



QUARTERLY CLOSED-END FUND & BDC REVIEW AND OUTLOOK

**4th Quarter 2017 Review &
1st Quarter 2018 Outlook**

Intermediate/Advanced CEF Skill Level

January 18, 2018

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 Portfolios
- 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 and preferred shares as leverage
- 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 “*wrapper*”
- 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. Required to offer companies ‘*managerial assistance*’



CEF Advisors' 12 Major CEF Sectors Index

Data as of 12/29/2017

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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

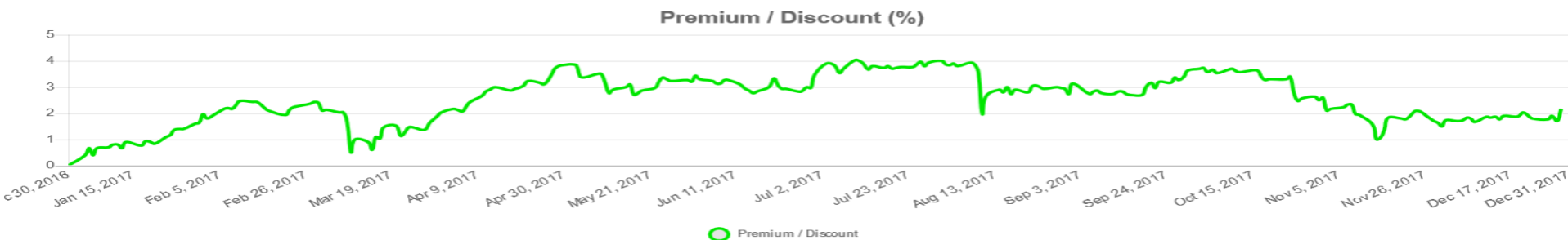
	Current(\$)	Previous Day(%)	1 Week(%)	1 Month(%)	3 Month(%)	6 Month(%)	1 Year(%)	3 Year(%)	5 Year(%)	MTD(%)	QTD(%)	YTD(%)
Price	1,139.40	-1.58	1.24	2.32	1.10	3.61	14.80	7.03	7.85	2.32	1.10	13.33
NAV	1,115.30	-1.19	0.88	1.67	2.54	4.93	11.88	5.20	7.57	1.67	2.54	11.07
Difference		0.38	-0.36	-0.66	1.45	1.31	-2.92	-1.82	-0.28	-0.66	1.45	-2.26
* Periods greater than 1 Year are annualized. ** On Inception Date (12/30/16), Index Price was \$1,000 and NAV was \$1,000.00												

2017 - Monthly Performance (%)

Show Previous Years

	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	1H	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	2H	2017
Price	3.20	2.74	-0.12	5.91	2.79	0.09	0.94	3.84	9.74	1.94	-1.40	1.97	2.49	-0.71	-0.50	2.32	1.10	3.58	13.33
NAV	1.55	1.95	0.26	3.79	1.07	0.64	0.68	2.41	6.20	1.43	-0.21	1.10	2.32	0.39	0.48	1.67	2.54	4.87	11.07
Difference	-1.65	-0.79	0.37	-2.11	-1.71	0.55	-0.25	-1.43	-3.54	-0.51	1.19	-0.87	-0.16	1.09	0.97	-0.66	1.45	1.28	-2.26

DISCOUNT



CHARACTERISTICS

PORTFOLIO Weighted Average Data				
Discount -3.67%	1Yr Disc -3.20%	3Yr Disc -5.45%	5Yr Disc -4.32%	Rel Disc Range (3yr) 65.45%
Mkt Yield 8.02%	Lev Adj NAV Yield 6.42%	After Tax Yield* 6.68%	Est Tax Friction* 1.34%	3Yr NAV Volatility 10.32
1 Yr RoC 22.49%	3 Yr Dest RoC 13.38%	Leverage 23.38%	Non Lev Exp Ratio 1.51%	Beta (2yr) 0.62
Equity Exposure 39.93%	Bond Exposure 58.49%	# Holdings 84	Cash Weighted Duration 2.77	
Comp NAV TR 1.12%	Comp Discount 1.13%	Net Assets (M) 1,167	Liquidity - 90d (K) 3,647	

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

Closed-End Fund Advisors

Asset Class Annual Returns (NAV) 2007 - 2017

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008 - 2017
World Stock 17.35%	BDC -19.35%	Senior Loan 69.91%	MLP 24.35%	Muni Bond 9.73%	REIT 25.56%	MLP 28.71%	REIT 24.47%	Preferred 6.37%	MLP 33.64%	World Stock 25.80%	Preferred 8.13%
BDC 15.51%	Investment Grade -23.36%	World Stock 54.35%	REIT 19.63%	MLP 4.14%	Preferred 23.75%	US Stock 25.62%	Muni Bond 19.70%	Muni Bond 5.53%	HY Bond 18.43%	US Stock 19.79%	REIT 6.61%
MLP 3.18%	Muni Bond -27.04%	HY Bond 52.35%	World Stock 14.57%	BDC -0.05%	HY Bond 20.49%	Convertible 20.89%	Preferred 17.57%	BDC 3.90%	Senior Loan 14.91%	Covered Call 17.59%	Senior Loan 5.91%
Covered Call -1.86%	Covered Call -34.67	Convertible 51.37%	Preferred 13.01%	Investment Grade -0.21%	World Stock 18.27%	Covered Call 16.31%	US Stock 11.20%	Covered Call 1.35%	Convertible 12.06%	Preferred 14.19%	HY Bond 5.86%
Investment Grade -3.19%	US Stock -39.26%	MLP 50.62%	Senior Loan 7.40%	Preferred -2.15%	Convertible 16.40%	BDC 13.36%	BDC 8.10%	REIT 0.95%	BDC 10.09%	Convertible 12.57%	US Stock 5.09%
US Stock -3.70%	Preferred -42.86%	Preferred 42.35%	HY Bond 7.25%	Senior Loan -2.94%	Muni Bond 15.38%	HY Bond 10.02%	Investment Grade 7.73%	US Stock 0.42%	Investment Grade 8.74%	REIT 12.42%	Muni Bond 4.75%
Muni Bond -5.45%	HY Bond -47.59%	REIT 40.91%	Convertible 5.91%	REIT -5.08%	Investment Grade 15.38%	Senior Loan 8.49%	Covered Call 4.86%	Investment Grade -2.38%	Covered Call 8.67%	Investment Grade 10.77%	MLP 4.37%
Convertible -6.04%	MLP -53.03%	Muni Bond 26.64%	Investment Grade 5.78%	US Stock -6.53%	US Stock 13.52%	REIT 3.65%	MLP 3.45%	Senior Loan -2.66%	World Stock 8.45%	BDC 8.83%	Investment Grade 4.30%
Senior Loan -8.67%	Senior Loan -54.72%	Investment Grade 22.04%	US Stock 4.76%	HY Bond -7.49%	BDC 13.13%	World Stock 3.34%	HY Bond 1.59%	HY Bond -4.99%	US Stock 7.65%	HY Bond 8.50%	Convertible 4.28%
HY Bond -9.49%	Convertible -55.22%	US Stock 13.73%	BDC 2.87%	Covered Call -8.92%	Senior Loan 12.6%	Preferred 2.15%	Senior Loan 1.32%	World Stock -6.55%	Preferred 6.89%	Muni Bond 8.41%	World Stock 3.85%
Preferred -17.25%	World Stock -57.57%	Covered Call 7.25%	Covered Call -2.35%	Convertible -14.09%	Covered Call 9.47%	Investment Grade -1.5%	Convertible 0.12%	Convertible -7.25%	REIT 6.84%	Senior Loan 4.82%	BDC 3.58%
REIT -32.94%	REIT -63.22%	BDC -5.10%	Muni Bond -4.08%	World Stock -21.93%	MLP 1.85%	Muni Bond -7.35%	World Stock -0.26%	MLP -44.23%	Muni Bond 0.61%	MLP -5.77	Covered Call 1.96%

US Stock – CEFA's US Equity Index; REIT – CEFA's Global Real Estate, REIT & Real Asset Index; MLP – CEFA's Master Limited Partnership (MLP) Fund Index; BDC – CEFA's Debt-Focused Business Development Company (BDC) Index; High Yield Bond – CEFA's High Yield Bond Index; Preferred – CEFA's Preferred Equity Index; World Stock – CEFA's International Equity Index; Sr Loan – CEFA's Senior Loan Index; Muni Bond – CEFA's National Municipal Bond Index; Covered Call – CEFA's Covered Call / Option Funds Index; Convertible – CEFA's Convertible Bond Index; Investment Grade – CEFA's Investment Grade Bond Index. Returns data are NAV total returns which include dividends and capital appreciation.

"2007 - 2017" column shows yearly average for each sector. You cannot invest directly in an index. Past performance is not an indication of future results. Data for all indexes is sourced from CEFDATA.COM, as of 12/31/2017. Performance prior to

2015 was determined using index constituents as of 12/31/2014.

Closed-End Fund Advisors

Closed-End Fund Discount / Premium 2007 - 2017

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008 - 2017
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 0.03%	MLP 0.60%
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%	Investment Grade -2.09%	HY Bond -1.99%
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%	MLP -3.11%	Investment Grade -2.11%
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%	Muni Bond -3.32%	Muni Bond -2.92%
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%	Convertible -4.00%	Preferred -3.20%
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%	Covered Call -4.25%	Senior Loan -5.01%
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%	Senior Loan -4.32%	Convertible -5.41%
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%	BDC -4.48%	BDC -6.98%
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%	HY Bond -5.19%	Covered Call -7.15%
REIT -4.22%	Covered Call -11.45%	REIT -9.66%	World Stock -4.03%	World Stock -5.69%	World Stock -7.47%	Covered Call -8.43%	World Stock -9.04%	World Stock -11.00%	US Stock -11.47%	REIT -9.18%	World Stock -8.15%
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%	US Stock -9.44%	REIT -8.20%
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%	World Stock -9.50%	US Stock -9.56%

Historical Premium / Discount expressed as average value over each year. 2017 YTD Premium / Discount average value as of December 31, 2017. "2008 - 2017" 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)

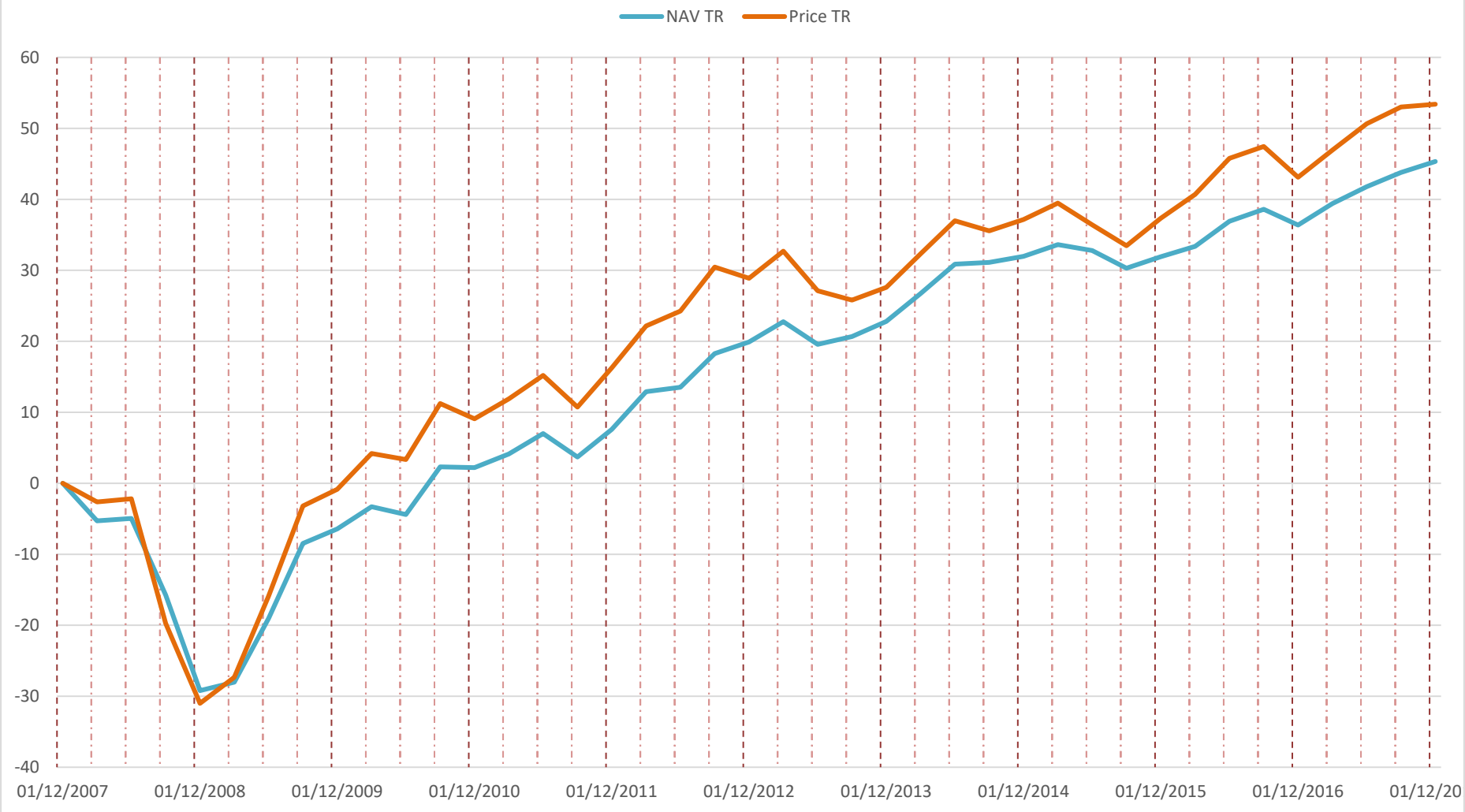
	MLP	BDC	Convertible	HY Bond	Muni Bond	Senior Loan	Preferred	World Stock	Cov Call	US Stock	REIT	Investment Grade
MLP	100%	44.9%	78.0%	77.9%	37.2%	71.6%	46.9%	66.4%	68.4%	68.7%	53.8%	60.4%
BDC	44.9%	100%	42.4%	43.1%	13.9%	37.9%	18.3%	34.7%	41.3%	43.7%	32.0%	26.7%
Convertible	78.0%	42.4%	100%	96.5%	50.8%	90.4%	73.4%	94.1%	91.8%	93.3%	82.3%	84.5%
HY Bond	77.9%	43.1%	96.5%	100%	56.2%	95.3%	74.8%	89.8%	83.8%	86.0%	85.1%	88.2%
Muni Bond	37.2%	13.9%	50.8%	56.2%	100%	58.5%	47.5%	45.3%	32.7%	33.4%	47.7%	56.8%
Senior Loan	71.6%	37.9%	90.4%	95.3%	58.5%	100%	63.9%	78.8%	73.1%	75.2%	76.0%	77.8%
Preferred	46.9%	18.3%	73.4%	74.8%	47.5%	63.9%	100%	81.4%	68.0%	73.0%	82.0%	94.6%
World Stock	66.4%	34.7%	94.1%	89.8%	45.3%	78.8%	81.4%	100%	93.2%	94.0%	83.5%	88.2%
Cov Call	68.4%	41.3%	91.8%	83.8%	32.7%	73.1%	68.0%	93.2%	100%	98.5%	81.2%	74.8%
US Stock	68.7%	43.7%	93.3%	86.0%	33.4%	75.2%	73.0%	94.0%	98.5%	100%	85.2%	78.8%
REIT	53.8%	32.0%	82.3%	85.1%	47.7%	76.0%	82.0%	83.5%	81.2%	85.2%	100%	87.2%
Investment Grade	60.4%	26.7%	84.5%	88.2%	56.8%	77.8%	94.6%	88.2%	74.8%	78.8%	87.2%	100%

Correlation of 3 Month NAV Total Return values between 12/31/2007 and 12/31/2017.

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

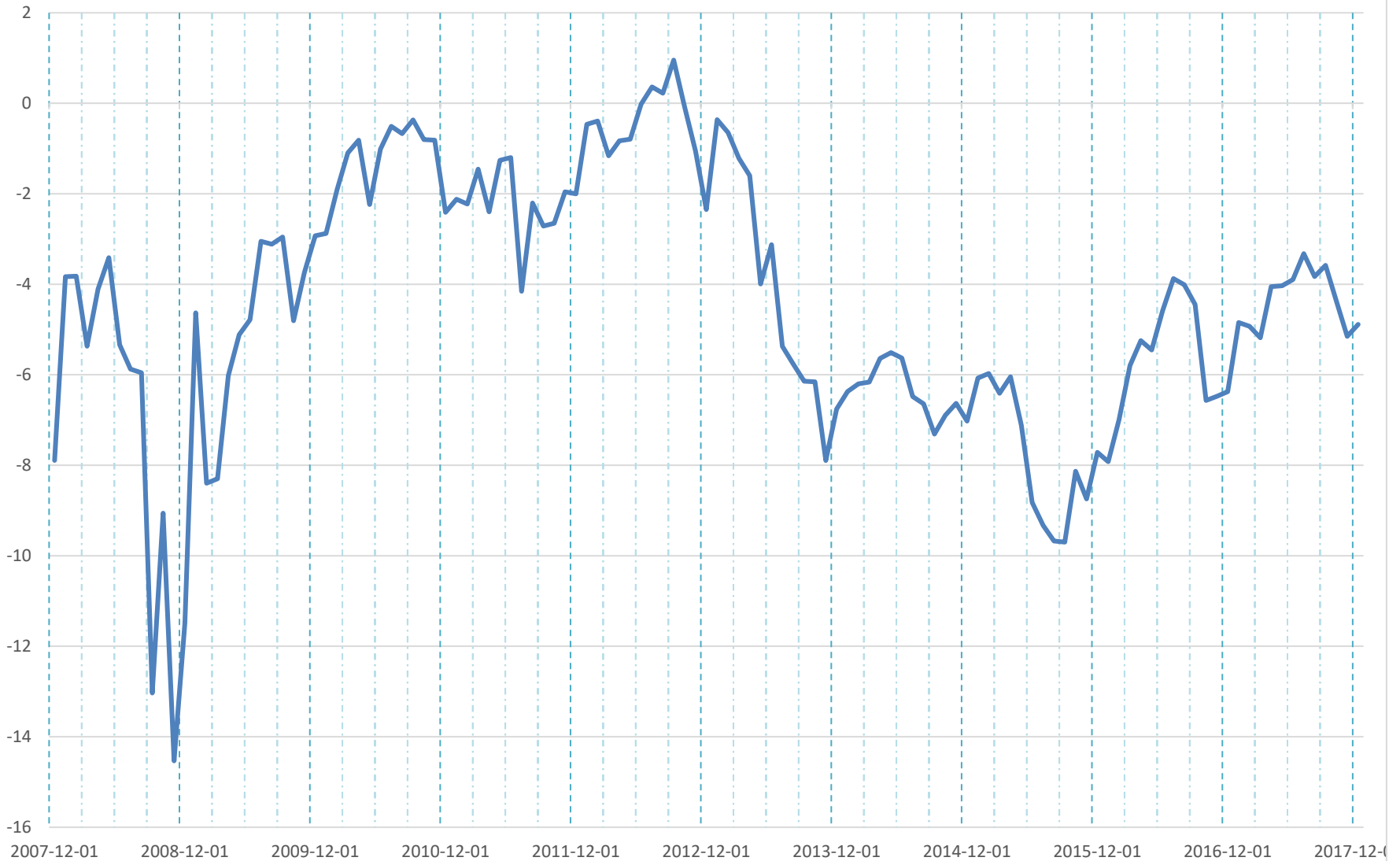
December 31, 2007 - December 31, 2017



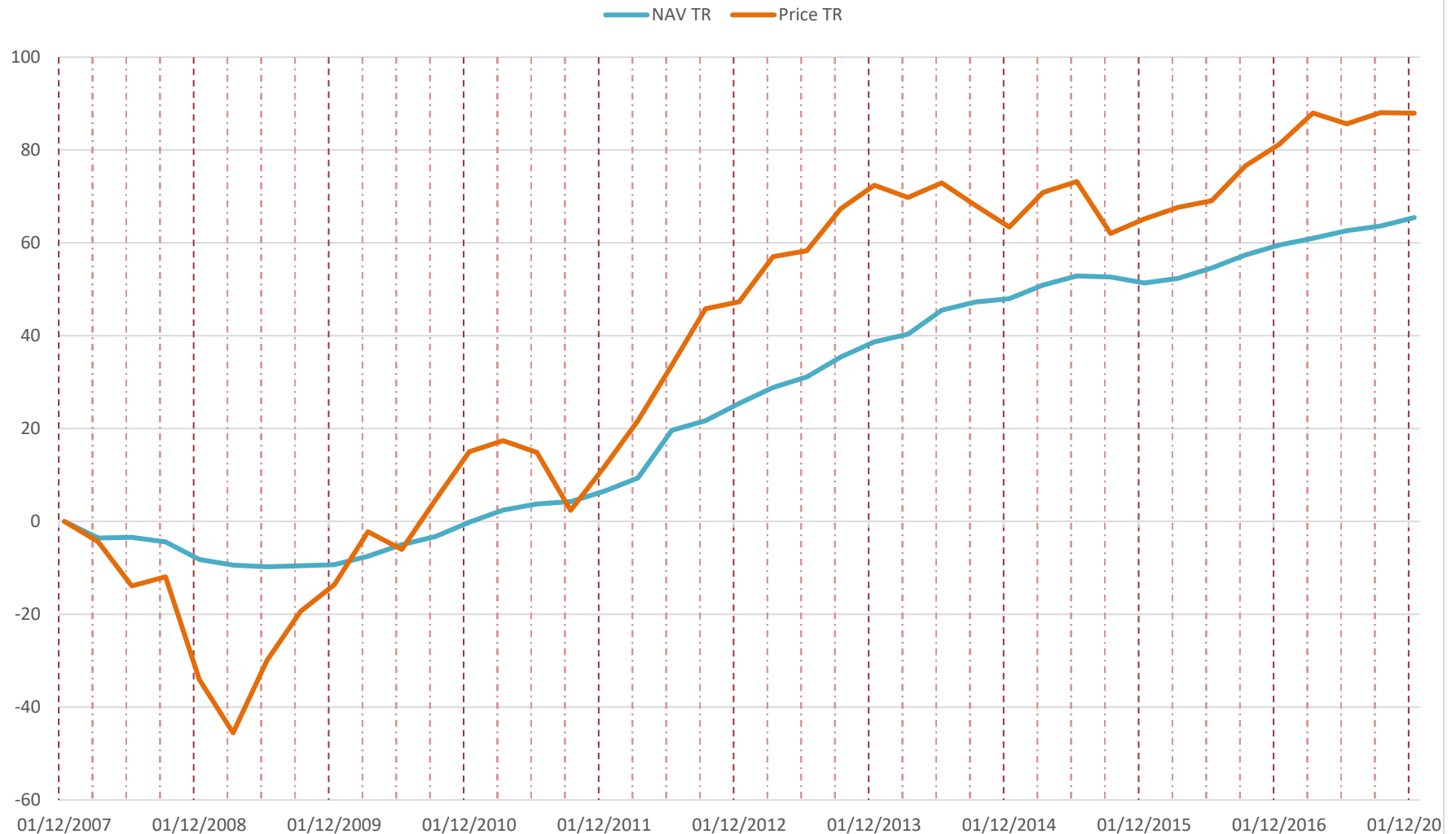
Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above may overestimate the potential returns a client could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



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



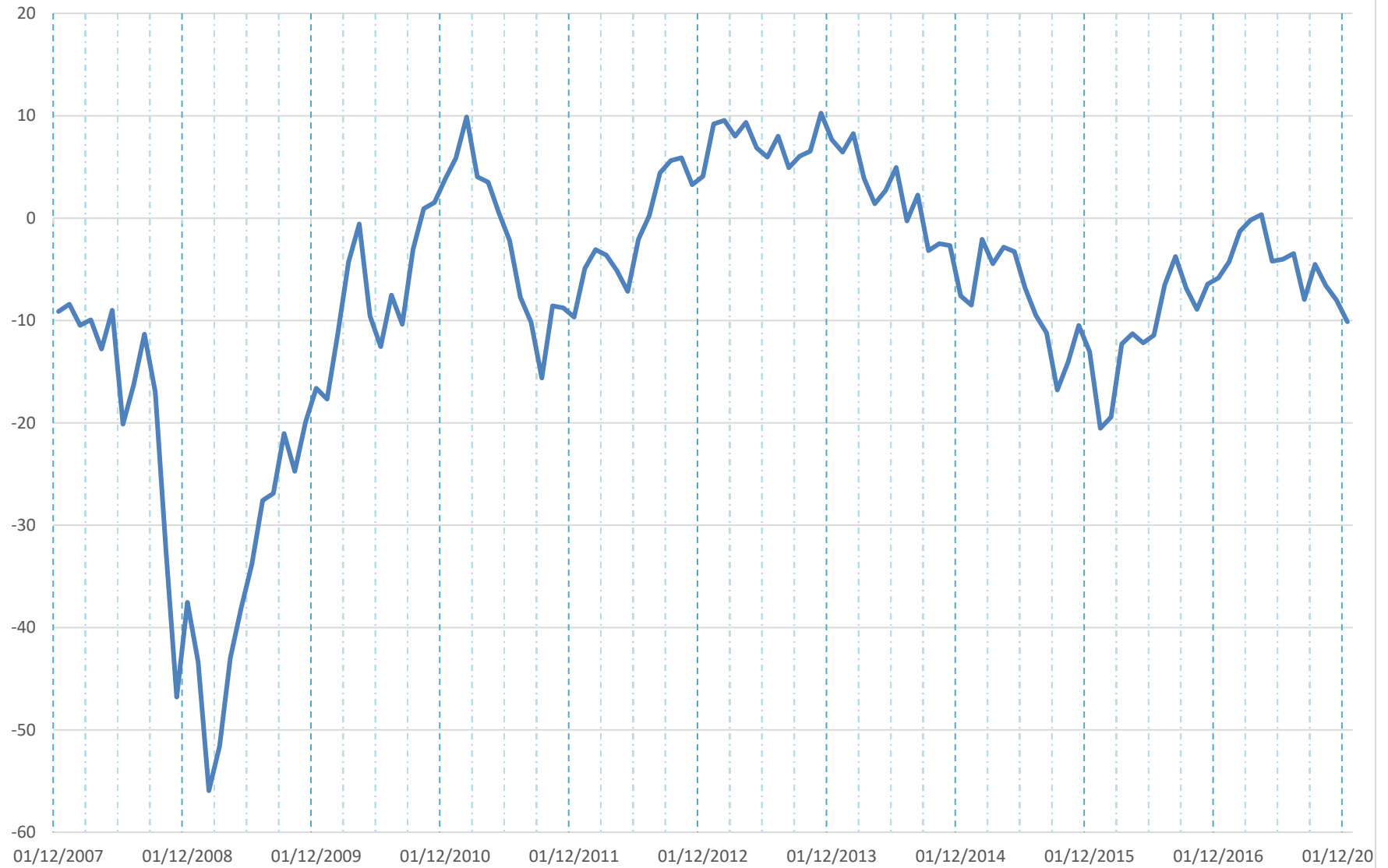
BDC Debt - Total Return December 31, 2007 - December 31, 2017



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



Types of Loans Held By BDCs

1. First Lien Loans: 53%
2. Second Lien Loans: 19%
3. Unsecured Loans: 10%
4. Equity/Other: 18%

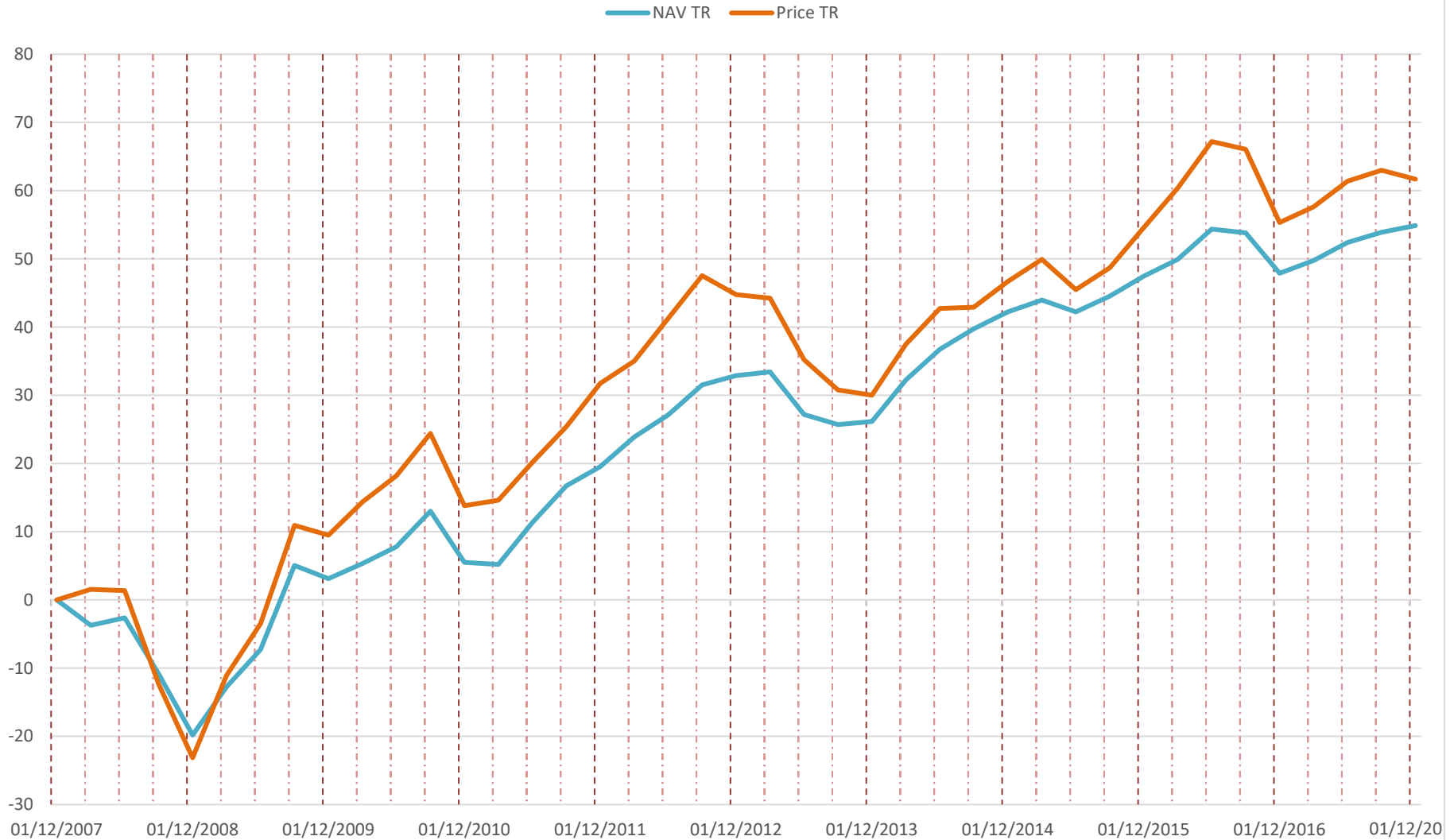
- Avg Portfolio Turnover: 40.2%
- Avg Variable Loans: 76% / Fixed: 24%
- Libor Floors: 41% at 1% Avg Level
- Avg Loan Size: \$9.9M
- 72% of Loans Under \$25MM
- Average Maturity 4.1 with a range of 2 Years to 6 years
- Avg No of Loans: 132 from 105 Companies



Source: Data as of December 29, 2017 from CEFData.com

Municipal Bonds - Total Return

December 31, 2007 - December 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.

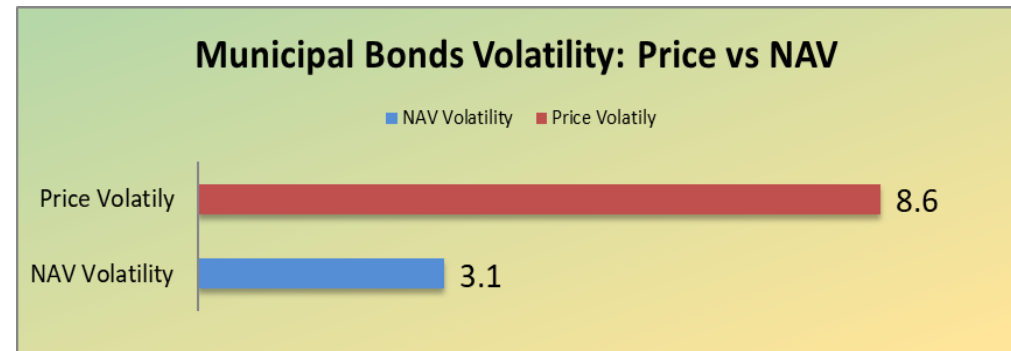
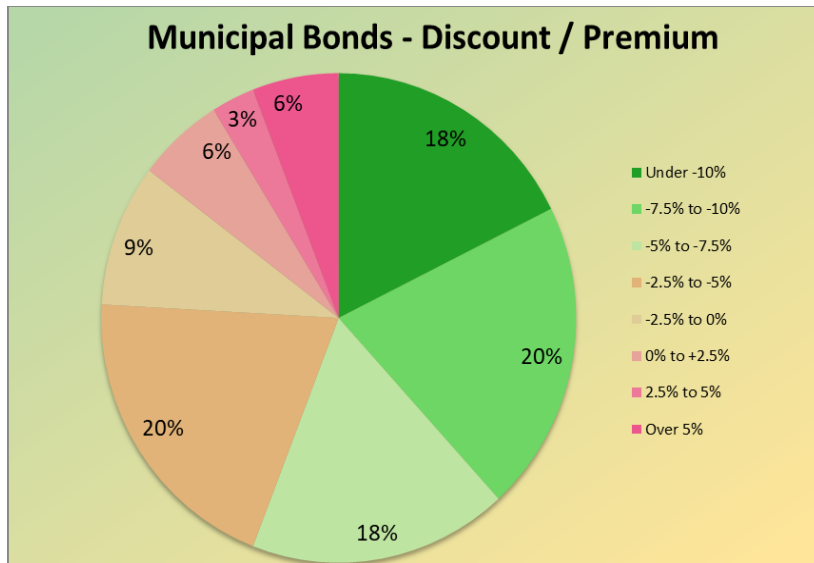
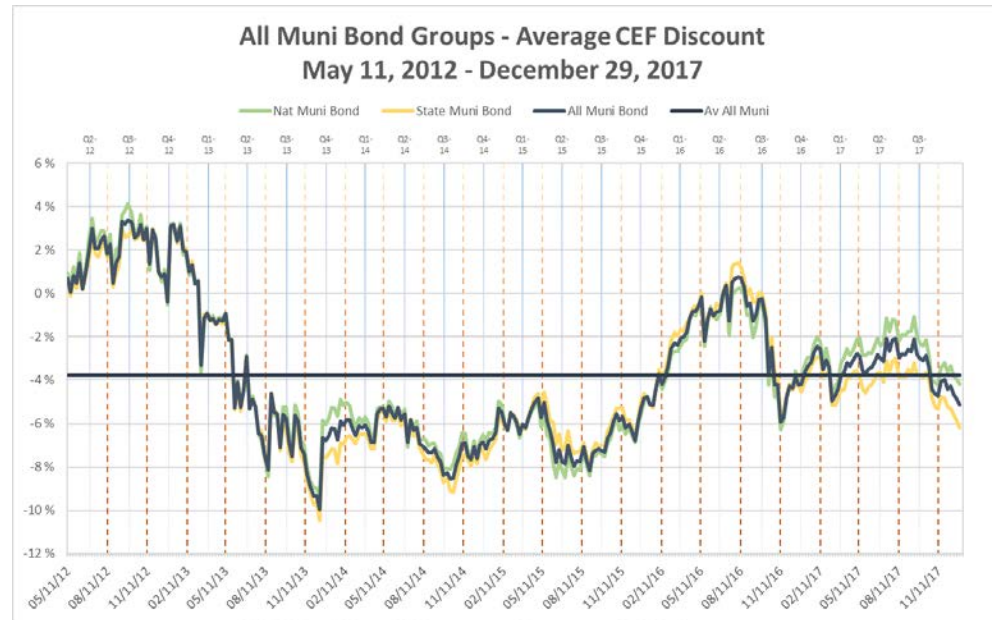


Municipal Bonds - Average Discount / Premium December 31, 2007 - December 31, 2017



Municipal Bond Closed-End Fund Universe

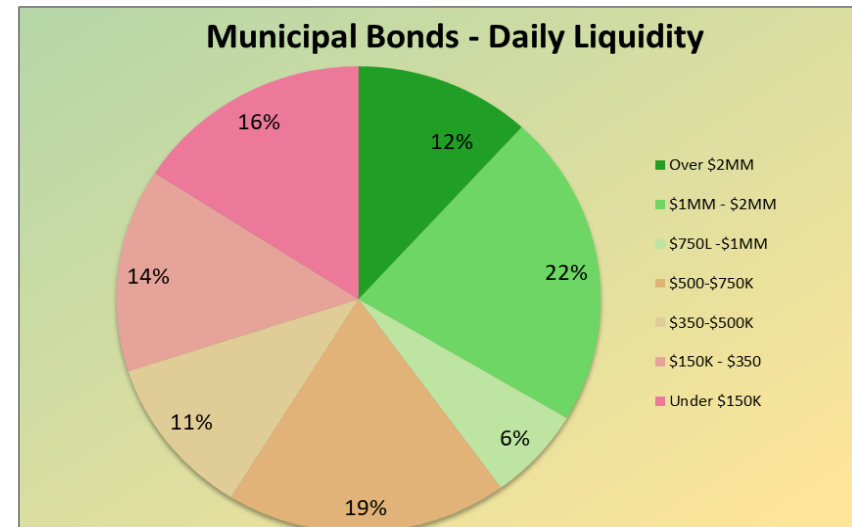
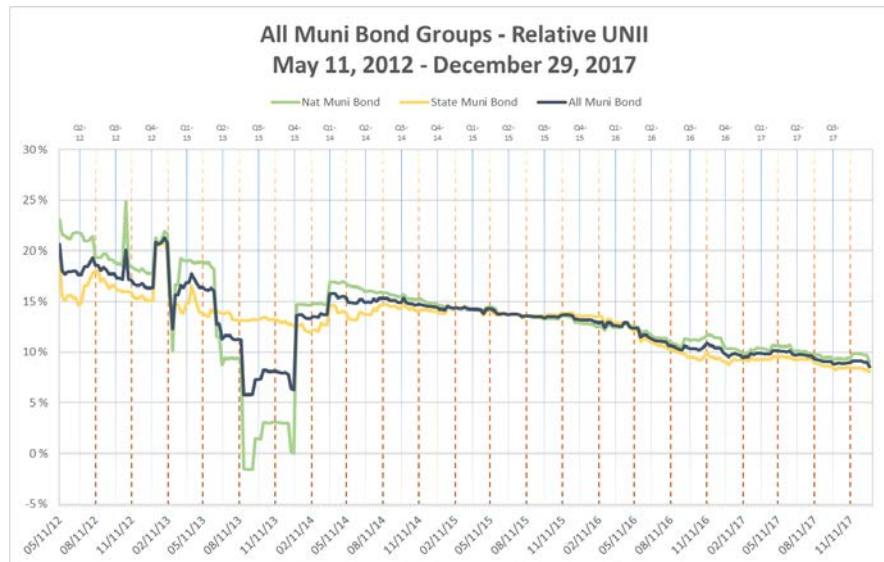
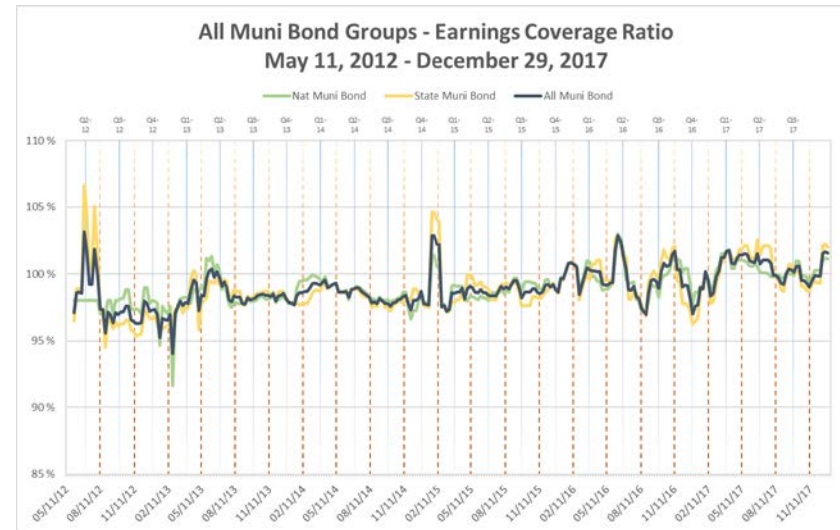
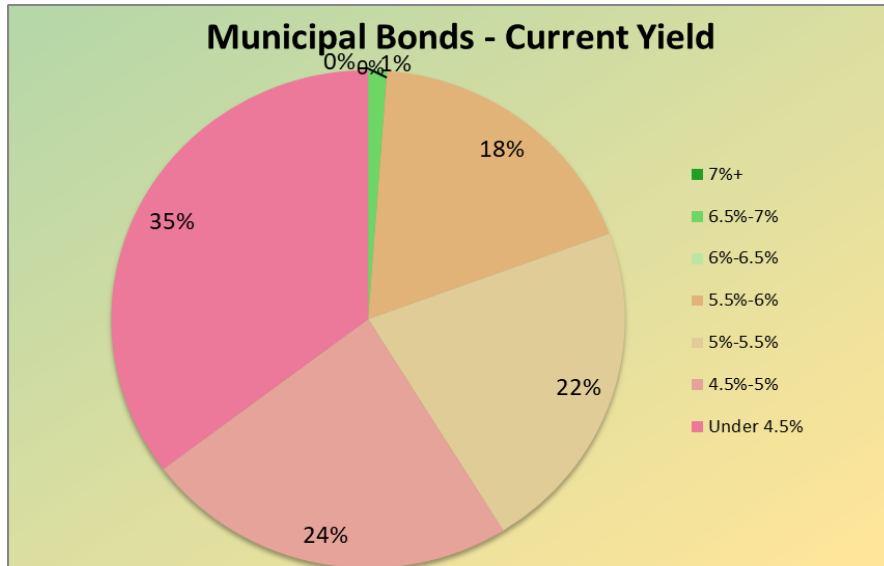
	National Muni Funds	Single State Muni Funds	Total
Number of Funds	89	81	170
Net Assets (Total)	\$47,705	\$18,540	\$66,245
Net Assets	\$536	\$229	\$390
Earnings Coverage Ratio %	101.1	102.0	101.5
Premium / Discount %	-4.18	-6.21	-5.15
Total Mkt Yield %	4.99	4.37	4.69
Leverage Adj NAV Yield %	3.63	3.05	3.35
NAV Volatility	3.10	3.08	3.09
Leverage %	31.6	33.8	32.6
Leverage Cost %	0.75	0.92	0.83
Duration	8.58	9.30	8.92
Insured %	12.8	16.2	14.4
Investment Grade %	85	91	88
Credit Quality	A	A	A



Note: Volatility is a one year rolling calculation

Source: Data as of December 29, 2017 from CEFA's Universe Data

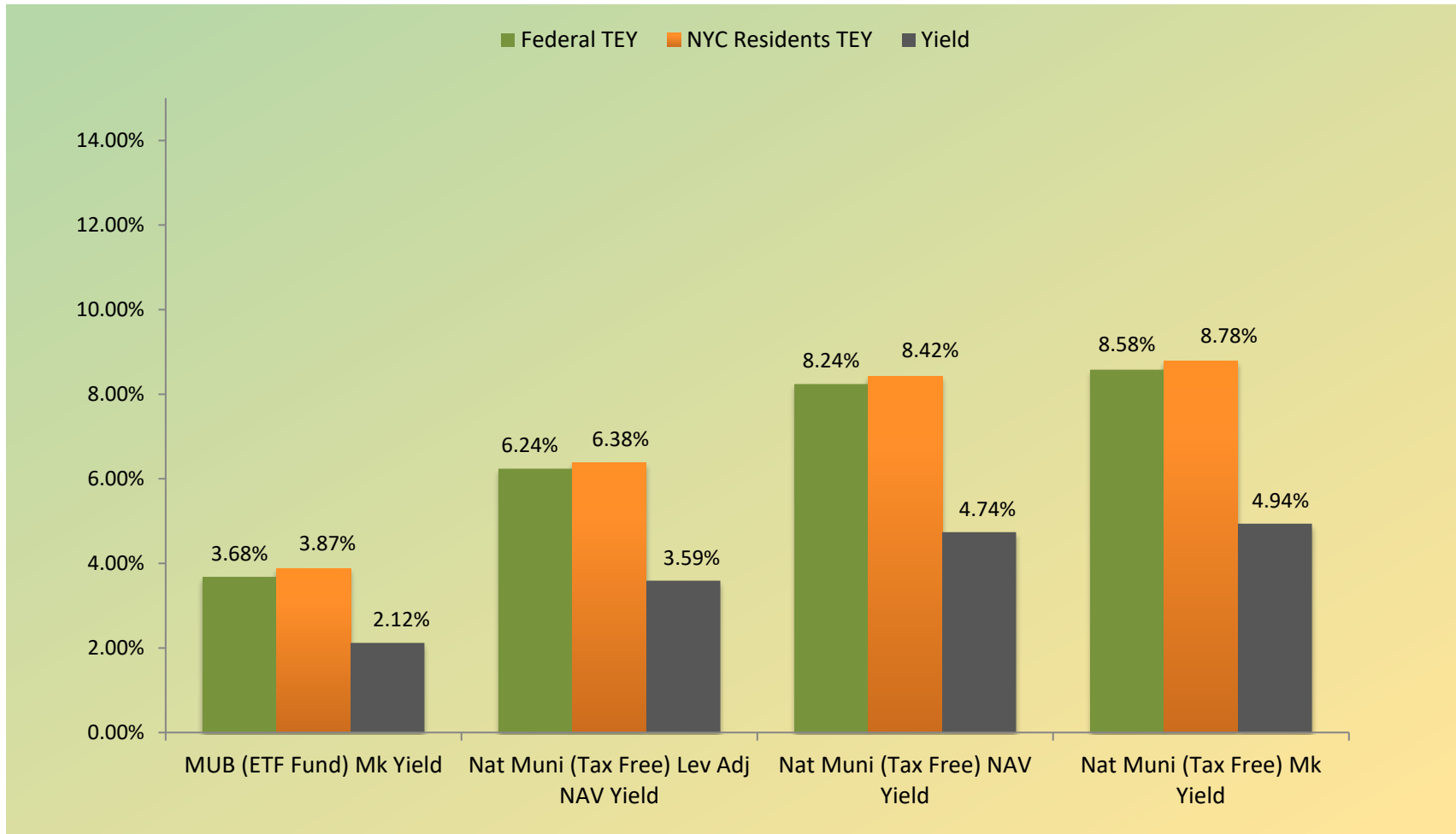
Municipal Bond Closed-End Fund Universe



Source: Data as of December 29, 2017 from CEFA's Universe Data

Tax Equivalent Yield Comparison

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

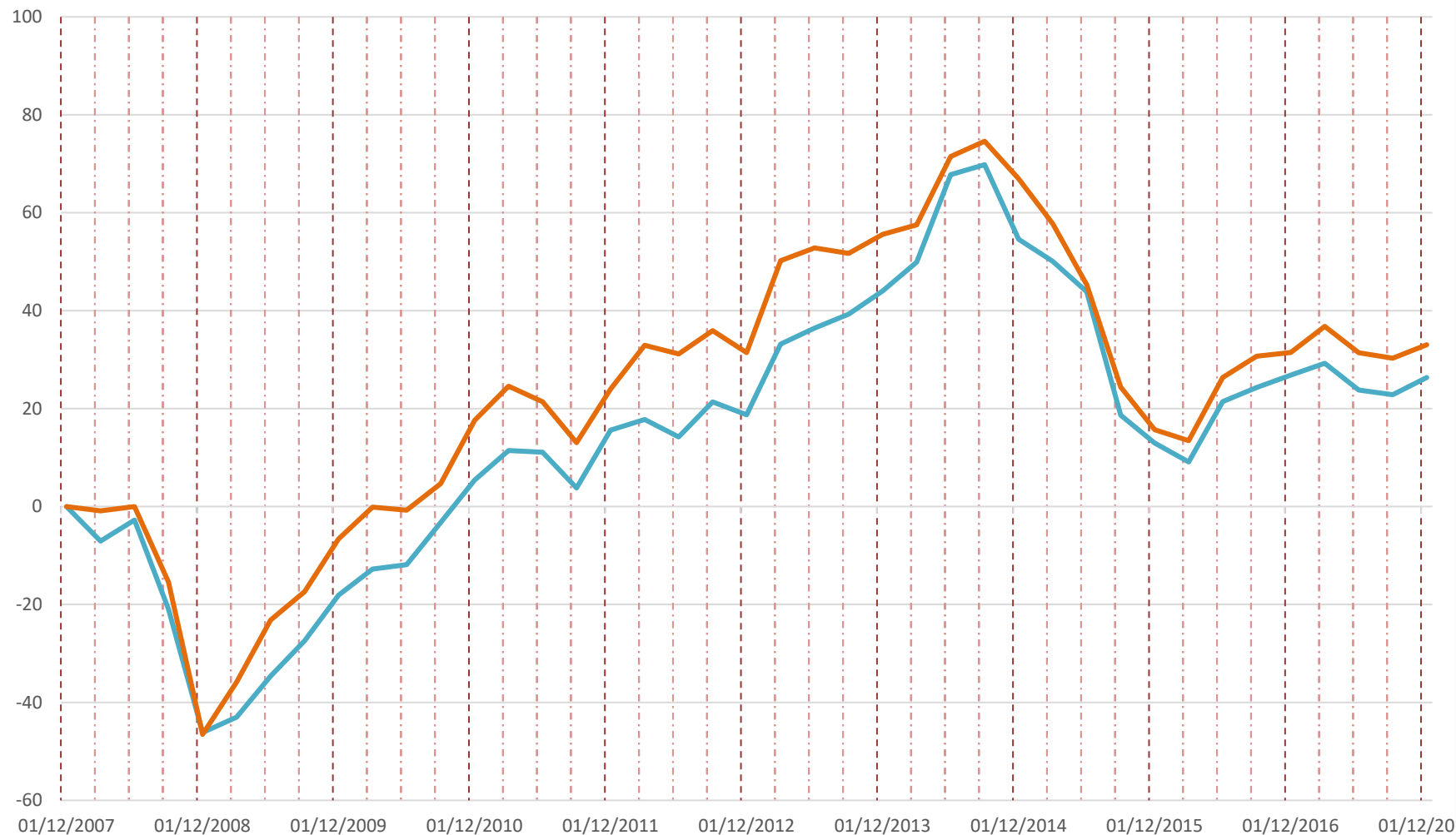


Sources: CEFA's Universe Data as of 12/29/2017 and tax rates from IRS and NY State.

MLP - Total Return

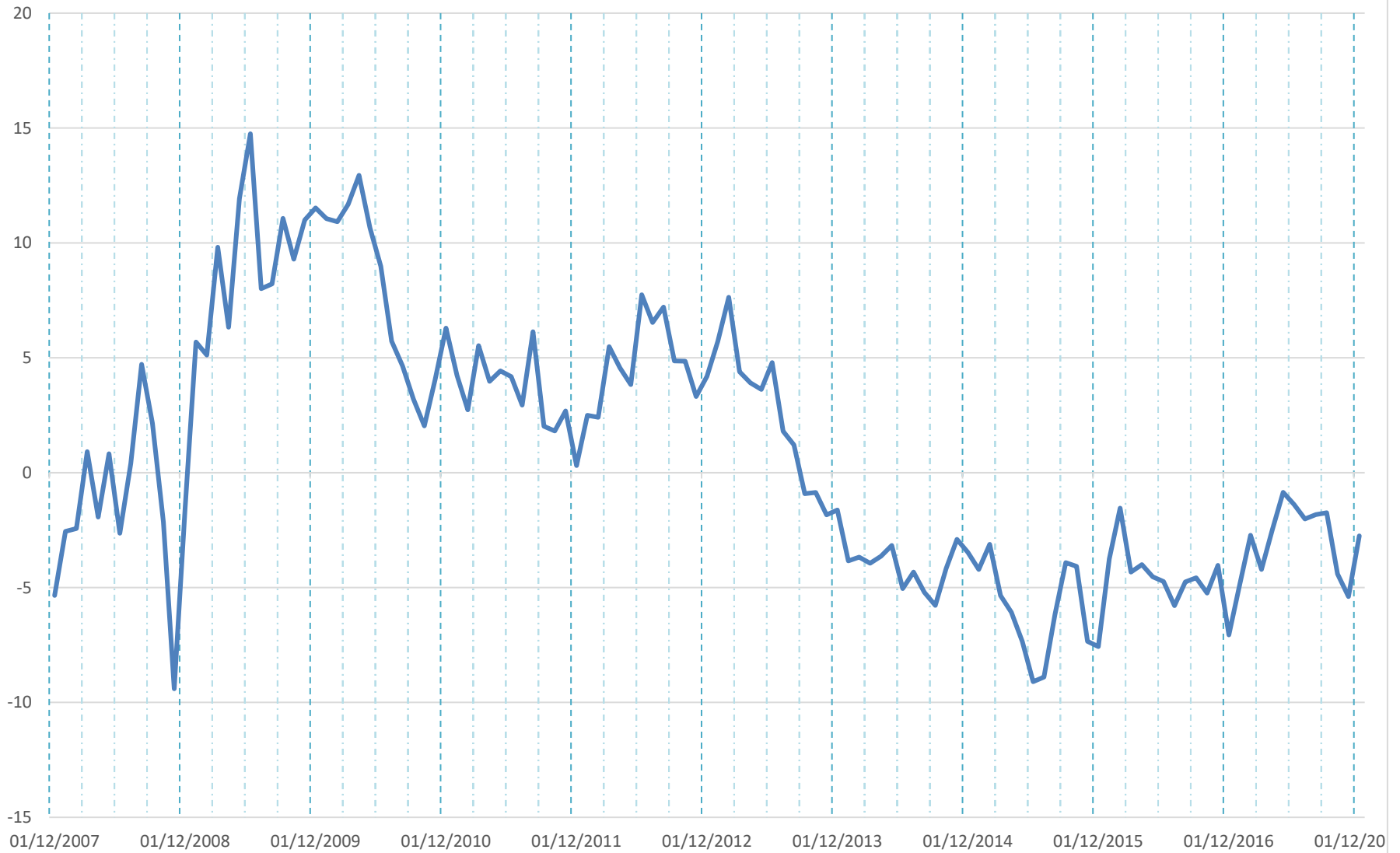
December 31, 2007 - December 31, 2017

NAV TR Price TR



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



Broad Investable Universe

Assets of Closed-End Funds/BDCs*

by type , as of December 29, 2017

	# of Funds	Total Net Assets	Premium / Discount	Market Yield	Beta	Duration	Leverage	Non Lev Expense Ratio	Average Net Assets
Equity Funds	210	\$113,797	-5.34 %	7.02%	0.86		14.21 %	1.47	\$542
Taxable Bond	149	\$66,874	-4.03 %	7.31 %	0.25	3.6	25.51 %	1.40	\$449
Municipal Bond	170	\$66,245	-5.15 %	4.69 %	-0.08	8.9	32.65 %	1.01	\$390
BDCs	51	\$35,981	-12.65 %	9.02 %	0.80		37.18 %	5.73	\$706
Total CEFs	580	\$282,897	-5.59 %	6.59 %	0.42	6.6	24.55 %	1.69	\$488
National Muni Bond	89	\$47,705	-4.18 %	4.99 %	-0.08	8.6	31.57 %	0.93	\$536
Debt Focused BDC	46	\$35,279	-10.12 %	9.88 %	0.84		39.16 %	5.62	\$767
Covered Call	29	\$20,633	-2.88 %	8.05 %	0.78		3.43 %	1.14	\$711
US Stock	28	\$20,738	-7.83 %	6.52 %	0.92		10.34 %	1.60	\$741
MLP Funds	27	\$13,135	-2.75 %	9.96 %	1.68		29.52 %	1.87	\$486
High Yield Bond	35	\$12,955	-6.06 %	7.15 %	0.31	3.4	22.66 %	1.23	\$370
World Stock	55	\$14,204	-9.04 %	5.19 %	0.81		6.67 %	1.53	\$258
Senior Loan	27	\$12,691	-6.34 %	6.39 %	0.15	1.2	31.81 %	1.61	\$470
Preferred Equity	16	\$10,883	0.19 %	7.16 %	0.23	5.7	31.41 %	1.23	\$680
REIT Funds	11	\$6,196	-7.23 %	7.18 %	0.66		20.91 %	1.44	\$563
Convertible Bond	11	\$4,267	-2.37 %	8.91 %	0.83	3.0	31.08 %	1.45	\$388
Investment Grade Bond	13	\$4,127	-0.76 %	5.83 %	0.14	5.4	18.16 %	0.90	\$317

in total CEF assets
\$282.9 Billion

average discount
x 5.6%

exploitable undervaluation
= ~\$16 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	177 (84%)	32 (15%)	172 (82%)	37 (18%)	142 (68%)	67 (32%)
Taxable Bond Traditional CEFs	119 (80%)	30 (20%)	140 (94%)	9 (6%)	67 (45%)	81 (54%)
Municipal Bond Traditional CEFs	145 (85%)	25 (15%)	158 (93%)	12 (7%)	47 (28%)	123 (72%)
BDCs	39 (76%)	11 (22%)	36 (71%)	14 (27%)	15 (29%)	36 (71%)
ALL CEFs	480 (83%)	98 (17%)	506 (87%)	72 (12%)	271 (47%)	307 (53%)

Data as of December 29, 2017

Source: CEFADData.com

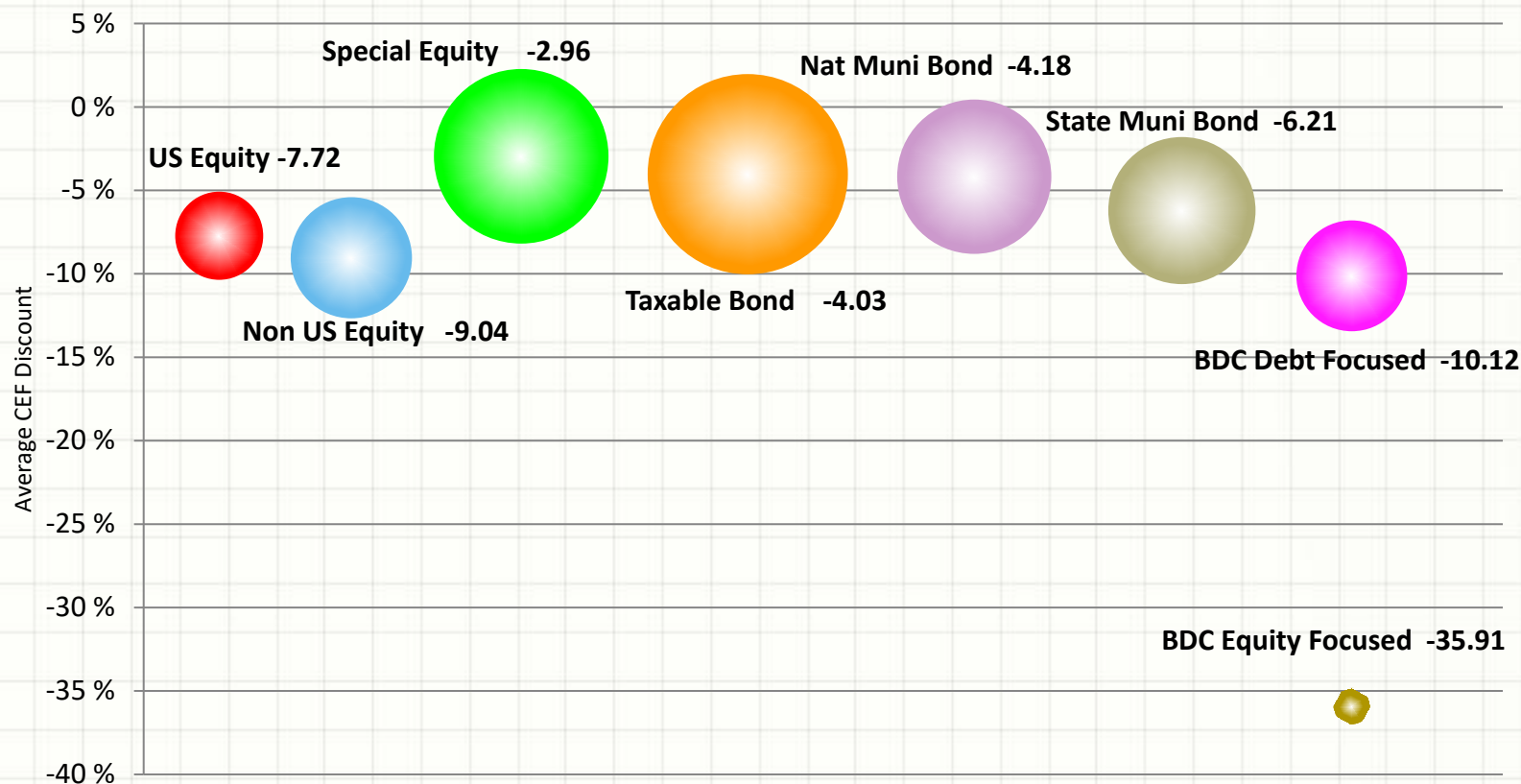
For BDC funds, we show 3Q17 NAV TR, as 12/29/2017 NAV hasn't been disclosed yet

www.CEFadvisors.com



Current Closed-End Discounts

Avg CEF Discount % as of December 29, 2017



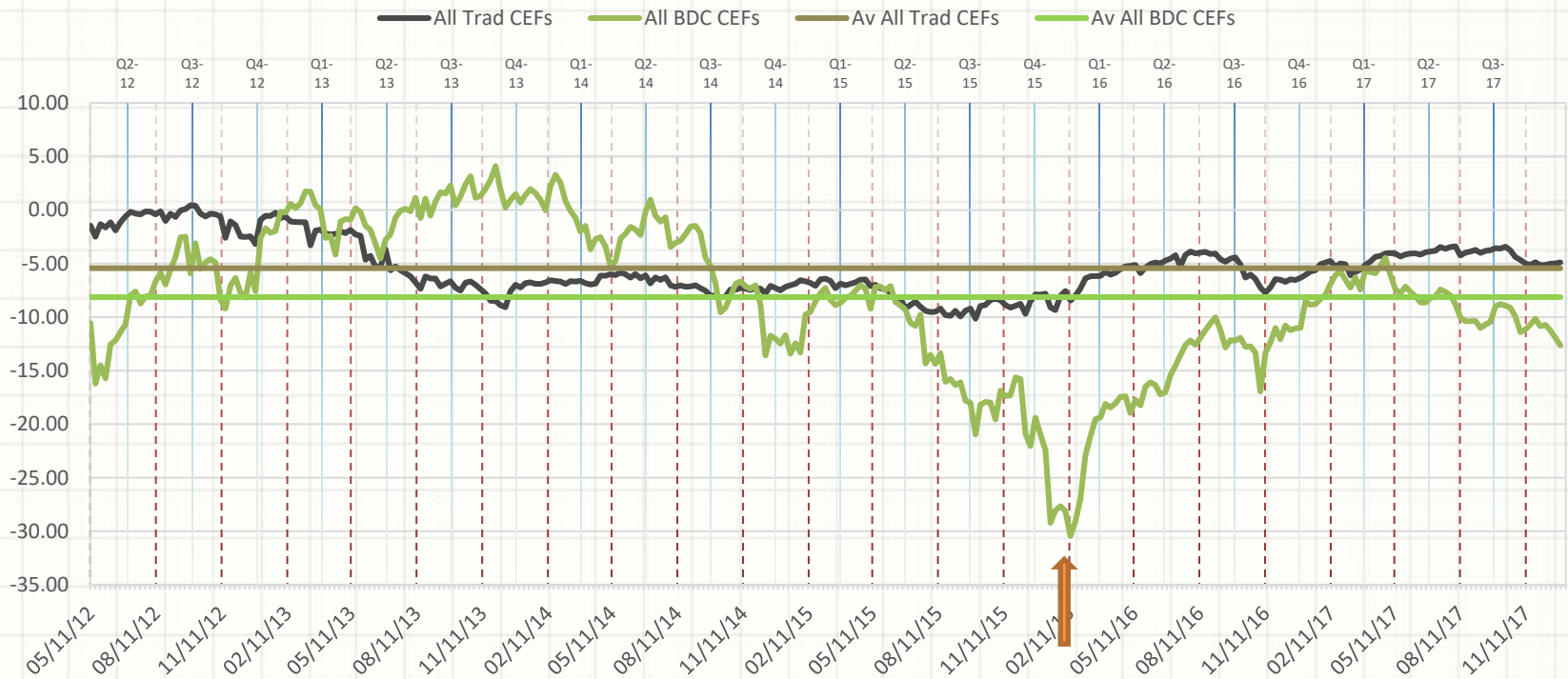
Source: CEFData.com

Closed-End Discount Trends

Traditional & BDC

3Q Ended with *an average CEF Discount of -5.59%*

Main Peer Groups - Average CEF Discount
May 11, 2012 - December 29, 2017



10 Year Average Discount: -4.94%

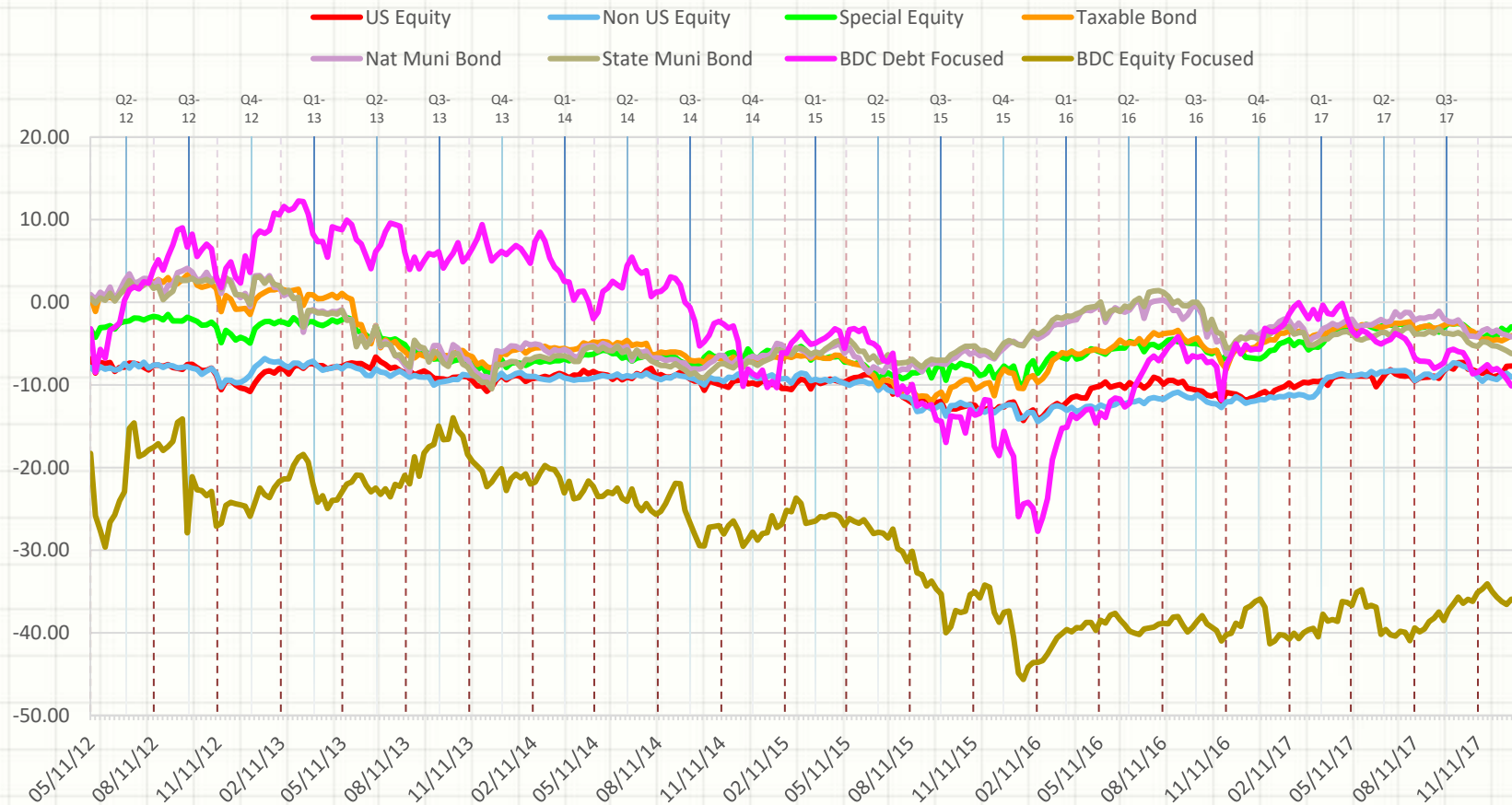
Source: CEFData.com

www.CEFadvisors.com



Closed-End Discount Trends

Average CEF Discount
May 11, 2012 - December 29, 2017



Source: CEFData.com

Discount Trends & Tax Loss Selling

12 Major Sectors CEFs (Nov – Feb)



Source: CEFData.com

Discount Trends & Tax Loss Selling

CEFs & BDCs with 1YR Avg Discount -5% or lower (Nov – Feb)



Source: CEFData.com

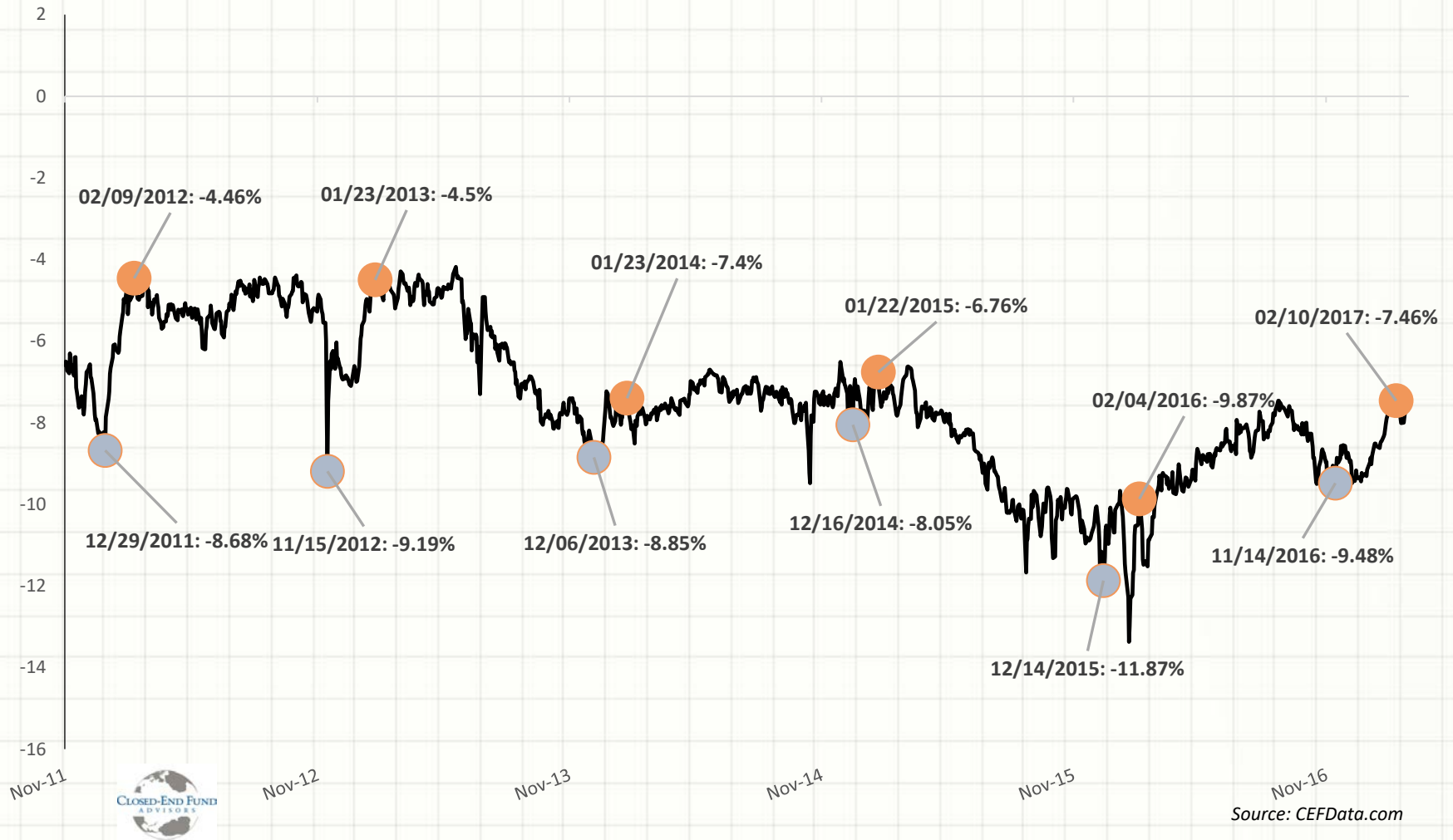
Discount Trends & Tax Loss Selling

BOND CEFs



Discount Trends & Tax Loss Selling

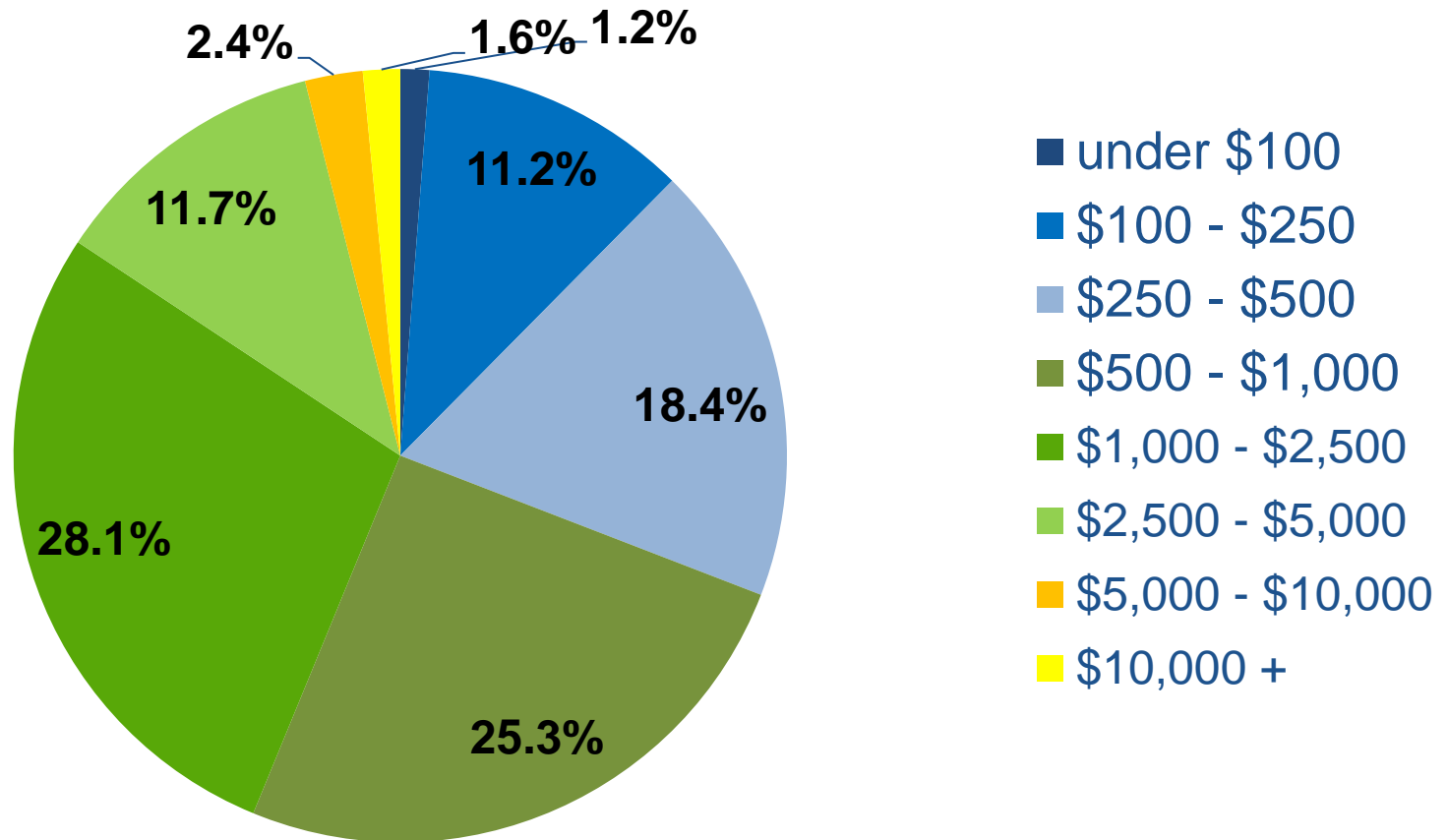
EQUITY CEFs



CEF Volume Trends – 4Q 2017

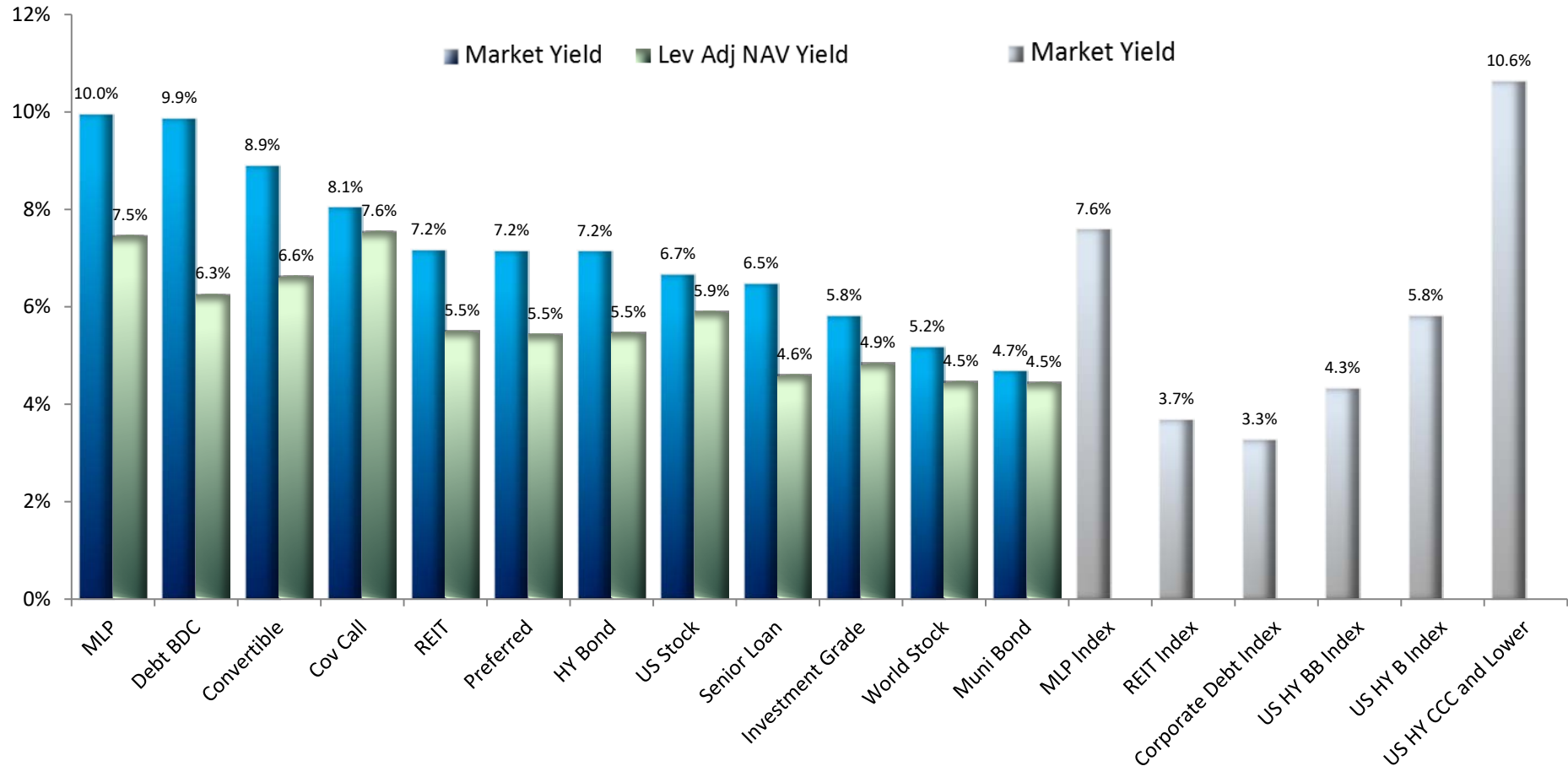
Fund Grouping	Avg Vol Last Q	Avg Vol Prev Q	Volume Trend
<i>BDC Debt</i>	353,787	278,162	27%
<i>Convertible</i>	118,056	134,148	-12%
<i>Covered Call</i>	141,538	146,459	-3%
<i>High Yield Bond</i>	118,691	95,730	24%
<i>Investment Grade</i>	62,432	64,258	-3%
<i>MLP</i>	236,686	113,693	108%
<i>Municipal Bond</i>	58,203	46,594	25%
<i>Preferred Stock</i>	78,679	88,246	-11%
<i>Real Estate / REIT</i>	127,056	152,344	-17%
<i>Senior Loan</i>	152,211	114,216	33%
<i>US Stock</i>	135,157	125,653	8%
<i>World Stock</i>	54,361	51,600	5%
<i>Ave Traditional Equity CEF</i>	123,371	103,895	19%
<i>Ave Traditional Bond CEF</i>	90,070	76,106	18%
<i>Average BDC</i>	323,550	253,800	27%
Average For ALL CEFs	122,657	101,626	21%

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



Note: 580 closed-end funds; data as of 12/31/17, Source: CEFData.com

CEF/BDC Yield Comparison



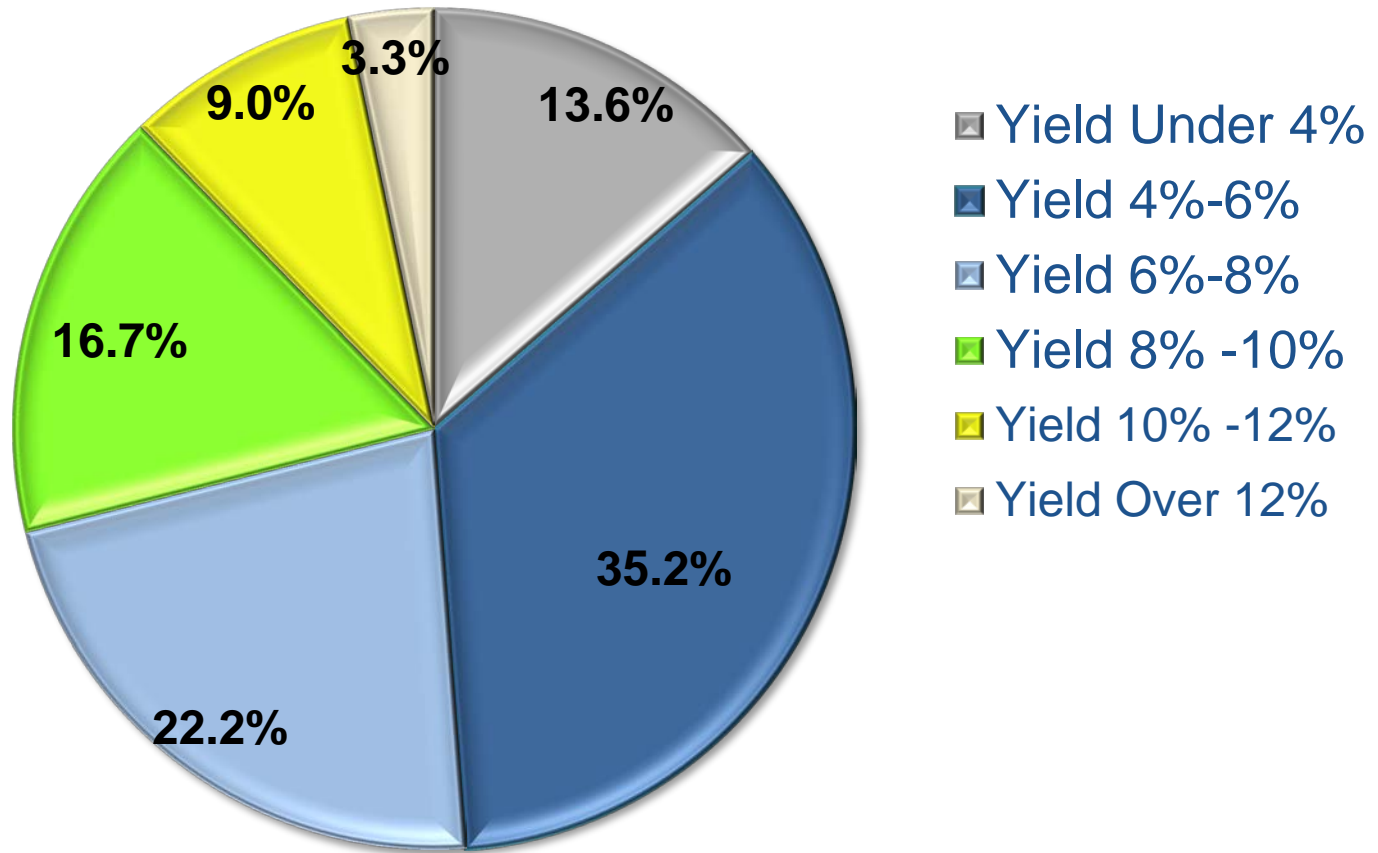
Data as of 12/29/2017.

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)**



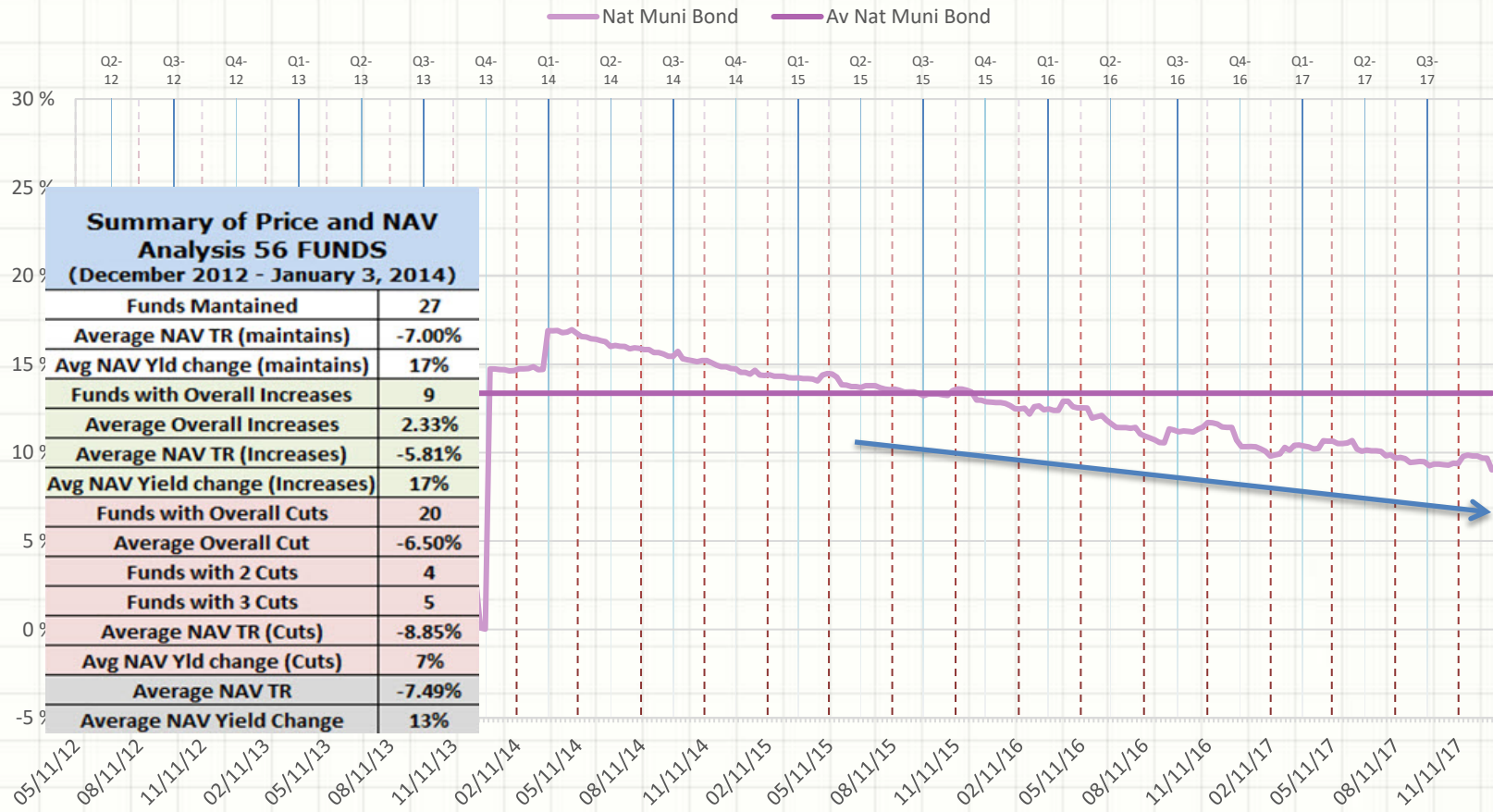
Closed-End Funds & BDCs: By Yield



Note: 580 CEFs; data as of 12/31/2017 , cefdata.com

Relative UNII for Traditional CEF Municipal Bond Funds

Nat Muni Bond - Relative UNII
May 11, 2012 - December 29, 2017

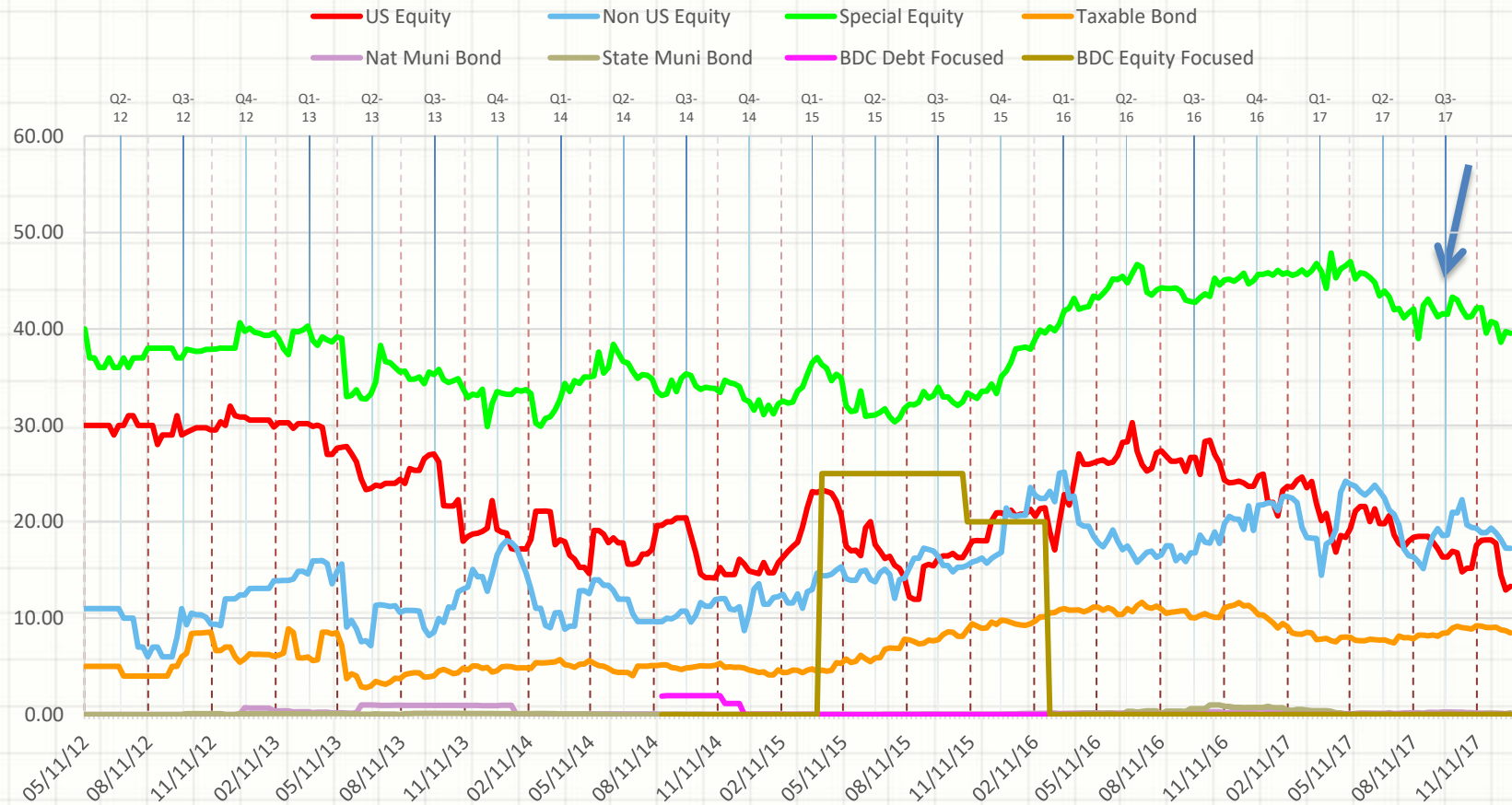


Source: CEFData.com

www.CEFadvisors.com

Return of Capital (90 Day) For CEFs

Main Peer Groups - Historical ROC
May 11, 2012 - December 29, 2017



Source: CEFData.com

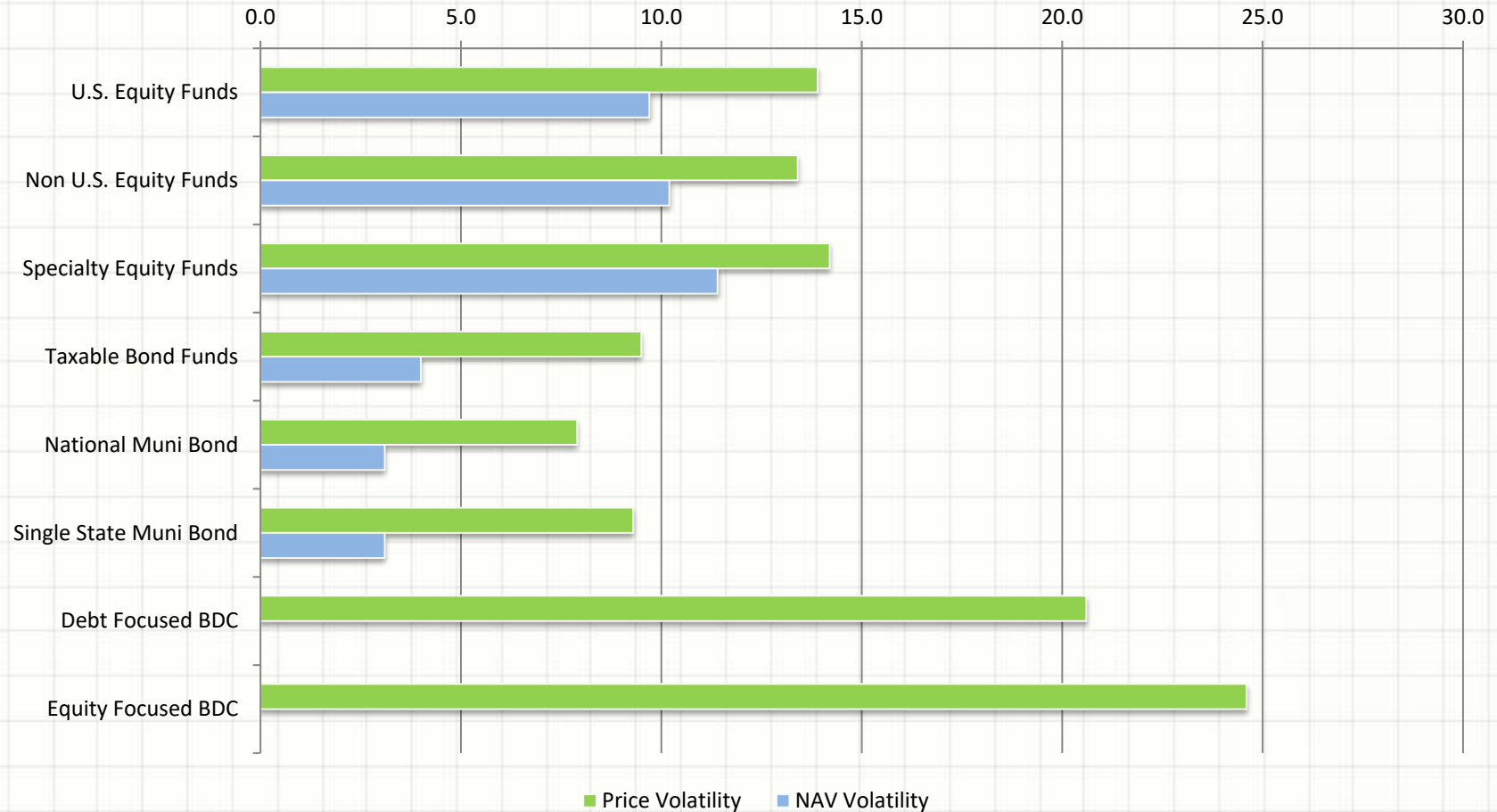
Destructive Return of Capital (1YR DRoC)

(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	0	0%	N/A	195%	0%
Non-US Equity Funds	2	4%	32%	429%	42%
Specialty Equity Funds	39	34%	58%	-115%	-76%
<i>Equity CEF</i>	42	20%	56%	121%	-41%
Taxable Bond Funds	17	11%	13%	37%	-20%
National Muni Bond Funds	0	0%	N/A	66%	-7%
State Muni Bond Funds	0	0%	N/A	66%	-4%
<i>Bond CEF</i>	17	5%	13%	49%	-15%
Average CEF	59	11%	43%	81%	-27%

Closed-End Fund

Market Price volatility vs. NAV volatility (1 Year)







Source: December 29, 2017 – CEFData.com

www.CEFadvisors.com

CEF Press Release SEC Filings Summary

(2573 CEF PRs in 4Q17)

Announcement Type	4Q 2017	2017	2016	2015	Avg per Q since 2015
 Rights Issue / Offering	7	16	9	6	3
Secondary Offering (Trad CEF)	0	1	6	2	1
Secondary Offering (BDCs)	1	17	4	16	3
 Tender Offer	7	46	17	15	7
Distribution Policy Change(Trad CEF)	1	12	6	11	2
Distribution Policy Change (BDCs)	1	1	0	1	0
 13 Filings (Trad CEF)	60	700	897	906	209
New N-2 Filings	11	133	97	52	24
Updated N-2 Filings	23	221	120	104	37
Investment Manager / Advisor Change	3	18	35	5	5
Portfolio Manager Change	4	52	39	45	11
 Leverage Amount / Type Change	44	118	105	52	23

CEF & BDC

Dividend Increases vs. Decreases

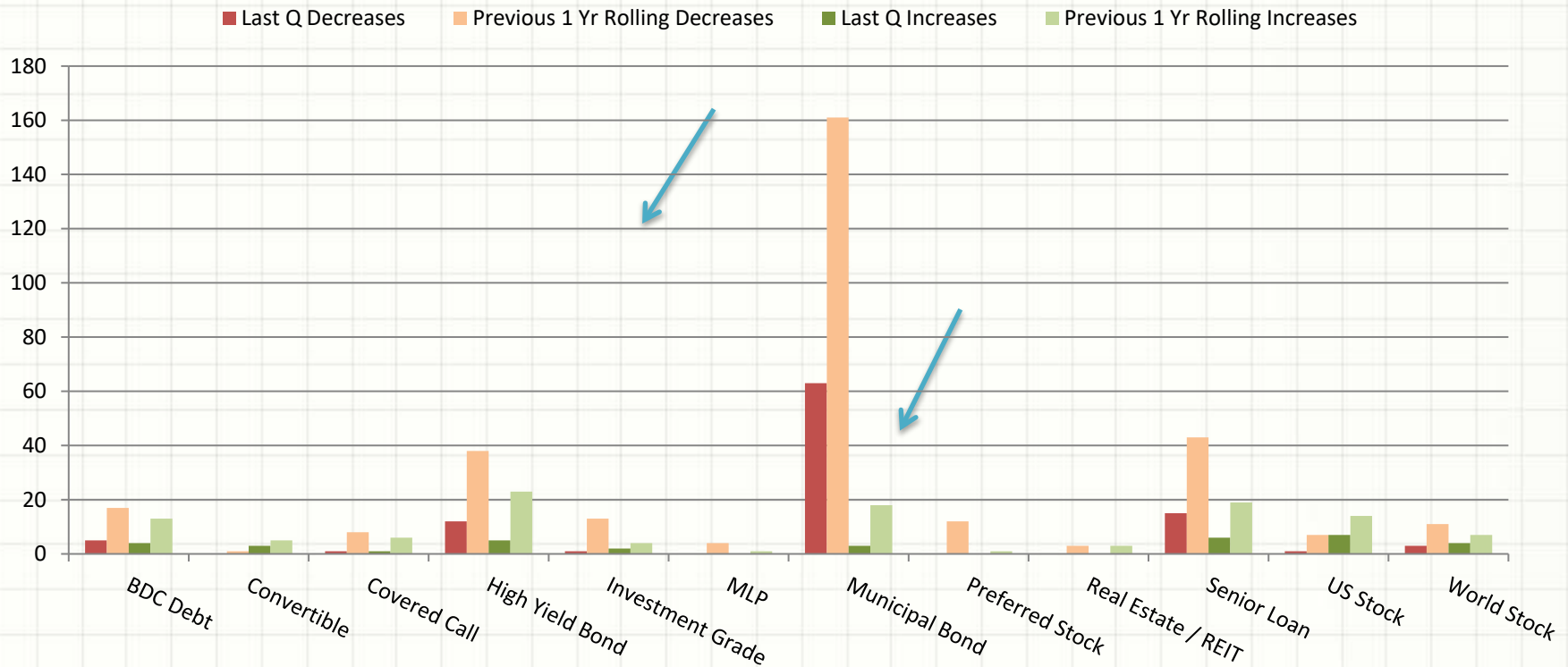
Dividend Announcement	4Q 2017 Number of Announcements	4Q 2017 Average Change	4Q '16 – 3Q '17 Number of Announcements	4Q '16 – 3Q '17 Average Change
Dividend Maintains	1183(87.0%)	N/A	4792 (89.4%)	N/A
Dividend Increases	51 (3.8%)	+8.71%	172 (3.2%)	+5.71%
Dividend Decreases	126 (9.3%)	-9.68%	398 (7.4%)	-8.63%
Under 5% Increase	35 (69%)	+1.39%	108 (63%)	+1.66%
Over 5% Increase	16 (31%)	+24.73%	64 (37%)	+12.56%
Under 5% Decrease	53 (42%)	-2.16%	177 (44%)	-2.32%
Over 5% Decrease	73 (58%)	-15.14%	221 (56%)	-13.68%

5% of announcements "Big Cuts"

Source: Fund Press Releases

4Q 2017 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

CEF Recent Dividend Changes

(Policies NOT Promises)

3 Year Dividend Growth

- 301 Funds (57%) had negative 3 year growth averaging -20.1%
- 79 Funds (15%) had positive 3 year growth averaging +19.4%

2 Year Lookback -- 361 Funds changed their dividend policy in the past 2 years (68% of funds)

- 282 Cut (79%) an average of -12% while 76 (21%) increased an average of +11 %
- 183 of these funds have “level” or “managed distributions”
- 145 of those were cut an average -12%
- 38 were increased an average of +8%

1 Year Lookback

- 99 increase vs. 240 decreases. 50 Funds had BOTH increases and decreases in the past year.

Source: CEFADData.com, as of Dec 29, 2017

CEF & BDC

Historical IPOs (4Q 17)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of IPOs	13	8	9	15	29	28	26	22	14	3	45
Average Assets In \$ millions	\$646	\$225	\$272	\$511	\$511	\$442	\$258	\$371	\$192	\$134	\$629
Total New CEF IPO Assets in \$ Billions	\$8.4B	\$1.8B	\$2.4B	\$7.7B	\$14.8B	\$12.4B	\$6.7B	\$8.2B	\$2.7B	\$.4B	\$28.3B

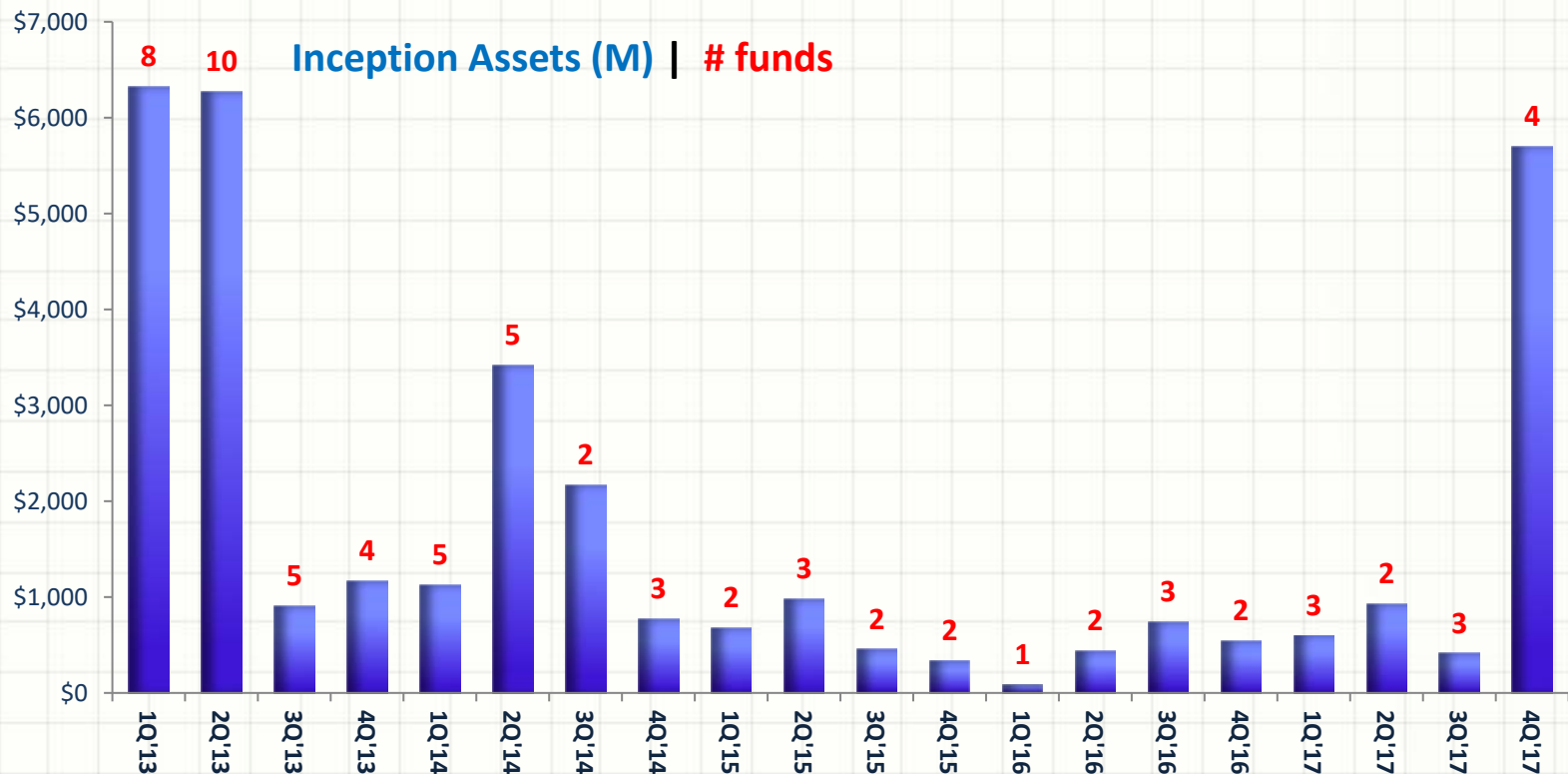
10 Year Average: 17 Funds per year, \$356MM Ave Fund, \$6.6 Billion Per Year

Source: SEC Filings, Press Releases



CEF & BDC

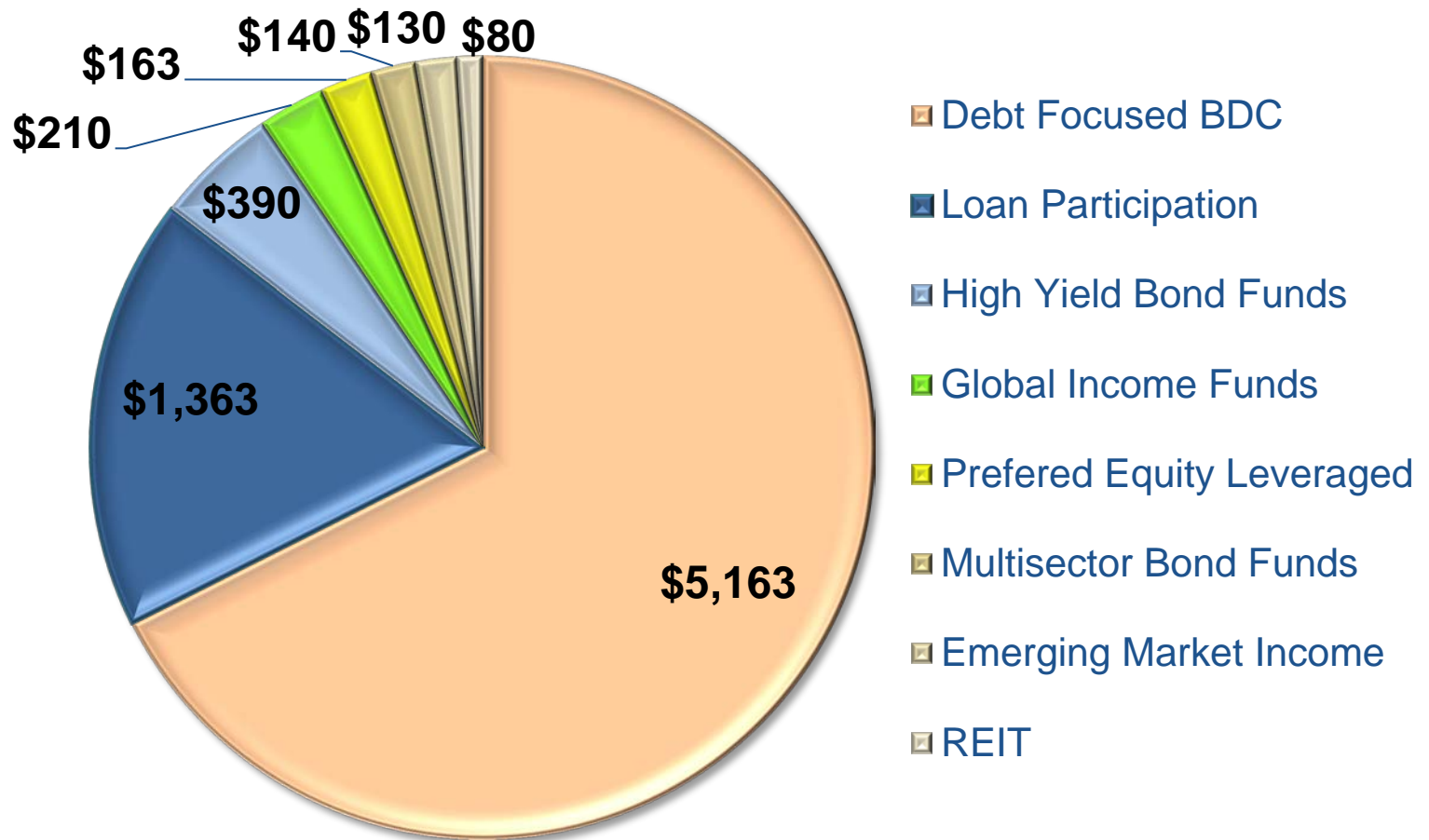
Historical IPOs (4Q 17)



Source: December 29, 2017 - CEFData.com

CEF&BDC IPOs: By Investment Focus

October 1, 2016 – September 29, 2017



Note: Inception Assets in millions ; data as of 12/31/2017 , cefdata.com

2017 IPO Details

4Q 2017

DA Gbl Cr Incm 2024 Tgt Trm (DCF) – Taxable Bond Funds -

IPOed on October 27, 2017

IPO Price: \$10.00

IPO Assets: \$140M

Price as of 9/29/17: \$9.40

Disc/Prm as of 12/31/17 : -3.98%

Highland Flt Rt Opp Fd (HFRO) – Taxable Bond Funds -

IPOed on November 6, 2017

IPO Price: \$15.50

IPO Assets: \$1080M

Price as of 9/29/17 : \$15.50

Disc/Prm as of 12/31/17 : +2.51%

Corporate Capital Tr (CCT) – Debt Focused BDCs-

IPOed on November 14, 2017

IPO Price: \$17.60

IPO Assets: \$4400M

Price as of 9/29/17 : \$15.98

Disc/Prm as of 12/31/17 : -20.14%

Invsc Hi Incm 2023 Tgt Trm Fd (IHIT) – Taxable Bond Funds -

IPOed on November 27, 2017

IPO Price: \$10.00

IPO Assets: \$80M

Price as of 9/29/17 : \$9.79

Disc/Prm as of 12/31/17 : -2.68%

Source: Fund Press Releases

www.CEFadvisors.com



IPOs during 1Q 2017 – 3Q 2017

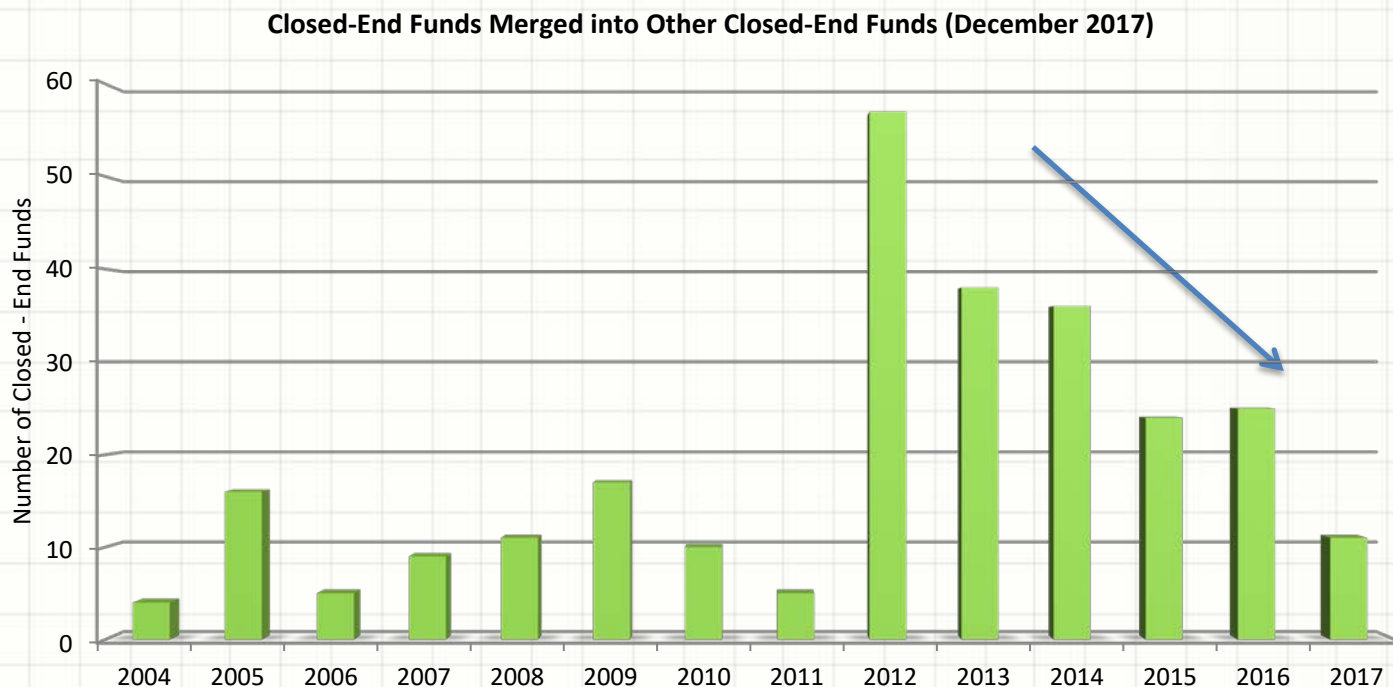
Current Discount / Premium

IPO Date	Ticker	Fund Name	Type	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
1Q 2017	JPT	Nuv Pref & Incm 2022 Trm Fd	Traditional	0.00%	\$25.49	\$25.00	101.96%
	BGIO	2022 Glbl Incm Opp Tr	Traditional	0.20%	\$10.05	\$10.00	100.50%
	JCO	Nuveen Cr Opp 2022 Tgt Trm Fd	Traditional	-1.01%	\$9.85	\$10.00	98.50%
2Q 2017	CBH	Invsc Hi Incm 2023 Tgt Trm Fd	Traditional	1.02%	\$9.95	\$10.00	99.50%
	CGBD	FT Sr Flt Rt 2022 Tgt Trm Fd	BDC	3.75%	\$18.82	\$18.27	103.01%
3Q 2017	EFL	EV Flt-Rt 2022 Tgt Trm Tr	Traditional	-5.23%	\$9.24	\$10.00	92.40%
	XFLT	XAI Octgn Flt Rt & Alt Incm Trm	Traditional	-3.19%	\$9.40	\$10.00	94.00%
	JEMD	Nuveen Cr Opp 2022 Tgt Trm Fd	Traditional	-4.47%	\$9.40	\$10.00	94.00%

Data as of September 29, 2017

Source: CEFADData.com

Closed-End Fund Mergers



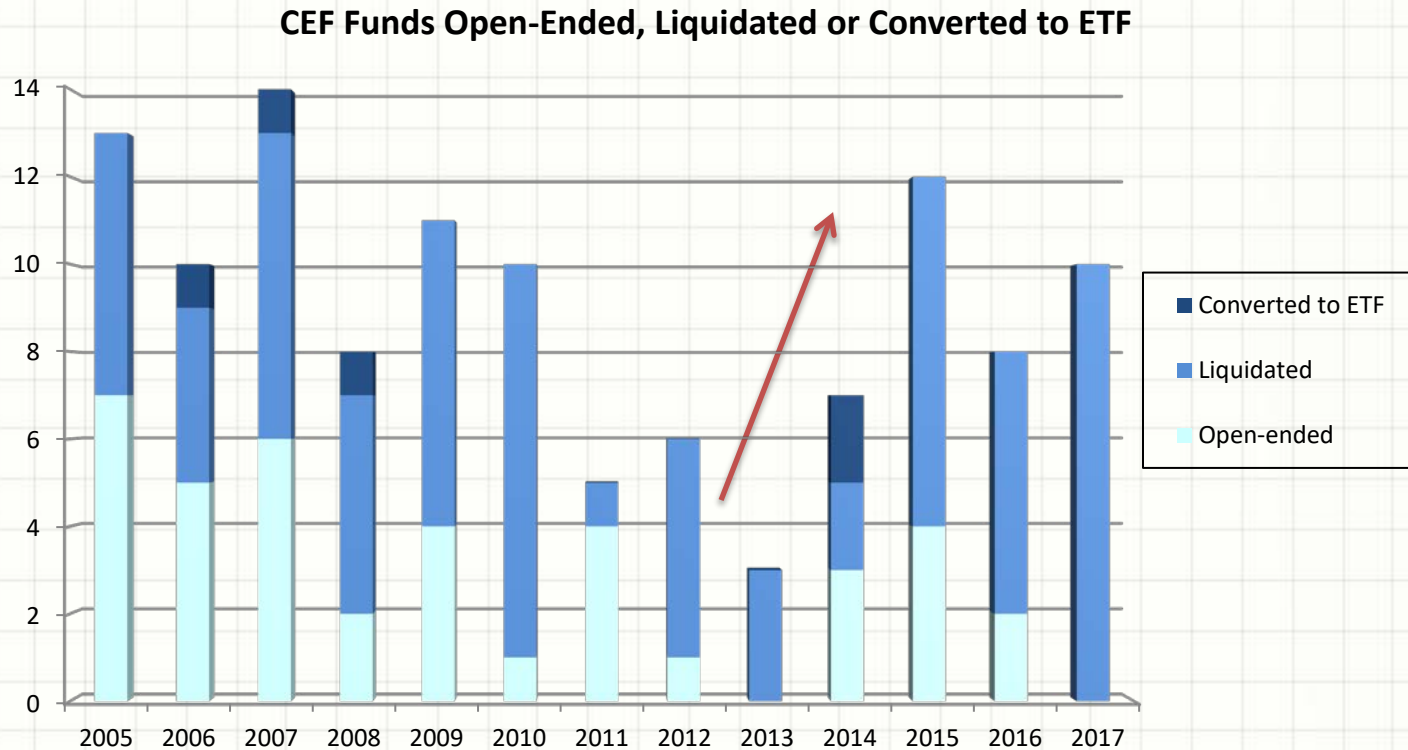
Reasons to Merge:

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

Source: Fund Press Releases

Avg. – 19 per year
27 Last 5 Yrs, 15 previous 9 Yrs

Closed-End Fund Deaths

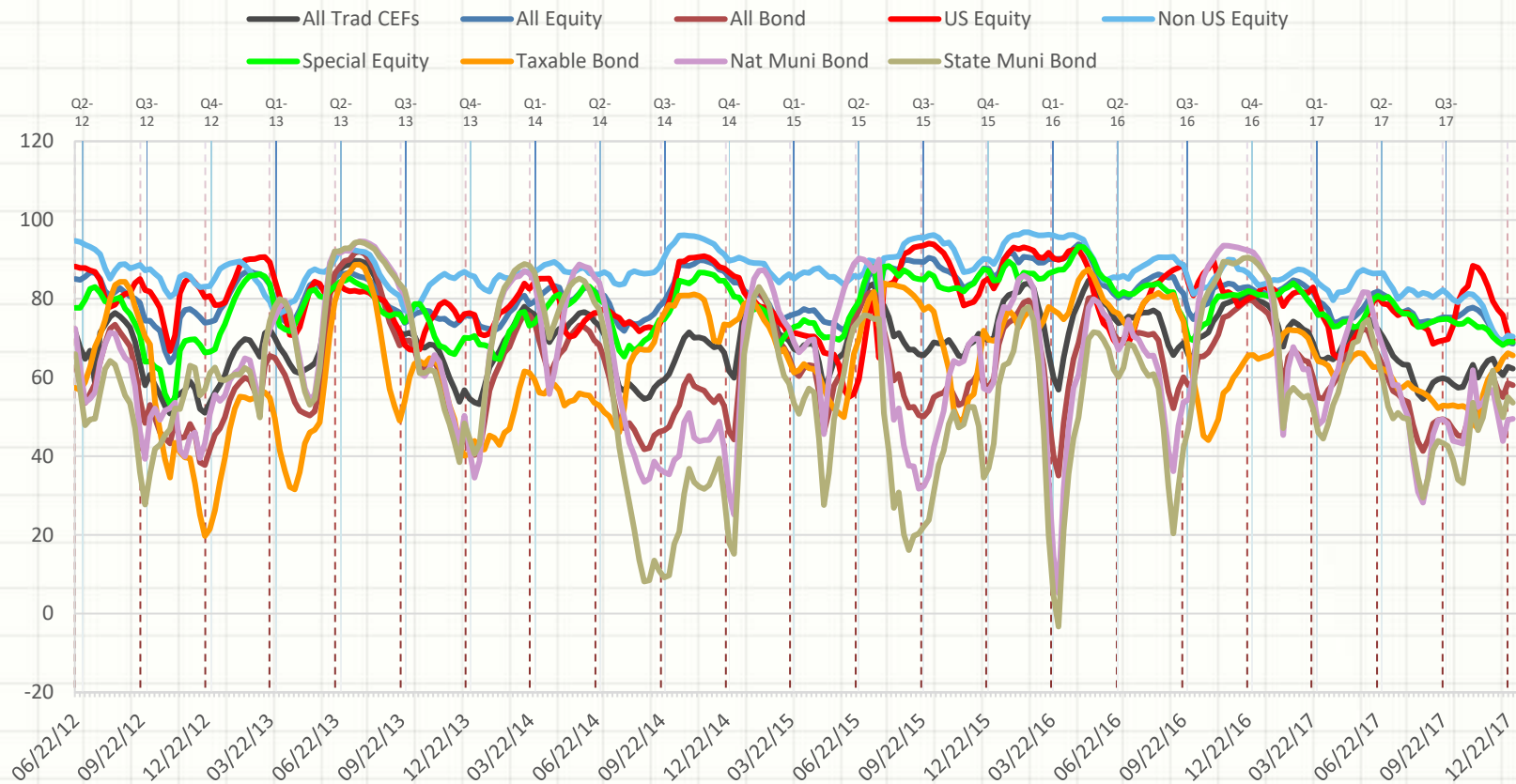


Source: Fund Press Releases

Causes: Open-ending, liquidation & conversion. (9 per year on average)

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

Trad CEFs Groups - 90 Day NAV/Price Correlation
June 22, 2012 - December 29, 2017



Source: December 29, 2017 - CEFData.com

www.CEFadvisors.com

Traditional Closed-End Fund NAV – Market Price Correlation

Fund Grouping	Correlation 4Q 17	Correlation 3Q 17	Correlation Trend
US Equity Funds	69.71%	69.73%	-0.02%
Non-US Equity Funds	70.35%	81.09%	-10.74%
Specialty Equity Funds	69.01%	74.89%	-5.88%
<i>Ave Equity CEF</i>	<i>68.63%</i>	<i>75.24%</i>	<i>-6.61%</i>
Taxable Bond Funds	65.81%	52.73%	13.08%
National Muni Bond Funds	49.50%	48.15%	1.35%
State Muni Bond Funds	53.58%	42.53%	11.05%
<i>Ave Bond CEF</i>	<i>58.11%</i>	<i>48.81%</i>	<i>9.30%</i>
Average CEF	62.29%	59.42%	2.87%

Data as of December 29, 2017

Source: CEFData.com



CEF / BDC Index Performance

Index	4Q 2017 NAV	4Q 2017 Mkt Pr	1 Year NAV	1 Year Mkt Pr	5 Year NAV	5 Year Mkt Pr
12 Major Sectors Index	2.54%	1.10%	11.53%	13.94%	7.33%	7.50%
High Income Index	2.01%	-0.82%	11.49%	14.55%	6.29%	6.37%
Tax-Sensitive Income Index	2.22%	1.14%	6.75%	10.40%	4.74%	4.76%
60/40 Balanced Index	3.02%	1.92%	15.91%	19.82%	8.53%	8.98%
Global Equity Index	3.57%	2.72%	21.81%	27.87%	9.38%	10.62%
Equity Income Index	2.89%	2.12%	15.23%	21.76%	7.74%	8.78%
Taxable Bond and BDC	1.49%	-0.21%	10.65%	11.02%	5.74%	5.13%
National Municipal Bond	1.35%	-0.42%	8.41%	7.83%	5.01%	4.19%
Preferred Equity Index	1.30%	0.93%	14.19%	15.93%	9.29%	9.61%
Convertible Bond Index	1.65%	1.35%	12.57%	20.85%	7.21%	8.69%
High Yield Bond Index	0.46%	-1.25%	8.50%	8.42%	6.42%	5.11%
Sr. Loan Index	1.00%	-1.07%	4.82%	1.49%	5.21%	3.79%
MLP Index	1.17%	0.01%	-5.77%	-1.18%	-1.33%	-2.52%
REIT / Real Asset Index	2.58%	2.14%	12.42%	19.19%	9.37%	9.95%
Debt-BDCs Index	2.40%	-4.04%	8.83%	1.20%	8.82%	5.30%

Data as of December 30, 2017, Annualized over 1 year

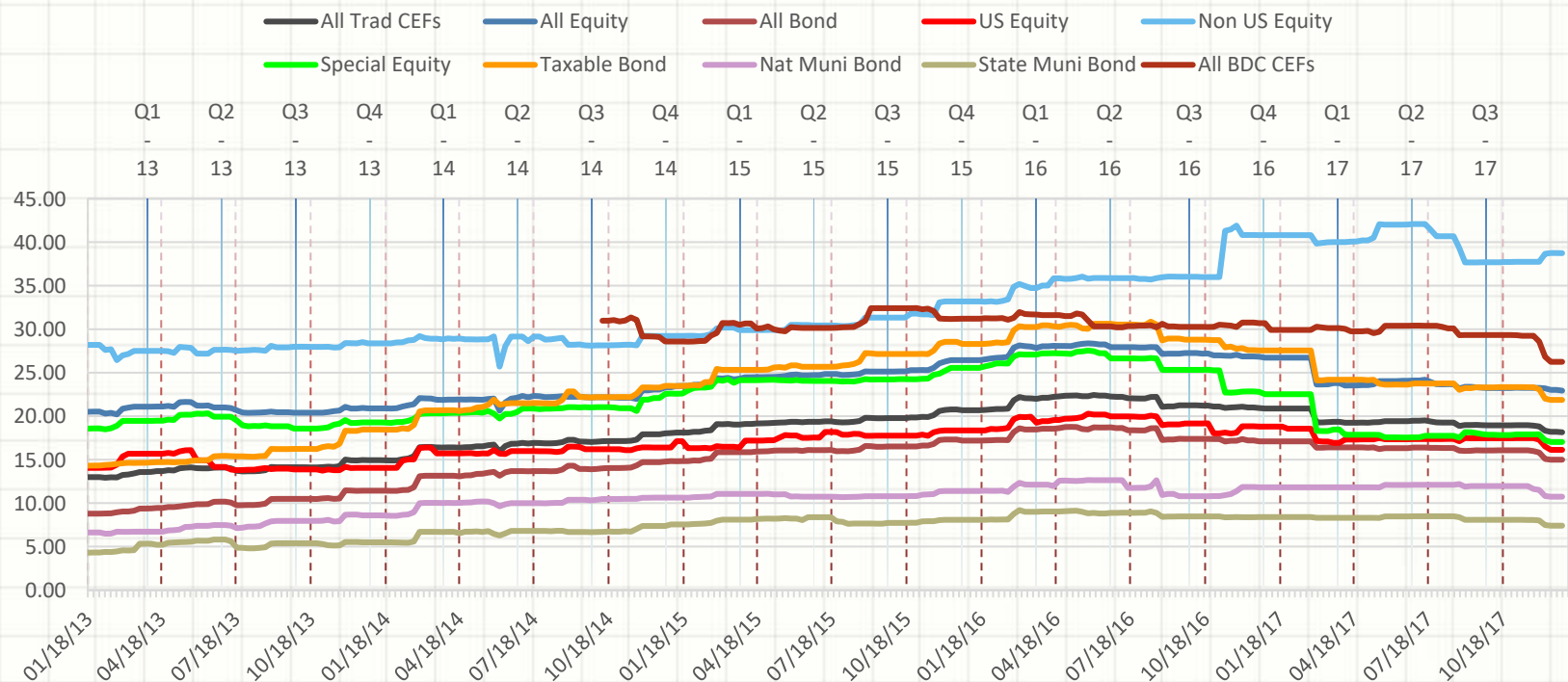
CEF Institutional Holdings

(4Q 17)

**Institutional
Holdings Trends**

**Increase: 159 funds
Decrease: 352 funds**

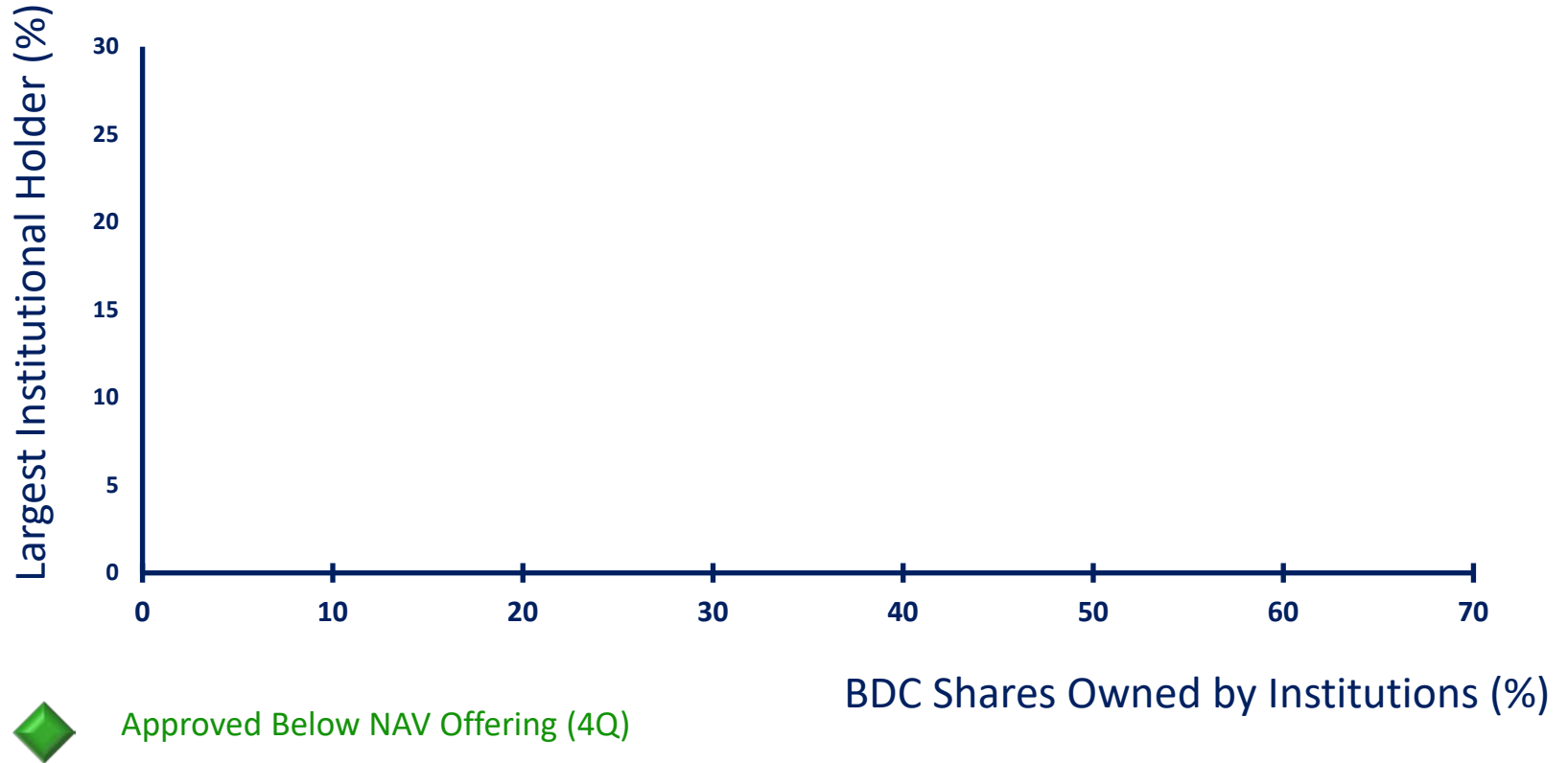
Main Peer Groups - % Shares Owned by Institutions
January 18, 2013 - December 29, 2017



Source: CEFData.com

www.CEFadvisors.com

BDC Institutional Ownership



Note: Data as of 12/29/2017 , cefdata.com

CEF/BDC

Activist / Institutional Investors

Activist:

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

Followers:

1. Punch & Associates Investment
Management
2. Relative Value Partners
3. 1607 Capital Partners LLC
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 12/31/17 - \$3.6 Billion Activist // \$21.9 Billion Followers & Activist

Source: CEFADData.com

www.CEFadvisors.com



Closed-End Fund Corporate Actions / Activist Update

4Q 2017

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Dec	Proxy	CM Finance (CMFN)	Public	Proposal to sell up to 25% shares below NAV approved
Dec	Tender	Corporate Capital Tr (CCT)	Public	67.7MM shares tendered
Dec	13G/A	Thai Fund (TTF)	City of London	24.3% (Dec) Liquidation
Dec	13D/A	MS Emrg Mkt Fd (MSF)	City of London	26.1% (Inc)
Nov	13D/A	Alp Tot Dyn Div Fd (AOD)	Saba	8.1% Board declassification proposal
Nov	13D/A	CS Ast Mgmt Incm Fd (CIK)	Saba	9% (Dec)

Source: SEC Filings, Press Releases

www.CEFadvisors.com

Closed-End Fund Corporate Actions / Activist Update

Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Nov	Tender	MVC Capital, Inc. (MVC)	Public	Up to 25MM @ \$10.4 - \$11.0
Nov	13D/A	Taiwan Fund (TWN)	City of London	42.8% Concerns with the Discount
Oct	13D/A	BR Dbt Stgs Fd (DSU)	Saba	13.4% Tender Offer
Oct	Rights	Gabelli Gbl Sml & Mid Cap Val (GGZ)	Public	3 rights+ \$11.50 for 1 share
Oct	13G	Gladstone Cap Corp (GLAD)	Karpus	13.24% New
Oct	13D/A	Lzrd Gbl Tot Rtn & Incm Fd (LGI)	Bulldog	4.92% (Dec)

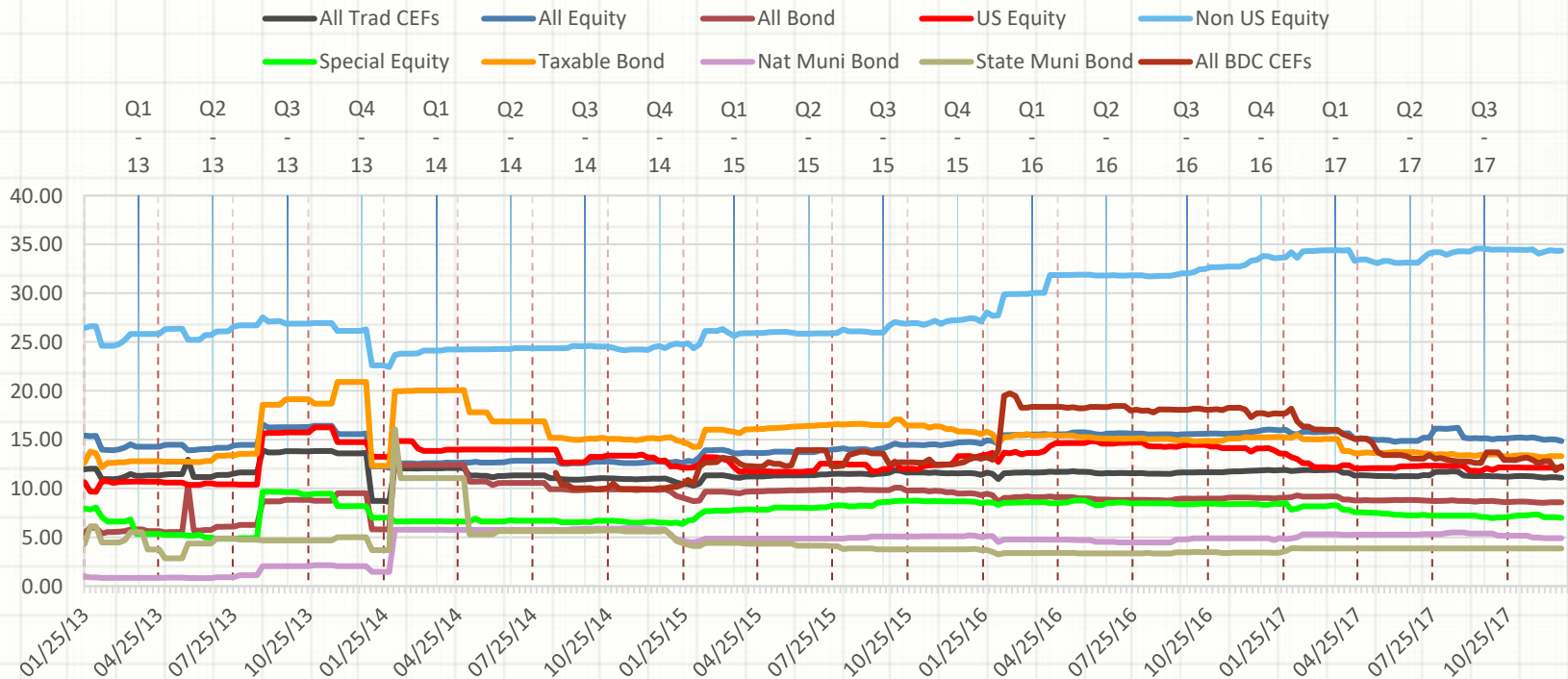
CEF Activist Holdings

(4Q 17)

**Activist
Holdings Trends**

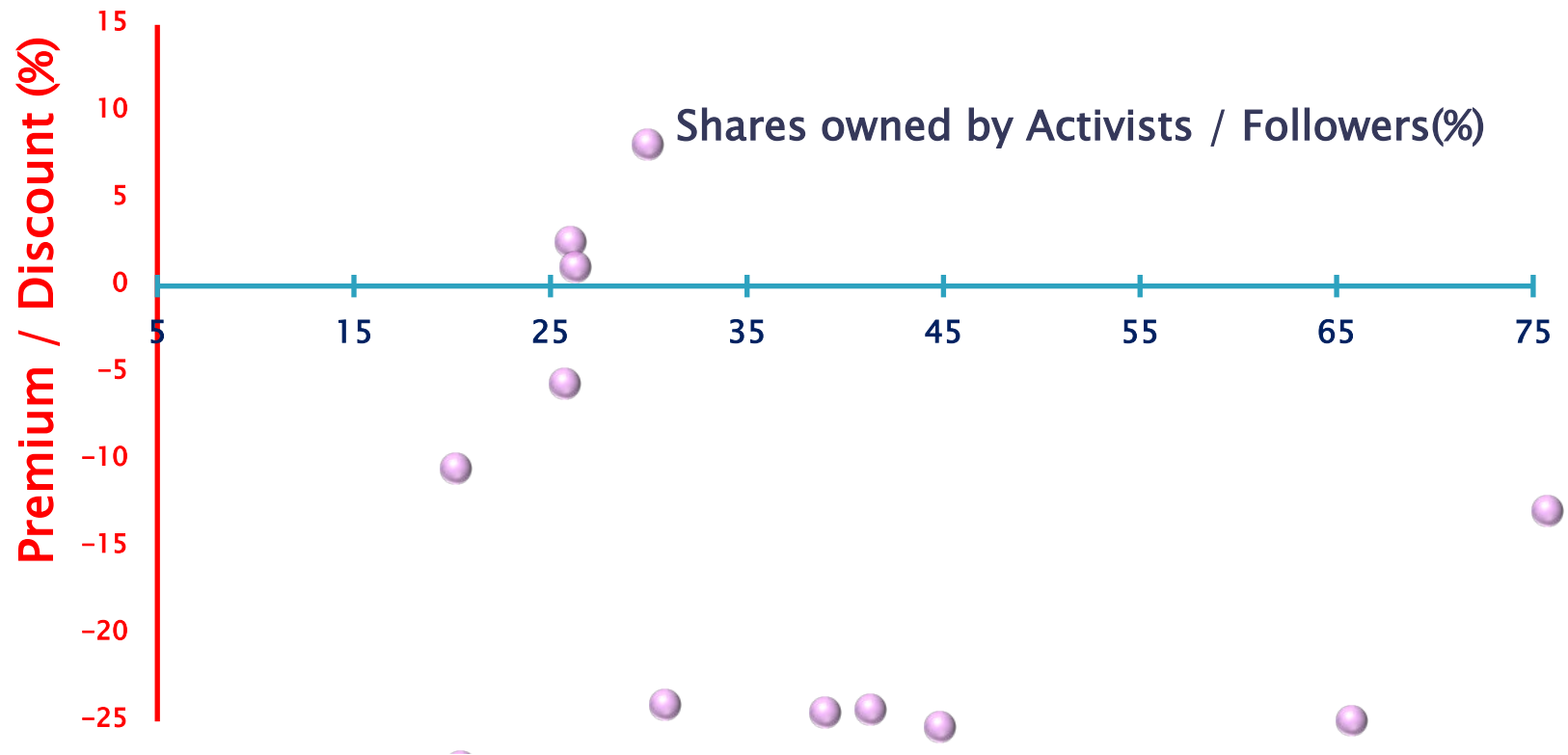
**Increase: 79 funds
Decrease: 97 funds**

Main Peer Groups - % Shares Owned by Activists January 25, 2013 - December 29, 2017



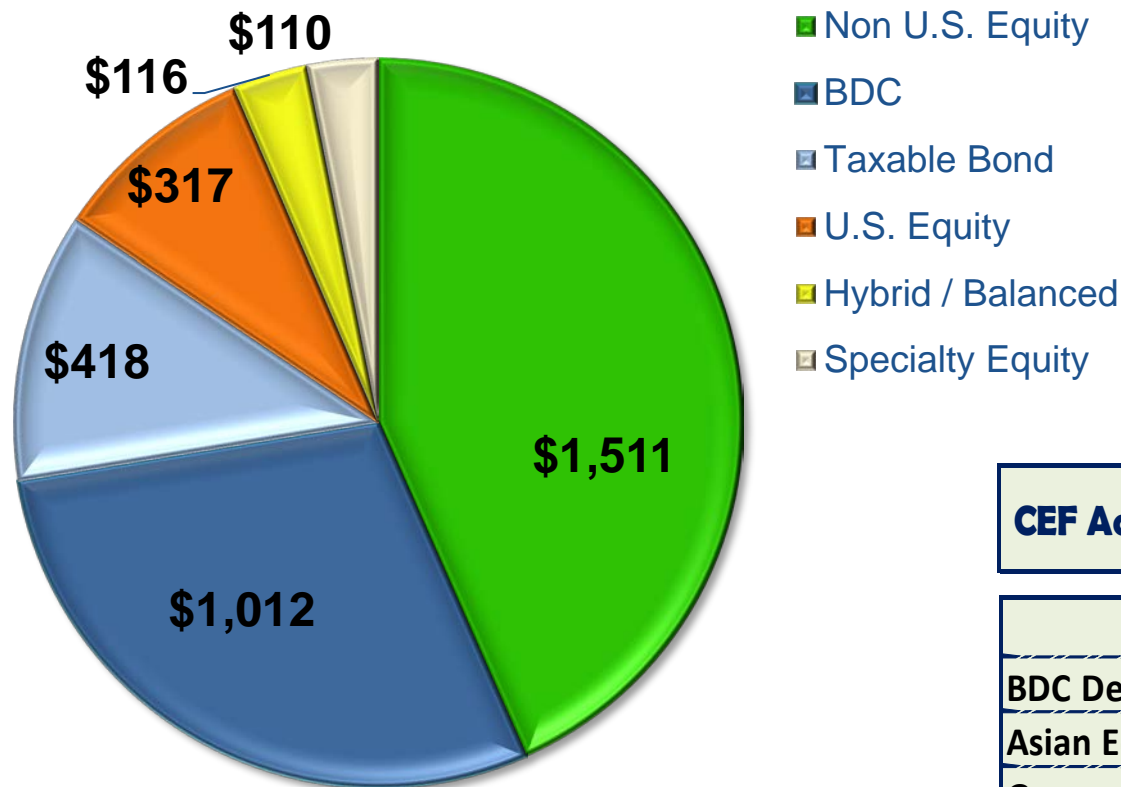
Source: CEFData.com

Activist / Followers Ownership vs Fund Discounts



Note: Data as of 12/29/2017 , cefdata.com

Activist Ownership (13D) by Investment Focus

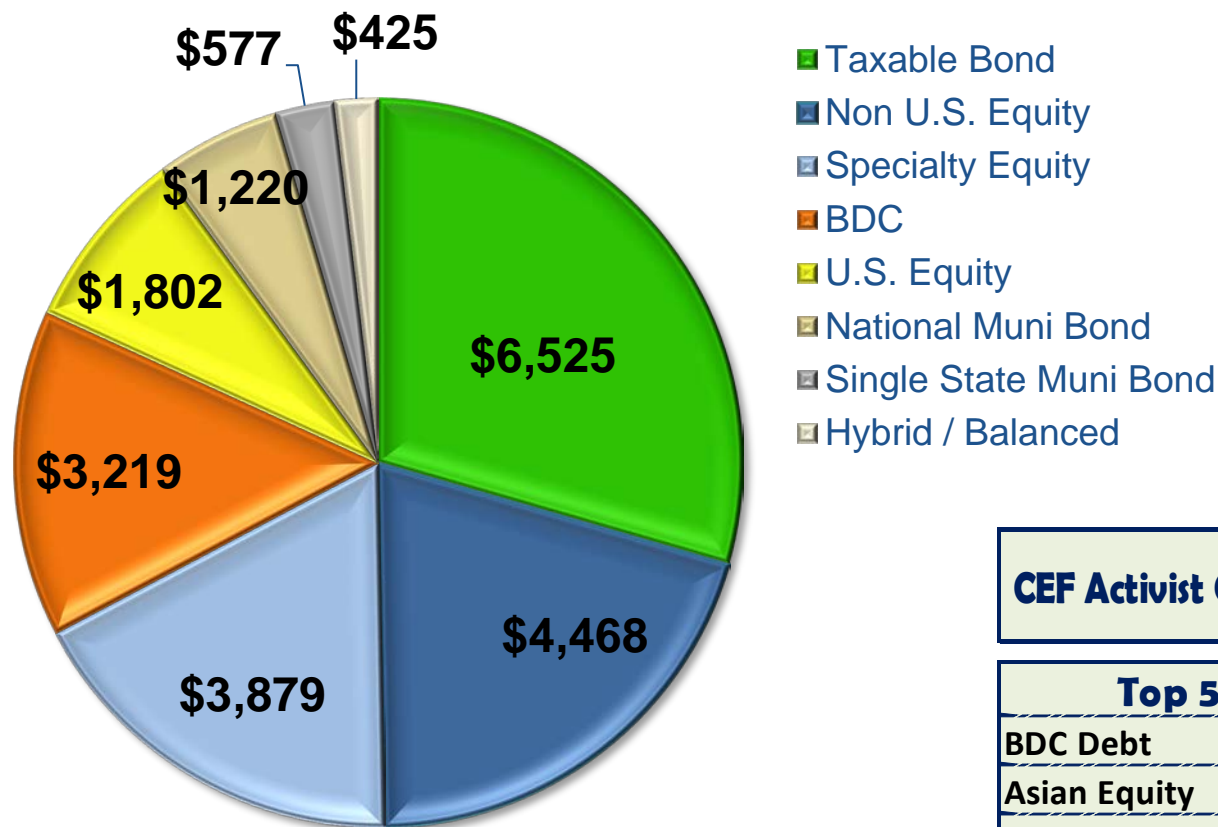


CEF Activist Ownership	\$3,484
-------------------------------	----------------

Top 5 Peer Groups	
BDC Debt	\$977
Asian Equity	\$968
General Equity	\$317
US Government Bond	\$298
Global Equity	\$193

Note: millions of dollars, data as of 12/29/2017, cefdata.com

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



CEF Activist Ownership	\$22,117
-------------------------------	-----------------

Top 5 Peer Groups	
BDC Debt	\$3,076
Asian Equity	\$2,362
General Equity	\$1,494
Covered Call	\$1,484
Senior Loan	\$1,387

Note: millions of dollars, data as of 12/29/2017, cefdata.com

CEFA's Outlook for 1Q and 2018

- **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: CEFADData.com

www.CEFadvisors.com



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

CEFData.com

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 - 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

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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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- CEF Universe Data Definitions:
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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

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



Closed-End Fund Advisors

CEF ADVISORS' MODEL PORTFOLIO OFFERINGS

DATA AS OF JANUARY 5, 2018 FROM "CEFA'S CLOSED-END FUND UNIVERSE DATA"

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	-9.14	-9.96	-12.06	70.34	6.47	5.16	5.41	1.06	23.9	9.3	13.8	0.33	1.36	13.66	6.93	53.62	57.09	64.40	32.89	29	1.42	0.66
2. CEFA Diversified Equity	-12.64	-13.71	-15.37	59.61	6.23	5.09	5.65	0.58	27.2	8.7	9.8	0.29	1.54	16.66	5.46	41.42	45.64	86.87	10.75	25	N/A	0.94
3. CEFA Diversified Growth	-10.17	-10.20	-12.15	65.08	7.66	5.78	6.19	1.47	15.8	9.6	18.6	0.89	1.94	14.99	4.33	55.47	54.76	63.27	33.91	33	1.13	0.85
4. CEFA Hybrid (High) Income	-6.88	-6.28	-8.19	68.63	10.34	7.76	8.68	1.66	35.3	21.7	24.8	1.32	2.31	13.76	3.30	70.15	76.77	53.57	43.09	30	0.83	0.84
4.1. CEFA Hybrid (High) Income Monthly	-6.19	-6.08	-9.99	68.82	9.86	7.58	8.20	1.66	32.5	17.5	23.2	1.16	1.99	11.43	4.45	88.37	85.52	46.64	49.20	32	1.51	0.75
5. CEFA Discount Opportunity	-14.94	-14.70	-15.33	57.43	6.19	4.38	5.28	0.91	23.2	8.5	19.9	0.98	1.72	12.93	5.49	49.17	54.01	64.18	33.33	35	1.52	0.86
6. CEFA Alternative Income	-7.38	-6.71	-8.79	65.36	8.16	6.13	6.69	1.47	22.3	12.9	23.4	1.36	2.43	12.76	4.19	52.47	45.76	48.76	47.06	24	1.18	0.68
7. CEFA Foundation / Balanced	-6.67	-6.78	-9.24	67.47	7.92	6.14	6.31	1.61	11.2	7.1	21.7	1.03	2.00	11.43	5.45	49.36	51.59	51.31	45.81	30	1.50	0.72
7.1. CEFA Foundation / Balanced - Tax Advantaged	-6.98	-7.75	-9.54	61.16	7.40	5.77	6.77	0.63	43.1	24.1	21.0	0.62	1.41	14.88	3.11	58.49	63.73	61.36	37.03	27	1.99	0.78
8. CEFA Taxable Bond & BDC	-8.48	-7.72	-11.14	69.29	7.74	5.45	5.90	1.84	4.4	2.3	29.8	1.53	2.47	5.95	6.18	58.12	56.04	7.46	87.80	21	3.49	0.42
9. CEFA Dividend Confidence Model	-7.32	-7.02	-9.10	59.85	6.62	5.00	5.38	1.24	16.6	3.4	23.5	0.80	1.56	10.74	6.22	42.13	43.49	48.59	50.25	30	2.22	0.66
10. CEFA Diversified Low Beta	-6.69	-6.39	-8.81	62.98	6.73	5.19	5.71	1.02	25.4	9.8	23.7	1.08	2.05	9.87	5.03	58.94	62.58	47.16	49.28	30	1.13	0.45
11. CEFA Low Correlation	-4.09	-4.13	-7.28	72.90	7.28	5.67	6.10	1.18	15.2	12.5	23.7	1.17	2.01	10.41	4.68	47.45	46.48	44.64	52.50	27	2.77	0.57
11.1. CEFA Low Correlation - IRA	-5.18	-5.63	-8.36	68.09	7.49	5.83	6.03	1.46	18.7	12.7	21.9	0.98	1.94	10.93	4.03	38.30	38.74	39.38	58.97	25	2.74	0.51
12. CEFA Div Tax-Sensitive Income (Eq Wt)	-4.84	-4.90	-7.05	57.67	7.51	5.94	6.95	0.56	40.4	29.7	23.6	0.81	1.38	15.17	0.90	43.72	48.58	53.67	45.28	20	2.21	0.68
12.1. CEFA Div Tax-Sensitive Income (Muni OW)	-4.58	-4.44	-6.58	58.64	7.00	5.64	6.55	0.45	28.7	20.1	24.2	0.77	1.24	11.10	2.26	38.54	41.88	41.08	57.72	20	3.38	0.42
13. CEFA BDC Select	-5.66	1.50	-1.53	52.85	9.81	6.60	7.36	2.45	0.0	0.7	38.6	3.75	4.17	3.60	7.25	40.34	40.34	8.49	89.07	13	N/A	0.83
13.1. CEFA BDC Monthly Income	-4.95	1.41	-4.98	60.20	10.10	6.76	7.58	2.52	0.0	0.0	35.3	4.32	3.92	3.90	6.37	39.22	39.22	9.17	86.87	8	N/A	0.96
13.2. CEFA BDC - Low Beta	-2.64	2.83	-6.18	59.31	9.06	6.32	6.80	2.26	0.0	1.1	37.2	3.86	4.29	3.39	6.19	37.49	37.49	13.20	83.80	11	N/A	0.59
13.3. CEFA BDC Premium	-1.21	7.10	3.51	52.45	9.62	6.79	7.21	2.41	0.0	0.0	38.5	3.25	4.09	2.83	8.57	43.74	43.74	7.01	92.71	11	N/A	0.84
14. CEFA Select Municipal	-4.78	-4.18	-4.93	48.88	5.40	3.76	5.40	0.00	0.0	0.0	37.0	0.90	1.05	3.50	4.22	15.17	15.39	0.05	99.59	13	9.00	-0.05
14.1. CEFA Low Duration Municipal	-2.80	-1.47	-2.67	32.20	2.88	2.31	2.88	0.00	0.1	0.0	16.5	0.43	0.66	2.18	2.46	11.84	16.50	0.00	98.93	6	3.51	-0.04

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View online: www.cefddata.com/portfoliocomp -- Disclosure: See full portfolio disclosures at the end of this presentation

Current CEFA Portfolio Modes

CEFA Portfolio Models' Investment Objectives. Diversified models typically hold 20-40 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 of non-US and global sector of closed-end funds. We seek to blend our global market outlook with the ability to buy funds, often at significant discounts to NAV while having the opportunity for discount narrowing over time. 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 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 Equity:** Diversified portfolio seeking primarily equity exposure. The Beta to the S&P 500 is expected to be 0.85 to 1.15. 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. Discount Opportunity:** Diversified portfolio seeking 50/50 allocations to equity and debt at the fund level. Researching funds that both have a larger than 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.
- 6. 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 of the S&P 500 with "cash weighted" duration under 2. 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 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.



Closed-End Fund Advisors

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8. **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.
9. **Dividend Confidence Model:** Diversified portfolio of roughly 50% equity and bond funds where we see above average dividend coverage as the primary factor after our Trifecta analysis. Historically 6.25% - 7.5% is our target income level and we expect durations under 2.5 and a beta under 0.80.
10. **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.
11. **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.
12. **Diversified Tax-Sensitive Income:** Designed to maximize after-tax yield for high income investors seeking little-to-no tax friction. Equal weight exposure to three CEF sectors who historically have low correlation: municipal bonds, master limited partnerships and tax-advantage equity funds. Muni's, the most common tax-avoidance sector for many investors has a 39% 10 Year NAV correlation to MLPs and 33% correlation to Covered Call Funds. Covered Call funds have only a 70% 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% to 7%. Duration is expected to be under 4. We offer a Municipal bond overweight version of this model where 50% of the portfolio is Muni bond CEFs.
13. **Business Development Company Select:** Diversified portfolio of BDCs with strong fundamental research on each BDC's portfolio and management. Seeking BDCs exposure with above average dividend sustainability, NAV performance, variable and senior secured loan exposure as well as low non-accruals (defaults). We look for sector and geographic diversity. 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, 13% to preferred equity and 27% to REITs and only a 40%-43% correlation to high yield and Sr. loans. We offer a "100% monthly paying only", "low Beta" and Premium BDC version of this model.
14. **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 September 30, 2017

Investment Portfolio Model	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Conservative Diversified	3.02%	11.65%	10.86%	3.51%	4.56%	N/A	6.19%	5/1/2009
Diversified Low Beta	2.04%	N/A	N/A	N/A	N/A	N/A	5.05%	4/1/2017
Low Correlation	2.36%	N/A	N/A	N/A	N/A	N/A	4.68%	3/1/2017
Foundation/Balanced	2.90%	11.55%	11.18%	4.05%	5.75%	N/A	7.45%	9/1/2009
Foundation/Balanced Tax-Advantage	4.11%	14.59%	N/A	N/A	N/A	N/A	14.59%	1/1/2017
Global Growth & Income	1.40%	10.02%	11.01%	2.37%	4.65%	1.00%	4.30%	1/31/1999
Globally Diversified Growth	2.21%	9.83%	15.53%	3.79%	7.90%	2.86%	5.96%	1/31/1999
Hybrid Income	3.34%	16.13%	15.98%	6.03%	7.77%	6.41%	6.01%	12/1/2006
International Equity	4.43%	17.27%	15.87%	1.95%	4.34%	0.76%	8.69%	11/1/2002
Business Development Companies	0.75%	9.22%	14.66%	N/A	N/A	N/A	8.60%	1/1/2015
Managed Municipal Bond CEFs	3.14%	6.10%	-3.37%	N/A	N/A	N/A	6.62%	8/1/2014
Special Opportunities	1.85%	8.98%	8.63%	8.47%	N/A	N/A	9.08%	6/1/2013

Benchmarks	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
CEF Advisors 12 Major CEF Sectors (MKT)	2.49%	12.23%	N/A	N/A	N/A	N/A	12.23%	1/1/2017
S&P 500 Total Return	4.48%	14.24%	18.61%	10.81%	14.23%	7.44%	5.90%	1/31/1999
Barclays Capital Global Aggregate Bond	1.76%	6.25%	-1.26%	1.30%	0.48%	3.31%	4.11%	1/31/1999
MSCI World (Ex-US)	5.62%	19.17%	18.73%	4.57%	7.81%	1.28%	4.54%	1/31/1999
Barclays Municipal Bond	1.06%	4.66%	0.87%	3.19	N/A	N/A	3.44%	8/1/2014
Thomson Taxable Fixed Inc CEF TR	1.66%	5.68%	5.30%	3.76%	2.73%	5.30%	4.88%	12/1/2006
Thomson All Equity CEF TR	3.50%	7.69%	10.63%	3.25%	5.64%	4.29%	4.57%	12/1/2006
Wells Fargo BDC TR	-0.88%	3.43%	9.04%	N/A	N/A	N/A	7.95%	1/1/2015
CEF Advisors Debt-Focused BDC (MKT)	0.71%	5.58%	N/A	N/A	N/A	N/A	5.58%	1/1/2017
60/40 S&P 500/Barclays Bond	3.39%	11.04%	10.66%	7.01%	8.73%	5.79%	5.18%	1/31/1999
CEF Advisors 60/40 Balanced (w/ BDCs)	4.07%	16.66%	N/A	N/A	N/A	N/A	16.66%	1/1/2017

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

Globally Diversified Growth	\$2,948,221
S&P 500 Total Return	\$2,917,187
Barclays Capital Global Agg Bond Total Return	\$2,121,590
60/40 S&P 500/Barclays Bond	\$2,568,112

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 575+ ticker universe of CEFs/BDCs. They regularly do consulting and projects for CEF/BDC Sponsors, Hedge Funds and Institutional Investors.

Portfolio Consultant with over a quarter billion deposits into a fund focused on BDCs with a fund sponsor partner. He developed 33 CEF/BDC based indexes; 9 diversified portfolio objective, 9 Equity and 15 Bond sector. John is a past board member of The Richmond Association for Business Economics (RABE), and serves as Assistant Treasurer and on the Investment Committee for The New York State Society of The Cincinnati. Board member and Finance & Investment Committees for The William & Mary National Alumni Board.



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