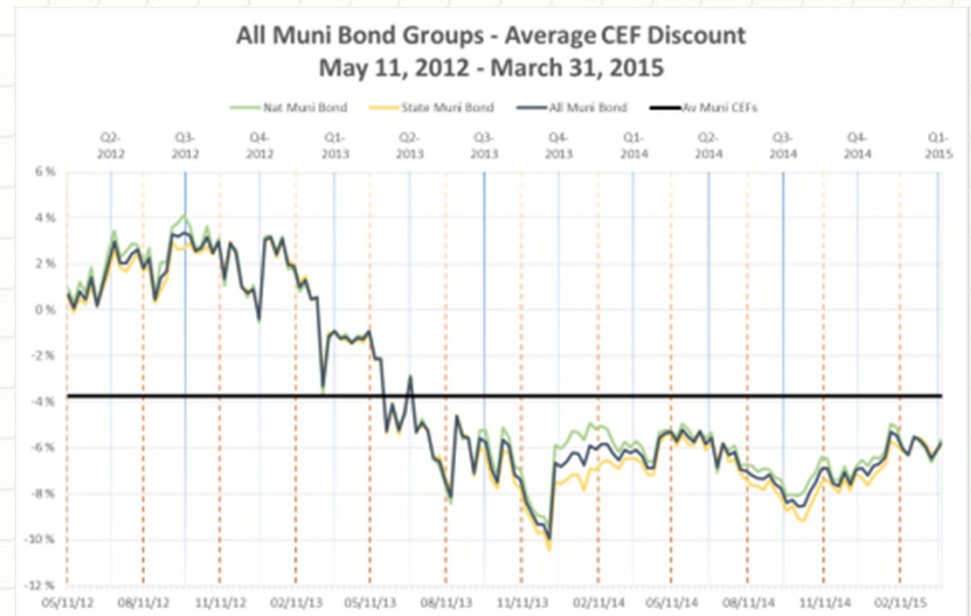
Rank	Ticker	Name	Classification	Destructive RoC %
1	GGN	GAMCO Gbl Gd NtrRes Incm	Specialty Equity Funds	100%
2	CBA	CB Amrc Nrg MLP Fd	Specialty Equity Funds	100%
3	NTG	Tortoise MLP Fd	Specialty Equity Funds	100%
4	JMLP	Nuv All Cap Nrg MLP Opp Fd	Specialty Equity Funds	100%
5	JMF	Nuv Nrg MLP Total Rtn Fd	Specialty Equity Funds	100%
6	GNT	GAMCO NtrRes Gd & Incm	Specialty Equity Funds	98%
7	SRF	Cushing Royalty & Incm Fd	Specialty Equity Funds	98%
8	CTR	CB Nrg MLP Tot Rtn Fd	Specialty Equity Funds	95%
9	FMO	F/C MLP Opp Fd	Specialty Equity Funds	95%
10	EMO	CB Nrg MLP Opp Fd	Specialty Equity Funds	93%

Source: CEFA's Closed-End Fund Universe 3/31/15
(www.cef universe.com)



Municipal Bond Closed-End Fund Universe

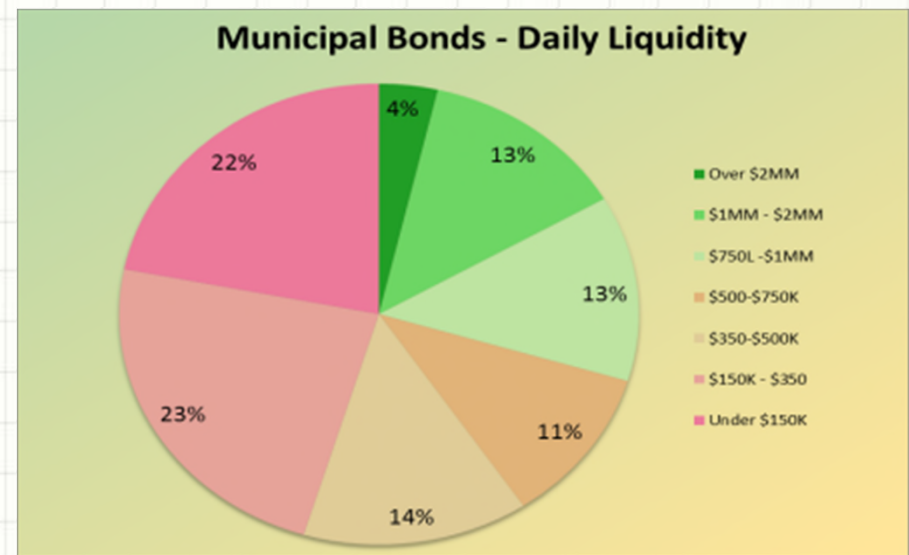
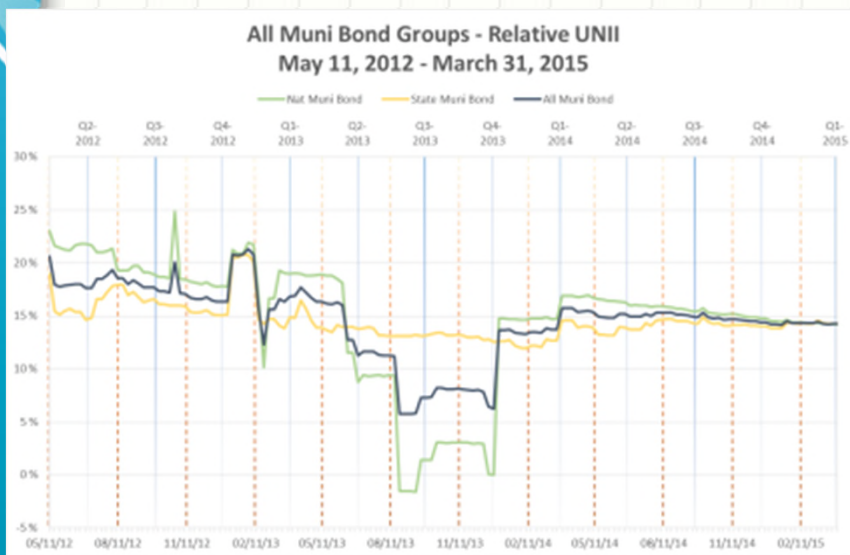
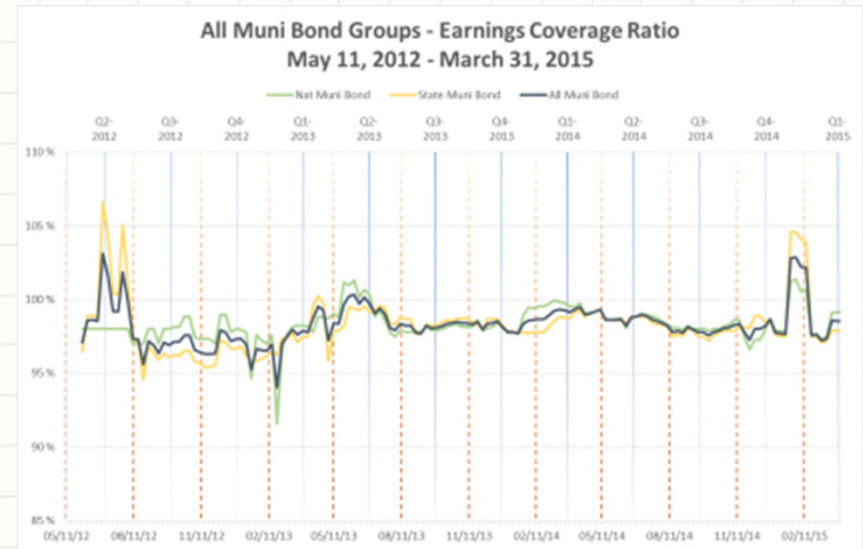
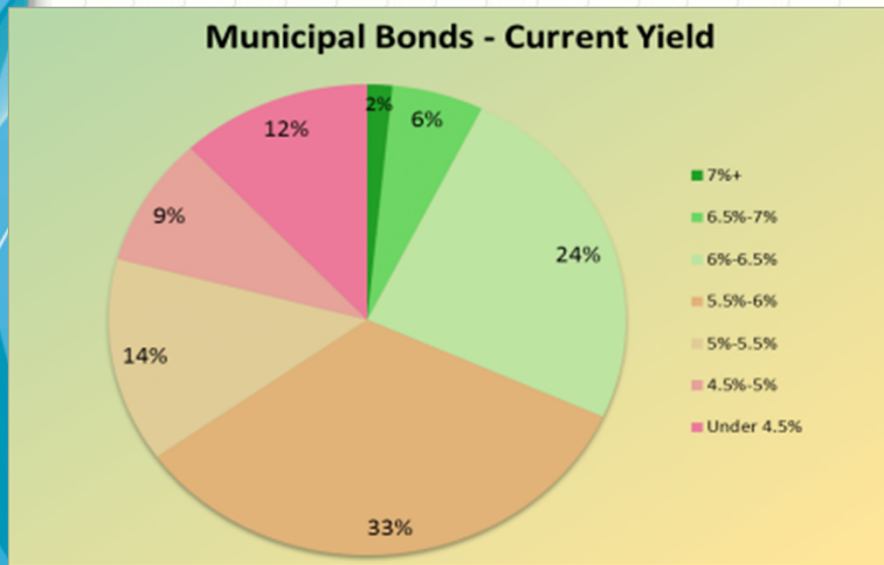
	National Muni Funds	Single State Muni Funds	Total
Number of Funds	103	89	192
Net Assets (Total)	\$48,388	\$19,068	\$67,456
Net Assets	\$470	\$214	\$351
Earnings Coverage Ratio %	99.1	98.1	98.6
Premium / Discount %	-6.13	-6.27	-6.19
Total Mkt Yield %	5.78	5.32	5.57
Leverage Adj NAV Yield %	4.13	3.74	3.95
NAV Volatility	3.36	3.16	3.26
Leverage %	31.4	33.0	32.2
Leverage Cost %	0.41	0.44	0.43
Duration	8.64	8.36	8.51
Insured %	20.8	24.9	22.7
Investment Grade %	88	92	90
Credit Quality	A	A	A



Note: Volatility is a one year rolling calculation

Source: Data as of March 31, 2015 from CEFA's Universe Data

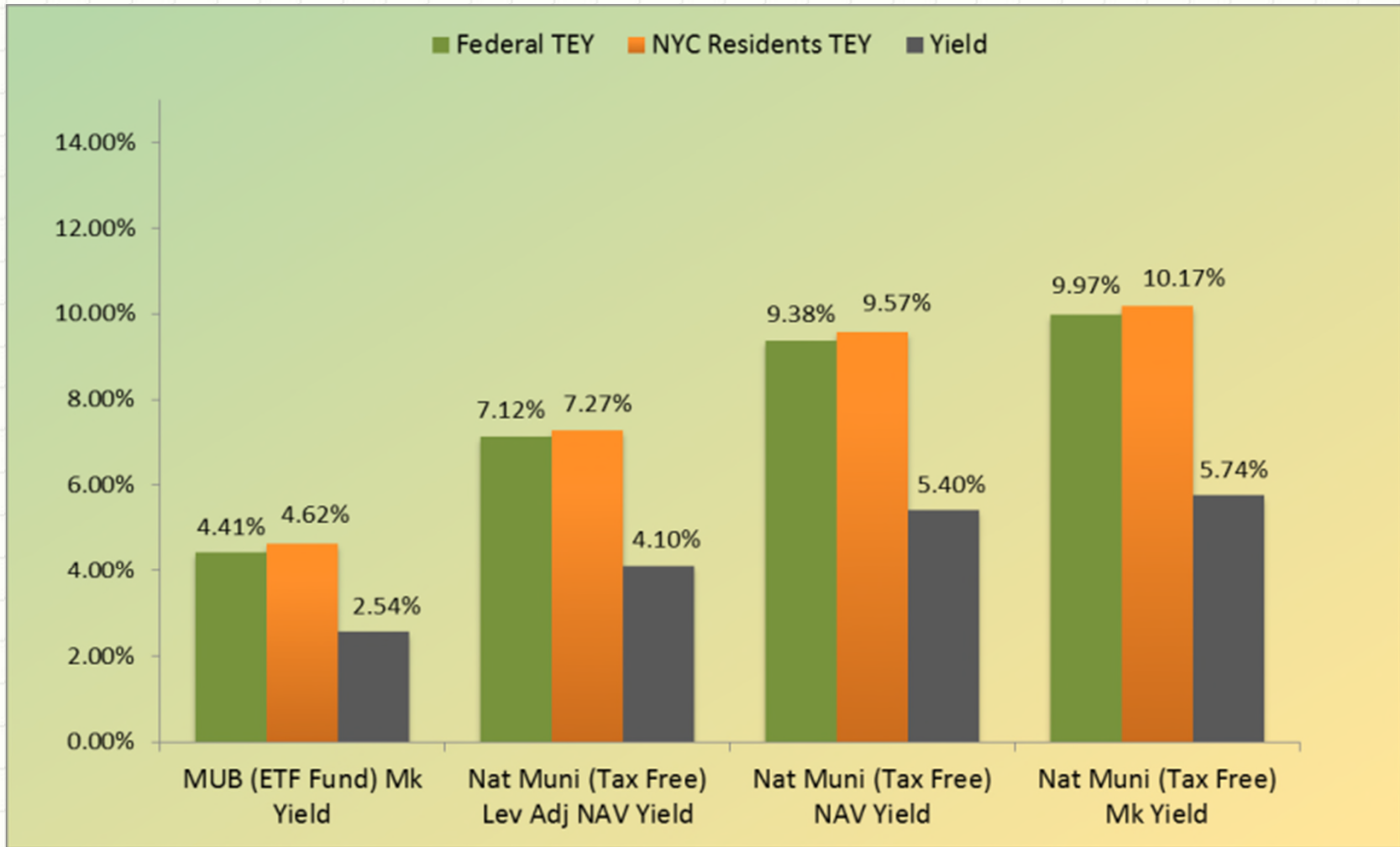
Municipal Bond Closed-End Fund Universe



Source: Data as of March 31, 2015 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 3/31/15 and tax rates from IRS and NY State.

CEF Press Release SEC Filings Summary

(2217 CEF PRs in 1Q15)

Announcement Type	1Q 2015	2014	1Q 2014	Avg per Q since 2013
Rights Issue / Offering	3	32	8	7
Secondary Offering (Trad CEF)	1	16	4	3
Secondary Offering (BDCs)	15	43	-	-
Tender Offer	6	63	14	15
Distribution Policy Change(Trad CEF)	11	23	1	5
Distribution Policy Change (BDCs)	0	1	-	-
13 Filings (Trad CEF)	663	-	-	-
Investment Manager / Advisor Change	0	20	0	6
Portfolio Manager Change	14	89	25	13
Leverage Amount / Type Change	25	119	28	29

Source: Fund Press Releases / SEC Filings.



Closed-End Fund Dividend Increases vs. Decreases

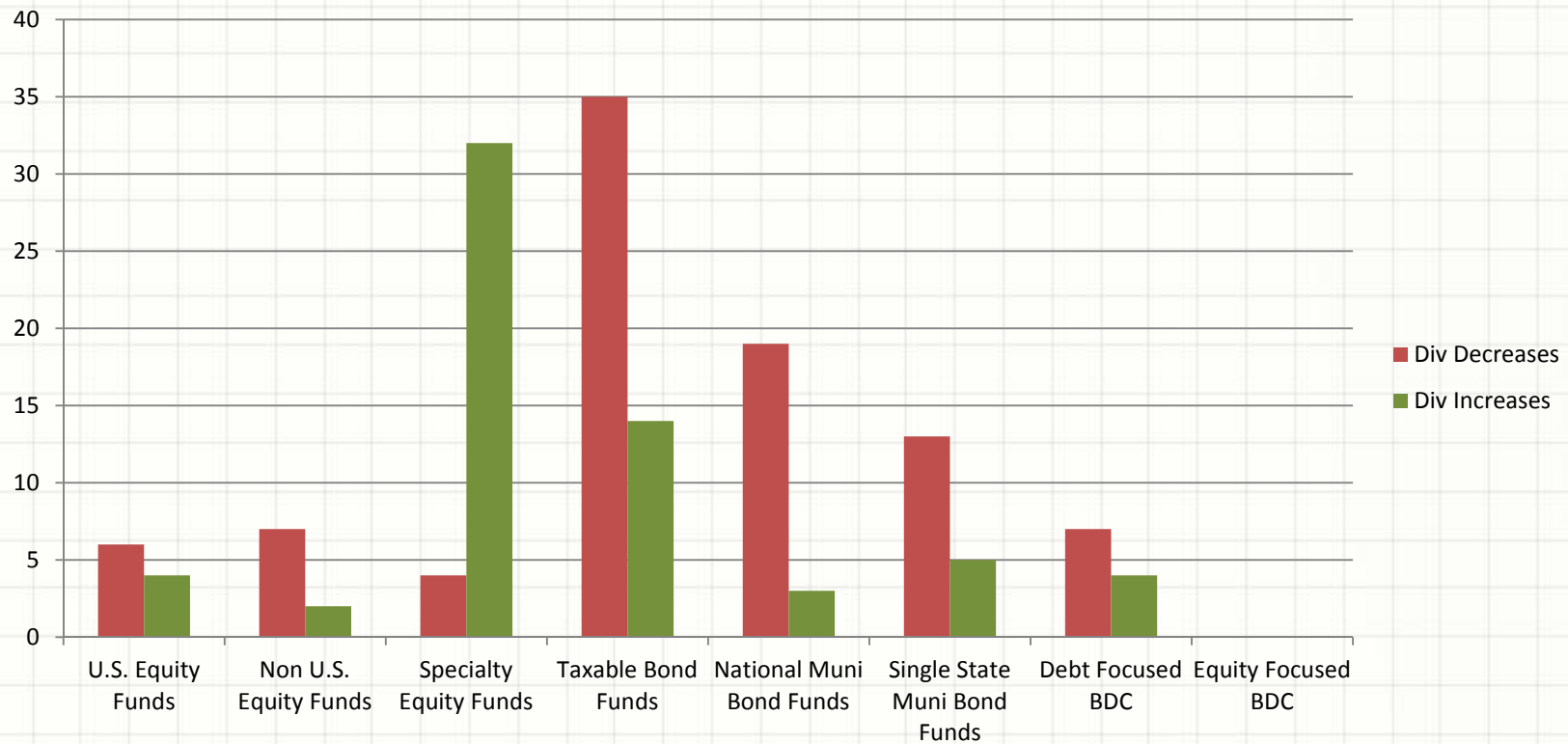
Dividend Announcement	1Q 2015 Number of Announcements	1Q 2015 Average Change	2014 Number of Announcements	2014 Average Change
Dividend Maintains	1233 (89%)	N/A	4963 (90%)	N/A
Dividend Increases	64 (5%)	+5.76%	235 (4%)	+6.89%
Dividend Decreases	91 (6%)	-9.52%	300 (6%)	-10.01%
Under 5% Increase	42 (66%)	+2.22%	155 (66%)	+2.05%
Over 5% Increase	22 (34%)	+12.51%	80 (34%)	+16.26%
Under 5% Decrease	43(47%)	-2.75%	147 (49%)	-2.45%
Over 5% Decrease	48 (53%)	-15.58%	153 (51%)	-17.27%

Source: Fund Press Releases



1Q 2015 Closed-End Fund Dividend Increases vs. Decreases

Major CEF Groups: Number of dividend decreases / increases
January 1, 2015 to March 31, 2015



Source: Fund Press Releases



1Q15 , 2014 and 4Q14 Closed-End Fund NAV / Market Price Performance

Fund Grouping	1Q 2015 NAV	1Q 2015 Mkt Pr	2014 NAV	2014 Mkt Pr	4Q 2014 NAV	4Q 2014 Mkt Pr
US Equity Funds	1.2%	1.8%	8.1%	8.7%	3.5%	3.7%
Non-US Equity Funds	2.6%	2.7%	1.6%	2.2%	-1.2%	-1.2%
Specialty Equity Funds	0.1%	0.7%	9.4%	10.7%	-1.4%	-1.2%
<i>Avg Traditional Equity CEF</i>	1.0%	1.4%	6.9%	7.9%	-0.4%	-0.3%
Taxable Bond Funds	2.0%	2.4%	3.7%	2.8%	-1.2%	-1.5%
National Muni Bond Funds	1.5%	2.8%	18.5%	18.4%	2.5%	3.8%
State Muni Bond Funds	1.2%	3.2%	16.8%	17.3%	2.1%	3.1%
<i>Avg Traditional Bond CEF</i>	1.6%	2.7%	11.5%	11.2%	0.7%	1.3%
<i>Average Traditional CEF</i>	1.4%	2.2%	9.7%	9.9%	0.3%	0.6%
<i>Debt Focused BDC</i>	2.2%	4.9%	8.6%	-5.9%	2.5%	-4.8%
<i>Equity Focused BDC</i>	0.0%	0.5%	2.3%	-1.1%	3.0%	3.4%
<i>Average BDC</i>	1.8%	4.1%	7.4%	-5.0%	2.6%	-3.3%

Data as of March 31, 2015

Source: CEFA's Closed-End Fund Universe Report



Closed-End Fund Activist Update

1Q 2015

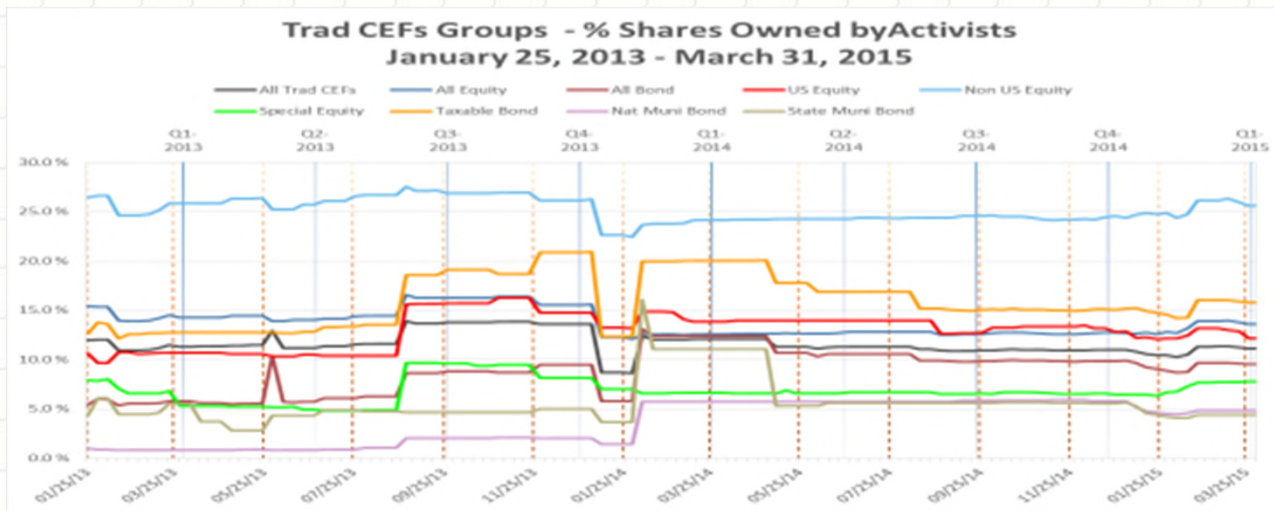
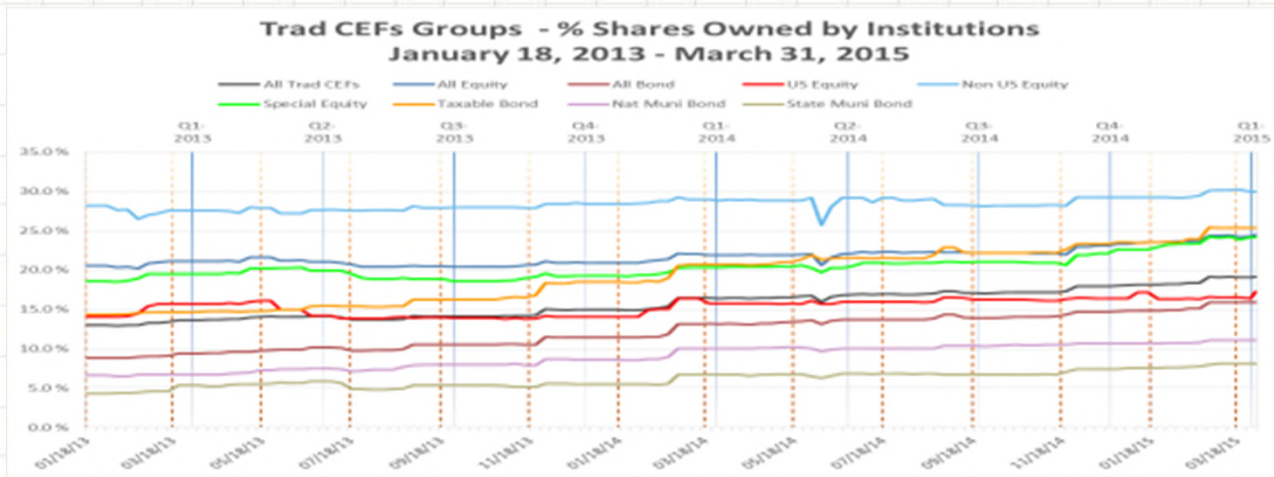
Month Filed	Filing	Closed-End Fund	Investor	Notes
March	13G/A	Macquarie Gbl Infra Tot Rtn (MGU)	Bulldog	Inc (10.27%)
March	13D	FT Mortg Incm Fd(FMY)	Sit Inv	Dec (28.74%)
March	Tender	Divr Real Asset Incm Fd(DRA)	Public	Up to 10% (99% of NAV)
Feb	13G/A	BR Flt Rt Incm Stgc Fd(FRA)	First Trust	Dec(12.79%)
Feb	13D/A	Deutsche Hi Incm Opp Fd(DHG)	Bulldog	Inc (8.47%)
Jan	13D/A	Nuv Div Adv Muni Fd 3(NZF)	Karpus	Dec (8.57%)
Jan	13G/A	Mexico Eq & Incm Fd(MXE)	City of London	Inc (25.5%)



Source: SEC Filings, Press Releases www.CEFadvisors.com

CEF Institutional & Activist Holdings

(Traditional CEFs 1Q 15)



Activist Holdings Trends

Increase: 171 funds
Decrease: 210 funds

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



Traditional Closed-End Fund Historical IPOs (1Q 15)

	YTD 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Number of IPOs	1	9	25	23	19	17	13	2	40	21	47
Average Assets In \$ millions	\$555	\$469	\$580	\$517	\$316	\$451	\$200	\$131	\$690	\$506	\$452
Total New CEF IPO Assets in \$ Billions	\$0.6B	\$4.2B	\$14.5	\$11.9	\$6.0	\$7.7	\$2.6	\$0.3	\$27.6	\$10.6	\$21.2

10 Year Average: 22 Funds per year, \$431M Ave Fund, \$11 Billion Per Year



BDC Historical IPOs (1Q 15)

	YTD 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Number of IPOs	1	6	4	5	7	5	1	1	5	1	2
Average Assets In \$ millions	\$120	\$575	\$78	\$96	\$101	\$98	\$87	\$141	\$138	\$203	\$147
Total New CEF IPO Assets in \$ Billions	\$0.1	\$3.5	\$0.3	\$0.5	\$0.7	\$0.5	\$0.1	\$0.1	\$0.7	\$0.2	\$0.3

10 Year Average: 3.7 Funds per year, \$166M Ave Fund, \$0.7 Billion Per Year



2015 IPO Details

1Q 2015

Calamos Dynamic Conv & Income (CCD) - *Traditional CEF* -

IPOed on March 26, 2015

IPO Price: \$25.00

IPO Assets: \$555M

Price as of 3/31/15: \$25.01

Disc/Prm as of 3/31/15 : 5.00%

Goldman Sachs BDC (GSBD) - *BDC CEF* -

IPOed on March 18, 2015

IPO Price: \$20.00

IPO Assets: \$120M

Price as of 3/31/15: \$20.66

Disc/Prm as of 3/31/15 : 6.00%



IPOs during 2Q 2014 – 4Q 2014

Current Discount / Premium

IPO Date	Ticker	Fund Name	Type	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
2Q 2014	GGZ	Gabelli Gbl Sml & Mid Cap Val	Traditional	-13.14%	\$10.58	\$12.00	88.17%
	DSE	D&P Sel Nrg MLP Fd	Traditional	-0.70%	\$14.13	\$20.00	70.65%
	FSIC	FS Investment Corp	BDC	3.15%	\$10.14	\$10.00	101.40%
	ABDC	Alcentra Capital Corp	BDC	-10.56%	\$13.30	\$15.00	88.67%
	TPVG	TP Vntr Gwth BDC Corp	BDC	-3.42%	\$14.11	\$15.00	94.07%
3Q 2014	THQ	Tekla Health Opp Fd	Traditional	-6.62%	\$20.58	\$20.00	102.90%
	GER	GS MLP & Nrg Renaissance Fd	Traditional	3.13%	\$13.85	\$20.00	69.25%
4Q 2014	ECC	Eagle Point Cr Co	Traditional	9.66%	\$21.00	\$20.00	105.00%
	BST	BR Sci & Tech Tr	Traditional	-9.49%	\$17.83	\$20.00	89.15%
	HIE	Miller/Howard Hi Incm Eq Fd	Traditional	0.88%	\$18.39	\$20.00	91.95%

Data as of March 31, 2015

Source: CEFA's Closed-End Fund Universe Report



Traditional Closed-End Fund NAV – Market Price Correlation

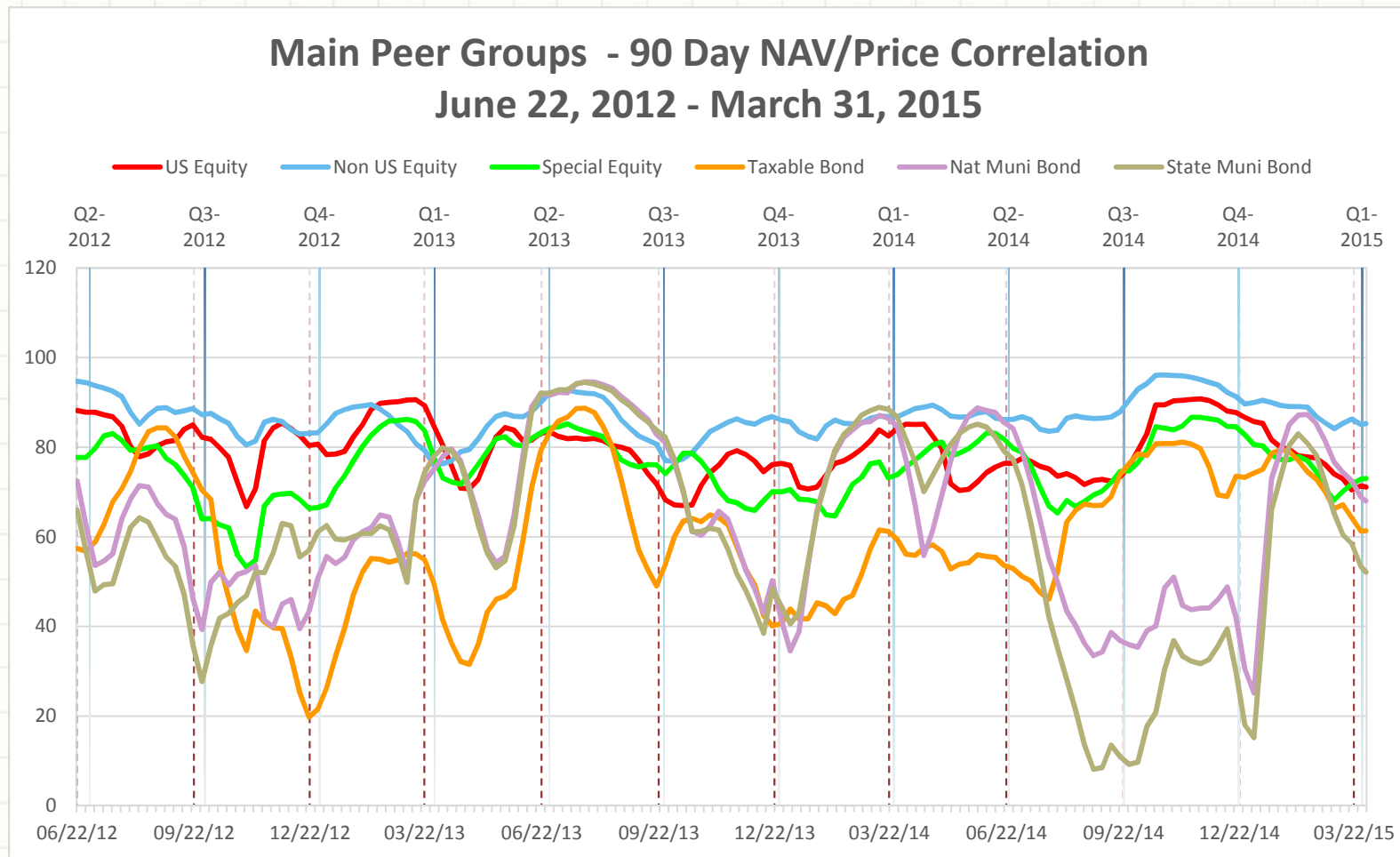
Fund Grouping	Correlation 1Q 15	Correlation 4Q 14	Correlation Trend
US Equity Funds	71.1%	85.9%	-15%
Non-US Equity Funds	85.3%	89.9%	-5%
Specialty Equity Funds	73.0%	80.9%	-8%
<i>Ave Equity CEF</i>	<i>76.2%</i>	<i>84.3%</i>	<i>-8%</i>
Taxable Bond Funds	61.3%	74.2%	-13%
National Muni Bond Funds	68.0%	24.8%	43%
State Muni Bond Funds	52.1%	14.3%	38%
<i>Ave Bond CEF</i>	<i>60.9%</i>	<i>43.9%</i>	<i>17%</i>
Average CEF	66.9%	59.8%	7%

Data as of March 31, 2015

Source: CEFA's Closed-End Fund Universe Report



Traditional Closed-End Fund 90 Day NAV – Market Price Correlation



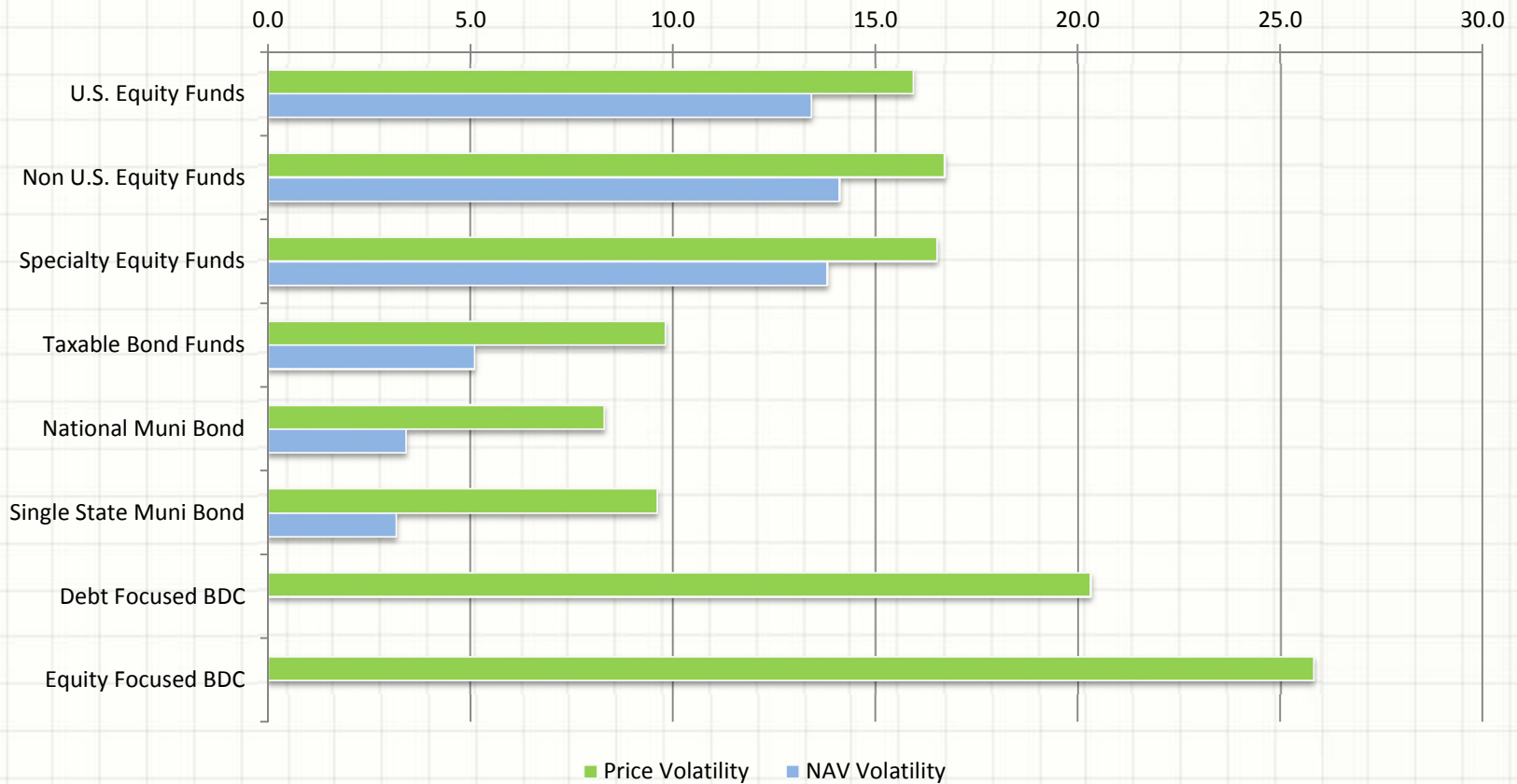
Source: March 31, 2015 - CEFA's Closed-End Fund Universe Report

www.CEFadvisors.com



Closed-End Fund

Market Price volatility vs. NAV volatility (1 Year)



Source: March 31, 2015 - CEFA's Closed-End Fund Universe Report

www.CEFadvisors.com



CEFA's Outlook for 2Q and 2015

- **US Equity Funds**
- **Non-US Equity Funds**
- **Specialty Equity (Sector) Funds**
- **Taxable Bond Funds**
- **National Municipal Bond (Tax-Free) Funds**
- **State Specific Municipal Bond (Tax-Free) Funds**
- **Debt-Focused Business Development Companies (BDCs)**
- **Equity-Focused Business Development Companies (BDCs)**



Closed-End Funds & BDCs in a Rising Rate Environment

(March 2004 to September 2007)

Group/Sector	# CEFs	Avg Total Return on Mkt Pr.	% Funds w/ Neg TR Perf	Avg Yield Change %	% CEFs with Dividend Changes
US Equity Funds	30	+37.7%	3.3%	+100.2%*	63.3%
Non US Equity Funds	39	+133.0%	2.6%	+681.2%*	46.2%
Specialty Equity Funds	34	+30.6%	11.8%	+5.65%	79.4%
Taxable Bond Funds	95	+19.3%	4.2%	-2.06%	81.1%
National Municipal Bond Funds	89	+17.1%	2.3%	-18.91%	96.7%
State Focused Muni Bond Funds	93	+12.92%	12.4%	-15.70%	100%
Debt-Focused BDC Funds	5	+31.94%	0.0%	+4.42%	100%
Average Traditional CEF	361	+28.48%	6.4%	-2.50%	97.2%
S&P 500 TR				+42.33% TR	
Barclays Global Agg. Bond Index				+16.96% TR	
Barclays Municipal Bond Index				+13.26% TR	

Full article
on our blog:

www.CEF-Blog.com

Avg. Yield change is expressed in percentage terms. If the yield went from 8% to 7% the calculation would be -12.5%, not -1%. Also the column that shows the percentages of funds with dividend changes includes funds with increases, and is meant to help show which areas of the CEF universe are likely to have a higher number of funds that change their distribution policies.

Index Data from Thompson Reuters. CEF data from CEF Universe Data and Yahoo Finance.

** Over the 43 month period, US CEFs went from yields of 6.1% yields to 8.1% and Non-US CEFs went from yields of 4.9% to 6.1%. Many of the dividends came as semi-annual or annual dividends and were driven by pass through capital gains vs. income to maintain the tax-beneficial status for the fund itself.*

What You Asked Us to Cover

In Webinar Registration

- BDC Discounts, non traded BDCs effects on the public BDC market, BDC Investment Trends (4) / Energy effect on BDCs / BDC Rankings
- Discounts (2) and trends & issues / Trends amongst CEF Groups / Cheapest CEFs vs. Historical Discounts / Most stable fund / UNII – What is it?
- Growth Trends in CEFs / BDCs / BDCs outside the US?
- Dividend Changes (3) / Dividend outlook for PHK / Yield Trends / RoC (2)
- Should CEF bond funds be avoided if rates rise? (4) / Maintain distributions (avoid , RoC)
- BDCs (4) and REITs, BDCs in rising rates, MLPs (4) and Muni CEFs (5)
- Leveraged Loan (CEF/BDC) / Equity Income, Emerging Mkts, Debt / Leverage in a down market ... how do funds handle price declines
- CEF vs. Junk Bond Funds / US/Global CEF Trends
- UIT Ownership of CEFs / Activist Update / Open-end conversions
- New CEFs during the quarter and expected offerings / IPO Outlook (2)
- How do CEFs fit into or compliment and portfolio of stocks ands bonds
- Compelling CEF opportunities / Best Ideas/sectors for 2015 or Outlook (5) / Most Appreciation Potential (2) / Quarterly performance
- CEF Discussions – M* and LinkedIn / CEF - Trading Ideas / M* CEF Rankings
- Active Management ETFs vs. CEFs / Non listed CEFs / Shorting CEFs

New Data for CEF Universe During 1Q 2015

BDC Data:

- Internally/Externally Managed
- Industry Breakdown (24 columns)
- 52-Week Discount Range %
- 1-Year Relative Discount
- 3-Year Relative Discount

CEF Data:

- 6-mo Z-Stat
- 6-mo Rel Z-Stat
- 90-day Avg Daily (\$M)
- Municipal CEFU XLS Tab
- Director/Trustee Compensation

- **Coming up on our 3-year data collection anniversary**
- **Spent the quarter building a better CEF collection system**
- **Plans for 2015 in our Universe data project**

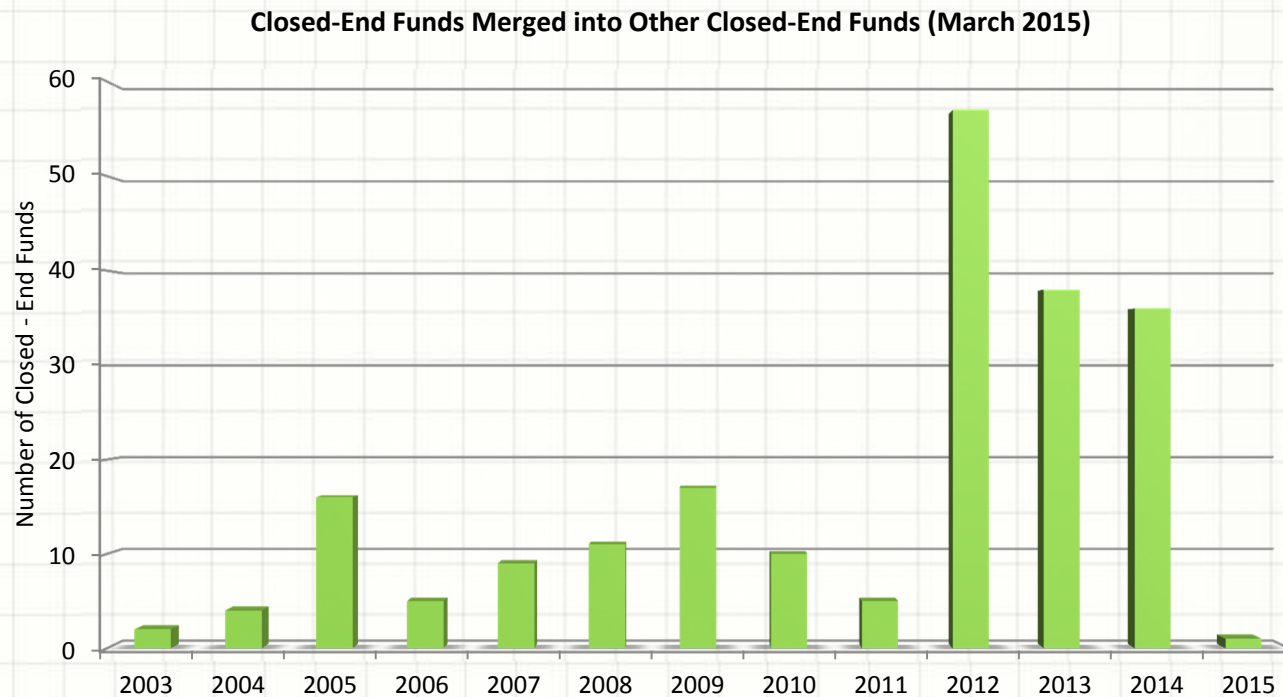


CEF Heat Map

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



Closed-End Fund Mergers (Traditional)



Reasons to Merge:

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

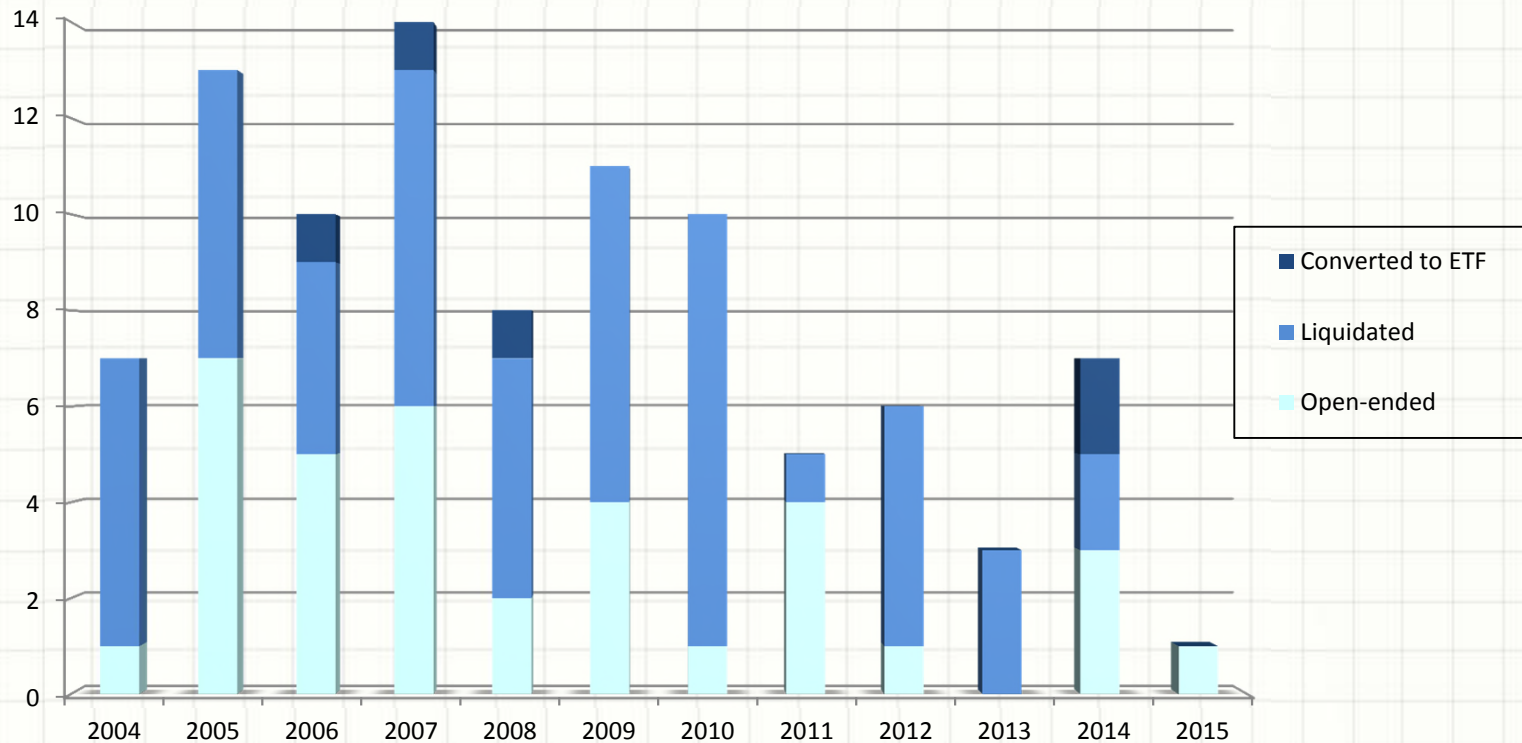
Source: Fund Press Releases

Avg. – 16.6 per year



Closed-End Fund Deaths (Traditional)

CEF Funds Open-Ended, Liquidated or Converted to ETF



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>
- **Vimeo Channel:** <https://vimeo.com/johncolescott/videos>
- **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

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

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

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

Morningtar'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:

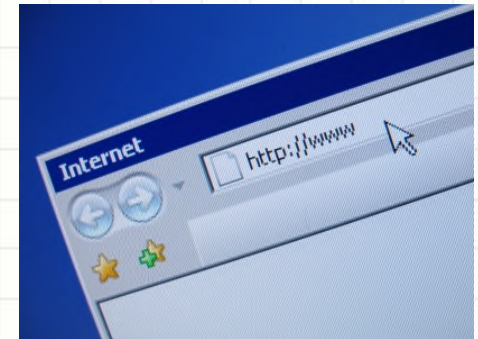
<http://socialize.morningstar.com/NewSocialize/forums/100000006.aspx>

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

The CEF Network on LinkedIN (1315 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)** (12/2014)
 - 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 9.5% 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. UIT available through SmartTrust.

Note: When the percentage allocations above do not add up to 100%, the balance is cash exposure for the portfolio model. (As of 12/31/14)



CEFA Portfolio Model Summary Performance

CEFA Composite Performance (Net) Through February 28, 2015	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
International Opportunity	5.57%	5.57%	6.09%	6.07%	7.49%	5.65%	10.33%	11/1/2002
Diversified Growth	4.28%	4.28%	7.06%	8.21%	9.20%	5.86%	6.26%	1/1/1999
Business Development Companies (BDCs)	8.56%	8.56%	N/A	N/A	N/A	N/A	8.56%	12/31/2014
Hybrid Income	4.70%	4.70%	8.93%	10.31%	11.93%	N/A	6.08%	12/1/2006
Growth & Income	3.96%	3.96%	5.81%	7.38%	7.99%	4.14%	4.71%	1/1/1999
Foundation/ Balanced	3.83%	3.83%	7.85%	8.23%	8.40%	N/A	9.47%	9/1/2009
Conservative Diversified	3.52%	3.52%	5.29%	5.98%	6.69%	N/A	7.74%	5/1/2009
Municipal Bond	2.15%	2.15%	N/A	N/A	N/A	N/A	7.74%	8/1/2014
Special Opportunities	3.12%	3.12%	6.70%	N/A	N/A	N/A	8.85%	6/1/2013

Performance is annualized if for a period of time covering more than one year. Past performance cannot predict future results and investments may lose value. Please review our ADV From 2 for more information on the firm and our full disclosures.

S&P 500 TR	2.57%	2.57%	15.51%	18.01%	16.19%	7.99%	5.33%	1/1/1999
Barclays Capital Global Agg Bond	-0.97%	-0.97%	-2.79%	-0.13%	5.33%	2.35%	4.41%	1/1/1999
60/40 S&P 500 / Barclays Bond	1.15%	1.15%	8.19%	10.75%	11.85%	5.73%	4.96%	1/1/1999
\$100,000 Invested on January 31, 1999								
CEFA Growth	\$265,569							
S&P 500 TR	\$230,546							
Barclays Capital Global Agg Bond TR	\$217,857							
60/40 S&P 500 / Barclays Bond	\$215,723							

Disclosure: See full portfolio disclosures on each models fact sheet

Principals' 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 40 occasions. In 2008 John founded *CEFA's Closed-End Fund Universe*, a comprehensive weekly data service covering 165+ data points for traditional closed-end funds and 100+ 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.





*DISCLOSURES: The net returns presented above for all of CEFA's composites were calculated on a time-weighted return basis. All dividends, interest and income, realized and unrealized gains and losses, brokerage and custodial fees are fully reflected. CEFA advisory fees are fully detailed in its ADV Part 2, which is available upon request by calling John Cole Scott at (804) 288-2482. The CEFA composite includes all actual fee-paying and non-fee-paying, fully discretionary accounts in this investment strategy that have been under CEFA management for at least three months.

Diversified Growth and Growth & Income Models: These accounts are managed by both John Cole Scott and George Scott. John Cole Scott began managing accounts in the composite 06/31/2009. The founder of CEFA, George Scott has been managing accounts since the composites inception. As of December 31, 2013, the percentage of non-fee-paying CEFA accounts in this strategy was 10% Growth and 11% Growth & Income. The inception date of both the Globally Diversified Growth and Growth and Income composite is January 31, 1999. Hybrid Income Model: As of December 31, 2013, the percentage of non-fee-paying CEFA accounts in this strategy was 0%. The inception date of the Hybrid Income composite is November 1, 2006. International Opportunity: These accounts are managed by both John Cole Scott and George Scott. John Cole Scott began managing accounts in the International composite 12/31/2010. The founder of CEFA, George Scott has been managing accounts since the composites inception. As of December 31, 2013, the percentage of non-fee-paying CEFA accounts in this strategy was 11%. The inception date of the International Equity (formerly called International Equity and International REIT) composite is November 1, 2002. Foundation Balanced, Conservative Diversified and Special Opportunities: CEFA composites include all fee paying and non-fee paying clients in the model that have given CEFA full discretion and managed only by John Cole Scott. The percentage of non-fee-paying CEFA accounts these models is 0%.

The results for individual accounts at different periods may vary. Investors should not rely on prior performance as a reliable indication of future results. These figures are unaudited and may be subject to change. The information provided should not be considered as a recommendation to buy or sell any particular security outside of a managed account. CEFA reserves the right to modify its current investment strategies and techniques based on changing market conditions or client needs. The S&P 500 and DJ World Stock (excluding U.S.) indices were calculated using total return analysis with dividends reinvested. These indexes have not been selected to represent an appropriate benchmark to compare an client's performance, but rather is disclosed to allow for comparison of the client's performance to that of a certain well-known and widely recognized index.

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