



# QUARTERLY CLOSED-END FUND & BDC REVIEW AND OUTLOOK

**3rd Quarter 2015 Review &  
4rd Quarter 2015 Outlook**

**Intermediate/Advanced CEF Skill Level**

**October 6, 2015**

**John Cole Scott, CFS  
Chief Investment Officer  
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.***

# Disclaimer

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

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

The information herein shall not be disclosed, used or disseminated, in whole or part, and shall not be reproduced, copied or made available to others without CEFA expressed written permission. CEFA reserves the right to make changes and corrections to the information, including any opinions or forecasts expressed herein at any time, without notice. Data comes from our CEF Universe service dated September 30, 2015 unless otherwise noted.



# What Is CEF Advisors?

- 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
- Two Covestor Models (Robo Advisor) @ IB
- 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](http://www.CEFadvisors.com)

Founded in 1989



# Current Closed-End Fund/BDC Options & Assets

3Q 2015 Ended with **563 US Traditional Closed-End Funds**  
**52 Business Development Company CEFs**

- 38 (+1) US Equity CEFs
- 122 (+1) Specialty Equity CEFs
- 63 Non US Equity CEFs

**223 Total Equity Traditional CEFs**

- 154 (-1) Taxable Bond CEFs
- 103 National Municipal Bond CEFs
- 83 (-2) Single State Municipal Bond CEFs

**340 Total Bond Traditional CEFs**

- 43 (-1) Debt Focused BDCs
- 9 Equity Focused BDCs

**52 Total BDC Closed-End Funds**

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

Millions of dollars

	3Q 2015	4Q 2014	2Q 2014	4Q 2013	2Q 2013
<b>Total Trad CEF Equity</b>	<b>103,518</b>	<b>124,963</b>	<b>130,192</b>	<b>118,784</b>	<b>110,672</b>
U.S. Equity	20,600	23,608	23,928	22,826	20,698
Non U.S. Equity	14,514	16,758	17,936	17,884	16,799
Specialty Equity	68,404	84,598	88,327	78,074	73,176
<b>Total Trad CEF Bond</b>	<b>130,298</b>	<b>137,108</b>	<b>140,157</b>	<b>132,840</b>	<b>134,101</b>
Taxable Bond	64,592	69,968	74,656	72,761	71,420
National Municipal	47,088	48,140	46,981	43,041	45,008
Single State Municipal	18,617	19,000	18,521	17,038	17,673
<b>Total Traditional CEF</b>	<b>233,815</b>	<b>262,072</b>	<b>270,349</b>	<b>251,624</b>	<b>244,773</b>
<b>Debt Focused BDC</b>	<b>29,915</b>	<b>28,936</b>	<b>24,882</b>	<b>N/A</b>	<b>N/A</b>
<b>Equity Focused BDC</b>	<b>7,314</b>	<b>7,377</b>	<b>7,001</b>	<b>N/A</b>	<b>N/A</b>
<b>Total BDC CEF</b>	<b>37,229</b>	<b>36,312</b>	<b>31,884</b>	<b>N/A</b>	<b>N/A</b>
<b>CEF GRAND TOTAL</b>	<b>271,045</b>	<b>298,384</b>	<b>302,233</b>	<b>N/A</b>	<b>N/A</b>

Source: CEFA's CEF Universe Report 9/30/15 (cef universe.com)

Source: CEF Universe Data





# Traditional & BDC CEF Overview

## Data for Major Groups



Fund Sector	Funds	Discount				Yield			Dividend			Rel. UNII	Earn Cov%	Lev %	Std Dev	Rel SD	Exp Rt	Net Ast	Avg Daily \$	Shares Inst%	Shares Activ%
		Current	Rel	1-Yr Z-Stat		Inc	Tot	LevAdj NAV	% RoC 3m	Inc/ Dec(%)											
<b>EQUITY FUNDS</b>	<b>223 Funds</b>	<b>-8.81</b>	<b>1.2</b>	<b>-0.17</b>		<b>3.8</b>	<b>9.9</b>	<b>7.8</b>	<b>27</b>	<b>-4</b>		<b>31.8</b>	<b>35</b>	<b>14</b>	<b>19.8</b>	<b>3.1</b>	<b>1.76</b>	<b>\$464</b>	<b>1,359</b>	<b>25.13</b>	<b>14.33</b>
U.S. Equity Funds	38 Funds	-11.78	-0.3	-0.37		4.0	9.8	7.9	16	9		-113.0	30	11	18.0	2.9	1.66	\$542	1,168	17.75	11.98
Non U.S. Equity Funds	63 Funds	-12.08	-0.2	-0.86		3.1	10.7	8.7	16	-10		259.3	38	7	20.2	2.9	1.74	\$230	678	31.33	26.68
Specialty Equity Funds	122 Funds	-6.20	2.5	0.25		4.2	9.6	7.3	35	-6		-32.9	35	18	20.2	3.2	1.79	\$561	1,771	24.22	8.63
<b>BOND FUNDS</b>	<b>340 Funds</b>	<b>-9.19</b>	<b>-0.2</b>	<b>-0.71</b>		<b>6.8</b>	<b>7.2</b>	<b>4.6</b>	<b>4</b>	<b>-4</b>		<b>4.3</b>	<b>95</b>	<b>29</b>	<b>10.4</b>	<b>6.0</b>	<b>1.57</b>	<b>\$383</b>	<b>816</b>	<b>16.51</b>	<b>9.82</b>
Taxable Bond Funds	154 Funds	-11.40	-0.6	-1.14		8.2	8.9	5.8	8	-5		-6.9	90	25	11.7	5.8	1.75	\$419	1,196	27.14	16.48
National Muni Bond	103 Funds	-7.50	0.3	-0.32		5.9	5.9	3.7	0	-3		13.3	99	32	8.9	5.4	1.36	\$457	686	10.80	5.08
Single State Muni Bond	83 Funds	-7.20	-0.1	-0.42		5.4	5.4	3.3	0	-3		13.7	98	33	10.2	6.9	1.51	\$224	272	7.73	3.76
<b>Traditional CEF AVERAGE</b>	<b>563 Funds</b>	<b>-9.04</b>	<b>0.4</b>	<b>-0.5</b>		<b>5.7</b>	<b>8.2</b>	<b>5.8</b>	<b>13</b>	<b>-4</b>		<b>13.8</b>	<b>71</b>	<b>23</b>	<b>14.1</b>	<b>4.8</b>	<b>1.65</b>	<b>\$415</b>	<b>1,031</b>	<b>19.78</b>	<b>11.60</b>
Fund Sector	Funds	Discount				Yield			Dividend			% NAV Growth	Earn Cov%	Lev %	Std Dev	Rel SD	Exp Rt	Net Ast	Avg Daily \$		Shares Activ%
		Current	Rel	1-Yr Z-Stat	3-Yr Z-Stat	Inc	Tot	LevAdj NAV	% RoC 3m	Inc/ Dec(%)											
Debt Focused BDC CEF	43 Funds	-18.92		-2.13	-2.27	11.8	12.0	6.8	0			-0.3	97	40	23.5		10.12	\$696	3,598		11.31
Equity Focused BDC CEF	9 Funds	-37.72		-1.61	-1.47	1.9	13.5	6.2	25			-7.2	-104	11	24.1		5.39	\$813	3,305		18.20
<b>BDC CEF AVERAGE</b>	<b>52 Funds</b>	<b>-22.18</b>		<b>-2.0</b>	<b>-2.1</b>	<b>11.0</b>	<b>12.1</b>	<b>6.8</b>	<b>2</b>			<b>-1.5</b>	<b>80</b>	<b>35</b>	<b>23.6</b>		<b>9.30</b>	<b>\$716</b>	<b>3,548</b>		<b>12.50</b>
<b>OVERALL CEF AVERAGE</b>	<b>615 Funds</b>	<b>-10.15</b>		<b>-0.6</b>		<b>6.1</b>	<b>8.5</b>	<b>5.9</b>	<b>12</b>				<b>72</b>	<b>24</b>	<b>14.9</b>		<b>2.30</b>	<b>\$441</b>	<b>1,244</b>		<b>11.68</b>

Source: CEFA's Closed-End Fund Universe 9/30/15  
(www.cef universe.com)

# CEF Universe Update

Fund Grouping	Discount / Premium		3Q NAV TR		3Q Price TR	
	Discount	Premium	Positive	Negative	Positive	Negative
Equity Traditional CEFs	191 (86%)	32 (14%)	21 (9%)	200 (90%)	17 (8%)	206 (92%)
Taxable Bond Traditional CEFs	145 (94%)	9 (6%)	14 (9%)	139 (90%)	26 (17%)	127 (82%)
Municipal Bond Traditional CEFs	170 (91%)	16 (9%)	186 (100%)	0 (0%)	174 (94%)	12 (6%)
BDCs	48 (92%)	4 (8%)	45 (87%)	6 (12%)	33 (63%)	15 (29%)
<b>ALL CEFs</b>	<b>554 (90%)</b>	<b>61 (10%)</b>	<b>266 (43%)</b>	<b>345 (56%)</b>	<b>250 (41%)</b>	<b>360 (59%)</b>

Data as of September 30, 2015

Source: CEFA's Closed-End Fund Universe Report

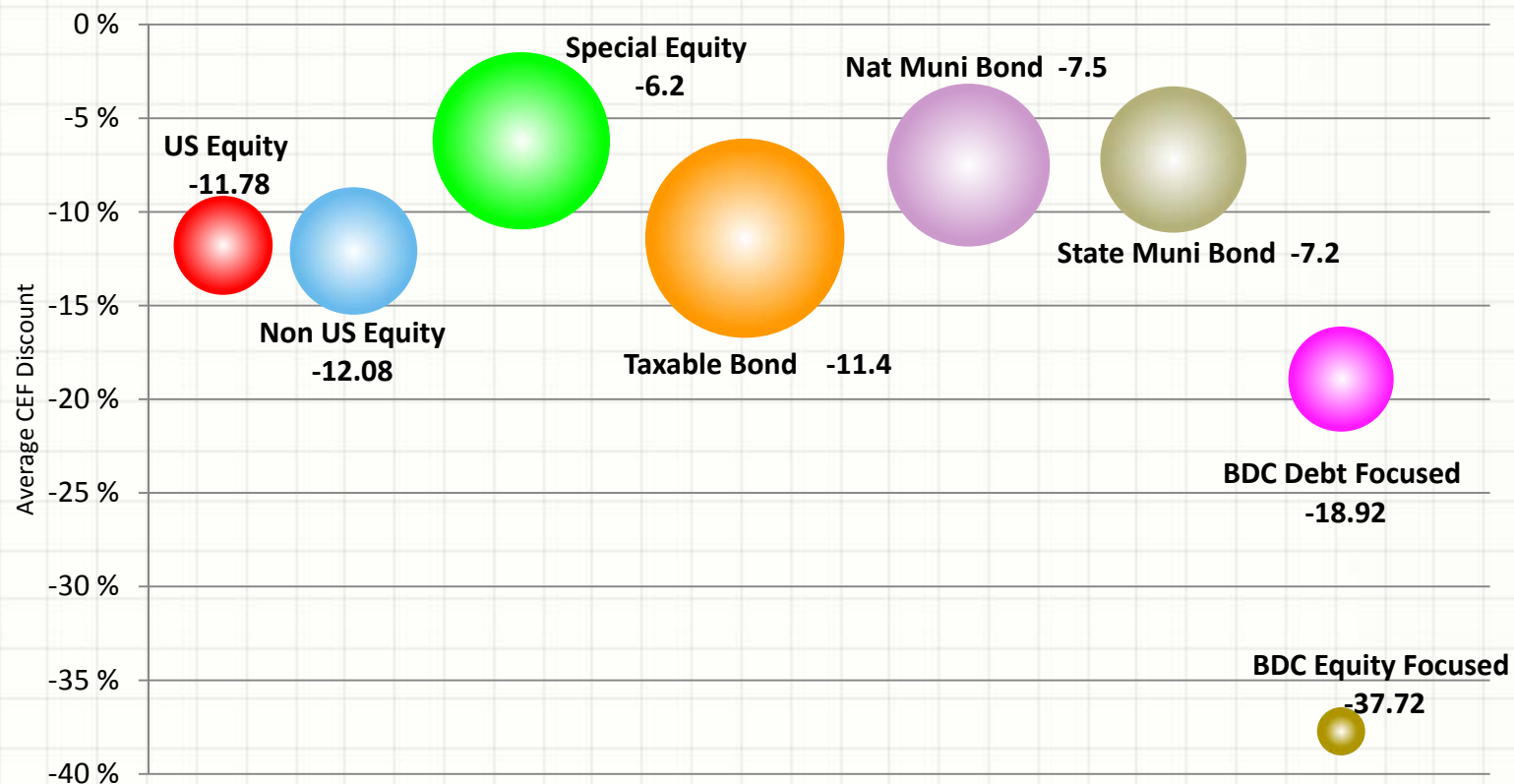
For BDC funds, we show 2Q NAV TR, as 9/30/2015 NAV hasn't been disclosed yet

[www.CEFadvisors.com](http://www.CEFadvisors.com)



# Current Closed-End Discounts

Avg CEF Discount % as of September 30, 2015

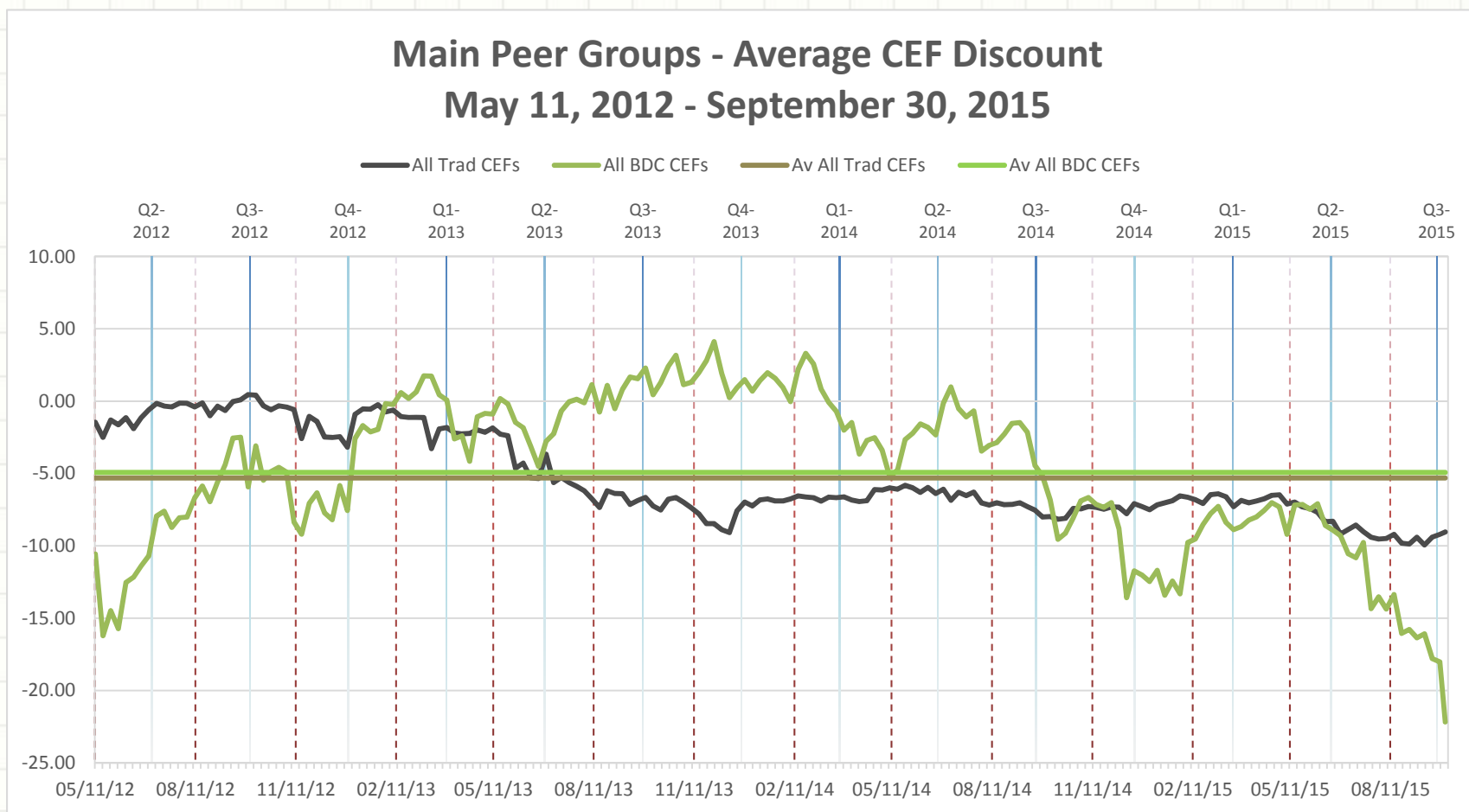


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))

# Closed-End Discount Trends

Traditional & BDC

2Q 2015 Ended with *an average CEF Discount of -10.15%*

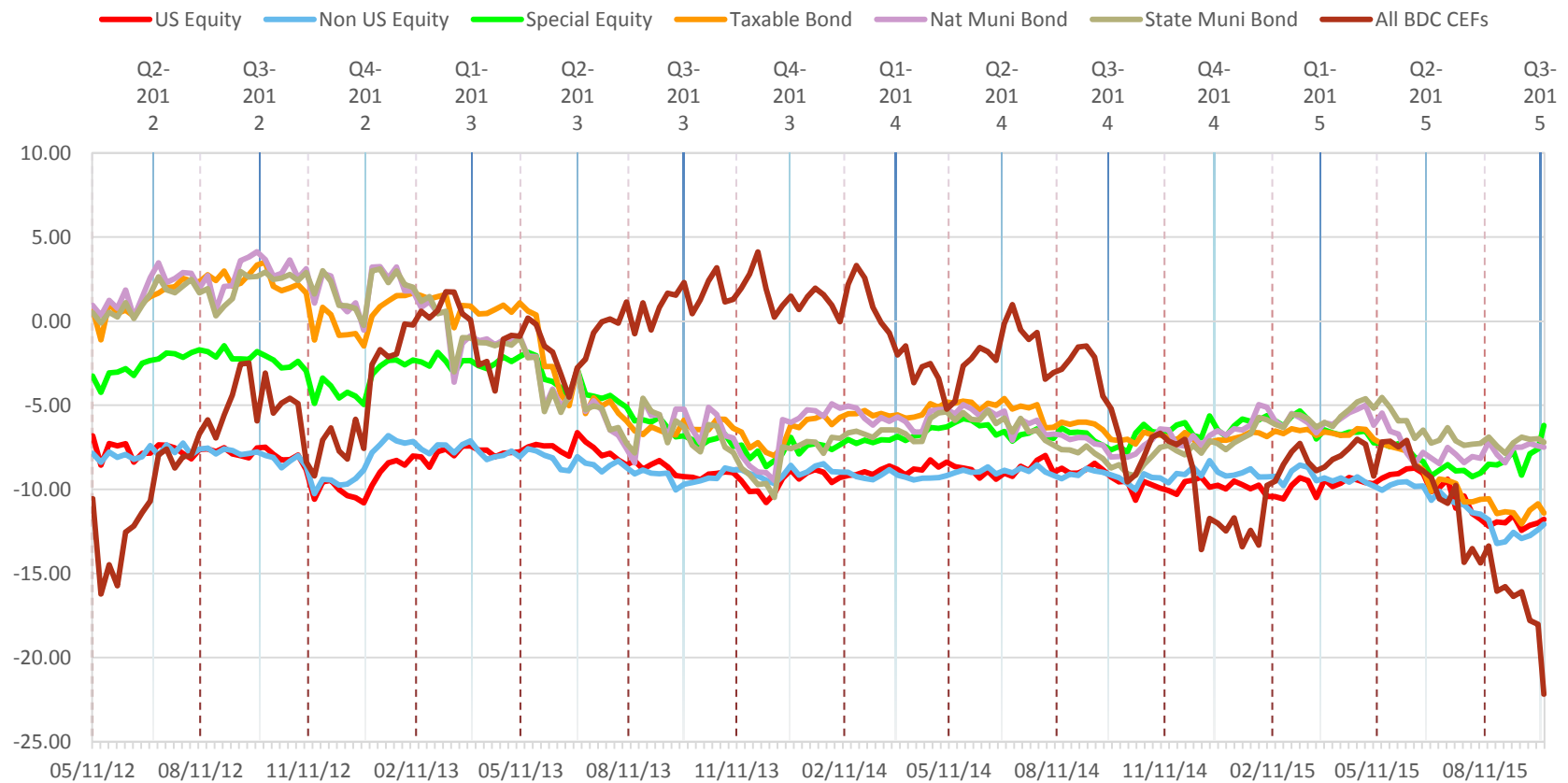


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))



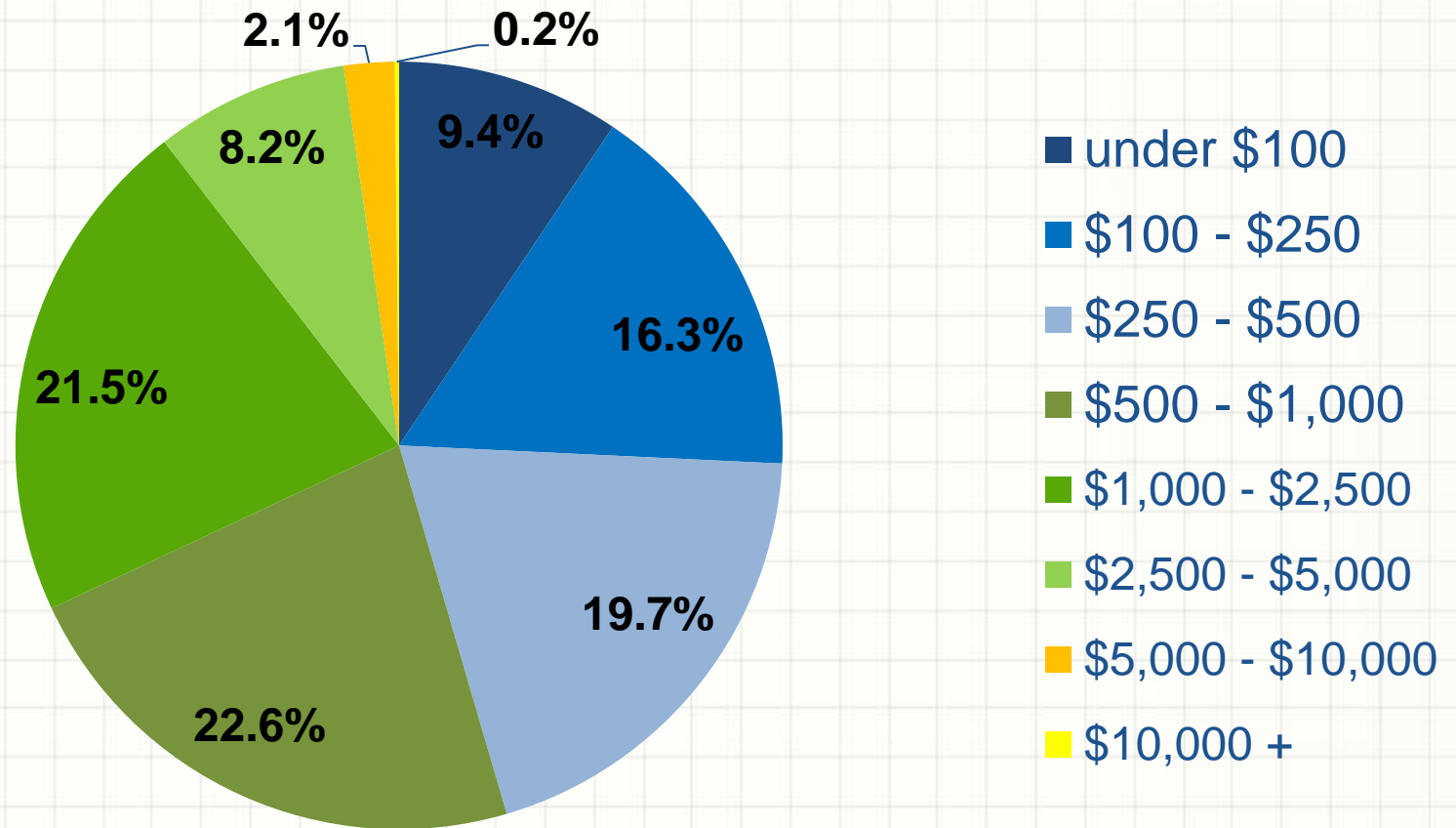
# Closed-End Discount Trends

**Main Peer Groups - Average CEF Discount**  
**May 11, 2012 - September 30, 2015**



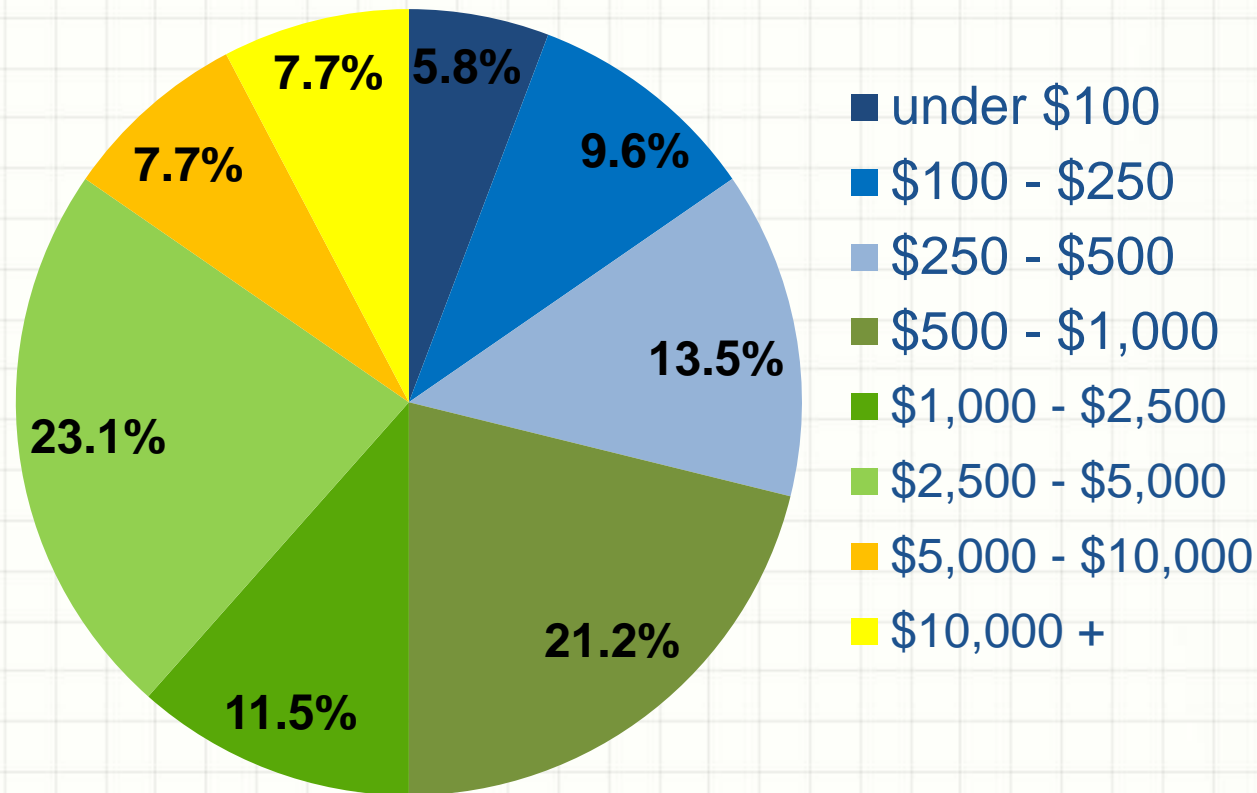
Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))

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



Note: 563 traditional closed-end funds; data as of 9/30/15, Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))

## BDCs : By Average Daily Liquidity (thousands)



Note: 52 business development company CEF; data as of 9/30/15, Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))

# CEF Volume Trends – 3Q 2015

Fund Grouping	Avg Vol 3Q 2015	Avg Vol 2Q 2015	Volume Trend
US Equity Funds	98,996	79,900	24%
Non-US Equity Funds	63,909	59,304	8%
Specialty Equity Funds	152,634	115,225	32%
<i>Ave Traditional Equity CEF</i>	<i>118,428</i>	<i>93,370</i>	<i>27%</i>
Taxable Bond Funds	126,478	114,130	11%
National Muni Bond Funds	56,123	70,500	-20%
State Muni Bond Funds	21,890	27,886	-22%
<i>Ave Traditional Bond CEF</i>	<i>79,495</i>	<i>79,555</i>	<i>0%</i>
<i>Average Traditional CEF</i>	<i>94,944</i>	<i>84,978</i>	<i>12%</i>
Debt Focused BDC Funds	317,028	295,045	7%
Equity Focused BDC Funds	235,722	189,720	24%
<i>Average BDC</i>	<i>302,956</i>	<i>277,160</i>	<i>9%</i>
<i>Average For ALL CEFs</i>	<i>112,560</i>	<i>101,513</i>	<i>11%</i>

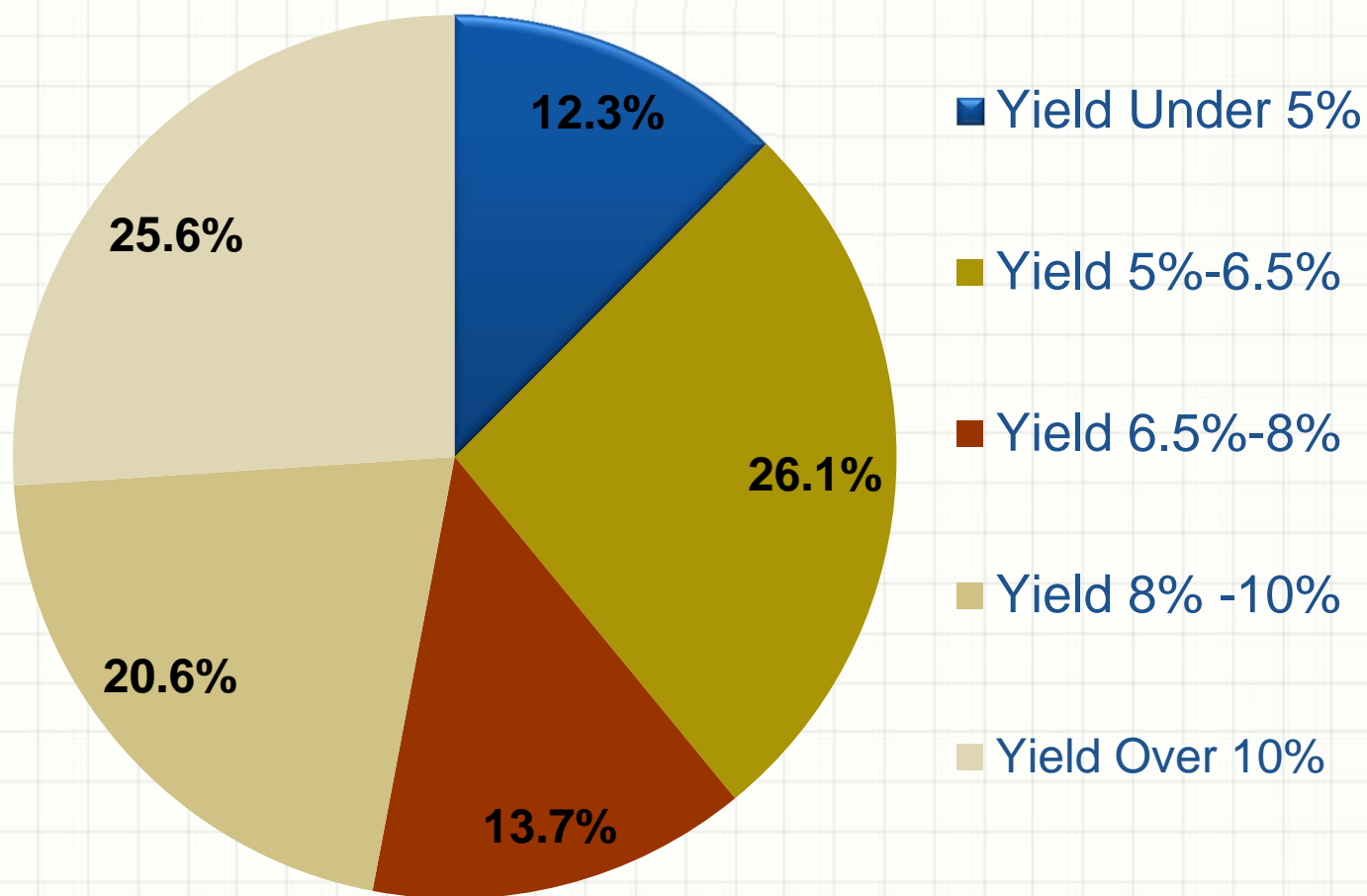


Data as of September 30, 2015

[www.CEFadvisors.com](http://www.CEFadvisors.com)

Source: CEFA's Closed-End Fund Universe Report

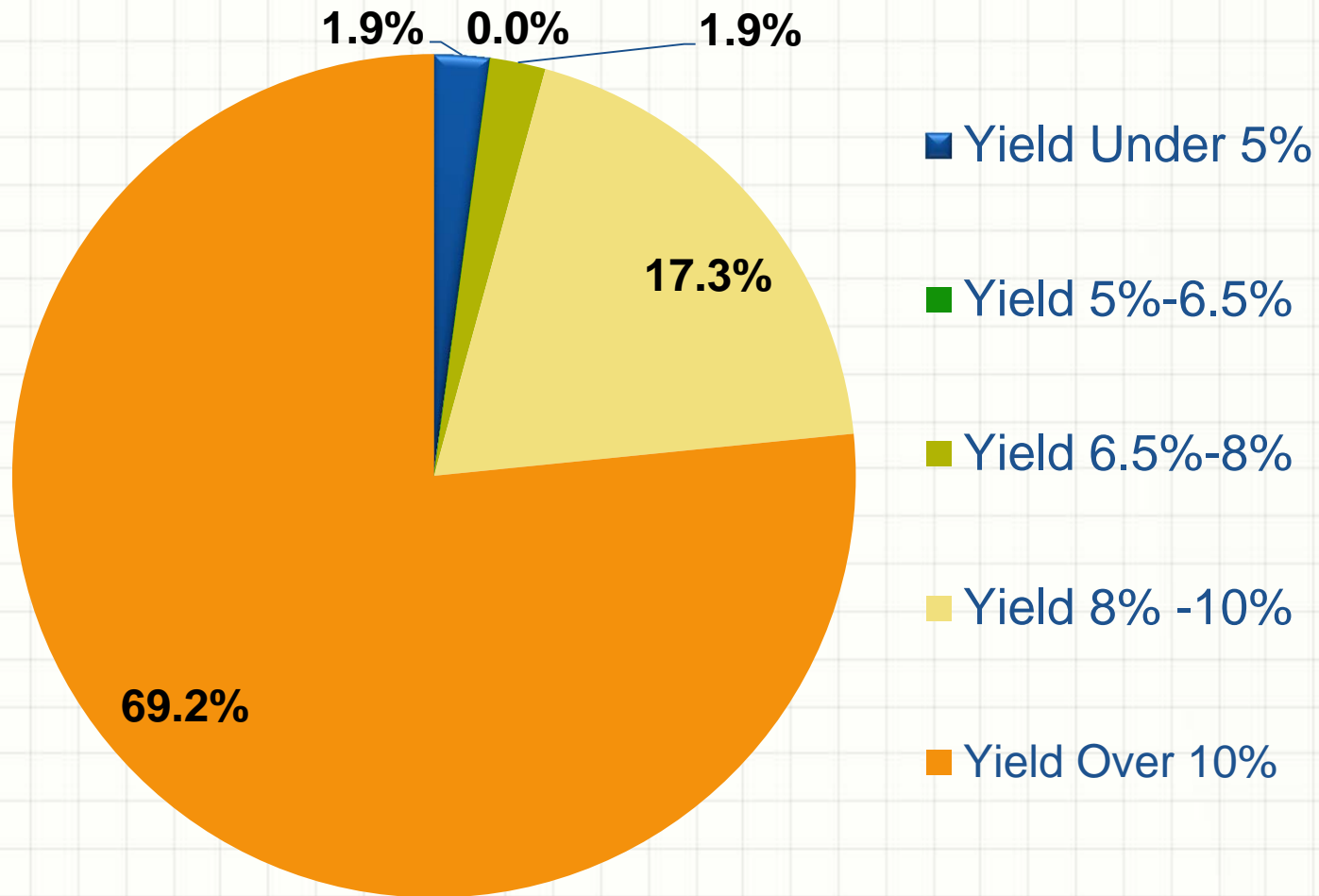
# Traditional Closed-End Funds: By Yield



*Note: 563 traditional closed-end funds; data as of 9/30/2015 , CEFU Report*



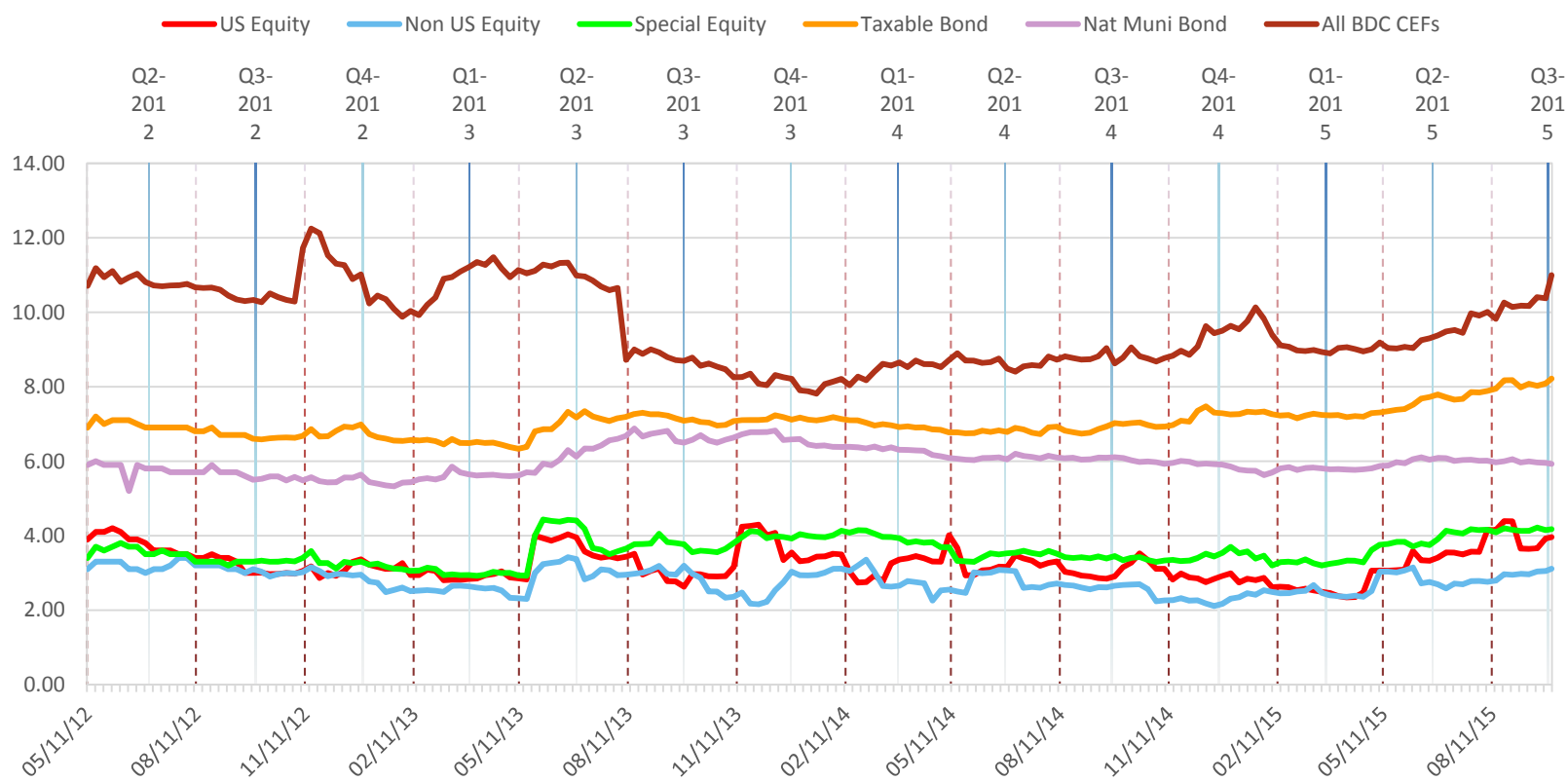
# BDCs: By Yield



*Note: 52 business development company CEFs; data as of 9/30/2015 , CEFU Report*

# Income Only Yield For Closed-End Funds

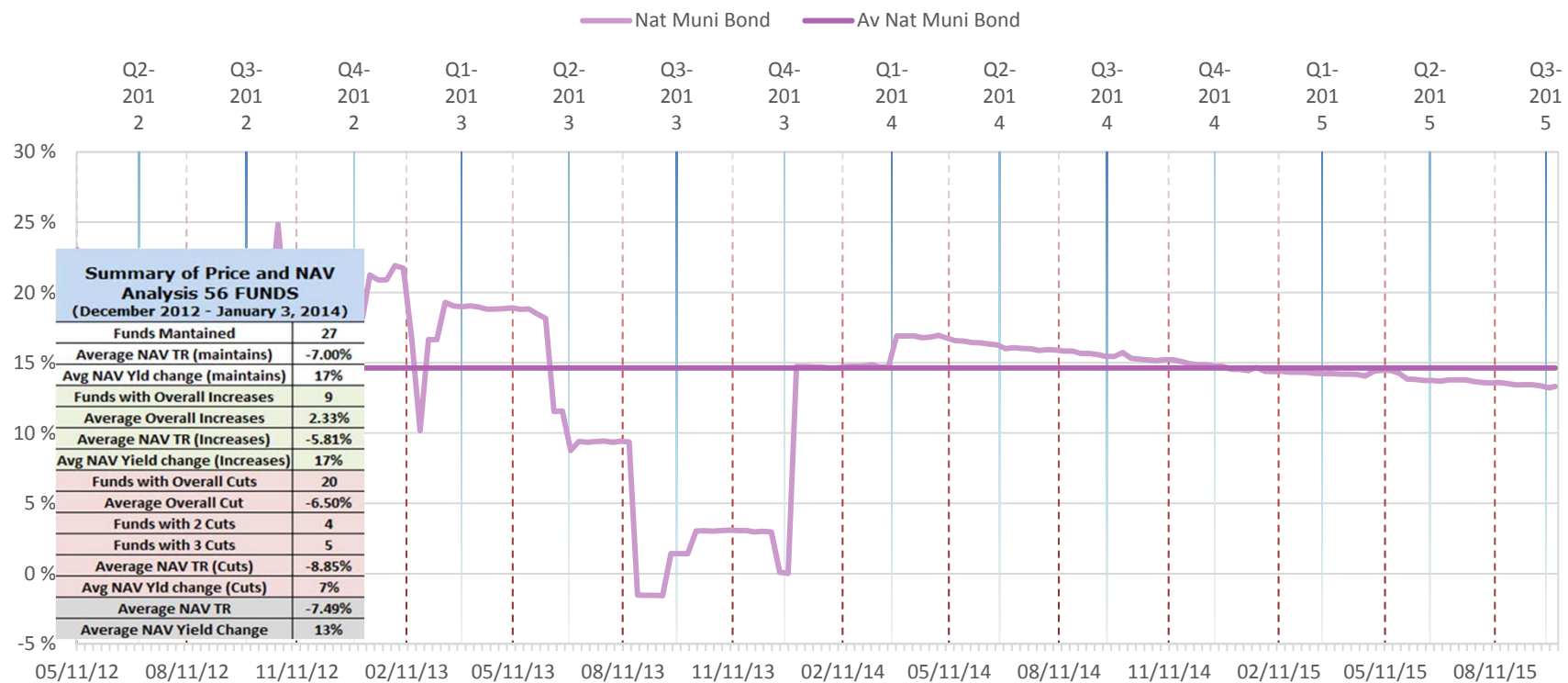
**Main Peer Groups - Historical Dividend - Income only Yield**  
**May 11, 2012 - September 30, 2015**



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

# Relative UNII for Traditional CEF Municipal Bond Funds

## Nat Muni Bond - Relative UNII May 11, 2012 - September 30, 2015

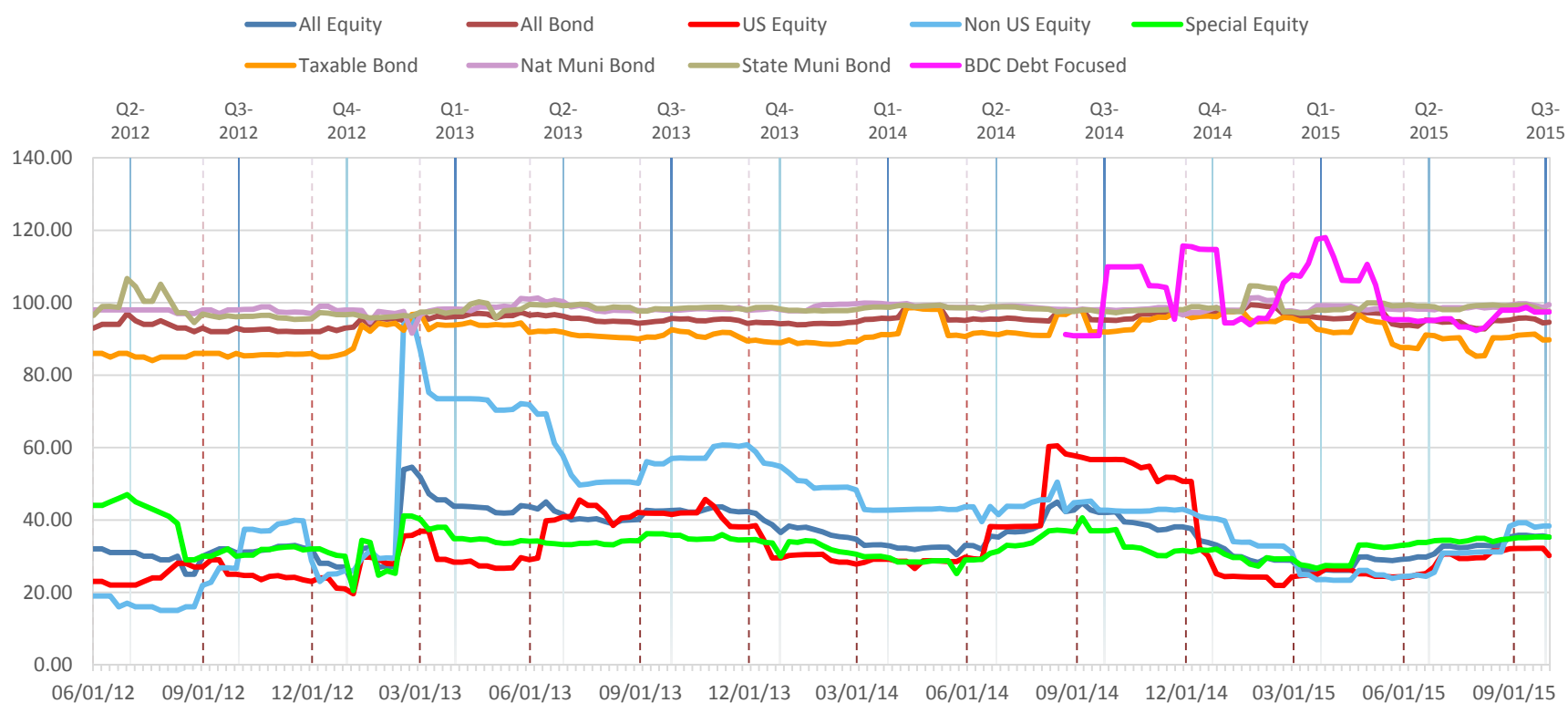


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))



# Earnings Coverage Ratio For Closed-End Funds

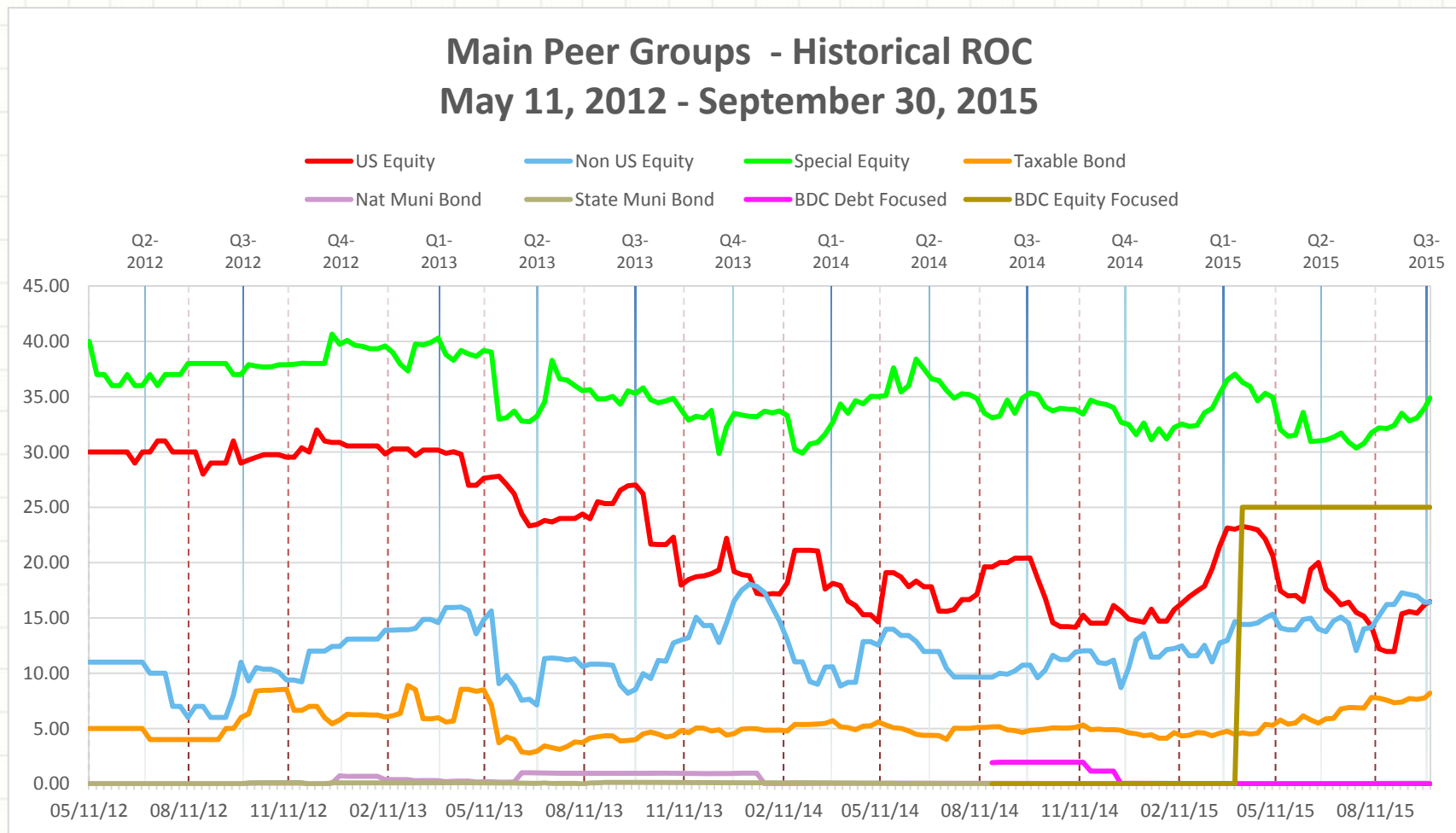
**Main Peer Groups - Earnings Coverage Ratio  
June 01, 2012 - September 30, 2015**



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



# Return of Capital (90 Day) For CEFs



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





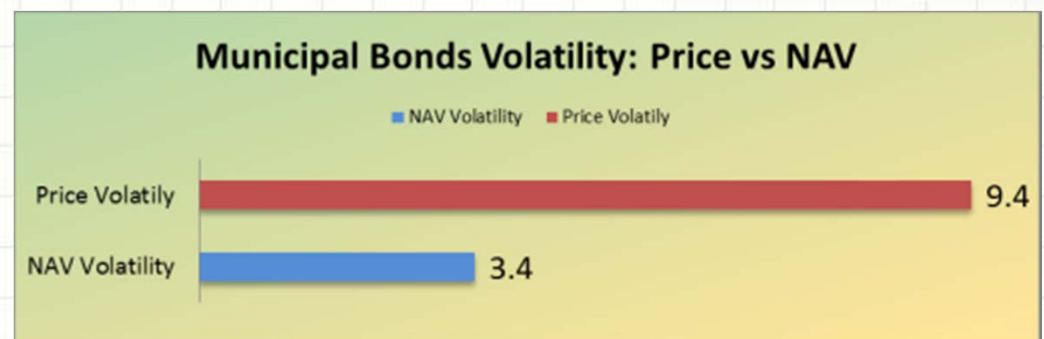
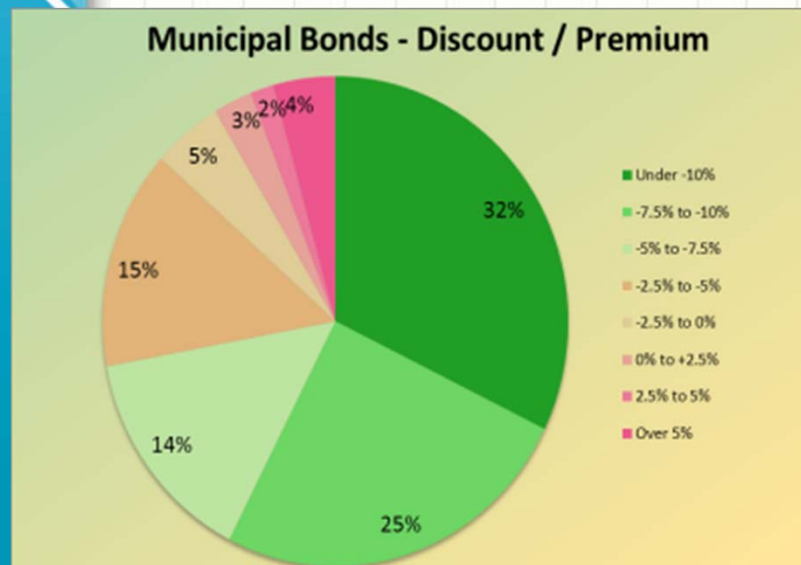
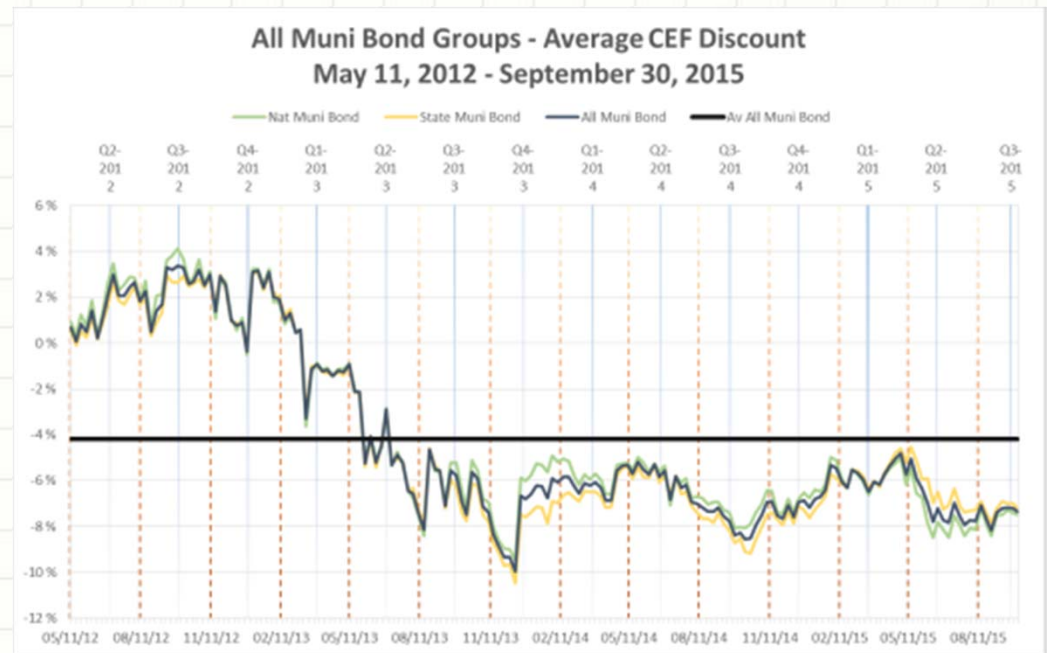
# Destructive Return of Capital (DRoC)

(Traditional)

Fund Grouping	# Funds with Destructive RoC	% Funds with Destructive RoC	Average Destructive RoC %	1Yr NAV TR vs NAV Yield	3Yr NAV TR vs NAV Yield
US Equity Funds	13	34%	40%	-175%	30%
Non-US Equity Funds	23	37%	37%	-366%	-210%
Specialty Equity Funds	69	57%	51%	-344%	-87%
<i>Equity CEF</i>	105	47%	46%	-321%	-103%
Taxable Bond Funds	55	36%	18%	-139%	-50%
National Muni Bond Funds	1	1%	1%	-12%	-18%
State Muni Bond Funds	0	0%	N/A	-10%	-23%
<i>Bond CEF</i>	56	16%	17%	-68%	-33%
Average CEF	161	29%	36%	-165%	-59%

# Municipal Bond Closed-End Fund Universe

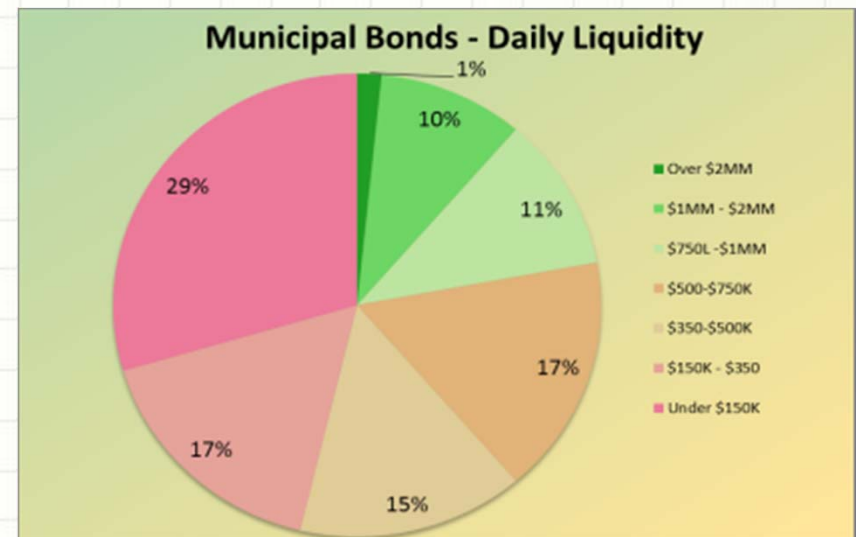
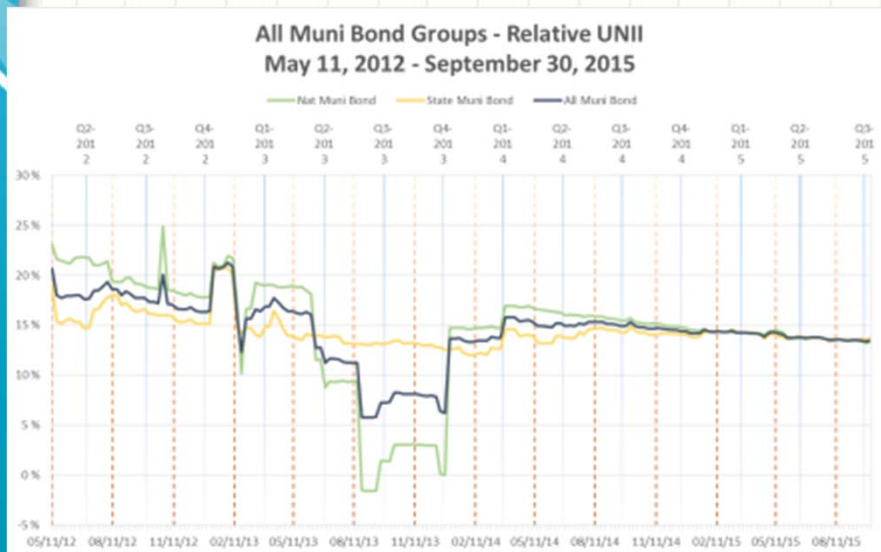
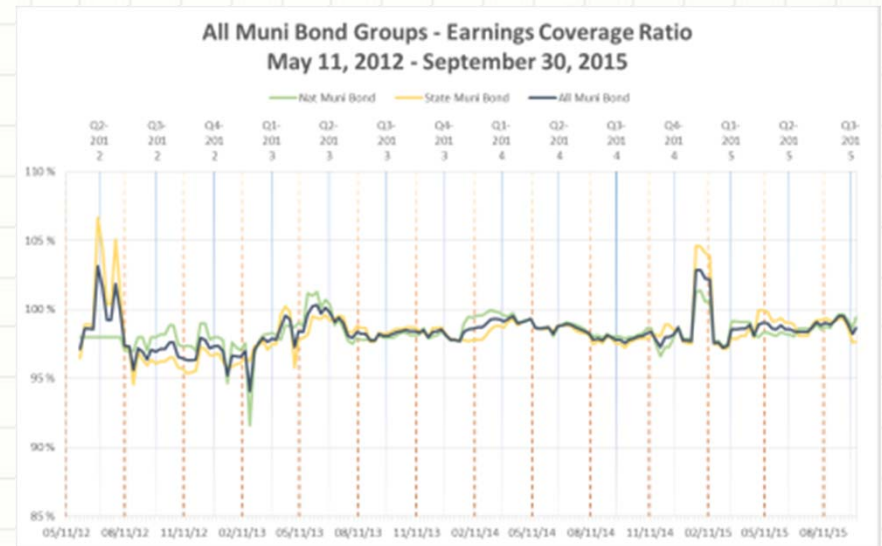
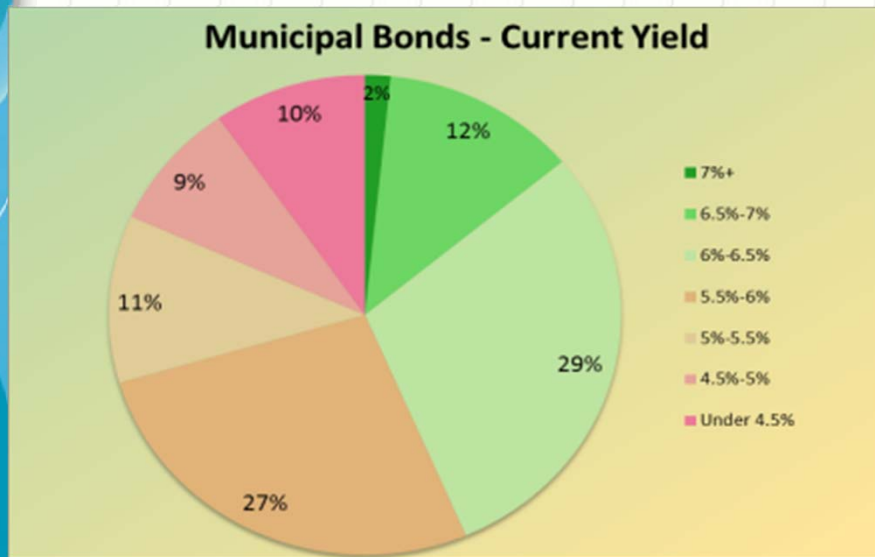
	National Muni Funds	Single State Muni Funds	Total
Number of Funds	103	83	186
Net Assets (Total)	\$47,088	\$18,617	\$65,705
Net Assets	\$457	\$224	\$353
Earnings Coverage Ratio %	99.4	97.6	98.6
Premium / Discount %	-7.50	-7.20	-7.36
Total Mkt Yield %	5.93	5.44	5.71
Leverage Adj NAV Yield %	3.68	3.30	3.51
NAV Volatility	3.49	3.23	3.38
Leverage %	31.8	33.0	32.4
Leverage Cost %	0.40	0.41	0.40
Duration	9.10	9.05	9.08
Insured %	18.4	22.3	20.2
Investment Grade %	89	92	90
Credit Quality	A	A	A



*Note: Volatility is a one year rolling calculation*

*Source: Data as of September 30, 2015 from CEFA's Universe Data*

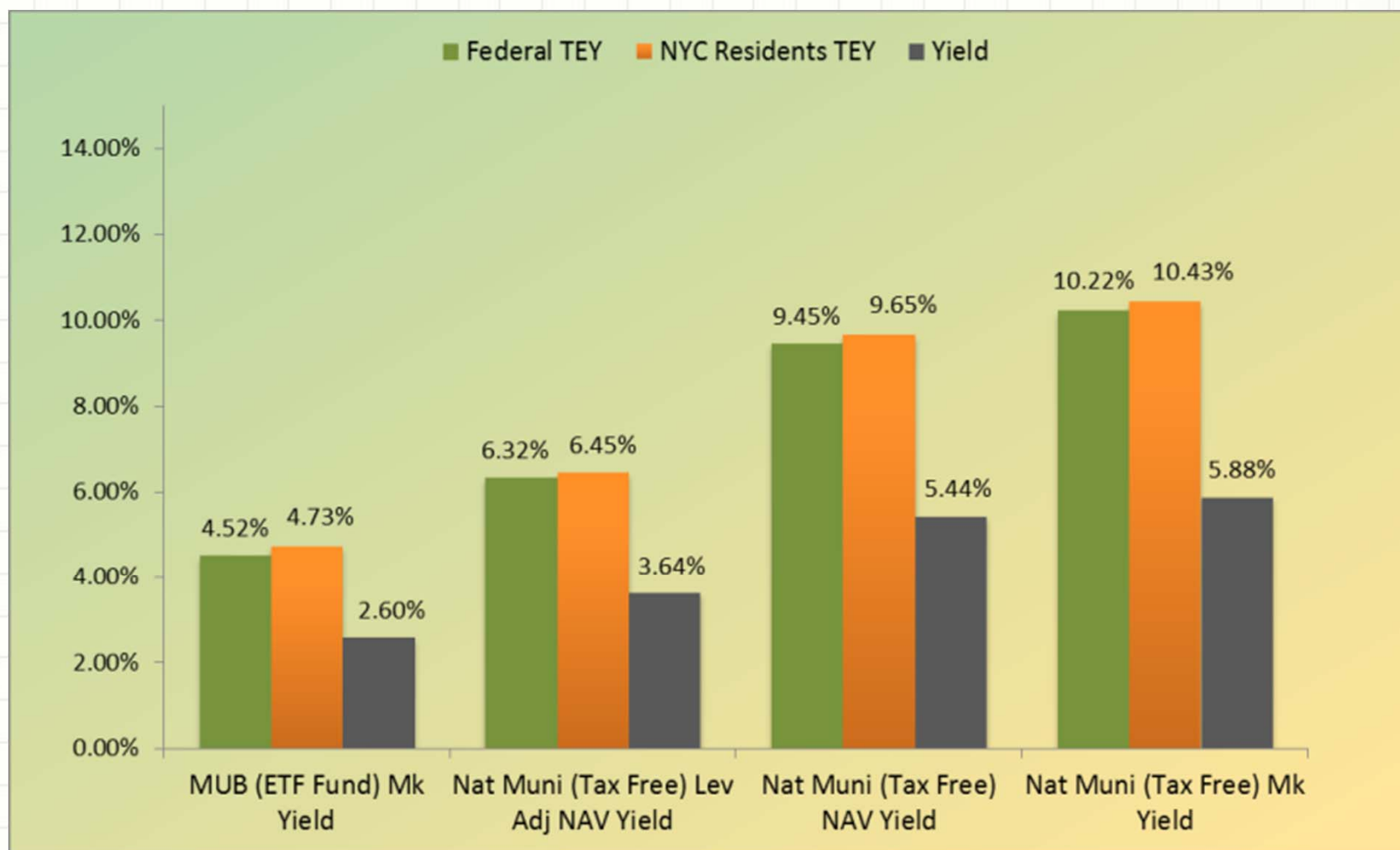
# Municipal Bond Closed-End Fund Universe



Source: Data as of June 30, 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 9/30/15 and tax rates from IRS and NY State.

# CEF Press Release SEC Filings Summary

## (2326 CEF PRs in 3Q15)

Announcement Type	3Q 2015	2014	3Q 2014	Avg per Q since 2014
Rights Issue / Offering	1	9	5	2
Secondary Offering (Trad CEF)	0	4	1	1
Secondary Offering (BDCs)	1	16	11	4
Tender Offer	2	16	8	3
Distribution Policy Change(Trad CEF)	0	19	19	4
Distribution Policy Change (BDCs)	0	1	0	0
13 Filings (Trad CEF)	95	-	58	-
New N-2 Filings	20	31	7	10
Updated N-2 Filings	46	52	11	20
Investment Manager / Advisor Change	0	20	20	6
Portfolio Manager Change	35	60	7	15
Leverage Amount / Type Change	9	47	16	11





# Closed-End Fund

## Dividend Increases vs. Decreases

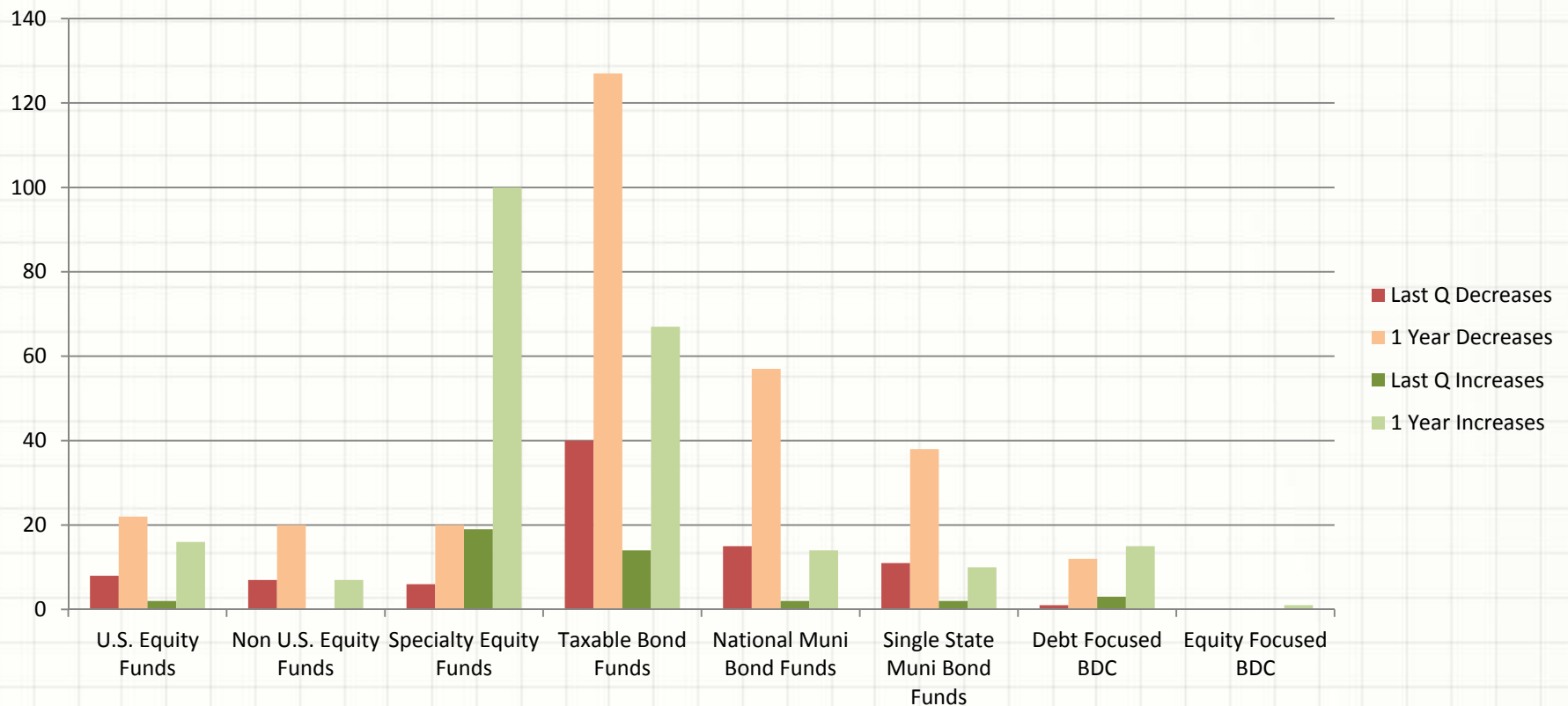
Dividend Announcement	3Q 2015 Number of Announcements	3Q 2015 Average Change	3Q14 – 2Q15 Number of Announcements	3Q14 – 2Q15 Average Change
<b>Dividend Maintains</b>	1263 (91%)	N/A	4960 (91%)	N/A
<b>Dividend Increases</b>	42 (3%)	+4.9%	244 (4%)	+7.8%
<b>Dividend Decreases</b>	88 (6%)	-6.8%	288 (5%)	-10.6%
<b>Under 5% Increase</b>	31 (74%)	+2.0%	160 (66%)	+2.2%
<b>Over 5% Increase</b>	11 (26%)	+13.1%	84 (34%)	+18.6%
<b>Under 5% Decrease</b>	53 (60%)	-2.3%	147 (51%)	-2.6%
<b>Over 5% Decrease</b>	35 (40%)	-13.6%	141 (49%)	-18.9%

Source: Fund Press Releases



# 3Q 2015 Closed-End Fund Dividend Increases vs. Decreases

Major CEF Groups: Number of dividend decreases / increases  
Last Quarter & Last Year



Source: Fund Press Releases



# 3Q15 , YTD and 2Q15 Closed-End Fund NAV / Market Price Performance

Fund Grouping	3Q 2015 NAV	3Q 2015 Mkt Pr	YTD NAV	YTD Mkt Pr	2Q 2015 NAV	2Q 2015 Mkt Pr
US Equity Funds	-9.6%	-11.5%	-8.6%	-9.9%	-0.5%	-0.4%
Non-US Equity Funds	-13.1%	-14.7%	-9.8%	-11.8%	0.3%	-0.7%
Specialty Equity Funds	-13.1%	-11.3%	-13.8%	-13.5%	-2.1%	-4.5%
<i>Avg Traditional Equity CEF</i>	<i>-12.5%</i>	<i>-12.3%</i>	<i>-12.3%</i>	<i>-12.4%</i>	<i>-1.2%</i>	<i>-2.7%</i>
Taxable Bond Funds	-4.5%	-6.3%	-2.2%	-6.0%	0.2%	-2.9%
National Muni Bond Funds	2.5%	3.7%	1.7%	1.3%	-2.0%	-5.1%
State Muni Bond Funds	2.7%	2.7%	2.0%	2.4%	-1.7%	-3.4%
<i>Avg Traditional Bond CEF</i>	<i>-0.6%</i>	<i>-1.0%</i>	<i>0.0%</i>	<i>-1.7%</i>	<i>-1.0%</i>	<i>-3.7%</i>
<i>Average Traditional CEF</i>	<i>-5.3%</i>	<i>-5.5%</i>	<i>-4.7%</i>	<i>-5.9%</i>	<i>-1.0%</i>	<i>-3.3%</i>
<i>Debt Focused BDC</i>	0.1%	0.6%	6.6%	-4.8%	4.3%	5.1%
<i>Equity Focused BDC</i>	0.0%	0.4%	2.3%	-12.8%	1.2%	-0.3%
<i>Average BDC</i>	<i>0.1%</i>	<i>0.5%</i>	<i>5.9%</i>	<i>-6.2%</i>	<i>3.9%</i>	<i>4.2%</i>



Data as of September 30, 2015

Source: CEFA's Closed-End Fund Universe Report

www.CEFadvisors.com

26

# Closed-End Fund Activist Update

3Q 2015

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Sep	PR	LMP Real Estate Income Fund Inc. (RIT)	Bulldog	Open-end
Sep	13D	FT Div & Incm Fd (FAV)	Bulldog	7.78%
Sep	14A	TICC Capital (TICC)	NextPoint	IA Proposal / Sale
Sep	13D	Alliance Bernstein Inc (ACG)	Karpus	Inc (7.4%)
Sep	13D	Federated Enhanced Treasury Inc (FTT)	Karpus	Dec (21.2%)
Sept	14A	Federated Enhanced Treasury Inc (FTT)	FTT	Open-end
Sep	PR	Montgomery Street Income Securities, Inc. (MTS)	MTS	Open-end
Aug	PR	Alliance Bernstein Income Fund, Inc. (ACG)	ACG	Open-end
Aug	13D	Clough Global Equity (GLQ)	Bulldog	Dec (6.3%) Failed Tender
Aug	13D	MFS Inter Market Income Trust	Karpus	Dec (13.9%)

# Closed-End Fund Activist Update

3Q 2015

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Aug	Tender	Nuv Div Adv Muni Fd 3(NZF)	Public	Up to 10% (98% of NAV)
Aug	13D/A	Deutsche Hi Incm Tr (KHI)	Saba	Inc (11.6%)
Aug	13G/A	Tmp Emrg Mkt Fd (EMF)	City of London	Inc (10.4%)
Jul	13D	AC Enh Gwth & Incm Fd (LCM)	Bulldog	5.4%
Jul	13D	Global High Income Fund (GHI)	Bulldog	6.9%
Jul	13D	Full Circle Capital (FULL)	Bulldog	Inc (6.7%)
Jul	PR	Deutsche Global High Income (LBF) / High Inc Opp (DHG)	Deutsche	Liquidation (Bulldog)
Jul	425	Transamerica Income Shares, Inc. (TAI)	TAI	Open-end
Jul	PR	BDC Ventures BDCV (Formerly KIPO)	BDCV	Term IA, take over BoD
Jul	PR	Templeton Russia & E. Eur Fund	TRF	Liquidation

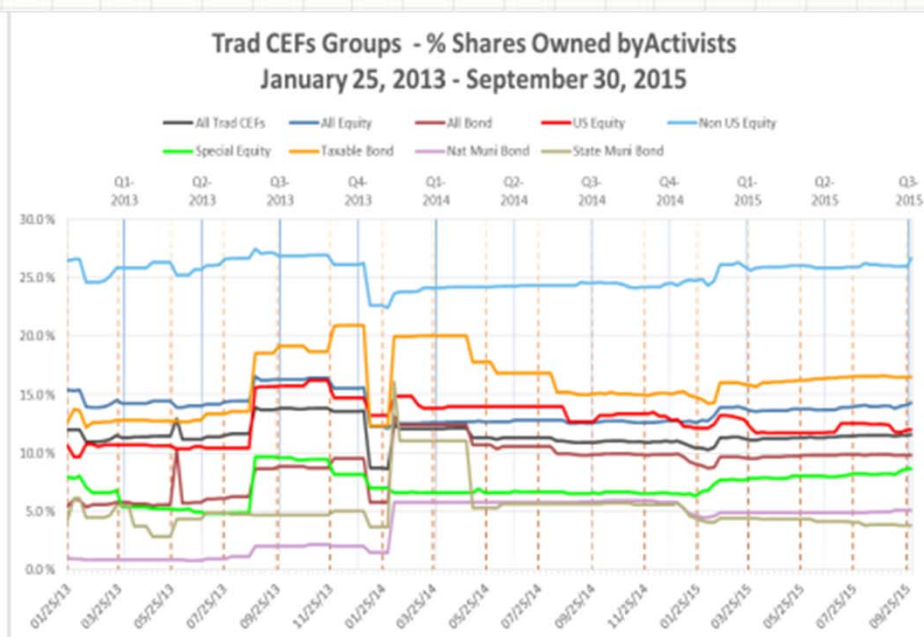
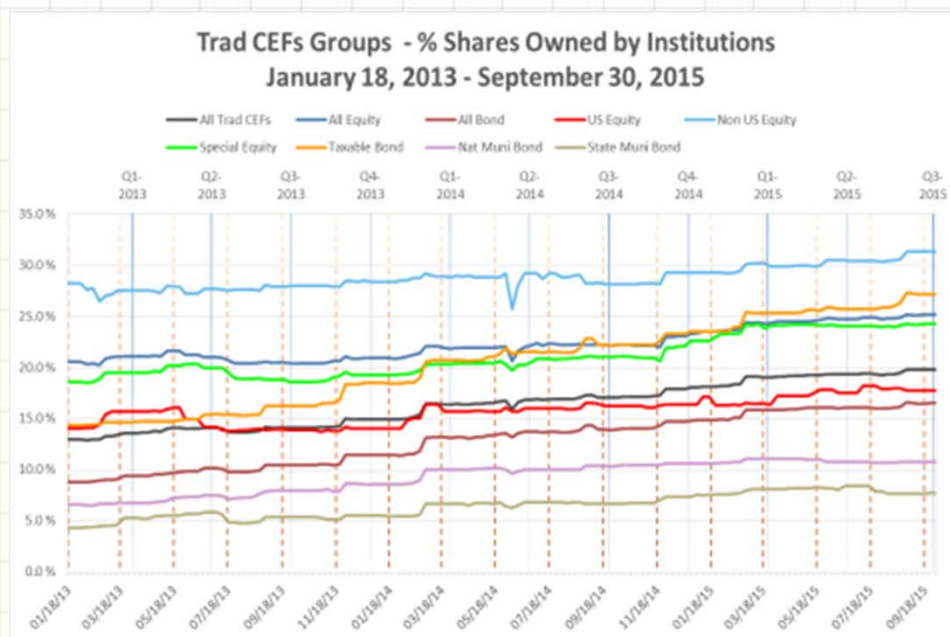


# CEF Institutional & Activist Holdings

## (Traditional CEFs 3Q 15)

**Activist  
Holdings Trends**

**Increase: 91 funds  
Decrease: 75 funds**



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



# Traditional Closed-End Fund

## Historical IPOs (3Q 15)

	YTD 2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Number of IPOs	6	9	25	23	19	17	13	2	40	21	47
Average Assets In \$ millions	\$332	\$469	\$580	\$517	\$316	\$451	\$200	\$131	\$690	\$506	\$452
Total New CEF IPO Assets in \$ Billions	\$2.0B	\$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 (3Q 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

3Q 2015

## **Nuv Hi Incm 2020 Tgt Trm Fd (JHY) - Taxable Bond Funds -**

IPOed on July 28, 2015

IPO Price: \$10.00

Price as of 9/30/15: \$9.99

IPO Assets: \$124M

Disc/Prm as of 9/30/15 : 8.82%

## **FT Dynamic Europe Equ (FDEU) – Non U.S. Equity Funds -**

IPOed on September 24, 2015

IPO Price: \$20.00

Price as of 9/30/15: \$20.00

IPO Assets: \$330M

Disc/Prm as of 9/30/15 : 4.93%



Source: Fund Press Releases

[www.CEFadvisors.com](http://www.CEFadvisors.com)

# IPOs during 3Q 2014 – 1Q 2015

## Current Discount / Premium

IPO Date	Ticker	Fund Name	Type	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
4Q 2014	ECC	Eagle Point Cr Co	Traditional	8.68%	\$19.04	\$20.00	95.20%
	BST	BR Sci & Tech Tr	Traditional	-11.80%	\$15.85	\$20.00	79.25%
	HIE	Miller/Howard Hi Incm Eq Fd	Traditional	-9.66%	\$12.07	\$20.00	60.35%
1Q 2015	CCD	Calamos Dyn Convt & Incm Fd	Traditional	-11.75%	\$18.18	\$25.00	72.72%
	GSBD	Goldman Sachs BDC	BDC	-5.40%	\$18.41	\$20.00	92.05%
2Q 2015	ACV	AG Divr Incm & Convt Fd	Traditional	-13.50%	\$17.43	\$25.00	69.72%
	EGIF	Eagle Gwth & Incm Opp Fd	Traditional	-7.30%	\$16.13	\$20.00	80.65%
	THW	Tekla Wld Health Fd	Traditional	-15.41%	\$14.38	\$20.00	71.90%

Data as of September 30, 2015

Source: CEFA's Closed-End Fund Universe Report



# Traditional Closed-End Fund NAV – Market Price Correlation

Fund Grouping	Correlation 3Q 15	Correlation 2Q 15	Correlation Trend
US Equity Funds	93.8%	65.0%	29%
Non-US Equity Funds	95.9%	86.1%	10%
Specialty Equity Funds	85.9%	82.2%	4%
<i>Ave Equity CEF</i>	<i>90.1%</i>	<i>80.4%</i>	<i>10%</i>
Taxable Bond Funds	77.6%	73.6%	4%
National Muni Bond Funds	32.6%	89.9%	-57%
State Muni Bond Funds	21.0%	74.9%	-54%
<i>Ave Bond CEF</i>	<i>50.1%</i>	<i>78.9%</i>	<i>-29%</i>
<b>Average CEF</b>	<b>65.9%</b>	<b>79.5%</b>	<b>-14%</b>

Data as of September 30, 2015

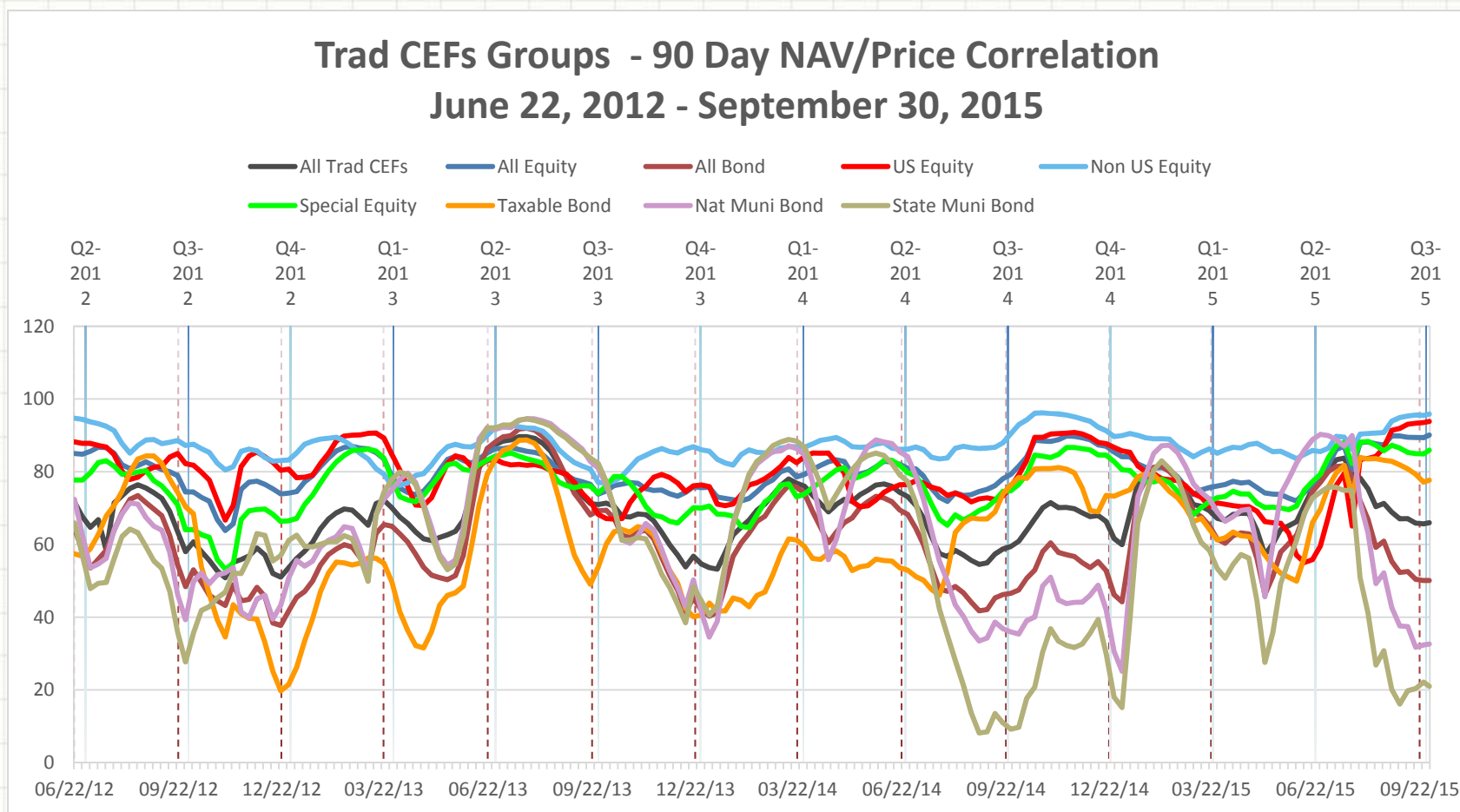
Source: CEFA's Closed-End Fund Universe Report





# Traditional Closed-End Fund

## 90 Day NAV – Market Price Correlation



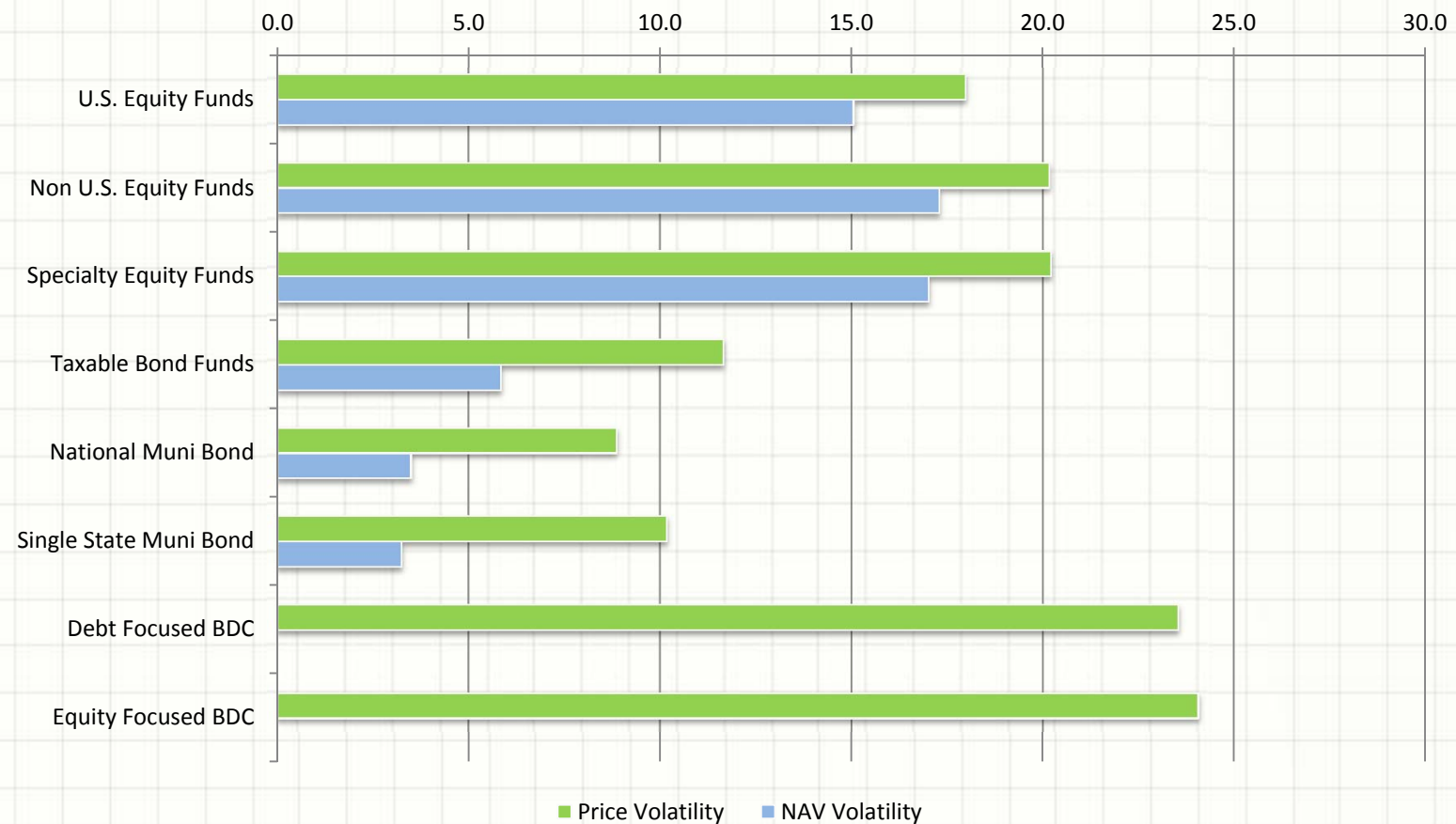
Source: September 30, 2015 - CEFA's Closed-End Fund Universe Report

[www.CEFadvisors.com](http://www.CEFadvisors.com)



# Closed-End Fund

## Market Price volatility vs. NAV volatility (1 Year)



Source: September 30, 2015 - CEFA's Closed-End Fund Universe Report

[www.CEFadvisors.com](http://www.CEFadvisors.com)





# Closed-End Fund Advisors

## Asset Class Annual Returns 2005 - 2015

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 YTD	2005 - 2014
World Stock 11.73%	REIT 30.52%	MLP 12.61%	Muni Bond -5.09%	Senior Loan 76.30%	BDC 50.99%	MLP 13.87%	BDC 34.48%	US Stock 32.38%	REIT 27.15%	Convertible 4.61%	MLP 17.26%
REIT 8.38%	BDC 29.49%	World Stock 7.50%	HY Bond -26.39%	MLP 75.63%	MLP 35.63%	Muni Bond 10.63%	World Stock 16.57%	MLP 27.59%	US Stock 13.68%	World Stock 2.97%	BDC 10.70%
MLP 7.76%	MLP 27.06%	US Stock 5.57%	Convertible -29.44%	HY Bond 57.51%	REIT 23.89%	REIT 5.35%	US Stock 15.99%	Convertible 26.60%	Convertible 9.97%	HY Bond 2.49%	US Stock 9.49%
BDC 7.16%	World Stock 26.59%	Covered Call 5.07%	Preferred -32.02%	Convertible 45.63%	Convertible 15.68%	HY Bond 4.38%	HY Bond 15.58%	World Stock 23.41%	Muni Bond 9.26%	Senior Loan 2.41%	Convertible 9.41%
Senior Loan 5.66%	US Stock 15.78%	Convertible 3.95%	Covered Call -33.38%	BDC 42.78%	HY Bond 15.19%	US Stock 2.11%	Senior Loan 14.33%	Covered Call 20.84%	Covered Call 7.87%	Preferred 2.10%	HY Bond 9.29%
US Stock 4.91%	Covered Call 14.64%	Muni Bond 2.81%	US Stock -37.00%	World Stock 32.89%	US Stock 15.06%	Covered Call 2.02%	Convertible 13.63%	BDC 16.33%	Preferred 6.86%	US Stock 1.23%	World Stock 8.59%
Muni Bond 4.16%	Convertible 12.03%	HY Bond 2.19%	MLP -37.11%	Preferred 32.12%	Senior Loan 14.98%	Senior Loan 1.48%	REIT 13.40%	Senior Loan 11.73%	MLP 4.80%	BDC 0.93%	Senior Loan 8.45%
Covered Call 3.93%	HY Bond 11.77%	Senior Loan -0.50%	World Stock -40.95%	Covered Call 27.91%	Covered Call 13.69%	Convertible -3.76%	Covered Call 11.22%	HY Bond 7.42%	World Stock 3.69%	Covered Call 0.12%	Covered Call 7.38%
HY Bond 2.74%	Senior Loan 8.82%	BDC -14.17%	REIT -42.54%	US Stock 26.45%	World Stock 11.07%	World Stock -6.60%	Preferred 10.81%	REIT -1.74%	Senior Loan 3.02%	Muni Bond 0.01%	REIT 6.53%
Convertible -0.19%	Muni Bond 5.30%	Preferred -17.69%	BDC -45.07%	REIT 21.90%	Preferred 6.36%	BDC -7.18%	Muni Bond 7.42%	Muni Bond -2.55%	HY Bond 2.50%	REIT -5.73%	Muni Bond 4.90%
Preferred -5.55%	Preferred 1.92%	REIT -20.97%	Senior Loan -51.37%	Muni Bond 14.63%	Muni Bond 2.45%	Preferred -7.93%	MLP 4.80%	Preferred -6.75%	BDC -7.79%	MLP -10.22%	Preferred -1.19%

US Stock – S&P 500 Index; REIT – Wilshire REIT Index; MLP – Alerian MLP Index; BDC – Wells Fargo BDC Index; High Yield Bond – Bank of America Merrill Lynch US HY Index; Preferred – S&P Preferred Stock Index; World Stock – MSCI All Country World Index; Sr Loan - Morningstar US Senior Loan Funds Index; Muni Bond - S&P Municipal Bond Index; Covered Call - S&P 500 Stock Covered Call Index; Convertible - BofA Merrill Lynch All U.S. Convertibles Index. Returns data are total returns which include dividends and capital appreciation. "2005 - 2014" column shows yearly average for each sector. You cannot invest directly in an index. Past performance is not an indication of future results. Current year data for all indexes except "BDC Index" is sourced from index provider documents as of 6/30/2015. Wells Fargo BDC Index is sourced from Google Finance. Historical data is sourced from Bloomberg and Morningstar.





# Closed-End Fund Advisors

## Closed-End Fund Discount / Premium 2005 - 2015

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 YTD	2005 - 2014
BDC 13.52%	BDC 29.07%	BDC -5.27%	MLP 1.64%	MLP 10.80%	BDC 6.04%	HY Bond 3.56%	BDC 6.13%	BDC 7.20%	Convertible -2.98%	Convertible -5.54%	MLP -0.12%
Convertible 2.25%	Convertible 11.62%	World Stock -6.78%	Senior Loan -6.36%	Covered Call -0.64%	MLP 3.66%	Muni Bond 1.41%	MLP 4.94%	MLP -0.21%	MLP -3.79%	BDC -7.07%	BDC -0.41%
Muni Bond -2.29%	Covered Call 1.72%	Muni Bond -7.72%	Preferred -7.05%	Senior Loan -1.68%	Convertible 1.61%	Preferred -0.28%	Senior Loan 1.10%	HY Bond -4.64%	HY Bond -4.95%	Covered Call -7.95%	Convertible -2.17%
World Stock -4.00%	Preferred 0.48%	Preferred -7.73%	Convertible -7.57%	Convertible -3.02%	Senior Loan 0.04%	MLP -1.48%	Muni Bond 0.05%	Senior Loan -4.98%	Muni Bond -7.04%	Muni Bond -8.20%	HY Bond -3.86%
US Stock -6.36%	World Stock -0.43%	MLP -8.37%	HY Bond -8.60%	Muni Bond -3.08%	Muni Bond -1.11%	Convertible -2.73%	HY Bond -0.32%	Convertible -6.50%	Preferred -7.35%	MLP -9.09%	Muni Bond -4.08%
HY Bond -6.68	Muni Bond -0.81%	REIT -8.73%	World Stock -12.69%	HY Bond -3.27%	HY Bond -2.49%	Senior Loan -4.56%	Preferred -2.03%	Muni Bond -7.03%	BDC -7.67%	Preferred -9.29%	Senior Loan -4.65%
MLP -7.04%	HY Bond -1.04%	US Stock -8.81%	Muni Bond -13.19%	World Stock 5.78%	Covered Call -4.37%	REIT -9.21%	Convertible -4.55%	Preferred -7.24%	Covered Call -8.44%	Senior Loan -9.60%	Preferred -5.81%
Covered Call -7.90%	MLP -1.40%	Senior Loan -9.80%	Covered Call -14.10%	Preferred -6.92%	REIT -4.46%	BDC -7.32%	REIT -5.26%	World Stock -8.33%	Senior Loan -8.97%	US Stock -9.93%	World Stock -7.20%
REIT -9.71%	Senior Loan -1.55%	Convertible -9.83%	US Stock -15.43%	US Stock -10.72%	World Stock -6.73%	World Stock -9.73%	World Stock -8.34%	US Stock -8.76%	World Stock -9.22%	HY Bond -10.11%	Covered Call -7.53%
Senior Loan -9.78%	US Stock -1.70%	Covered Call -10.03%	REIT -24.53%	REIT -13.36%	Preferred -6.82%	Covered Call -12.13%	Covered Call -9.71%	Covered Call -9.72%	US Stock -9.58%	World Stock -10.28%	US Stock -9.52%
Preferred -13.19%	REIT -4.71%	HY Bond -10.13%	BDC -32.29%	BDC -13.53%	US Stock -9.82%	US Stock -13.03%	US Stock -10.99%	REIT -12.99%	REIT -13.5%	REIT -15.02%	REIT -10.65%

Historical Premium / Discount values as of December 31 of each year. 2015 YTD Premium / Discount value as of June 30, 2015. "2005 - 2014" column shows yearly average for each sector.

Data sourced from Closed-End Fund Advisors 'CEFU Report' and Telemet. Past performance is not an indication of future results

# CEFA's Outlook for 4Q 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](http://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.*



# New Data for CEF Universe

## During 3Q 2015

### **BDC Data Section**

- BDCUniverse.net
- # Employees
- Companies / Employee Ratio
- P/E Ratio

### **CEF Universe Project Update:**

- Weighted Model/Portfolio Data
- Fund Sponsor Reports (Group Avg and Peer Funds)
- Looking to add Daily Price/NAV data (vs. Weekly)
- Email Alerts based on data/price movements
- Custom View and Export Functionality



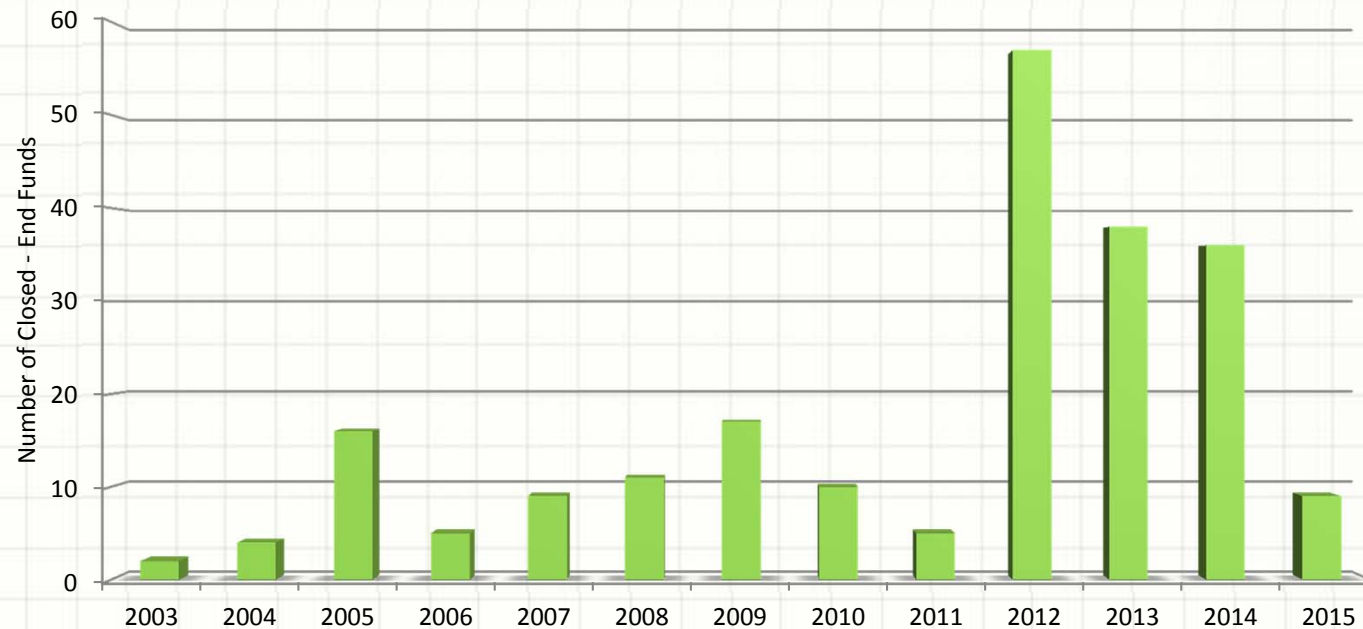
# CEF Heat Map (Not a CEF Advisors website)

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



# Closed-End Fund Mergers (Traditional)

Closed-End Funds Merged into Other Closed-End Funds (September 2015)



## Reasons to Merge:

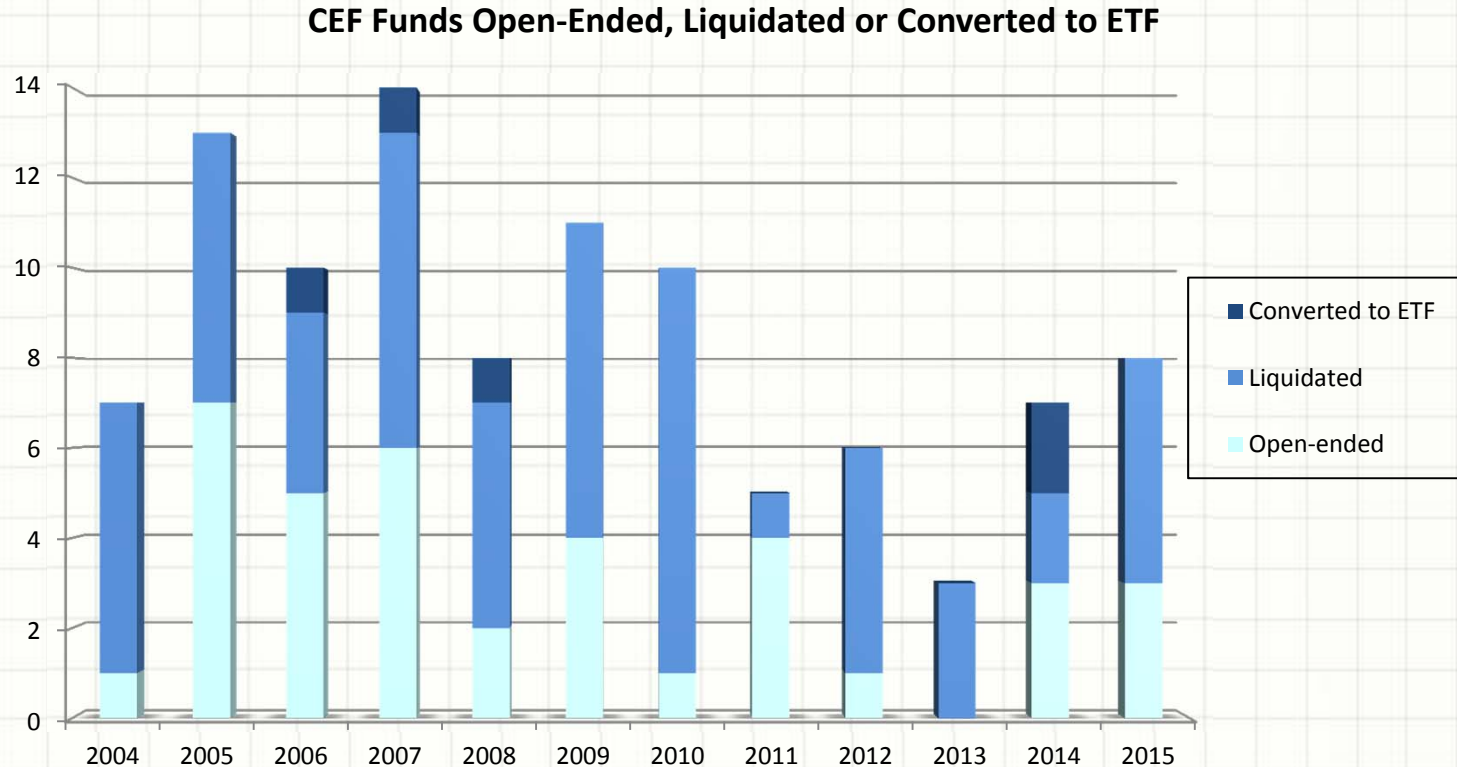
1. Reduce expense ratio
2. Increase liquidity
3. Reduce bid/ask spread
4. Improve cost of future leverage

Source: Fund Press Releases

Avg. – 16.6 per year



# Closed-End Fund Deaths (Traditional)

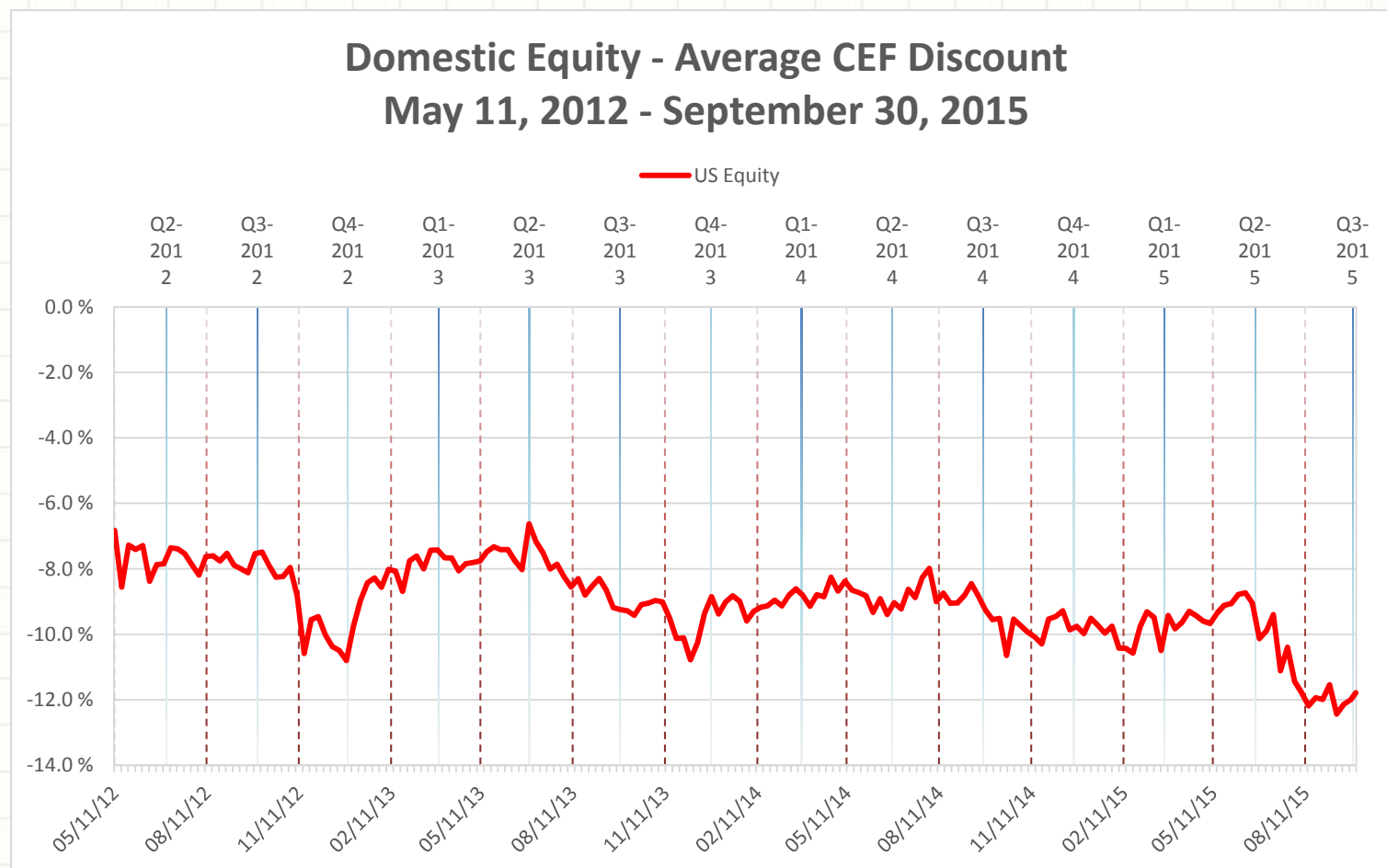


**Causes:** Open-ending, liquidation & conversion

Source: Fund Press Releases

# Domestic General Equity Funds

## Average Premium / Discount



Source: September 30, 2015 - CEFA's Closed-End Fund Universe Report

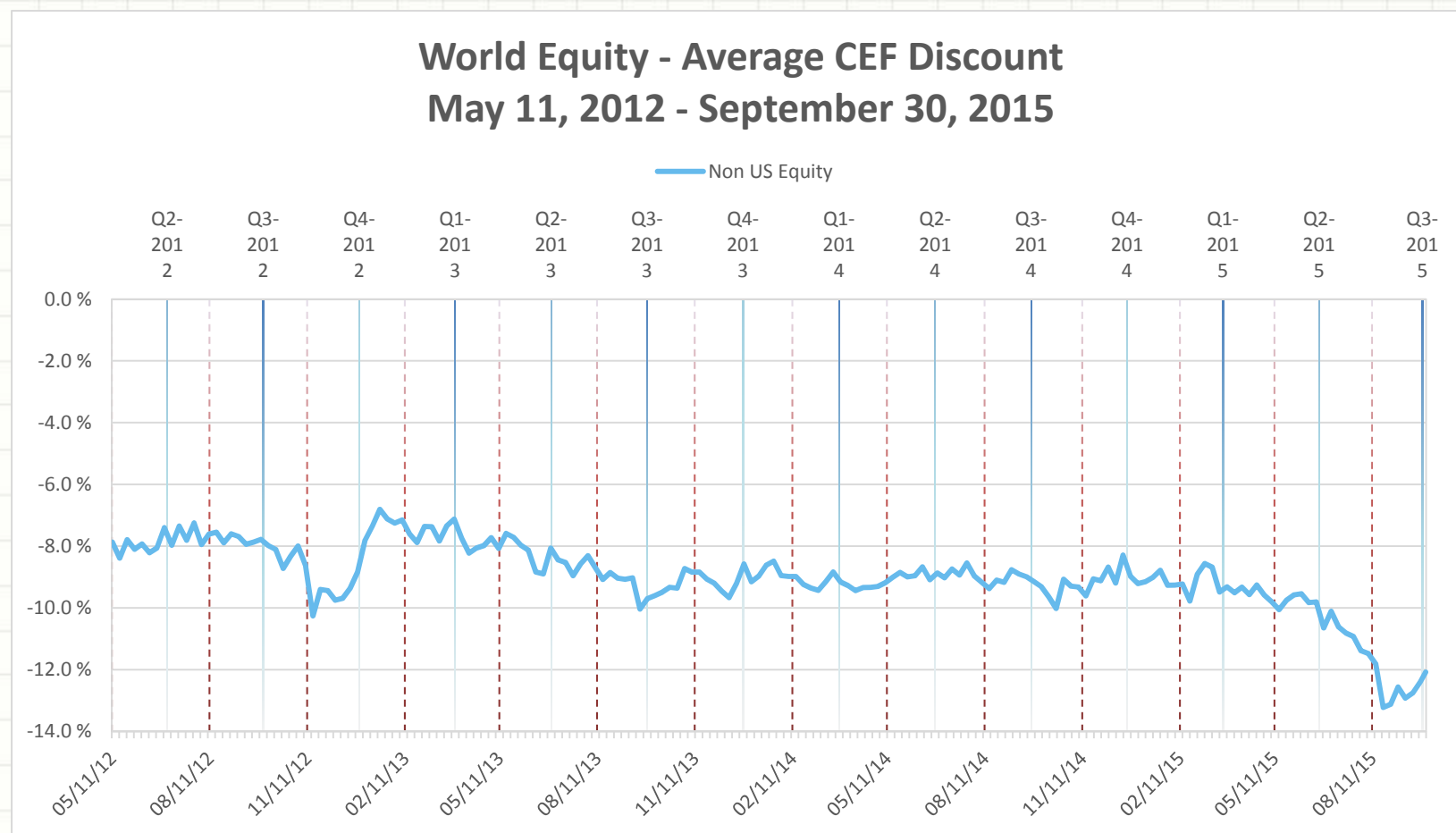
[www.CEFadvisors.com](http://www.CEFadvisors.com)





# World Equity Funds

## Average Premium / Discount



Source: September 30, 2015 - CEFA's Closed-End Fund Universe Report

[www.CEFadvisors.com](http://www.CEFadvisors.com)



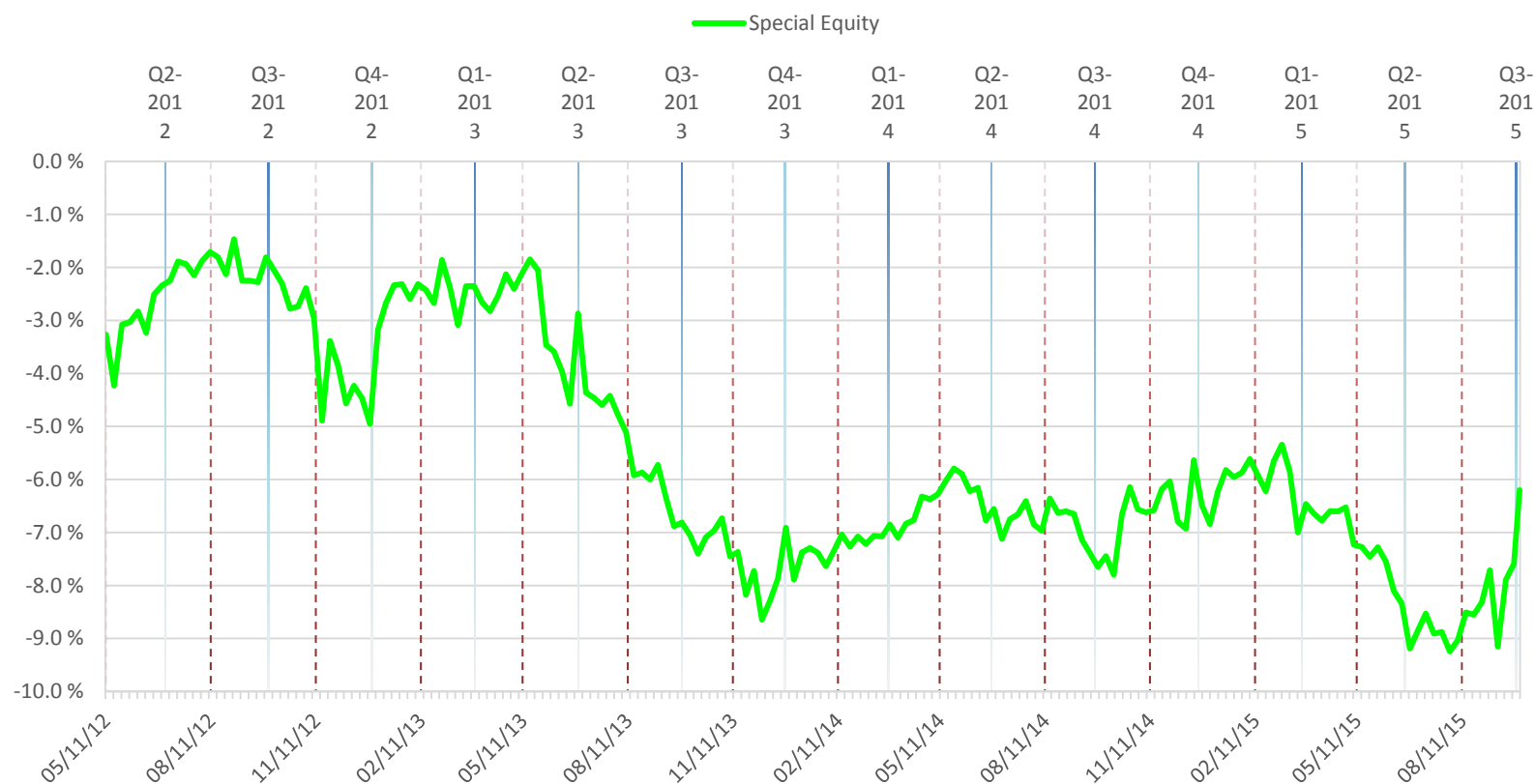


# Domestic Specialty Equity Funds

## Average Premium / Discount

### Domestic Specialty Equity - Average CEF Discount

May 11, 2012 - September 30, 2015



Source: September 30, 2015 - CEFA's Closed-End Fund Universe Report

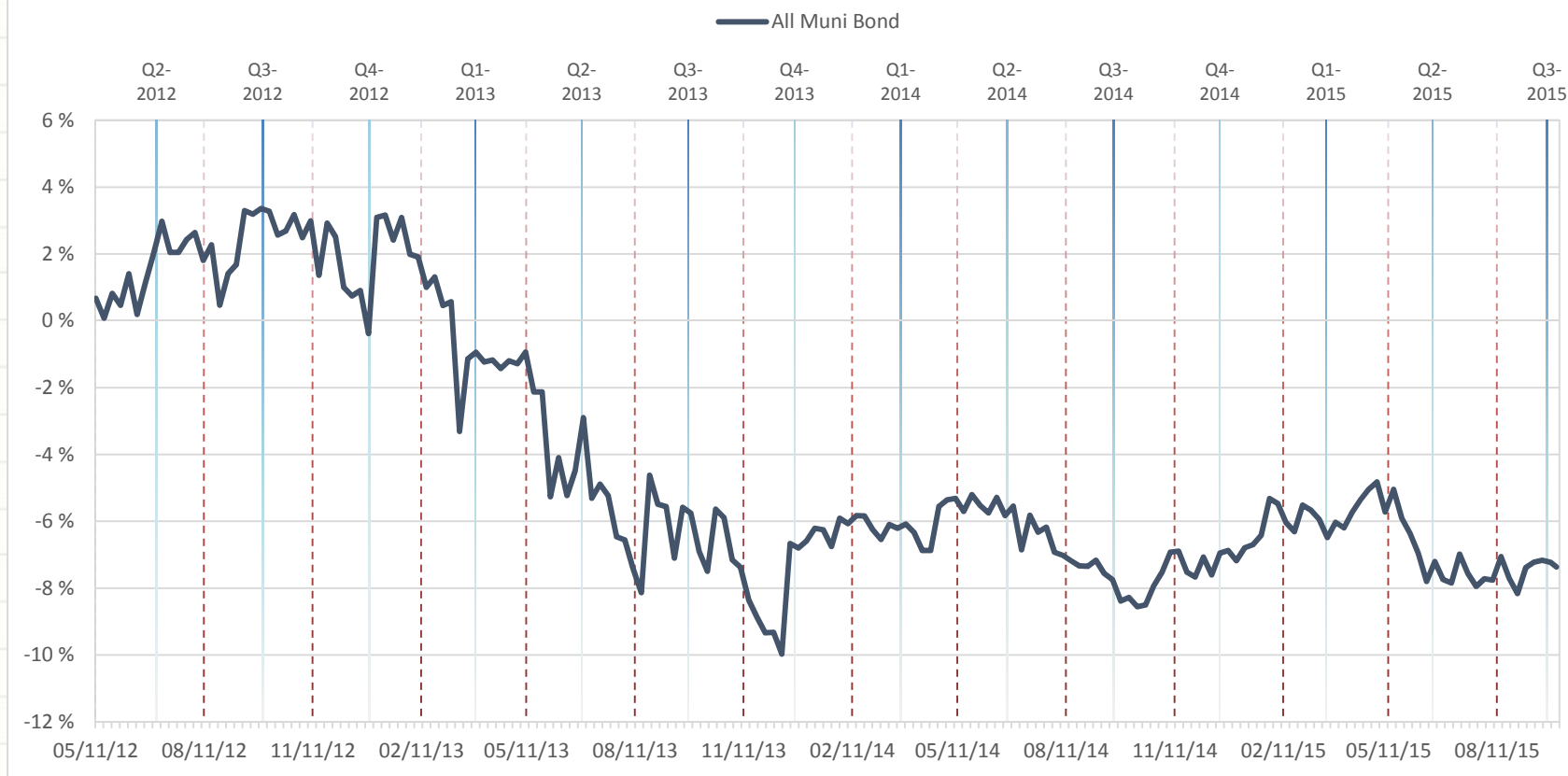
[www.CEFadvisors.com](http://www.CEFadvisors.com)



# Municipal Bond Funds

## Average Premium / Discount

All Muni Bond - Average CEF Discount  
May 11, 2012 - September 30, 2015



Source: September 30, 2015 - CEFA's Closed-End Fund Universe Report

[www.CEFadvisors.com](http://www.CEFadvisors.com)



# CEF Advisors Links

- **CEFA Website:** [www.CEFadvisors.com](http://www.CEFadvisors.com)
- **CEFA's Blog:** [www.CEF-Blog.com](http://www.CEF-Blog.com) / BDC Research Site: [www.BDCUniverse.net](http://www.BDCUniverse.net)
- **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),**  
[www.CEFUniverse.com](http://www.CEFUniverse.com)
- **CEF Universe Data Definitions:**  
<http://www.cefadvisors.com/Download/CEFUDDataDefinitions.pdf>
- **CEFA's Form ADV Part 2A and 2B**  
<http://www.cefadvisors.com/Download/ADV-II-Form.pdf>

# For Your Information

## CEF Resources

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

**The Closed-End Fund Association:** [www.Closed-EndFunds.com](http://www.Closed-EndFunds.com)

**CEF Connect (Nuveen Sponsored):** [www.CEFconnect.com](http://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](http://www.ici.org/research#fact_books)

**CEFNetwork (Pristine Advisers):** [www.CEFnetwork.com](http://www.CEFnetwork.com)

**CEF Insight (Activist Info from AST Fund Solutions):** [www.CEFinsight.com](http://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 (1375 Members):** [www.CEF-Network.com](http://www.CEF-Network.com)

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

**Gates CEF Research (PAID):** [http://gatescapital.com/research\\_categories/closed-end-funds/](http://gatescapital.com/research_categories/closed-end-funds/)



**More Useful Links at:** [www.cefadvisors.com/investRes.html](http://www.cefadvisors.com/investRes.html)



# Current CEF Advisors Portfolio Models

- **Diversified Growth** (1/1999)
  - 80% Equity / 10% Bond / 10% BDC: Tactical and wide mandate w/ 3%-5%+ est. yield
- **Growth & Income** (1/1999)
  - 72% Equity / 16% Bond / 12% BDC: Diversified, tactical and wide mandate w/ 6%+ est. yield
- **International Opportunity** (11/2002)
  - Primarily equity oriented funds w/ little direct US exposure 3%+ est. yield
- **Hybrid Income** (12/2006)
  - 50% Equity / 30% Bond / 20% BDC: Diversified, tactical and wide mandate w/ 9.5%+ est. yield
- **Foundation/Balanced** (10/2009)
  - 55% Equity / 37% Bond / 8% BDC: Diversified and tactical w/ 6%-7.5% est. yield
- **Conservative Diversified** (5/2009)
  - Primarily CEF-based with 37% Equity / 24% Bond / 5% BDC: Diversified & tactical. Exposure to Non traditional equity/bond ETFs & OEFs (34%) seeking to reduce portfolio volatility
- **Special Situations** (6/2013)
  - A focused portfolio of 4-7 CEFs & BDCs 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)
  - An actively managed municipal bond portfolio comprising of both National and State Muni funds. Constantly monitoring for diversified, high quality blended tax free yield while seeking to protect principal
- **Business Development Company (BDC) Funds** (1/2015)
  - Diversified selection of BDCs seeking consistent income & positive growth of principal and exploiting the increased inefficiencies from a group of funds that trade 5X the liquidity and 20%+ more yield than traditional taxable CEFs. BDCs are generally liquid venture debt exposure to private US companies.  
[www.BDCuniverse.net](http://www.BDCuniverse.net)

**Note:** When the percentage allocations above do not add up to 100%, the balance is cash exposure for the portfolio model. Account CEFA manages under \$100K in value can have allocation variance's due to a smaller number of funds held in the account. Model allocations are as of 9/2/2015.





# CEFA Portfolio Model Summary Performance

CEFA Composite Performance (Net) Through June 30, 2015	2Q15	YTD	1 Year	3 Year	5 Year	10 Year	Inception	Inception Date
International Opportunity	-2.77%	1.70%	-4.52%	7.30%	7.42%	5.41%	9.72%	11/1/2002
Diversified Growth	-2.43%	0.76%	-2.65%	8.39%	9.44%	5.54%	5.91%	1/1/1999
Business Development Companies (BDCs)	-4.77%	3.30%	N/A	N/A	N/A	N/A	3.30%	1/1/2015
Hybrid Income	-4.09%	0.36%	-2.71%	9.35%	10.62%	N/A	5.32%	12/1/2006
Growth & Income	-3.17%	-0.04%	-4.19%	6.68%	7.82%	3.79%	4.37%	1/1/1999
Foundation/ Balanced	-2.95%	0.32%	-1.82%	7.44%	7.90%	N/A	8.27%	9/1/2009
Conservative Diversified	-2.99%	-0.15%	-2.99%	5.05%	6.10%	N/A	6.68%	5/1/2009
Municipal Bond	-3.48%	-0.60%	N/A	N/A	N/A	N/A	4.56%	8/1/2014
Special Opportunities	1.25%	5.22%	3.50%	N/A	N/A	N/A	8.42%	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	0.28%	1.23%	7.42%	17.32%	17.34%	7.90%	5.14%	1/1/1999
Barclays Capital Global Agg Bond	-1.18%	-3.08%	-7.09%	-0.81%	2.07%	3.54%	4.18%	1/1/1999
60/40 S&P 500 / Barclays Bond	-0.30%	-0.49%	1.62%	10.07%	11.23%	6.16%	4.76%	1/1/1999

## \$1,000,000 Invested in January, 1999

CEFA Diversified Growth (NET)	\$2,567,780
S&P 500 TR	\$2,277,670
Barclays Capital Global Agg Bond TR	\$1,959,070
60/40 S&P 500 / Barclays Bond	\$2,150,230

Disclosure: See full portfolio disclosures at the end of this presentation



# 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 180+ data points for traditional closed-end funds and 115+ 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.

## **Closed-End Fund Advisors, Inc.**

**7204 Glen Forest Drive, Suite #105**

**Richmond, Virginia 23226 U.S.A**

**(800) 356-3508 / (804) 288-2482**

**[www.CEFadvisors.com](http://www.CEFadvisors.com)**

**[www.CEF-Blog.com](http://www.CEF-Blog.com)**