



QUARTERLY CLOSED-END FUND & BDC REVIEW AND OUTLOOK

**1st Quarter 2017 Review &
2nd Quarter 2017 Outlook**

Intermediate/Advanced CEF Skill Level

April 20, 2017

**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.***

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) & Model Service
- 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)



Specializing in CEF/BDC Research, Trading & Portfolio Management

www.CEFadvisors.com

Founded in 1989



What is a Closed-End Fund (CEF) / Business Development Company (BDC) ?

- **1940 Act Investment Company with Fixed-Capital, Active Management, and Daily Liquidity**
- CEFs have traded on The NYSE since 1893
- Tax-advantaged and earnings are passed through to investors in the form of dividends and distributions (similar to REITs and MLPs)
- CEFs can have debt up to 50% net assets and preferred shares up to 100 net assets
- BDCs Limited to 200% asset coverage (total assets / total debt) or “one turn” of leverage, excluding SBIC facilities (BDCs). Higher fee structure w/ carry
- The closed-end structure is not an asset class but an investment vehicle
- BDCs were created by Congress in 1980 to provide an opportunity for individual non-accredited investors to participate in private investments
- BDCs are closed-end funds that provide small, growing companies access to capital
- BDCs are Domestically focused and required to offer portfolio companies ‘*managerial assistance*’



CEF Advisors' 12 Major CEF Sectors Index

Data as of April 3, 2017

ABOUT THE INDEX

The seven most liquid funds by 90-day average trading dollar \$ liquidity in each of the 12 major groupings of funds: Business Development Companies (BDCs), Convertible Bonds, Covered Call Funds, Global Equity, High Yield Bonds, Investment Grade Bonds, Master Limited Partnership (MLP), Municipal Bonds, Preferred Equity, REITs/Real Assets, Senior Loans, and US Equity. Combine leverage and non-leverage groupings into one grouping when calculating the seven funds. The funds will be equal weight in the index. If there are less than seven available funds in a specific grouping, then equal weight the grouping with the smaller number of funds available. Each group will be 1/12 of the indexes over-all weighting. The index constituents will be rebalanced each quarter.

INDEX PERFORMANCE

	Current(\$)	Previous Day(%)	1 Week(%)	1 Month(%)	3 Month(%)	6 Month(%)	1 Year(%)	3 Year(%)	5 Year(%)	MTD(%)	QTD(%)	YTD(%)
Price	1,062.57	0.33	2.13	0.25	6.26	5.90	19.00	6.34	8.01	0.33	0.33	6.26
NAV	1,115.58	0.20	2.24	1.09	5.01	5.49	16.26	6.06	8.69	0.20	0.20	5.01
Difference		-0.13	0.11	0.84	-1.25	-0.41	-2.74	-0.27	0.68	-0.13	-0.13	-1.25
* Periods greater than 1 Year are annualized. ** On Inception Date (12/30/16), Index Price was \$1,000 and NAV was \$1,062.36												

2017 - Monthly Performance (%)																	
	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	2017
Price	3.20	2.74	-0.12	5.91	-	-	-	-	-	-	-	-	-	-	-	-	-
NAV	1.59	1.99	1.15	4.80	-	-	-	-	-	-	-	-	-	-	-	-	-

DISCOUNT



CHARACTERISTICS

PORTFOLIO Weighted Average Data				
Discount -3.43%	1Yr Disc -5.26%	3Yr Disc -6.30%	5Yr Disc -4.21%	Rel Disc Range (3yr) 65.09%
Mkt Yield 7.95%	Lev Adj NAV Yield 6.42%	After Tax Yield* 6.63%	Est Tax Friction* 1.32%	
1 Yr RoC 23.84%	3 Yr Dest RoC 16.34%	Leverage 22.90%	Non Lev Exp Ratio 1.59%	3Yr NAV Volatiliy 10.71
Equity Exposure 39.35%	Bond Exposure 59.19%	# Holdings 84	Cash Weighted Duration 2.69	Beta (2yr) 0.65
Comp NAV TR -0.45%	Comp Discount 1.55%	Net Assets (M) 1,147	Liquidity - 90d (K) 4,396	

* Based on marginal tax rates of 25% and long-term capital gains rates of 15%.

Closed-End Fund Advisors

Asset Class Annual Returns 2007 - 2017

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD	2007 - 2016
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%	Senior Loan 24.73%	World Stock 7.21%	MLP 12.21%
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%	BDC 24.42%	BDC 7.18%	Convertible 9.31%
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%	MLP 18.31%	US Stock 6.07%	Senior Loan 9.13%
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%	HY Bond 17.49%	Convertible 5.76%	HY Bond 9.12%
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%	US Stock 11.96%	Preferred 5.27%	BDC 9.01%
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%	Convertible 11.94%	Covered Call 4.91%	US Stock 8.76%
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%	Covered Call 7.31%	MLP 3.95%	Covered Call 6.20%
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%	REIT 7.24%	HY Bond 2.71%	Corporate Debt 5.63%
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%	Corporate Debt 5.98%	Senior Loan 2.32%	Muni Bond 4.37%
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%	World Stock 5.01%	Muni Bond 1.41%	World Stock 4.18%
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%	Preferred 1.94%	Corporate Debt 1.21%	REIT 3.79%
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%	Muni Bond 0.77%	REIT 0.03%	Preferred -0.08%

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. "2007 - 2016" 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 3/31/2017. 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 2007 - 2017

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD	2006 - 2015
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 -0.77%	Preferred -0.93%	MLP 0.73%
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 -1.88%	BDC -2.38%	HY Bond -1.80%
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 -3.74%	Senior Loan -3.08%	Investment Grade -2.43%
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%	HY Bond -4.84%	Investment Grade -3.25%	Muni Bond -2.90%
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%	MLP -5.05%	Muni Bond -3.46%	Preferred -3.62%
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 -7.39%	MLP -4.71%	Senior Loan -4.85%
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 -8.75%	HY Bond -5.61%	Convertible -5.21%
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 -10.08%	Covered Call -6.20%	BDC -5.46%
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%	BDC -10.98%	Convertible -6.80%	Covered Call -7.16%
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%	US Stock -11.47%	REIT -10.70%	World Stock -7.54%
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 -11.62%	World Stock -11.27%	REIT -7.71%
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%	World Stock -12.44%	US Stock -11.32%	US Stock -8.74%

Historical Premium / Discount expressed as average value over each year. 2017 YTD Premium / Discount average value as of March 31, 2017. "2007 - 2016" 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

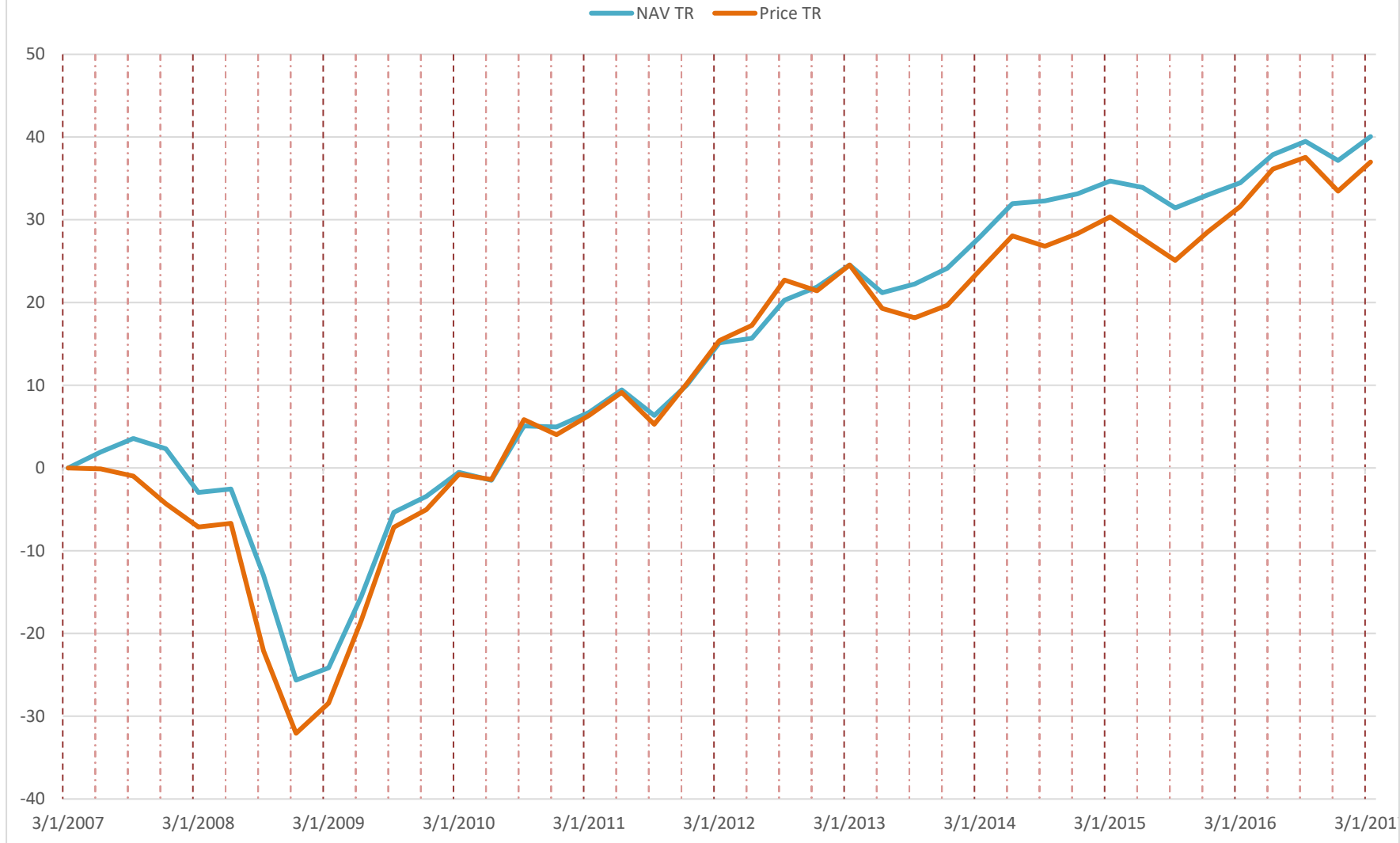
Closed-End Funds - NAV Total Return Correlation (10 Year)

	MLP	BDC	Convertible	HY Bond	Muni Bond	Senior Loan	Preferred	World Stock	Cov Call	US Stock	REIT	Investment Grade
MLP	100%	40.7%	78.7%	77.9%	37.2%	72.1%	46.7%	65.3%	69.7%	69.8%	52.6%	59.8%
BDC	40.7%	100%	44.1%	41.7%	13.8%	37.3%	14.2%	40.2%	43.0%	45.8%	29.1%	23.0%
Convertible	78.7%	44.1%	100%	96.1%	50.3%	90.2%	72.8%	92.4%	92.1%	93.5%	81.1%	83.7%
HY Bond	77.9%	41.7%	96.1%	100%	56.4%	95.4%	75.1%	86.4%	83.6%	85.7%	85.1%	87.8%
Muni Bond	37.2%	13.8%	50.3%	56.4%	100%	58.7%	47.9%	43.0%	32.3%	32.8%	48.2%	57.1%
Senior Loan	72.1%	37.3%	90.2%	95.4%	58.7%	100%	63.5%	76.2%	73.2%	75.2%	75.0%	77.1%
Preferred	46.7%	14.2%	72.8%	75.1%	47.9%	63.5%	100%	76.6%	67.4%	72.5%	82.8%	93.5%
World Stock	65.3%	40.2%	92.4%	86.4%	43.0%	76.2%	76.6%	100%	91.6%	92.3%	78.7%	84.6%
Cov Call	69.7%	43.0%	92.1%	83.6%	32.3%	73.2%	67.4%	91.6%	100%	98.4%	79.9%	74.1%
US Stock	69.8%	45.8%	93.5%	85.7%	32.8%	75.2%	72.5%	92.3%	98.4%	100%	84.0%	78.0%
REIT	52.6%	29.1%	81.1%	85.1%	48.2%	75.0%	82.8%	78.7%	79.9%	84.0%	100%	86.3%
Investment Grade	59.8%	23.0%	83.7%	87.8%	57.1%	77.1%	93.5%	84.6%	74.1%	78.0%	86.3%	100%

Correlation of 3 Month NAV Total Return values between 3/31/2007 and 3/31/2017.

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 March 31, 2007 - March 31, 2017

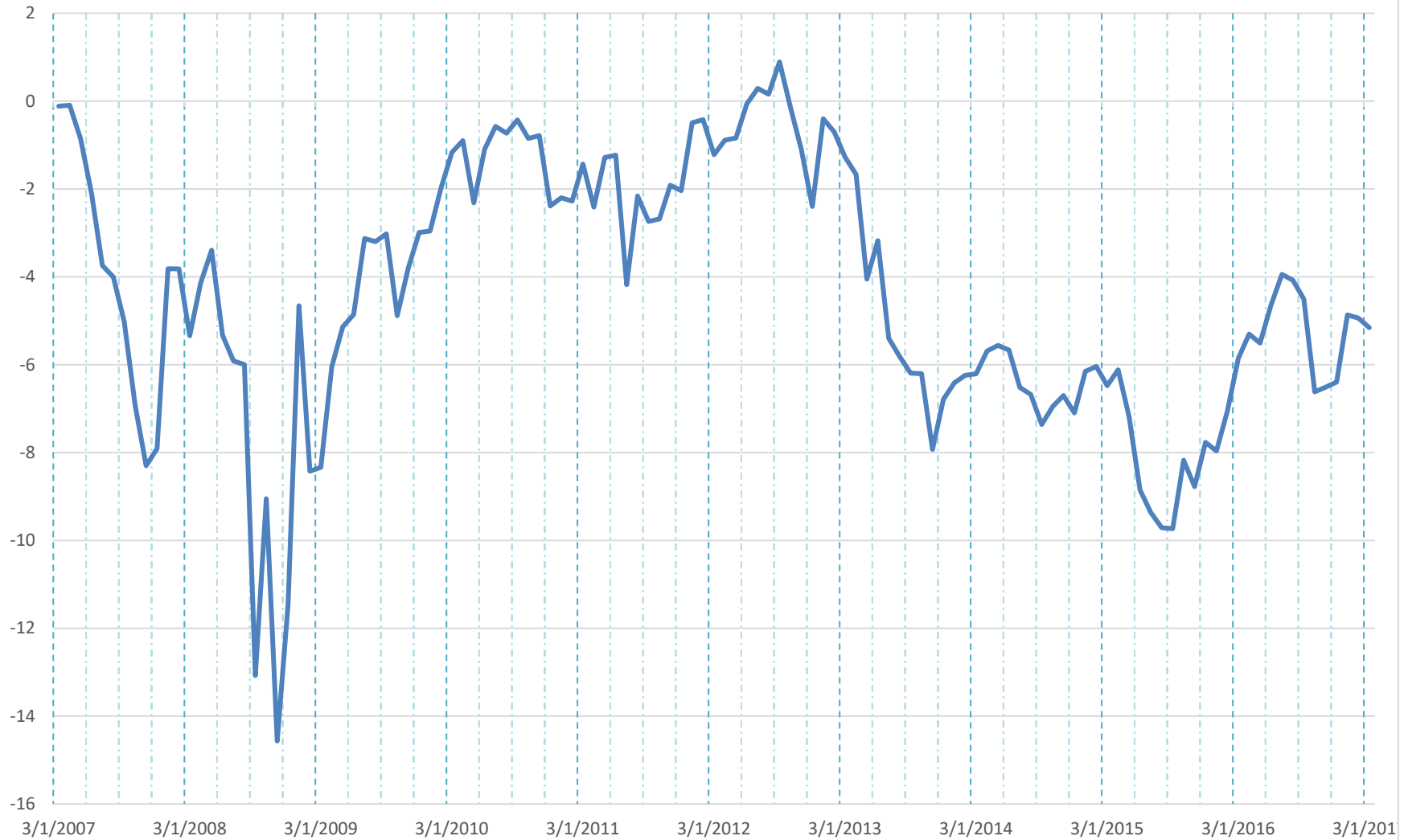


Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above may overestimate the potential returns a client could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

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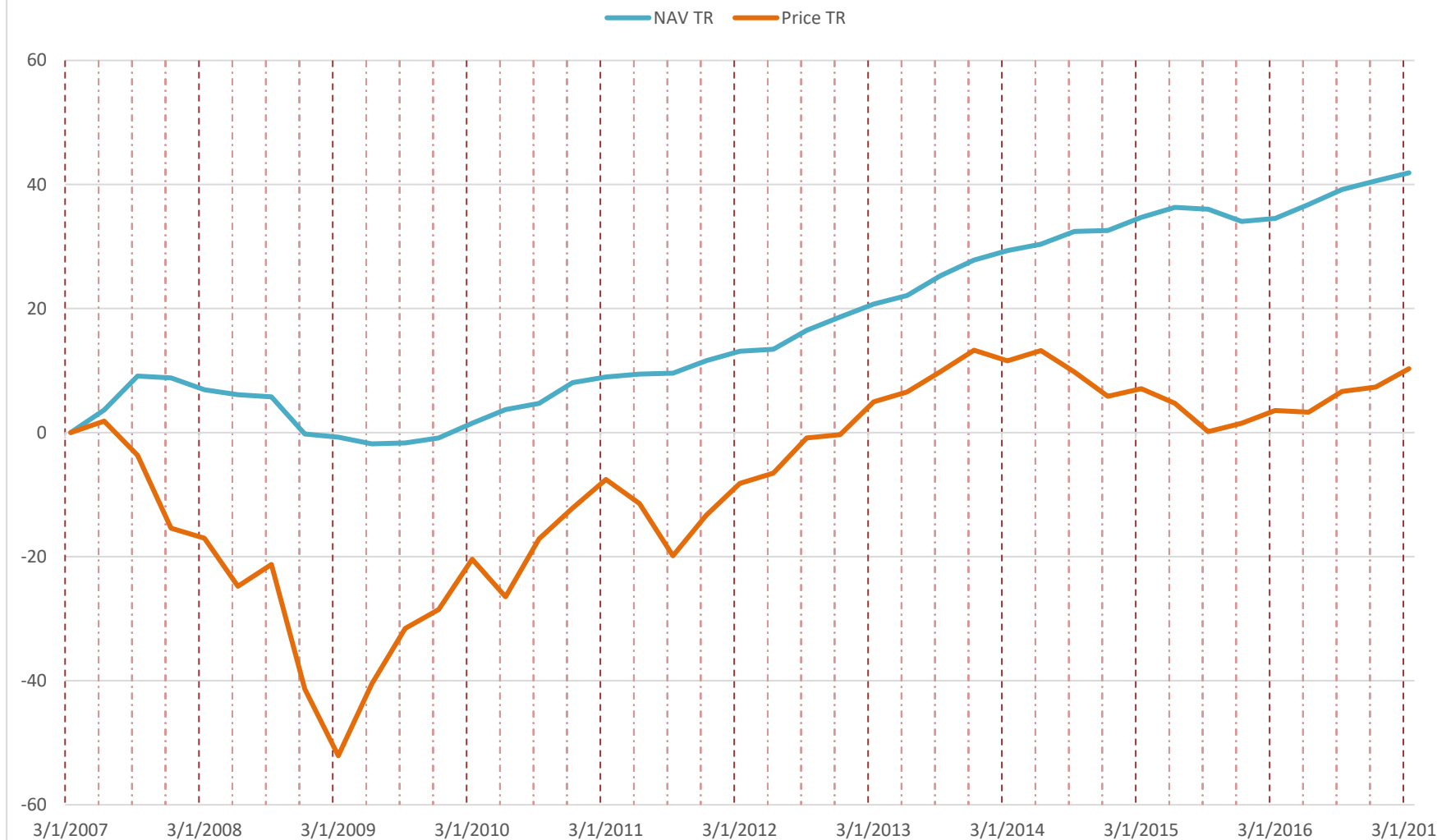


Trad CEF - Average Discount / Premium March 31, 2007 - March 31, 2017



BDC Debt - Total Return

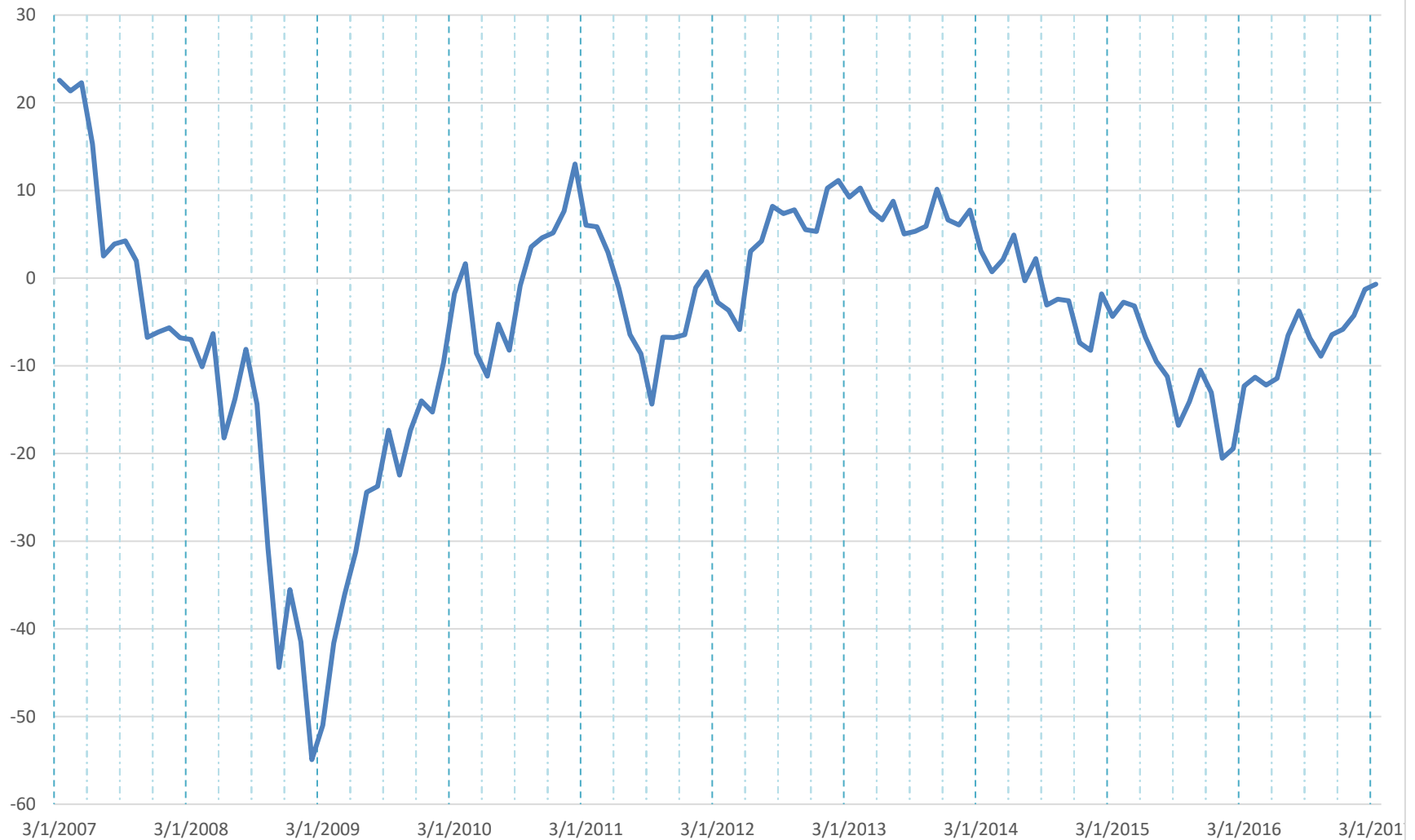
March 31, 2007 - March 31, 2017`



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BDC Debt - Average Discount / Premium March 31, 2007 - March 31, 2017



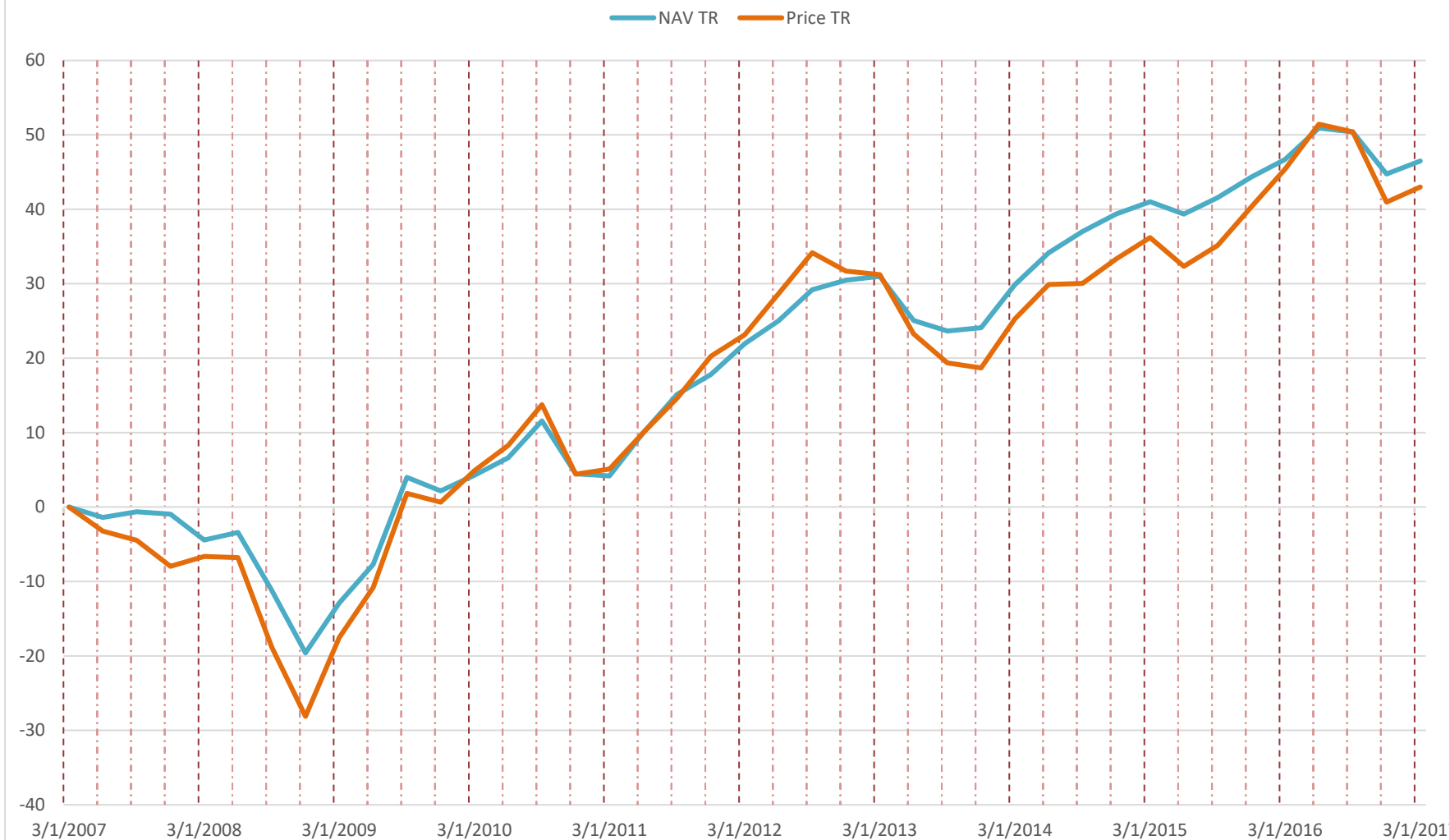
Types of Loans Held By BDCs

1. First Lien Loans: 54%
2. Second Lien Loans: 19%
3. Unsecured Loans: 11%
4. Equity/Other: 16%

- Avg Portfolio Turnover: 27.7%
- Avg Variable Loans: 71% / Fixed: 29%
- Libor Floors: 41% at 1% Avg Level
- Avg Loan Size: \$9.9M
- 73% of Loans Under \$25MM
- Average Maturity 4.1 with a range of 2 Years to 6 years
- Avg No of Loans: 123 from 98 Companies



Municipal Bonds - Total Return March 31, 2007 - March 31, 2017

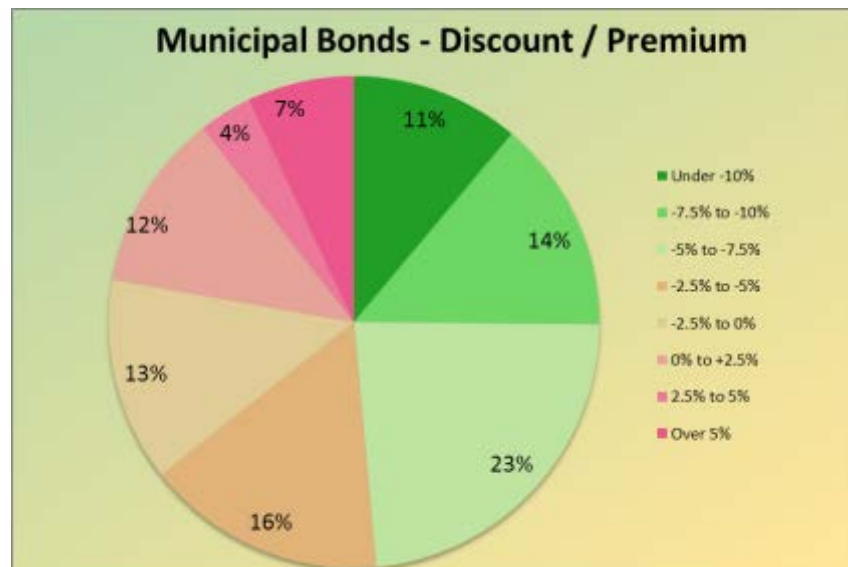
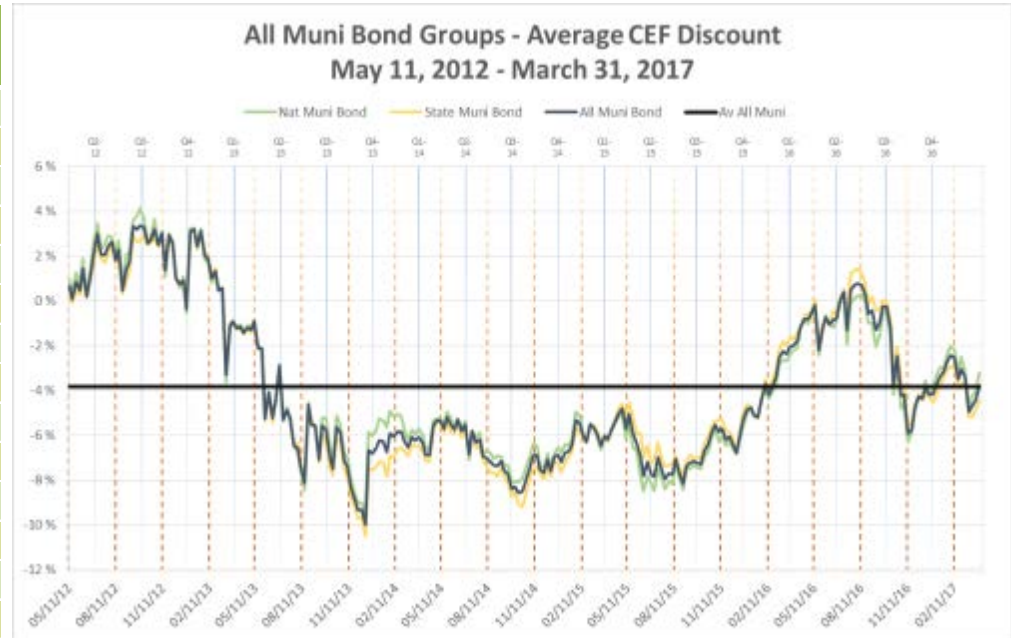


Municipal Bonds - Average Discount / Premium March 31, 2007 - March 31, 2017



Municipal Bond Closed-End Fund Universe

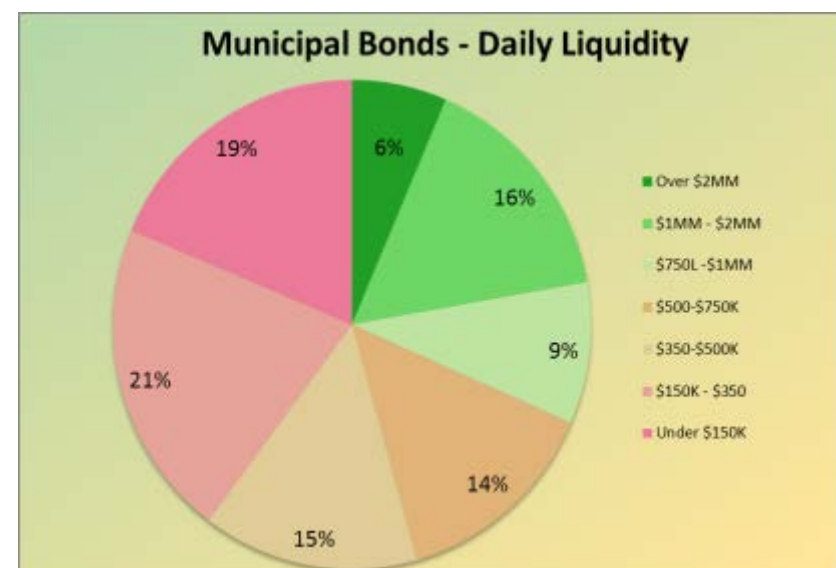
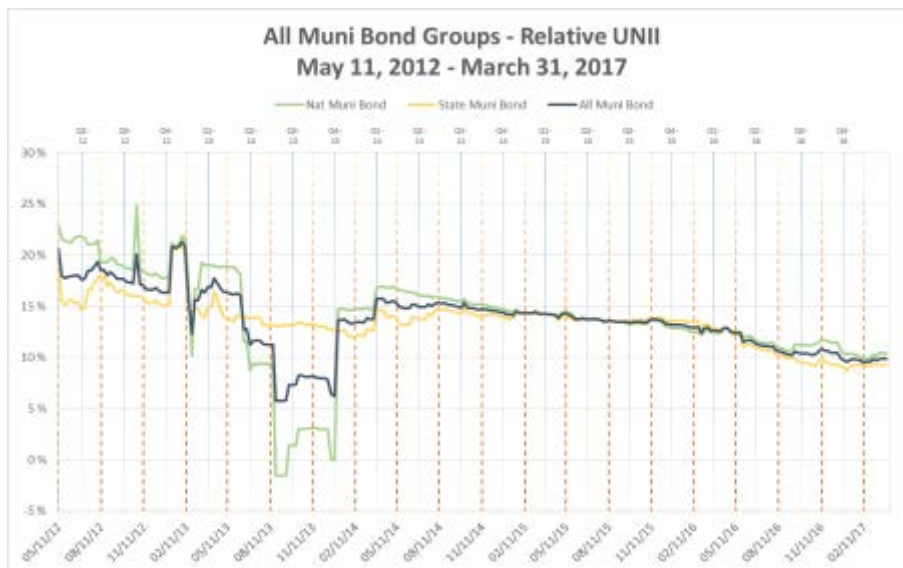
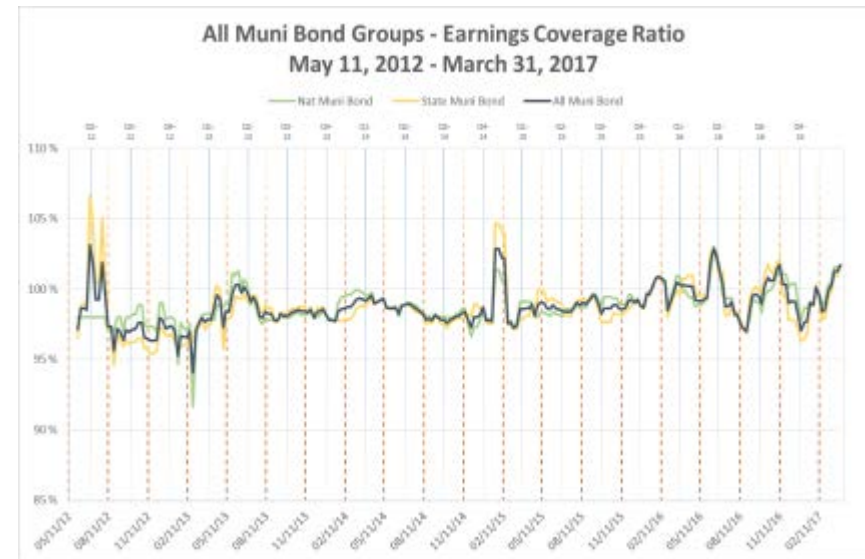
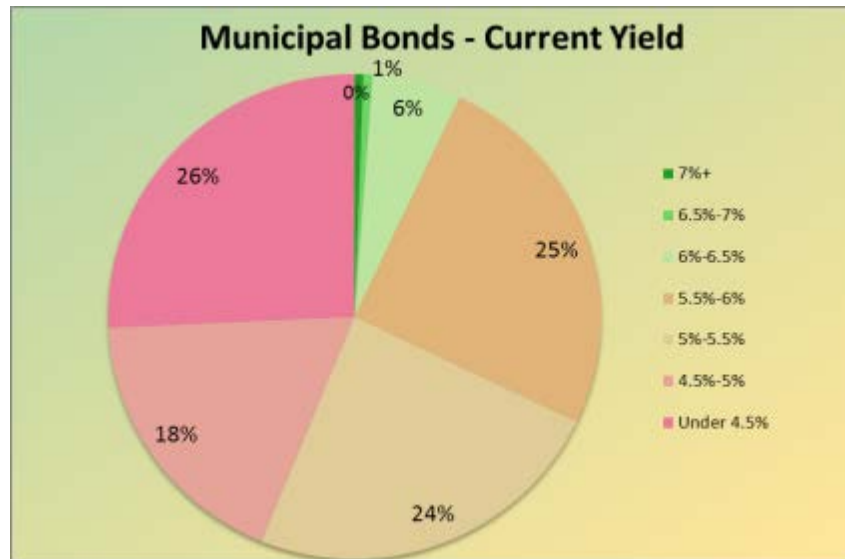
	National Muni Funds	Single State Muni Funds	Total
Number of Funds	90	81	171
Net Assets (Total)	\$46,397	\$18,175	\$64,573
Net Assets	\$516	\$224	\$378
Earnings Coverage Ratio %	101.7	101.7	101.7
Premium / Discount %	-3.20	-4.46	-3.79
Total Mkt Yield %	5.25	4.69	4.99
Leverage Adj NAV Yield %	3.87	3.33	3.61
NAV Volatility	4.23	4.10	4.17
Leverage %	31.9	34.3	33.1
Leverage Cost %	0.56	0.63	0.59
Duration	8.96	9.51	9.22
Insured %	13.5	18.6	15.9
Investment Grade %	85	91	88
Credit Quality	A	A	A



Note: Volatility is a one year rolling calculation

Source: Data as of March 31, 2017 from CEFA's Universe Data

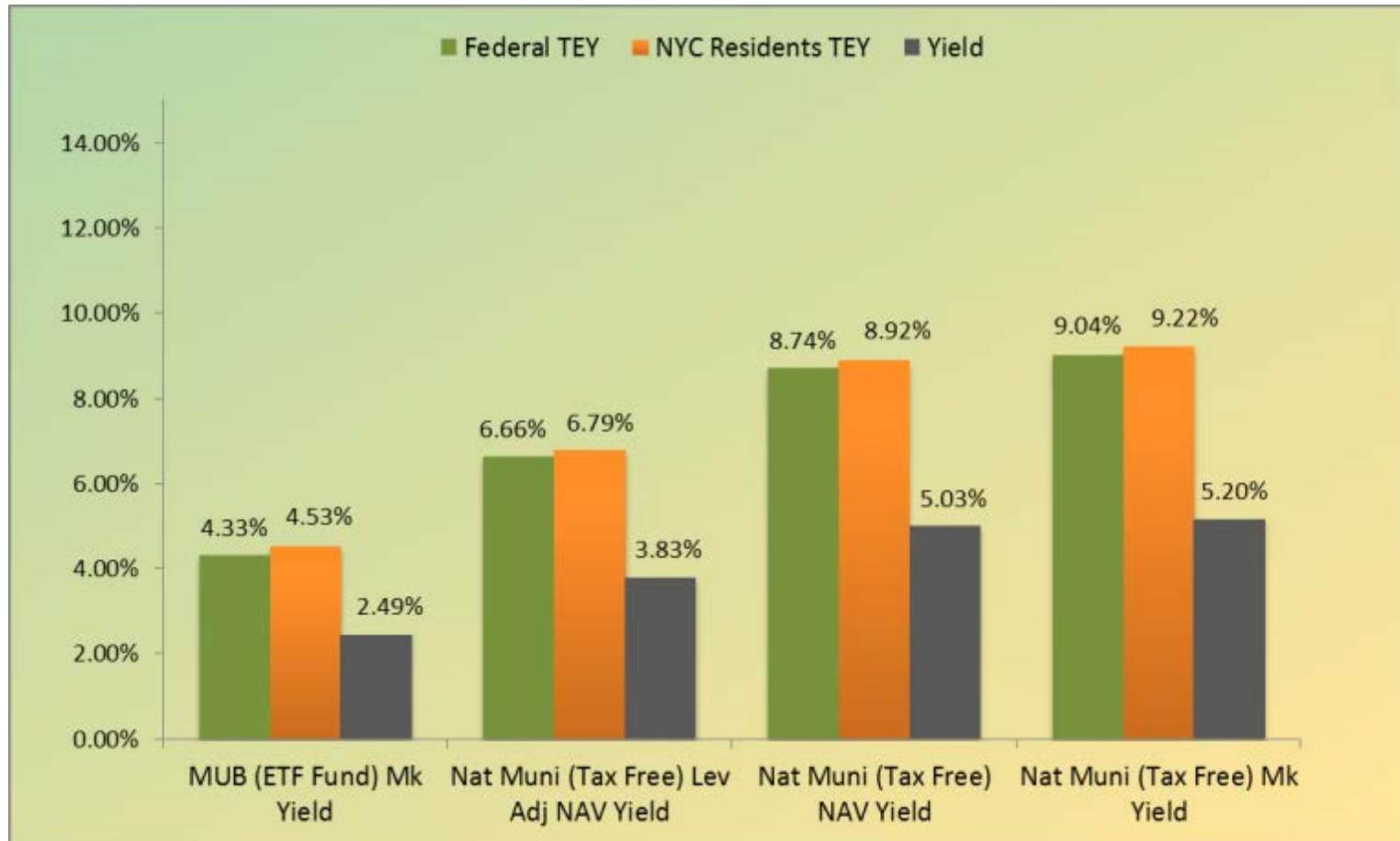
Municipal Bond Closed-End Fund Universe



Source: Data as of March 31, 2017 from CEFA's Universe Data

Tax Equivalent Yield Comparison

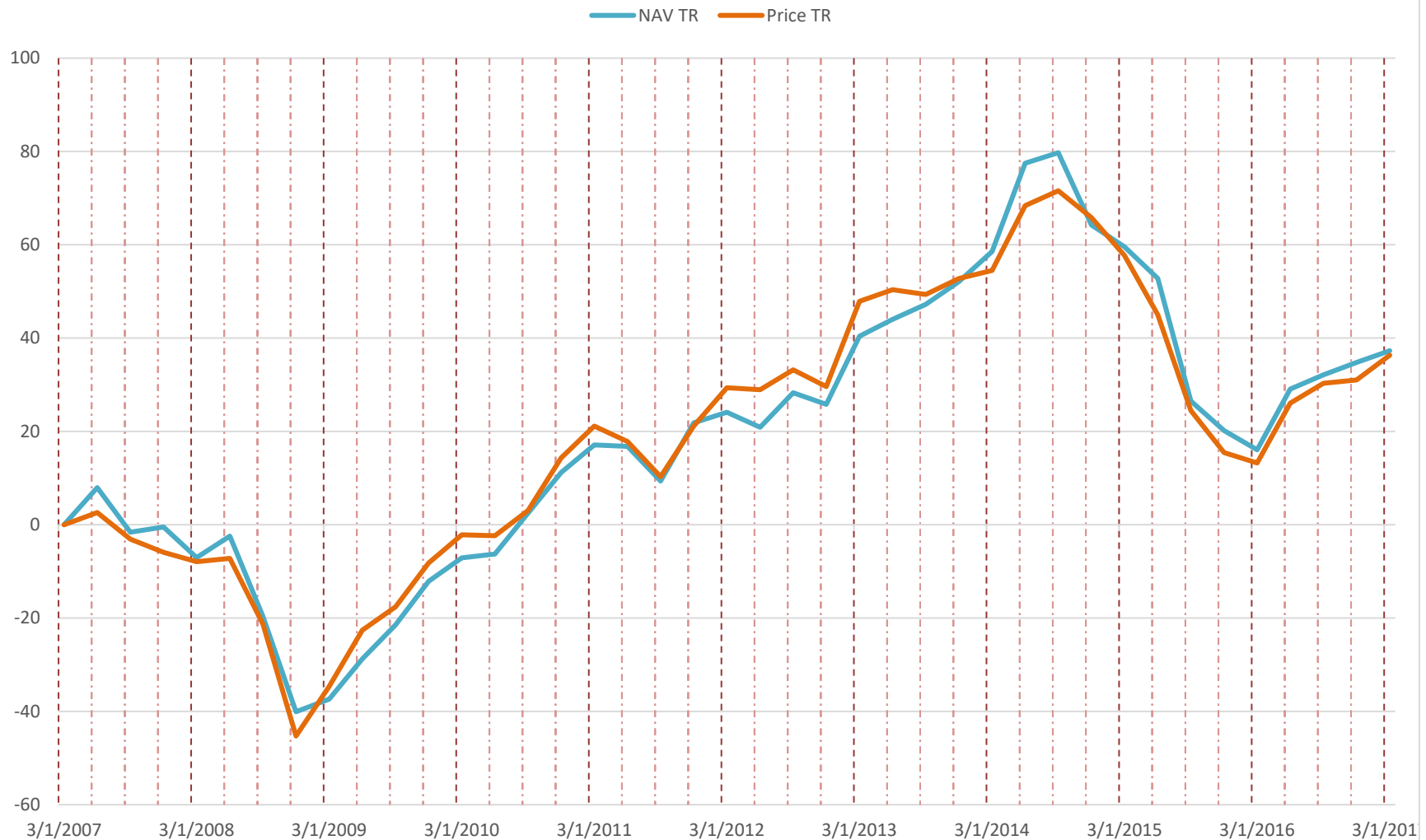
Married Couple with W-2 Income of \$1MM+



Sources: CEFA's Universe Data as of 3/31/2017 and tax rates from IRS and NY State.

MLP - Total Return

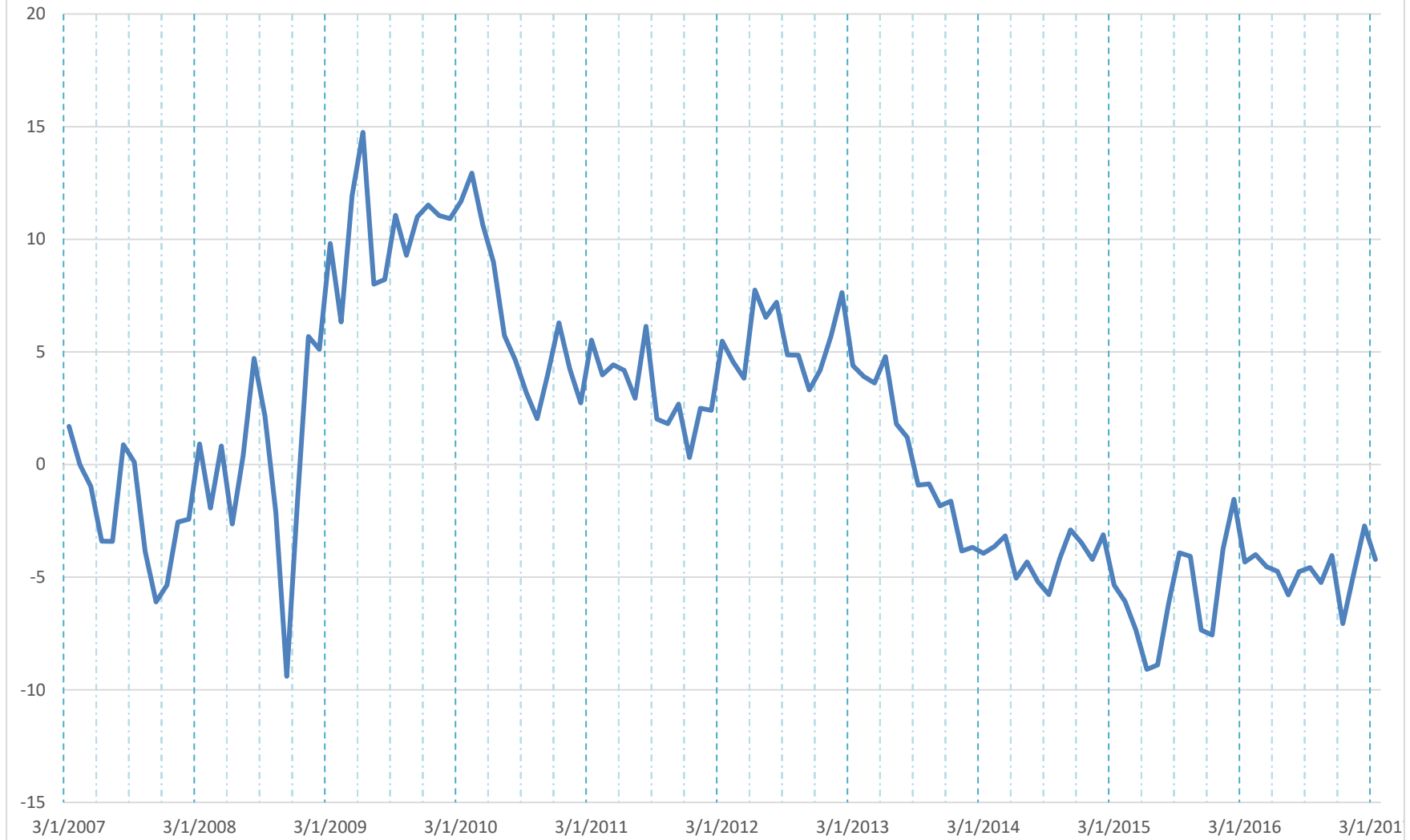
March 31, 2007 - March 31, 2017



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MLP - Average Discount / Premium March 31, 2007 - March 31, 2017



Broad Investable Universe

Assets of Closed-End Funds/BDCs*

by type , as of March 31, 2017

	# of Funds	Total Net Assets	Premium / Discount	Market Yield	Beta	Duration	Leverage	Non Lev Expense Ratio	Average Net Assets
Equity Funds	216	\$111,964	-9.48%	6.9%	0.42		14.2%	1.33	\$518
Taxable Bond	147	\$64,883	-3.91%	7.6%	0.30	3.6	25.9%	1.43	\$444
Municipal Bond	171	\$64,573	-3.79%	5.0%	-0.08	9.2	33.1%	1.02	\$378
BDCs	51	\$29,889	-5.58%	8.1%	0.72		37.8%	5.53	\$594
Total CEFs	585	\$271,309	-5.13%	7.0%	0.46	6.8	23.5%	1.70	\$453
National Muni Bond	90	\$46,397	-3.20%	5.2%	-0.08	9.0	31.9%	0.93	\$516
Debt Focused BDC	43	\$29,089	-0.34%	9.2%	0.76		41.3%	5.81	\$673
Covered Call	29	\$19,712	-5.50%	8.5%	0.83		2.8%	1.14	\$680
US Stock	28	\$18,924	-9.48%	6.9%	0.96		13.1%	1.62	\$676
MLP Funds	27	\$15,134	-4.21%	8.7%	1.91		26.7%	1.89	\$561
High Yield Bond	34	\$12,637	-5.64%	7.8%	0.37	3.7	23.2%	1.26	\$372
World Stock	58	\$13,433	-9.66%	4.5%	0.96		6.1%	1.59	\$232
Senior Loan	26	\$11,650	-3.70%	6.4%	0.15	1.0	31.5%	1.65	\$448
Preferred Equity	16	\$10,563	-0.92%	7.6%	0.19	6.0	32.2%	1.24	\$660
REIT Funds	11	\$5,897	-10.12%	8.3%	0.65		22.3%	1.39	\$536
Convertible Bond	11	\$4,322	-5.88%	9.1%	0.84	3.0	28.6%	1.45	\$393
Investment Grade	12	\$3,888	-3.31%	6.2%	0.18	5.2	10.5%	0.90	\$300

in total CEF assets

\$271.3 Billion

average discount

x 5.1%

exploitable undervaluation

= ~\$14 Billion

CEF Universe Update

Fund Grouping	Discount / Premium		Last Q NAV TR		Last Q Price TR	
	Discount	Premium	Positive	Negative	Positive	Negative
Equity Traditional CEFs	189 (88%)	27 (12%)	204 (94%)	11 (6%)	208 (97%)	7 (3%)
Taxable Bond Traditional CEFs	117 (81%)	28 (19%)	145 (100%)	0 (0%)	131 (90%)	14 (10%)
Municipal Bond Traditional CEFs	133 (78%)	38 (22%)	170 (100%)	1 (0%)	148 (87%)	23 (13%)
BDCs	29 (58%)	21 (42%)	41 (82%)	8 (18%)	35 (70%)	15 (30%)
ALL CEFs	468 (80%)	114 (20%)	560 (96%)	20 (4%)	410 (70%)	56 (30%)

Data as of March 31, 2017

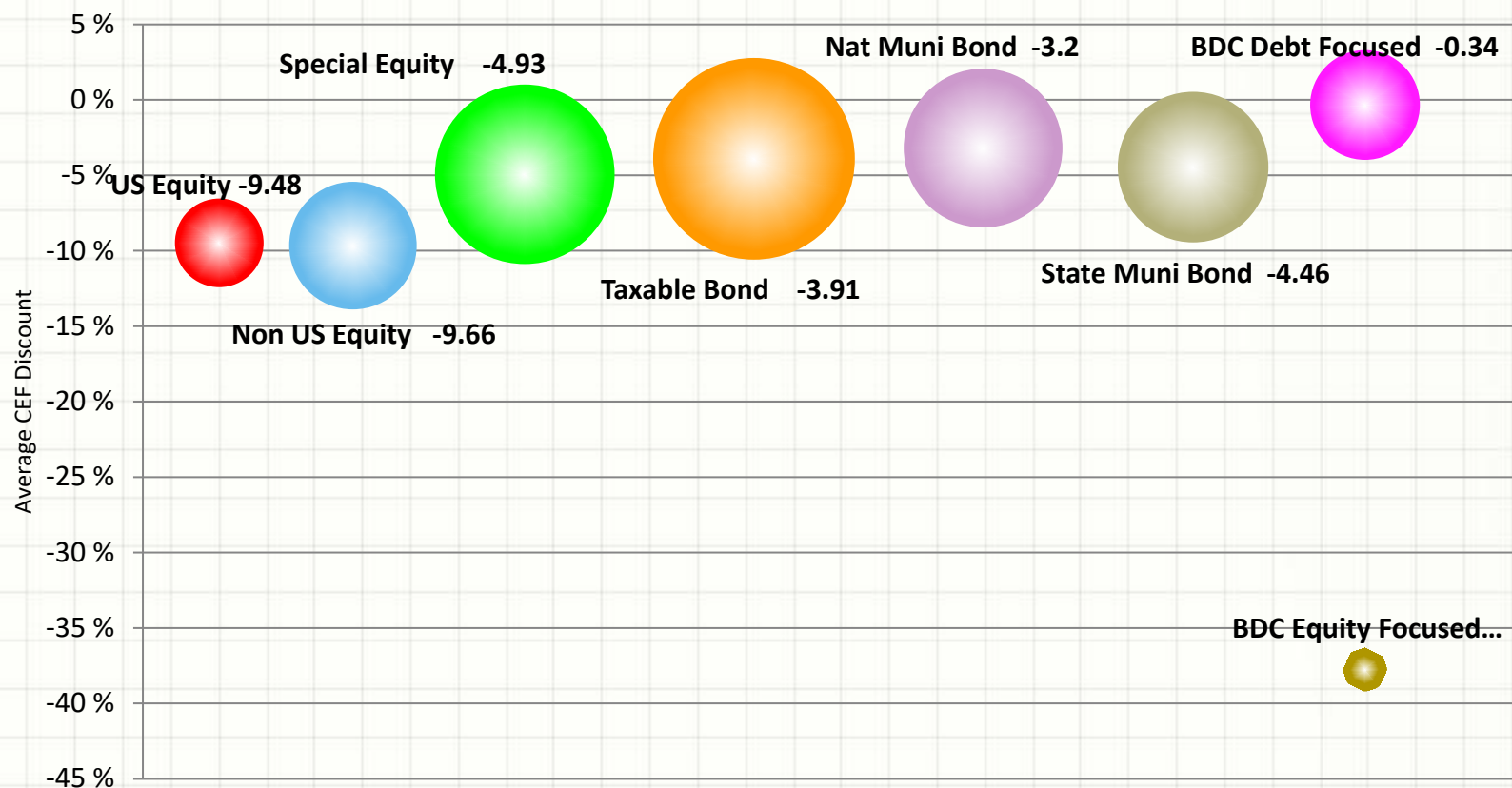
Source: CEFA's Closed-End Fund Universe Report

For BDC funds, we show 3Q16 NAV TR, as 3/31/2017 NAV hasn't been disclosed yet



Current Closed-End Discounts

Avg CEF Discount % as of March 31, 2017

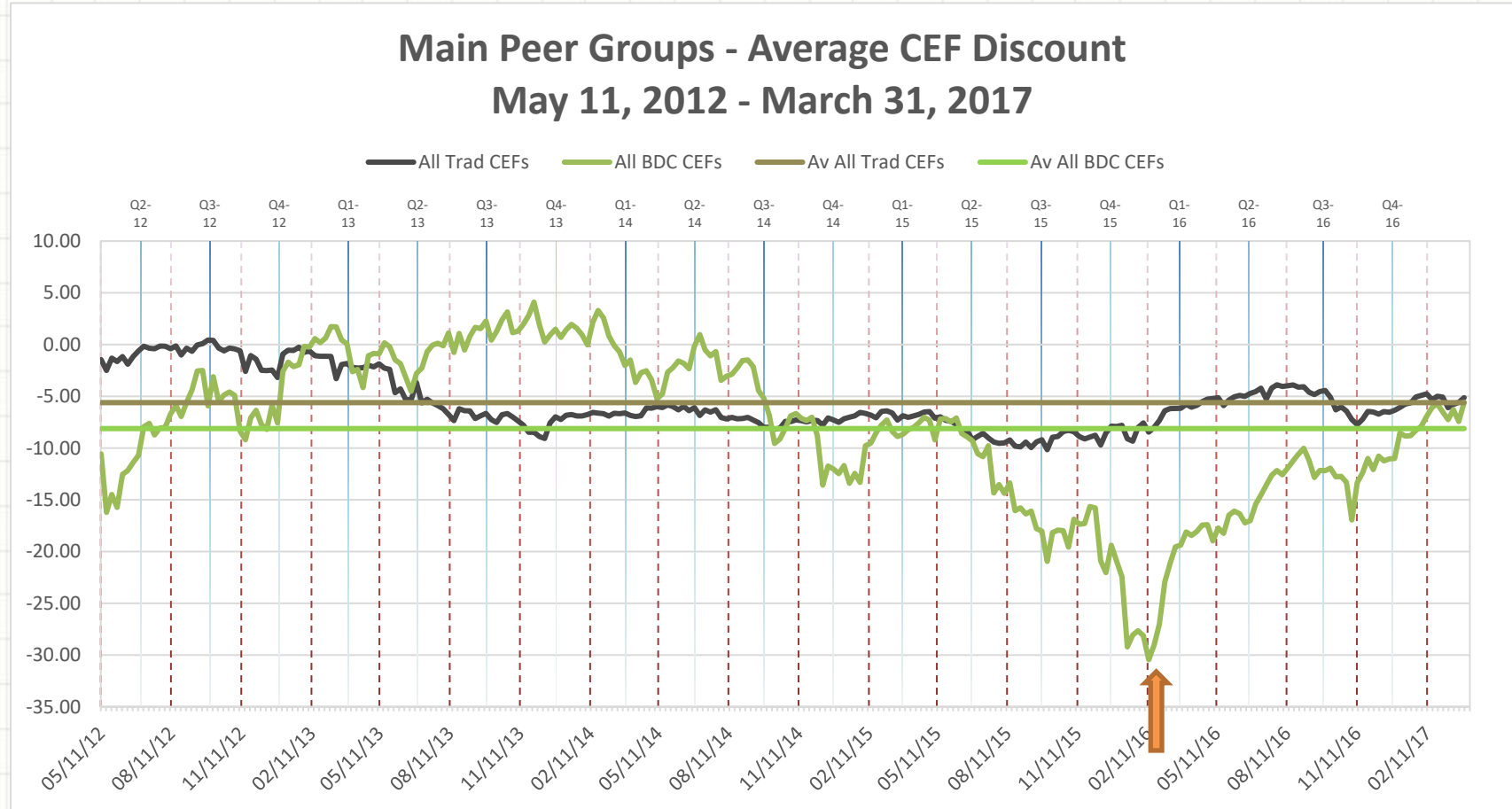


Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)

Closed-End Discount Trends

Traditional & BDC

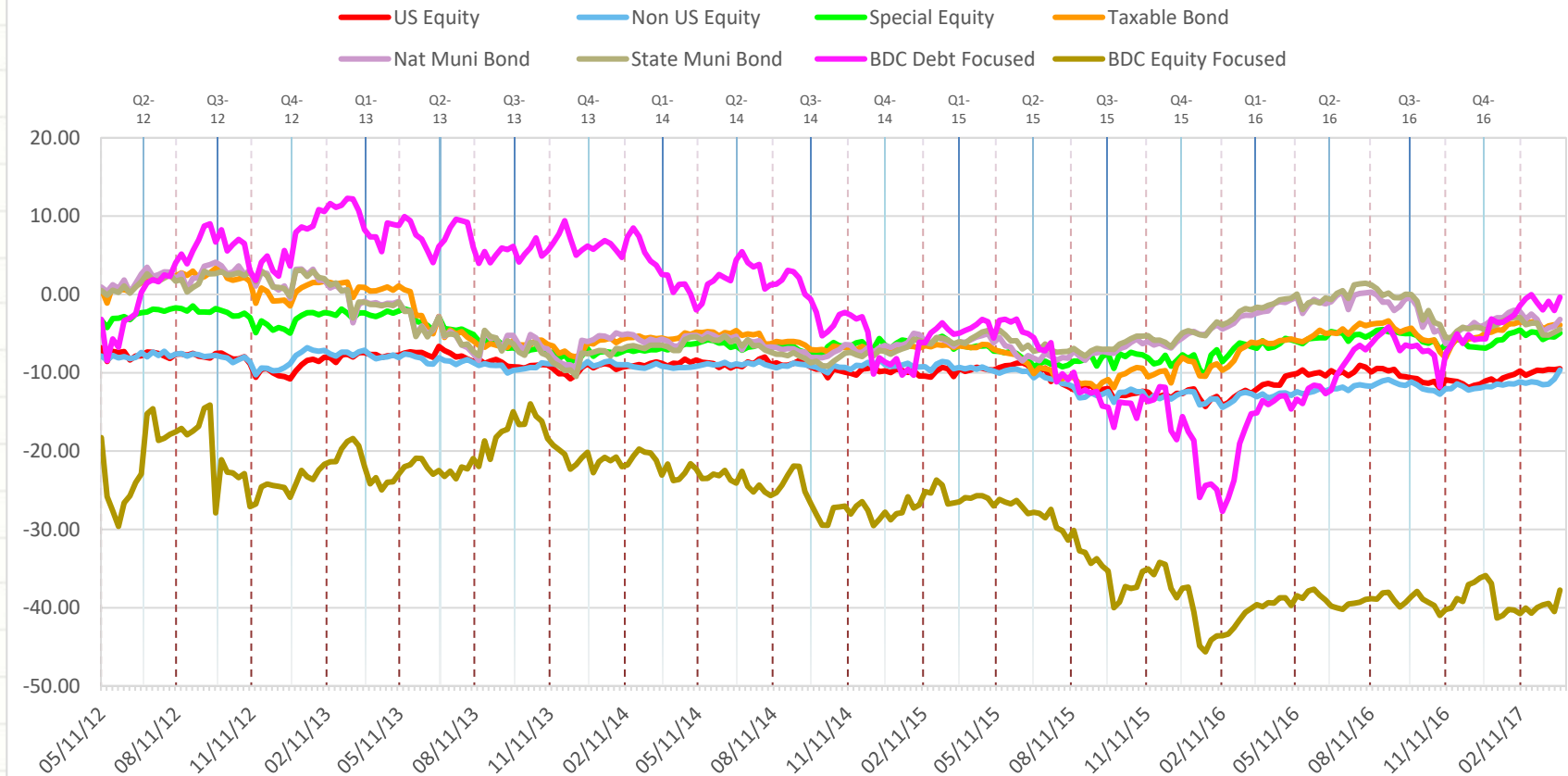
Last Ended with *an average CEF Discount of -5.17%*



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





Closed-End Discount Trends

Average CEF Discount
May 11, 2012 - March 31, 2017

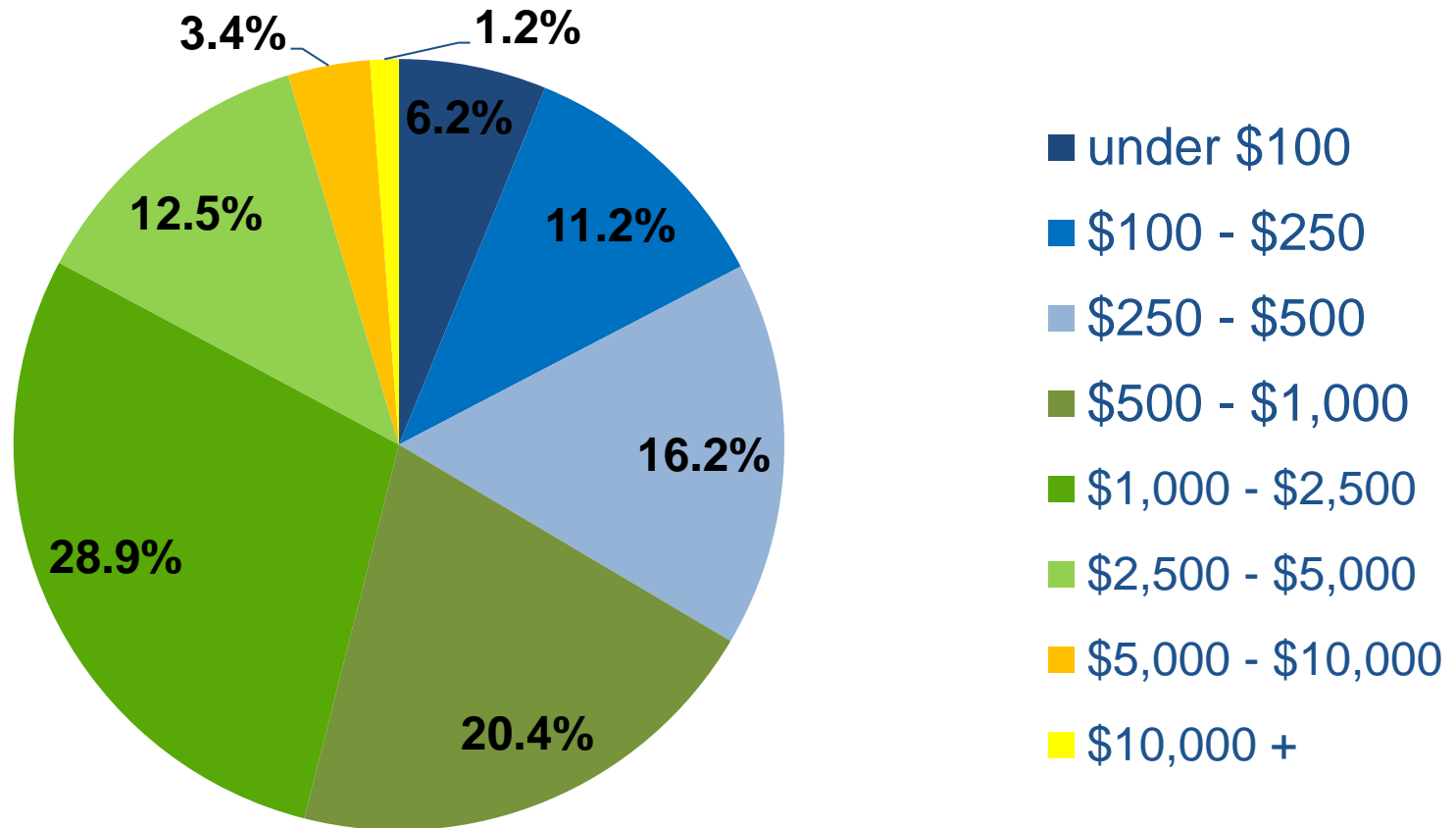


Source: CEFA's Closed-End Fund Universe (www.cefuniverse.com)

CEF Volume Trends – 1Q 2017

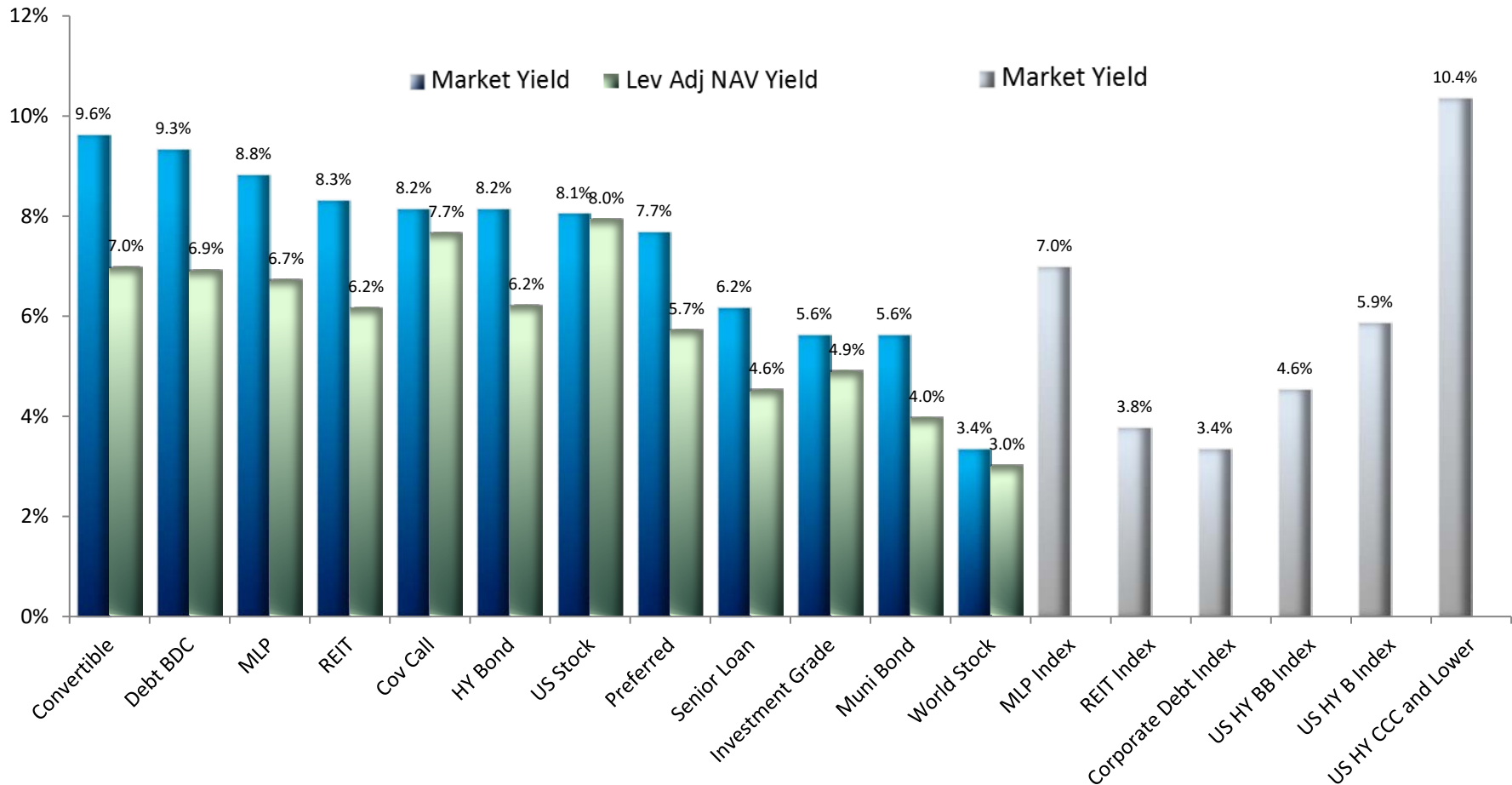
Fund Grouping	Avg Vol 1Q 2017	Avg Vol 4Q 2016	Volume Trend
US Equity Funds	138,842	122,166	14% 
Non-US Equity Funds	64,539	64,862	0%
Specialty Equity Funds	159,939	173,480	-8%
<i>Ave Traditional Equity CEF</i>	<i>128,020</i>	<i>131,714</i>	<i>-3%</i>
Taxable Bond Funds	146,037	137,993	6%
National Muni Bond Funds	89,105	131,845	-32% 
State Muni Bond Funds	29,941	46,640	-36% 
<i>Ave Traditional Bond CEF</i>	<i>100,063</i>	<i>112,826</i>	<i>-11%</i>
Average Traditional CEF	111,414	120,516	-8%
Debt Focused BDC Funds	371,267	315,500	18% 
Equity Focused BDC Funds	53,263	325,101	-84%
<i>Average BDC</i>	<i>326,747</i>	<i>317,195</i>	<i>3%</i>
Average For ALL CEFs	129,914	137,691	-6%

Closed-End Fund & BDC: Average Daily Liquidity (thousands)



Note: 582 closed-end funds; data as of 3/31/17, Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

CEF/BDC Yield Comparison



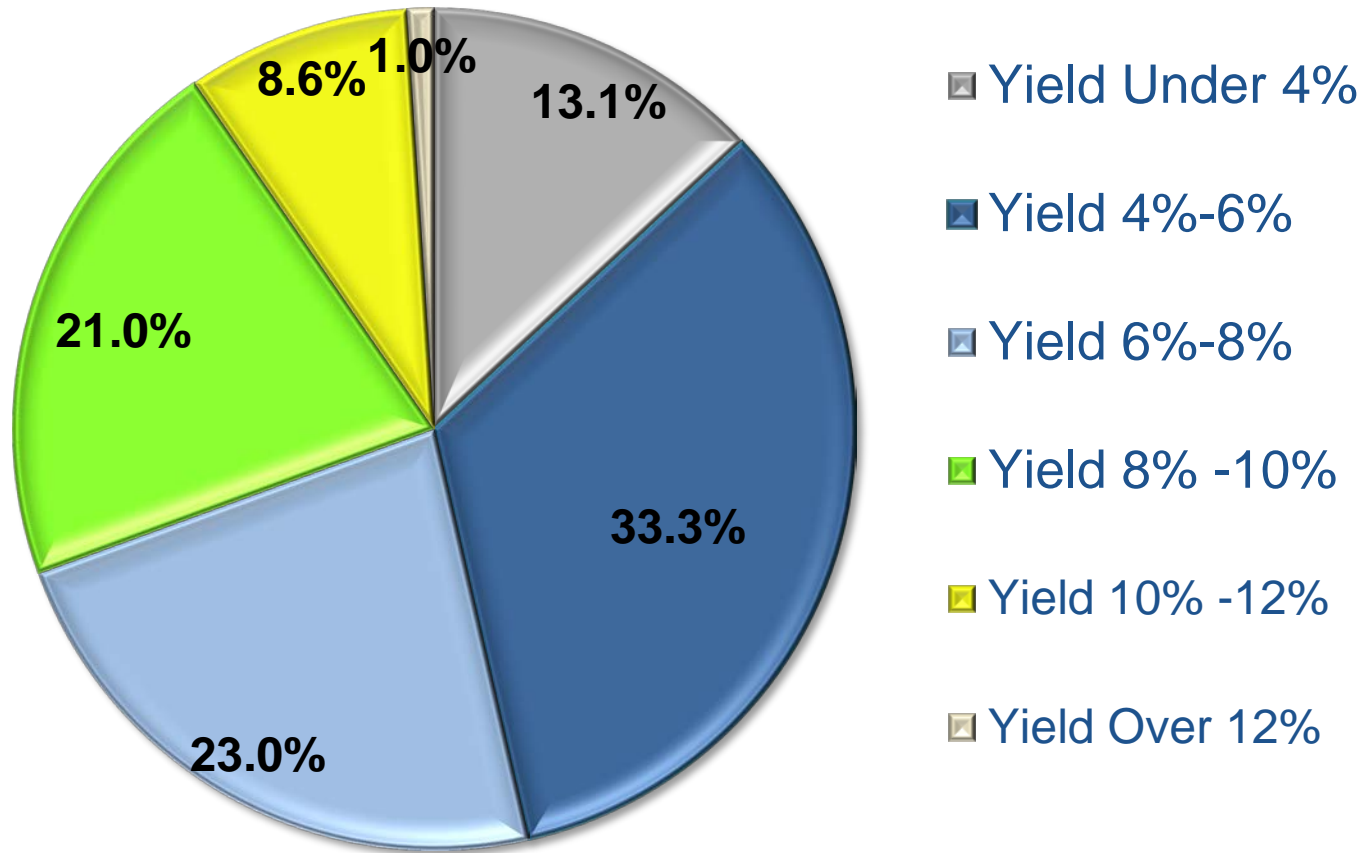
Data as of **3/31/2017**.

MLP Index: **Alerian MLP Index**; REIT Index: **Wilshire US REIT Index**; Corporate Debt Index: **S&P 500 Bond Index**

US High Yield Indices : **BofA Merrill Lynch US High Yield (BB Rated, B Rated, CCC and Lower Rated)**



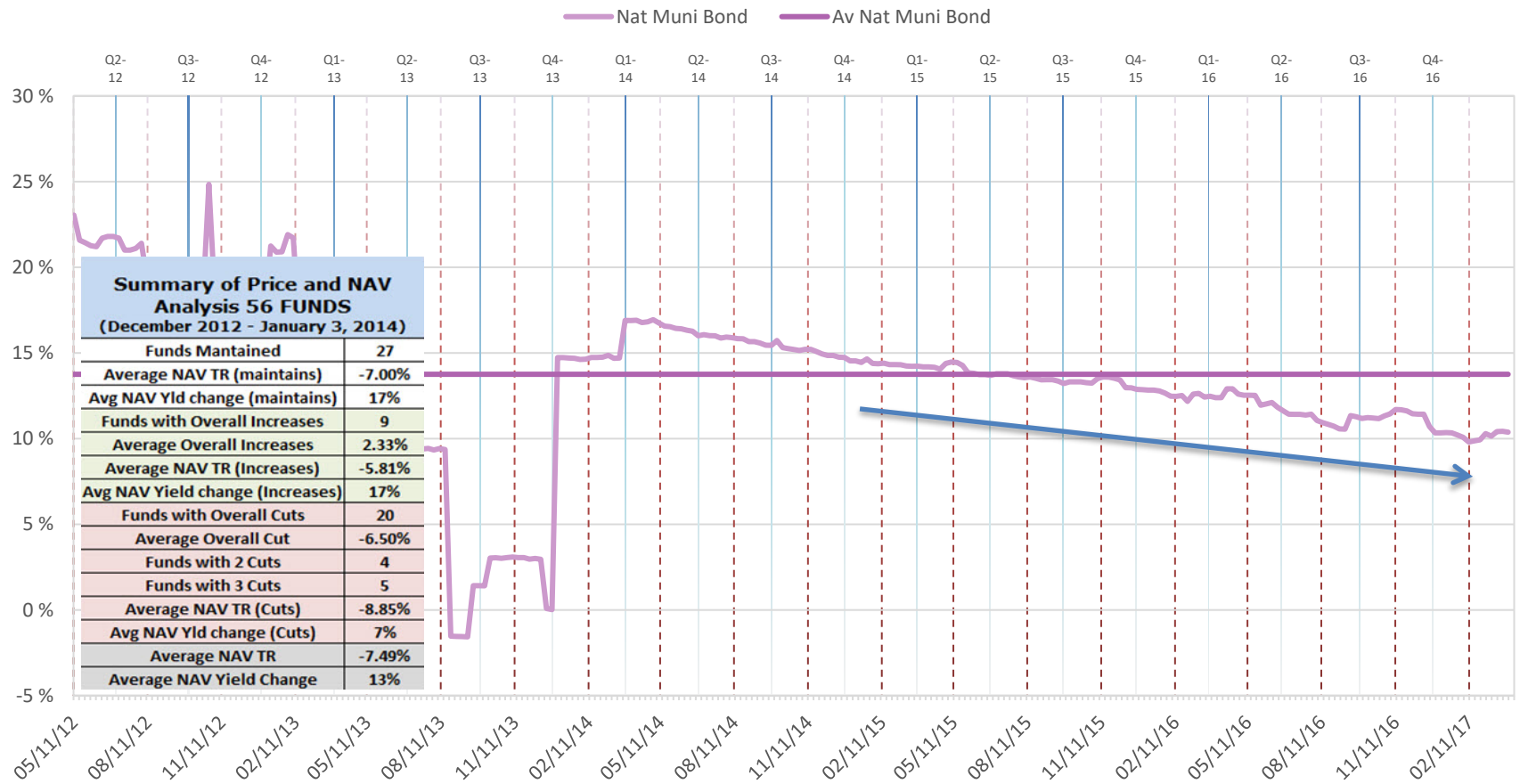
Closed-End Funds & BDCs: By Yield



Note: 582 CEFs; data as of 3/31/2017 , cefdata.com

Relative UNII for Traditional CEF Municipal Bond Funds

Nat Muni Bond - Relative UNII May 11, 2012 - March 31, 2017

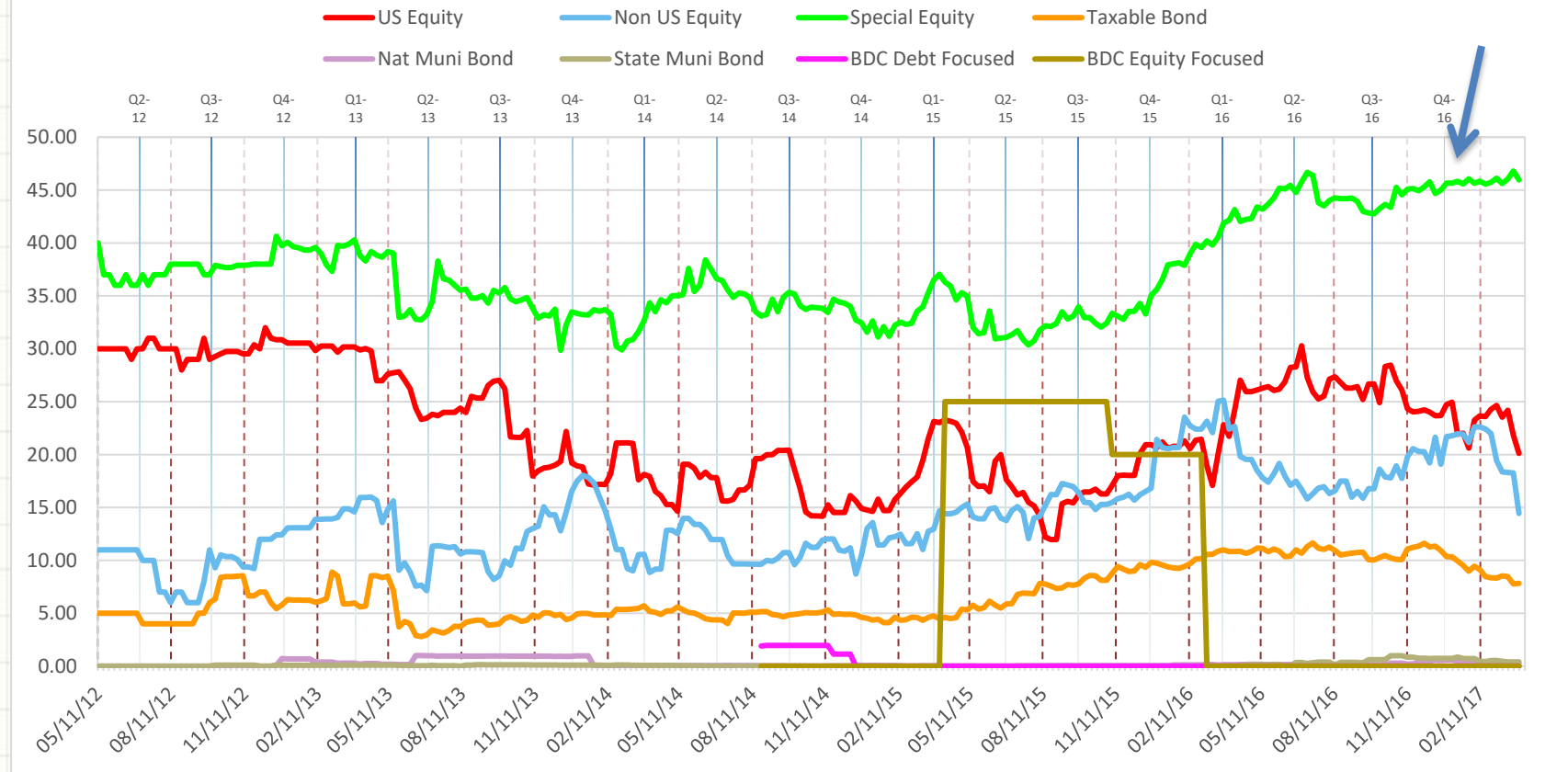


Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

www.CEFadvisors.com

Return of Capital (90 Day) For CEFs

Main Peer Groups - Historical ROC
May 11, 2012 - March 31, 2017



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

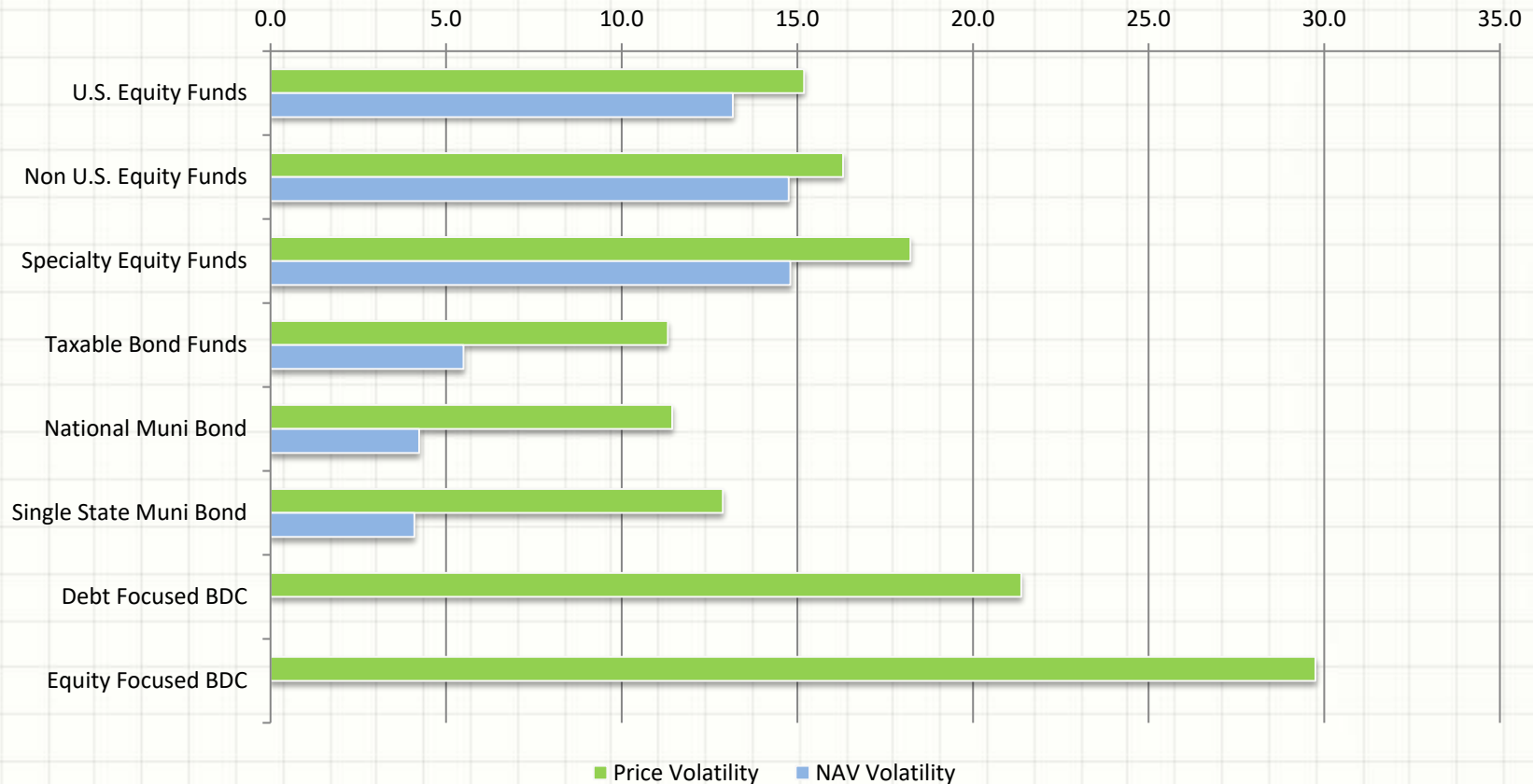
Destructive Return of Capital (1YR DRoC)

(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	3	11%	15%	382%	67%
Non-US Equity Funds	4	7%	33%	629%	122%
Specialty Equity Funds	16	14%	15%	289%	5%
<i>Equity CEF</i>	24	11%	17%	377%	41%
Taxable Bond Funds	10	7%	24%	117%	-23%
National Muni Bond Funds	5	6%	5%	-97%	-99%
State Muni Bond Funds	5	6%	9%	-109%	-103%
<i>Bond CEF</i>	20	6%	15%	-5%	-66%
Average CEF	44	8%	16%	149%	-23%

Closed-End Fund





Market Price volatility vs. NAV volatility (1 Year)



Source: March 31, 2017 - CEFA's Closed-End Fund Universe Report

CEF Press Release SEC Filings Summary

(2418 CEF PRs in 1Q17)

Announcement Type	1Q 2017	2016	2015	2014	Avg per Q since 2014
Rights Issue / Offering	1	9	6	9	2
Secondary Offering (Trad CEF)	0	6	2	4	1
Secondary Offering (BDCs)	5	4	16	16	3
 Tender Offer	8	17	15	16	4
Distribution Policy Change(Trad CEF)	3	6	11	19	3
Distribution Policy Change (BDCs)	0	0	1	1	0
 13 Filings (Trad CEF)	488	897	906	-	255
 New N-2 Filings	25	97	52	31	16
Updated N-2 Filings	13	120	104	52	22
Investment Manager / Advisor Change	1	35	5	20	5
 Portfolio Manager Change	20	39	45	60	13
Leverage Amount / Type Change	19	105	52	47	17

CEF & BDC

Dividend Increases vs. Decreases

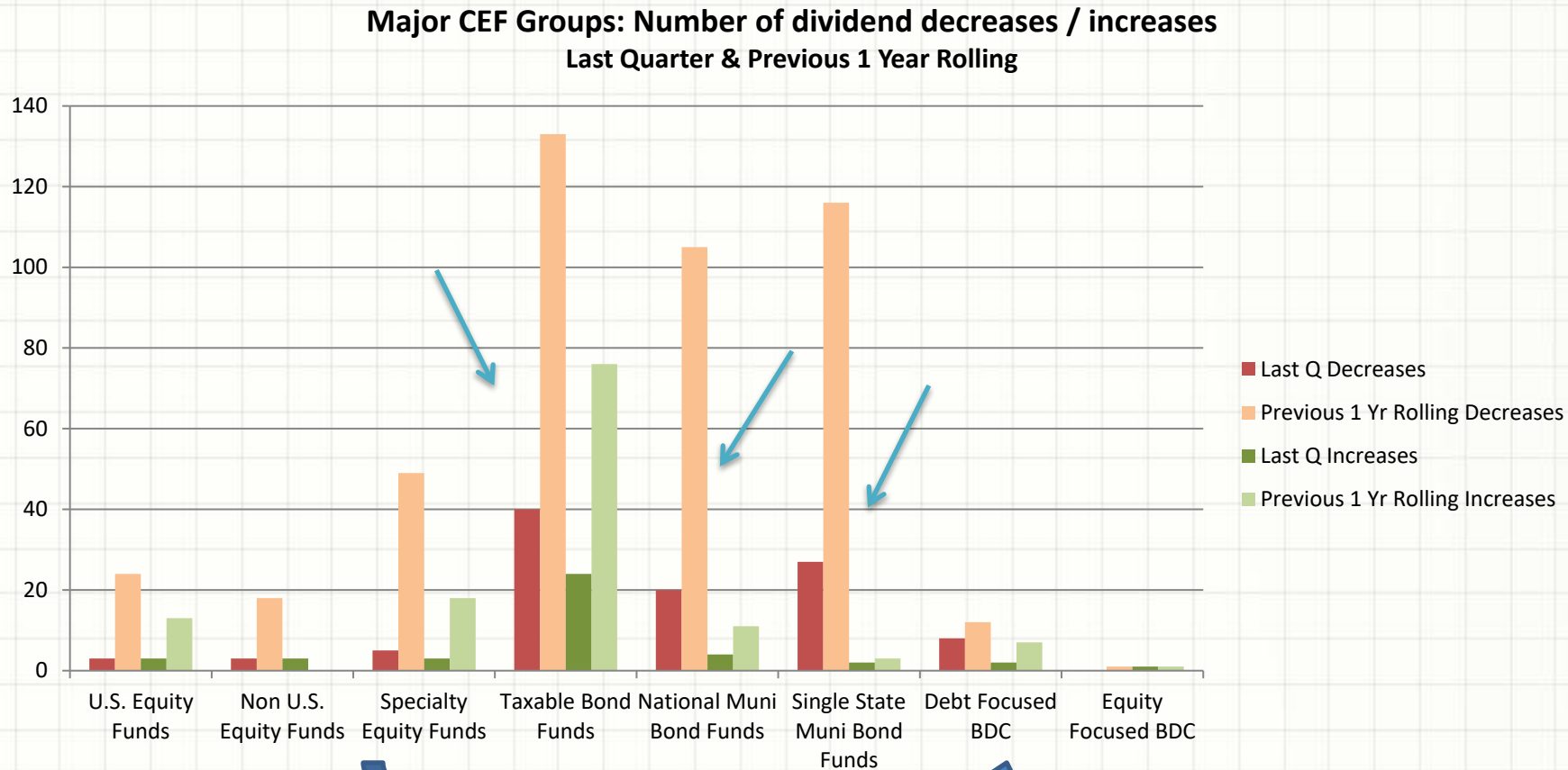
Dividend Announcement	1Q 2017 Number of Announcements	1Q 2017 Average Change	2016 Number of Announcements	2016 Average Change
Dividend Maintains	1166(88.5%)	N/A	4858 (89%)	N/A
Dividend Increases	45 (3.4%)	+5.0%	140 (2.6%)	+5.64%
Dividend Decreases	106 (8.0%)	-12.57%	470 (8.6%)	-9.33%
Under 5% Increase	31 (69%)	+1.79%	95 (68%)	+1.85%
Over 5% Increase	14 (31%)	+12.05%	45 (32%)	+13.64%
Under 5% Decrease	33 (31%)	-2.74%	182 (39%)	-2.8%
Over 5% Decrease	73 (69%)	-17.01%	288 (61%)	-13.46%

7% of announcements "Big Cuts"

Source: Fund Press Releases



1Q 2017 Closed-End Fund Dividend Increases vs. Decreases



Source: Fund Press Releases

CEF Recent Dividend Changes

(Policies NOT Promises)

3 Year Dividend Growth

- 304 Funds (57%) had negative 3 year growth averaging -19.3%
- 75 Funds (14%) had positive 3 year growth averaging +21%

2 Year Lookback -- 370 Funds changed their dividend policy in the past 2 years (70% of funds)

- 289 Cut (78%) an average of -12% while 79 (22%) increased an average of +8%
- 186 of these funds have “level” or “managed distributions”
- 147 of those were cut an average -10%
- 30 were increased an average of +8%

1 Year Lookback

- 83 increase vs. 253 decreases. 43 Funds had BOTH increases and decreases in the past year.

Source: CEFA's Closed-End Fund Universe Report

Traditional Closed-End Fund

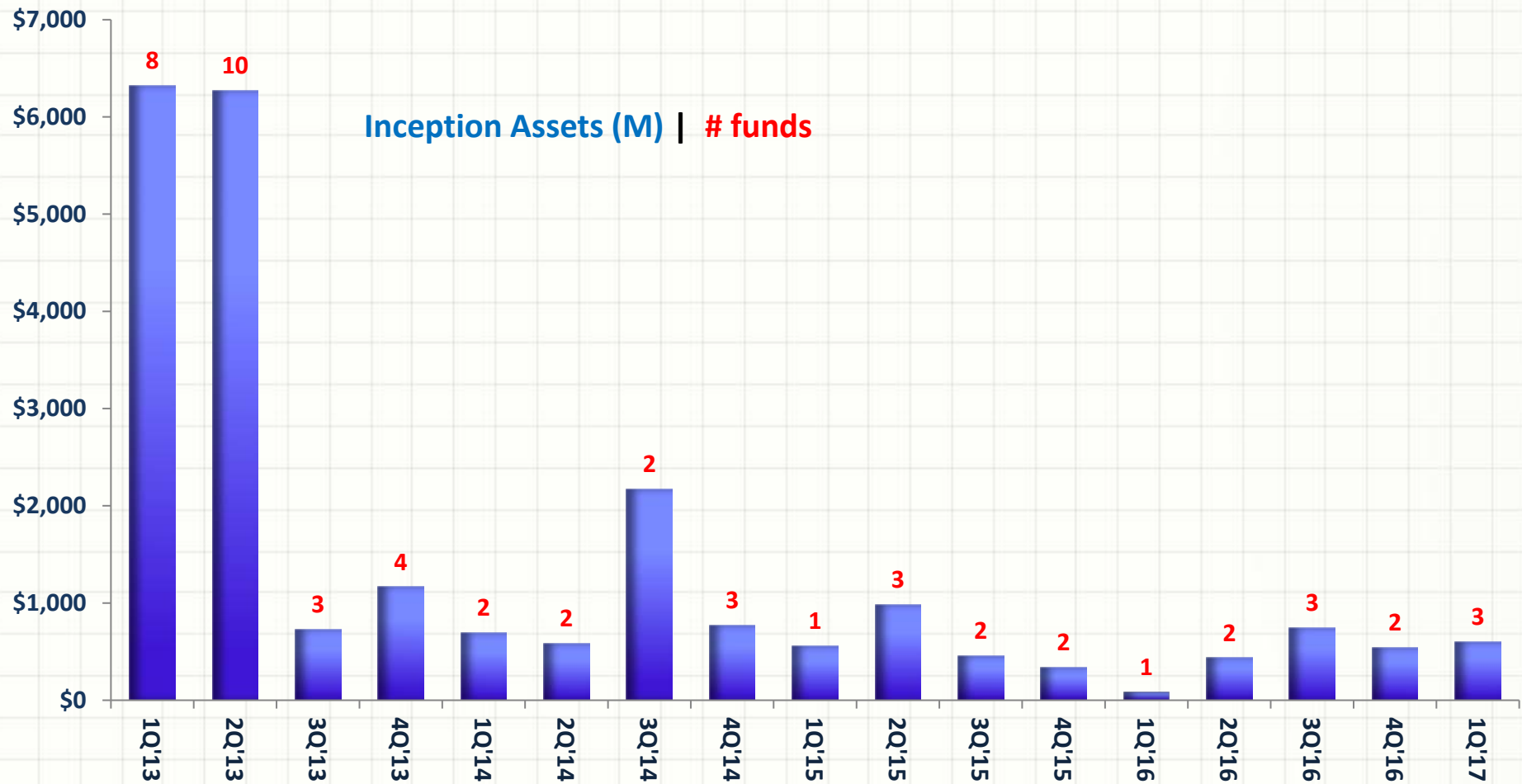
Historical IPOs (1Q 17)

	YTD	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of IPOs	3	8	8	9	25	23	19	17	13	2	40
Average Assets In \$ millions	\$199	\$225	\$291	\$469	\$580	\$517	\$316	\$451	\$200	\$131	\$690
Total New CEF IPO Assets in \$ Billions	\$0.6B	\$1.8B	\$2.3B	\$4.2B	\$14.5	\$11.9	\$6.0	\$7.7	\$2.6	\$0.3	\$27.6

10 Year Average: 16 Funds per year, \$387MM Ave Fund, \$7.8 Billion Per Year

Source: SEC Filings, Press Releases

Traditional Closed-End Fund Historical IPOs (1Q 17)



Source: March 31, 2017 - CEFA's Closed-End Fund Universe Report

BDC Historical IPOs (1Q 17)

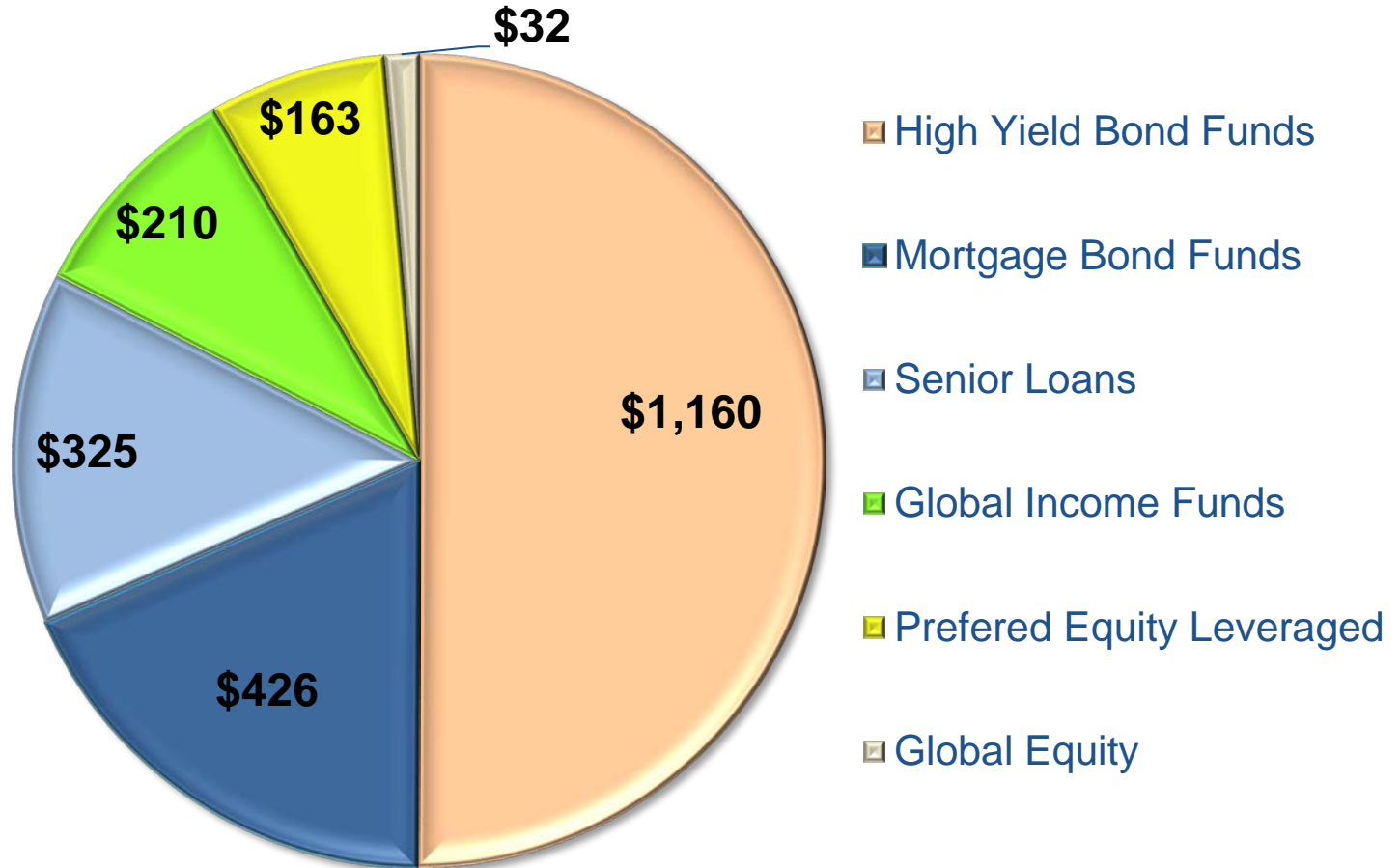
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of IPOs	1	6	4	5	7	5	1	1	5	1
Average Assets In \$ millions	\$120	\$575	\$78	\$96	\$101	\$98	\$87	\$141	\$138	\$203
Total New CEF IPO Assets in \$ Billions	\$0.1	\$3.5	\$0.3	\$0.5	\$0.7	\$0.5	\$0.1	\$0.1	\$0.7	\$0.2

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

Source: SEC Filings, Press Releases

CEF IPOs: By Investment Focus

April 1, 2016 – March 31, 2017



Note: Inception Assets in millions ; data as of 3/31/2017 , cefdata.com

2017 IPO Details

1Q 2017

Nuv Pref & Incm 2022 Trm Fd (JPT) – Specialty Equity Funds -

IPOed on January 26, 2017

IPO Price: \$25.00

IPO Assets: \$163M

Price as of 3/31/17: \$25.05

Disc/Prm as of 3/31/17: 0.52%

2022 Glbl Incm Opp Tr (BGIO) – Taxable Bond Funds -

IPOed on February 24, 2017

IPO Price: \$10.00

IPO Assets: \$210M

Price as of 3/31/17: \$10.01

Disc/Prm as of 12/30/16: 2.04%

Nuveen Cr Opp 2022 Tgt Trm Fd (JCO) – Taxable Bond Funds -

IPOed on March 28, 2017

IPO Price: \$10.00

IPO Assets: \$225M

Price as of 12/30/16: \$10.01

Disc/Prm as of 12/30/16: 1.62%

IPOs during 2Q 2016 – 4Q 2016

Current Discount / Premium

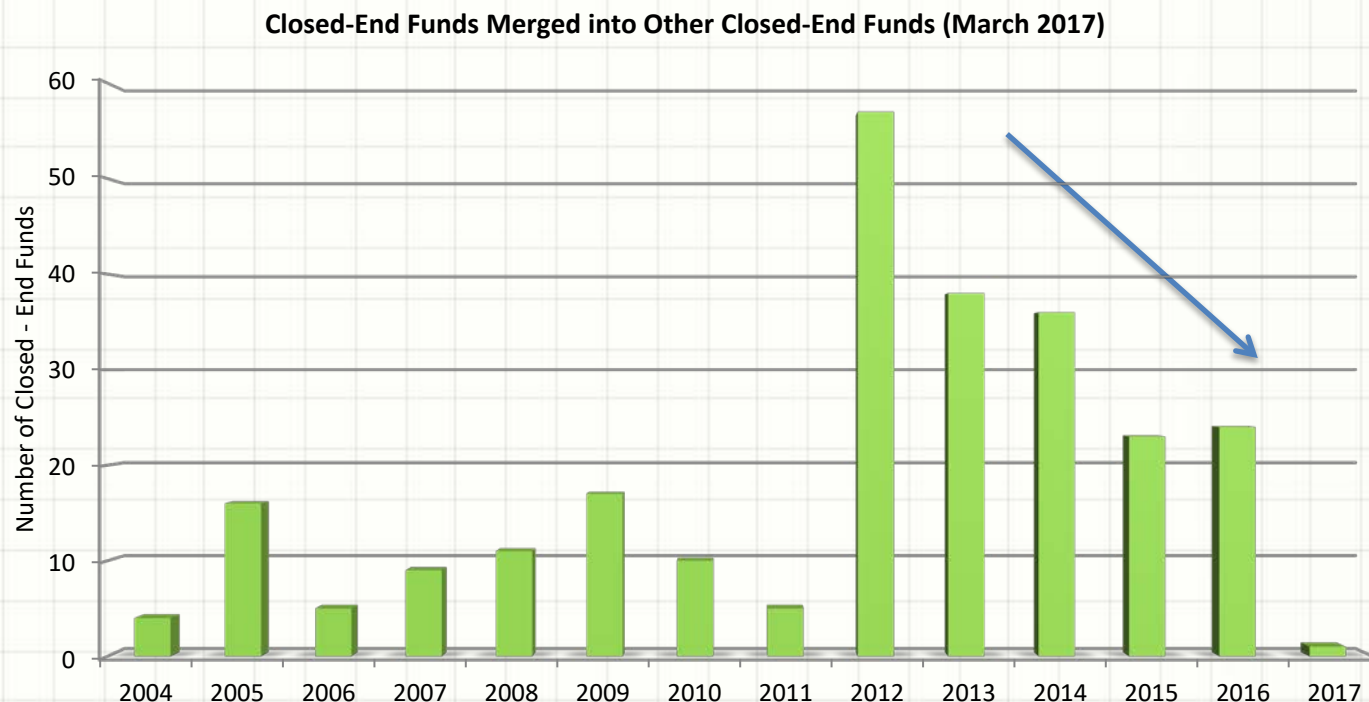
IPO Date	Ticker	Fund Name	Type	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
2Q 2016	JHD	Nuv Hi Incm Dec 2019 Tgt Trm Fd	Traditional	-0.58%	\$10.20	\$10.00	102.00%
	EHT	EV Hi Incm 2021 Tgt Trm Tr	Traditional	-2.43%	\$10.03	\$10.00	100.30%
3Q 2016	JHB	Nuv Hi Incm Nov 2021 Tgt Trm Fd	Traditional	-0.70%	\$10.00	\$10.00	100.00%
	OPP	RiverNorth DbLin Stgc Opp Fd	Traditional	-4.34%	\$18.94	\$20.00	94.70%
	GGO	Gabelli Go Anywhere Tr	Traditional	-4.33%	\$18.36	\$20.00	91.80%
4Q 2016	IHIT	Invsc Hi Incm 2023 Tgt Trm Fd	Traditional	1.11%	\$10.03	\$10.00	100.30%
	FIV	FT Sr Flt Rt 2022 Tgt Trm Fd	Traditional	0.91%	\$9.93	\$10.00	99.30%

Data as of March 31, 2016

Source: CEFA's Closed-End Fund Universe Report



Closed-End Fund Mergers (Traditional)



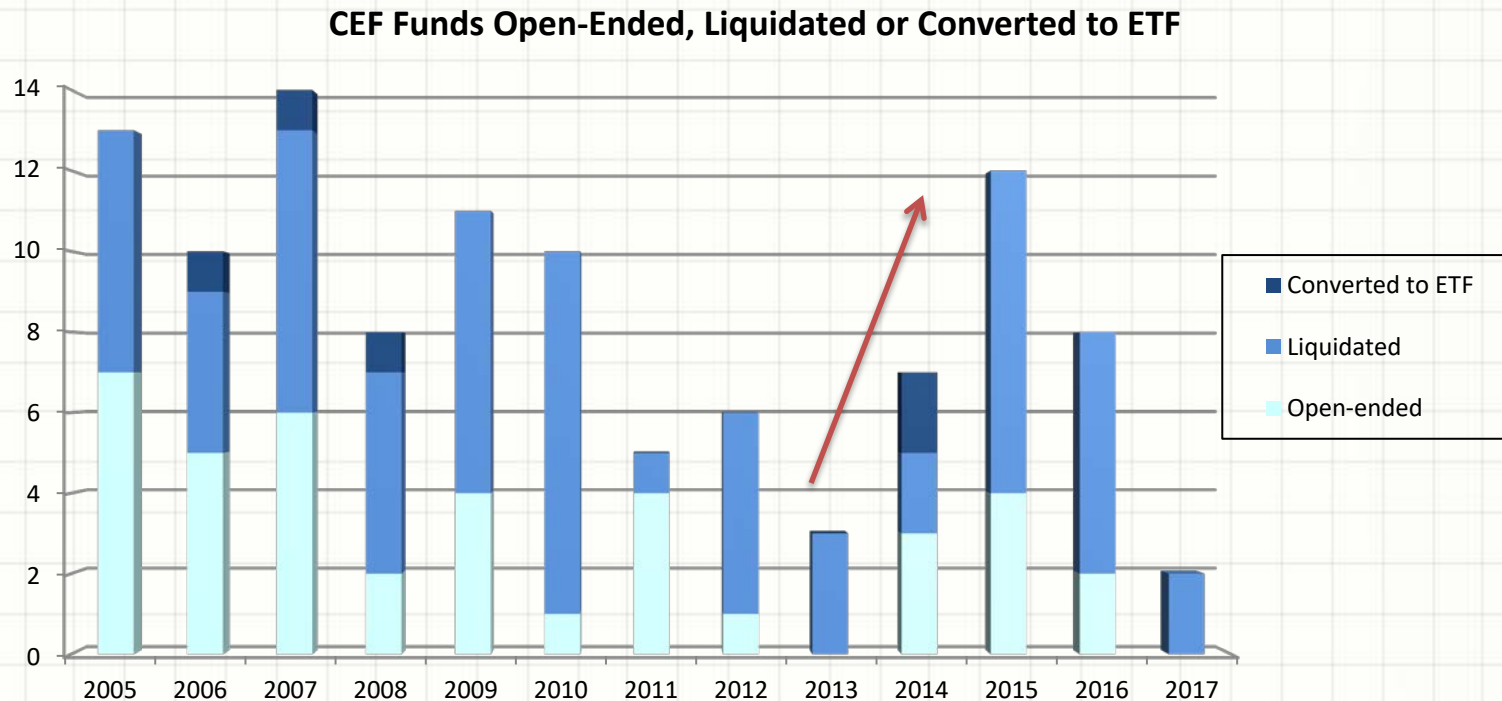
Reasons to Merge:

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

Source: Fund Press Releases

Avg. – 18 per year
36 Last 5 Yrs, 10 previous 7 Yrs

Closed-End Fund Deaths (Traditional)

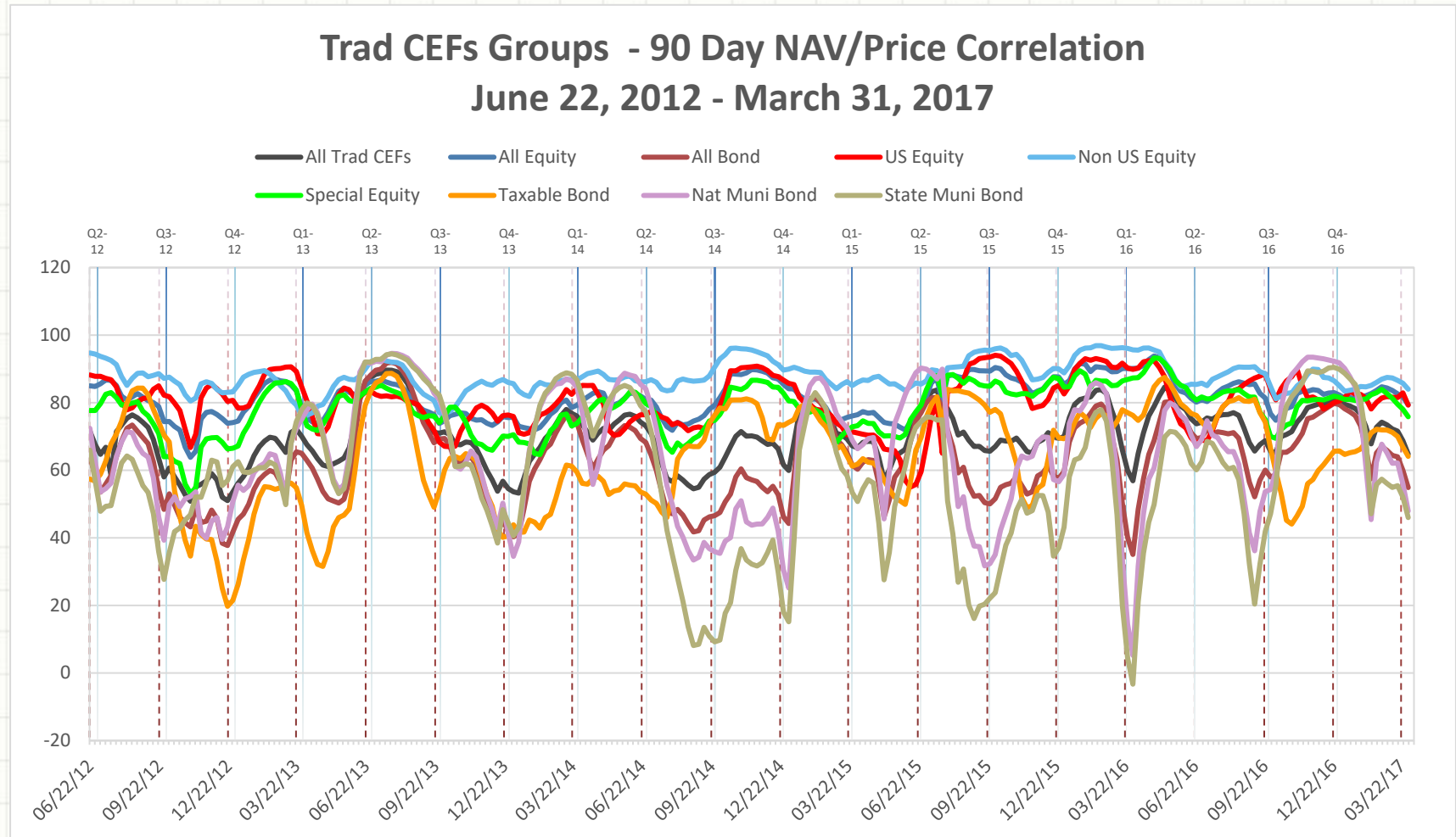


Source: Fund Press Releases

Causes: Open-ending, liquidation & conversion. (8.8 per year on average)

Traditional Closed-End Fund

90 Day NAV – Market Price Correlation



Source: March 31, 2017 - CEFA's Closed-End Fund Universe Report

Traditional Closed-End Fund NAV – Market Price Correlation

Fund Grouping	Correlation 1Q 17	Correlation 4Q 16	Correlation Trend
US Equity Funds	79.3%	80.5%	-1.20%
Non-US Equity Funds	84.0%	85.0%	-1.00%
Specialty Equity Funds	75.8%	81.6%	-5.80%
<i>Ave Equity CEF</i>	<i>79.4%</i>	<i>82.3%</i>	<i>-2.90%</i>
Taxable Bond Funds	64.1%	65.7%	-1.60%
National Muni Bond Funds	47.9%	91.8%	-43.90%
State Muni Bond Funds	46.0%	89.9%	-43.90%
<i>Ave Bond CEF</i>	<i>54.9%</i>	<i>79.5%</i>	<i>-24.60%</i>
Average CEF	64.8%	80.6%	-15.80%

Data as of March 31, 2017

Source: CEFA's Closed-End Fund Universe Report

4Q16 , 2016 and 3Q16 Closed-End Fund NAV / Market Price Performance

Fund Grouping	1Q 2017 NAV	1Q 2017 Mkt Pr	2016 NAV	2016 Mkt Pr	4Q 2016 NAV	4Q 2016 Mkt Pr
US Equity Funds	5.8%	7.7%	9.7%	10.4%	2.0%	2.2%
Non-US Equity Funds	9.6%	12.5%	5.7%	10.8%	-3.2%	-3.7%
Specialty Equity Funds	5.0%	7.3%	14.6%	18.8%	0.2%	-1.7%
<i>Avg Traditional Equity CEF</i>	6.4%	8.8%	11.2%	15.1%	-0.5%	-1.6%
Taxable Bond Funds	3.5%	4.6%	13.6%	18.0%	1.4%	1.0%
National Muni Bond Funds	2.0%	2.7%	0.9%	1.7%	-5.7%	-8.7%
State Muni Bond Funds	1.8%	2.0%	0.3%	0.7%	-5.5%	-9.7%
<i>Avg Traditional Bond CEF</i>	2.6%	3.4%	6.4%	8.7%	-2.4%	-4.6%
Average Traditional CEF	4.1%	5.6%	8.4%	10.6%	-1.6%	-3.3%
<i>Debt Focused BDC</i>	2.3%	7.3%	8.6%	18.4%	2.2%	3.2%
<i>Equity Focused BDC</i>	0.1%	4.3%	-8.0%	-6%	-3.3%	3.93%
Average BDC	2.0%	6.8%	6.6%	15.4%	1.5%	3.3%

Data as of March 31, 2017

Source: CEFA's Closed-End Fund Universe Report



CEF / BDC Performance

Fund Grouping	1Q 2017 NAV	1Q 2017 Mkt Pr	1 Year NAV	1 Year Mkt Pr	5 Year NAV	5 Year Mkt Pr
12 Major Sectors Index	3.9%	5.9%	15.0%	18.8%	8.4%	7.9%
High Income Index	4.3%	8.5%	20.9%	26.9%	7.0%	6.5%
Tax-Sensitive Income Index	5.0%	7.3%	14.6%	18.8%	4.6%	4.1%
60/40 Balanced Index	5.3%	7.8%	16.1%	20.4%	8.4%	8.2%
Global Equity Index	7.7%	10.5%	16.3%	20.3%	8.9%	8.8%
Equity Income Index	5.9%	9.0%	16.5%	20.5%	7.7%	7.4%
Taxable Bond and BDC	3.4%	4.8%	13.0%	16.5%	7.2%	6.5%
National Municipal Bond	2.1%	2.2%	0.2%	-1.4%	6.0%	5.1%
Preferred Equity Index	5.9%	5.5%	12.4%	11.8%	10.6%	10.0%
Convertible Bond Index	4.4%	8.7%	19.9%	28.0%	7.1%	6.4%
High Yield Bond Index	3.2%	3.0%	19.7%	19.9%	7.8%	4.9%
Sr. Loan Index	1.6%	1.2%	14.7%	21.7%	6.7%	6.1%
MLP Index	3.6%	7.0%	49.8%	49.8%	1.8%	0.3%
REIT / Real Asset Index	3.6%	6.7%	7.6%	12.3%	10.8%	9.7%
Debt-BDCs Index	1.34%	7.1%	11.7%	30.6%	10.0%	11.5%

Data as of March 31, 2017, Annualized over 1 year

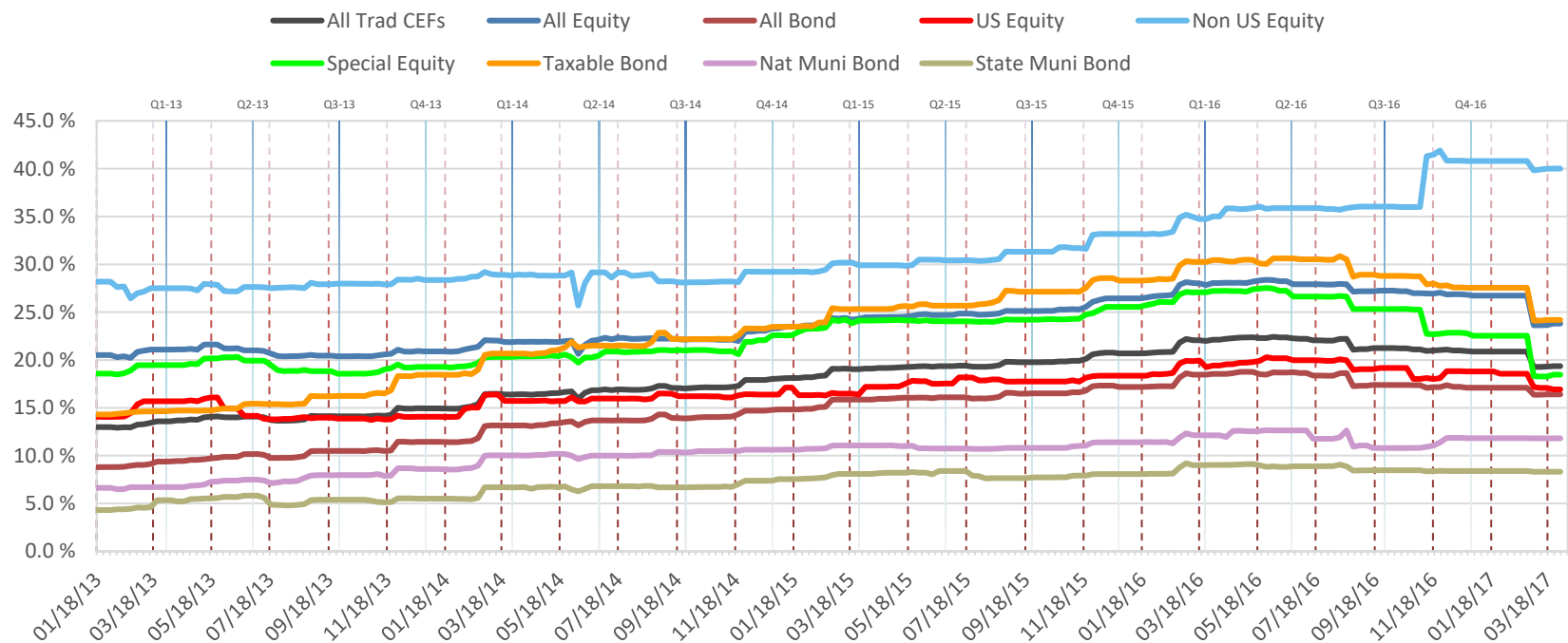
CEF Institutional Holdings

(Traditional CEFs 1Q 17)

**Institutional
Holdings Trends**

**Increase: 333 funds
Decrease: 68 funds**

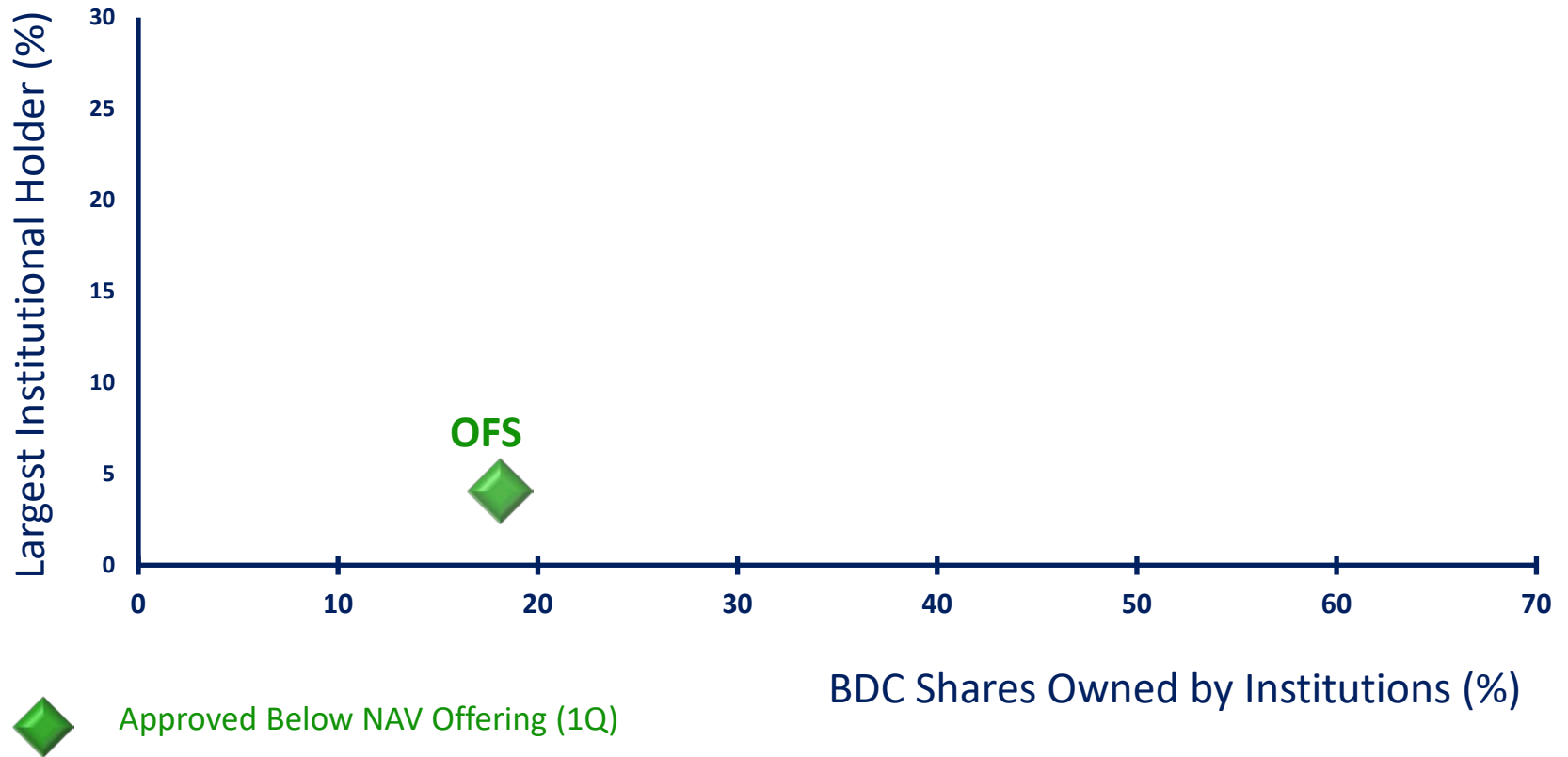
Trad CEFs Groups - % Shares Owned by Institutions
January 18, 2013 - March 31, 2017



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

www.CEFadvisors.com

BDC Institutional Ownership



Note: Data as of 4/18/2017 , cefdata.com

CEF/BDC

Activist / Institutional Investors

Activist:

1. Ancora Advisors
2. Bull Dog Investors
3. Special Opportunities Fund
(SPE -- Bulldog)
4. Ironsides Partners
5. Karpus Investment Management
6. Western Investment
7. Elliott Associates (BDCs)
8. Wynnefield Capital (BDCs)

Followers:

1. City of London
2. Punch & Associates Investment
Management
3. Relative Value Partners
4. Rivernorth Capital Management
5. Saba Capital Management
6. SIT Investment Associates
7. DG Capital Management (BDCs)
8. Sims Capital Management (BDCs)

Total Assets at work 12/31/16 - \$1.5 Billion Activist // \$6.5 Billion Followers & Activist

Source: CEFA's Closed-End Fund Universe Report



Closed-End Fund Corporate Actions / Activist Update

1Q 2017

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Mar	13D Filings	TTF, TDF, TWN, IIF, MXE, LDF, KF, ABE, GCH	City of London	Intent to vote against Directors
Mar	Announcement	180 Degree Capital Corp (TURN)	Public	Conversion from BDC to CEF
Mar	13D/A	Clough Gbl Opp Fd (GLO)	Saba	Inc(10.19%)
Mar	13D	Fed Prmr Imd Muni Incm Fd (FPT)	Karpus	21.3% Self Tender Proposal
Mar	13D/A	JPMorgan China Region Fd(JFC)	City of London	Dec(34.7%) Due to liquidation plan
Mar	13D/A	Swiss Helvetia Fd (SWZ)	Bulldog	7.34% Self Tender Proposal
Mar	Repurchase	HQH, THQ, HQL, THW	Public	Up to 12%

Closed-End Fund Corporate Actions / Activist Update

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Feb	13D/A	Clough Gbl Div & Incm Fd (GLV)	Saba	17.13% Trustees Proposal
Feb	13D	Madison Cov Call & Eq Stgc (MCN)	Karpus	Inc(9.12%) Investment Adv Agreement termination proposal
Jan	13D	Cushing Renaissance Fd (SZC)	Bulldog	10.44% Concerns on Trading Discount
Jan	Repurchase	New Mountain Fin Corp (NMFC)	Public	Extension of Repurchase Approved
Jan	Offering	Newtek Biz Serv Corp (NEWT)	Public	2,250,000 shares @ \$15.25

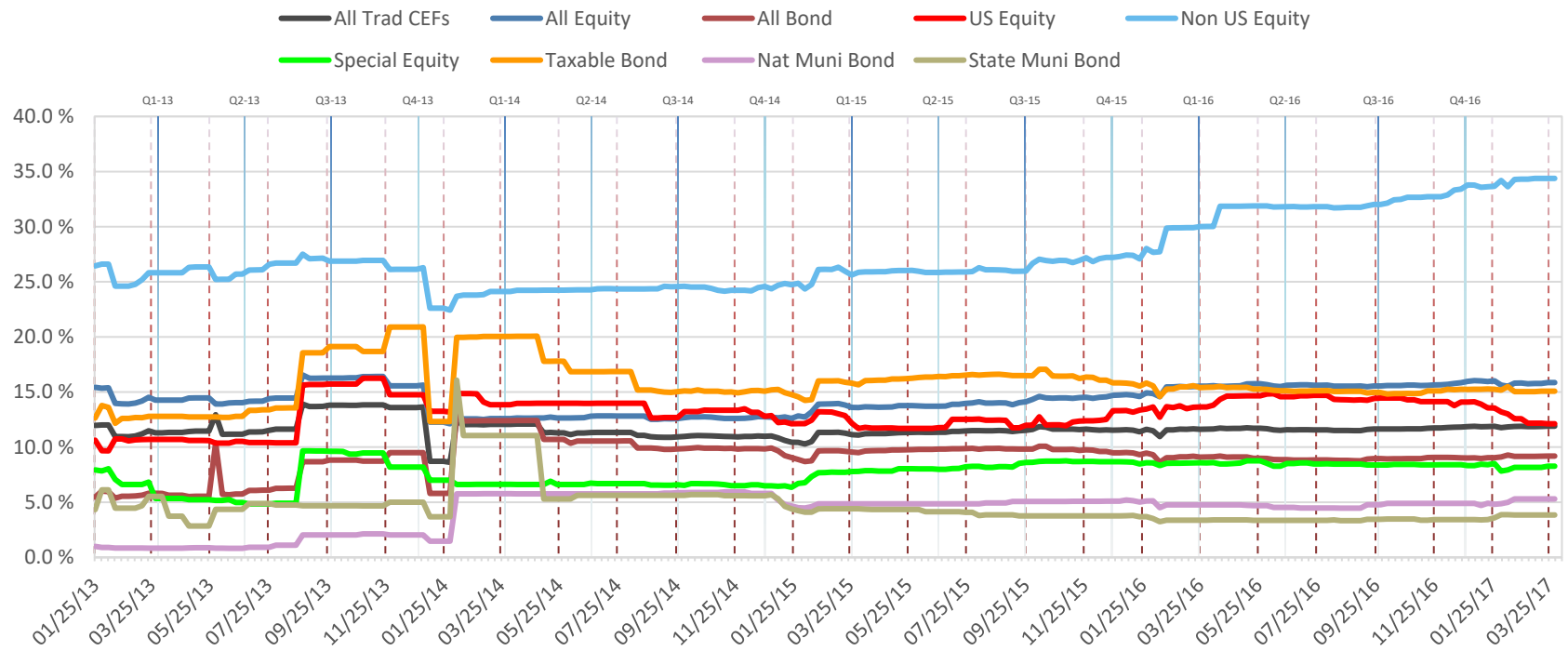
CEF Activist Holdings

(Traditional CEFs 1Q 17)

**Activist
Holdings Trends**

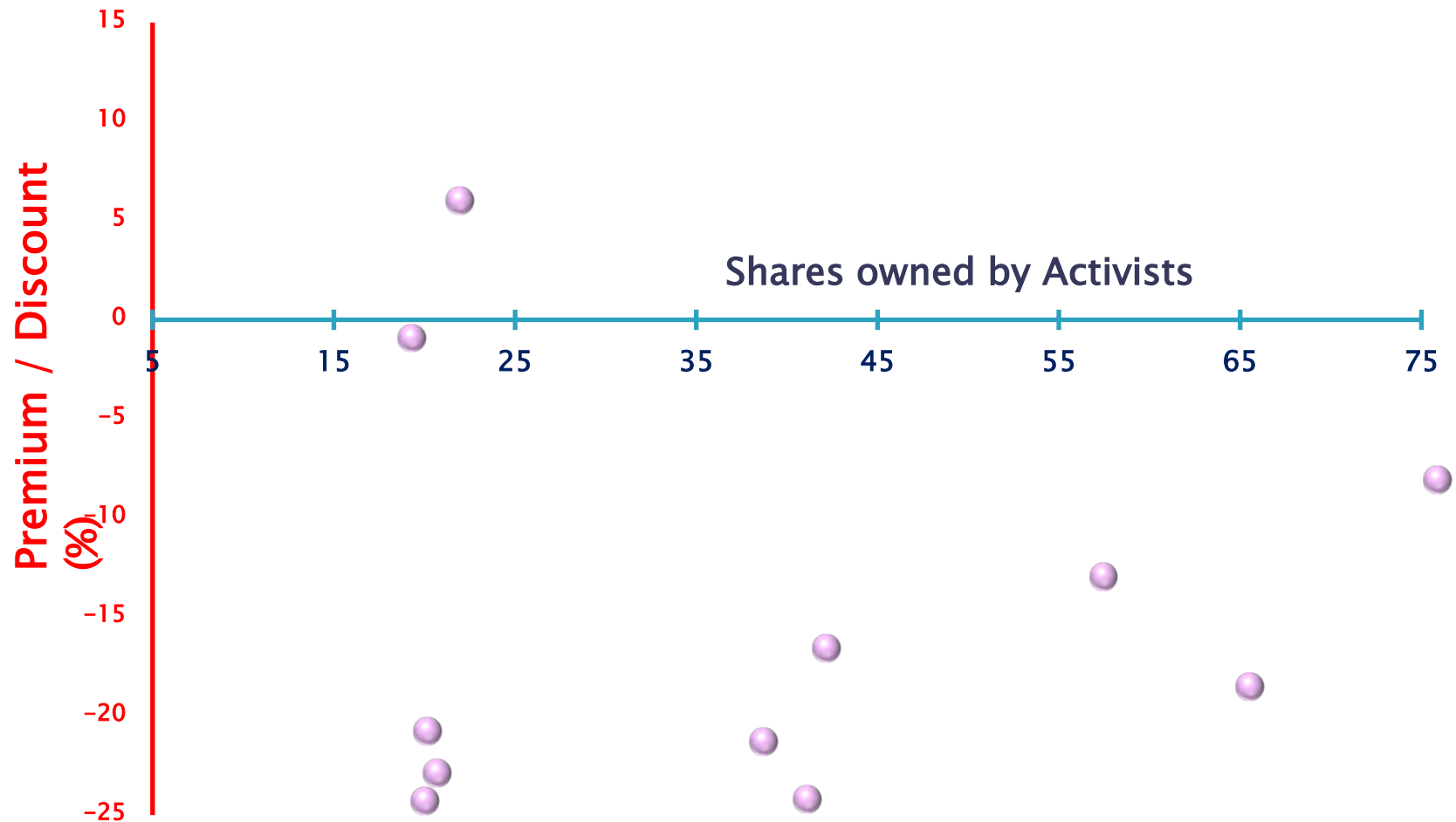
**Increase: 153 funds
Decrease: 182 funds**

Trad CEFs Groups - % Shares Owned by Activists
January 25, 2013 - March 31, 2017



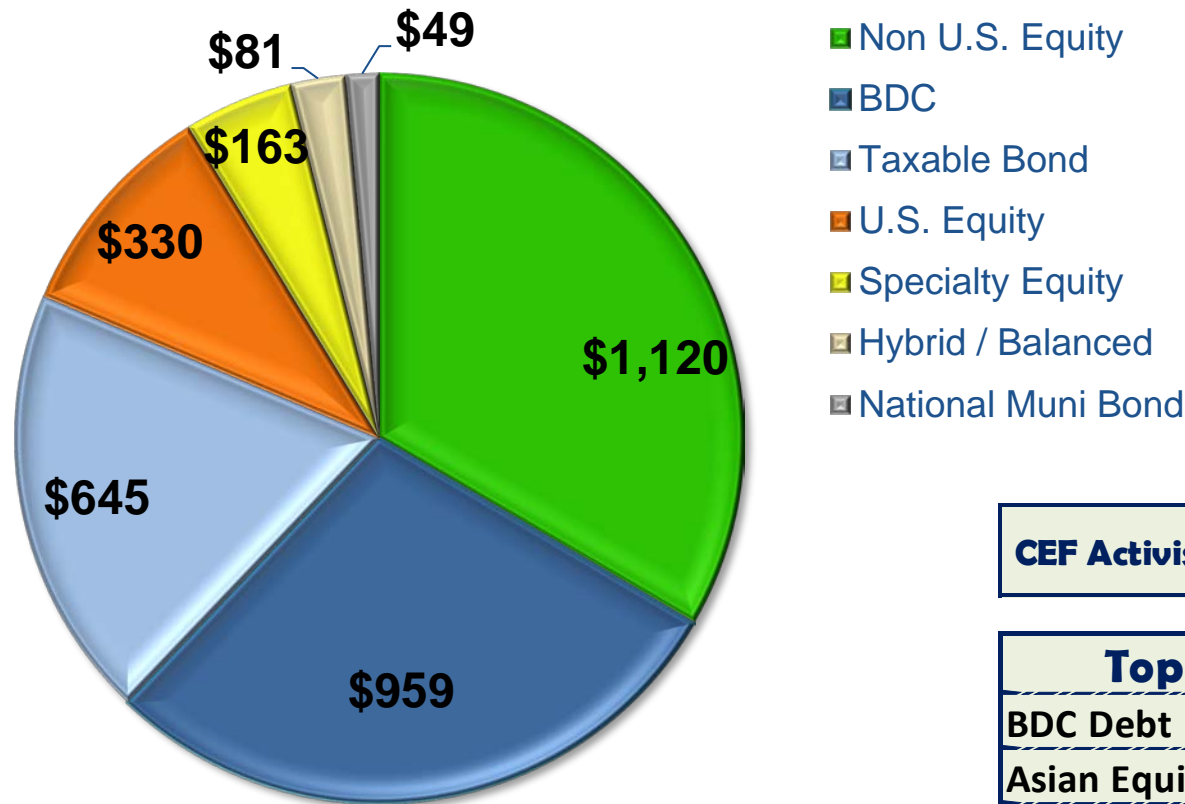
Source: CEFA's Closed-End Fund Universe (www.cef universe.com)

Activist Ownership vs Fund Discounts



Note: Data as of 4/18/2017 , cefdata.com

Activist Ownership (13D) by Investment Focus

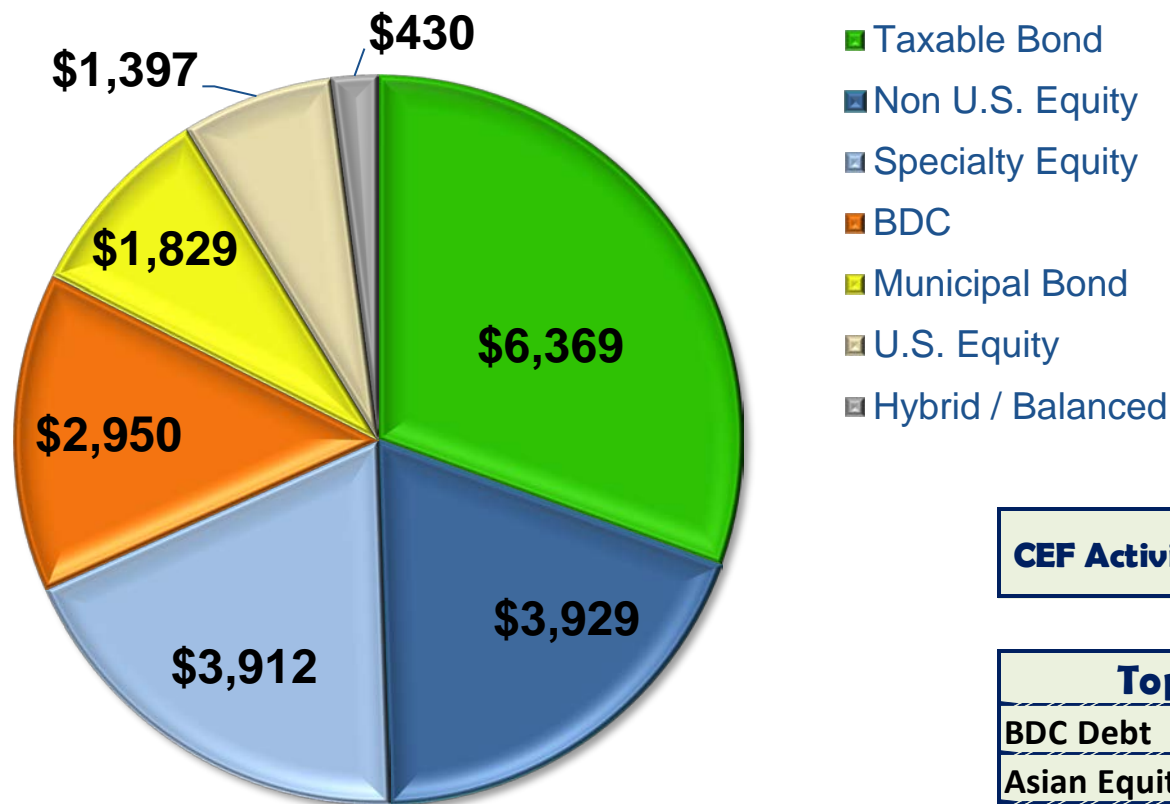


CEF Activist Ownership	\$3,347
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Top 5 Peer Groups	
BDC Debt	\$915
Asian Equity	\$792
General Equity	\$330
US Government Bond	\$292
Latin American Equity	\$145

Note: millions of dollars, data as of 4/19/2017, cefdata.com

Activist & Follower Ownership (13D/13G) by Investment Focus



CEF Activist Ownership	\$20,816
-------------------------------	-----------------

Top 5 Peer Groups	
BDC Debt	\$2,784
Asian Equity	\$2,084
High Yield Bond	\$1,425
Covered Call	\$1,415
MLP Funds	\$1,303

Note: millions of dollars, data as of 4/19/2017, cefdata.com

CEFA's Outlook for 2Q and 2017

- **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, Gross Asset Exposure, Leverage**



Possible Trump Impact to BDCs and CEFs

(Sectors / DOL / Trends and Products)

CEF / BDC - Sectors

- Municipal Bond CEFs / QDI
- MLP / Infrastructure
- “Typical” Equity Funds
- Duration Bonds/Preferred
- Sr. Loans / BDCs

Products of BDCs/CEFs

- Index Inclusion ?
- Acquired Fund Fees
- Banks competing with BDCs?
- ETFs, CEFs, OEFs, A-ETFs

Market Trends

- Taxes
- Regulations
- Market Risk
- Interest Rates
- Cost & Type of Leverage

DOL

- CEF / BDC IPOs & Secondary's
- CEF Products – UITs in IRAs?
- Pushed back – How far? Ever?
- Fiduciary vs. Suitability
- Kill or fix BDC/CEFs IPOs ?

Source: CEFA's Closed-End Fund Universe Report



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

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CEF Advisors Links

- CEF Advisors' Website: www.CEFadvisors.com
- CEF/BDC Index Data: www.CEFdata.com/cefaindex
- CEFA's Blog: www.CEF-Blog.com /
- CEF/BDC Research Sites: www.BDCUniverse.net -- www.CEFdata.com
- Published Articles
 - Seeking Alpha: <http://seekingalpha.com/author/john-cole-scott/articles>
 - WealthManagement.com: <http://wealthmanagement.com/author/john-scott>
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- CEFA's Form ADV Part 2A and 2B
<http://www.cefadvisors.com/Download/ADV-II-Form.pdf>

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CEF Resources

CEF/BDC Fund Profiles: www.cefddata.com

CEFAalyzer LLC: <http://CEFAalyzer.com>

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

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

Morningstar's CEF Site:

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

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

CEFNetwork (Pristine Advisers): www.CEFnetwork.com

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

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

Morningstar Discussion Board:

<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

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



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



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CEF ADVISORS' MODEL PORTFOLIO OFFERINGS

DATA AS OF APRIL 19, 2017 FROM "CEFA'S CLOSED-END FUND UNIVERSE DATA"

Portfolio	Discount	1 Yr Avg Discount	3 Yr Avg Discount	Rel Disc Range (3yr)	Mk Yield	Lev Adj NAV Yield	After Tax Yield	Tax Friction	1 Yr RoC %	3 Yr Dest RoC %	Lev %	Est Lev Cost	Non Lev Expense Ratio	3 Yr NAV Volatility	3 Yr NAV TR	Purchases Turnover	Sales Turnover	% Equity Exposure	% Bond Exposure	# Holdings	Cash Weighted Duration	Beta (2yr)
1. CEFA International Opportunity	-10.21	-12.35	-11.98	62.28	6.32	4.93	5.36	0.96	27.8	16.7	13.8	0.26	1.39	14.25	6.80	58.07	61.34	64.43	31.94	29	1.68	0.83
2. CEFA Diversified Equity	-14.06	-16.14	-14.97	53.62	5.93	4.74	5.27	0.66	28.1	17.0	10.6	0.27	1.21	17.22	10.71	48.55	49.54	85.48	11.87	25	N/A	1.06
3. CEFA Diversified Growth	-8.40	-11.63	-11.97	65.05	7.33	5.57	6.01	1.32	17.7	13.2	19.7	0.95	1.95	15.42	11.76	50.04	53.30	63.82	33.71	33	0.69	1.03
4. CEFA Hybrid (High) Income	-6.45	-8.61	-9.37	65.99	10.40	7.81	8.89	1.51	39.4	27.5	25.4	1.28	2.33	14.06	5.49	72.10	75.55	51.67	45.66	26	0.94	0.95
4.1. CEFA Hybrid (High) Income Monthly	-6.14	-9.73	-10.84	78.41	9.19	6.77	7.62	1.57	29.5	16.2	28.7	1.25	2.32	10.30	11.34	62.99	65.58	43.85	52.14	23	1.54	0.76
5. CEFA Discount Opportunity	-14.76	-15.97	-14.57	56.07	6.25	4.40	5.16	1.09	19.1	10.9	19.9	0.89	2.05	13.60	12.53	55.78	56.82	64.79	32.79	35	1.52	0.90
6. CEFA Alternative Income	-7.90	-9.94	-10.22	70.11	7.93	5.79	6.42	1.51	18.4	9.4	25.6	1.65	2.54	13.59	16.20	45.62	46.08	50.99	46.25	21	1.14	0.71
7. CEFA Foundation / Balanced	-7.40	-9.87	-11.00	67.18	7.45	5.56	5.94	1.51	13.1	8.2	24.4	0.89	1.87	11.61	13.78	51.44	52.79	49.94	48.03	29	1.49	0.68
7.1. CEFA Foundation / Balanced - Tax Advantaged	-7.81	-9.92	-9.14	60.16	7.30	5.65	6.87	0.43	52.8	41.1	20.9	0.61	1.42	15.28	2.52	59.59	63.18	60.62	37.80	28	2.09	0.90
8. CEFA Taxable Bond & BDC	-6.87	-9.43	-11.17	76.85	7.85	5.56	6.03	1.82	6.8	3.2	30.9	1.50	2.48	6.04	15.36	51.51	54.08	6.74	88.58	21	3.49	0.43
9. CEFA Dividend Confidence Model	-6.74	-9.02	-9.43	65.72	6.80	5.15	5.52	1.28	17.0	6.6	23.9	0.71	1.61	11.10	15.25	45.90	45.40	47.41	51.02	31	2.19	0.74
10. CEFA Diversified Low Beta	-6.77	-9.07	-10.37	68.76	6.71	5.05	5.48	1.23	18.5	7.3	24.3	0.92	1.97	10.93	14.86	59.16	59.94	52.34	45.00	24	0.85	0.47
11. CEFA Low Correlation	-3.64	-6.19	-8.51	79.18	7.24	5.69	6.15	1.09	20.7	12.9	24.0	0.97	1.82	10.63	14.13	48.14	47.83	44.84	52.83	27	2.74	0.57
11.1. CEFA Low Correlation - IRA	-5.78	-7.74	-9.42	68.40	7.38	5.72	6.03	1.35	23.7	14.5	21.9	0.88	1.85	11.66	10.53	39.30	43.12	39.62	59.07	25	2.65	0.56
12. CEFA Div Tax-Sensitive Income (Eq Wt)	-4.80	-6.76	-7.37	64.80	7.55	6.04	7.28	0.27	54.6	36.7	22.9	0.79	1.36	15.34	2.82	39.74	43.87	53.58	45.26	20	2.41	0.78
12.1. CEFA Div Tax-Sensitive Income (Muni OW)	-4.43	-6.07	-7.12	67.76	7.12	5.78	6.90	0.22	40.1	28.7	24.1	0.70	1.24	11.23	8.57	33.30	35.72	41.33	57.66	20	3.68	0.50
13. CEFA BDC Select	0.61	-6.76	-8.72	79.97	9.02	6.42	6.76	2.26	0.0	0.0	41.1	3.83	4.28	4.47	22.37	28.60	28.60	8.47	90.24	13	N/A	0.76
13.1. CEFA BDC Monthly Income	4.69	-1.84	-5.52	83.74	9.23	6.72	6.92	2.31	0.0	0.1	40.2	3.61	3.75	3.67	20.85	28.90	28.90	7.60	87.46	8	N/A	0.81
13.2. CEFA BDC - Low Beta	6.16	-0.35	-4.71	78.54	8.63	6.24	6.48	2.15	0.0	0.0	45.2	4.32	4.50	2.67	26.78	30.08	30.08	8.70	87.80	9	N/A	0.65
13.3. CEFA BDC Premium	12.40	6.43	4.52	76.75	8.68	6.85	6.51	2.17	0.0	0.0	41.8	3.43	4.25	2.85	27.73	32.97	32.97	7.07	92.72	11	N/A	0.82
14. CEFA Select Municipal	-4.31	-3.48	-5.77	59.93	5.56	3.91	5.50	0.06	0.1	0.0	36.4	0.69	1.05	3.48	20.52	19.39	17.00	0.00	99.63	13	9.52	-0.05
14.1. CEFA Low Duration Municipal	-1.47	-1.59	-3.63	49.75	3.25	2.79	3.25	0.00	0.1	0.0	15.3	0.36	0.76	2.59	11.95	17.92	18.07	0.00	99.66	6	3.91	-0.04

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Current CEFA Portfolio Modes

CEFA Portfolio Models' Investment Objectives. Diversified models hold 15-30 positions and sector models hold 5-15. All CEFA models start with our asset allocation and market outlook. Then, we select funds that meet or exceed our Trifecta analysis for discount direction, dividend sustainability and manager or NAV performance, blending our fundamental and data driven investment resources.

- 1. International Opportunity:** Diversified portfolio focusing on non-US and global sector of closed-end funds. We seek to blend our global market outlook with the ability to buy these funds, often at significant discounts to NAV while having the opportunity for discount narrowing over time if the countries or regions become more popular by investors. Yield is a byproduct of the model as many CEFs pay at least annual or semi-annual distributions. We expect the model to be 60%-80% Equity exposure and 55% to 85% Non US holdings at the fund level. We seek to have duration of the portfolio on a "cash weighted" basis under 2 and a Beta to the S&P 500 between 0.75 and 0.90.
- 2. Diversified High Beta:** Diversified portfolio seeking 65% to 85% equity exposure and 15% to 35% debt exposure. The Beta to the S&P 500 is expected to be 1.25 to 1.50. This model is a good candidate for adding SpiderRock's option overlay, as you could outperform in an option-overlaid portfolio when the holdings are more volatile by nature. This portfolio is expected to have little to no duration exposure.
- 3. Diversified Growth:** Diversified portfolio focusing on the sectors and funds where we see the best risk-adjusted growth potential. Yield is a byproduct of the model as many CEFs pay at least annual or semi-annual distributions. We expect the model to be 65% to 90% equity exposure based on the fund's reported holdings and seeking to have duration of the portfolio on a "cash weighted" basis around 1 and a Beta to the S&P 500 between 0.70 and 1.0.
- 4. Hybrid (High) Income:** Diversified portfolio seeking 50/50 allocation to equity and debt at the fund level; focusing on the highest sustainable dividend levels possible in the current environment with at least 75% of funds paying monthly. Historically 8%-9% is our target income level. We seek to have duration of the portfolio on a "cash weighted" basis under 2 and a Beta to the S&P 500 between 0.75 and 0.95. We offer a 100% monthly paying version of this model for investors that seek this feature to their investment needs. A SpiderRock overlay can be a nice addition to this model.
- 5. Alternative Income:** Diversified portfolio seeking 50 / 50 allocation to equity and debt at the fund level; focusing on less "plain vanilla" or core sectors and managers that could offer a more "hedge fund" like experience and a diversifier to traditional equity and bond allocations. We seek 2% a quarter in distributions at roughly half the Beta o the S&P 500 with "cash weighted" duration under 2. A SpiderRock overlay can be a nice addition to this model.
- 6. Discount Opportunity:** Diversified portfolio seeking 50/50 allocations to equity and debt at the fund level. Researching funds that both have a larger that average absolute discount to NAV as well as wider than normal Comp Discount (vs. peer-group average) without a significantly worse NAV total return performance vs. their peer funds. This model can work well for contrarian investors. A SpiderRock overlay can be a nice addition to this model.
- 7. Foundation/Balanced:** Diversified model based on a 60% equity / 40% debt allocation at the fund level. We believe this model is a "medium risk portfolio" for a typical retired investor. Historically 7%-8% is our target income level. We seek to have duration of the portfolio on a "cash weighted" basis under 2.5 and a Beta to the S&P 500 between 0.60 and 0.85. This model is a good candidate for adding SpiderRock's option overlay, as you could outperform in an option-overlaid portfolio at these Beta levels. We offer a "Tax Advantaged" version of this model, that could reduce the after tax





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 ♦ Contact@CEFadvisors.com

friction by 65%-75% for a typical investor in a taxable environment. We also offer more conservative portfolio (Conservative Diversified), comprised of 2/3 the F/B model and 1/3 invested in non-traditional asset classes using ETFs and open-end funds to reduce the expected volatility over time.

8. **Diversified Low Beta:** Diversified portfolio seeking 50/50 allocations to equity and debt at the fund level focusing on a lower Beta for to the S&P 500 in the sector when selecting funds. We seek to have duration of the portfolio on a "cash weighted" basis under 1.75 and a Beta to the S&P 500 between 0.40 and 0.60. This model is a good candidate for adding SpiderRock's option overlay, as you could potentially lower the Beta to 0.25 to 0.40 levels.
9. **Low Correlation:** Diversified portfolio seeking roughly 50/50 allocations to equity and debt at the fund level. Focusing on exposure to the CEF sectors we find have the lowest long-term NAV correlations to each other. Historically 6%-7% is our target income level. We seek to have duration of the portfolio on a "cash weighted" basis under 3.25 and a Beta to the S&P 500 between 0.50 and 0.70. We offer an "IRA" version of this model that replaces Build America Bond (BABs) exposure for the municipal bond exposure. A SpiderRock overlay can be a nice addition to this model.
10. **Taxable Bond and BDC:** Diversified portfolio focused on the taxable bond and debt-focused business development company (BDC) sectors. This income focused model historically targets a 7%-8% income level. It seeks "cash weighted" duration under 4 and a Beta to the S&P 500 from 0.35-0.50.
11. **Diversified Tax-Sensitive Income:** Designed to maximize after-tax yield for high income investors seeking little-to-no tax friction. Focuses on equal weight exposure to three CEF sectors whose net asset values (NAVs) historically have low correlation: municipal bonds, master limited partnerships and tax-advantage equity funds (primarily covered call CEFs). Muni's, the most common tax-avoidance sector for many investors has a 38.6% 10 Year NAV correlation to MLPs and a 33.3% correlation to Covered Call Funds. Covered Call funds have only a 69.8% correlation to MLP funds. We seek a Beta to the S&P 500 of 0.55 to 0.70 and an after-tax yield of 6.25% to 7.25%. Cash-weighted duration is expected to be under 3. We also offer a Municipal bond overweight version of this model where 50% of the portfolio is Muni bond CEFs.
12. **Business Development Company Select:** A focused but diversified portfolio of BDCs ("top quartile") with strong fundamental research on each BDC's portfolio and management. Seeking BDCs exposure with above average (better) dividend sustainability, NAV (portfolio) performance, variable and senior secured loan exposure as well as low non-accruals (defaults). We look for sector and geographic diversity and use a target of 1000 combined holdings. We expect a Beta to the S&P 500 of 0.6 to 0.8 and historically yield levels of 8.5% to 9.5% are common. BDCs have low 10-year correlation to most asset classes; including 15% to municipal bond, 12.8% for preferred equity and 27.4% to REIT CEFs. Also, only 40%-43% correlation to high yield and Sr. loan CEFs. We offer a "100% monthly paying only", "low Beta" and Premium BDC version of this model.
13. **Municipal Bond Select:** A focused portfolio managed for 100% tax-free municipal bond exposure. We seek to build and manage the portfolio for better than average: discount to NAV, NAV total return performance, distribution levels, duration exposure, dividend coverage and other criteria we believe can give investors a better experience when looking to allocate funds into this sector. We also offer this model with lower duration (and yield) exposure.

SpiderRock's Custom Option Overlay for CEFA's diversified portfolios in taxable accounts. This generally reduces Beta by 40%-50% and increases the income on the portfolio by 2%-3% in many but not all market conditions. Learn more at www.SpiderRockadvisors.com

CEFA Portfolio Model Summary Performance

CEFA Composite Performance (Net)* As of March 31, 2017

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	3.55%	3.55%	12.82%	1.78%	3.37%	N/A	5.59%	5/1/2009	S&P 500 Total Return	6.07%	6.07%	17.17%	10.37%	13.30%	7.51%	5.63%	1/31/1999
Foundation/Balanced	6.28%	6.28%	16.57%	3.93%	5.47%	N/A	7.27%	9/1/2009	Barclays Capital Global Aggregate Bond	1.76%	1.76%	-1.90%	-0.39%	0.38%	3.34%	3.98%	1/31/1999
Global Growth & Income	6.45%	6.45%	18.96%	2.21%	4.63%	1.29%	4.23%	1/31/1999	MSCI World (Ex-US)	6.81%	6.81%	11.93%	0.35%	5.38%	1.13%	4.04%	11/1/2002
Globally Diversified Growth	7.47%	7.47%	17.19%	5.09%	6.64%	3.04%	5.91%	1/31/1999	Barclays Municipal Bond	1.58%	1.58%	0.15%	N/A	N/A	N/A	2.94%	8/1/2014
Hybrid Income	8.16%	8.16%	20.68%	5.61%	7.71%	5.22%	5.58%	12/1/2006	Thomson Taxable Fixed Inc CEF TR	2.17%	2.17%	8.01%	2.95%	3.40%	4.54%	4.78%	12/1/2006
International Equity	8.82%	8.82%	15.10%	0.36%	3.22%	1.09%	8.44%	11/1/2002	Thomson All Equity CEF TR	5.31%	5.31%	13.62%	1.81%	4.43%	3.42%	3.73%	12/1/2006
Business Development Companies	7.99%	7.99%	22.62%	N/A	N/A	N/A	10.06%	1/1/2015	Wells Fargo BDC TR	7.18%	7.18%	27.63%	N/A	N/A	N/A	11.54%	1/1/2015
Managed Municipal Bond CEFs	2.88%	2.88%	-1.97%	N/A	N/A	N/A	6.02%	8/1/2014	60/40 S&P 500/Barclays Bond	4.35%	4.35%	9.54%	6.07%	8.13%	5.84%	4.97%	1/31/1999
Special Opportunities	4.49%	4.49%	16.77%	8.35%	N/A	N/A	9.12%	6/1/2013									

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

Globally Diversified Growth	\$2,840,933
S&P 500 Total Return	\$2,707,385
Barclays Capital Global Agg Bond Total Return	\$2,033,278
60/40 S&P 500/Barclays Bond	\$2,415,692

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

Speaker's Biography



John Cole Scott, CFS

EXPERIENCE

CIO of Registered Investment
Advisor Focused Exclusively on CEFs
& BDCs since 2001

EDUCATION

College of William & Mary
Bachelor of Science in Psychology
2000

John Cole Scott, CFS

Chief Investment Officer of Closed-End Fund Advisors

Mr. Scott has worked at Closed-End Fund Advisors since 2001. He 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 and interviewed widely in the financial press and presented at conferences and for investment groups on more than 50 occasions.

In 2008 John founded *CEFA's Closed-End Fund Universe*, a data service covering all US listed closed-end funds and BDCs. Currently supported by an internal 9 member analyst team with a data manager/ programmer covering the 550+ ticker universe of CEFs/BDCs. They regularly do consulting and projects for CEF/BDC Sponsors, Hedge Funds and Institutional Investors.

Portfolio Consultant with about a quarter billion of deposits into a fund focused on BDCs with a fund sponsor partner. CEFA has 26 CEF/BDC based indexes; 8 diversified portfolio objective, 8 Equity and 10 Bond sector. John is a past board member of The Richmond Association for Business Economics (RABE), and serves on the Investment Committee for The New York State Society of The Cincinnati.



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Thank You For Attending Questions?



Closed-End Fund Advisors, Inc

7204 Glen Forest Drive, Suite #105

Richmond, Virginia 23226 U.S.A

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

JCS@CEFadvisors.com

www.CEFadvisors.com

www.CEFData.com