



# QUARTERLY CLOSED-END FUND & BDC REVIEW AND OUTLOOK

**2nd Quarter 2016 Review &  
3rd Quarter 2016 Outlook**

**Intermediate/Advanced CEF Skill Level**

**July 13, 2016**

**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 June 30, 2016 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) Muni & BDC
- CEF & BDC News/SEC Alert & “CEFA’s Closed-End Fund Universe” Report (w/ BDCs).
- Consulting with Institutional Investors and CEF Fund Sponsors
- CEFData.com: CEF/BDC Web Modules Daily Data: Est \$1K- \$4K per quarter based on classification (Indv, RIA or FA / Fund Sponsor)



Celebrating 25 Years as  
Closed-End Fund  
Specialists



***Specializing in CEF/BDC Research, Trading & Portfolio Management***

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

Founded in 1989





# Closed-End Fund Advisors

## Asset Class Annual Returns 2005 - 2015

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 YTD	2006 - 2015
REIT 30.52%	World Stock 17.12%	Corporate Debt -3.52%	Senior Loan 76.30%	BDC 50.99%	MLP 13.87%	BDC 34.48%	US Stock 32.38%	REIT 27.15%	Preferred 5.47%	MLP 14.71%	MLP 13.08%
BDC 29.49%	MLP 12.61%	Muni Bond -5.09%	MLP 75.63%	MLP 35.63%	Muni Bond 10.63%	World Stock 17.39%	MLP 27.59%	US Stock 13.68%	REIT 4.23%	REIT 11.09%	BDC 9.52%
World Stock 27.16%	US Stock 5.57%	HY Bond -26.39%	HY Bond 57.51%	REIT 23.89%	Corporate Debt 7.77%	US Stock 15.99%	Convertible 26.60%	Convertible 9.97%	Muni Bond 3.32%	HY Bond 9.32%	Convertible 9.31%
MLP 27.06%	Covered Call 5.07%	Convertible -29.44%	Convertible 45.63%	Convertible 15.68%	REIT 5.35%	HY Bond 15.58%	Covered Call 20.84%	Muni Bond 9.26%	US Stock 1.38%	BDC 8.76%	US Stock 9.14%
US Stock 15.78%	Corporate Debt 4.78%	Preferred -32.02%	BDC 42.78%	HY Bond 15.19%	HY Bond 4.38%	Senior Loan 14.33%	BDC 16.33%	Covered Call 7.87%	Corporate Debt -0.06%	Corporate Debt 7.45%	HY Bond 8.55%
Covered Call 14.64%	Convertible 3.95%	Covered Call -33.38%	World Stock 42.14%	US Stock 15.06%	US Stock 2.11%	Convertible 13.63%	World Stock 15.78%	Corporate Debt 7.47%	Covered Call -0.57%	Senior Loan 6.40%	Senior Loan 7.53%
Convertible 12.03%	Muni Bond 2.81%	US Stock -37.00%	Preferred 32.12%	Senior Loan 14.98%	Covered Call 2.02%	REIT 13.40%	Senior Loan 11.73%	Preferred 6.86%	Convertible -1.15%	Preferred 5.10%	Covered Call 6.93%
HY Bond 11.77%	HY Bond 2.19%	MLP -37.11%	Covered Call 27.91%	Covered Call 13.69%	Senior Loan 1.48%	Covered Call 11.22%	HY Bond 7.42%	MLP 4.80%	Senior Loan -3.45%	Muni Bond 4.35%	World Stock 6.39%
Senior Loan 8.82%	Senior Loan -0.50%	REIT -42.54%	US Stock 26.45%	World Stock 11.60%	Convertible -3.76%	Preferred 10.81%	REIT -1.74%	Senior Loan 3.02%	HY Bond -4.64%	US Stock 3.84%	REIT 6.12%
Corporate Debt 5.58%	BDC -14.17%	BDC -45.07%	REIT 21.90%	Corporate Debt 8.72%	BDC -7.18%	Corporate Debt 9.17%	Corporate Debt -1.02%	HY Bond 2.50%	BDC -4.69%	Covered Call 1.98%	Corporate Debt 5.59%
Muni Bond 5.30%	Preferred -17.69%	World Stock -45.24%	Corporate Debt 17.02%	Preferred 6.36%	Preferred -7.93%	Muni Bond 7.42%	Muni Bond -2.55%	World Stock -3.44%	World Stock -5.25%	Convertible 0.36%	Muni Bond 4.82%
Preferred 1.92%	REIT -20.97%	Senior Loan -51.37%	Muni Bond 14.63%	Muni Bond 2.45%	World Stock -13.33%	MLP 4.80%	Preferred -6.75%	BDC -7.79%	MLP -34.07%	World Stock -0.67%	Preferred -0.09%

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 - Ex US; 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; Corporate Debt - S&P 500 Bond Index. Returns data are total returns which include dividends and capital appreciation. "2006 - 2015" 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

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 - YTD	2006 - 2015
BDC 17.77%	BDC 10.73%	MLP -4.22%	MLP 10.99%	MLP 7.93%	HY Bond 4.81%	HY Bond 8.27%	BDC 8.03%	BDC 1.69%	MLP -6.10%	Preferred -0.81%	MLP 0.89%
Convertible 1.25%	US Stock -1.29%	REIT -4.29%	Investment Grade 0.49%	HY Bond 2.99%	MLP 3.36%	MLP 4.82%	MLP 1.95%	Convertible -3.17%	Muni Bond -6.44%	Muni Bond -2.16%	HY Bond -1.38%
HY Bond -0.65%	MLP -1.82%	Investment Grade -5.75%	HY Bond -2.97%	Muni Bond 0.57%	Investment Grade 0.14%	Investment Grade 4.32%	Senior Loan -0.12%	HY Bond -3.48%	Investment Grade -6.81%	Investment Grade -4.31%	Investment Grade -2.55%
US Stock -2.10%	Convertible -2.02%	Muni Bond -6.20%	Muni Bond -3.31%	Investment Grade 0.23%	Muni Bond -0.53%	Preferred 2.87%	HY Bond -0.63%	MLP -4.54%	Preferred -6.89%	MLP -5.04%	BDC -2.59%
World Stock -2.70%	Senior Loan -2.75%	Preferred -8.28%	Preferred -4.24%	Senior Loan -0.02%	Senior Loan -1.27%	Muni Bond 1.99%	Investment Grade -2.92%	Investment Grade -4.93%	Convertible -7.98%	HY Bond -5.67%	Muni Bond -2.98%
Muni Bond -2.74%	Muni Bond -3.11%	Convertible -8.66%	World Stock -5.31%	Covered Call -1.97%	Preferred -1.61%	BDC 0.81%	Muni Bond -3.65%	Muni Bond -6.40%	BDC -8.61%	Covered Call -8.26%	Preferred -4.02%
Covered Call -3.34%	HY Bond -3.25%	World Stock -8.85%	Convertible -6.25%	Convertible -2.09%	Convertible -2.40%	Senior Loan -0.37%	Preferred -3.83%	Senior Loan -6.49%	Covered Call -8.11%	Senior Loan -9.85%	Convertible -4.08%
MLP -3.52%	World Stock -3.37%	US Stock -8.86%	Covered Call -7.30%	Preferred -2.55%	BDC -2.92%	Convertible -3.25%	REIT -5.65%	Covered Call -6.62%	HY Bond -8.41%	Convertible -11.90%	Senior Loan -4.48%
Senior Loan -4.68%	Preferred -4.14%	HY Bond -10.47%	Senior Loan -8.43%	BDC -3.37%	REIT -4.48%	REIT -5.20%	Convertible -6.22%	Preferred -6.73%	Senior Loan -8.70%	US Stock -11.99%	World Stock -6.56%
Preferred -4.82%	REIT -4.22%	Covered Call -11.45%	REIT -9.66%	World Stock -4.03%	World Stock -5.69%	World Stock -7.47%	Covered Call -8.13%	World Stock -9.04%	World Stock -11.00%	World Stock -12.48%	Covered Call -6.76%
Investment Grade -4.93%	Covered Call -4.44%	Senior Loan -11.64%	US Stock -10.56%	US Stock -7.34%	Covered Call -7.41%	Covered Call -8.83%	World Stock -8.15%	US Stock -9.63%	US Stock -11.00%	REIT -12.73%	REIT -7.37%
REIT -8.25%	Investment Grade -5.37%	BDC -18.23%	BDC -31.78%	REIT -9.10%	US Stock -8.27%	US Stock -9.66%	US Stock -9.32%	REIT -10.63%	REIT -12.21%	BDC -15.87%	US Stock -7.81%

Historical Premium / Discount expressed as average value over each year. 2016 YTD Premium / Discount average value as of June 30, 2016. "2006 - 2015" 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



# Closed-End Fund Advisors

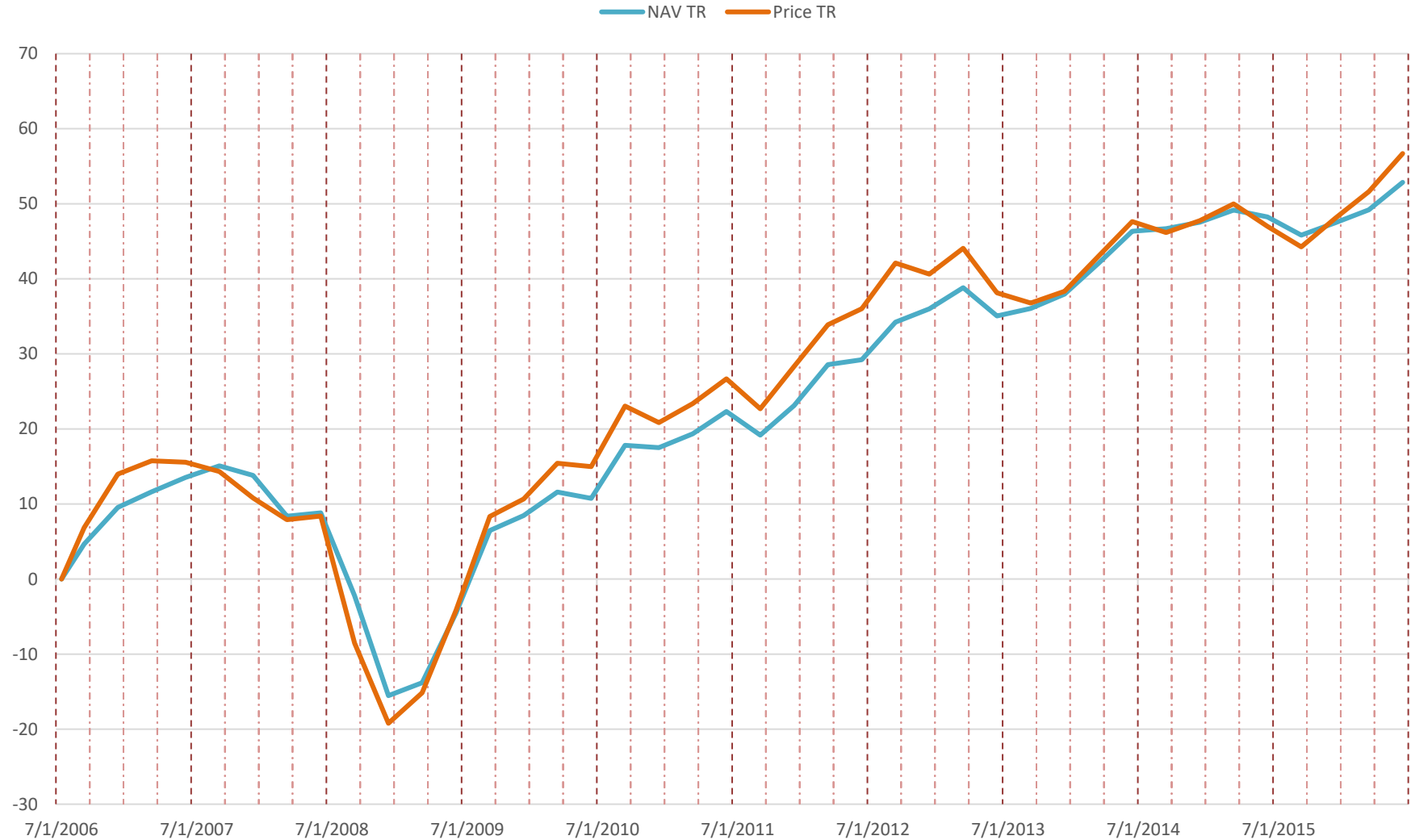
## Closed-End Funds - NAV Total Return Correlation (10 Year)

	MLP	BDC	Convertible	HY Bond	Muni Bond	Senior Loan	Preferred	World Stock	Cov Call	US Stock	REIT	Investment Grade
MLP	100%	47.5%	78.5%	76.9%	38.9%	71.2%	46.8%	65.9%	69.7%	66.8%	49.4%	59.5%
BDC	47.5%	100%	46.4%	42.5%	15.0%	40.5%	12.8%	44.6%	45.6%	40.1%	27.4%	21.7%
Convertible	78.5%	46.4%	100%	96.3%	53.5%	92.0%	72.8%	91.5%	91.1%	92.4%	76.8%	83.6%
HY Bond	76.9%	42.5%	96.3%	100%	58.0%	96.0%	77.2%	86.8%	84.0%	89.9%	83.5%	89.1%
Muni Bond	38.9%	15.0%	53.5%	58.0%	100%	60.0%	48.0%	42.3%	34.2%	36.0%	45.3%	58.1%
Senior Loan	71.2%	40.5%	92.0%	96.0%	60.0%	100%	67.5%	77.5%	75.2%	83.5%	76.4%	80.3%
Preferred	46.8%	12.8%	72.8%	77.2%	48.0%	67.5%	100%	75.1%	67.6%	81.5%	80.3%	93.6%
World Stock	65.9%	44.6%	91.5%	86.8%	42.3%	77.5%	75.1%	100%	91.3%	92.2%	73.6%	82.9%
Cov Call	69.7%	45.6%	91.1%	84.0%	34.2%	75.2%	67.6%	91.3%	100%	94.6%	77.1%	74.1%
US Stock	66.8%	40.1%	92.4%	89.9%	36.0%	83.5%	81.5%	92.2%	94.6%	100%	85.0%	85.6%
REIT	49.4%	27.4%	76.8%	83.5%	45.3%	76.4%	80.3%	73.6%	77.1%	85.0%	100%	83.1%
Investment Grade	59.5%	21.7%	83.6%	89.1%	58.1%	80.3%	93.6%	82.9%	74.1%	85.6%	83.1%	100%

Correlation of 3 Month NAV Total Return values between 6/30/2006 and 6/30/2016.

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

# Trad CEF - Total Return July 1, 2006 - June 30, 2016

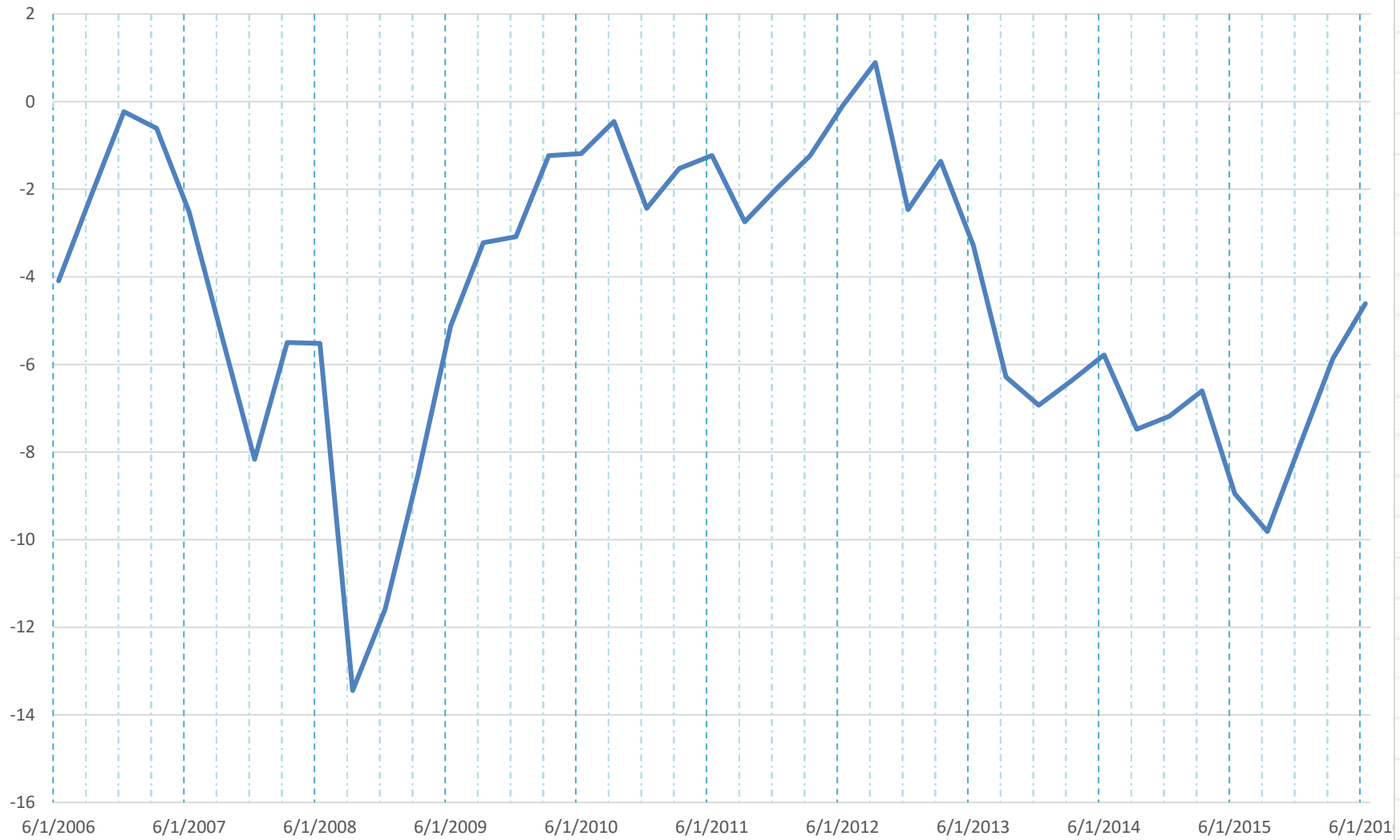


*Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above may overestimate the potential returns a client could expect to generate due to the effect of recommended manager survivor bias.*





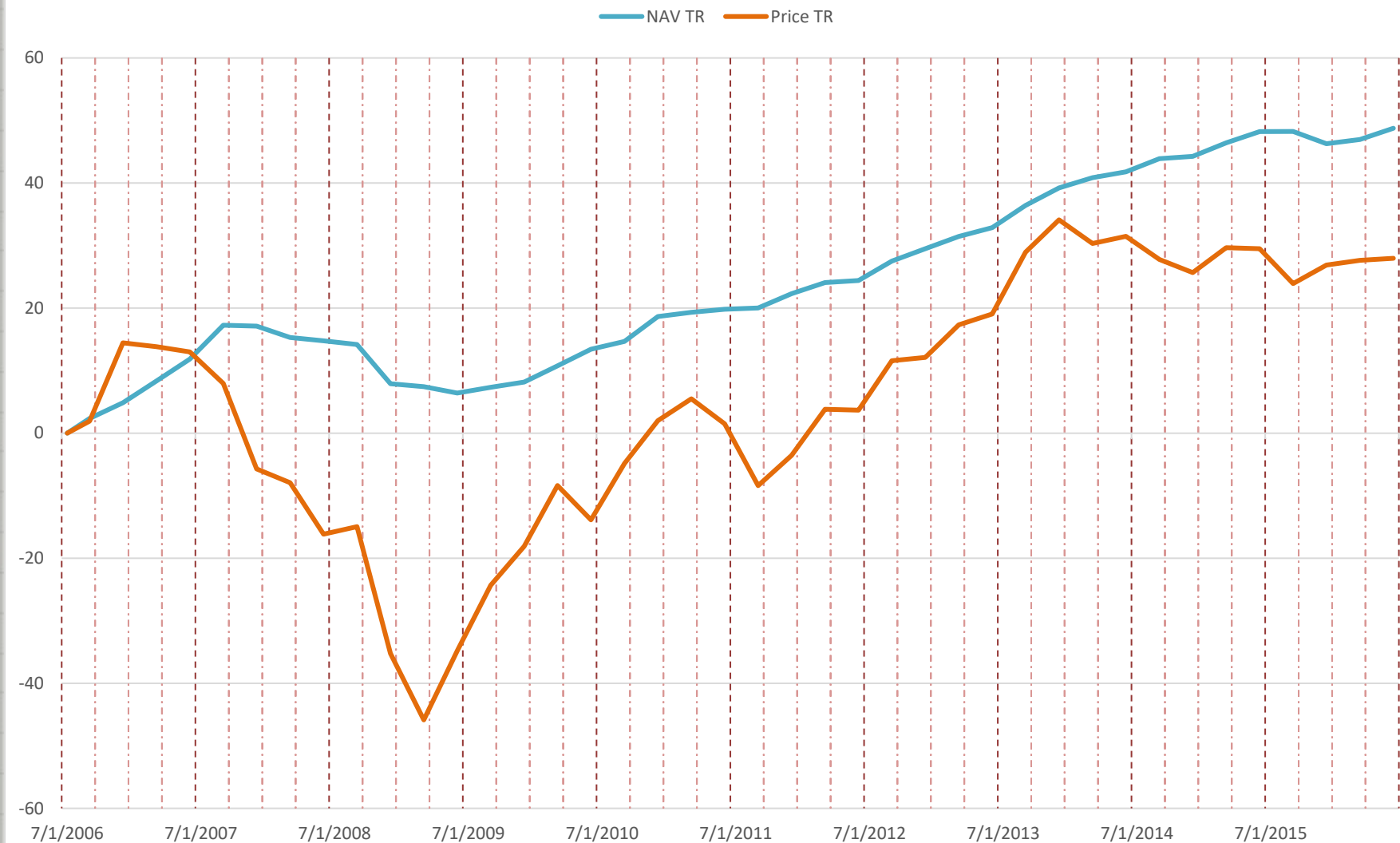
## Trad CEF - Average Discount / Premium July 1, 2006 - June 30, 2016





# BDC Debt - Total Return

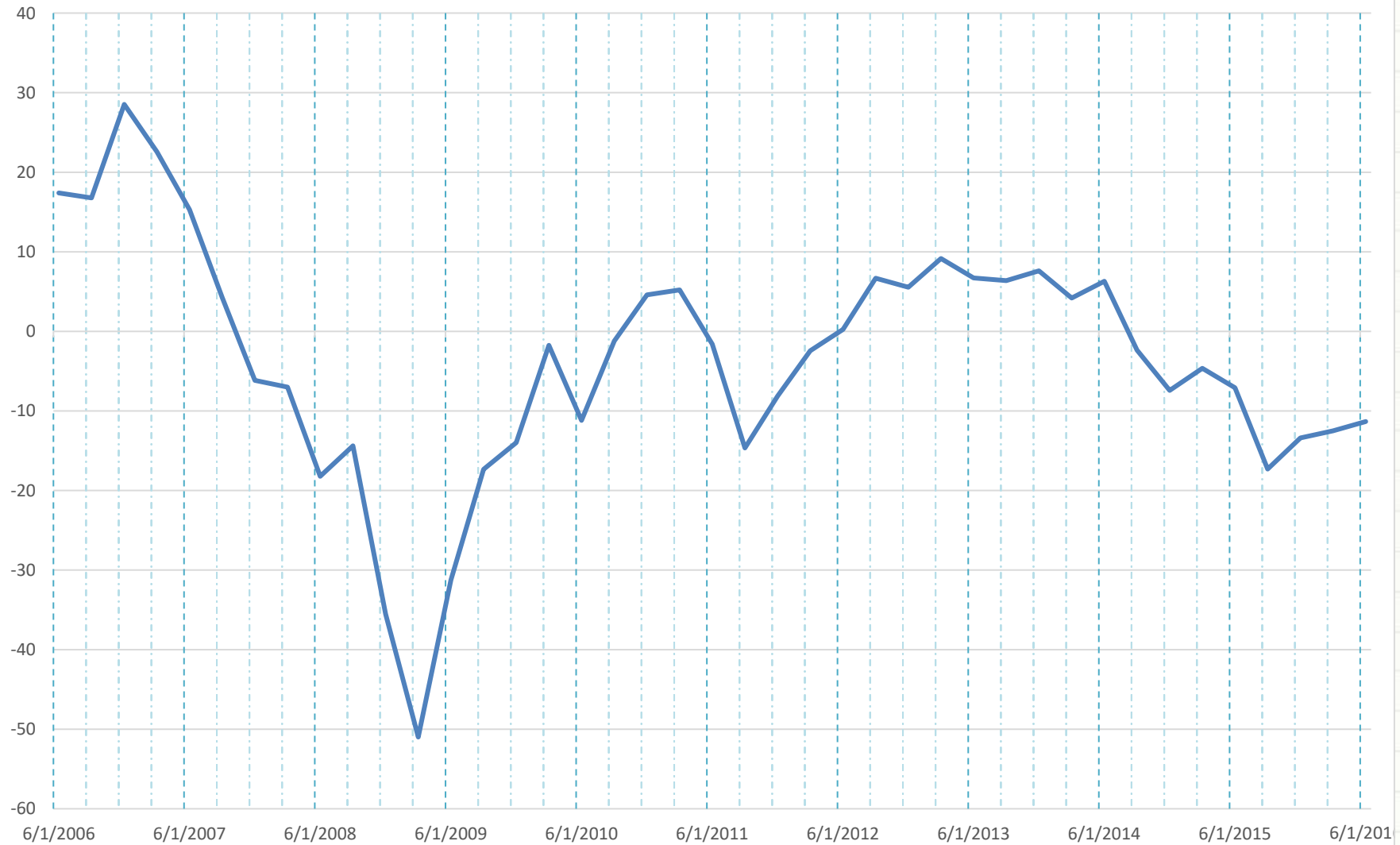
## July 1, 2006 - June 30, 2016`



*Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above may overestimate the potential returns a client could expect to generate due to the effect of recommended manager survivor bias.*

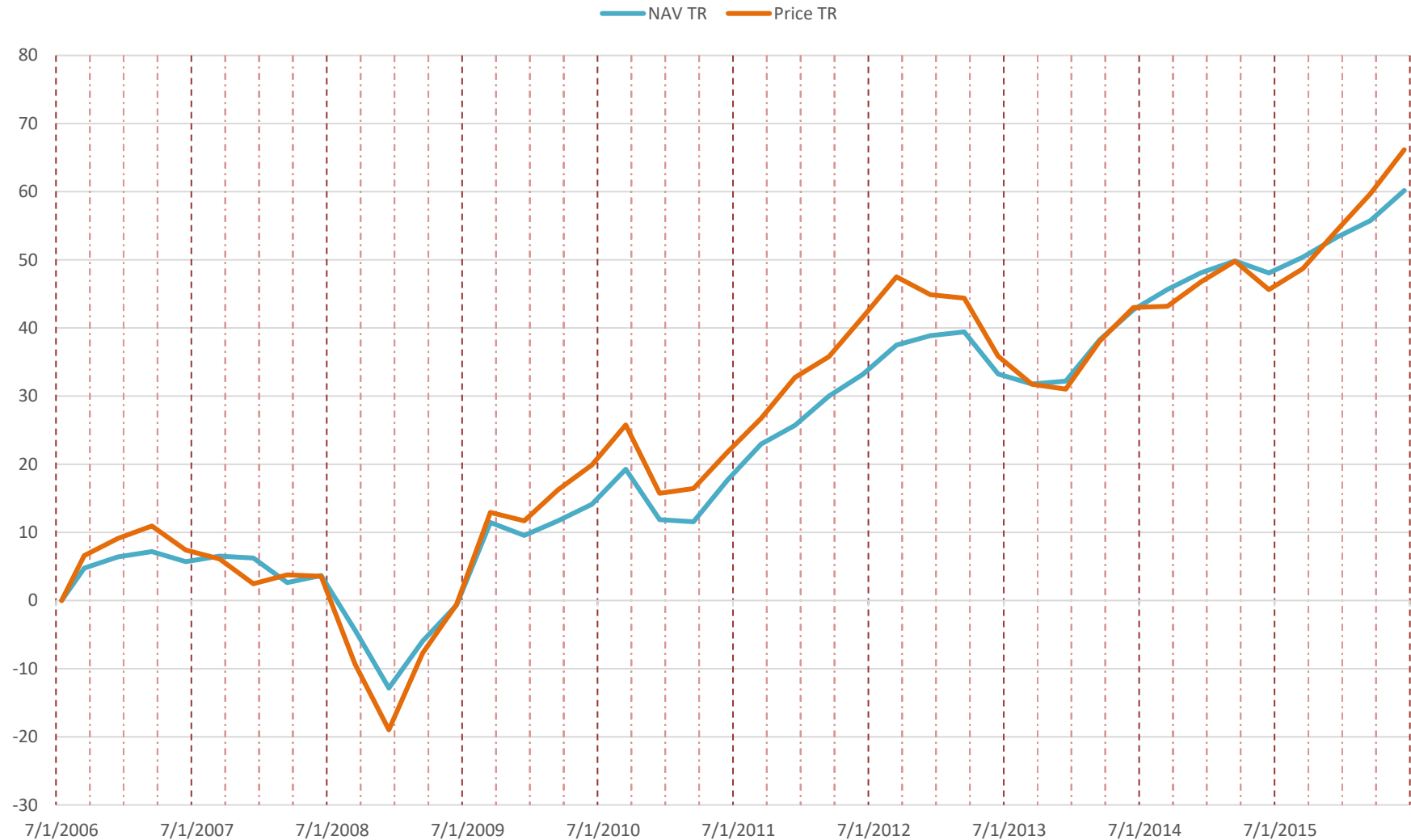


## BDC Debt - Average Discount / Premium July 1, 2006 - June 30, 2016



# Municipal Bonds - Total Return

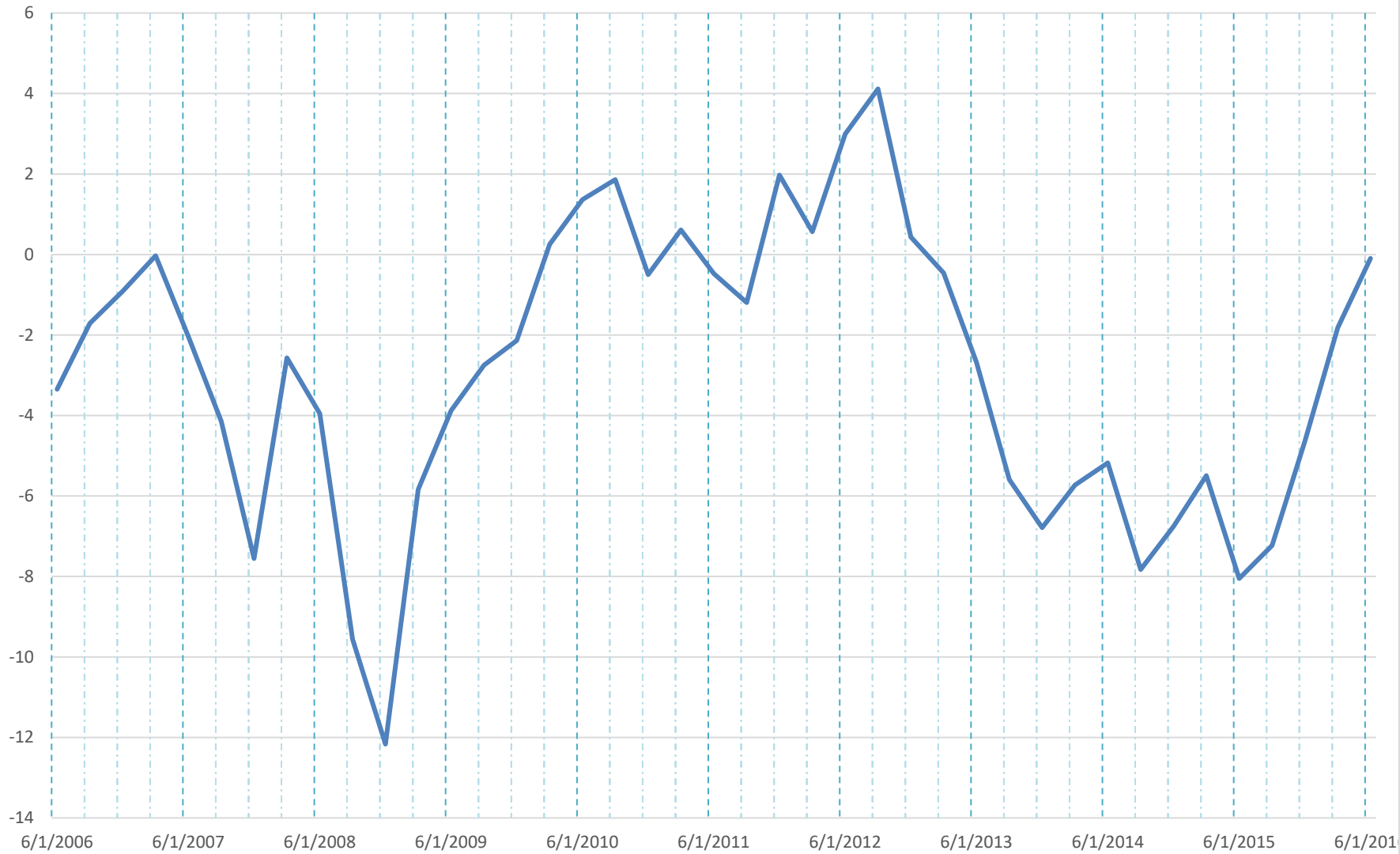
## July 1, 2006 - June 30, 2016



*Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above may overestimate the potential returns a client could expect to generate due to the effect of recommended manager survivor bias.*



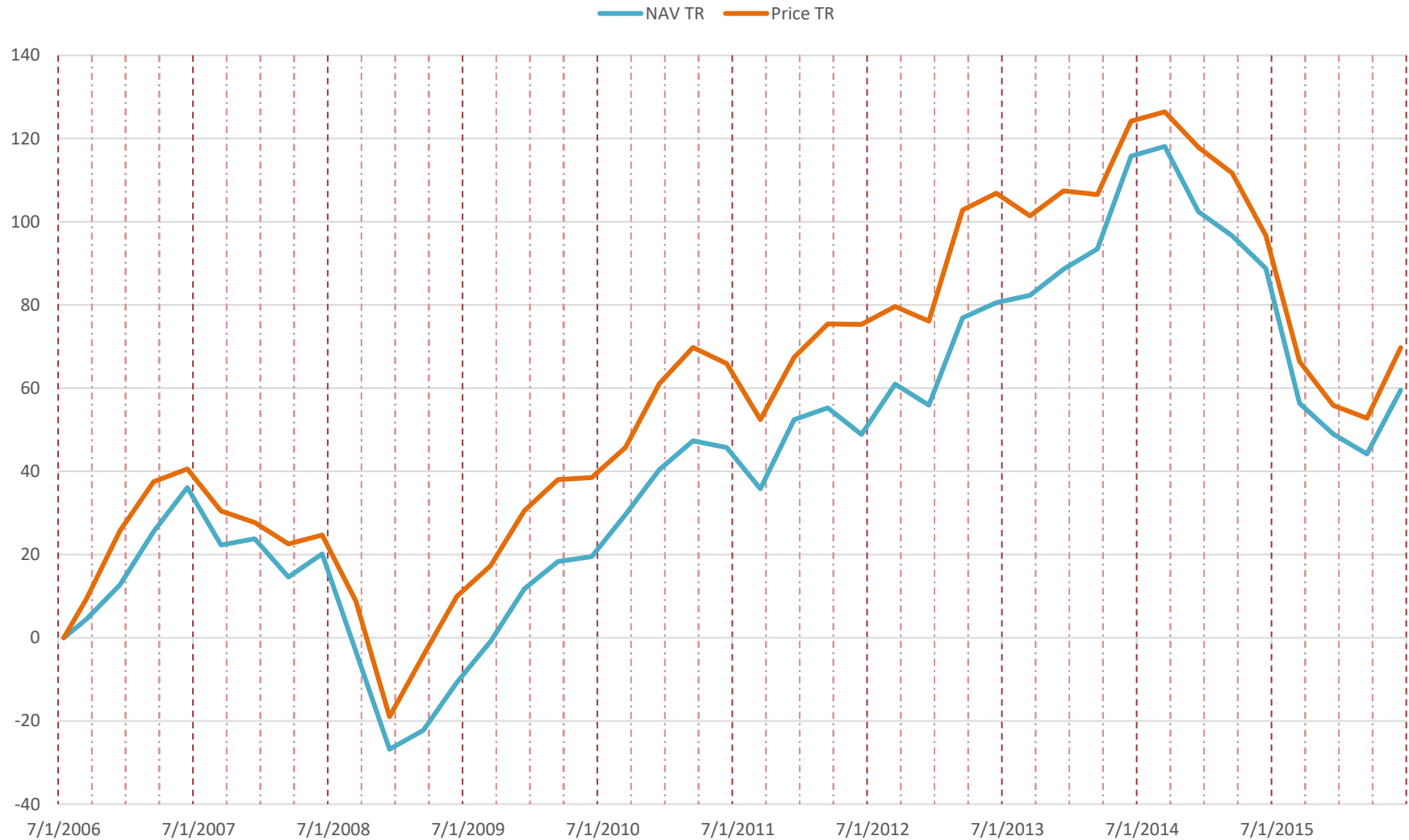
## Municipal Bonds - Average Discount / Premium July 1, 2006 - June 30, 2016





# MLP - Total Return

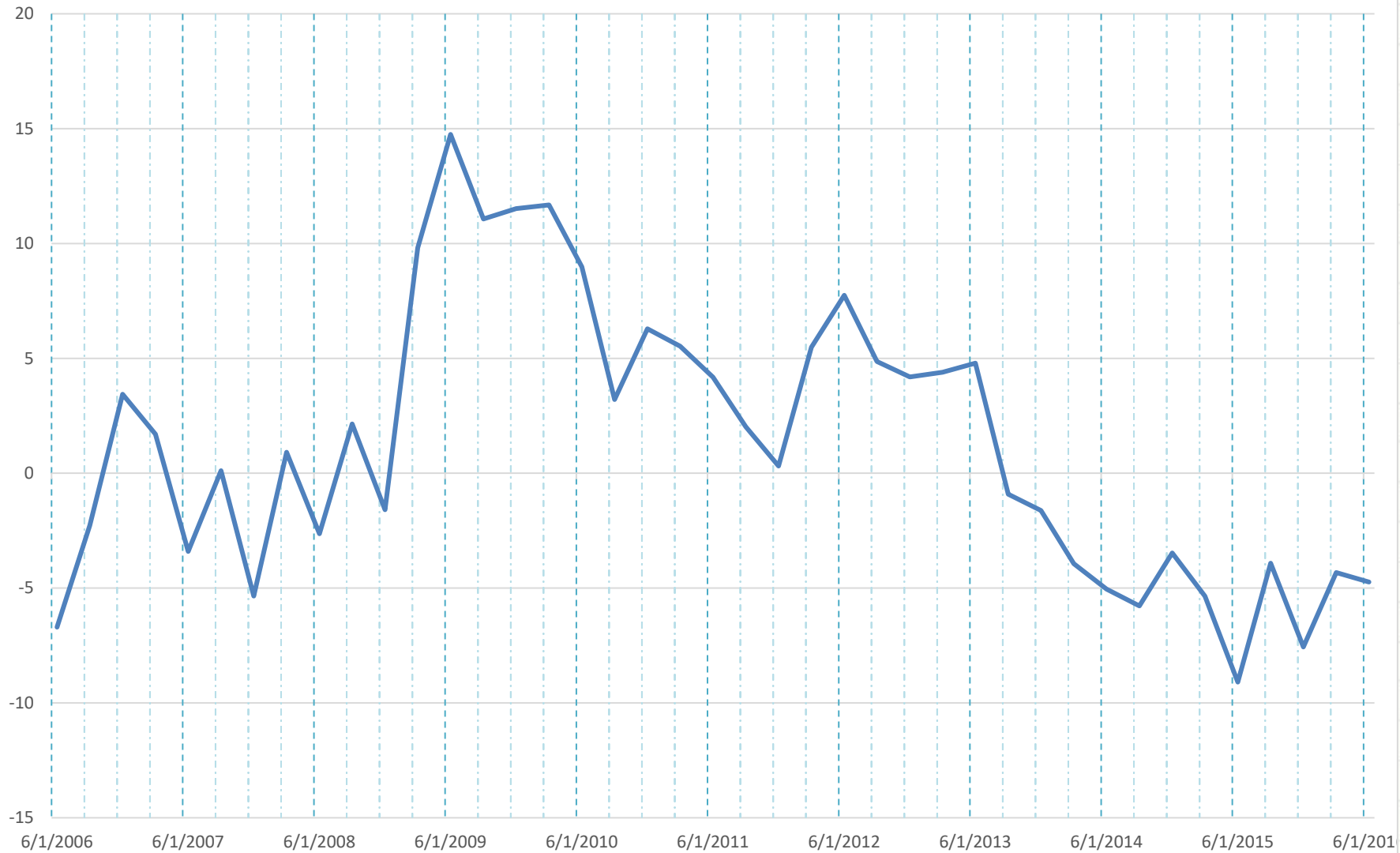
## July 1, 2006 - June 30, 2016



*Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above may overestimate the potential returns a client could expect to generate due to the effect of recommended manager survivor bias.*



## MLP - Average Discount / Premium July 1, 2006 - June 30, 2016



# Current Closed-End Fund/BDC Options & Assets

2Q 2016 Ended with **548 US Traditional Closed-End Funds**  
**52 Business Development Company CEFs**

- 34 US Equity CEFs
- 116 (-3) Specialty Equity CEFs
- 58 Non US Equity CEFs
- 13 Hybrid / Balanced CEFs

**221 Total Equity Traditional CEFs**

- 147 (-3) Taxable Bond CEFs
- 97 (-7) National Municipal Bond CEFs
- 83 Single State Municipal Bond CEFs

**327 Total Bond Traditional CEFs**

- 43 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

	2Q 2016	4Q 2015	2Q 2015	4Q 2014	2Q 2014
<b>Total Trad CEF Equity</b>	<b>108,577</b>	<b>105,205</b>	<b>121,445</b>	<b>125,870</b>	<b>131,113</b>
U.S. Equity	18,609	18,684	20,304	20,726	20,915
Non U.S. Equity	12,923	13,011	15,299	14,830	15,870
Hybrid / Balanced	4,655	4,717	5,334	5,785	6,075
Specialty Equity	72,390	68,794	80,507	84,529	88,252
<b>Total Trad CEF Bond</b>	<b>130,972</b>	<b>127,990</b>	<b>133,667</b>	<b>136,202</b>	<b>139,237</b>
Taxable Bond	60,599	61,231	68,549	69,062	73,735
National Municipal	50,466	47,834	46,649	48,140	46,981
Single State Municipal	19,908	18,925	18,470	19,000	18,521
<b>Total Traditional CEF</b>	<b>239,549</b>	<b>233,195</b>	<b>255,112</b>	<b>262,072</b>	<b>270,349</b>
<b>Debt Focused BDC</b>	<b>28,035</b>	<b>29,601</b>	<b>29,958</b>	<b>28,936</b>	<b>N/A</b>
<b>Equity Focused BDC</b>	<b>5,640</b>	<b>6,601</b>	<b>7,253</b>	<b>7,377</b>	<b>N/A</b>
<b>Total BDC CEF</b>	<b>33,675</b>	<b>36,202</b>	<b>37,212</b>	<b>36,312</b>	<b>N/A</b>
<b>CEF GRAND TOTAL</b>	<b>273,224</b>	<b>269,397</b>	<b>292,324</b>	<b>298,384</b>	<b>N/A</b>

Source: CEFA's CEF Universe Report 3/31/16 (cef universe.com)

Source: CEF Universe Data



# Traditional & BDC CEF Overview

## Data for Major Groups



		Discount				Yield			Dividend												
Fund Sector	Funds	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 FUNDS	221 Funds	-8.05	0.7	0.65		3.0	7.8	6.3	36	-6			34	14	25.5	3.3	1.89	\$491	1,510	27.93	15.62
U.S. Equity Funds	34 Funds	-10.27	0.3	0.51		2.1	8.3	6.9	30	-3			34	13	22.5	3.6	1.67	\$547	1,292	19.97	14.58
Non U.S. Equity Funds	58 Funds	-12.04	0.4	0.16		2.5	5.8	4.8	17	-13			38	6	22.5	2.3	1.69	\$223	640	35.87	31.84
Hybrid / Balanced Funds	13 Funds	-11.39	0.3	0.71		6.0	10.4	7.5	41	5			51	24	17.8	3.2	2.21	\$358	1,005	24.83	9.87
Specialty Equity Funds	116 Funds	-5.03	0.9	0.93		3.1	8.3	6.8	46	-6			31	17	28.6	3.7	2.01	\$624	2,066	26.64	8.51
BOND FUNDS	327 Funds	-2.29	0.8	1.42		5.9	6.4	4.9	5	-8		-4.1	95	29	11.6	6.8	1.67	\$401	1,058	18.63	8.83
Taxable Bond Funds	147 Funds	-4.98	0.6	1.33		7.4	8.4	6.4	11	-10		-23.2	89	26	13.8	6.9	1.97	\$412	1,339	30.53	15.06
National Muni Bond	97 Funds	-0.25	0.9	1.53		5.0	5.0	3.8	0	-5		11.4	100	31	8.9	5.8	1.36	\$520	1,175	12.64	4.53
Single State Muni Bond	83 Funds	0.08	0.9	1.45		4.4	4.4	3.3	0	-7		10.8	101	32	10.9	7.9	1.51	\$240	424	8.89	3.35
Traditional CEF AVERAGE	548 Funds	-4.61	0.7	1.1		4.7	6.9	5.4	17	-7		80.6	71	23	17.2	5.4	1.76	\$437	1,240	22.22	11.56
		Discount				Yield			Dividend												
Fund Sector	Funds	Current	Rel	1-Yr Z-Stat	3-Yr Z-Stat	Inc	Tot	LevAdj NAV	% RoC 3m			% NAV Growth	Earn Cov%	Lev %	Std Dev	Rel SD	Exp Rt	Net Ast	Avg Daily \$	Shares Inst%	Shares Activ%
Debt Focused BDC CEF	43 Funds	-11.34		0.53	-0.56	11.8	11.8	7.1	0			-1.8	97	44	28.7		10.00	\$652	2,925	29.46	16.85
Equity Focused BDC CEF	9 Funds	-39.77		-0.38	-0.81	0.9	0.9	0.5	0			-4.4	79	14	34.0		6.84	\$627	4,857	33.82	26.07
BDC CEF AVERAGE	52 Funds	-16.26		0.4	-0.6	9.9	9.9	5.9	0			-2.3	95	38	29.6		9.45	\$648	3,260	30.22	18.45
OVERALL CEF AVERAGE	600 Funds	-5.62		1.0		5.2	7.2	5.5	16				73	24	18.3		2.43	\$455	1,415	23.06	12.17

Source: CEFA's Closed-End Fund Universe 6/30/16  
(www.cef universe.com)



# CEF Universe Update

Fund Grouping	Discount / Premium		2Q NAV TR		2Q Price TR	
	Discount	Premium	Positive	Negative	Positive	Negative
Equity Traditional CEFs	187 (85%)	32 (15%)	190 (86%)	31 (14%)	192 (87%)	29 (13%)
Taxable Bond Traditional CEFs	124 (85%)	22 (15%)	147 (100%)	0 (0%)	145 (99%)	2 (1%)
Municipal Bond Traditional CEFs	105 (59%)	74 (41%)	180 (100%)	0 (0%)	177 (98%)	3 (2%)
BDCs	43 (83%)	9 (17%)	33 (63%)	19 (37%)	33 (63%)	19 (37%)
ALL CEFs	459 (77%)	137 (23%)	550 (92%)	50 (8%)	547 (91%)	53 (9%)

Data as of June 30, 2016

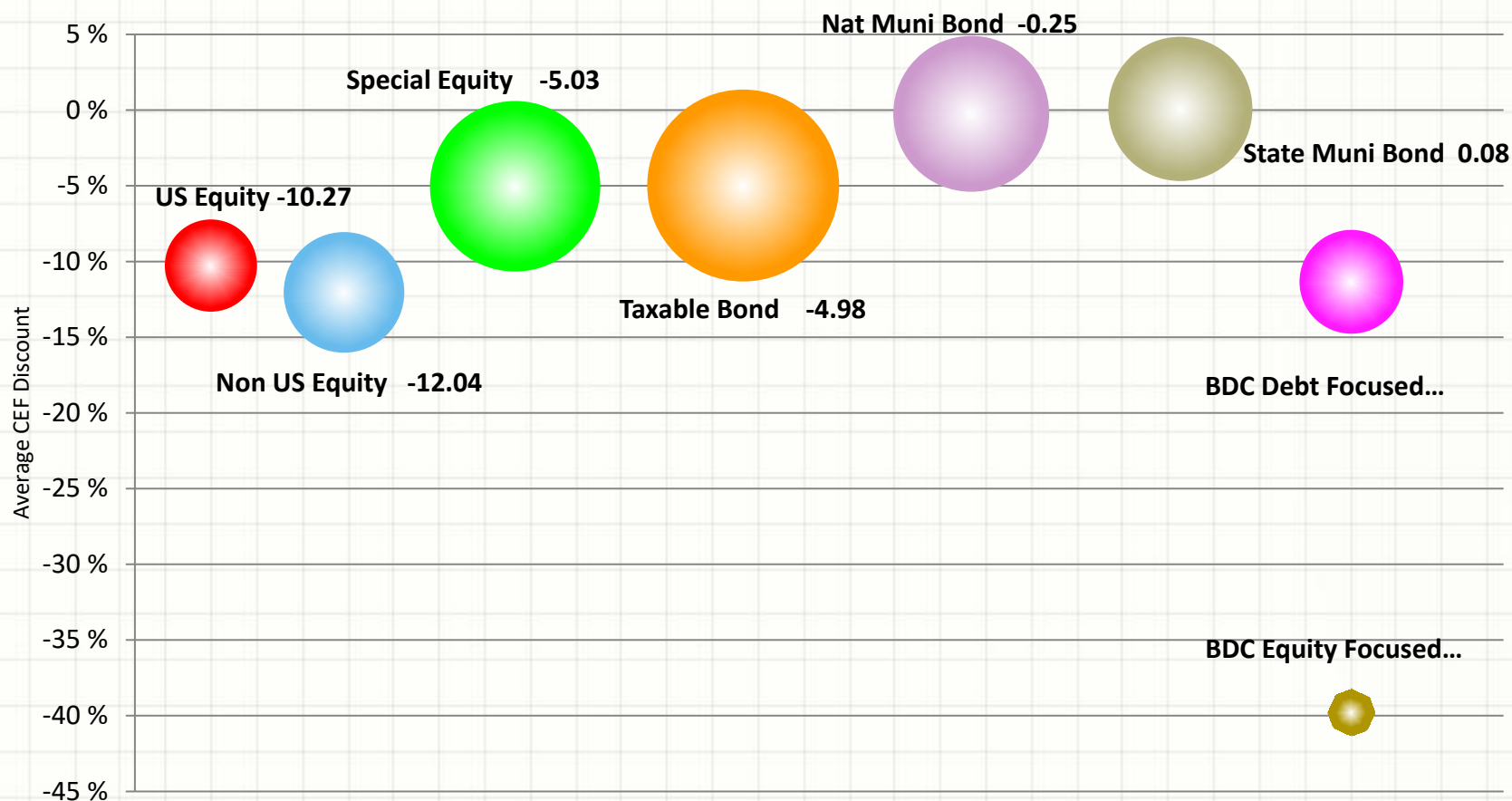
Source: CEFA's Closed-End Fund Universe Report

For BDC funds, we show 1Q16 NAV TR, as 6/30/2016 NAV hasn't been disclosed yet



# Current Closed-End Discounts

Avg CEF Discount % as of June 30, 2016

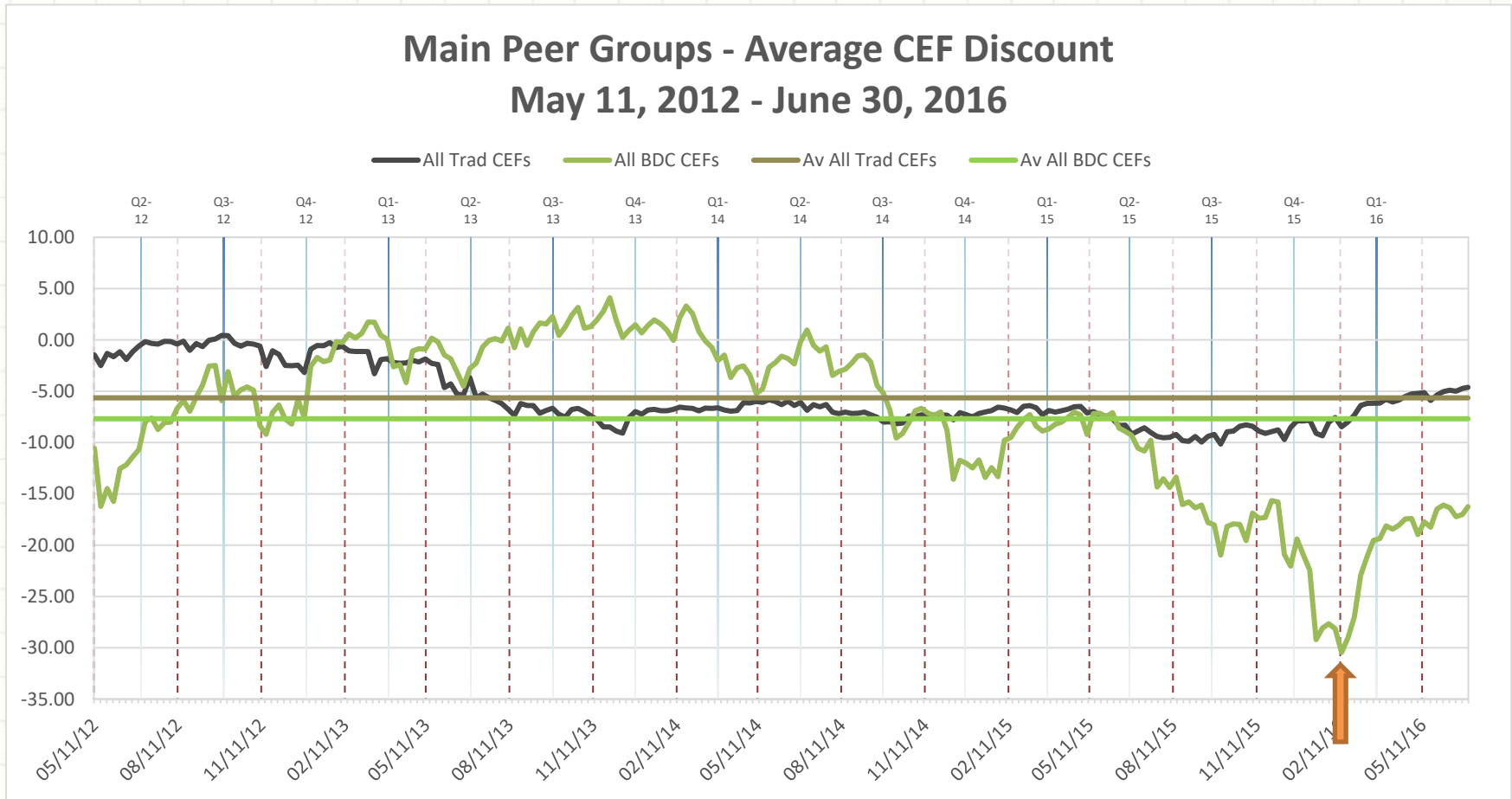


Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))

# Closed-End Discount Trends

Traditional & BDC

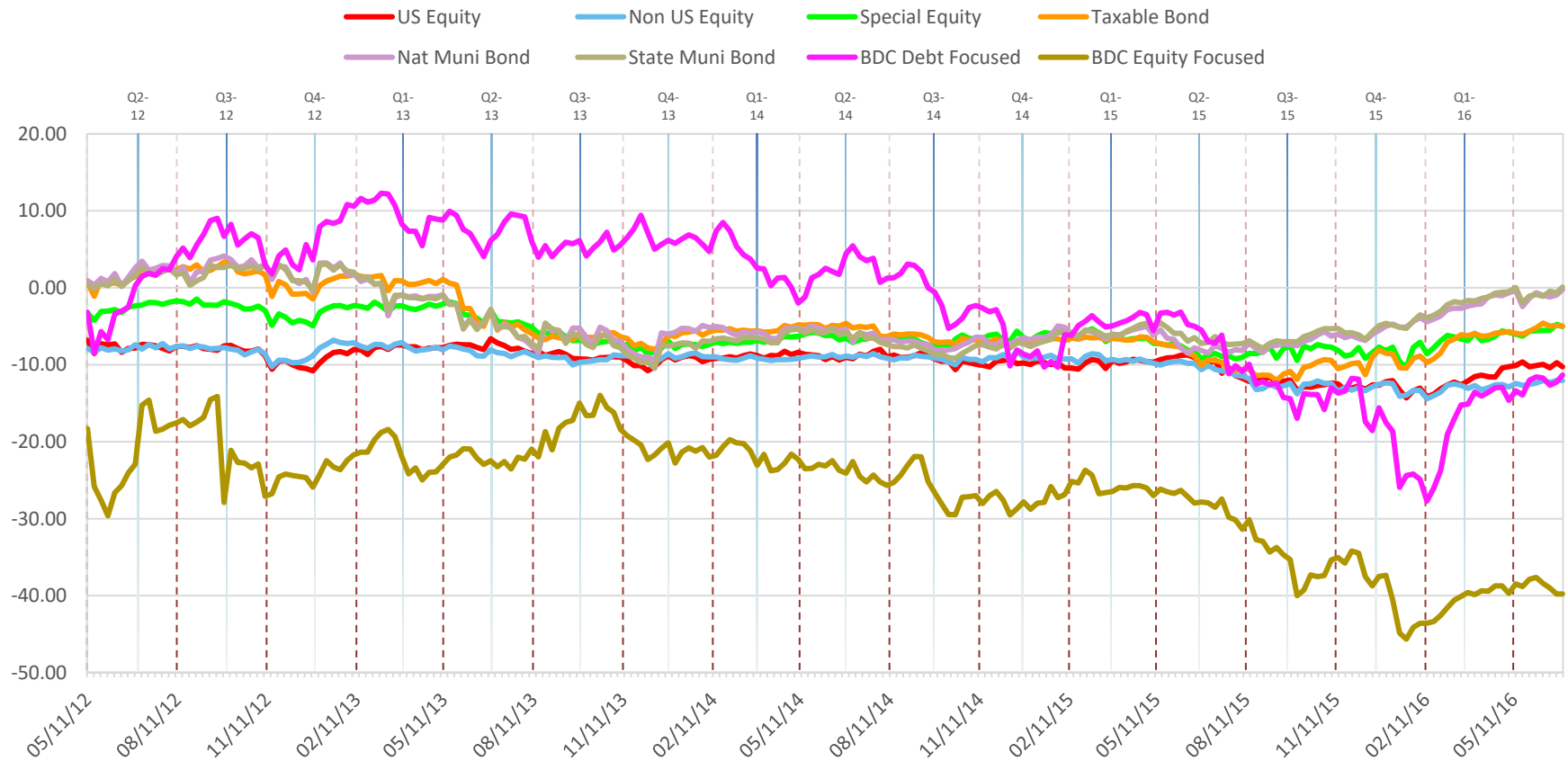
2Q 2016 Ended with *an average CEF Discount of -5.62%*



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

# Closed-End Discount Trends




- Average CEF Discount  
May 11, 2012 - June 30, 2016



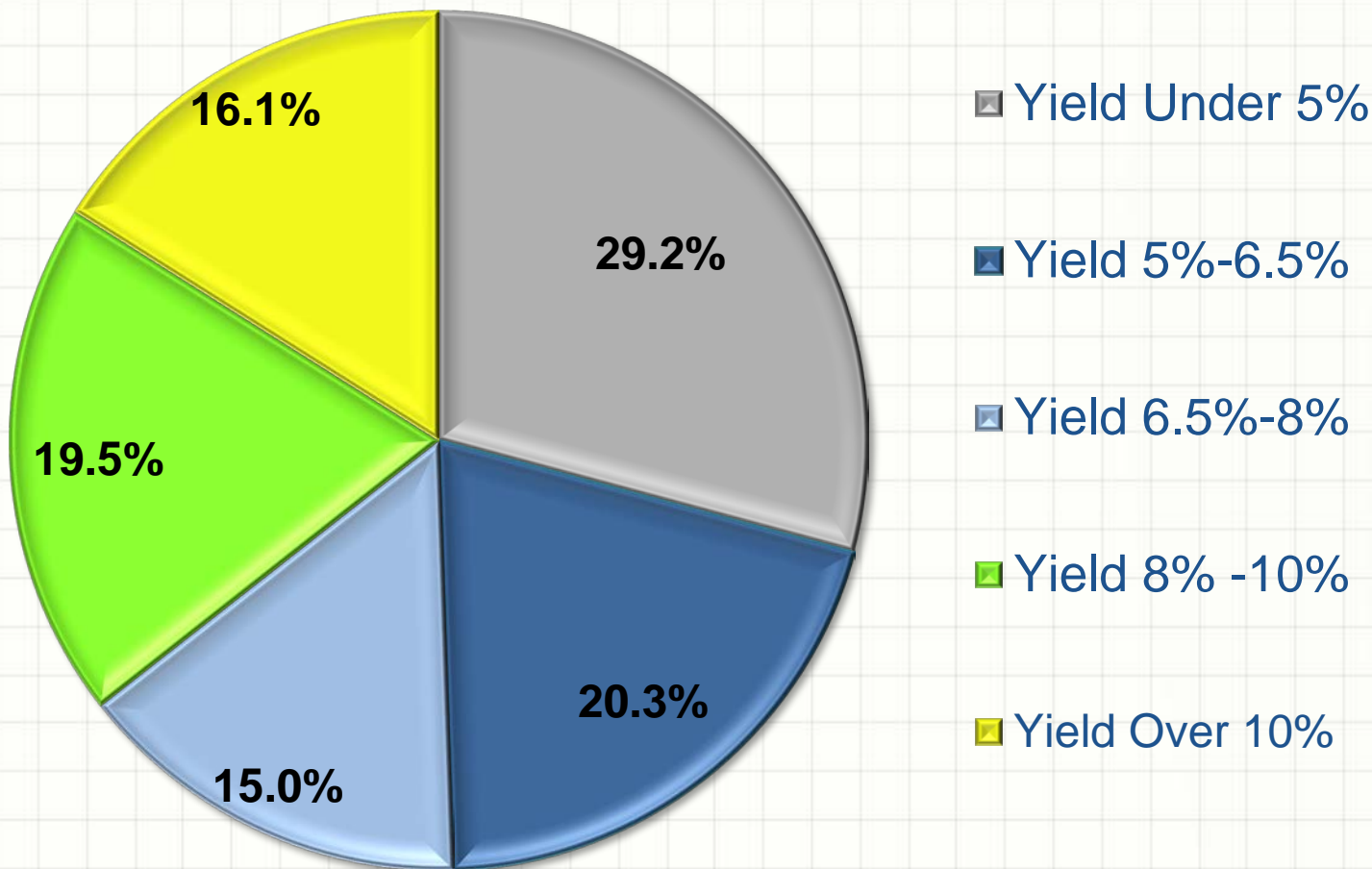
Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))



# CEF Volume Trends – 2Q 2016

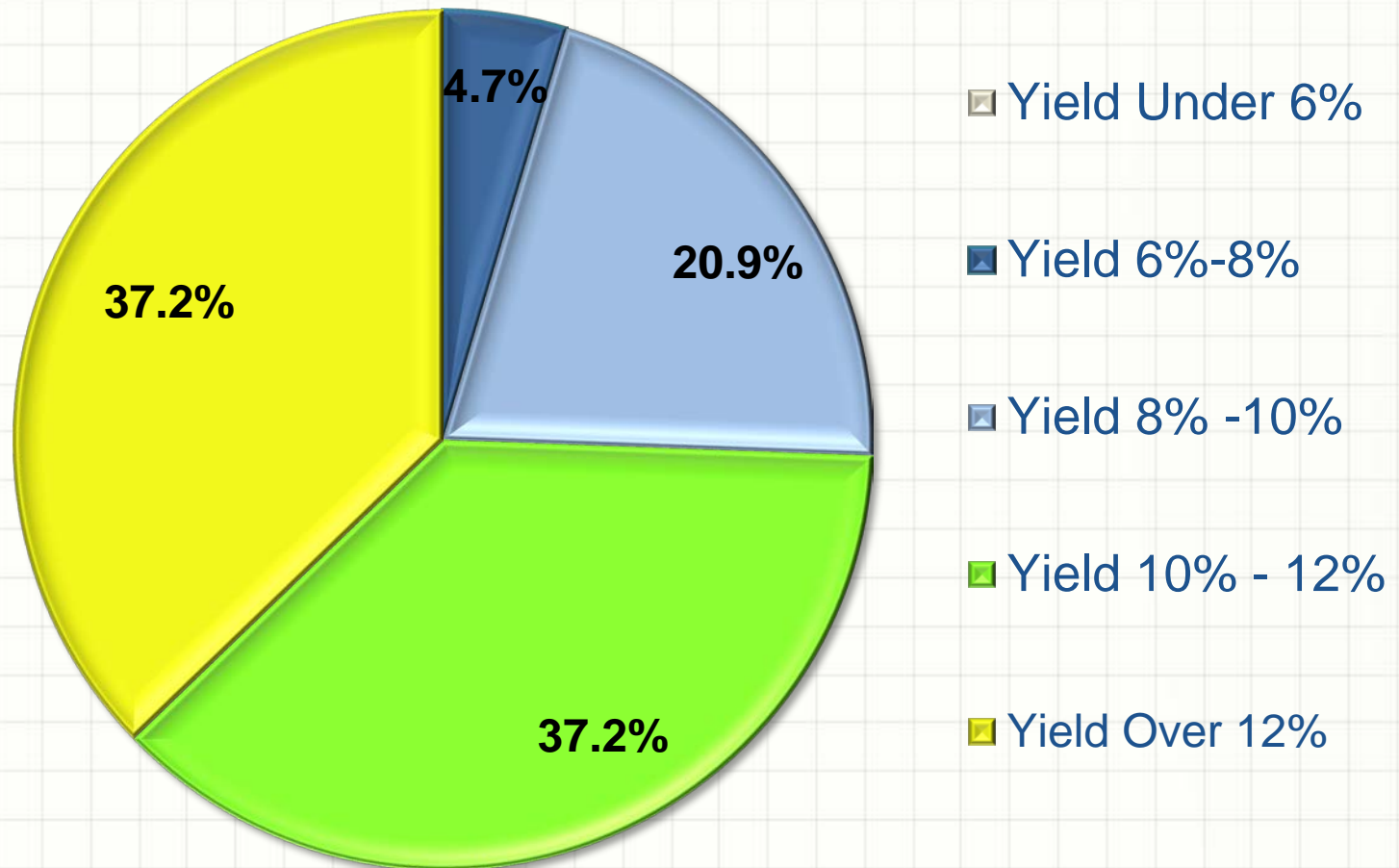
Fund Grouping	Avg Vol 2Q 2016	Avg Vol 1Q 2016	Volume Trend
US Equity Funds	99,656	114,881	-13%
Non-US Equity Funds	55,508	62,457	-11%
Specialty Equity Funds	159,934	184,559	-13%
<i>Ave Traditional Equity CEF</i>	<i>118,687</i>	<i>137,284</i>	<i>-14%</i>
Taxable Bond Funds	117,621	146,046	-19% 
National Muni Bond Funds	79,783	74,446	7% 
State Muni Bond Funds	28,721	29,093	-1%
<i>Ave Traditional Bond CEF</i>	<i>83,832</i>	<i>95,145</i>	<i>-12%</i>
Average Traditional CEF	97,889	111,971	-13%
Debt Focused BDC Funds	244,274	347,678	-30% 
Equity Focused BDC Funds	300,526	320,331	-6%
<i>Average BDC</i>	<i>254,010</i>	<i>342,945</i>	<i>-26%</i>
Average For ALL CEFs	111,419	131,564	-15%

# Traditional Closed-End Funds: By Yield



Note: 548 Traditional CEFs; data as of 6/24/2016 , [cefdata.com](http://cefdata.com)

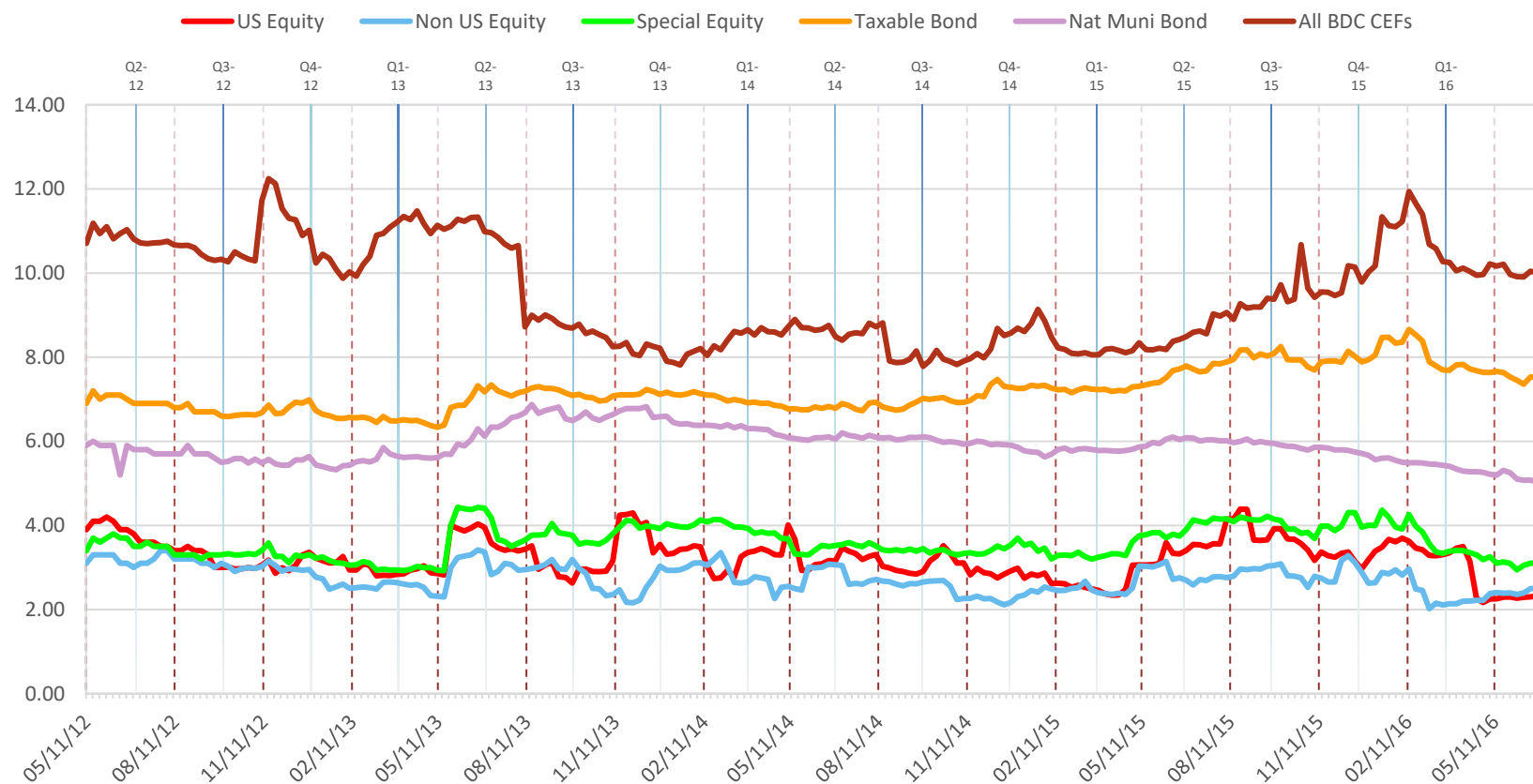
# Debt Focused BDCs: By Yield



*Note: 43 Debt Focused BDCs; data as of 6/30/2016 , cefdata.com*

# Income Only Yield For Closed-End Funds

Main Peer Groups - Historical Dividend - Income only Yield  
May 11, 2012 - June 30, 2016

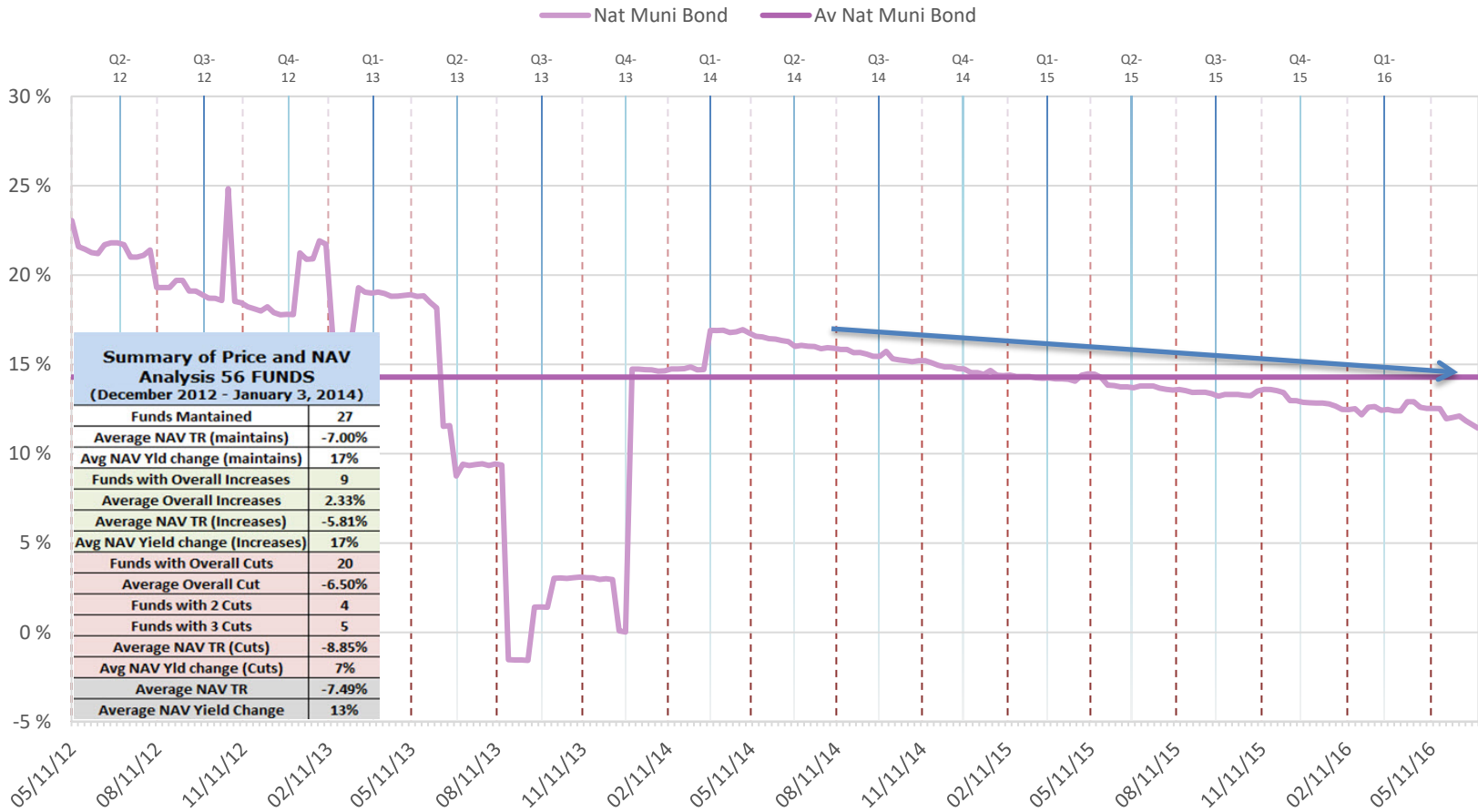


Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))



# Relative UNII for Traditional CEF Municipal Bond Funds

## Nat Muni Bond - Relative UNII May 11, 2012 - June 30, 2016

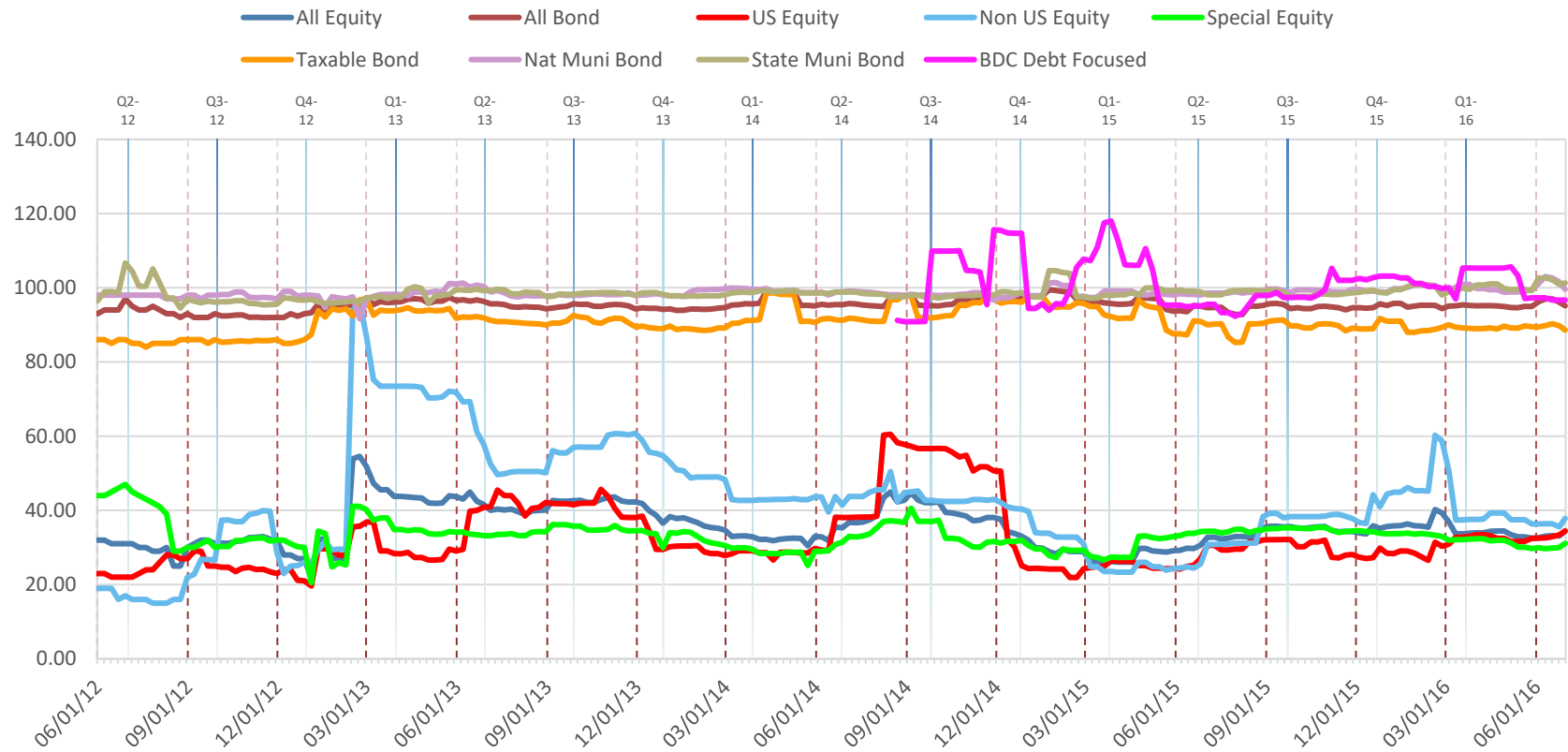


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))

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

# Earnings Coverage Ratio For Closed-End Funds

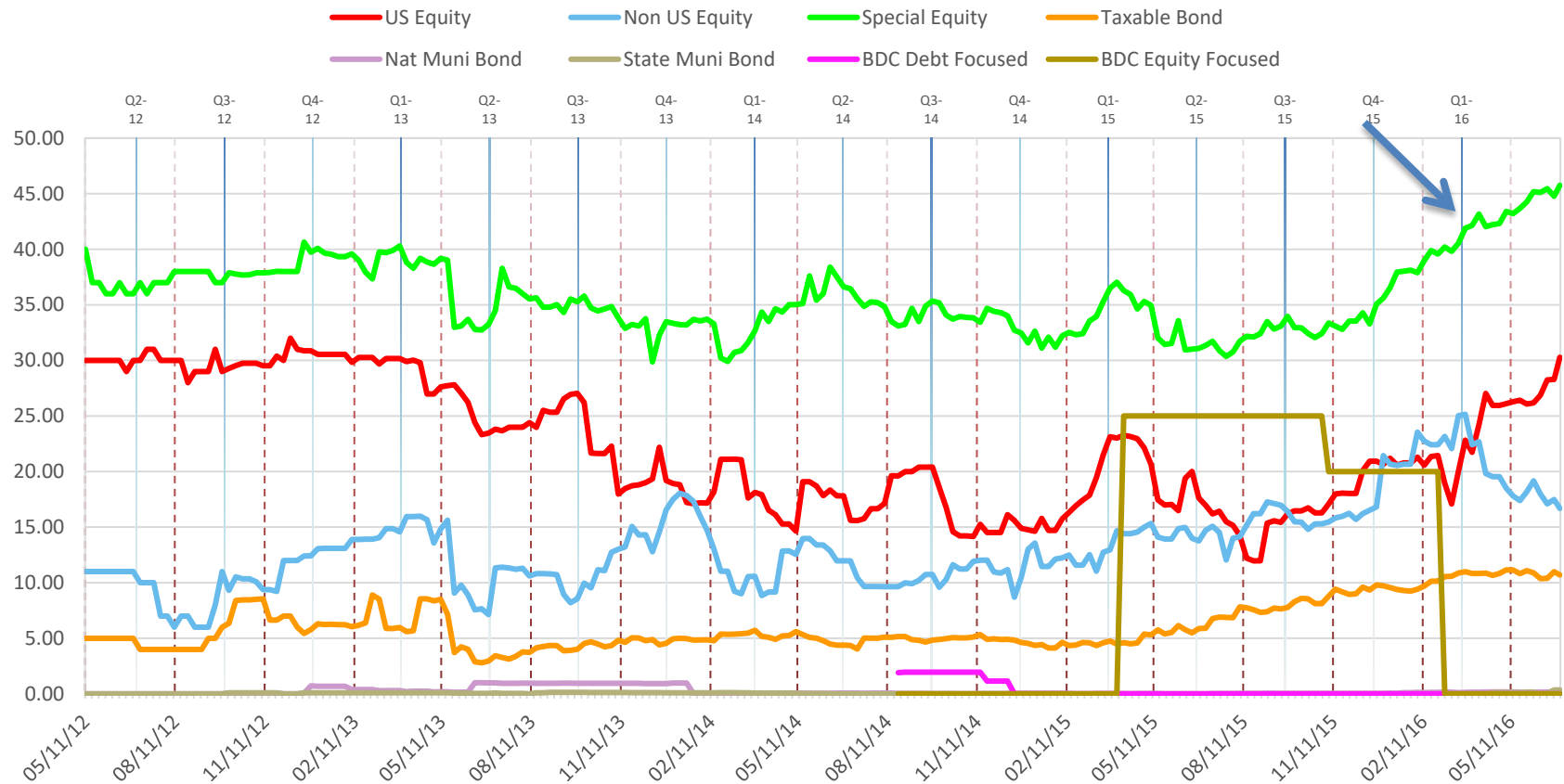
**Main Peer Groups - Earnings Coverage Ratio**  
**June 01, 2012 - June 30, 2016**



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

# Return of Capital (90 Day) For CEFs

Main Peer Groups - Historical ROC  
May 11, 2012 - June 30, 2016



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

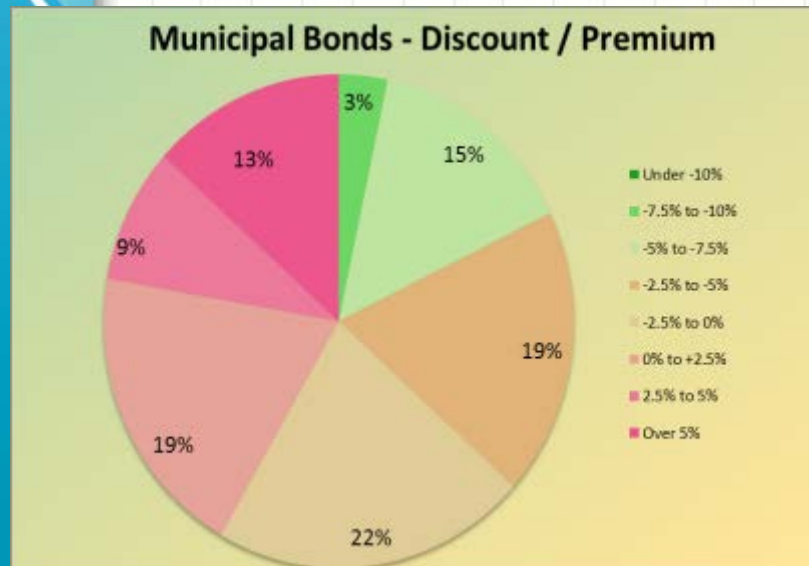
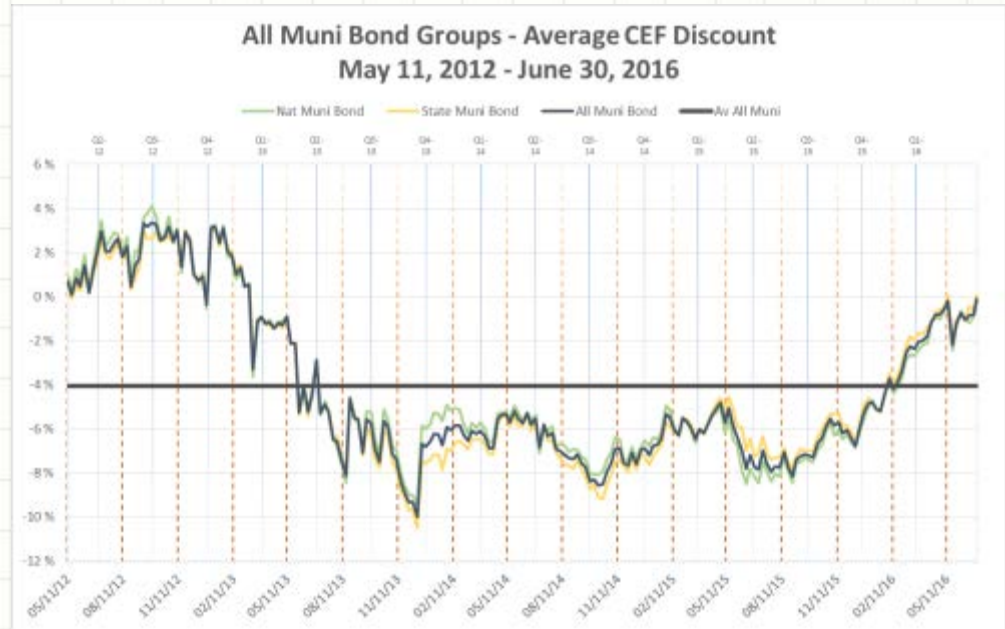
# Destructive Return of Capital (DRoC)

## (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	18	53%	43%	-137%	23%
Non-US Equity Funds	20	34%	47%	-477%	-20%
Specialty Equity Funds	67	58%	61%	190%	12%
<i>Equity CEF</i>	115	52%	54%	-42%	3%
Taxable Bond Funds	52	35%	19%	-94%	-48%
National Muni Bond Funds	0	0%	N/A	158%	98%
State Muni Bond Funds	0	0%	N/A	180%	110%
<i>Bond CEF</i>	52	16%	19%	52%	38%
Average CEF	167	30%	43%	15%	25%

# Municipal Bond Closed-End Fund Universe

	National Muni Funds	Single State Muni Funds	Total
Number of Funds	97	83	180
Net Assets (Total)	\$50,466	\$19,908	\$70,373
Net Assets	\$520	\$240	\$391
Earnings Coverage Ratio %	99.6	101.3	100.4
Premium / Discount %	-0.25	0.08	-0.10
Total Mkt Yield %	4.98	4.42	4.72
Leverage Adj NAV Yield %	3.83	3.35	3.60
NAV Volatility	3.06	2.98	3.02
Leverage %	30.5	32.2	31.3
Leverage Cost %	0.41	0.41	0.41
Duration	8.22	8.43	8.32
Insured %	15.9	20.6	18.1
Investment Grade %	86	91	89
Credit Quality	A	A	A

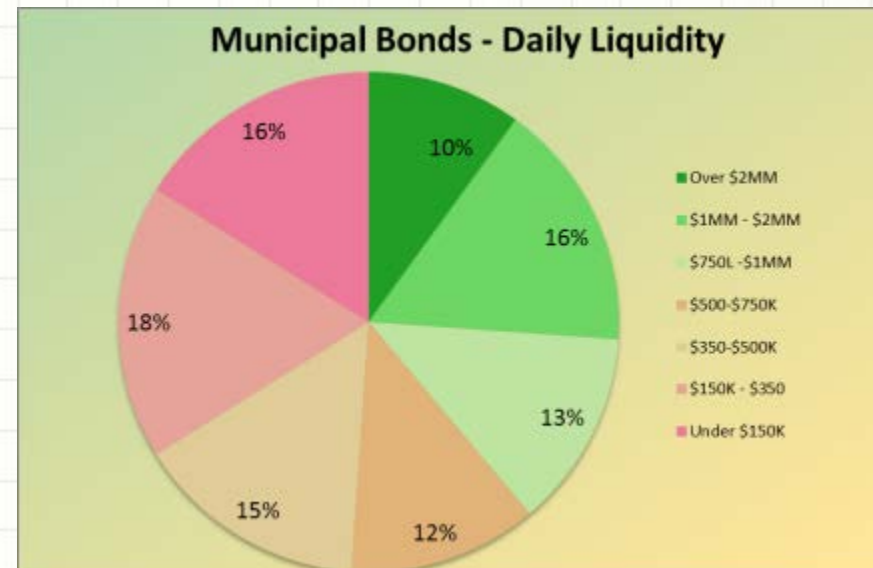
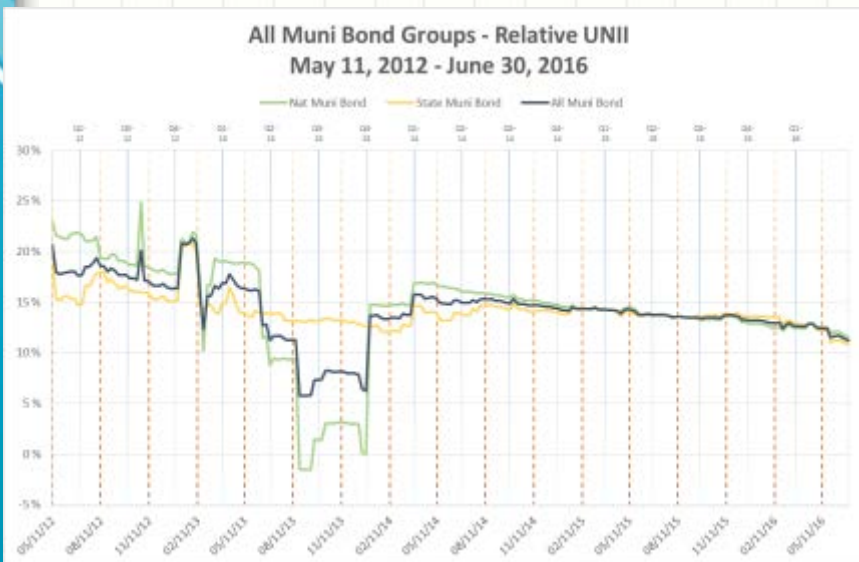
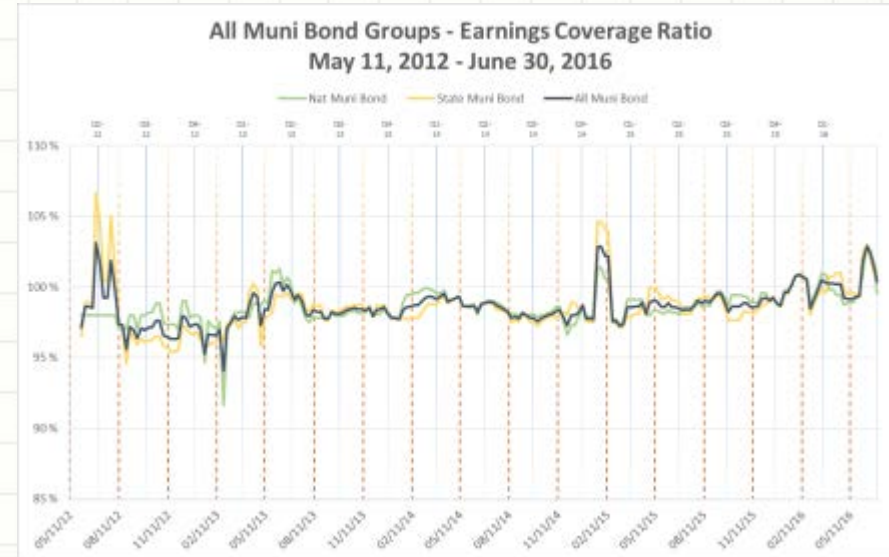
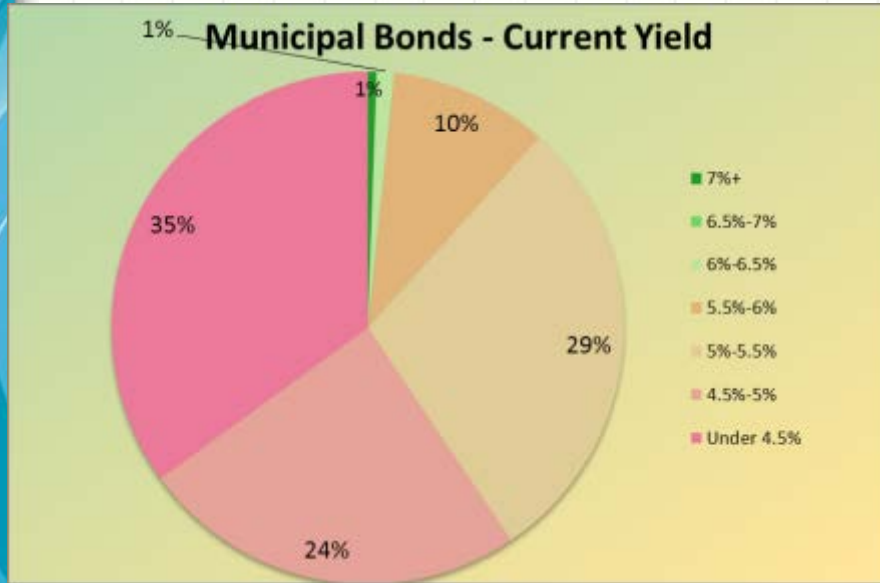


*Note: Volatility is a one year rolling calculation*

*Source: Data as of June 30, 2016 from CEFA's Universe Data*



# Municipal Bond Closed-End Fund Universe

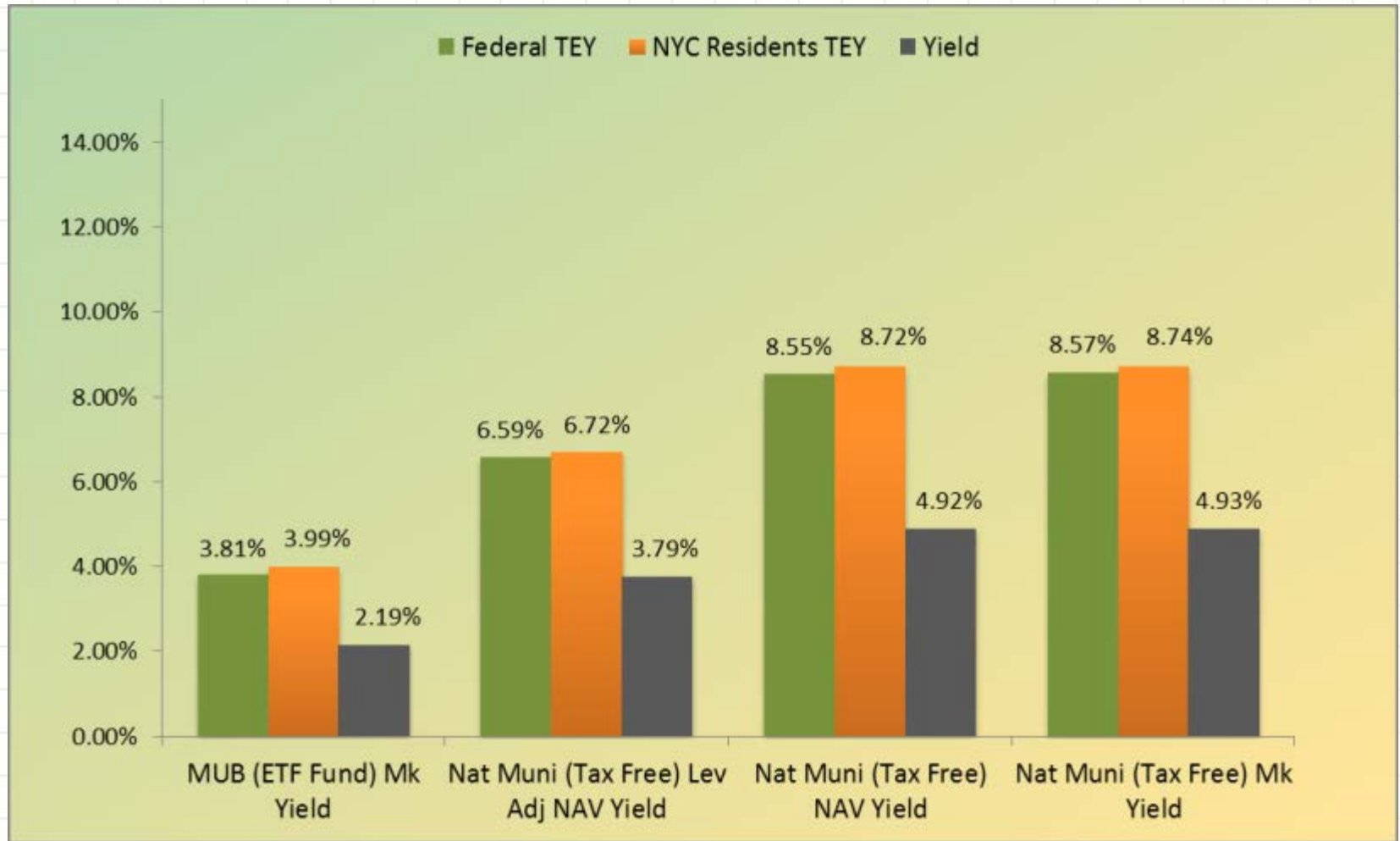


Source: Data as of June 30, 2016 from CEFA's Universe Data



# Tax Equivalent Yield Comparison

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



Sources: CEFA's Universe Data as of 6/30/16 and tax rates from IRS and NY State.

# CEF Press Release SEC Filings Summary

## (2106 CEF PRs in 2Q16)

Announcement Type	2Q 2016	2015	2014	Avg per Q since 2014
Rights Issue / Offering	0	6	9	2
Secondary Offering (Trad CEF)	1	2	4	1
Secondary Offering (BDCs)	2	16	16	3
Tender Offer	4	15	16	4
Distribution Policy Change(Trad CEF)	1	11	19	3
Distribution Policy Change (BDCs)	0	1	1	0
➡ 13 Filings (Trad CEF)	72	906	-	-
➡ New N-2 Filings	28	52	31	13
➡ Updated N-2 Filings	29	104	52	21
➡ Investment Manager / Advisor Change	14	5	20	4
➡ Portfolio Manager Change	39	45	60	14
➡ Leverage Amount / Type Change	31	52	47	16

# CEF & BDC

## Dividend Increases vs. Decreases

Dividend Announcement	2Q 2016 Number of Announcements	2Q 2016 Average Change	2Q15 – 1Q16 Number of Announcements	2Q15 – 1Q16 Average Change
<b>Dividend Maintains</b>	1191(87%)	N/A	3805 (91%)	N/A
<b>Dividend Increases</b>	36 (3%)	+6.8%	99 (2%)	+4.9%
<b>Dividend Decreases</b>	134 (10%)	-7.1%	292 (7%)	-9.2%
<b>Under 5% Increase</b>	25 (69%)	+1.9%	73 (74%)	+2.0%
<b>Over 5% Increase</b>	11 (31%)	+18.2%	26 (26%)	+13.1%
<b>Under 5% Decrease</b>	53 (40%)	-2.8%	139 (48%)	-2.4%
<b>Over 5% Decrease</b>	81 (60%)	-9.9%	153 (52%)	-15.5%

Source: Fund Press Releases

# 2Q 2016 Closed-End Fund Dividend Increases vs. Decreases

Major CEF Groups: Number of dividend decreases / increases  
Last Quarter & Previous 1 Year Rolling



Source: Fund Press Releases

# 2Q16 , YTD 2016 and 1Q16 Closed-End Fund NAV / Market Price Performance

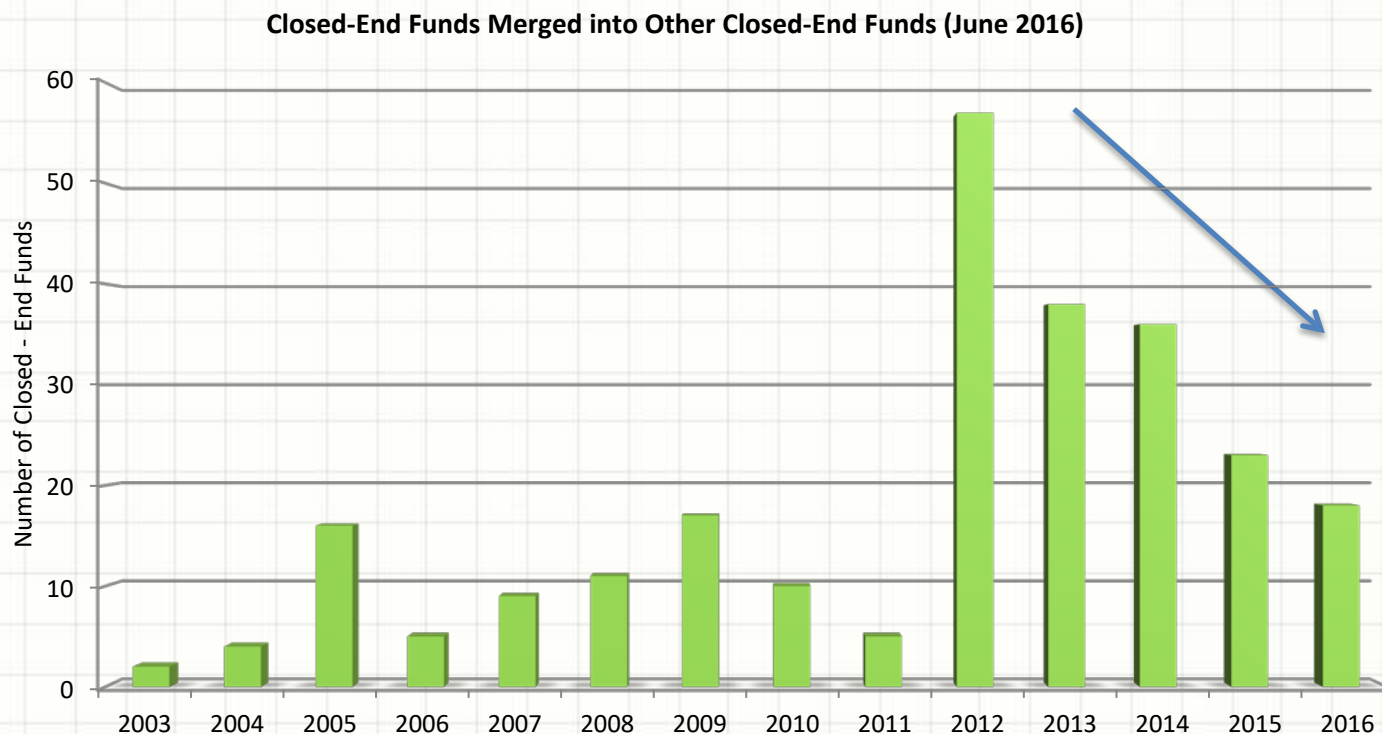
Fund Grouping	2Q 2016 NAV	2Q 2016 Mkt Pr	YTD NAV	YTD Mkt Pr	1Q 2016 NAV	1Q 2016 Mkt Pr
<b>US Equity Funds</b>	2.3%	4.0%	3.0%	5.7%	0.5%	1.5%
<b>Non-US Equity Funds</b>	1.5%	2.3%	3.6%	4.0%	2.4%	2.2%
<b>Specialty Equity Funds</b>	11.9%	13.0%	10.1%	14.3%	0.0%	2.2%
<b><i>Avg Traditional Equity CEF</i></b>	<b>7.3%</b>	<b>8.4%</b>	<b>7.0%</b>	<b>9.8%</b>	<b>0.6%</b>	<b>1.9%</b>
<b>Taxable Bond Funds</b>	4.9%	6.0%	6.6%	10.4%	1.7%	4.2%
<b>National Muni Bond Funds</b>	4.3%	6.1%	7.1%	12.1%	2.6%	5.6%
<b>State Muni Bond Funds</b>	4.0%	6.0%	6.6%	12.0%	2.4%	5.6%
<b><i>Avg Traditional Bond CEF</i></b>	<b>4.5%</b>	<b>6.0%</b>	<b>6.8%</b>	<b>11.3%</b>	<b>2.1%</b>	<b>5.0%</b>
<b>Average Traditional CEF</b>	<b>5.7%</b>	<b>7.0%</b>	<b>6.9%</b>	<b>10.7%</b>	<b>1.5%</b>	<b>3.8%</b>
<b><i>Debt Focused BDC</i></b>	0.1%	0.6%	3.2%	6.4%	0.7%	2.3%
<b><i>Equity Focused BDC</i></b>	0.0%	0.4%	-1.7%	-7.2%	-1.8%	-4.4%
<b>Average BDC</b>	<b>0.1%</b>	<b>0.5%</b>	<b>2.3%</b>	<b>4.1%</b>	<b>0.3%</b>	<b>1.1%</b>

Data as of June 30, 2016

Source: CEFA's Closed-End Fund Universe Report



# Closed-End Fund Mergers (Traditional)



## Reasons to Merge:

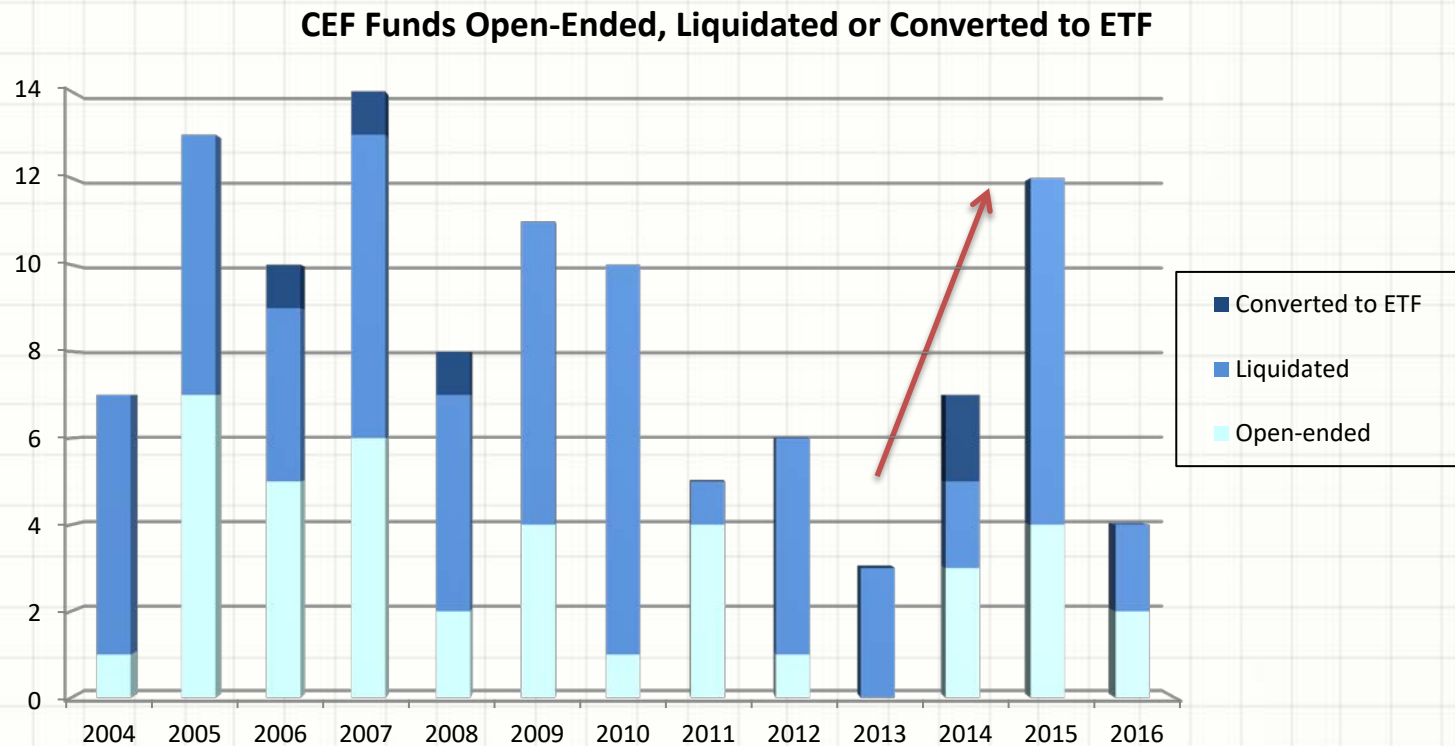
1. Reduce expense ratio
2. Increase liquidity
3. Reduce bid/ask spread
4. Improve cost of future leverage

Source: Fund Press Releases

Avg. – 21.1 per year



# Closed-End Fund Deaths (Traditional)



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

Source: Fund Press Releases

# Closed-End Fund Corp Actions Update

2Q 2016

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
June	Proxy	Deutsche Hi Incm Tr (KHI)	Vote	Open-Ending Not Approved
June	13D/A	AC Convt Sec & Incm Fd (AVK)	Saba	Inc(8.86%)
June	13D/A	American Capital (ACAS)	Elliott	5.82% Merger Agreement
June	13D/A	LMP Rel-Est Incm Fd (RIT)	Bulldog	Inc(23.9%) Open-Ending
June	Tender	New Ireland Fd(IRL)	Karpus	30% of shares (98% of NAV)
June	13D	Pacholder Hi Yld Fd (PHF)	Bulldog	11.7%
May	13D	MFS Charter Incm Tr (MCR)	Relative Value Partners	8.9% Influence / Control Intent

# Closed-End Fund Activist Update

2Q 2016

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
May	13D	NB Rel-Est Sec Incm Fd (NRO)	Bulldog	Inc (9.9%) Liquidation Proposal
May	Tender	DI Div & Incm Fd (DDF)	Public	5% of shares (98% of NAV)
May	13D/A	Nuv Glbl Eq Inc Fd (JGV)	Bulldog	10.1% Open-ending Proposal
Apr	13D/A	FrkTmp Ltd Dur Incm Tr (FTF)	Saba	15.0% Tender
Apr	PR	Stgc Glbl Incm Fd (SGL)	Vote	Liquidation Approved
Apr	13D/A	DWS Glbl Hi Incm Fd (LBF)	Bulldog	Dec (11.0%)
Apr	13D/A	Deutsche Stgc Muni Incm Tr (KSM)	Western Investments	5.4% Director Nominees

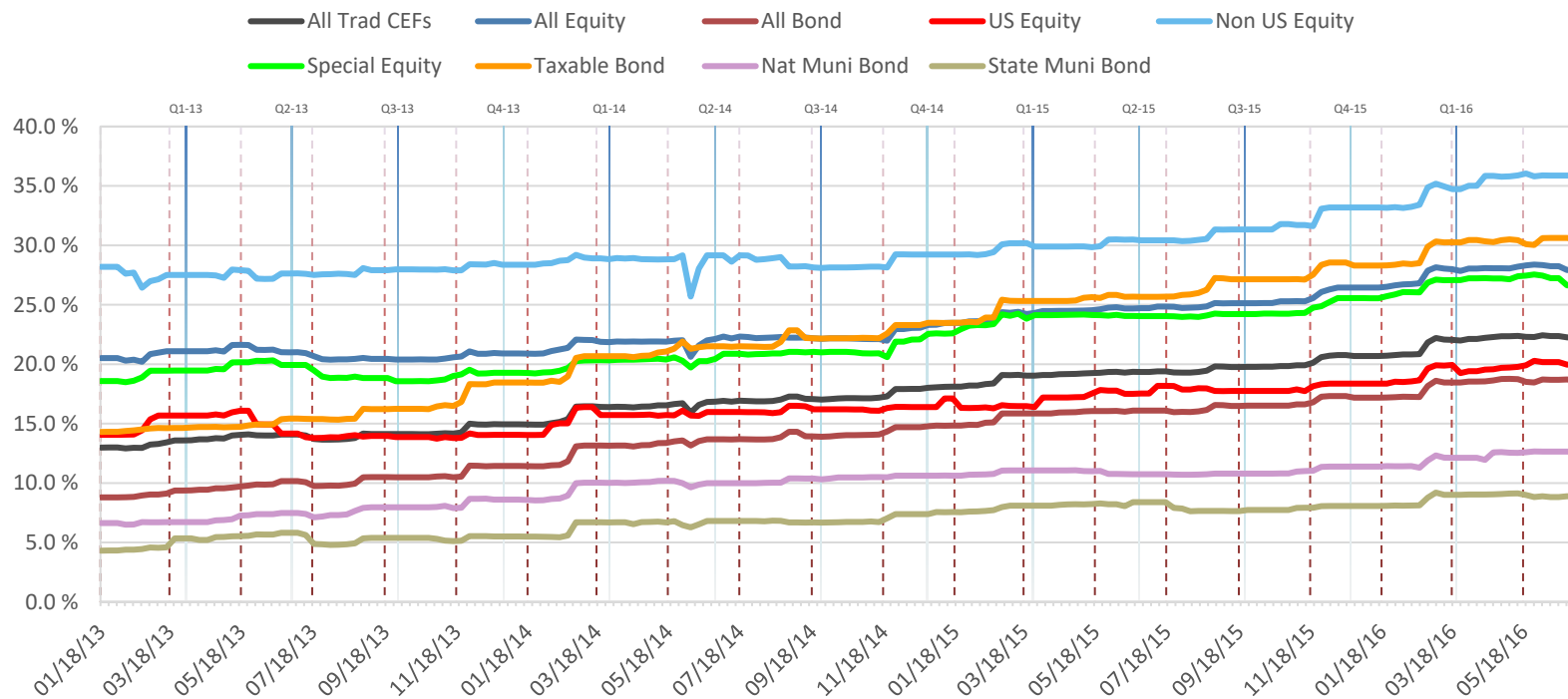
# CEF Institutional Holdings

## (Traditional CEFs 2Q 16)

**Institutional  
Holdings Trends**

**Increase: 332 funds  
Decrease: 102 funds**

**Trad CEFs Groups - % Shares Owned by Institutions**  
**January 18, 2013 - June 30, 2016**



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

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

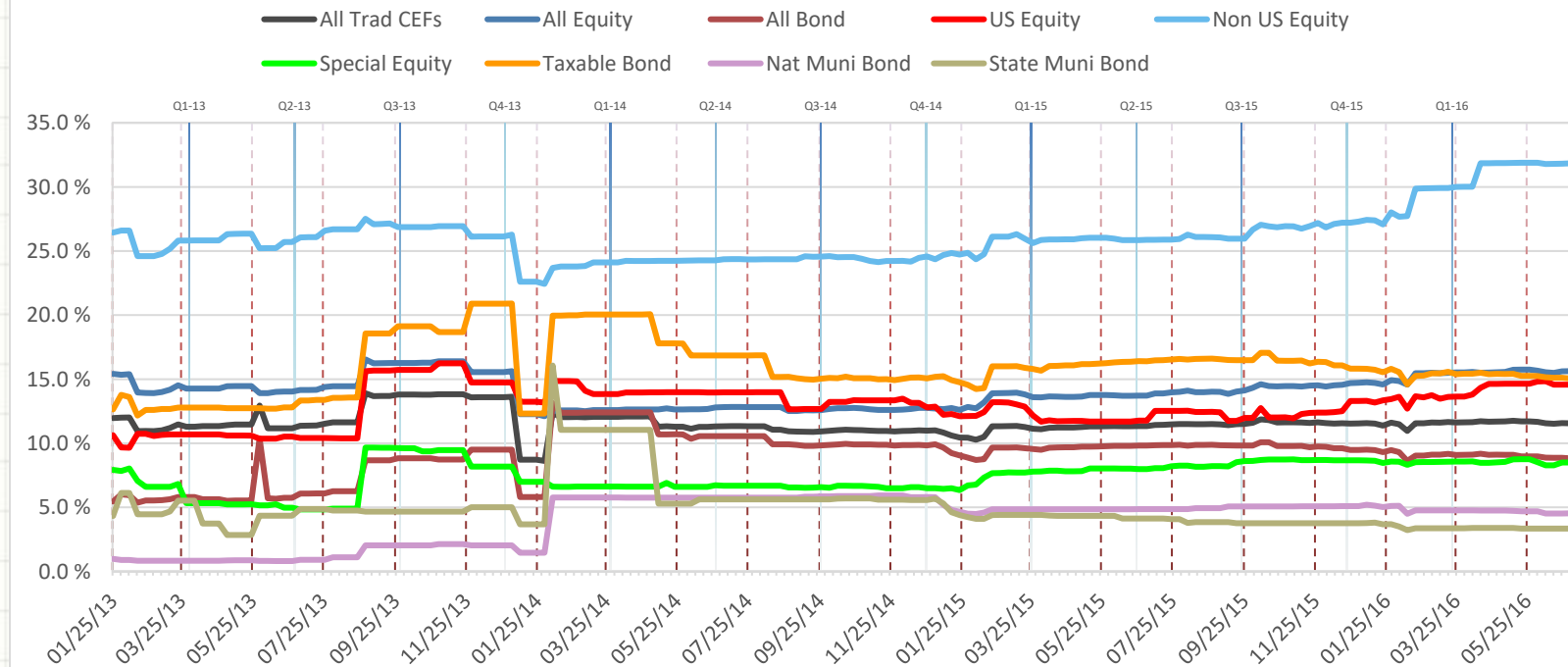
# CEF Activist Holdings

## (Traditional CEFs 2Q 16)

**Activist  
Holdings Trends**

**Increase: 180 funds  
Decrease: 202 funds**

**Trad CEFs Groups - % Shares Owned by Activists**  
**January 25, 2013 - June 30, 2016**



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

# Traditional Closed-End Fund Historical IPOs (2Q 16)

	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of IPOs	3	8	9	25	23	19	17	13	2	40	21
Average Assets In \$ millions	\$172	\$291	\$469	\$580	\$517	\$316	\$451	\$200	\$131	\$690	\$506
Total New CEF IPO Assets in \$ Billions	\$0.5B	\$2.3B	\$4.2B	\$14.5	\$11.9	\$6.0	\$7.7	\$2.6	\$0.3	\$27.6	\$10.6

**10 Year Average:** 18 Funds per year, \$415M Ave Fund, \$10 Billion Per Year

*Source: SEC Filings, Press Releases*



# BDC Historical IPOs (2Q 16)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of IPOs	1	6	4	5	7	5	1	1	5	1
Average Assets In \$ millions	\$120	\$575	\$78	\$96	\$101	\$98	\$87	\$141	\$138	\$203
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

**10 Year Average:** 3.6 Funds per year, \$164M Ave Fund, \$0.7 Billion Per Year

*Source: SEC Filings, Press Releases*

# 2015 IPO Details

2Q 2016

## **Nuv Hi Incm Dec 2019 Tgt Trm Fd (JHD) – Taxable Bond Funds -**

IPOed on May 10, 2016

IPO Price: \$10.00

IPO Assets: \$245M

Price as of 6/30/16: \$10.33

Disc/Prm as of 6/30/16: 4.98%

## **Hi Incm 2021 Tgt Trm Tr (EHT) – Taxable Bond Funds -**

IPOed on May 26, 2016

IPO Price: \$10.00

IPO Assets: \$190M

Price as of 6/30/16: \$10.02

Disc/Prm as of 6/30/16: 1.62%

# IPOs during 3Q 2015 – 1Q 2016

## Current Discount / Premium

IPO Date	Ticker	Fund Name	Type	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
3Q 2015	JHY	Nuv Hi Incm 2020 Tgt Trm Fd	Traditional	16.36%	\$10.81	\$10.00	108.10%
	FDEU	FT Dyn Euro Eq Incm Fd	Traditional	-10.17%	\$15.98	\$20.00	79.90%
4Q 2015	JHA	Nuv Hi Incm Dec 2018 Tgt Trm Fd	Traditional	4.01%	\$10.37	\$10.00	103.70%
	RIV	RiverNorth Opp Fd	Traditional	-6.60%	\$18.97	\$20.00	94.85%
1Q 2016	NHA	Nuv Muni 2021 Tgt Trm Fd	Traditional	1.90%	\$10.21	\$10.00	102.10%

Data as of June 30, 2016

Source: CEFA's Closed-End Fund Universe Report



# Traditional Closed-End Fund

## NAV – Market Price Correlation

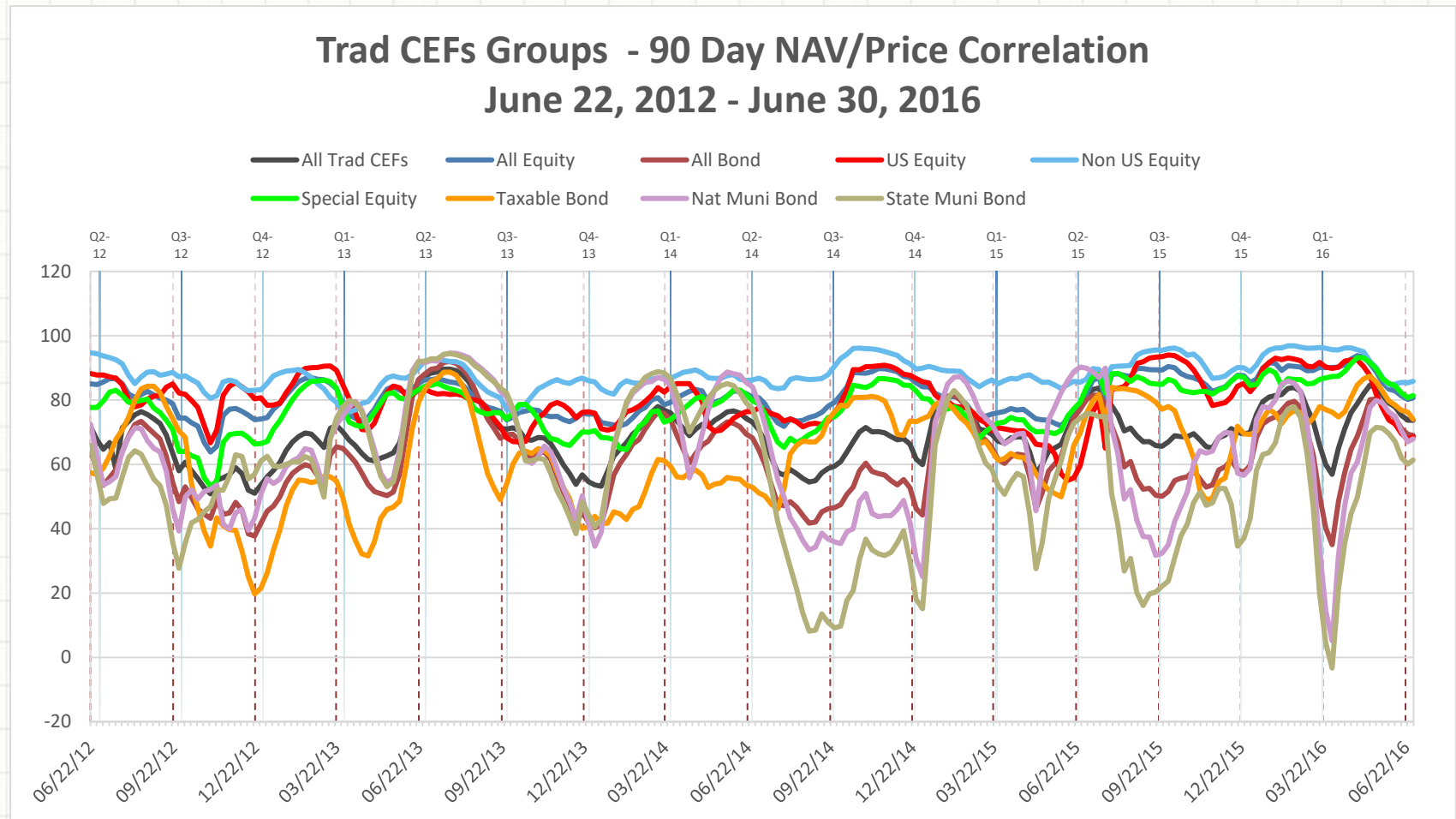
Fund Grouping	Correlation 2Q 16	Correlation 1Q 16	Correlation Trend
US Equity Funds	68.6%	90.8%	-22.2%
Non-US Equity Funds	85.8%	95.5%	-9.7%
Specialty Equity Funds	81.4%	87.3%	-5.9%
<i>Ave Equity CEF</i>	<i>80.7%</i>	<i>90.1%</i>	<i>-9.4%</i>
Taxable Bond Funds	74.0%	75.9%	-1.9%
National Muni Bond Funds	67.9%	1.5%	66.4%
State Muni Bond Funds	61.4%	-5.9%	67.3%
<i>Ave Bond CEF</i>	<i>69.0%</i>	<i>32.9%</i>	<i>36.1%</i>
<b>Average CEF</b>	<b>73.7%</b>	<b>55.8%</b>	<b>17.9%</b>

Data as of June 30, 2016

Source: CEFA's Closed-End Fund Universe Report

# Traditional Closed-End Fund

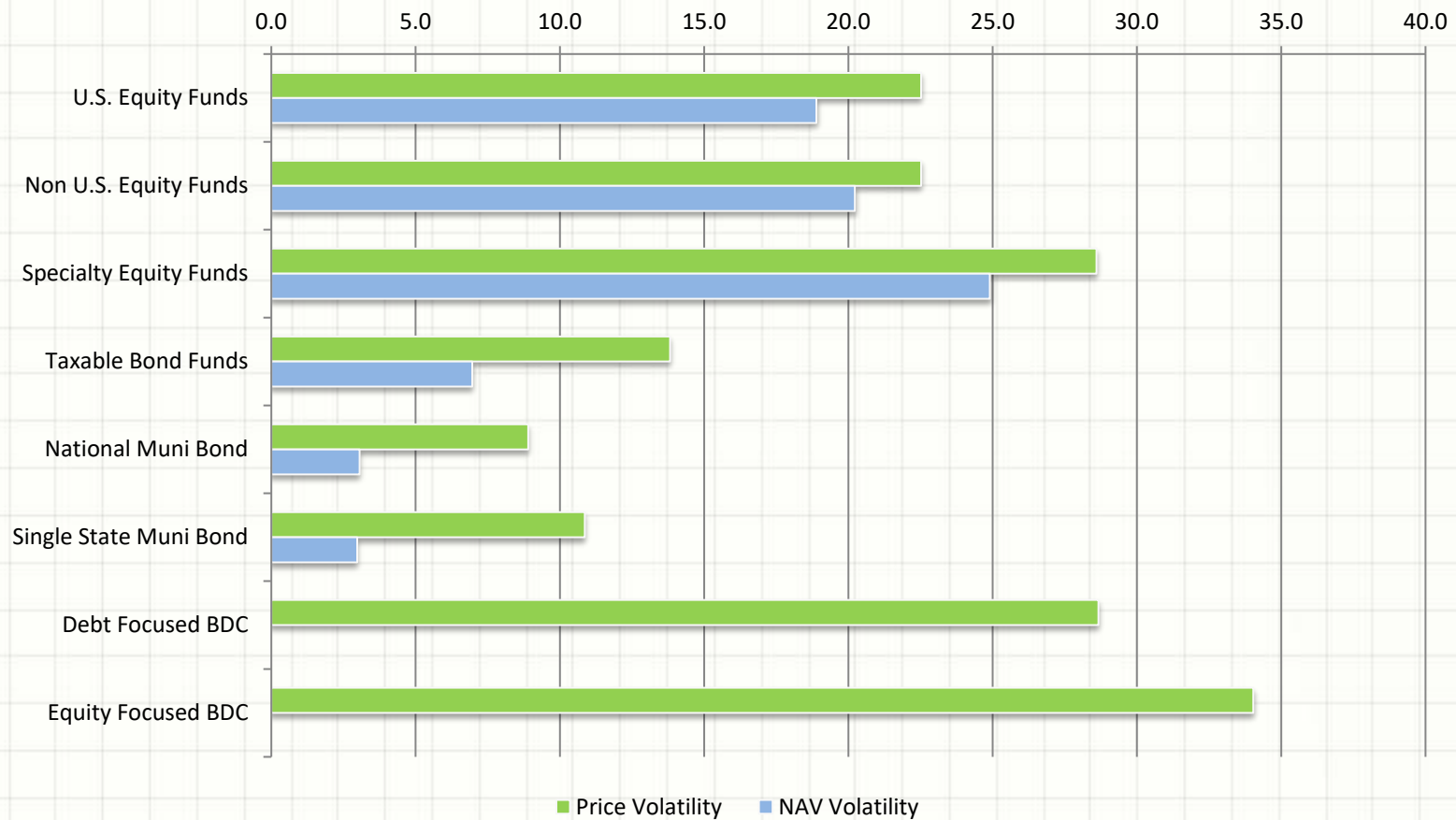
## 90 Day NAV – Market Price Correlation



Source: March 31, 2016 - CEFA's Closed-End Fund Universe Report

# Closed-End Fund

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



Source: June 30, 2016 - CEFA's Closed-End Fund Universe Report



# CEFA's Outlook for 3Q and 2016

- **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)**
- **Sustainable CEF Portfolio Distribution Yields**
- **Beta, Correlations, Duration and After-Tax Income**



# 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				

*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.*

Full article  
on our blog:

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

# New Data for CEF Universe

## During 2Q 2016

### CEF DATA

- Beta (2yr)
- Sharpe Ratio (Price)
- Sharpe Ratio (NAV)
- 1 Yr Avg Daily\$ (M)
- 1mo Price TR
- 1mo NAV TR
- 3Yr RP%
- 3Yr RNAV%
- NAV/Mk Pr Disp (6mo, 3 Yr, 5 Yr, 10 Yr)
- Top 10 Holdings Details
- No. of Dist Reductions 1Yr
- No. of Dist Increases1Yr
- Inc & Cap Gns Yield %
- Purchases Turnover
- Sales Turnover
- Market Cap

### BDC DATA

- Comp Volume Trend
- Beta (2yr)
- Sharpe Ratio (Price)
- Sharpe Ratio (NAV)
- 1Yr Avg Liquidity

- 1mo Price TR
- 3Yr RP%
- NAV/Mk Pr Disp (6mo, 3 Yr, 5 Yr, 10 Yr)
- Top 10 Companies Details
- No. of Dist Reductions 1Yr
- No. of Dist Increases1Yr
- Inc & Cap Gns Yield %
- Gross Asset Exp Ratio
- Gross Asset Non Lev Exp Ratio
- Rel Lev Cost
- Turnover Rate
- 6mo Z-Stat
- Comp Z-Stat (6mo, 3Yr)
- Discount St Dev (1yr)
- Adj Core NII Coverage
- 1 Yr Avg NII Coverage
- 1 Yr Avg Adj Core NII Coverage
- NII Trend
- Adj Core NII Trend
- Avg Libor Floor %
- NAV Change % (Q, 2Q, 4Q, 8Q, 12Q)
- NAV Volatility (4Q, 8Q, 12Q)
- NAV TR % (Q, 2Q, 4Q, 8Q, 12Q)
- Last 4Q Non Lev Exp Ratio %
- Last 4Q Non Lev Exp Ratio Trend%
- Main Leverage Type
- Main Leverage Cost %
- G&A Fee %
- Last 4 Q G&A Fee %
- Base Management Fee %
- Latest 4Q Incentive Fee %
- Hurdle Rate %
- High Water Mark
- SBIC Size \$ (mil)
- Utilization of SBIC %
- Number of Equity Holdings
- Top 10 Companies Investment %
- Avg Non Accruals % (1yr, 3yr, 5yr)
- Average Loan Size (mil) \$
- CLO Exposure %

# CEFData.com

- Launched CEFDATA.COM – Data Updates Daily and Live with Analysis Updates
  - Free Public CEF/BDC Profiles
  - Watchlists, Models, Portfolio
    - Show how portfolio/model changes with swaps or allocation changes
    - View and Summary Reports
  - Fund Sponsor Modules
    - Compare a Fund to Dynamic Peer Groups and Selected Peers
  - Expecting to add 1-2 modules per month: List on [www.CEFdata.com](http://www.CEFdata.com)

30 Day Free Trial and 50% off while in development with one guaranteed renewal at 50% off through July 30<sup>th</sup>, 2017 for Q Webinar Attendees

Pricing per Quarter is \$1K (Individual) \$2K (Small RIA/FA) \$3K Large RIA/Hedge Fund, \$4K Fund Sponsor/Product Sponsor. We always offer prorated refunds and include 30 minutes per quarter free consulting time with John Cole Scott for paid subscribers.

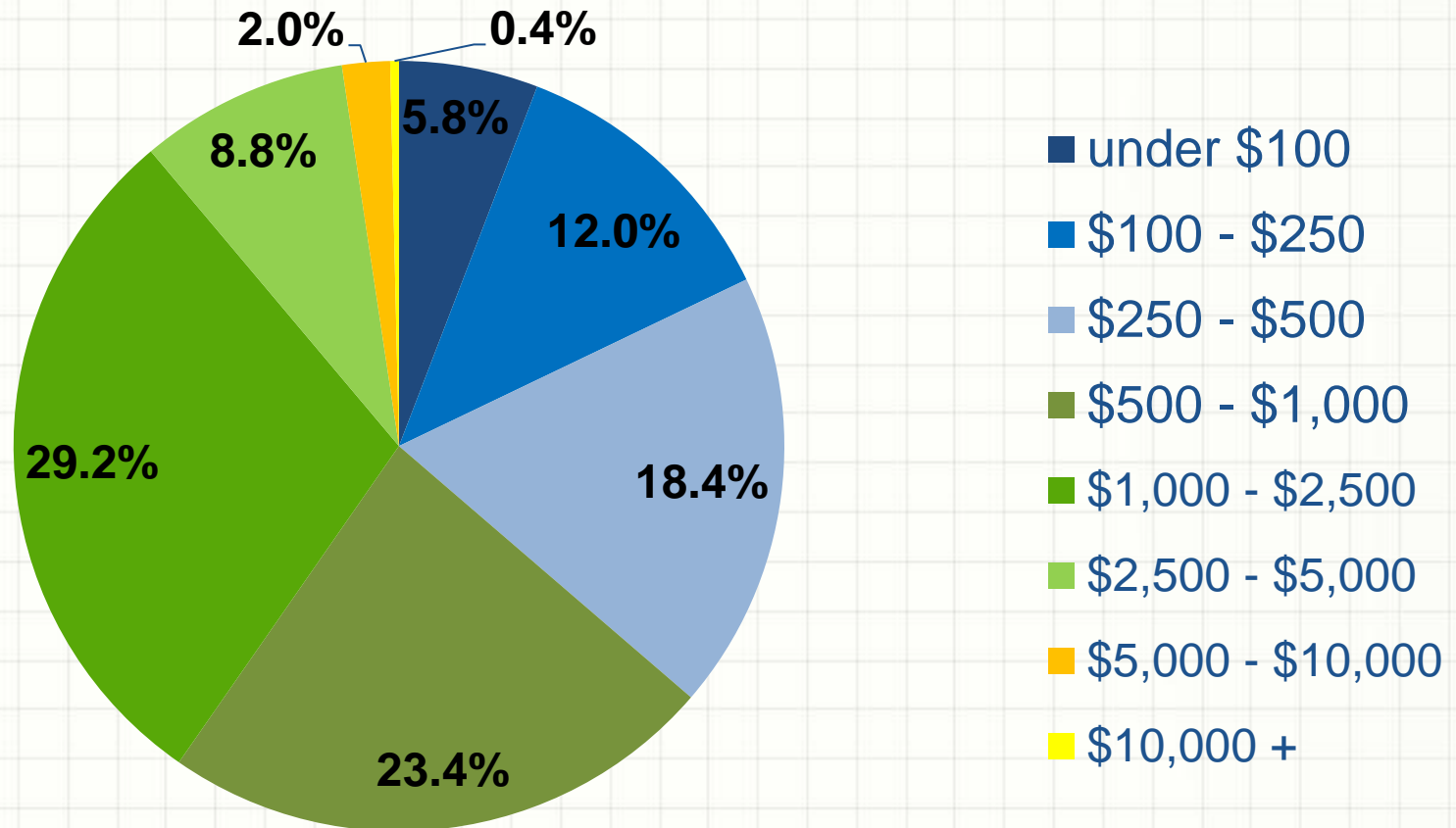
# CEF Heat Map (Not a CEF Advisors website)

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





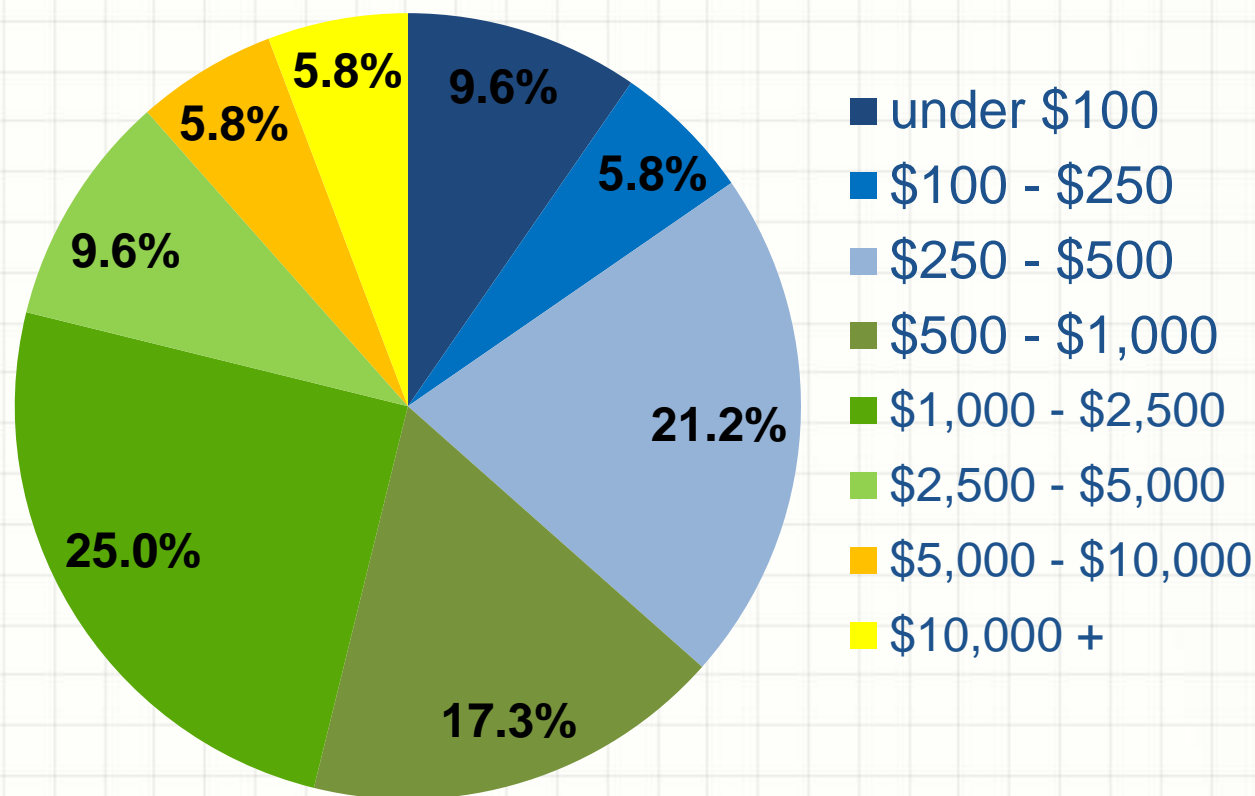
# Traditional Closed-End Funds: By Average Daily Liquidity (thousands)



Note: 548 traditional closed-end funds; data as of 6/30/16, 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 6/30/16, Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.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)  
[www.CEFdata.com](http://www.CEFdata.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),**  
[www.CEFUniverse.com](http://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

## CEF Resources

**CEFAalyzer 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)

**Morningstar'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:** [www.CEF-Network.com](http://www.CEF-Network.com)

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



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



# Closed-End Fund Advisors

7204 Glen Forest Drive, Suite #105 Richmond, Virginia 23226 USA ♦ Toll-Free: (800) 356-3508 / Local: (804) 288-2482 ♦ [www.CEFadvisors.com](http://www.CEFadvisors.com) ♦ [Contact@CEFadvisors.com](mailto:Contact@CEFadvisors.com)

## PORTFOLIO COMP DASHBOARD

Portfolio	Discount	Rel Disc Range(3yr)	Comp Discount	Yield	1 Yr RoC %	Lev Adj NAV Yield	Lev %	Est Lev Cost	Comp NAV TR	3 Yr NAV TR	Beta (2yr)	Purchases Turnover	Sales Turnover	Non Lev Expense Ratio	# Holdings
1. CEFA International Opportunity	-13.13	35.21	-3.36	6.78	18.0	5.17	12.5	0.23	-0.35	11.74	0.77	56.89	60.46	1.39	29
2. CEFA Diversified High Beta	-11.01	33.02	-1.38	8.23	30.1	6.00	20.3	1.11	-1.89	7.33	1.21	39.17	43.45	1.81	29
3. CEFA Diversified Growth	-13.35	43.57	-3.61	7.65	9.4	5.40	20.0	1.01	1.04	19.74	0.74	54.80	61.46	1.97	25
4. CEFA Hybrid (High) Income	-11.07	49.43	-3.73	10.13	18.9	7.06	28.6	1.15	-0.07	16.16	0.76	57.66	61.98	2.19	25
5. CEFA Hybrid (High) Income Monthly	-10.66	50.42	-3.54	10.09	15.4	7.11	28.4	1.11	-1.44	18.52	0.68	65.48	68.98	2.40	23
6. CEFA Alternative Income	-10.80	54.98	-6.38	7.73	12.7	5.63	22.5	1.11	5.53	23.76	0.60	35.19	39.92	2.38	18
7. CEFA Discount Capture	-13.11	50.53	-5.67	8.67	14.5	5.92	26.9	1.21	-0.33	14.13	0.68	55.94	60.04	2.08	30
8. CEFA Foundation / Balanced	-10.67	46.91	-3.43	8.52	12.5	6.14	24.6	0.93	1.21	20.72	0.72	46.40	50.27	1.95	28
9. CEFA Diversified Low Beta	-8.30	50.80	0.36	7.82	12.8	5.60	26.7	1.20	7.25	24.81	0.48	61.69	68.23	2.11	23
9.1 CEFA Low Correlation Model	-7.11	67.86	-2.12	7.94	16.1	5.85	25.3	0.95	3.03	22.23	0.53	42.45	46.02	1.99	28
9.2 CEFA Taxable Bond & BDC	-9.56	60.95	-3.59	8.84	4.7	6.00	33.3	1.44	-0.64	17.93	0.42	46.19	50.27	2.40	21
9.3 CEFA Div Tax-Sensitive Income (Eq Wt)	-6.29	58.37	-1.18	8.08	42.2	6.50	19.8	0.52	5.41	13.47	0.57	36.40	40.19	1.30	21
9.4 CEFA Div Tax-Sensitive Income (Muni OW)	-6.13	59.67	-1.70	7.33	30.7	5.86	21.8	0.45	3.53	19.58	0.35	34.42	36.85	1.20	21
9.5 CEFA BDC Select	-3.80	54.66	4.72	10.42	0.0	7.17	39.4	3.41	3.25	24.75	0.76	26.64	26.64	3.52	11
9.6 CEFA BDC Monthly	-1.28	62.62	7.24	10.19	0.0	6.94	39.9	3.40	3.36	24.17	0.82	21.42	21.42	3.61	7
9.7 CEFA Select Municipal	-5.78	66.17	-3.44	5.19	0.0	3.65	34.3	0.47	0.90	32.28	-0.09	22.60	20.96	0.99	14

### DISCLOSURES:

CEFAdata.com makes data for the universe of closed-end funds (CEFs) and business development companies (BDCs) available to its users. This material is not intended to be relied upon as investment advice or recommendations, does not constitute a solicitation to buy or sell securities and should not be considered specific legal, investment or tax advice. This site does not list all the risks associated with each fund. Investors should contact a fund's sponsor for fund-specific risk information and/or contact a financial advisor before investing.

**NOTES:** Distribution type sourced from CEFAdata.com. For specific information about a fund's distribution sources, visit the fund sponsor's website.

The following information applies to closed-end funds and business development companies in general: Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation (FDIC). Shares of closed-end funds (CEFs) and business development companies (BDCs) are subject to investment risks, including the possible loss of principal invested. There can be no assurance that fund objectives will be achieved. Closed-end funds and business development companies frequently trade at a discount to their net asset value. NAV returns are net of fund expenses, and assume reinvestment of distributions.

This material is presented for informational purposes only. Under no circumstances is it to be considered an offer to sell, or a solicitation to buy any investment referred to on this page. While the information contained herein is from sources believed reliable, we do not represent that it is accurate or complete and it should not be relied upon as such. Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. Returns are presented gross of investment management fees and other appropriate fees (i.e. commissions, custodial fees, etc.).

© Closed-End Fund Advisors Inc.(CEFAadvisors) and CEFAdata.com 2016. All rights reserved. Any copying, republication or redistribution of CEFAadvisors, CEFAdata.com, content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of CEFAadvisors. CEFAadvisors shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

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



# Current CEFA Portfolio Composites

- **Diversified Growth** (1/1999)
  - 70% Equity / 20% Bond / 10% BDC: Tactical and wide mandate w/ 6%-7%+ est. yield
- **Growth & Income** (1/1999)
  - 72% Equity / 16% Bond / 12% BDC: Diversified, tactical and wide mandate w/ 7%+ est. yield
- **International Opportunity** (11/2002)
  - Primarily equity oriented funds w/ little direct US exposure
- **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%-8% 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)
  - 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
- **Diversified Tax-Sensitive Income**
  - 25%-50% exposure to Municipal Bond CEFs and 20%-40% exposure to low correlation and tax sensitive sectors: MLP and Covered Call Funds. Seeking 6%-7% after tax income.
- **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 12/31/2015.



# CEFA Portfolio Model Summary Performance

## CEFA Composite Performance (Net)\* As of March 31, 2016

Investment Portfolio Model	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date	Benchmarks	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Conservative Diversified	0.64%	0.64%	-11.29%	-1.14%	2.08%	N/A	4.58%	5/1/2009	S&P 500 Total Return	1.35%	1.35%	1.78%	11.82%	11.57%	7.01%	5.00%	1/31/1999
Foundation/Balanced	0.16%	0.16%	-10.89%	0.00%	3.17%	N/A	5.92%	9/1/2009	Barclays Capital Global Aggregate Bond	5.90%	5.90%	4.57%	-0.87%	1.81%	4.35%	4.33%	1/31/1999
Global Growth & Income	-0.45%	-0.45%	-14.34%	-1.44%	1.11%	1.04%	3.43%	1/31/1999	MSCI World (Ex-US)	-1.95%	-1.95%	-8.44%	1.68%	1.62%	1.80%	7.20%	11/1/2002
Globally Diversified Growth	-1.55%	-1.55%	-6.41%	1.98%	2.44%	3.02%	5.29%	1/31/1999	Barclays Municipal Bond	1.67%	1.67%	3.98%	N/A	N/A	N/A	4.65%	8/1/2014
Hybrid Income	0.55%	0.55%	-10.73%	1.43%	6.11%	N/A	4.08%	12/1/2006	Thomson Taxable Fixed Inc CEF TR	3.10%	3.10%	-0.31%	0.17%	3.66%	N/A	4.44%	12/1/2006
International Equity	-2.13%	-2.13%	-16.15%	-2.27%	-1.14%	1.82%	7.96%	11/1/2002	Thomson All Equity CEF TR	1.46%	1.46%	-7.95%	0.50%	1.30%	N/A	4.72%	12/1/2006
Business Development Companies	4.76%	4.76%	-6.73%	N/A	N/A	N/A	0.94%	1/1/2015	60/40 S&P 500/Barclays Bond	3.17%	3.17%	2.90%	6.74%	7.67%	5.95%	4.73%	1/31/1999
Managed Municipal Bond CEFs	5.47%	8.43%	8.43%	N/A	N/A	N/A	9.73%	8/1/2014									
Special Opportunities	4.24%	4.24%	2.37%	N/A	N/A	N/A	6.54%	6/1/2013									

## Growth of \$1,000,000 Invested CEFA's Globally Diversified Growth model on January 31, 1999\*

Globally Diversified Growth	\$2,424,917
S&P 500 Total Return	\$2,312,646
Barclays Capital Global Agg Bond Total Return	\$2,071,707
60/40 S&P 500/Barclays Bond	\$2,212,538

*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

*Chief Investment Officer of Closed-End Fund Advisors*

John has worked at the firm since 2001. He is a graduate of The College of William & Mary, has been quoted widely in the financial press and presented at conferences and for investment groups on more than 45 occasions. He manages 11 portfolio models for CEF advisors' clients. In 2008 John founded *CEFA's Closed-End Fund Universe*, a comprehensive weekly data service covering all US listed CEFs and Business Development Companies (BDC). He manages BDCUniverse.net powered by CEFData.com and containing the only free public BDC Fund profiles and peer group data to our knowledge. He founded and manages The CEF Network group on LinkedIn and is editor of CEFAdvisors' blog. The firm has portfolio models on Covestor.com and a BDC UIT with their partner, SmartTrust, John serves on the Investment Committee for The NY State Society of The Cincinnati and on the Advisory Board of Oxford Lane Income Partners, and Chicago based hedge fund where CEF Advisors is a research and data partner.



\*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.

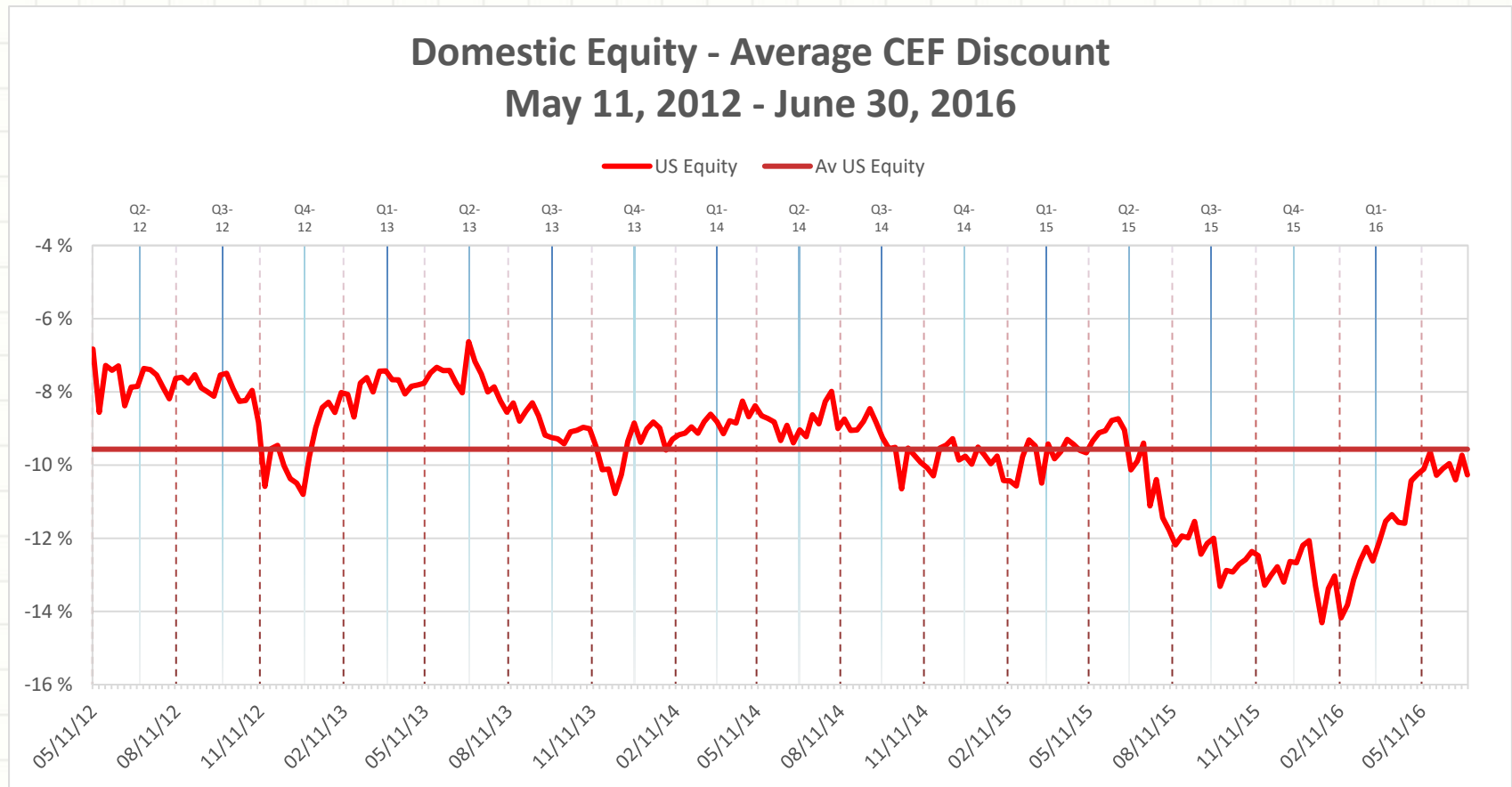
Diversified Growth and Growth & Income Models: These accounts are managed by both John Cole Scott and George Scott. John Cole Scott began managing accounts in the composite 06/31/2009. The founder of CEFA, George Scott has been managing accounts since the composites inception. As of December 31, 2013, 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)**

# Domestic General Equity Funds

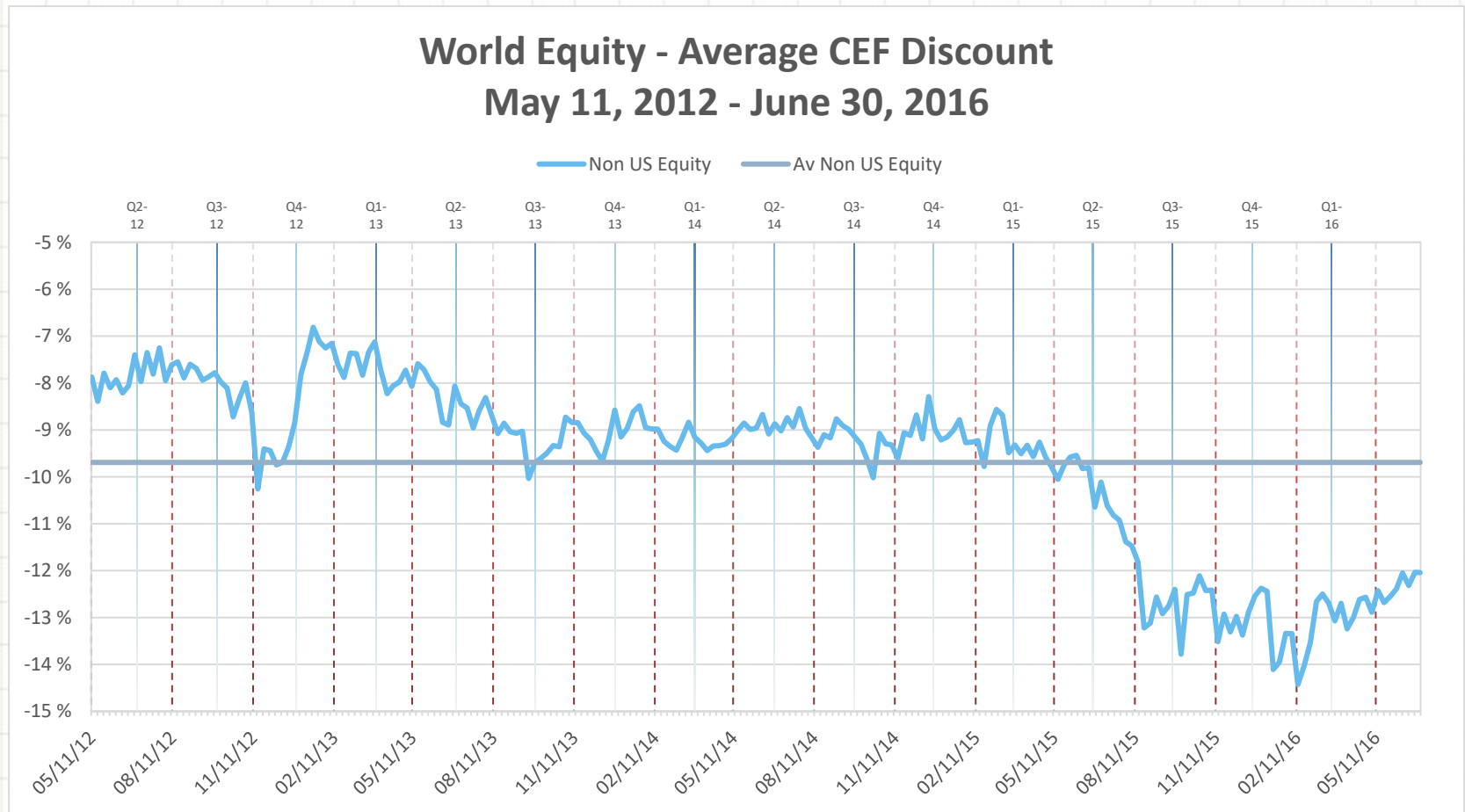
## Average Premium / Discount



Source: June 30, 2016 - CEFA's Closed-End Fund Universe Report

# World Equity Funds

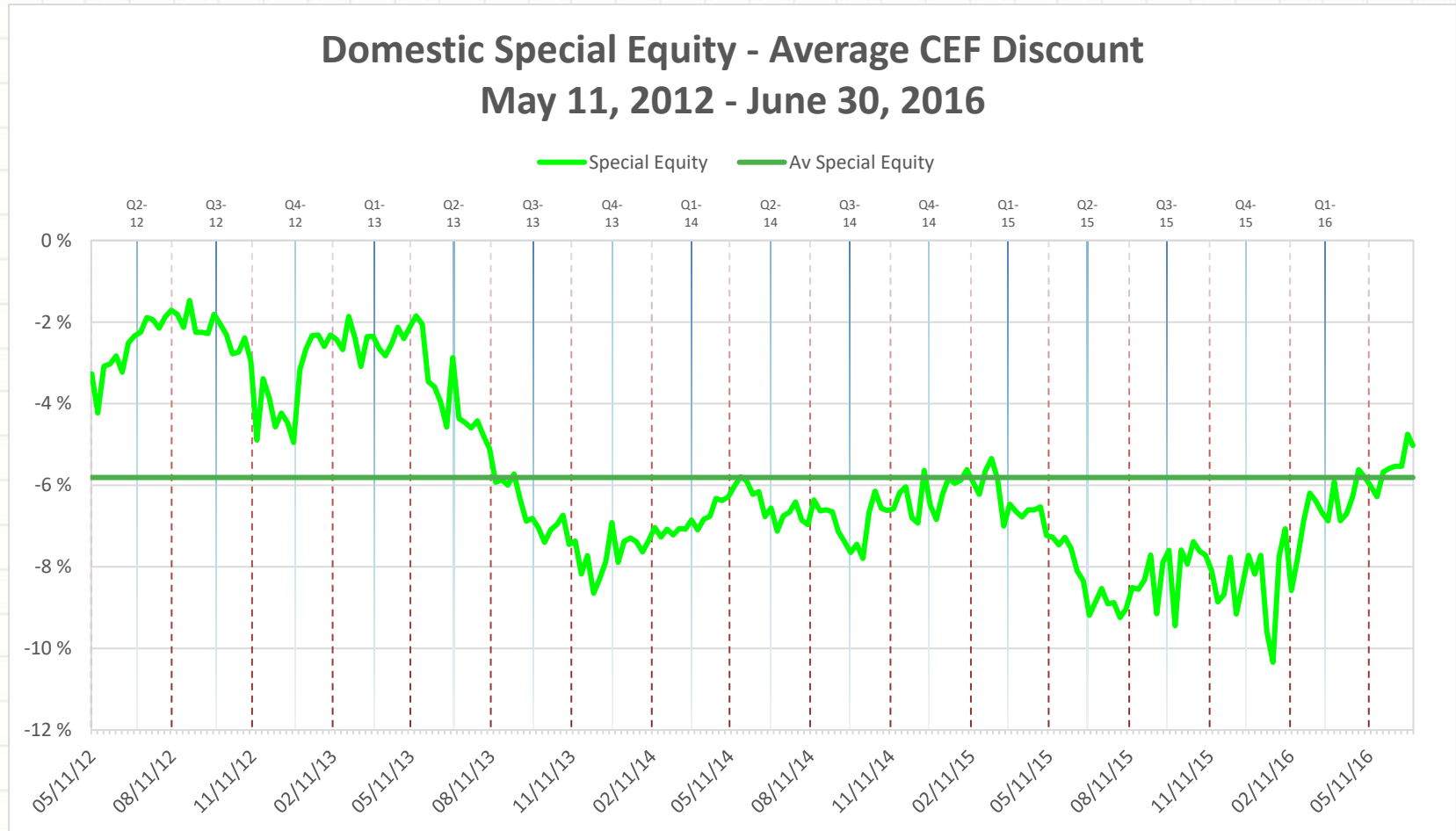
## Average Premium / Discount



Source: June 30, 2016 - CEFA's Closed-End Fund Universe Report

# Domestic Specialty Equity Funds

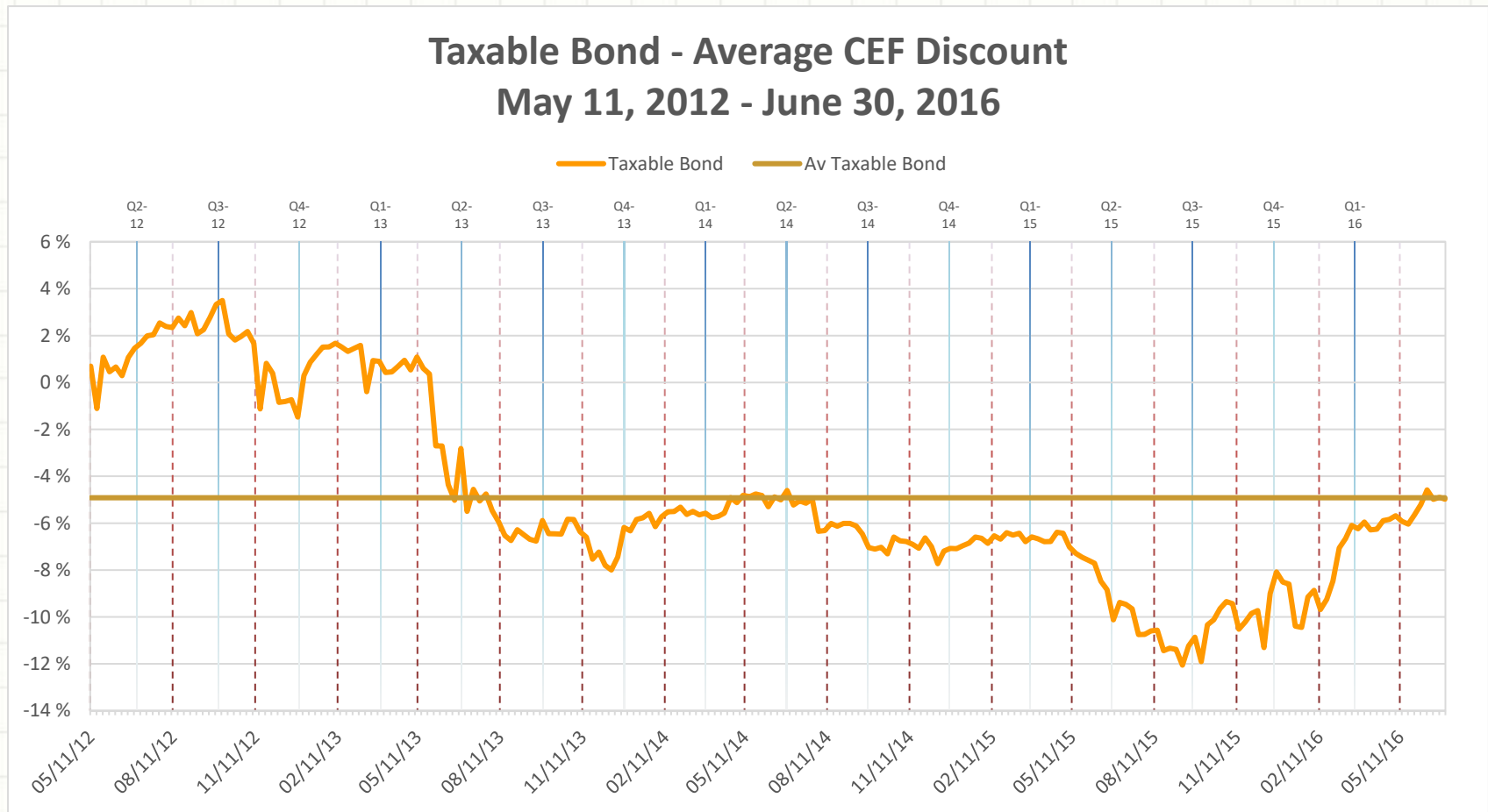
## Average Premium / Discount



Source: June 30, 2016 - CEFA's Closed-End Fund Universe Report

# Taxable Bond Funds

## Average Premium / Discount

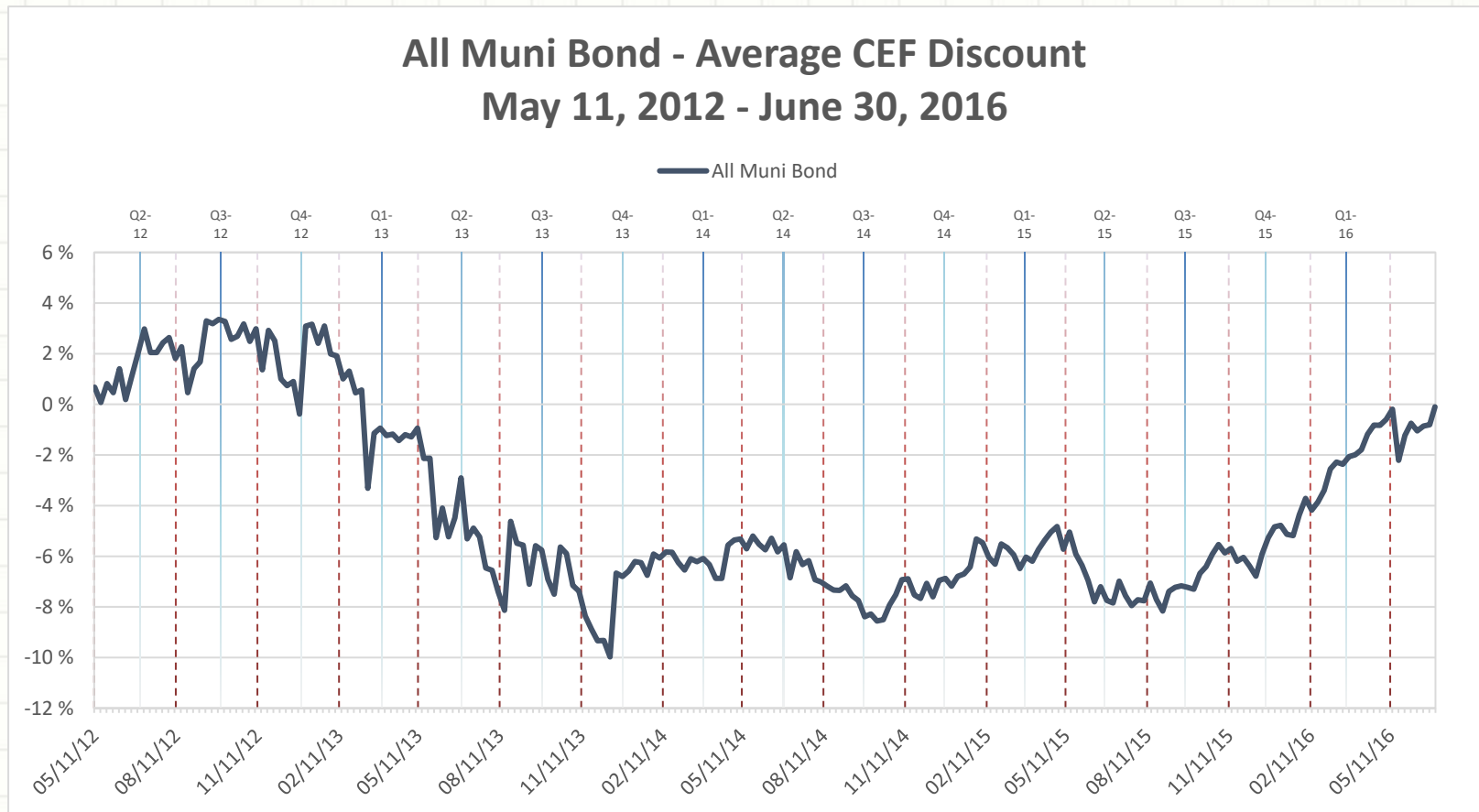


Source: June 30, 2016 - CEFA's Closed-End Fund Universe Report



# Municipal Bond Funds

## Average Premium / Discount

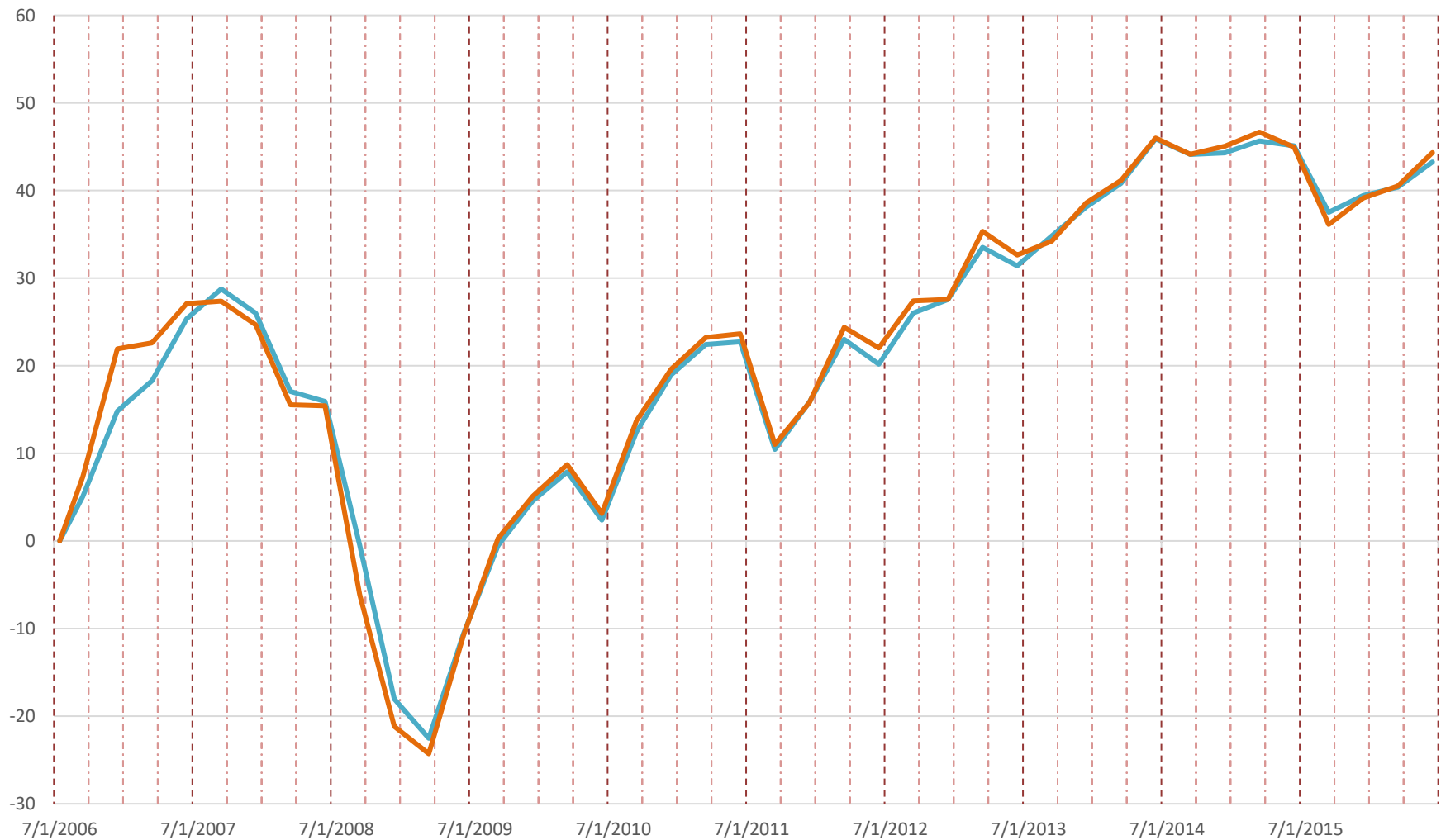


Source: June 30, 2016 - CEFA's Closed-End Fund Universe Report

# All Equity - Total Return

## July 1, 2006 - June 30, 2016

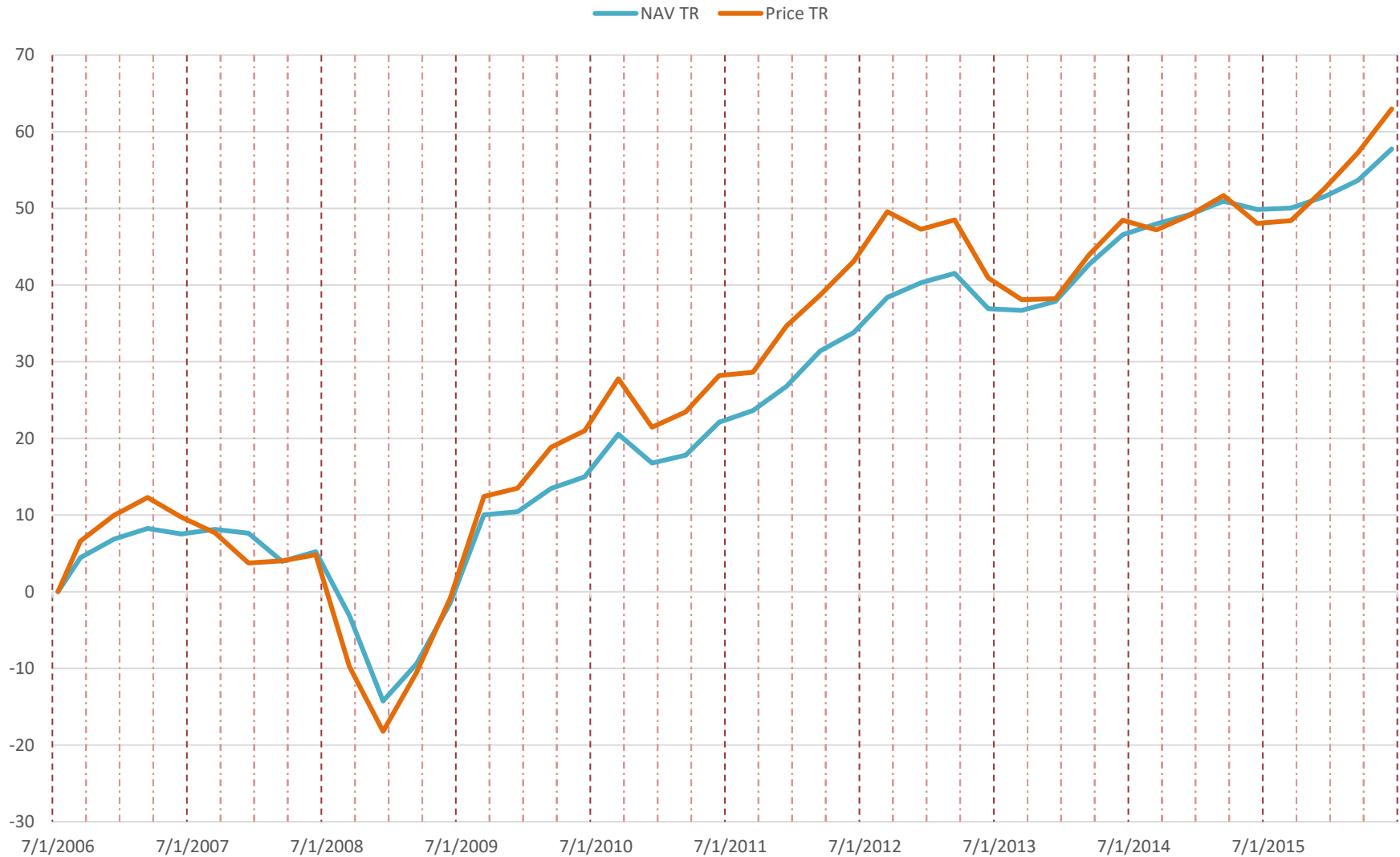
NAV TR Price TR



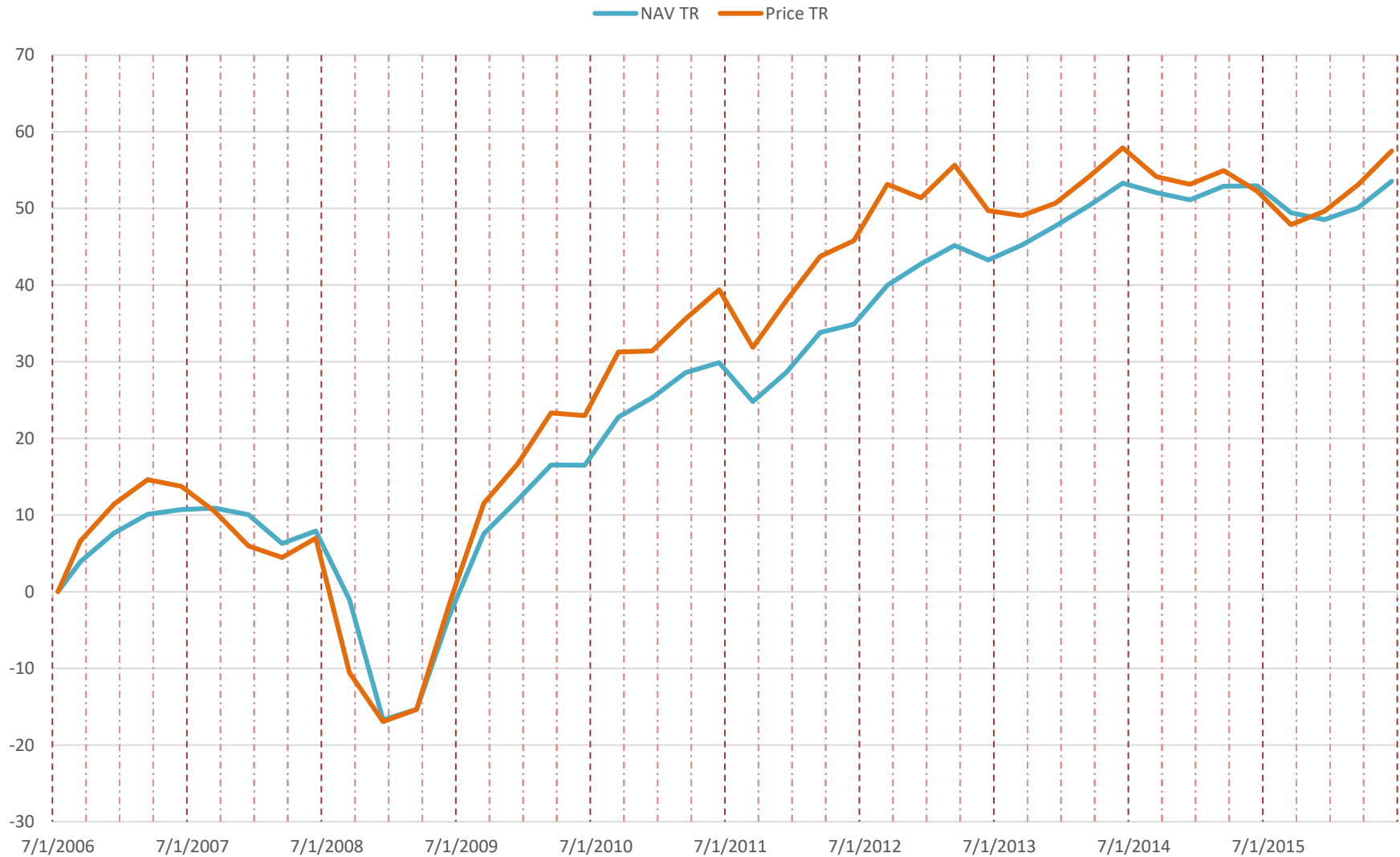
Source: CEFData.com

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

## All Bond - Total Return July 1, 2006 - June 30, 2016



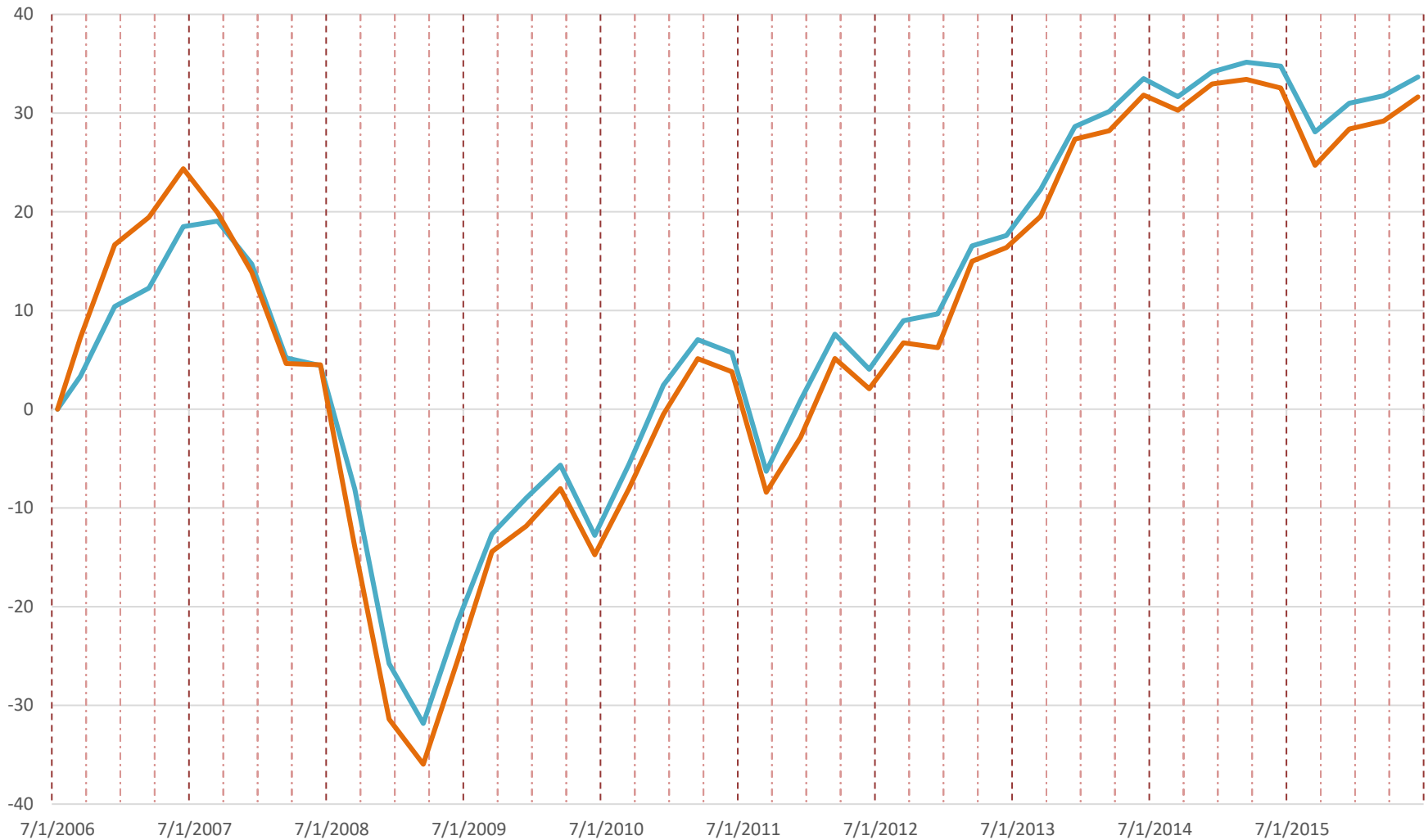
## Taxable Bonds - Total Return July 1, 2006 - June 30, 2016



# US Equity - Total Return

## July 1, 2006 - June 30, 2016

NAV TR Price TR



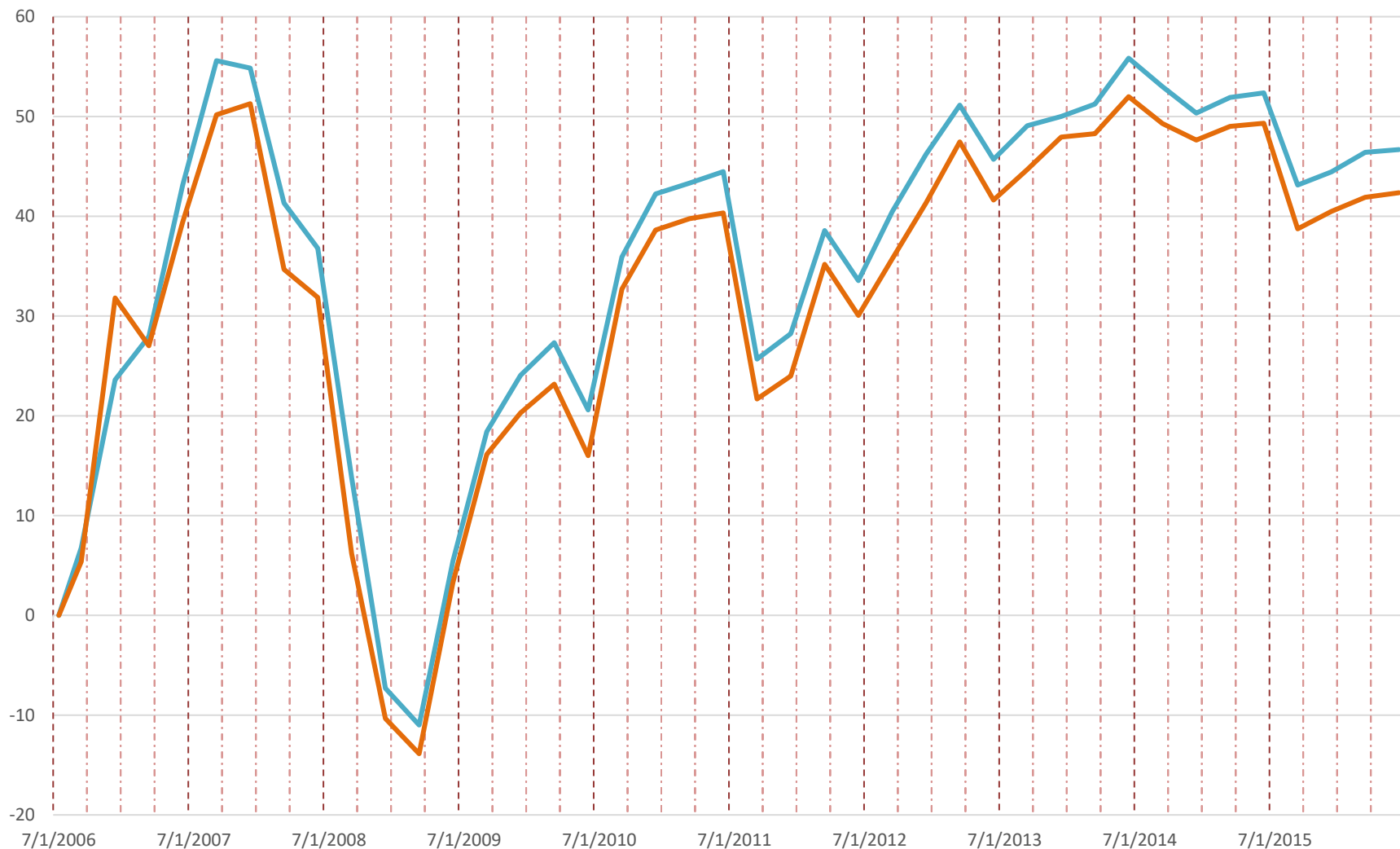
Source: CEFData.com

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

# Non US Equity - Total Return

July 1, 2006 - June 30, 2016

NAV TR Price TR

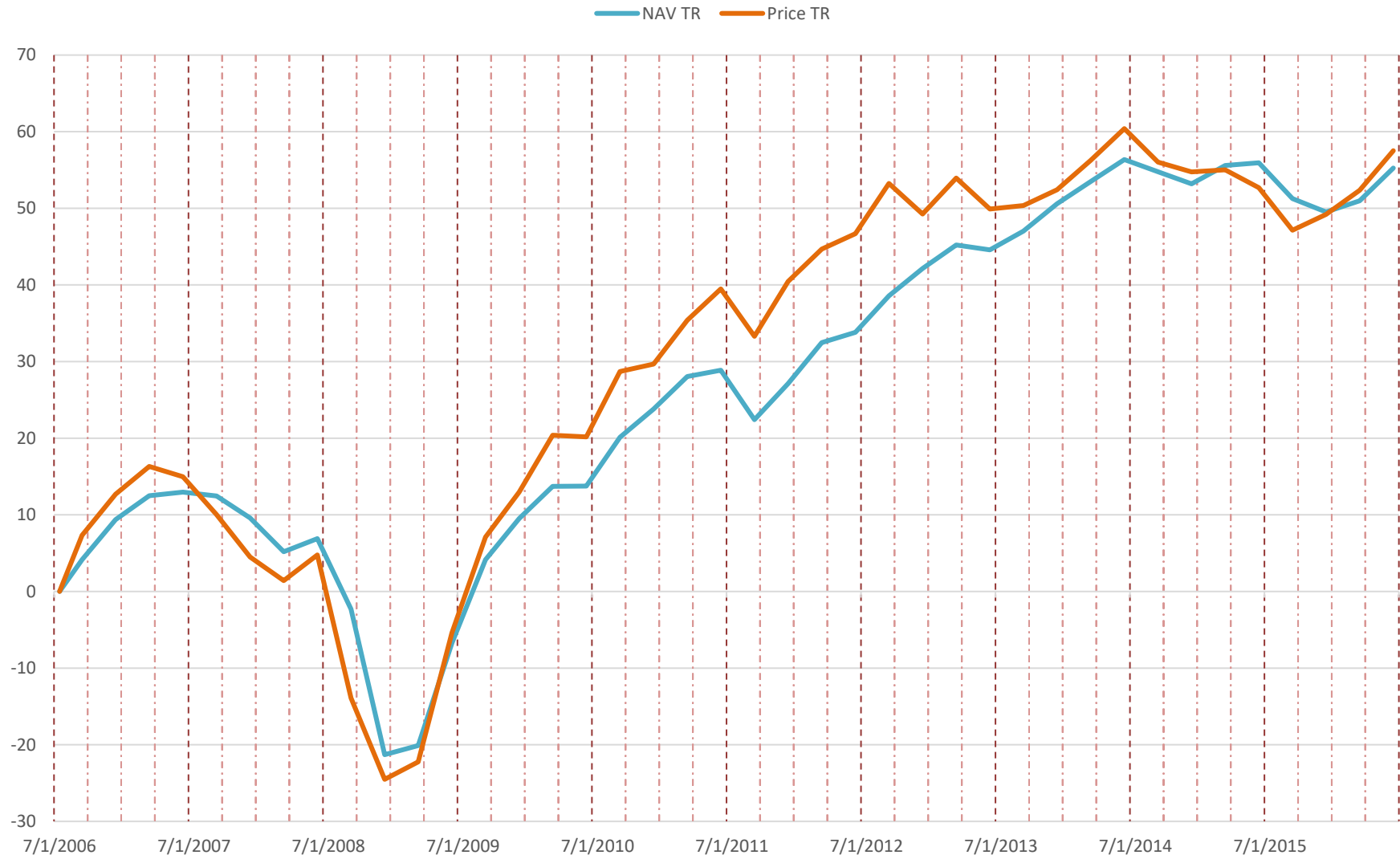


Source: CEFData.com

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

## High Yield Bond - Total Return

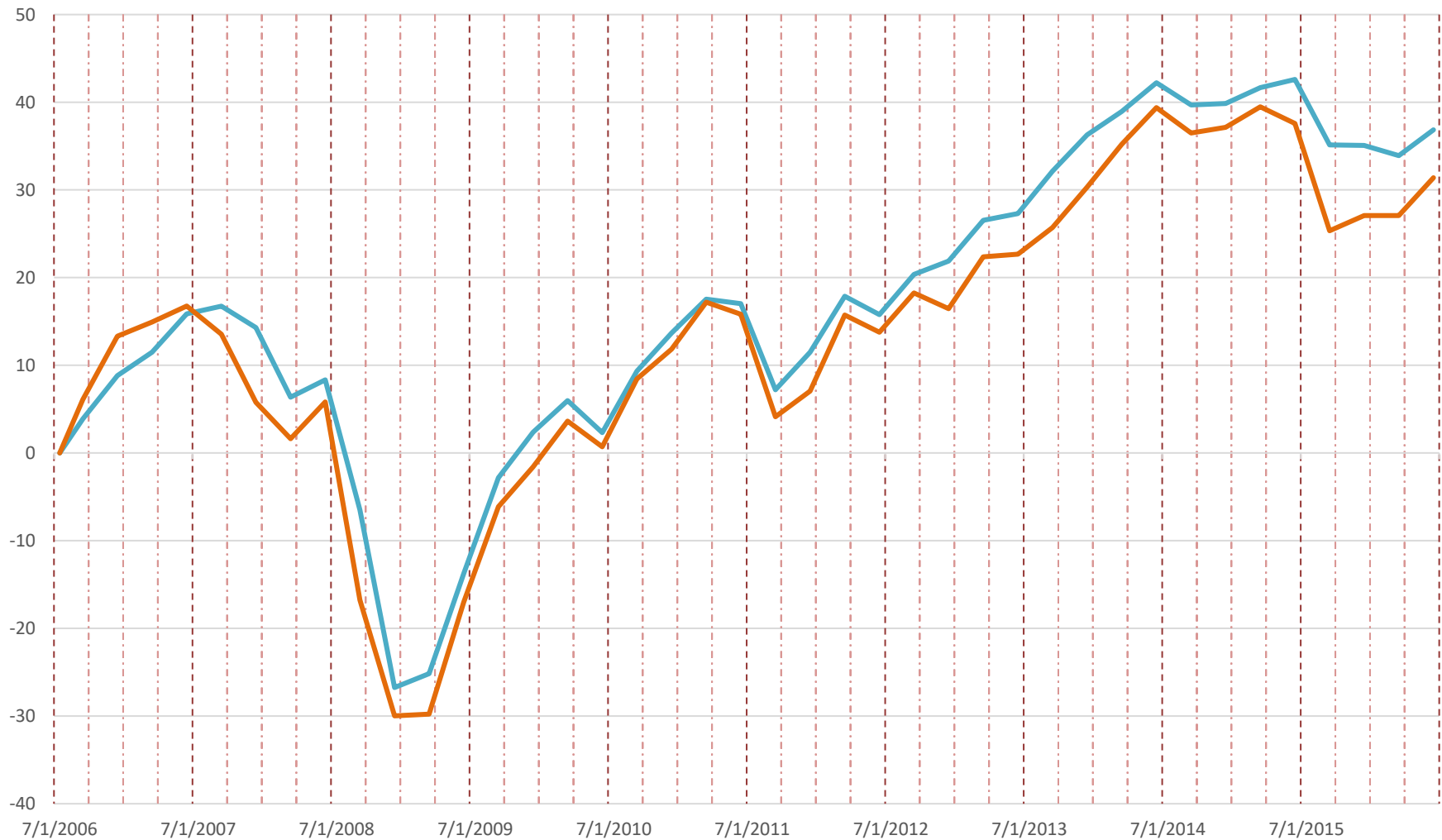
July 1, 2006 - June 30, 2016





## Convertible - Total Return July 1, 2006 - June 30, 2016

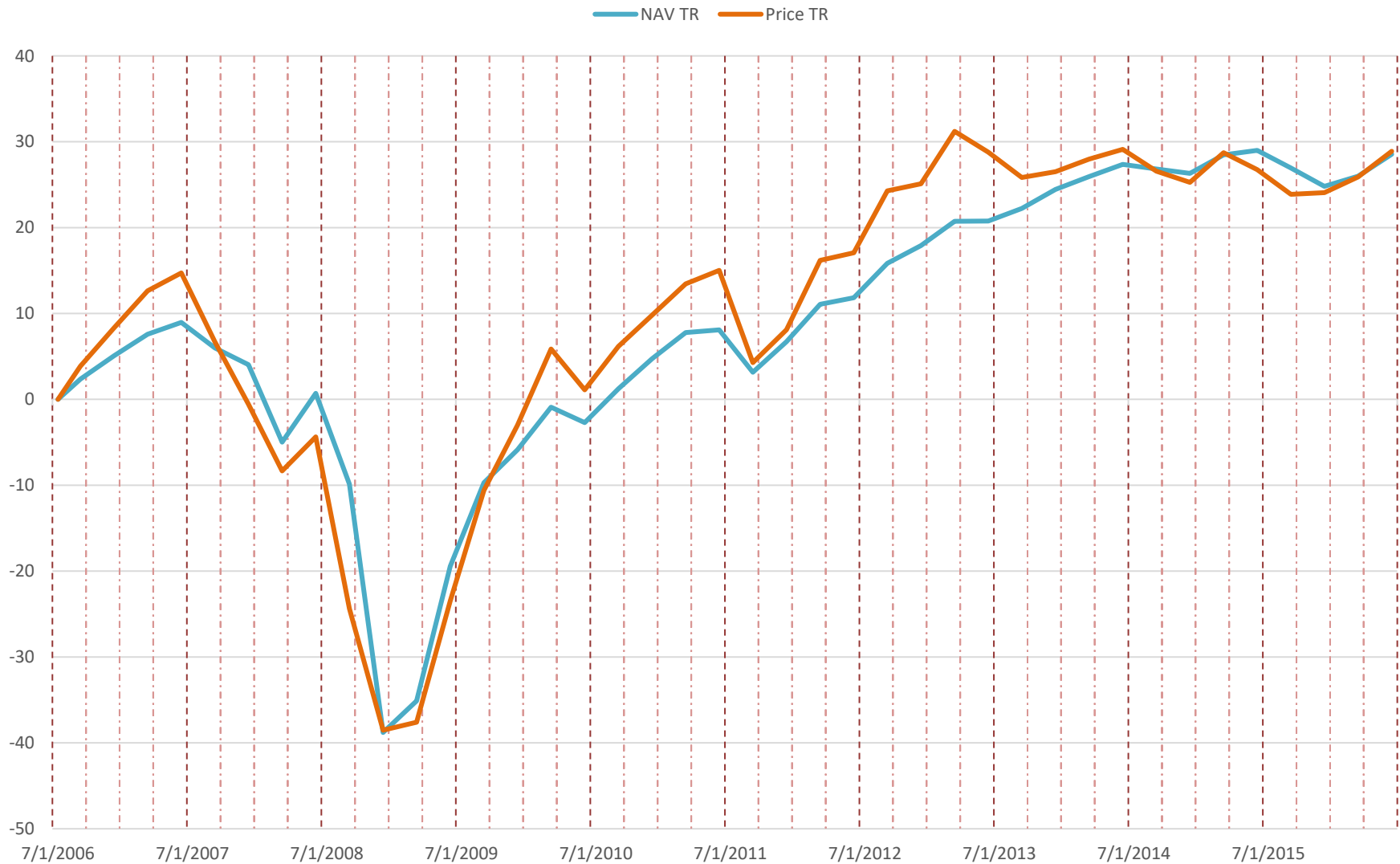
NAV TR Price TR



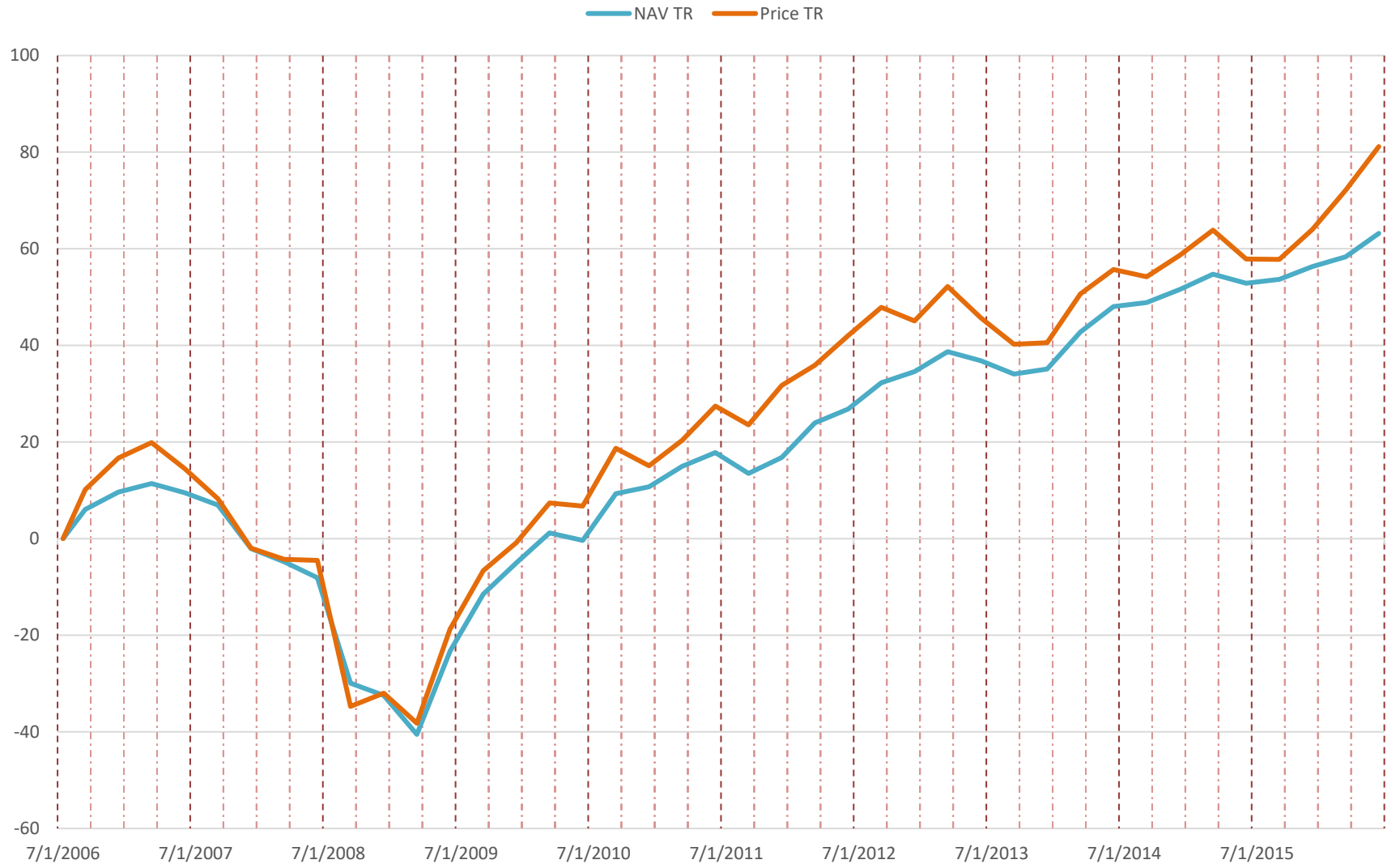
Source: CEFData.com

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

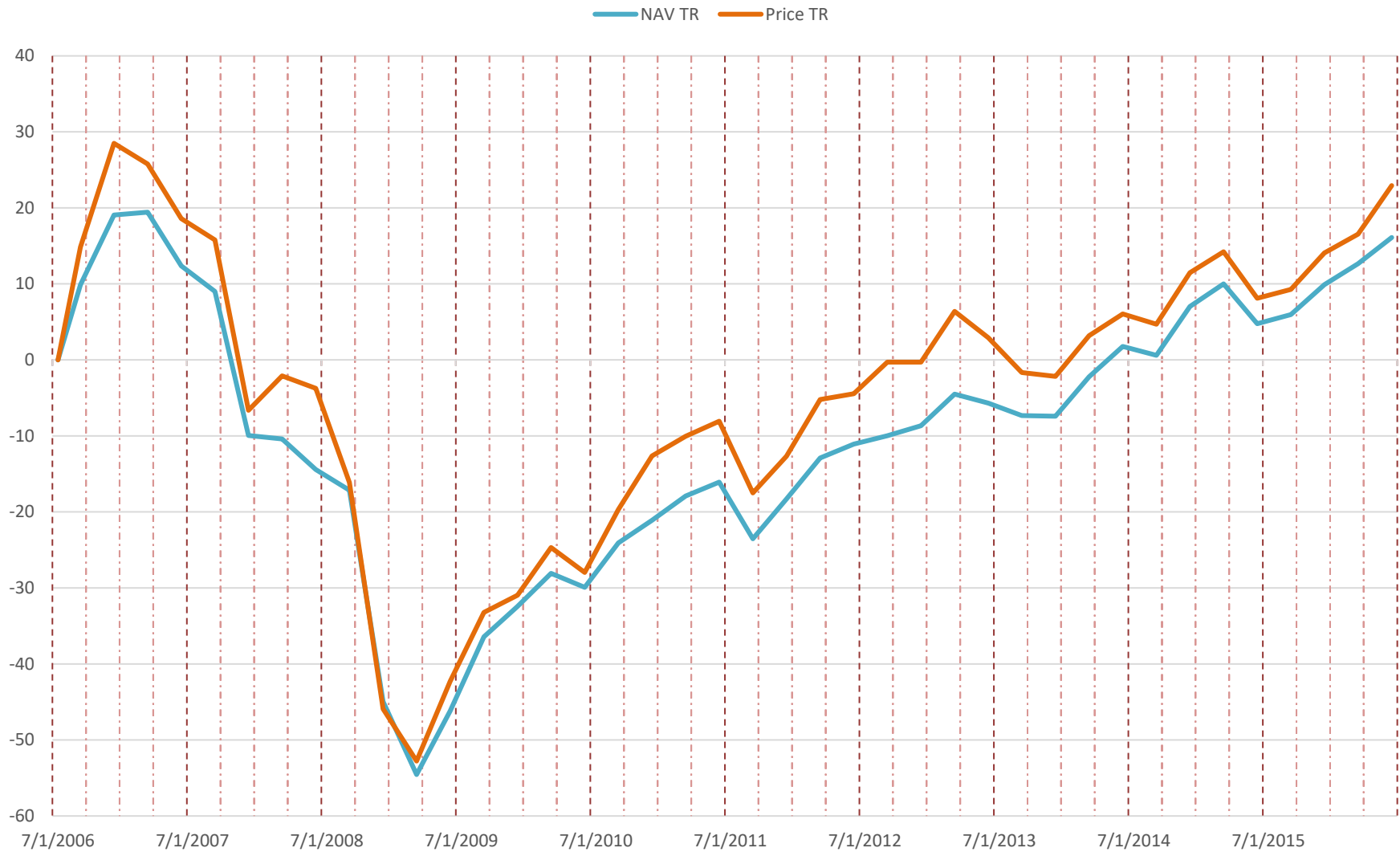
## Senior Loan - Total Return July 1, 2006 - June 30, 2016



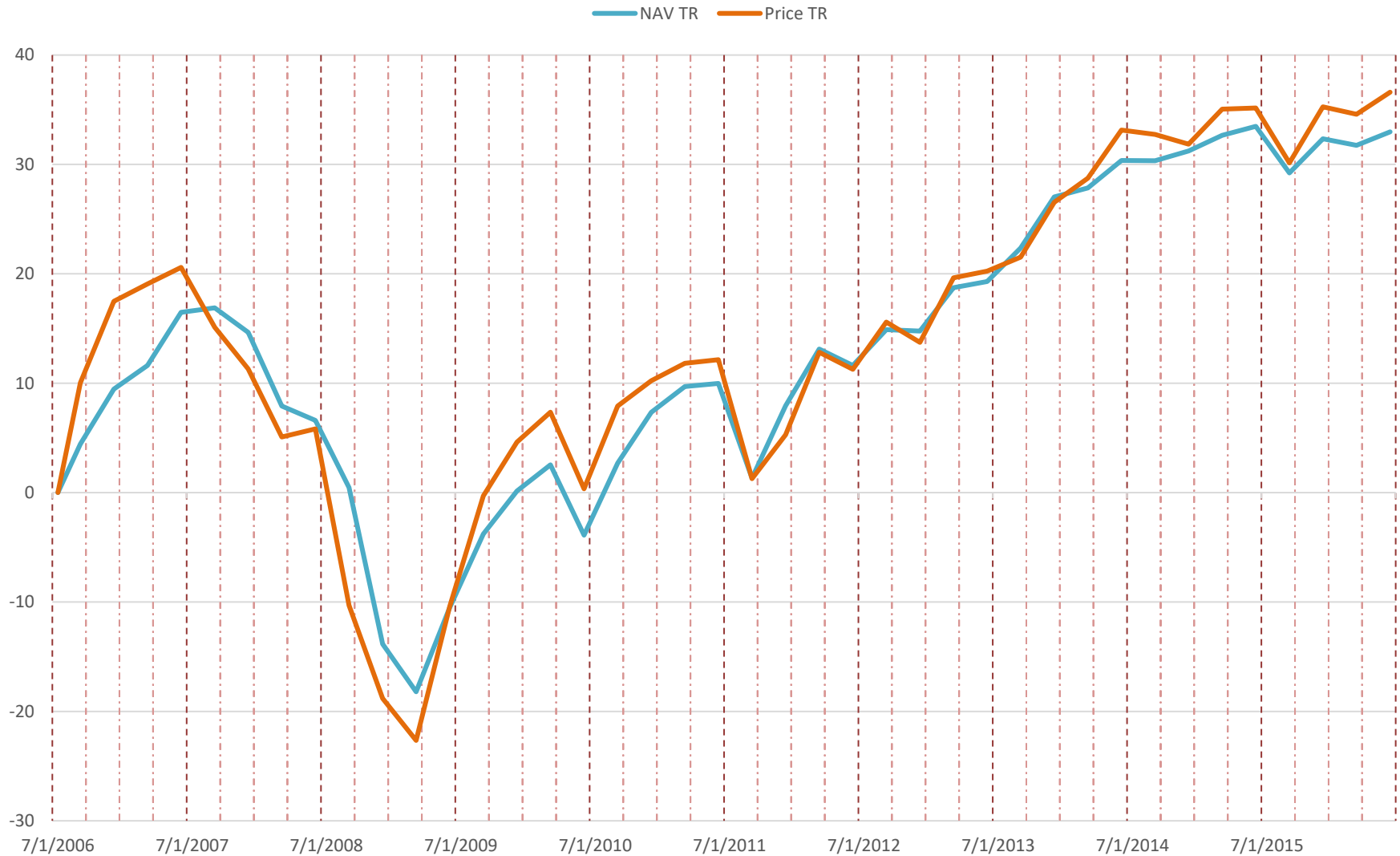
## Preferred Equity - Total Return July 1, 2006 - June 30, 2016



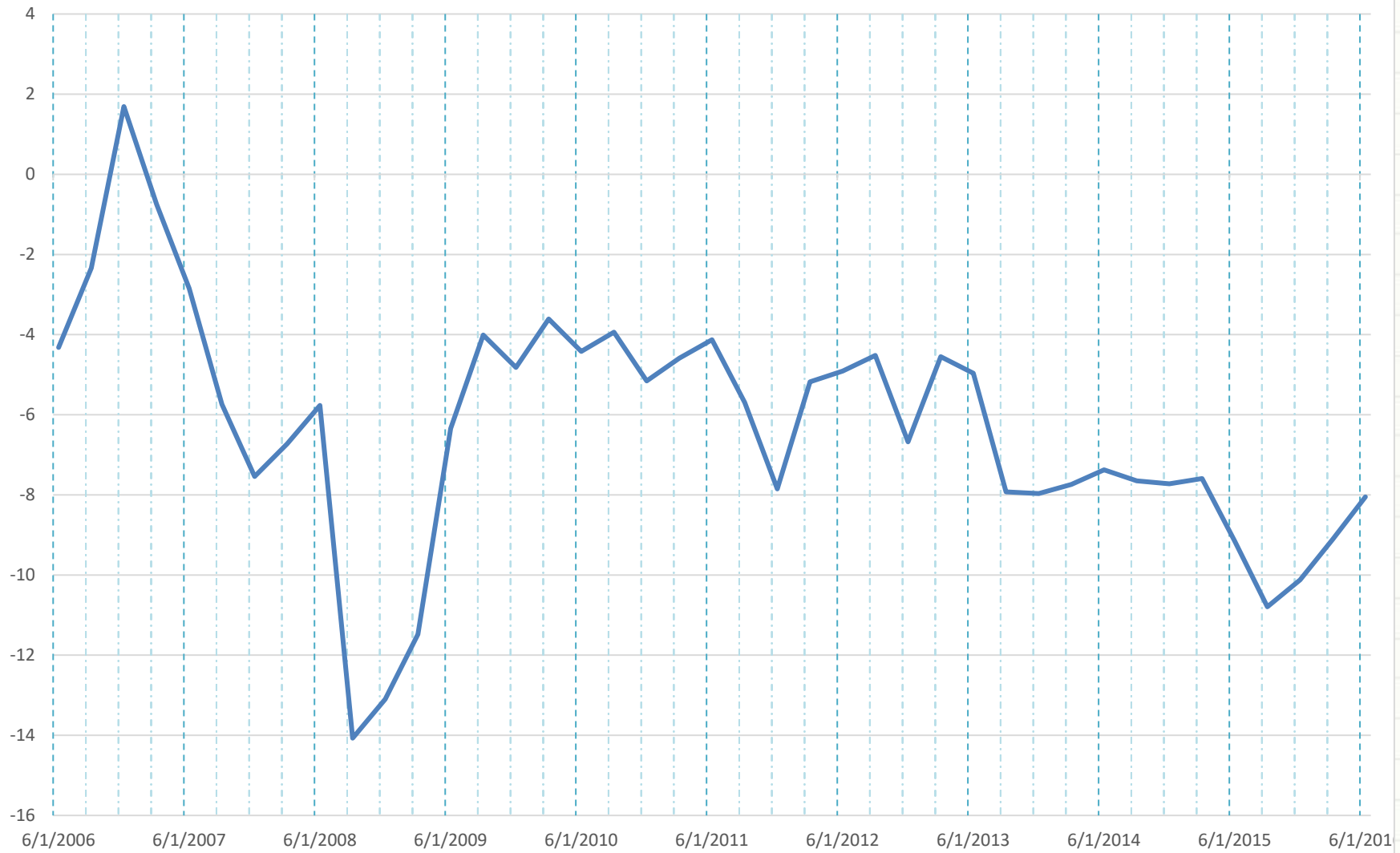
## US REIT - Total Return July 1, 2006 - June 30, 2016



## Covered Call - Total Return July 1, 2006 - June 30, 2016

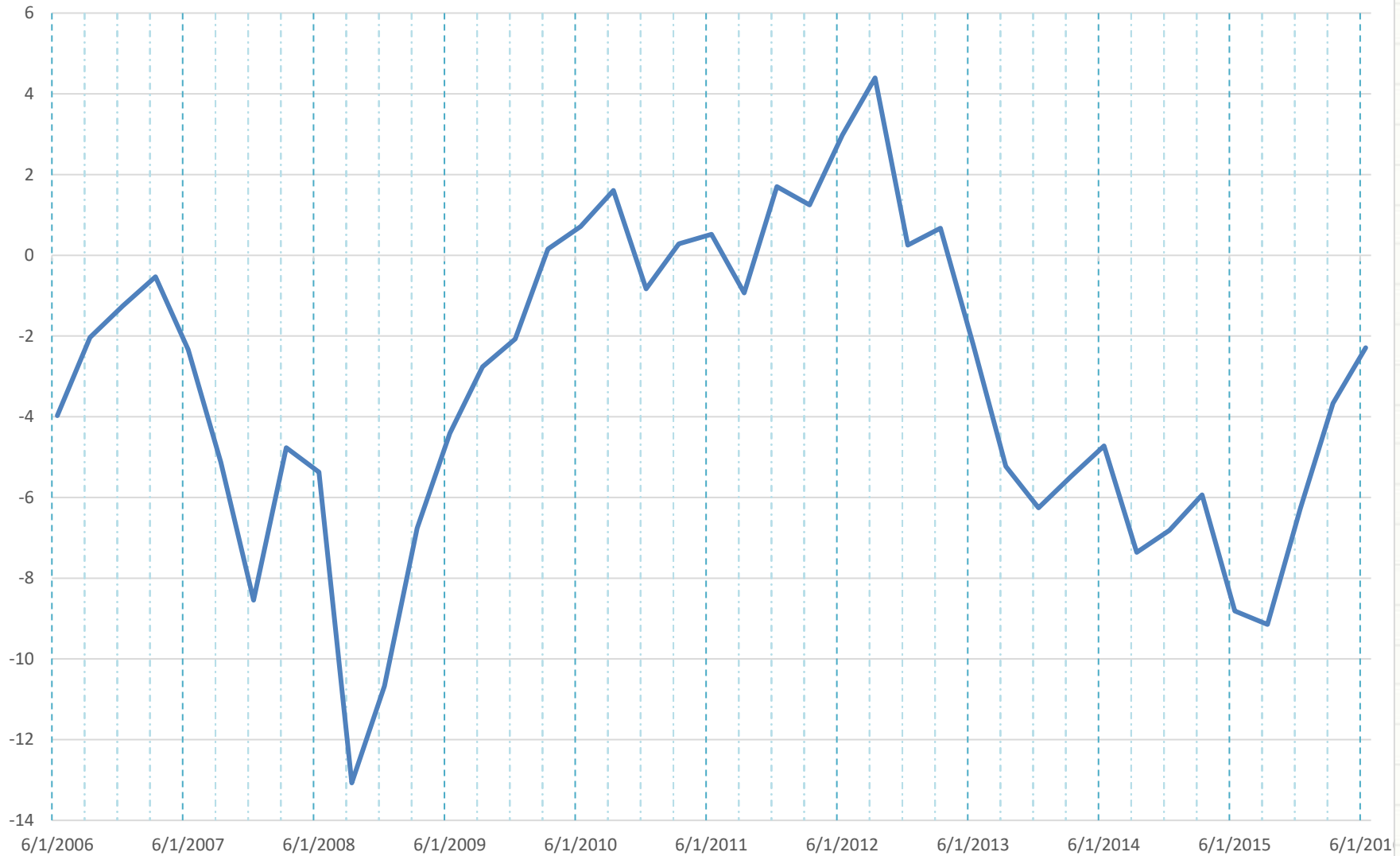


## All Equity - Average Discount / Premium July 1, 2006 - June 30, 2016

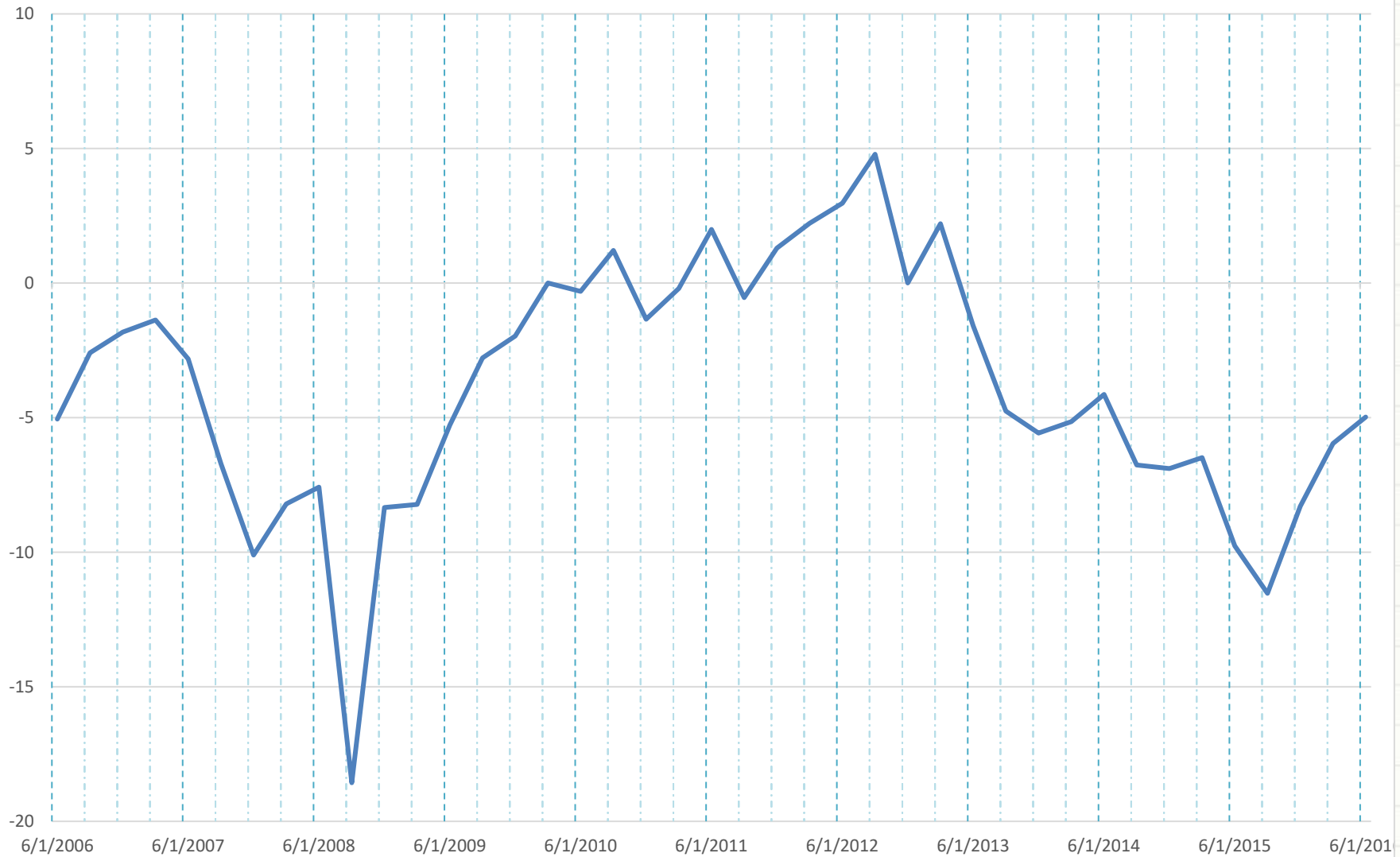




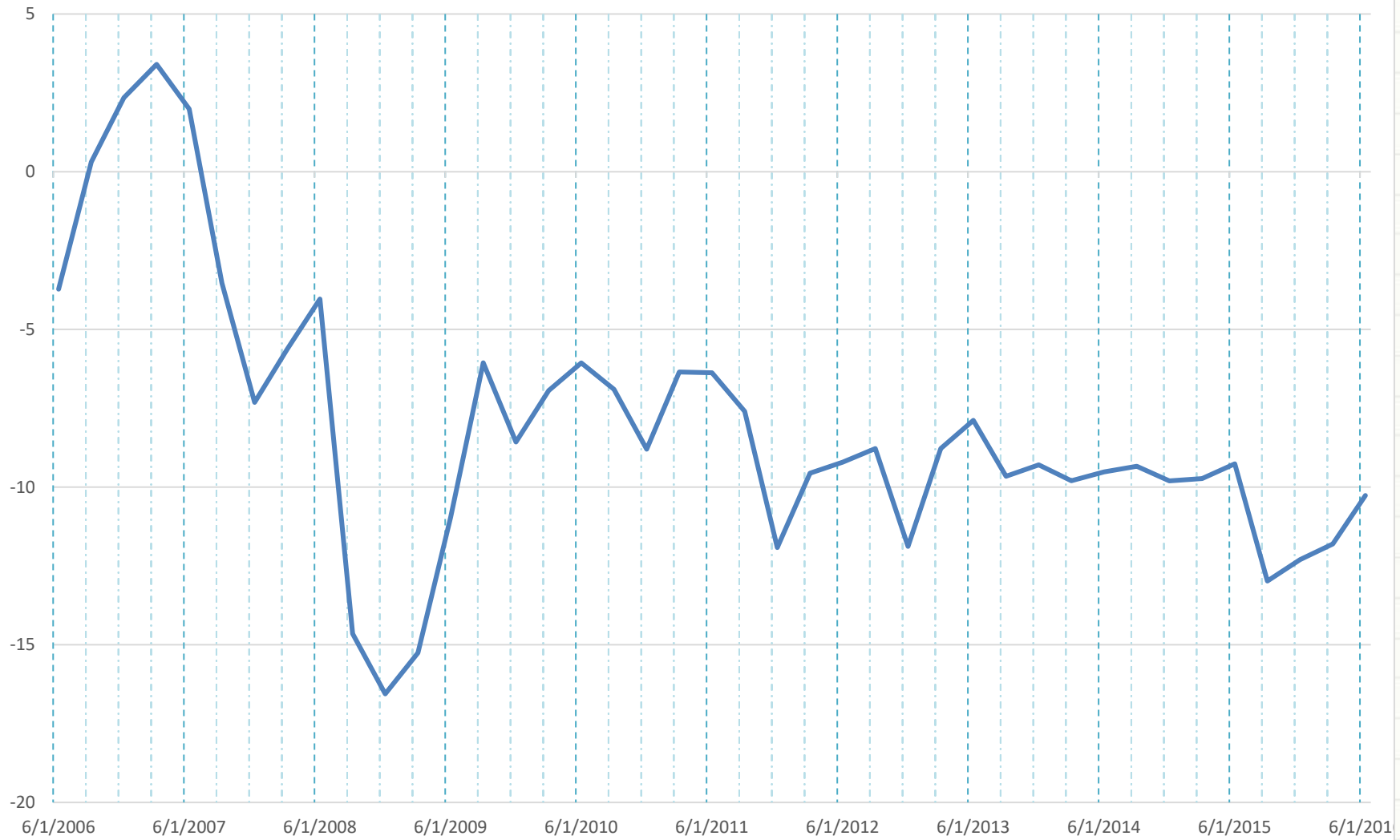
## All Bond - Average Discount / Premium July 1, 2006 - June 30, 2016



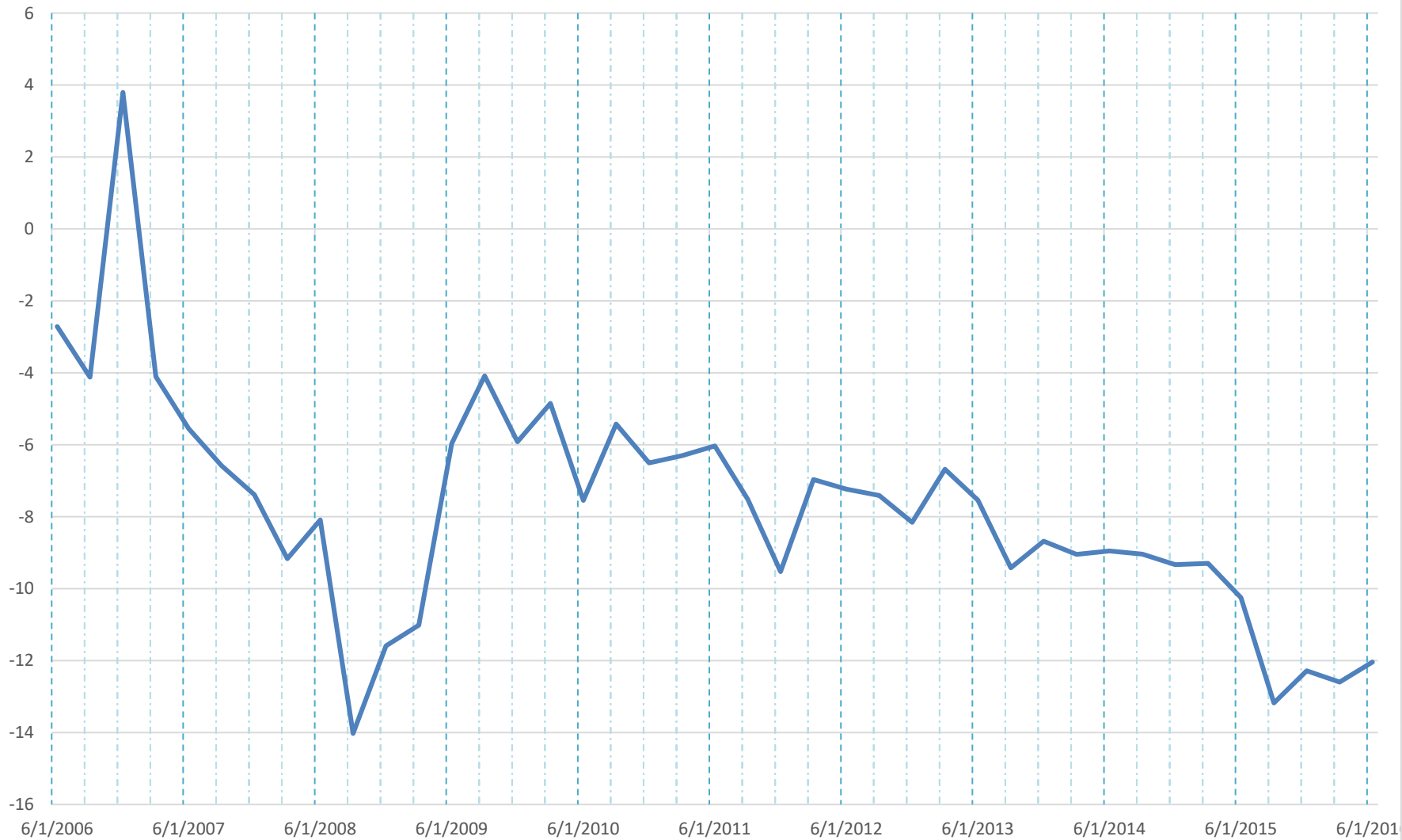
## Taxable - Average Discount / Premium July 1, 2006 - June 30, 2016



## US Equity - Average Discount / Premium July 1, 2006 - June 30, 2016



## Non US Equity - Average Discount / Premium July 1, 2006 - June 30, 2016

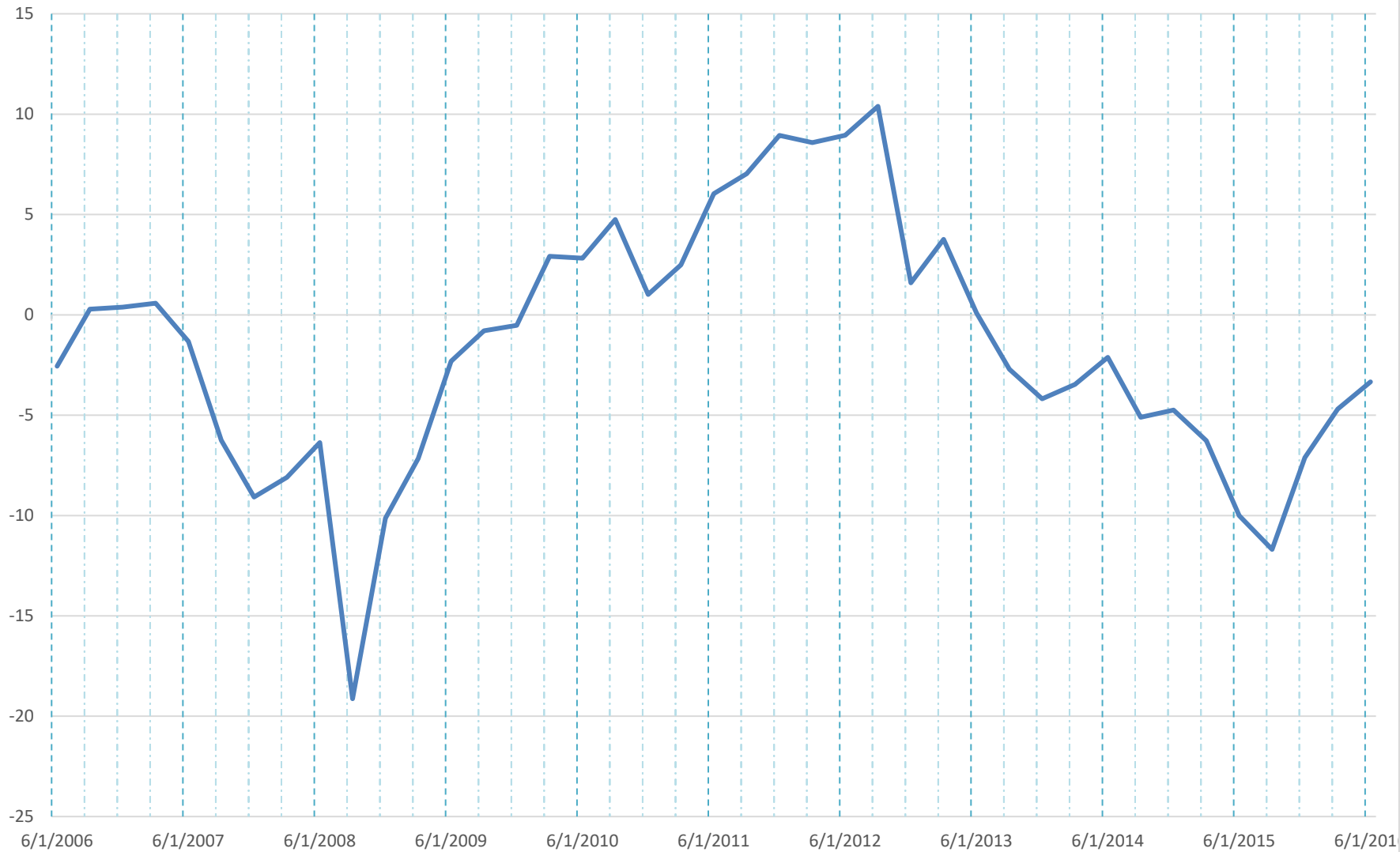


Source: CEFData.com

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

## High Yield Bond - Average Discount / Premium

July 1, 2006 - June 30, 2016

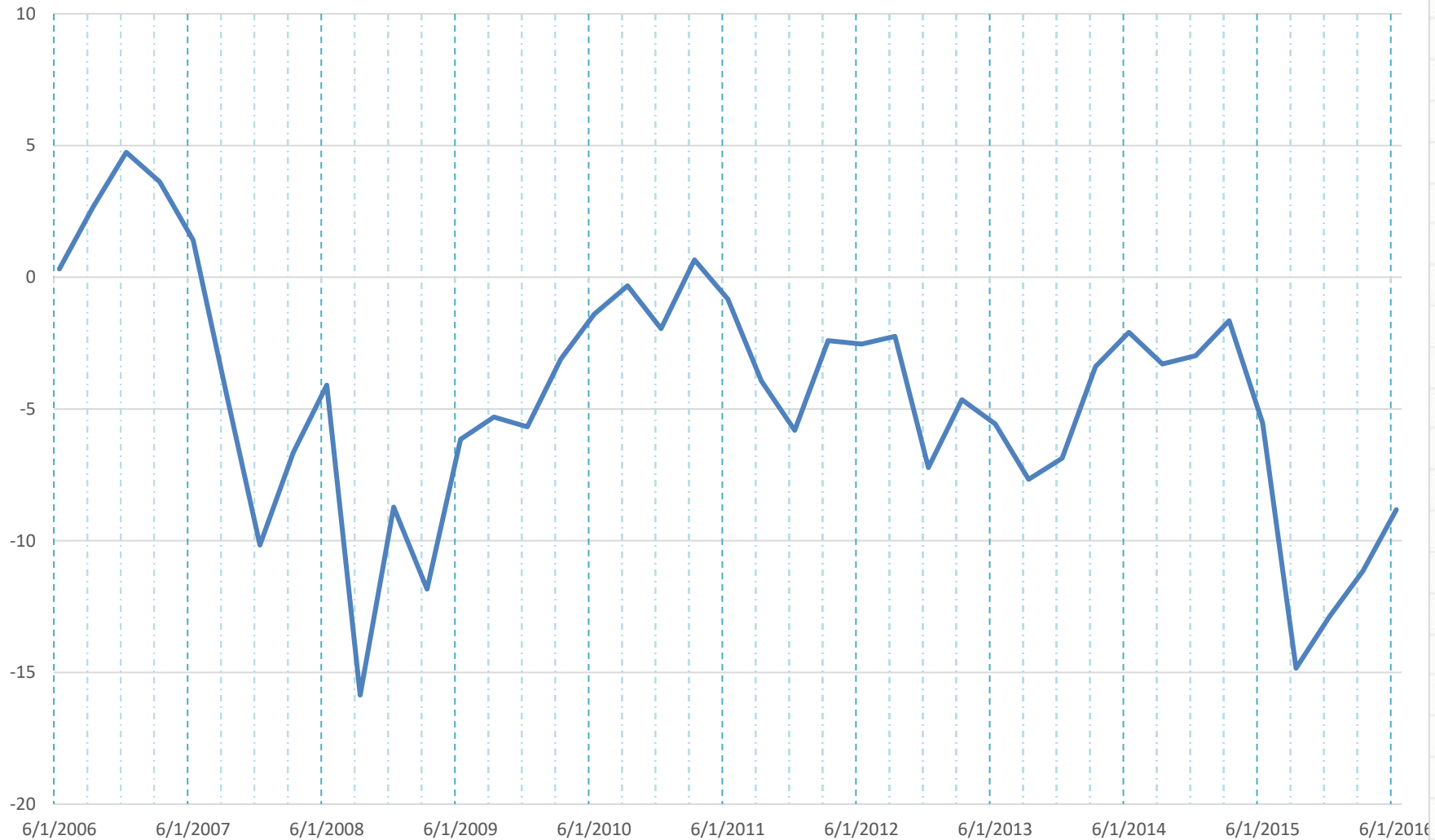


Source: CEFData.com

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

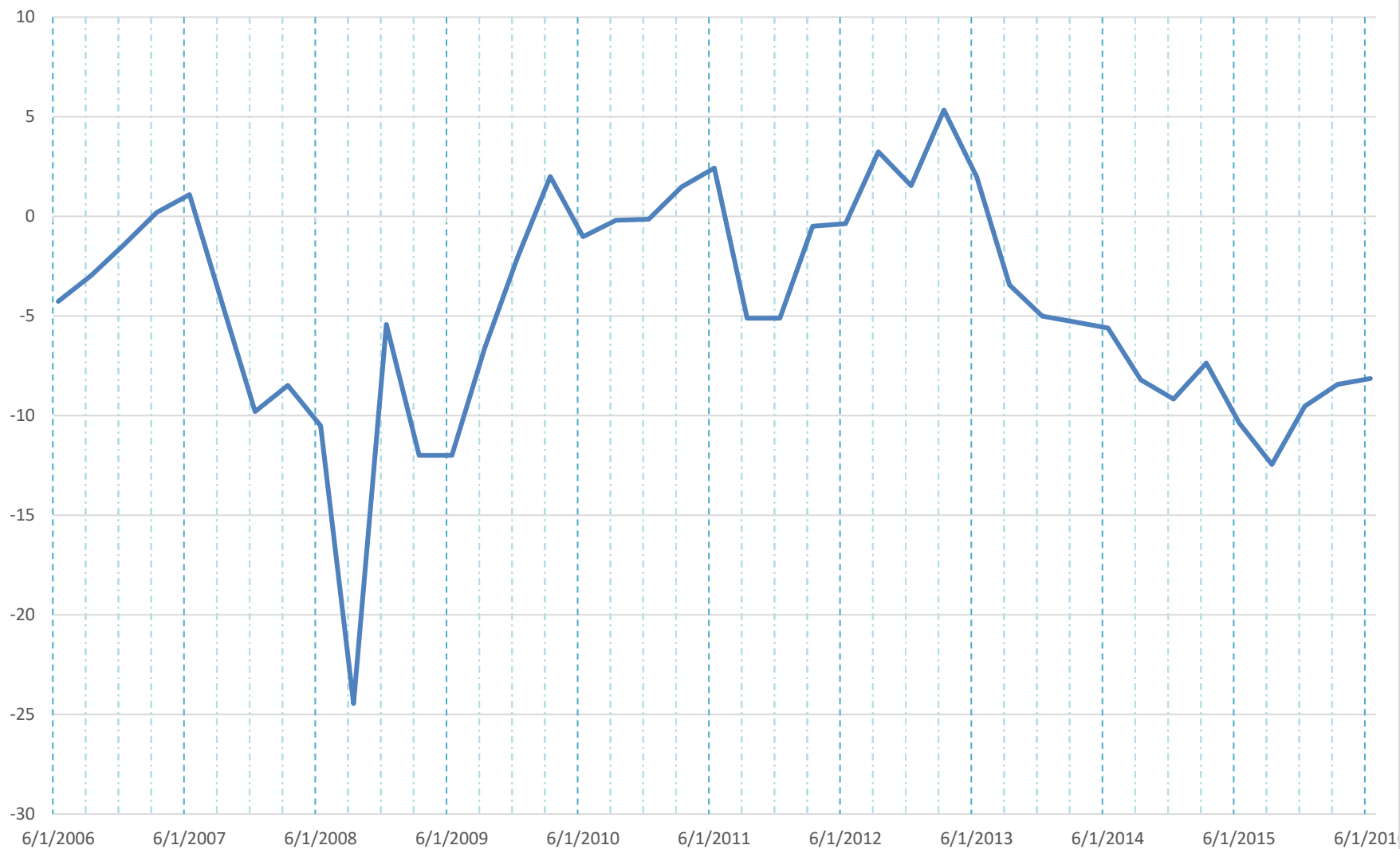
## Convertible - Average Discount / Premium

July 1, 2006 - June 30, 2016

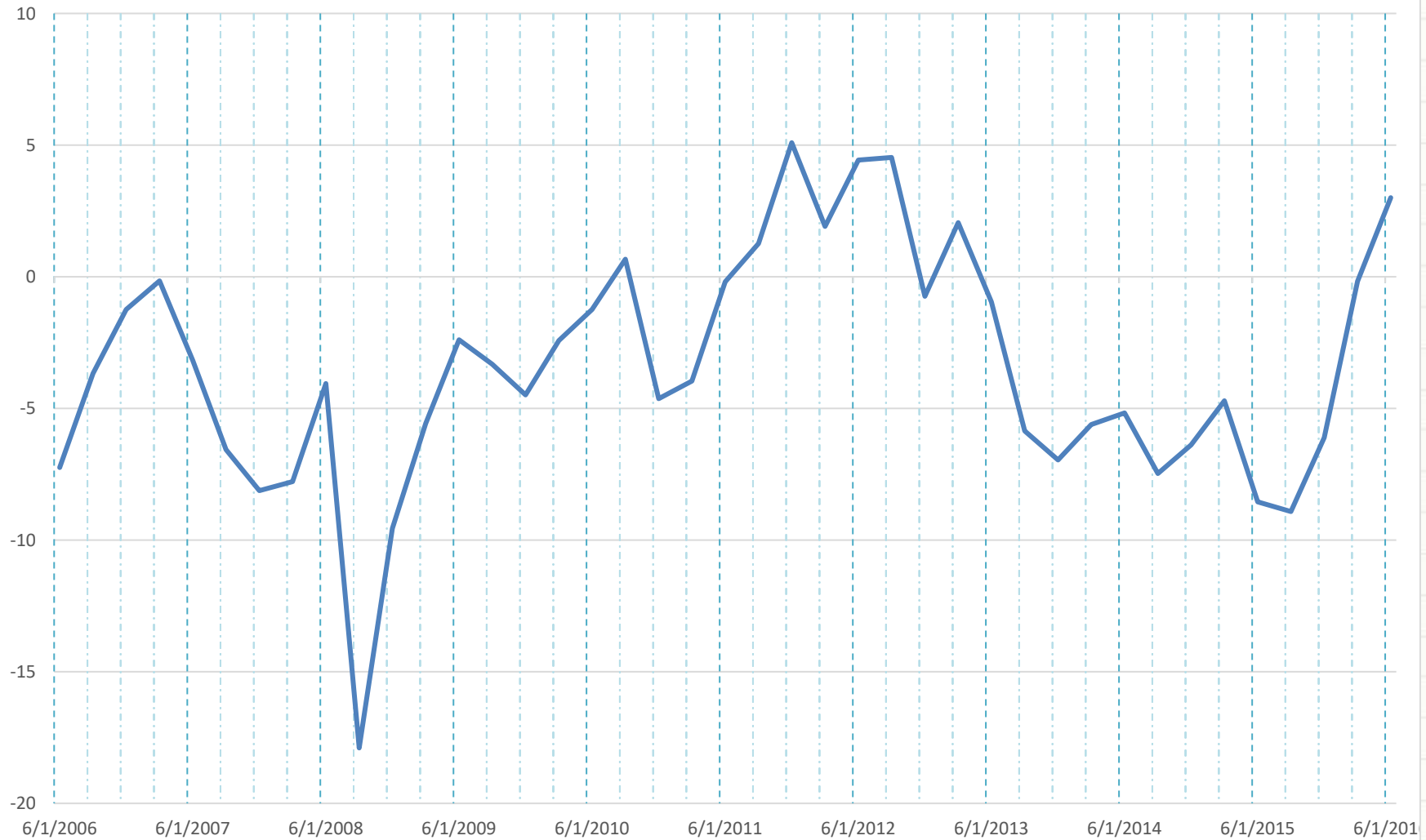




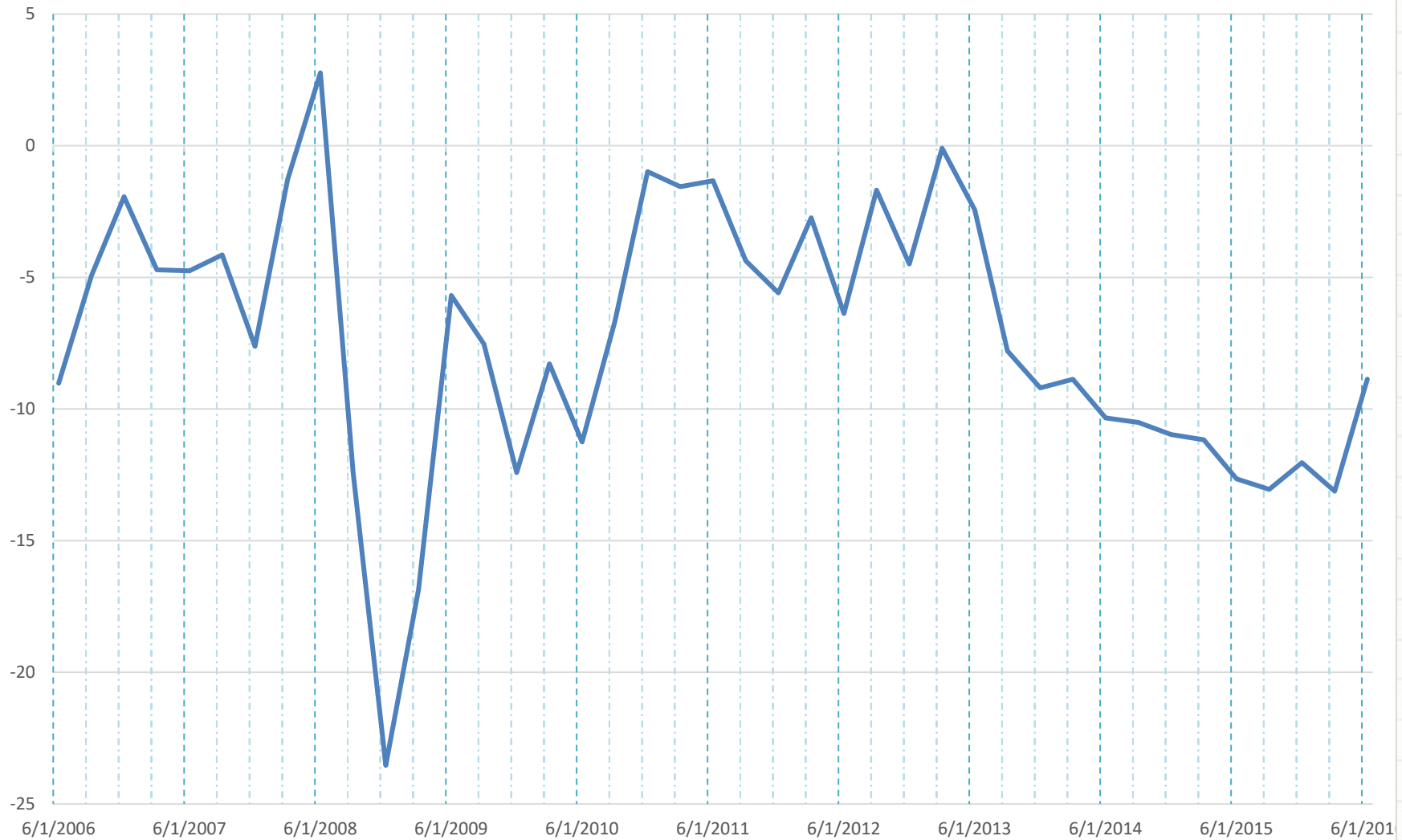
## Senior Loan - Average Discount / Premium July 1, 2006 - June 30, 2016



## Preferred - Average Discount / Premium July 1, 2006 - June 30, 2016



## US REIT - Average Discount / Premium July 1, 2006 - June 30, 2016



## Covered Call - Average Discount / Premium July 1, 2006 - June 30, 2016

