



# QUARTERLY CLOSED-END FUND REVIEW & OUTLOOK

**1th Quarter 2013 Review &  
2nd Quarter 2013 Outlook**

**Intermediate/Advanced CEF Skill Level**

**April 10, 2013**

**John Cole Scott, CFS  
Portfolio Manager, Executive Vice President  
Closed-End Fund Advisors, Inc.**

***Closed-End Fund Advisors is a Registered Investment Advisory Firm Specializing  
in Closed-End Fund Research, Trading and Management Founded in 1989.***

# Disclaimer

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

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

The information herein shall not be disclosed, used or disseminated, in whole or part, and shall not be reproduced, copied or made available to others without CEFA expressed written permission. CEFA reserves the right to make changes and corrections to the information, including any opinions or forecasts expressed herein at any time, without notice.



# What Is CEFA?



- Investment Management Firm
- 55 years Combined Manager Experience
- Independent, Fee Only & Family Owned
- 27 Years on a CEF Board of Directors (1976-2003)
- Published only Hardback CEF Book in 1991
- “Scott Letter: Closed-End Fund Report” - 23+ years
- “CEFA’s Closed-End Fund Universe”  
(weekly CEF data): 5 Years
- Founder: “CEF Network” on LinkedIn



# Current Closed-End Fund Options & Assets

1Q 2013 Ended with **596\*** *US listed Closed-End Funds*

- 43 US Equity Funds
- 113 Specialty Equity Funds
- 63 Non US Equity Funds

**219 Total Equity Funds**

- 162 (+5) Taxable Bond Funds
- 105 (-2) National Municipal Bond
- 110 (-7) State Specific Municipal Bond

**377 Total Bond Funds**

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

Millions of dollars

	1Q 2013	2012	2011	2010	2009	2008
<b>Total Equity</b>	<b>114,078</b>	<b>105,938</b>	<b>96,735</b>	<b>95,098</b>	<b>85,931</b>	<b>69,397</b>
U.S. Equity	22,265	20,241	20,280	21,835	25,878	22,980
Non U.S. Equity	17,842	17,367	17,095	21,648	19,760	14,560
Specialty Equity	73,971	68,329	59,360	51,615	40,293	31,857
<b>Total Bond</b>	<b>136,242</b>	<b>129,395</b>	<b>114,330</b>	<b>107,970</b>	<b>105,990</b>	<b>82,209</b>
Taxable Bond	69,135	62,720	54,315	55,272	49,968	37,146
National Municipal	47,929	47,334	40,215	34,578	37,572	28,788
Single State Municipal	19,177	19,341	19,800	18,120	18,450	16,275
<b>All</b>	<b>250,319</b>	<b>235,333</b>	<b>211,065</b>	<b>203,068</b>	<b>191,921</b>	<b>151,606</b>

Source: CEF Universe Data

Source: CEFA's CEF Universe Report 3/28/13 (cef universe.com)



# Various CEF Overview Data for Major Groups

Fund Sector	Funds	Discount			Yield			Dividend			Rel. UNII	Earn Cor%	Lev%	Std Dev	Rel Volat	Exp Rt	Net Ast	Avg Daily \$	Shares Inst%	Shares Activ%
		Current	Rel	1-Yr Z-Stat	Inc	Tot	LevAdj NAV	%RoC 3m	Inc/Dec(%)											
<b>EQUITY FUNDS</b>	<b>219 Funds</b>	-5.10	-0.07	0.26	2.8	6.6	5.7	30	3		4.1	44	11	16.2	3.18	1.64	\$516	1,719	21.09	9.28
U.S. Equity Funds	43 Funds	-7.67	0.48	0.50	2.8	6.9	6.2	30	8		6.7	28	10	17.0	3.98	1.65	\$512	1,178	15.68	3.90
Non U.S. Equity Funds	63 Funds	-7.74	-0.34	0.23	2.6	5.2	4.5	16	4		22.0	73	6	16.8	1.60	1.74	\$279	950	27.51	21.58
Specialty Equity Funds	113 Funds	-2.65	-0.14	0.19	2.9	7.3	6.3	39	0		-7.9	35	15	15.5	3.83	1.58	\$650	2,354	19.47	1.84
<b>BOND FUNDS</b>	<b>378 Funds</b>	-0.52	-1.54	-0.90	5.9	6.1	4.8	2	-3		9.2	96	28	12.3	8.16	1.58	\$364	1,153	9.39	2.28
Taxable Bond Funds	162 Funds	0.43	-0.70	-0.31	6.5	7.1	5.9	6	-2		-1.1	94	21	13.0	8.11	1.56	\$428	1,462	14.67	4.08
National Muni Bond	106 Funds	-1.18	-2.03	-1.42	5.6	5.6	4.2	0	-2		19.0	98	31	11.7	8.13	1.38	\$459	1,467	6.71	0.68
Single State Muni Bond	110 Funds	-1.28	-2.30	-1.25	5.2	5.2	3.8	0	-4		14.8	97	34	11.8	8.24	1.81	\$176	399	5.34	1.29
<b>ALL GROUPS AVERAGE</b>	<b>597 Funds</b>	-2.20	-1.00	-0.5	4.8	6.3	5.2	13	-1		7.6	78	22	13.7	6.35	1.61	\$420	1,361	13.59	5.74

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

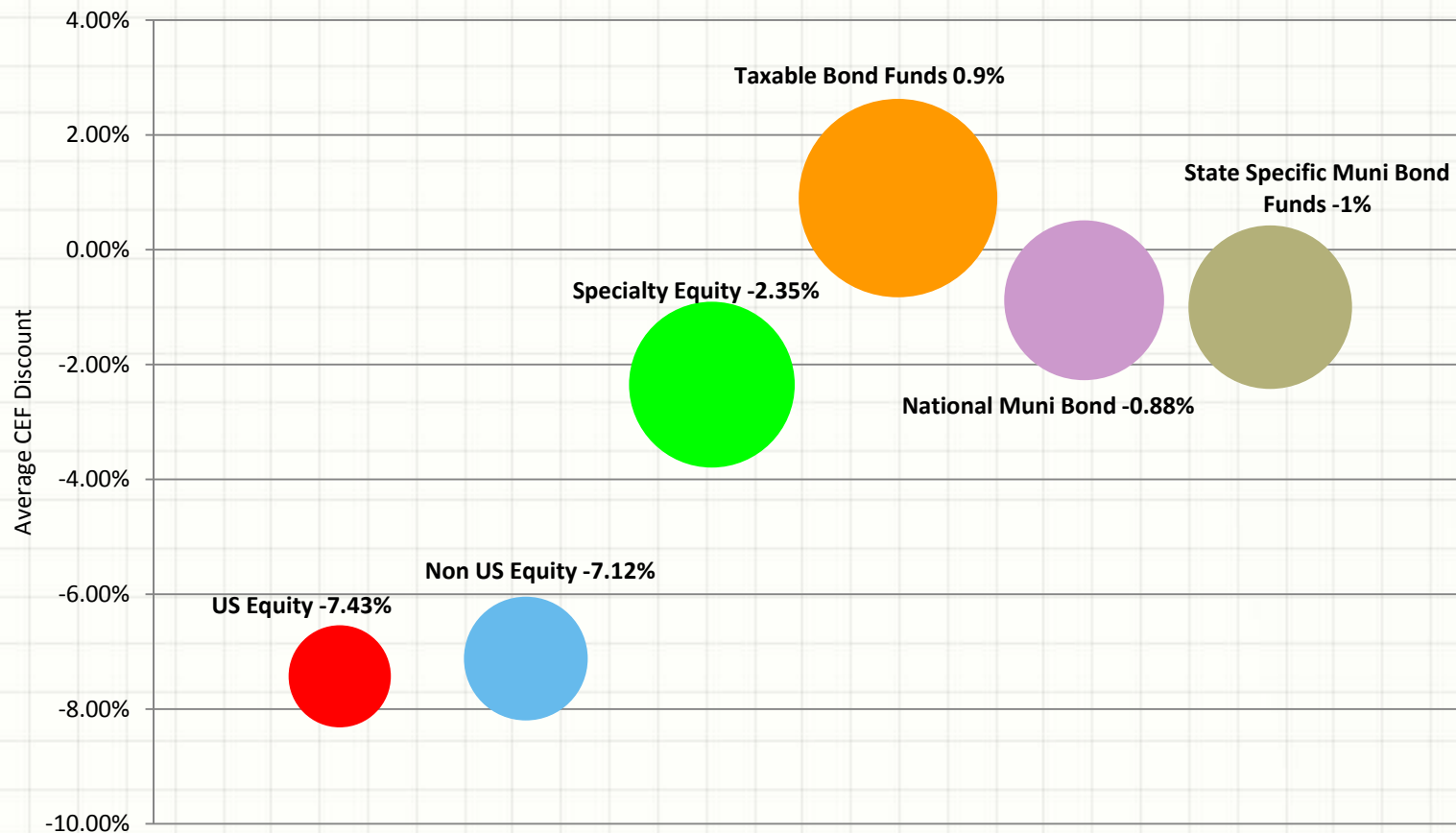




# Closed-End Current Discounts

## All Funds - Current Average CEF Discount

March 28, 2013



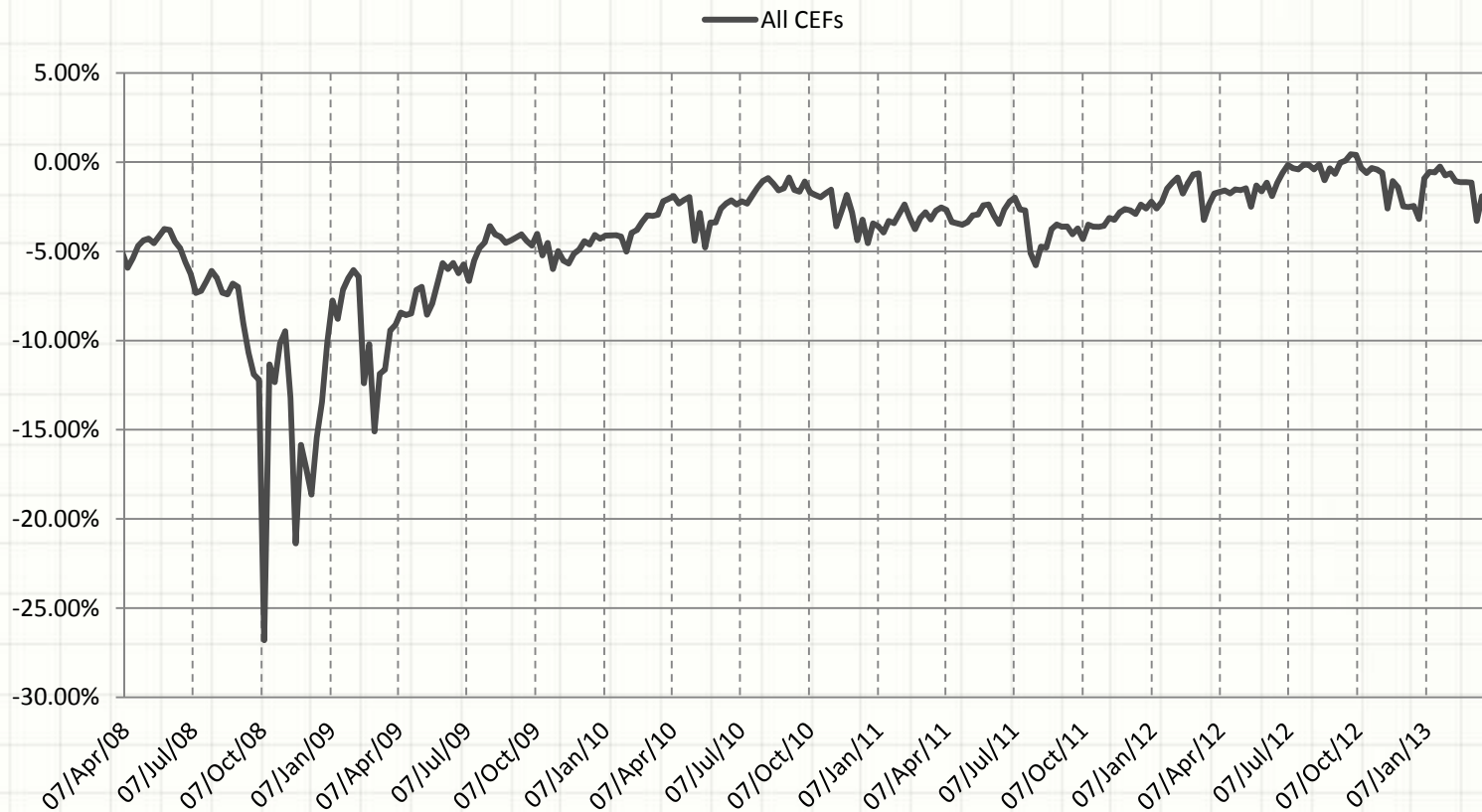
Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))



# Closed-End Discount Trends

1Q 2013 Ended with *an average CEF Discount of -1.83%*

**All CEFs - Average CEF Discount**  
**April 7, 2008 - March 28, 2013**



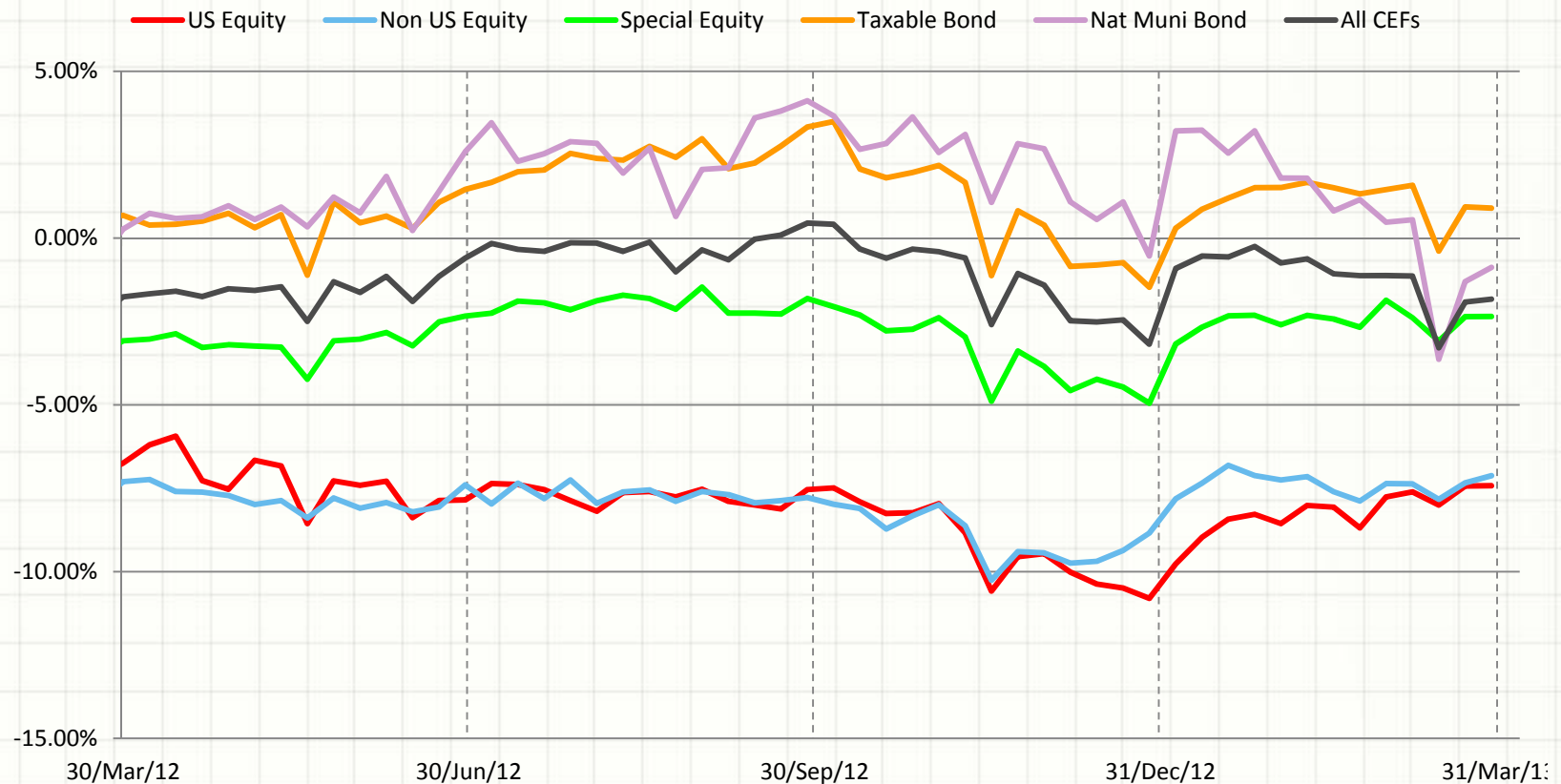
Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))

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



# Closed-End Discount Trends

**Peer Group - Average CEF Discount  
March 30, 2012 - March 28, 2013**

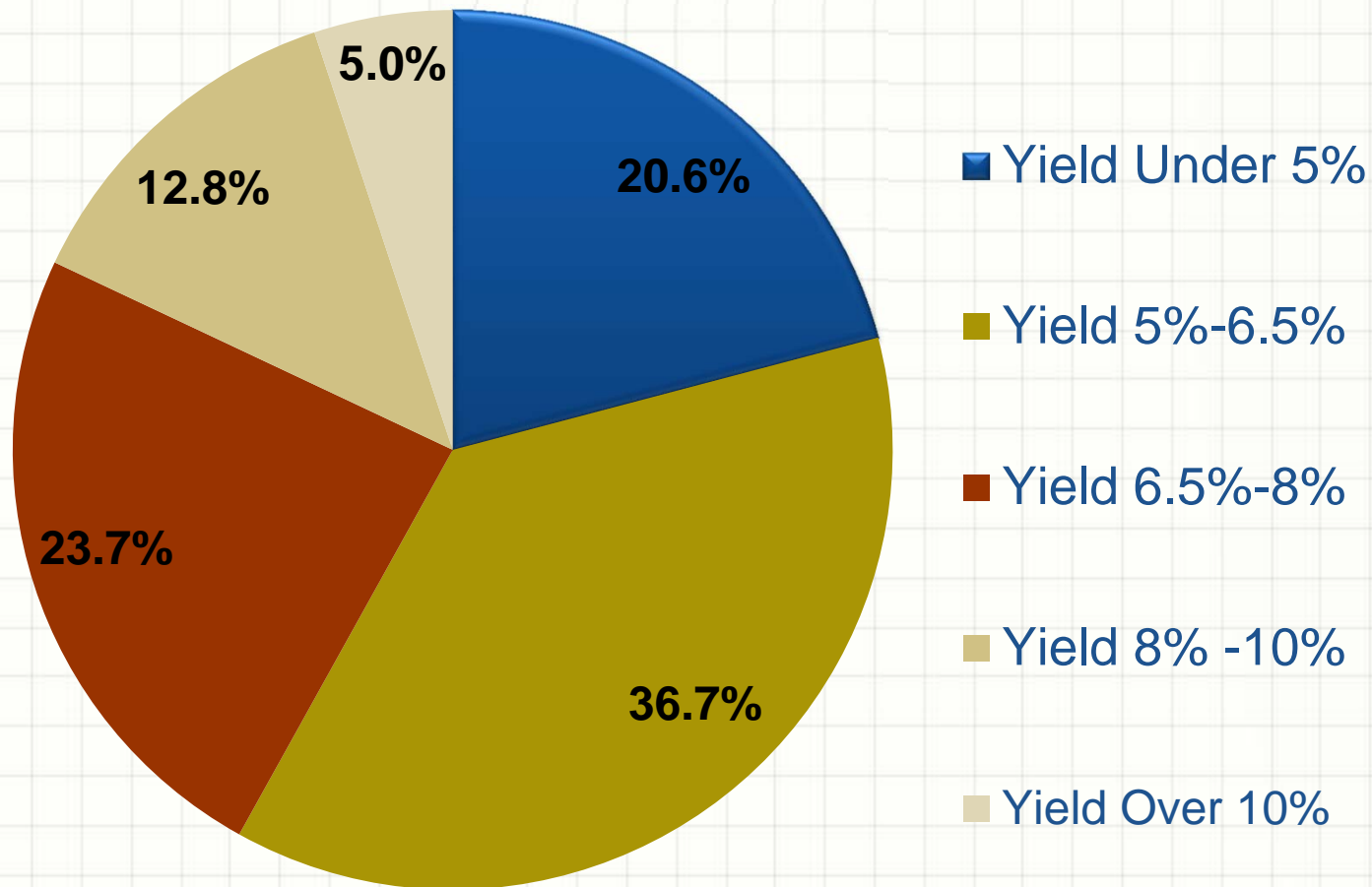


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))





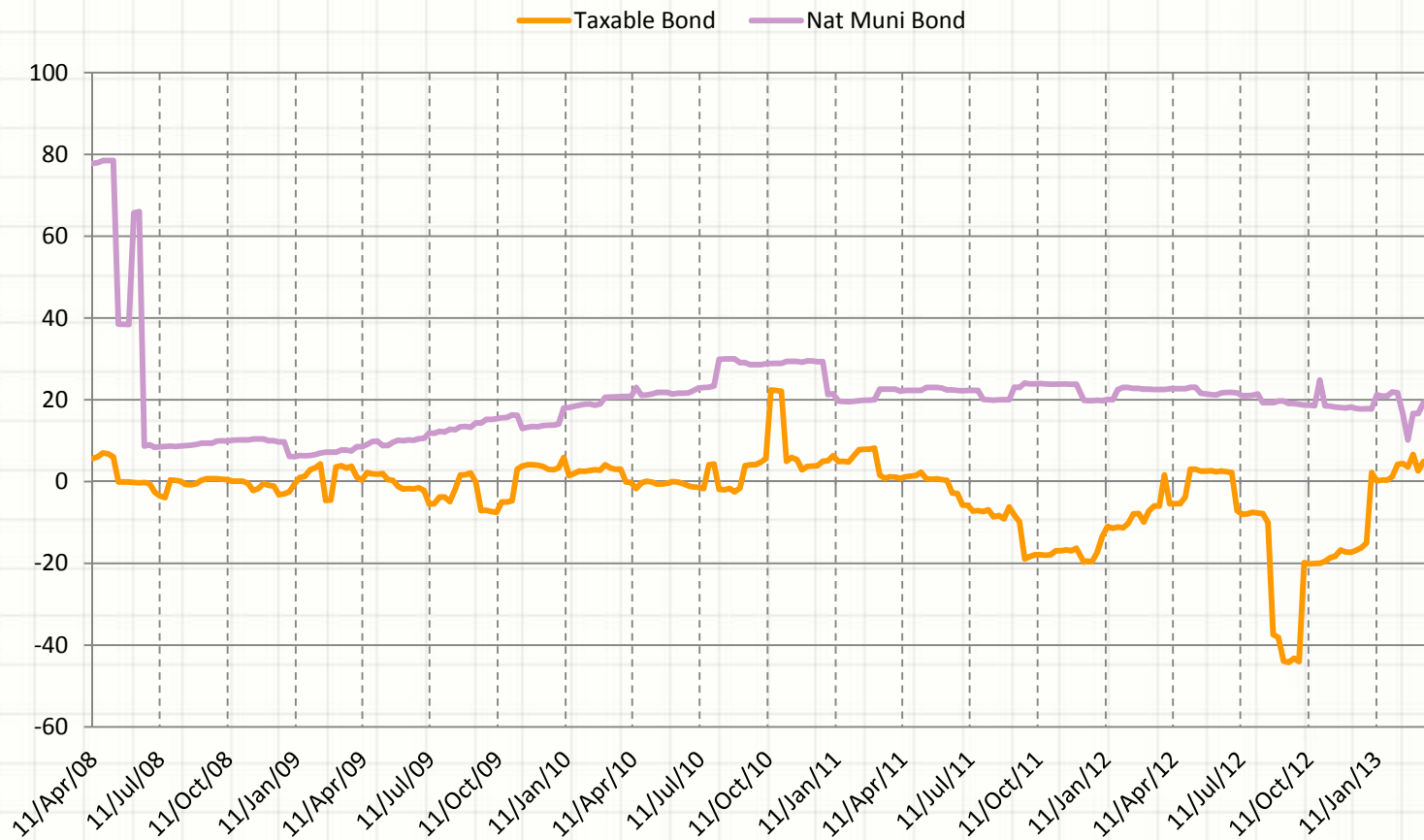
# Closed-End Funds: By Yield



Note: 596 closed-end funds; data as of 3/22/13 , Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))

# Relative UNII for CEF Bond Funds

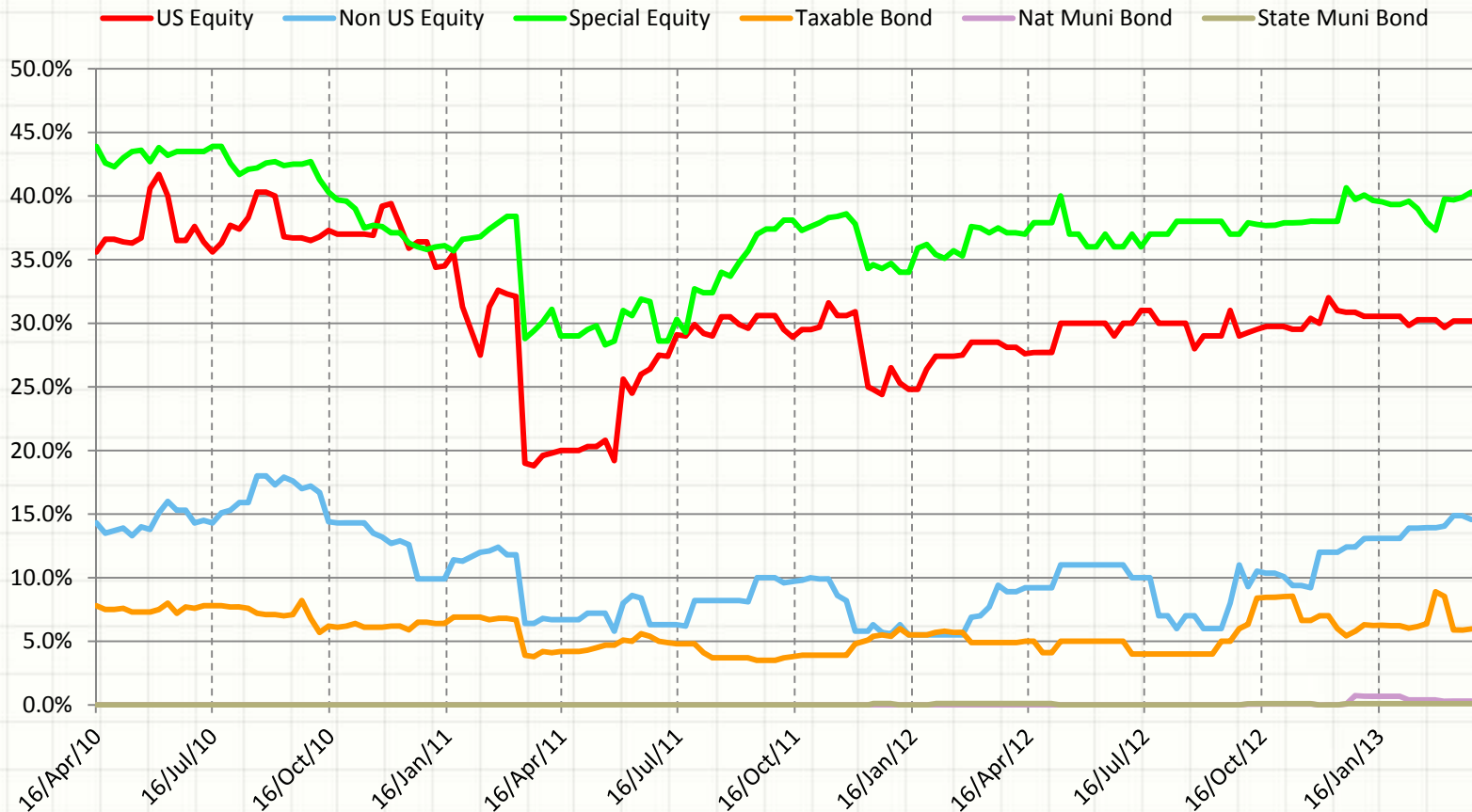
**Main Peer Groups - Relative UNII**  
**April 11, 2008 - March 28, 2013**



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

# Return of Capital (90 Day) For CEFs

**Historical Return of Capital  
April 16, 2010 - March 28, 2013**

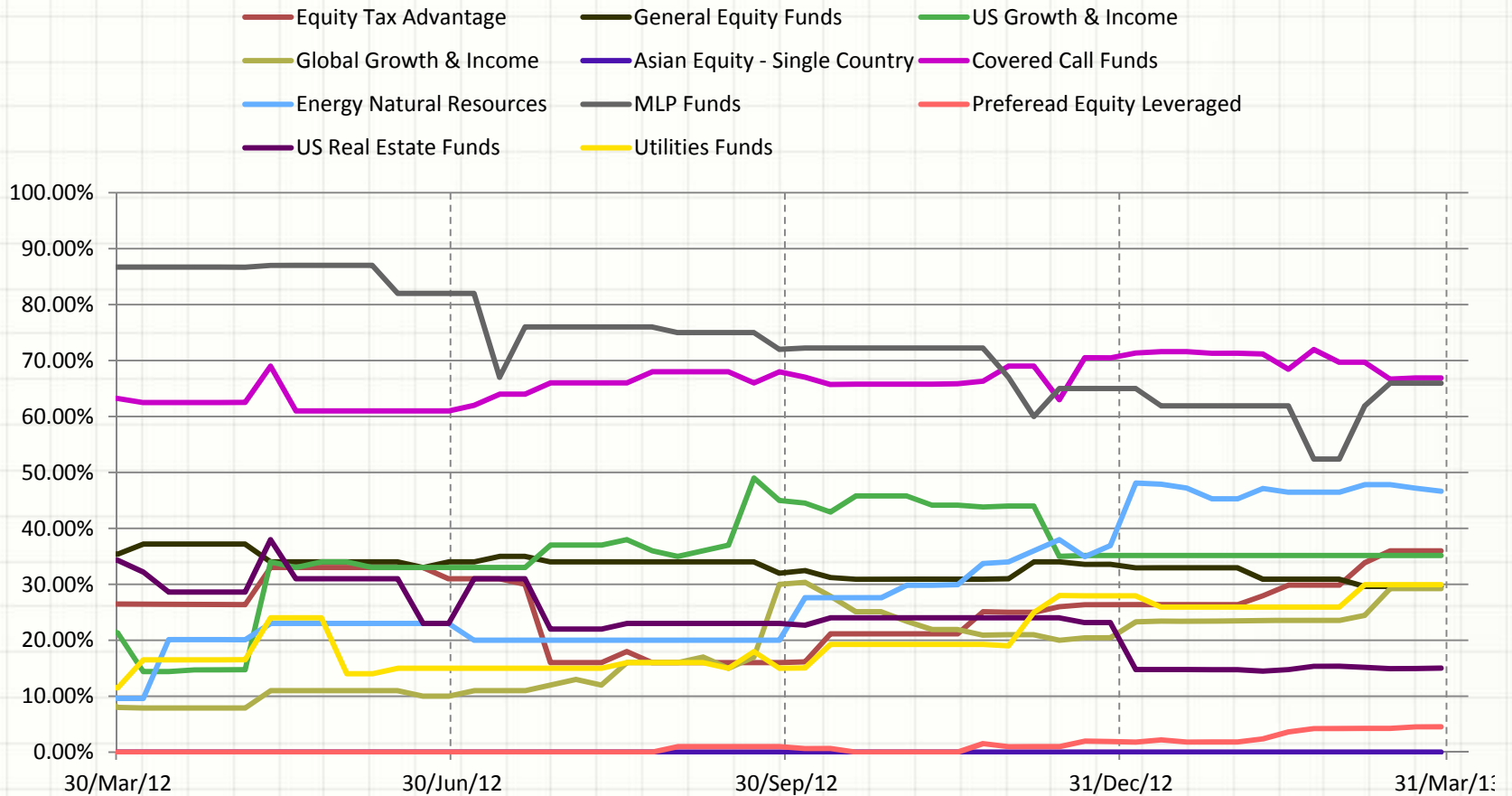


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))



# Return of Capital (90 Day) For CEF Sub Sectors

**Historical Return of Capital  
March 30, 2012 - March 28, 2013**

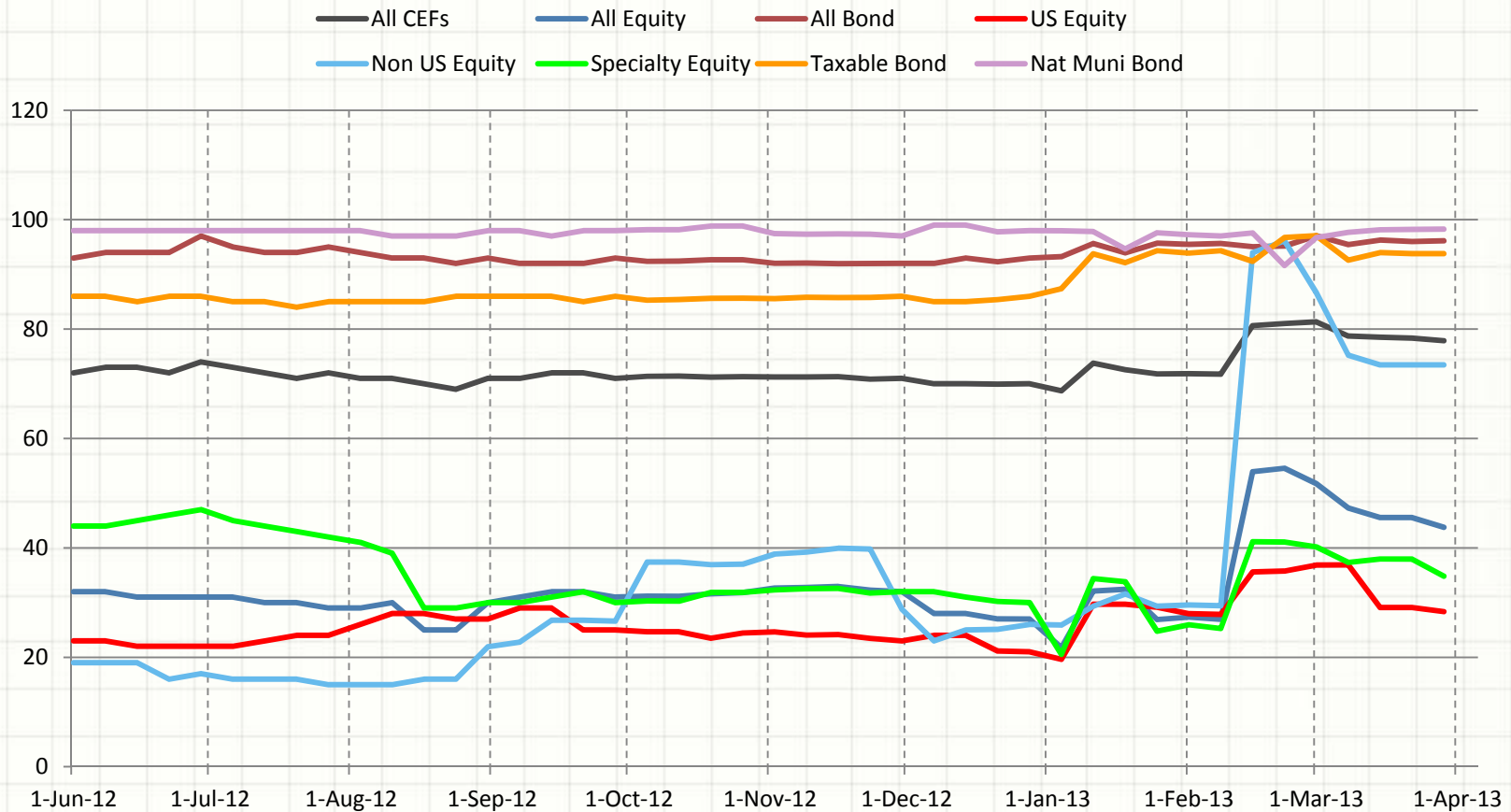


Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))



# Earnings Coverage Ratio For Closed-End Funds

**Main Peer Groups - Earnings Coverage Ratio %  
June 1, 2012 - March 28, 2013**



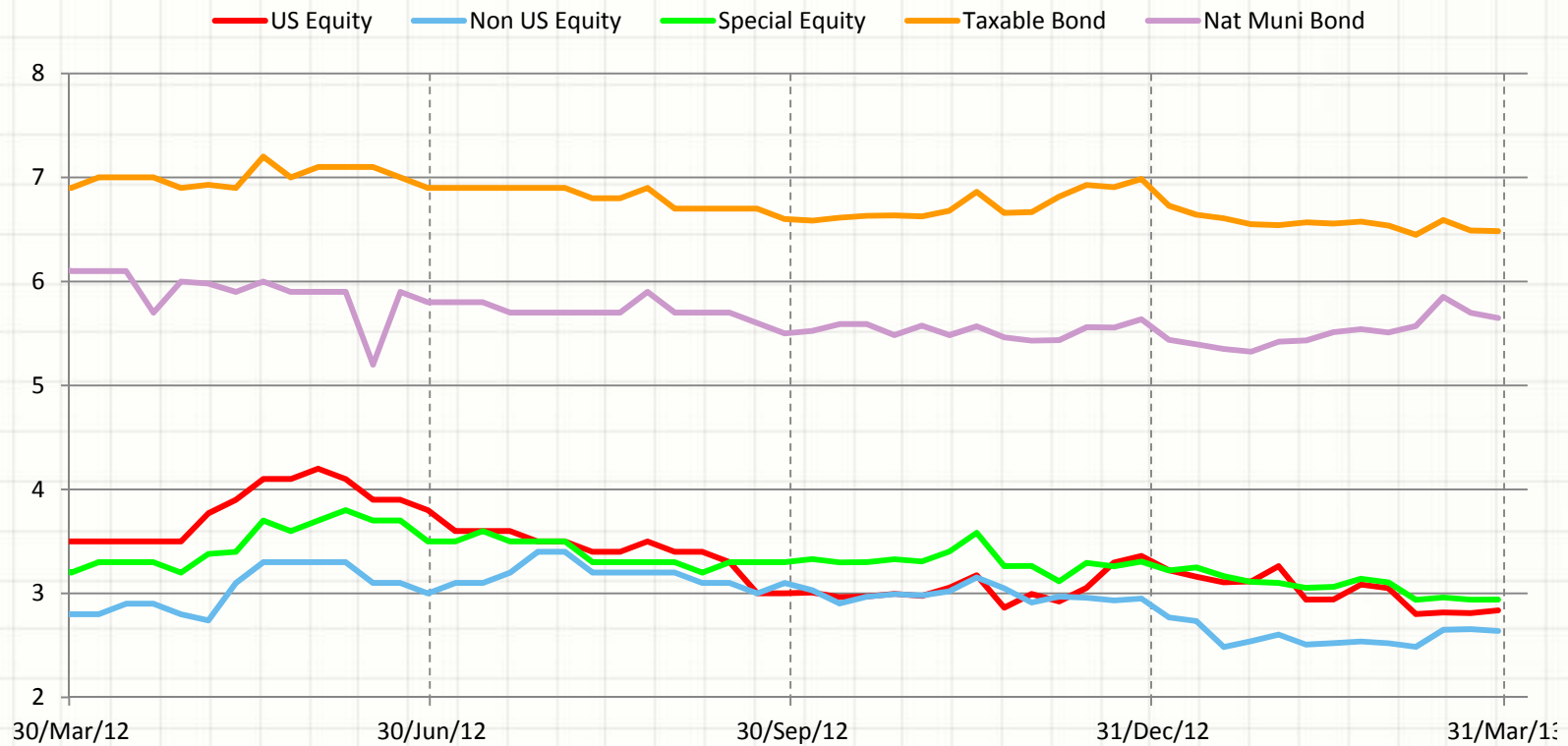
Source: CEFA's Closed-End Fund Universe ([www.cef universe.com](http://www.cef universe.com))





# Income Only Yield For Closed-End Funds

**Main Peer Groups - Historical Dividend - Yield Income  
March 30, 2012 - March 28, 2013**



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



# 1Q 2013 Closed-End Fund Dividend Increases vs. Decreases

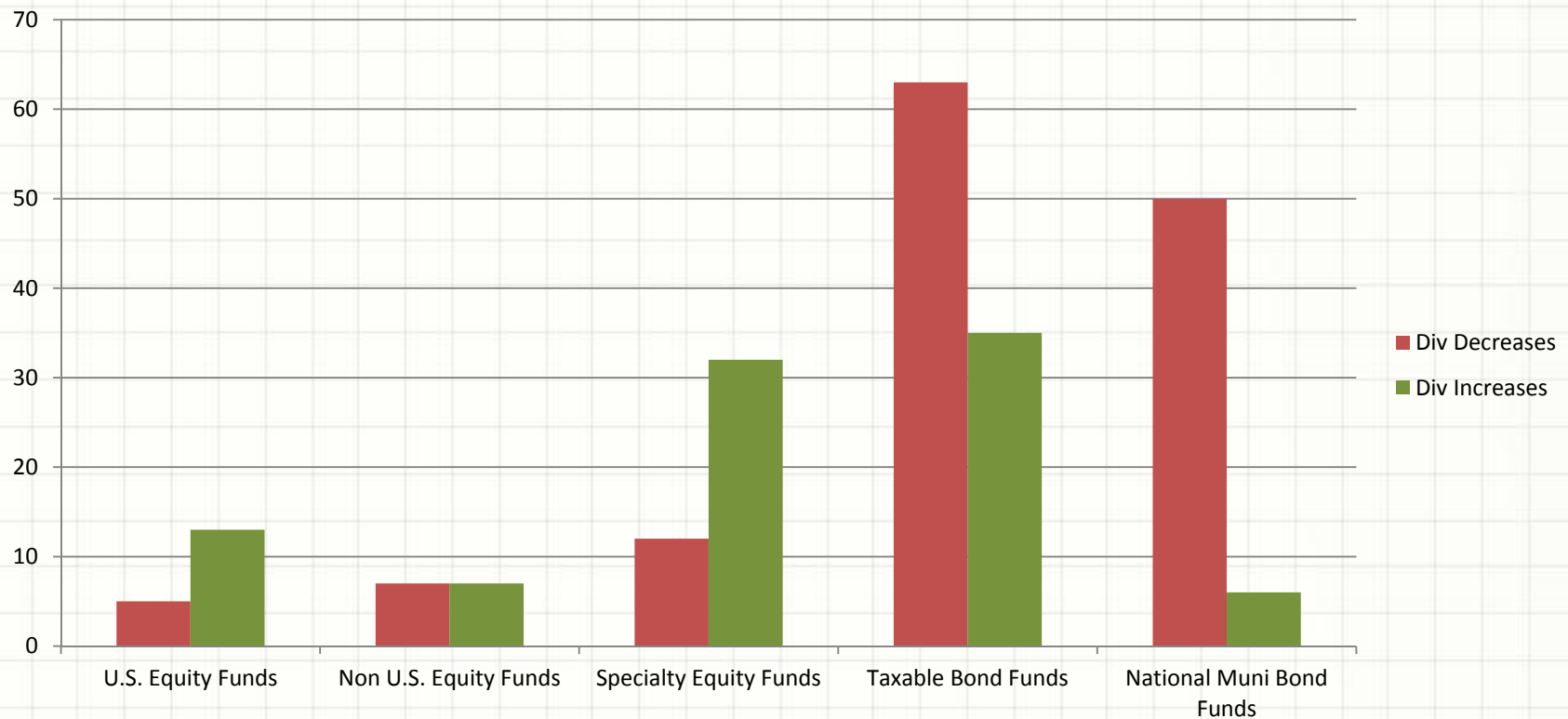
Dividend Announcement	Number of Announcements	Average Percentage Change
<b>Dividend Maintains</b>	1136 (89%)	N/A
<b>Dividend Increases</b>	40 (3%)	+6.57%
<b>Dividend Decreases</b>	102 (8%)	-8.88%
<b>Under 5% Increase</b>	29 (73%)	+2%
<b>Over 5% Increase</b>	11 (27%)	+18.61%
<b>Under 5% Decrease</b>	46 (45%)	-2.56%
<b>Over 5% Decrease</b>	56 (55%)	-14.06%

Source: Fund Press Releases



# Recent Closed-End Fund Dividend Increases vs. Decreases

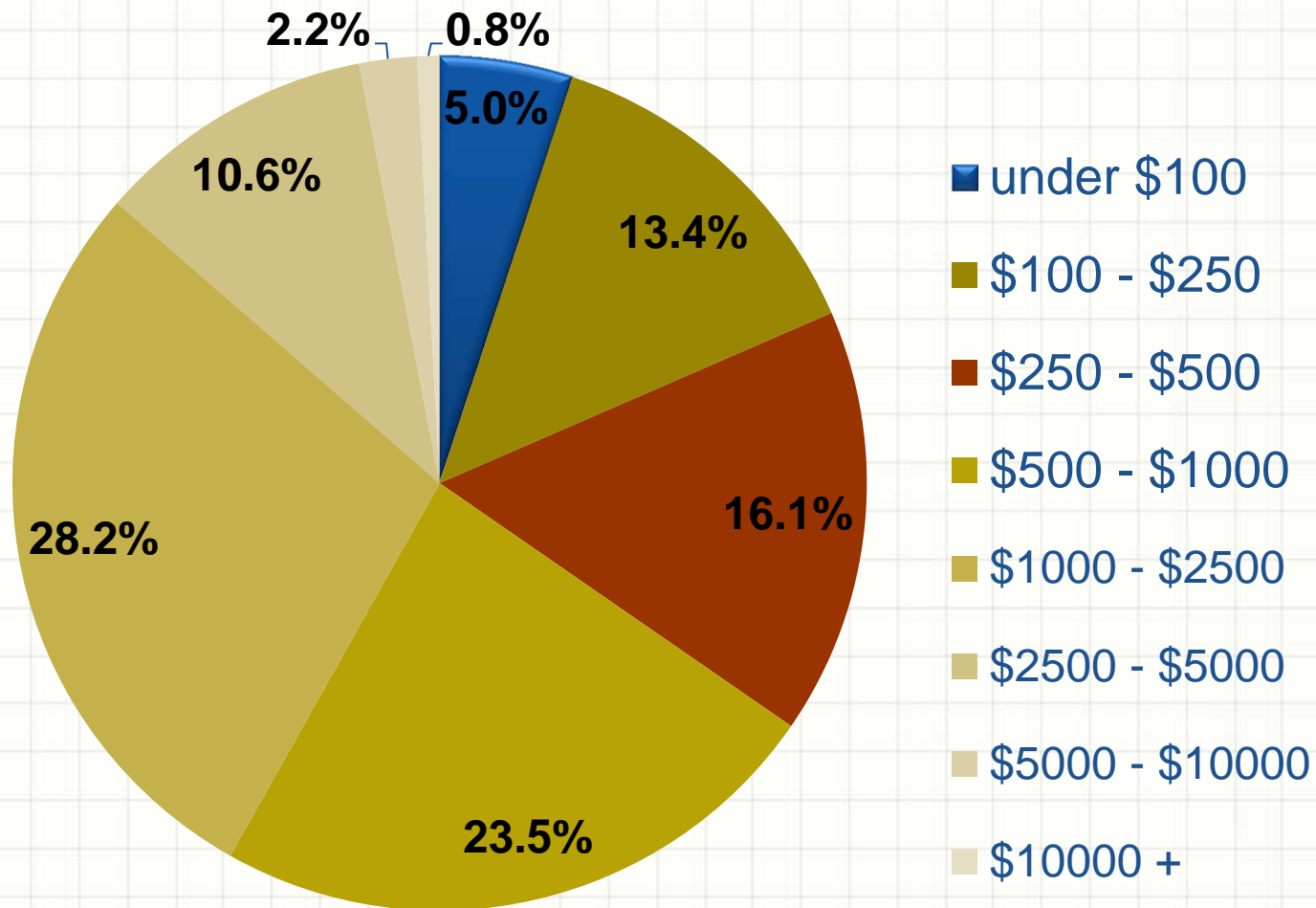
Major CEF Groups: Number of dividend decreases / increases  
October 1, 2012 to March 28, 2013



Source: Fund Press Releases



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



Note: 596 closed-end funds; data as of 3/22/13, Source: CEFA's Closed-End Fund Universe ([www.cefuniverse.com](http://www.cefuniverse.com))

# Historic CEF Volume and Relative Liquidity

Average Daily Volume (millions of shares)	2008	2009	2010	2011	2012	February 22, 2013
U.S. Equity Funds	11	6	5	4	5	5
Non U.S. Equity Funds	8	5	5	4	6	6
Specialty Equity Funds	17	10	12	15	18	18
Taxable Bond Funds	20	15	16	13	18	19
Municipal Bond Funds	12	8	12	7	14	9
<b>All Closed-End Funds</b>	<b>68</b>	<b>43</b>	<b>50</b>	<b>43</b>	<b>60</b>	<b>57</b>

Average Liquidity (\$Millions)	2008	2009	2010	2011	2012	February 22, 2013
U.S. Equity Funds	\$80	\$65	\$56	\$52	\$61	\$68
Non U.S. Equity Funds	\$90	\$72	\$85	\$54	\$89	\$94
Specialty Equity Funds	\$141	\$137	\$180	\$226	\$287	\$312
Taxable Bond Funds	\$145	\$151	\$198	\$156	\$239	\$270
Municipal Bond Funds	\$109	\$96	\$150	\$98	\$204	\$138
<b>All Closed-End Funds</b>	<b>\$564</b>	<b>\$522</b>	<b>\$656</b>	<b>\$571</b>	<b>\$877</b>	<b>\$872</b>

Relative Liquidity	2008	2009	2010	2011	2012	February 22, 2013
U.S. Equity Funds	0.061%	0.050%	0.043%	0.039%	0.047%	0.051%
Non U.S. Equity Funds	0.083%	0.067%	0.079%	0.050%	0.082%	0.087%
Specialty Equity Funds	0.044%	0.043%	0.056%	0.070%	0.089%	0.097%
Taxable Bond Funds	0.044%	0.046%	0.061%	0.048%	0.073%	0.083%
Municipal Bond Funds	0.031%	0.028%	0.043%	0.028%	0.059%	0.040%
<b>All Closed-End Funds</b>	<b>0.046%</b>	<b>0.042%</b>	<b>0.053%</b>	<b>0.046%</b>	<b>0.071%</b>	<b>0.071%</b>

Total Net Assets (\$Millions)	2008	2009	2010	2011	2012	February 22, 2013
U.S. Equity Funds	\$21,600	\$26,106	\$21,835	\$20,280	\$20,241	\$21,717
Non U.S. Equity Funds	\$14,235	\$19,695	\$21,648	\$17,095	\$17,367	\$18,039
Specialty Equity Funds	\$30,303	\$40,590	\$51,615	\$59,360	\$68,326	\$72,487
Taxable Bond Funds	\$36,693	\$49,824	\$55,272	\$54,315	\$62,720	\$67,828
Municipal Bond Funds	\$44,770	\$56,172	\$52,698	\$60,015	\$66,675	\$67,511
<b>All Closed-End Funds</b>	<b>\$147,323</b>	<b>\$192,192</b>	<b>\$203,234</b>	<b>\$211,385</b>	<b>\$235,333</b>	<b>\$247,582</b>

## Notes:

1. Figures are as of December 31 of each year
2. Relative Liquidity is Average Liquidity divided by Total Closed-End Net Assets





# CEF Press Release Summary

(1650 CEF PRs in 1Q)

Announcement Type	1Q 2013	2012
Investment Policy Change	8	84
Leverage Amount Change	13	46
Name Change	8	42
Rights Issue	2	18
Tender Offer	19	107
Director Change	31	19
Fund Manager Change	14	56
Secondary Offering	3	67
Distribution Policy Change	8	5
Leverage Type Change	10	17

Source: Fund Press Releases



# 2012 & 1Q 2013 Closed-End Fund NAV / Market Price Performance

Fund Grouping	2012 NAV	2012 Mkt Pr	1Q NAV	1Q Mkt Pr
US Equity Funds	12.8%	11.9%	9.1%	13.3%
Non-US Equity Funds	19.2%	20.4%	4.8%	8.3%
Specialty Equity Funds	12.1%	12.4%	8%	10%
<i>Ave Equity CEF</i>	<i>14.3%</i>	<i>14.7%</i>	<i>7.3%</i>	<i>10.1%</i>
Taxable Bond Funds	18.0%	16.0%	2.7%	5.2%
National Muni Bond Funds	15.5%	11.6%	0.8%	-0.2%
State Muni Bond Funds	12.8%	11.1%	0.3%	-1.2%
<i>Ave Bond CEF</i>	<i>15.7%</i>	<i>13.2%</i>	<i>1.5%</i>	<i>1.8%</i>
<b>Average CEF</b>	<b>15.2%</b>	<b>13.7%</b>	<b>3.6%</b>	<b>4.9%</b>

Source: CEFA's Closed-End Fund Universe Report



# Closed-End Fund Activist Update

Month Filed	Filing/ Type	Closed-End Fund	Investor	Notes
March	13/ Tender	Greater China Fund	CLIM	29.1% to 0% post 70% tender @99% NAV
Feb	Liq	Diamond Hill Financial Trends (DHFT)	Bulldog	Had 33.07% Shares
Feb	Tender	Macquarie Global Infrastructure TR	Western Investments	10% at 92% of NAV
Feb	13D	Taiwan Fund	Lazard	20.35% of shares only b/c 20%+
Feb	13D/A	American Strategic Income Portfolio	SIT Investments	6.09% of shares down 21K, 1996

Source: AST Group Activist Report: – [www.cefinsight.com](http://www.cefinsight.com)

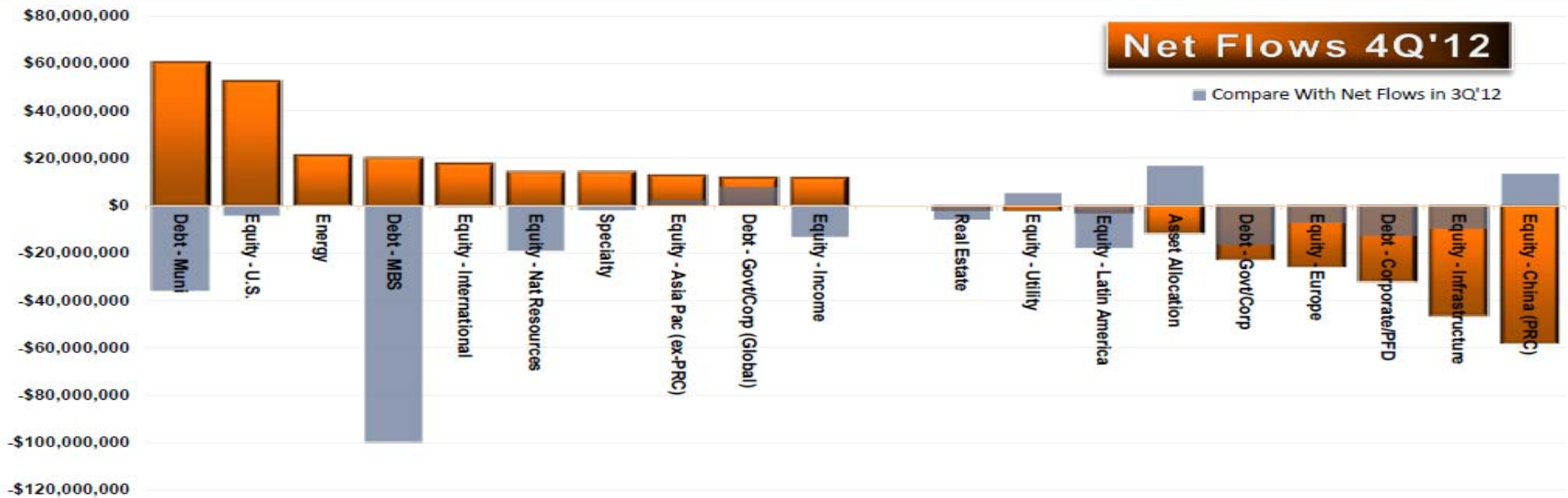


# Net Flows from Activist Investors

Courtesy AST Fund Solutions / CEFInsight.com

## Closed-End Funds:

Net Flows from Institutions With a History of Shareholder Activism and Followers \*



### Net Inflows - Top Groups

Primary Focus Net \$	12/31/2012
Debt - Muni	\$60,480,698
Equity - U.S.	\$52,597,848
Energy	\$21,212,483
Debt - MBS	\$19,977,948
Equity - International	\$17,749,815

Primary Focus Net \$	12/31/2012
Equity - Nat Resources	\$14,028,478
Specialty	\$13,982,503
Equity - Asia Pac (ex-PRC)	\$12,613,754
Debt - Govt/Corp (Global)	\$11,788,075
Equity - Income	\$11,541,661

Primary Focus Net \$	12/31/2012
Equity - China (PRC)	-\$58,164,862
Equity - Infrastructure	-\$46,717,073
Debt - Corporate/PFD	-\$31,978,360
Equity - Europe	-\$25,882,564
Debt - Govt/Corp	-\$22,930,432

### Net Outflows - Top Groups

Primary Focus Net \$	12/31/2012
Asset Allocation	-\$11,541,197
Equity - Latin America	-\$3,520,480
Equity - Utility	-\$2,585,845
Real Estate	-\$2,417,645

\* Values based on net position changes in 4Q'12 and most recent 13F, 13D/13G disclosures as of December 31, 2012. Totals include firms with a history of leading shareholder initiatives and "followers" (pursuing activism/event trades).



# Activist Investment Behavior: Ave CEF Discount vs. Ave Dist. Yield

Courtesy AST Fund Solutions / CEFInsight.com

## Activist Investment Behavior: Average CEF Discounts vs. Distribution Rate Closed-End Fund Group Averages

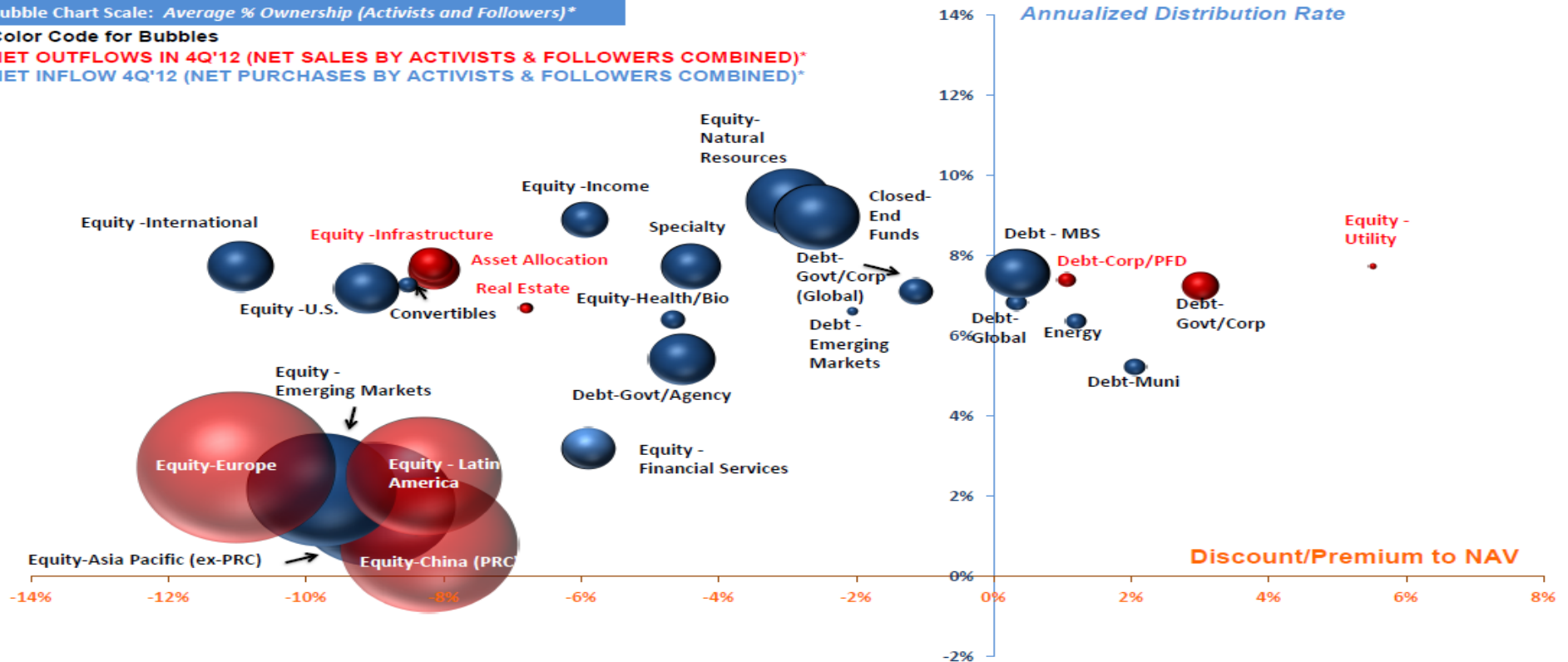


Bubble Chart Scale: Average % Ownership (Activists and Followers)\*

Color Code for Bubbles

NET OUTFLOWS IN 4Q'12 (NET SALES BY ACTIVISTS & FOLLOWERS COMBINED)\*

NET INFLOW 4Q'12 (NET PURCHASES BY ACTIVISTS & FOLLOWERS COMBINED)\*



ANALYSIS Distribution Rate = latest gross distribution annualized and divided by the closing price.

As of Dec. 31, 2012

\* Includes institutional investors with a history of leading shareholder initiatives targeting closed-end funds (CEFs) and "followers" (those pursuing activism/event trades in CEFs). This chart shows a key tradeoff shaping investor expectations and activist ownership in the universe of U.S. closed-end funds. Note that the concentration of ownership in the hands of activist investors and followers is larger in fund groups with discounts to NAV of greater than -8% and distribution rates below 4%.

DISCLAIMER: This report references and is based on current public information that we consider reliable, including data and statements made by third parties, but we do not represent that it is accurate or complete, and should not be relied on as such. AST Fund Solutions is not responsible for any errors, omissions or inaccuracies contained in this report or any liabilities that may result from reliance thereon. Nothing in this report should be considered or used as legal or financial advice. All copyrights are owned by their respective authors.

© 2013 AST Fund Solutions, LLC





# Closed-End Fund Deaths

Period	Average Number of Funds
2013 1Q	1 fund
2012	6 funds
2011	5 funds
2008-2011	8.5 per year
2004-2007	11 per year
2000-2003	12.5 per year
1995 – 1999	11.6 per year
1990 - 1994	4.2 per year
<b>1990 - 2012</b>	<b>8.5 per year</b>

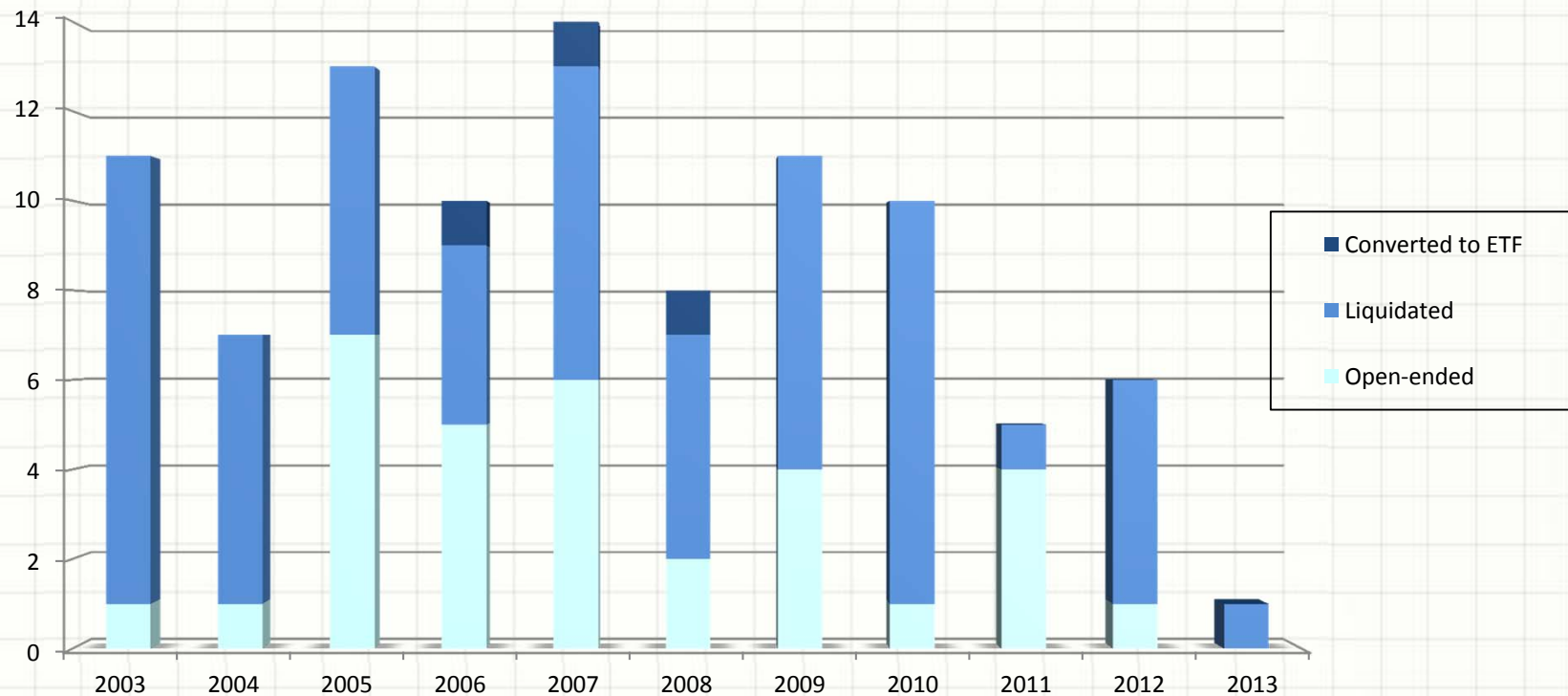
**Causes:** Open-ending, liquidation & conversion

Source: Fund Press Releases



# Closed-End Fund Deaths

CEF Funds Open-Ended, Liquidated or Converted to ETF



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

Source: Fund Press Releases

Source: Fund Press Releases



# Closed-End Fund Mergers

Period	Average Number of Funds
2013 1Q	6 funds
2012	57 funds
2011	5 funds
2008-2011	7.3 per year
2004-2007	8.5 per year
2000-2003	11.3 per year
1995 – 1999	5.6 per year
<b>1995-2012</b>	<b>10.7 per year</b>

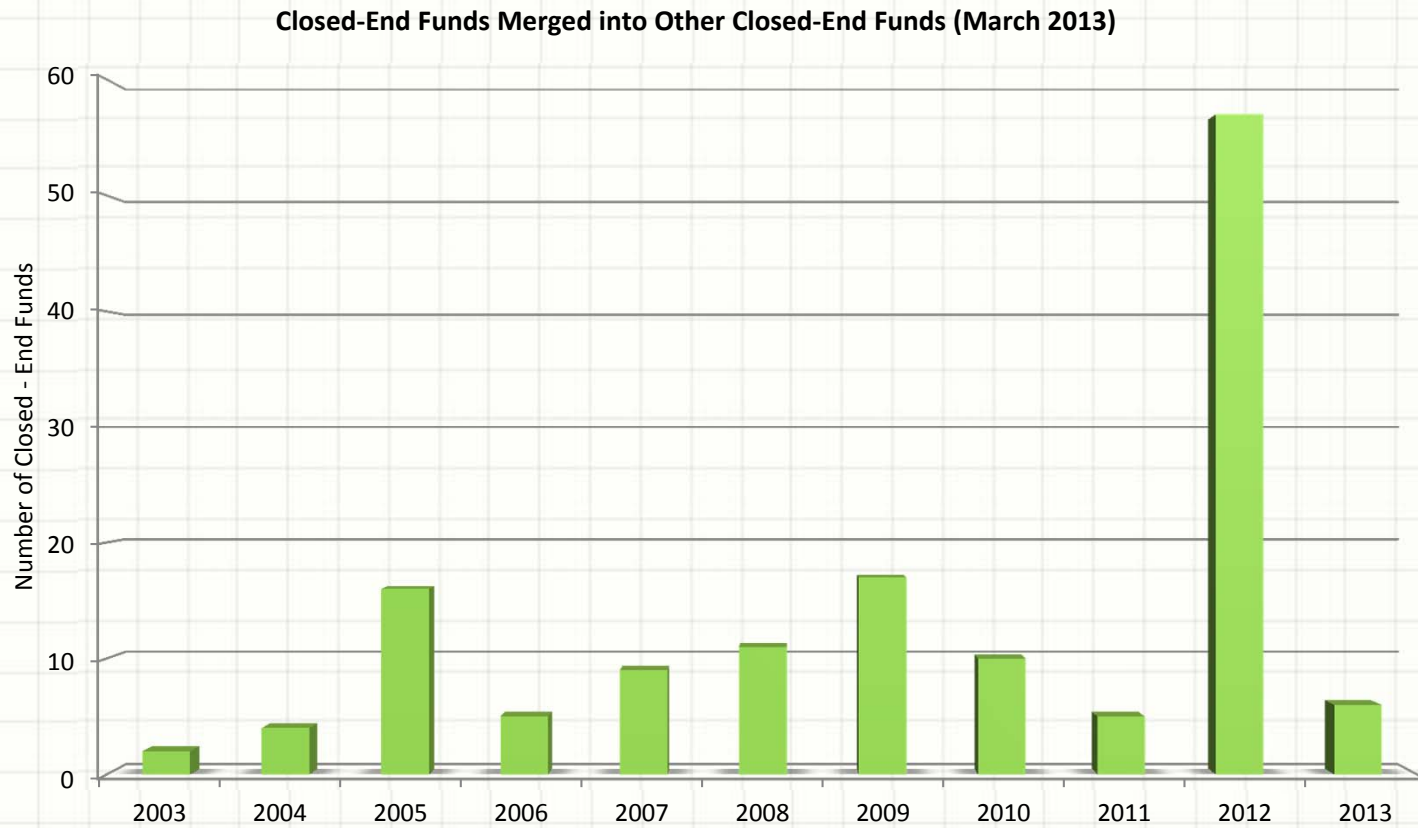
Source: Fund Press Releases

## Reasons to Merge:

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



# Closed-End Fund Mergers



Source: Fund Press Releases



# Closed-End Fund Historical IPOs

	2013 1Q	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Number of IPOs	8	23	19	17	13	2	40	21	47	50	48
Average Assets In \$ millions	\$790	\$517	\$316	\$451	\$200	\$131	\$690	\$506	\$452	\$462	\$591
Total New CEF IPO Assets in \$ Billions	\$6.3	\$11.9	\$6.0	\$7.7	\$2.6	\$0.3	\$27.6	\$10.6	\$21.2	\$23.1	\$28.4

**10 Year Average:** 28 Funds per year, \$432M Ave Fund, \$13.9 Billion Per Year

Source: Fund Press Releases, CEF Association



# 2013 IPO 1Q Details

## **PIMCO Dynamic Credit Income Fund (PCI)**

IPOed on January 29, 2013

IPO Price: \$25.00

IPO Assets: \$3,025M

Price as of 3/28/13: \$24.82

Disc/Prm as of 3/28/13 : +0.98%

## **BlackRock Multi-Sector Income Trust (BIT)**

IPOed on February 26, 2013

IPO Price: \$20.00

IPO Assets: \$720M

Price as of 3/28/13: \$20.00

Disc/Prm as of 3/28/13 : +4.66%

## **Nuveen Intermediate Duration Quality Municipal Term Fund (NIQ)**

IPOed on February 7, 2013

IPO Price: \$15.00

IPO Assets: \$187.5M

Price as of 3/28/13: \$15.00

Disc/Prm as of 3/28/13 : +5.56%

## **Eaton Vance Municipal Income Term Trust (ETX)**

IPOed on March 26, 2013

IPO Price: \$20.00

IPO Assets: \$205M

Price as of 3/28/13: \$20.00

Disc/Prm as of 3/28/13 : +4.71%





# 2013 IPO 1Q Details

continued

## **Apollo Tactical Income Fund Inc. (AIF)**

IPOed on February 26, 2013

IPO Price: \$20.00

IPO Assets: \$280M

Price as of 3/28/13: \$20.00

Disc/Prm as of 3/28/13 : +4.22%

## **Neuberger Berman MLP Income Fund Inc. (NML)**

IPOed on March 26, 2013

IPO Price: \$20.00

IPO Assets: \$1,005M

Price as of 3/28/13: \$20.70

Disc/Prm as of 3/28/13 : +8.72%

## **Brookfield Mortgage Opportunity Income Fund Inc. (BOI)**

IPOed on March 26, 2013

IPO Price: \$20.00

IPO Assets: \$420M

Price as of 3/28/13: \$20.00

Disc/Prm as of 3/28/13 : +4.99%

## **Cohen & Steers MLP Income and Energy Opportunity Fund, Inc. (MIE)**

IPOed on March 26, 2013

IPO Price: \$20.00

IPO Assets: \$480M

Price as of 3/28/13: \$20.20

Disc/Prm as of 3/28/13 : +5.98%



# 2012 Closed-End Fund IPOs

4Q'12	Investment Focus	Fund Name	Gross Proceeds (Millions)*
ARDC	Debt - Corporate/PFD	Ares Dynamic Credit Allocation Fund, Inc.	\$320.0
BGH	Debt - Global	Babson Capital Global Short Duration High Yield Fund	\$462.5
FEI	Energy	First Trust MLP and Energy Income Fund	\$830.0
NID	Debt-Muni	Nuveen Intermediate Duration Municipal Term Fund	\$630.0
GHY	Debt - Global	Prudential Global Short Duration High Yield Fund, Inc.	\$740.0
EDI	Debt - Emerging Mkts	Stone Harbor Emerging Markets Total Income Fund	\$240.0
CTF	Commodities	Nuveen Long/Short Commodity Total Return Fund	\$470.0
<b>3Q'12</b>	<b>Investment Focus</b>	<b>Fund Name</b>	<b>\$3,692.5</b>
BTT	Debt - Muni	BlackRock Municipal Target Term Trust	\$1,550.0
BGB	Debt - Corporate/PFD	Blackstone / GSO Strategic Credit Fund	\$834.8
LDP	Debt - Corporate/PFD	Cohen & Steers Limited Duration Preferred and Income Fund, Inc.	\$662.5
SZC	Energy	Cushing Renaissance Fund	\$135.0
JPI	Debt - Corporate/PFD	Nuveen Preferred and Income Term Fund	\$500.0
NDP	Energy	Tortoise Energy Independence Fund, Inc.	\$325.0
<b>2Q'12</b>	<b>Investment Focus</b>	<b>Fund Name</b>	<b>\$4,007.3</b>
PDI	Debt - Global	PIMCO Dynamic Income Fund	\$1,015.0
CTR	Energy	ClearBridge Energy MLP Total Return Fund Inc.	\$700.0
ISD	Debt - Corporate/PFD	Prudential Short Duration High Yield Fund, Inc.	\$610.0
JRI	Real Estate	Nuveen Real Asset Income and Growth Fund	\$190.0
MMD	Debt - Muni	MainStay DefinedTerm Municipal Opportunities Fund	\$495.0
SMM	Energy	Salient Midstream & MLP Fund	\$180.0
<b>1Q'12</b>	<b>Investment Focus</b>	<b>Fund Name</b>	<b>\$3,190.0</b>
BWG	Debt - Global	Legg Mason BW Global Income Opportunities Fund Inc.	\$400.0
DBL	Debt - MBS	DoubleLine Opportunistic Credit Fund	\$326.5
SRF	Energy	Cushing Royalty & Income Fund	\$207.5
VGI	Debt - Global	Virtus Global Multi-Sector Income Fund	\$215.0
* Excludes any proceeds from the exercise of underwriters' overallotment options.			\$1,149.0
<b>2012 TOTAL (MILLIONS):</b>			<b>\$12,038.8</b>

Source: CEFInsight



# Closed-End Fund

## 90 Day NAV – Market Price Correlation

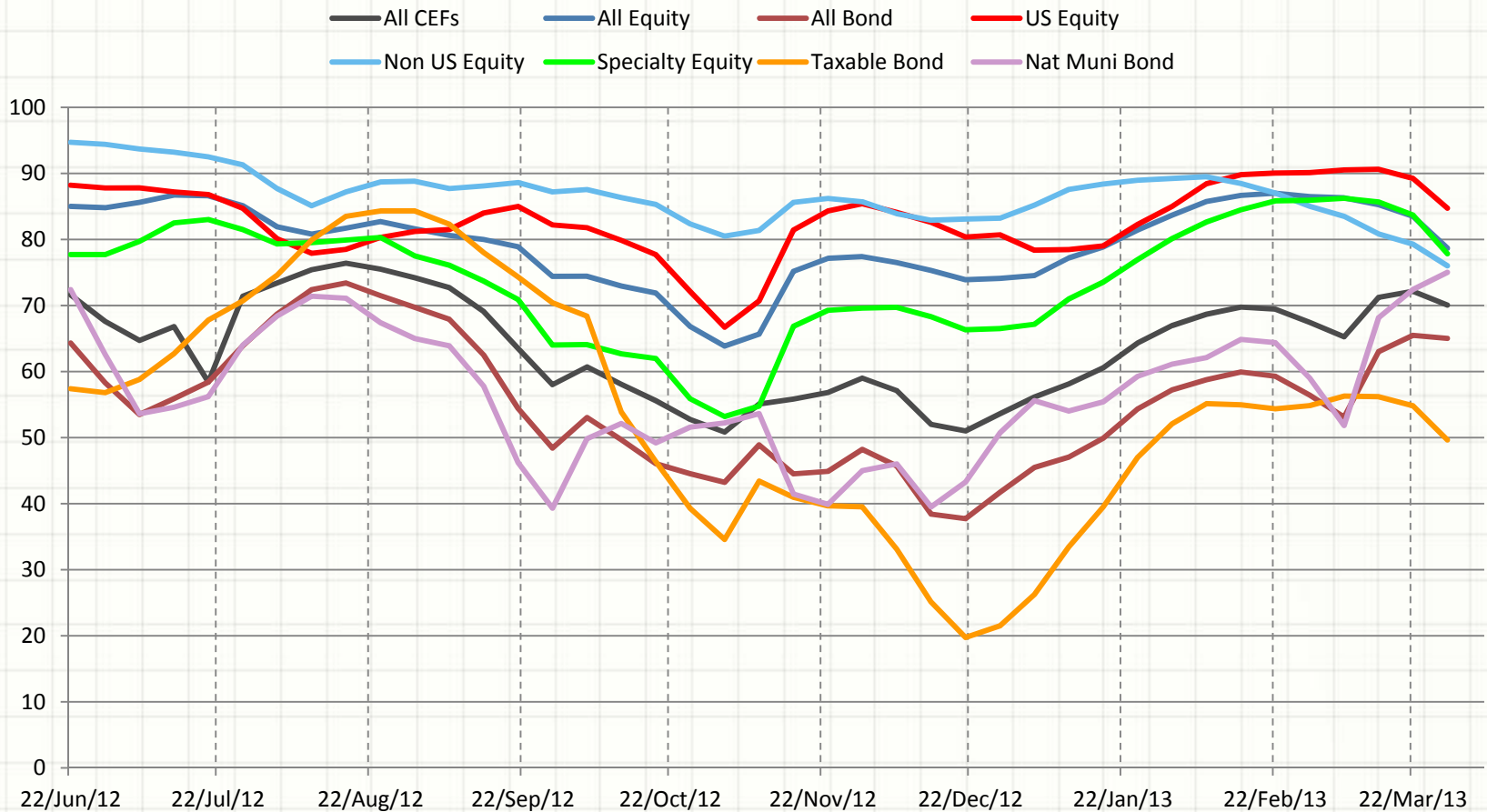
Fund Grouping	NAV/Mkt Cor
US Equity Funds	84.7%
Non-US Equity Funds	76.0%
Specialty Equity Funds	77.8%
<i>Ave Equity CEF</i>	<b>78.7%</b>
Taxable Bond Funds	49.6%
National Muni Bond Funds	75.0%
State Muni Bond Funds	77.9%
<i>Ave Bond CEF</i>	<b>65.0%</b>
<b>Average CEF</b>	<b>70.1%</b>

Source: CEFA's Closed-End Fund Universe Report



# 90 Day NAV/Price Correlation For Closed-End Funds

**Main Peer Groups - 90 Day NAV/Price Correlation %  
June 22, 2012 - March 29, 2013**



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



# New Data for CEF Universe

## During 1Q 2013

- % Shares Owned by Institutions
- % Shares Owned by Activists
- Inception Date
- Inception NAV (\$)
- Inception Assets (millions)
- Disc/Fee
- 52-Week Relative NAV
- NAV St Dev (1-Year Volatility)
- UNII Trend %
- Earnings Trend %
- Relative Volatility

*\*We are open to ideas on what to include*



# CEFA's Outlook for 2Q 2013

- Bond Funds vs. Equity Funds – Dividend Cuts & Premiums
- Still very cautious of muni bond CEFs downside risk...
  - *Relative Pricing, UNII and Earnings Trend*
- We like senior loan funds\*, emerging market debt, convertibles, US equity, international equity, MLP
- Leveraged US and Global Equity
- Swapping Funds Regularly - As Needed
- Watch UNII Trend, RoC % / Trend and Earnings Coverage
- Sustainable Dividends, Leveraged Adjusted NAV Yield
- NAV Performance vs. Peers
- Relative Discount and Z-Stat, Relative Discount Range





# What You Asked Us to Cover

## In Webinar Registration

- Discount, Premiums, NAV, Summary Stats, Big Disc Movers, Risks, Tips for Resrch
- CEF Perf. YTD, 2013 and Prm/Disc Details / Current Valuations, Market Correction
- (Impact of Rising) Interest Rates and CEF Leverage (Types)
- Creating New CEFs, IPO Process, Underwriter Post IPO Support
- Activist Shareholders & Activity, Corporate Actions
- MLP (DTL), Sr. Loan, Emerging Mkt Dbt, Equity, Commodity, Intl., FI, Muni, Opt Prm
- Projections next 3Q's, 2013-2014 Opportunities
- Attractive Yields in CEFs, Earnings Coverage on Dist, Income Strategies
- UNII, RoC (High & NAV), Sustainable Dividend Method / Review, Biggest Raises/Cuts, CEFS -> HY
- Time of Year Buy CEFs, Market Outlook, Cash b/c Head/Shoulders Pattern in Avgs
- Recent IPOs - Use of Leverage, Trends in Leverage, Lev w/ Debt vs Prefds
- CEF Liquidity, In/Out Flows in CEFs, CEF in Trad Categories?
- CEFs vs ETFs Advantages / Disadvantages
- When to Sell Your CEF, Order Execution w/ CEFs, Comparing Diff Asset Classes
- Protecting the downside... aggressively reallocate, conservative investments
- One Actionable Good Idea (income), Very Impt CEF Knowhow, PCEF/XMPT

# For Your Information

## Free CEF Resources

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

CEF Connect (Nuveen Sponsored): [www.CEFconnect.com](http://www.CEFconnect.com)

Morningstar's CEF Site:

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

Investment Company Institute: [http://www.ici.org/research#fact\\_books](http://www.ici.org/research#fact_books)

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

CEF Insight (Activist Info from AST Fund Solutions): [www.cefinsight.com](http://www.cefinsight.com)

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

Morningstar Discussion Board (63K+ posts since 1998):

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

The CEF Network on LinkedIn (1000+ Members): [www.CEF-Network.com](http://www.CEF-Network.com)

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

Jeff Margolin at First Trust:

<http://www.ftportfolios.com/Retail/Commentary/CEFCommentaryMain.aspx>

Cohen & Steers: [http://www.cohenandsteers.com/ii\\_closed-end-funds-investment.asp](http://www.cohenandsteers.com/ii_closed-end-funds-investment.asp)

Nuveen CEF Commentary (Investment Professionals Only):

[www.nuveen.com/CEF/Info/CommentaryResearch.aspx](http://www.nuveen.com/CEF/Info/CommentaryResearch.aspx)



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



# CEFA Links

- **CEFA's Blog:** [www.CEF-Blog.com](http://www.CEF-Blog.com)
- **Published Articles**
  - Seeking Alpha: <http://seekingalpha.com/author/john-cole-scott/articles>
  - Wealthmanagement.com: <http://wealthmanagement.com/author/john-scott>
- **Weekly CEF Data (14 Day Trial):** [www.CEFUniverse.com](http://www.CEFUniverse.com)
- **CEF Universe Data Definitions:**  
<http://www.cefadvisors.com/Download/CEFUDataDefinitions.pdf>
- **CEFA's Form ADV Part 2A and 2B**  
<http://www.cefadvisors.com/Download/ADV-II-Form.pdf>

# Principal's Biographies

## **George Cole Scott**

*Sr. Portfolio Manager, President of Closed-End Fund Advisors*

George's investment career started in 1969 when he joined a regional brokerage firm after a career as a journalist. In 1976 he helped a client buy control of a deeply discounted CEF which became Bergstrom Capital (AMEX: BEM). He served on the board of the highly rated fund for 27 years. In 1987 he founded *The Scott Letter: Closed-End Fund Report* which was a top rated print newsletter until he became a shareholder in CEF Advisors in 1996. In 1991 he co-authored the only hardback and 500 page book on CEFs with a finance professor. He is a graduate of The University of Washington, holds the FINRA 66 License and is a long time member of The Society of Financial Analysts and CFA Virginia. He has been widely published, interviewed as well as consulted with various closed-end funds. George is one of two CEF specialists with more than four decades of CEF expertise.

## **John Cole Scott, CFS**

*Portfolio Manager, Executive VP of Closed-End Fund Advisors*

John has worked at the firm since 2001. He sits on the firm's investment committee holds the FINRA 66 License and the Certified Fund Specialist designation (CFS). He is a graduate of The College of William and Mary and has been quoted widely in the financial press and presented at conferences and for investment groups on more than 20 occasions. In 2008 John founded *CEFA's Closed-End Fund Universe*, a comprehensive weekly data service covering 75+ data points for all US listed closed-end funds. He also founded and manages The CEF Network group on LinkedIn and is editor of the firm's blog. John is a board member of The Richmond Association for Business Economics (RABE), serves on the Investment Committee for The New York State Society of The Cincinnati and is past President and long-time Board Member of The William & Mary Society of The Alumni Richmond Chapter.







# QUESTIONS?

**Closed-End Fund Advisors, Inc.**  
**7204 Glen Forest Drive, Suite #105**  
**Richmond, Virginia 23226 U.S.A.**  
**Toll Free: (800) 356-3508 – Local: (804) 288-2482**  
**[www.CEFAdvisors.com](http://www.CEFAdvisors.com) - [Info@cefadvisors.com](mailto:Info@cefadvisors.com)**

Sign up or view archive for *The Scott Letter: Closed-End Fund Report*: [www.ScottLetter.com](http://www.ScottLetter.com)  
Register for more webinars / view on demand archive: [www.cefadvisors.com/webinars.html](http://www.cefadvisors.com/webinars.html)