



# 3Q22 CLOSED-END FUND & BDC REVIEW AND OUTLOOK

October 19, 2022

John Cole Scott, CFS  
Chief Investment Officer

Daniel Silver, CFA  
Portfolio Manager

[jcs@cefadvisors.com](mailto:jcs@cefadvisors.com)

*Closed-End Fund Advisors is a Registered Investment Advisory Firm founded in 1989 that specializes in Closed-End Fund & BDC Research, Trading and Management.*

# Presentation Agenda



- **What is Closed-End Fund Advisors?**
- **What is AICA?**
- **What is a CEF?**
- **What is a BDC?**
- **10-year asset class history: returns, discounts & correlations**
- **CEF & BDC universe overview stats**
- **3Q summary: discounts & returns**
- **Major sector discount levels**
- **CEF discount history and frequency**
- **Relative discount opportunity**
- **Discount seasonality & tax-loss selling**
- **Sector focus: Equity, Taxable Fixed Income, Muni CEFs, and BDCs**
- **Sub-sector yield comparison**
- **Return of capital trends**
- **Destructive return of capital**
- **CEF trading volume trends**
- **NAV vs price volatility comparison**
- **NAV vs price correlation trends**
- **3Q press release & SEC filing stats**
- **3Q distribution changes**
- **CEF distribution lookback**
- **IPOs: trends & recent highlights**
- **CEF mergers & deaths**
- **CEFA CEF/BDC index performance**
- **Institutional ownership trends & stats**
- **Activists & recent corporate actions**
- **Interval funds**
- **Tender offer funds**
- **4Q outlook**
- **CEFA model portfolios**
- **Disclosures & disclaimers**

# What is Closed-End Fund Advisors?



- **Investment Management**
  - Separately Managed Accounts – highly customized per client
  - Model portfolios (25 of them) – [www.cefddata.com/portfoliocomp](http://www.cefddata.com/portfoliocomp)
- **Data Service**
  - Offer industry-leading data on CEFs, BDCs, and Interval Funds
    - Daily/Weekly/Monthly data spreadsheets and PDF charts/tables
  - CEFData.com: CEF/BDC /iCEF – daily data modules and analytics
  - Daily email news alerts for CEF & BDC news and SEC filings
    - Covers all material updates, including distribution changes, activist actions/filings, insider purchases
- **Research, Data Analytics & Consulting**
  - Consult for Institutional Investors & CEF/BDC Fund Sponsors
  - Unit Investment Trusts with partner SmartTrustUIT
- **Non-profit - Active Investment Company Alliance (AICA)**
  - Started a non-profit to improve the CEF & BDC ecosystem – and it's big hit
  - AICA has done multiple events with over a thousand attendees & presentations by leading firms such as: BlackRock, Brookfield, Goldman Sachs, Nuveen, Ares and others





[www.AICAlliance.org](http://www.AICAlliance.org)

- High Quality Non-Profit Trade Association for US Listed and Non-Listed CEFs & BDCs
  - Incubated and Founded by CEF Advisors / CEFdata.com
- 170+ Podcasts (The NAVigator) with 285K d/l's to date, 1800 average per episode.
- AICA LinkedIn page – 515+ Followers in 8 Months!
  - AICA Launch Event – November 2019 (in-person in NYC)
    - 7 Panels, 100+ Attendees: <https://aicalliance.org/NYC2019Event/>
  - Second Event – August 2020 (virtual)
    - 12 Panels, 50 Speakers: <https://aicalliance.org/aicasummersummit2020/>
  - 2021 Six Virtual Events with 22 Panels and 88 Presenters
    - <https://aicalliance.org/events>
  - **2022 In-Person Event on Nov 16<sup>th</sup> in New York City (Flatiron District)**  
<https://aicalliance.org/aica-event/aicanyc2022/>  
**(Promo Code CEFD30 for 30% off).**





**Oct**  
7, 2022



**Calamos' Bush: Convertibles haven't delivered on their promise, yet**

Robert Bush, senior vice president and director of closed-end products at Calamos Investments, says that convertible securities — a hybrid product built to give investors the best of stock and bond performance — have not been giving investors their cake and letting them eat it too this year, underperforming both stocks and [...]

**Sep**  
30, 2022



**Choose your weapons: Arming yourself against rising rates and recession**

John Cole Scott, chief investment officer at Closed-End Fund Advisors — the chairman of the Active Investment Company Alliance — discusses and compares floating-rate and senior loan funds with preferred-securities funds, noting that floating-rate funds are a tool for combating high and rising interest rates, while preferred equities are a good weapon [...]

**Sep**  
23, 2022



**Destra's Mark Scalzo discusses 'direct listing,' alternatives and a massive discount**

Mark Scalzo, chief investment officer at Validus Growth Investors, Manager and the portfolio manager for the newly listed Destra Multi-Alternative Fund discusses the outlook for alternative investing, the process his fund went through in changing its status and becoming one of the few new listings on the New York Stock Exchange this [...]

**Sep**  
16, 2022



**Trinity Capital's Brown on double-digit yields and venture-backed growth**

Kyle Brown, president and chief investment officer at Trinity Capital, explains how the company's structure helps to support double-digit yields and makes them more secure than other high-yield investments, but also discusses the business development company's exceptionally high yield relative to the rising interest rate and high inflation rates of today. He [...]

**Sep**  
9, 2022



**Angel Oak's Pate: Aggressive Fed actions puts community banks in a sweet spot**

Cheryl Pate, senior portfolio manager for the Angel Oak Financial Strategies Income Term Trust, says that community banks stand out as a part of the financial sector that is poised to benefit into 2023, as banks will likely see the bulk of continuing rate hikes fall directly to the bottom line. Even [...]

**Sep**  
2, 2022



**Abrdn's Duitz: Recessionary pressure is good for infrastructure, dividend plays**

Josh Duitz, deputy head of global equities at Abrdn — portfolio manager for Abrdn Global Infrastructure Income and two of the firm's dynamic dividend funds — says that the macro drivers for infrastructure — globalization, upgrades and repairs, urbanization and increased demand — coupled with current inflationary pressures have created an environment that is solid for recession-resistant [...]

**Aug**  
26, 2022



**Protections in Delaware law could change activist investing**

Kenneth Burdon, an attorney in the investment management group at Skadden, Arps, Slate, Meagher & Flom, says the new "control share" statute enacted at the start of August by the state of Delaware should protect investors from activist investors acting like corporate raiders trying to force a pop to net asset value [...]

**Aug**  
19, 2022



**VettaFi's Islam talks the benefits of an index of closed-end funds**

Roxanna Islam, associate director of research at VettaFi — which developed the the S-Network Composite Closed-End Fund Index and other benchmarks for the closed-end fund space — discusses the construction of indexes of closed-end funds and the benefits to using them over individual issues, as well as how passive investing in the space has [...]



# What is a Closed-End Fund (CEF)?



- A CEF is a 'Registered Investment Company' is an investment structure/vehicle as defined by the Investment Company Act of 1940 and features:
  - Fixed pool of capital
  - Active management
  - Daily liquidity – CEF shares trade like stocks
- Long, established history – CEFs have traded on the NYSE since 1893
- Funds can trade at prices both below NAV (discount) and above (premium)
- Tax-advantaged – earnings are passed through to investors in the form of dividends and distributions (similar to REITs and MLPs)
- CEFs often utilized debt/leverage (such as margin loans or preferred shares)
- The closed-end structure is not an asset class but an investment vehicle “*wrapper*”
- Interval & Tender Offer Funds (non-listed), have been around since 1989, but growth has picked up since 2017.
  - 237 Strategies and \$236.3 Billion in AUM (CEFData.com: 9/30/22)



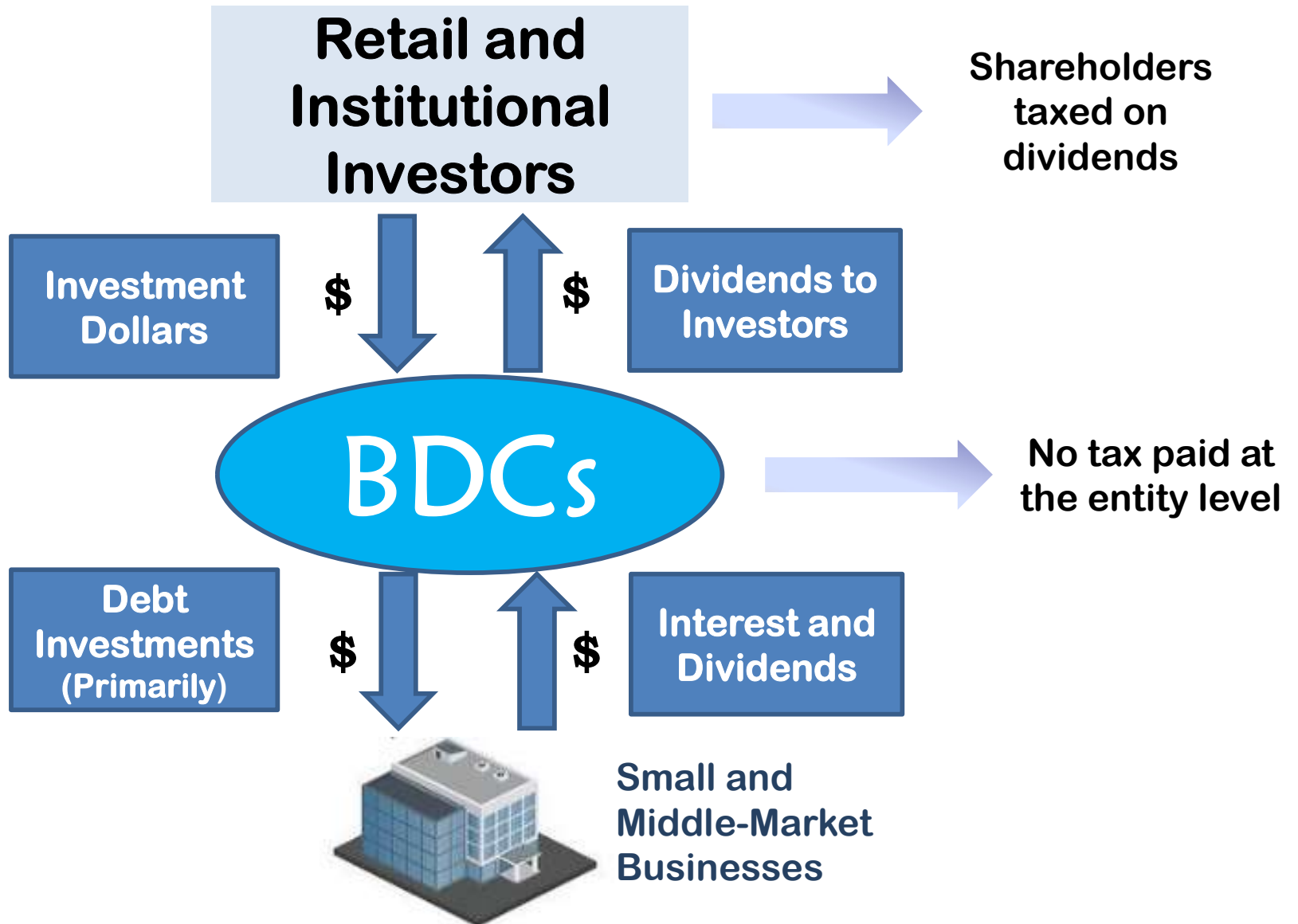
# What is a Business Development Company (BDC)?



- BDCs are closed-end funds that provide small, growing companies access to capital.
- BDCs were created by Congress in 1980 to provide an opportunity for individual, non-accredited investors to participate in private investments
- BDCs (just like traditional closed-end funds) offer:
  - 1940 Act Investment Company status/regulation
  - Fixed-Capital
  - Active Management
  - Daily Liquidity
- Tax-advantaged and earnings are passed through to investors in the form of dividends and distributions (similar to REITs and MLPs)
- BDCs leverage is limited to 200% (\*150%) asset coverage = total assets / total debt or “one turn” of leverage, excluding SBIC facilities (BDCs) – this is higher than other CEFs
- BDCs typically have a higher fee structure w/ carry



# BDCs Provide Access to Private Debt Investments





# Types of Loans Held By BDCs



1. **First Lien Loans:** 68%
2. **Second Lien Loans:** 10%
3. **Unsecured Loans:** 5%
4. **Equity/Other:** 17%

- Avg Portfolio Turnover: 31%
- Avg loan portfolio composition:
  - 83% Variable
  - 17% Fixed
- Libor Floors: 52% at 1.3% Avg Level
- Avg Loan Size: \$9.46M
  - 69% of Loans Under \$25MM
- Average Maturity of 3.9 with a range of 2 Years to 6 years
- Avg # of Loans: 279 from 187 Companies



Source: Data as of Sept 30, 2022 from CEFData.com



# Asset Class Annual Returns (NAV) 2012-2022



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 - YTD	2012 - 2021
REIT 25.56%	MLP 28.71%	REIT 24.47%	Preferred 6.37%	MLP 33.64%	World Stock 25.80%	BDC 9.39%	REIT 31.14%	Convertible 37.5%	MLP 42.63%	MLP 10.59%	US Stock 13.2%
Preferred 23.75%	US Stock 25.62%	Muni Bond 19.70%	Muni Bond 5.53%	HY Bond 18.43%	US Stock 19.79%	Muni Bond 0.52%	Convertible 28.26%	World Stock 16.02%	REIT 34.07%	BDC 5.82%	REIT 12.2%
HY Bond 20.49%	Convertible 20.89%	Preferred 17.57%	BDC 3.90%	Senior Loan 14.91%	Covered Call 17.59%	Senior Loan -1.34%	US Stock 25.96%	US Stock 13.11%	BDC 20.88%	Senior Loan -8.56%	Covered Call 10.49%
Tactical Sector 18.88%	Tactical Sector 16.85%	US Stock 11.20%	Covered Call 1.35%	Convertible 12.06%	Tactical Sector 15.93%	Investment Grade -2.51%	Preferred 24.88%	Covered Call 10.7%	US Stock 20.25%	Preferred -17.2%	Preferred 10.04%
World Stock 18.27%	Covered Call 16.31%	BDC 8.10%	REIT 0.95%	Tactical Sector 11.98%	Preferred 14.19%	HY Bond -3.49%	Covered Call 23.64%	Tactical Sector 8.14%	Covered Call 19.65%	HY Bond -17.96%	Tactical Sector 9.88%
Intl Bond 17.94%	BDC 13.36%	Investment Grade 7.73%	US Stock 0.42%	Intl Bond 11.84%	Convertible 12.57%	US Stock -5.54%	Tactical Sector 18.61	Investment Grade 7.33%	Tactical Sector 10.21%	Tactical Sector -19.79%	BDC 9.81%
Convertible 16.40%	HY Bond 10.02%	Tactical Sector 7.46%	Investment Grade -2.38%	BDC 10.09%	REIT 12.42%	Tactical Sector -6.00%	HY Bond 15.43%	Muni Bond 6.54%	Preferred 8.73%	Investment Grade -19.91%	Convertible 8.51%
Muni Bond 15.38%	Senior Loan 8.49%	Covered Call 4.86%	Senior Loan -2.66%	Investment Grade 8.74%	Intl Bond 12.05%	Convertible -6.09%	Investment Grade 14.57%	HY Bond 4.04%	Senior Loan 7.86%	US Stock -22.16%	HY Bond 7.63%
Investment Grade 15.38%	REIT 3.65%	MLP 3.45%	Tactical Sector -3.23%	Covered Call 8.67%	Investment Grade 10.77%	Preferred -7.02%	MLP 11.62%	Preferred 2.91%	HY Bond 6.24%	Muni Bond -22.31%	Muni Bond 6.44%
US Stock 13.52%	World Stock 3.34%	HY Bond 1.59%	HY Bond -4.99%	World Stock 8.45%	BDC 8.83%	Covered Call -7.31%	Muni Bond 10.83%	Intl Bond 2.45%	Convertible 4.37%	Covered Call -22.56%	World Stock 6.3%
BDC 13.13%	Preferred 2.15%	Senior Loan 1.32%	World Stock -6.55%	US Stock 7.65%	HY Bond 8.50%	REIT -8.27%	Senior Loan 10.67%	Senior Loan 0.45%	Muni Bond 4.25%	Intl Bond -25.4%	Investment Grade 6.22%
Senior Loan 12.6%	Investment Grade -1.5%	Intl Bond 0.49%	Convertible -7.25%	Preferred 6.89%	Muni Bond 8.41%	Intl Bond -8.72%	World Stock 10.44%	BDC 0.31%	Investment Grade 2.75%	World Stock -26.71%	Senior Loan 5.71%
Covered Call 9.47%	Intl Bond -6.57%	Convertible 0.12%	Intl Bond -8.46%	REIT 6.84%	Senior Loan 4.82%	World Stock -14.93%	BDC 10.12%	REIT -8.82%	World Stock 2.43%	Convertible -29.1%	Intl Bond 2.55%
MLP 1.85%	Muni Bond -7.35%	World Stock -0.26%	MLP -44.23%	Muni Bond 0.61%	MLP -5.77%	MLP -19.05%	Intl Bond 6.96%	MLP -54.77%	Intl Bond -2.53%	REIT -30.21%	MLP -0.19%

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 / Option Funds Index; Convertible - CEFA’s Convertible Bond Index; Investment Grade - CEFA’s Investment Grade Bond Index.; Tactical Sector - CEFA’s Hybrid / Balanced Fund Index (50%) & CEFA’s Multisector Bond Fund Index (50%); Intl Bond - CEFA’s International Bond Index. Returns data are NAV total returns which include dividends and capital appreciation. "2012- 2021" column shows yearly average for each sector. You cannot invest directly in an index. Past performance is not an indication of future results. Index Performance prior to 2015 was determined using index constituents as of 12/31/2014. Data for all indexes is sourced from CEFData.com as of 9/30/2022.

# Asset Class Average Discounts/Premiums 2012-2022



2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 - YTD	2012-2021
HY Bond 8.27%	BDC 8.03%	BDC 1.69%	Tactical Sector -5.37%	Preferred -0.77%	Preferred 0.03%	Convertible -1.35%	Preferred 1.66%	Preferred 1.96%	Preferred 3.94%	Covered Call -0.97%	Preferred -1.07%
MLP 4.82%	MLP 1.95%	Tactical Sector -2.63%	MLP -6.10%	Muni Bond -1.88%	Tactical Sector -1.42%	Tactical Sector -1.84%	Tactical Sector 0.14%	Investment Grade 0.36%	Investment Grade 2.88%	Investment Grade -1.78%	Investment Grade -1.58%
Investment Grade 4.32%	Senior Loan -0.12%	Convertible -3.17%	Muni Bond -6.44%	Investment Grade -3.74%	Investment Grade -2.09%	Covered Call -2.39%	Investment Grade -0.12%	Tactical Sector -4.01%	BDC 0.81%	Preferred -2.01%	Tactical Sector -1.88%
Preferred 2.87%	HY Bond -0.63%	HY Bond -3.48%	Investment Grade -6.81%	Tactical Sector -3.89%	MLP -3.11%	Investment Grade -2.74%	Covered Call -2.51%	Muni Bond -6.05%	Tactical Sector 0%	Convertible -2.33%	BDC -3.25%
Muni Bond 1.99%	Tactical Sector -1.72%	MLP -4.54%	Preferred -6.89%	HY Bond -4.84%	Muni Bond -3.32%	Preferred -2.91%	Convertible -2.80%	Covered Call -6.35%	Intl Bond -0.41%	Intl Bond -3.58%	HY Bond -3.68%
Tactical Sector 1.93%	Investment Grade -2.92%	Investment Grade -4.93%	Convertible -7.98%	MLP -5.05%	Convertible -4.00%	MLP -4.57%	Intl Bond -3.30%	Intl Bond -6.43%	Muni Bond -1.68%	Tactical Sector -4.38%	Muni Bond -4.14%
BDC 0.81%	Muni Bond -3.65%	Muni Bond -6.40%	BDC -8.61%	Covered Call -7.39%	Covered Call -4.25%	Intl Bond -7.62%	BDC -4.96%	HY Bond -7.48%	Covered Call -2.02%	BDC -4.67%	Convertible -5.11%
Senior Loan -0.37%	Preferred -3.83%	Senior Loan -6.49%	Covered Call -8.11%	Senior Loan -8.75%	Senior Loan -4.32%	Senior Loan -7.77%	Muni Bond -5.37%	Convertible -7.98%	HY Bond -2.66%	REIT -4.95%	Covered Call -5.66%
Intl Bond -0.78%	Intl Bond -5.04%	Covered Call -6.62%	HY Bond -8.41%	Convertible -10.08%	BDC -4.48%	HY Bond -8.04%	HY Bond -5.61%	REIT -10.87%	Senior Loan -4.05%	Muni Bond -4.97%	MLP -5.87%
Convertible -3.25%	REIT -5.65%	Preferred -6.73%	Senior Loan -8.70%	BDC -10.98%	HY Bond -5.19%	US Stock -8.06%	MLP -7.44%	US Stock -11.27%	Convertible -4.31%	US Stock -5.59%	Senior Loan -6.18%
REIT -5.20%	Convertible -6.22%	World Stock -9.04%	World Stock -11.00%	Intl Bond -11.21%	Intl Bond -6.85%	Muni Bond -8.57%	REIT -8.70%	Senior Loan -11.77%	REIT -5.23%	Senior Loan -6.38%	Intl Bond -6.31%
World Stock -7.47%	Covered Call -8.13%	Intl Bond -8.45%	US Stock -11.00%	US Stock -11.47%	REIT -9.18%	World Stock -9.6%	US Stock -9.05%	World Stock -13.85%	US Stock -7.24%	HY Bond -6.81%	REIT -8.93%
Covered Call -8.83%	World Stock -8.15%	US Stock -9.63%	REIT -12.21%	REIT -11.62%	US Stock -9.44%	BDC -9.75%	Senior Loan -9.45%	MLP -17.88%	World Stock -10.15%	World Stock -9.41%	World Stock -9.31%
US Stock -9.66%	US Stock -9.32%	REIT -10.63%	Intl Bond -13.02%	World Stock -12.44%	World Stock -9.50%	REIT -10.05%	World Stock -10.54%	BDC -22.23%	MLP -16.73%	MLP -15.68%	US Stock -9.61%

Historical Premium / Discount expressed as average value over each year. 2021 Premium / Discount average value as of Sept 30, 2022. "2012 - 2021" column shows yearly average for each sector. Data sourced from Closed-End Fund Advisors 'CEFU Report' and CEFData.com. Past performance is not an indication of future results

# 15 Sector NAV Correlation Matrix (Diversification)



	US Stock	World Stock	Covered Call	MLP	REIT	Hybrid	Preferred	Convert	Multi Sector	HY Bond	Senior Loan	BDC	Inv Grade	Intl Bond	Muni Bond
US Stock	100%	93%	98%	75%	83%	98%	77%	94%	86%	88%	77%	52%	82%	79%	43%
World Stock	93%	100%	92%	66%	80%	94%	78%	90%	86%	87%	75%	46%	83%	85%	47%
Covered Call	98%	92%	100%	73%	80%	97%	73%	92%	82%	85%	73%	50%	79%	79%	43%
MLP	75%	66%	73%	100%	57%	77%	55%	74%	63%	73%	69%	57%	60%	65%	33%
REIT	83%	80%	80%	57%	100%	81%	83%	77%	90%	85%	76%	34%	85%	71%	55%
Hybrid	98%	94%	97%	77%	81%	100%	79%	97%	87%	91%	81%	48%	85%	84%	52%
Preferred	77%	78%	73%	55%	83%	79%	100%	77%	92%	81%	71%	33%	94%	75%	54%
Convert	94%	90%	92%	74%	77%	97%	77%	100%	88%	94%	85%	46%	86%	84%	55%
Multi Sector	86%	86%	82%	63%	90%	87%	92%	88%	100%	94%	87%	38%	97%	83%	60%
HY Bond	88%	87%	85%	73%	85%	91%	81%	94%	94%	100%	94%	45%	91%	86%	60%
Senior Loan	77%	75%	73%	69%	76%	81%	71%	85%	87%	94%	100%	42%	80%	70%	58%
BDC	52%	46%	50%	57%	34%	48%	33%	46%	38%	45%	42%	100%	34%	36%	15%
Inv Grade	82%	83%	79%	60%	85%	85%	94%	86%	97%	91%	80%	34%	100%	86%	63%
Intl Bond	79%	85%	79%	65%	71%	84%	75%	84%	83%	86%	70%	36%	86%	100%	63%
Muni Bond	43%	47%	43%	33%	55%	52%	54%	55%	60%	60%	58%	15%	63%	63%	100%

Note: Correlation over previous 18 years, using quarterly NAV total returns.

Source: CEFDData.com as of 9/30/2022

# The CEF and BDC Investment Universe



	# of Funds	Total Net Assets	Premium / Discount	Market Yield	NAV Beta (2yr)	Duration	Leverage	Non Lev Expense Ratio	Average Net Assets
Equity Funds	192	\$112,938	-7.44%	9.64%	0.74		14.34%	1.35	\$588
Taxable Bond	140	\$51,697	-8.20%	10.45%	0.65	3.9	28.29%	1.55	\$369
Municipal Bond	117	\$53,093	-6.99%	5.66%	0.98	10.9	36.05%	1.03	\$454
BDCs	50	\$58,428	-24.28%	10.26%	0.66		46.20%	5.38	\$1,169
<b>Total CEFs</b>	<b>499</b>	<b>\$276,156</b>	<b>-9.23%</b>	<b>9.00%</b>	<b>0.77</b>	<b>7.1</b>	<b>26.54%</b>	<b>1.74</b>	<b>\$553</b>
Municipal Bond	117	\$53,093	-6.99%	5.66%	0.98	10.9	36.05%	1.03	\$454
World Stock	40	\$9,096	-10.75%	11.08%	0.75		8.15%	1.47	\$227
Debt Focused BDC	45	\$57,937	-21.62%	11.31%	0.69		50.66%	5.58	\$1,287
High Yield Bond	31	\$9,249	-10.33%	10.57%	0.65	4.01	25.48%	1.34	\$298
US Stock	28	\$23,817	-6.98%	10.31%	0.89		8.25%	1.20	\$851
Multisector Bonds	24	\$18,128	-6.29%	10.83%	0.76	4.09	29.82%	1.43	\$755
Covered Call	24	\$17,682	-1.61%	9.45%	0.79		0.96%	1.06	\$737
Senior Loan	23	\$7,056	-9.97%	9.35%	0.20	1.12	34.94%	1.78	\$307
Hybrid / Balanced	21	\$10,860	-10.61%	11.87%	0.77	3.0	19.98%	1.56	\$517
MLP Funds	16	\$5,163	-13.98%	8.54%	0.87		21.52%	1.63	\$323
Preferred Equity	18	\$9,899	-5.95%	8.44%	0.33	3.7	36.48%	1.25	\$550
International Bond	13	\$3,420	-7.25%	12.58%	0.64	4.22	20.80%	1.59	\$263
Investment Grade Bond	11	\$2,855	-5.65%	7.61%	0.95	5.4	21.03%	0.89	\$260
Convertible Bond	10	\$3,506	-6.24%	12.13%	1.27	2.53	35.43%	1.38	\$351
REIT Funds	10	\$5,093	-7.55%	10.30%	0.79		26.23%	1.39	\$509

Note: Benchmarks for Beta: "S&P 500 Index" for Equity Funds and "iShares Core U.S. Aggregate Bond ETF" for Bond Funds

Source: CEFData.com as of 9/30/2022

# 3Q Snapshot: Discounts & Total Returns



Fund Grouping	Discount / Premium		Last Q NAV TR		Last Q Price TR	
	Discount	Premium	Positive	Negative	Positive	Negative
Equity CEFs	157 (82%)	33 (17%)	20 (10%)	171 (89%)	26 (14%)	166 (86%)
Taxable Bond CEFs	127 (91%)	13 (9%)	33 (24%)	107 (76%)	15 (11%)	125 (89%)
Municipal Bond CEFs	100 (85%)	16 (14%)	0 (0%)	117 (100%)	1 (1%)	116 (99%)
BDCs	45 (90%)	5 (10%)	50 (100%)	0 (0%)	7 (14%)	42 (84%)
<b>All CEFs &amp; BDCs</b>	<b>429 (86%)</b>	<b>67 (13%)</b>	<b>103 (21%)</b>	<b>395 (79%)</b>	<b>49 (10%)</b>	<b>449 (90%)</b>

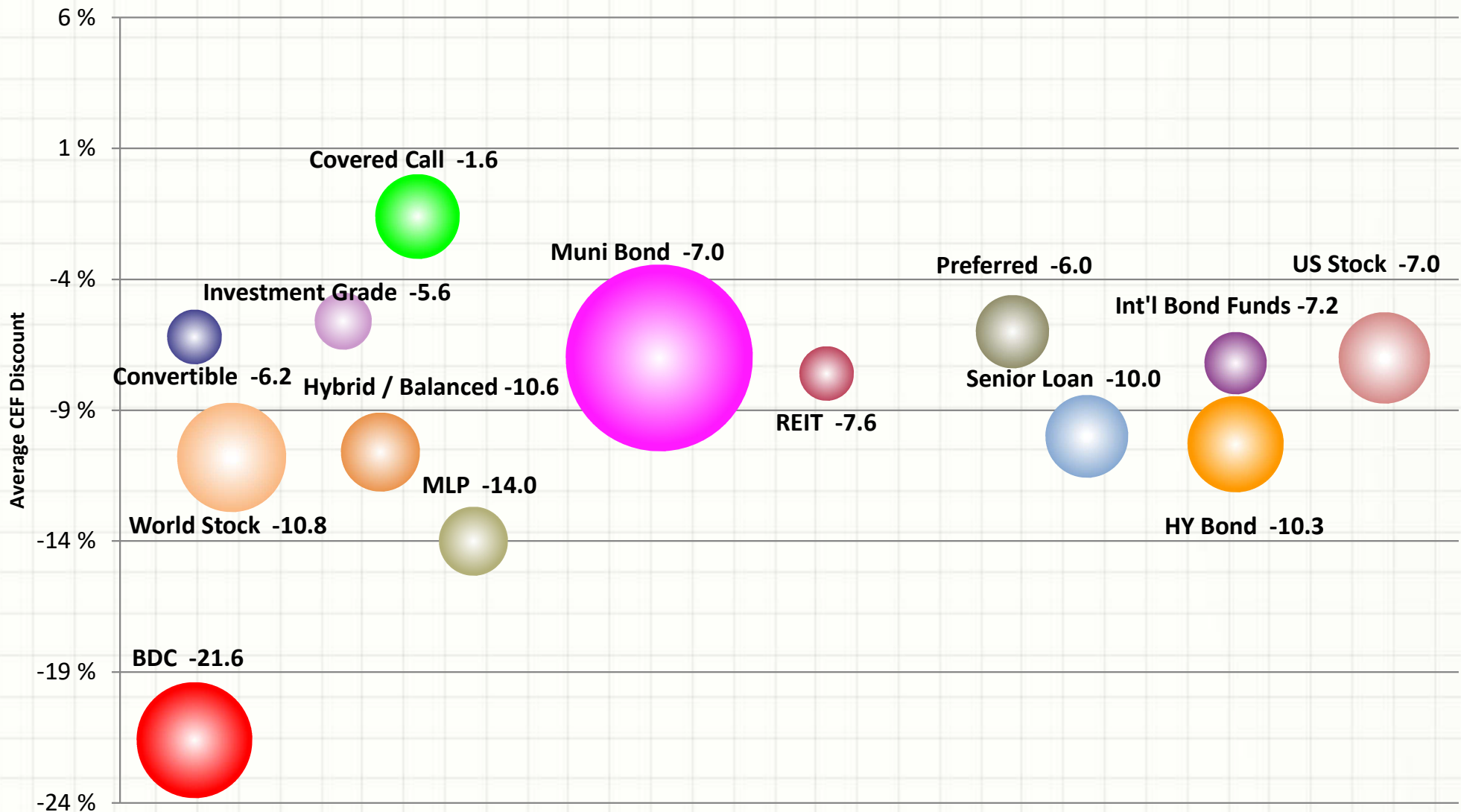
Note: BDCs reflect 2Q22 NAV TR, as 9/30/2022 NAVs are largely unreported yet

Source: CEFData.com as of Sept 30, 2022

# Major Sector Average Discount Levels

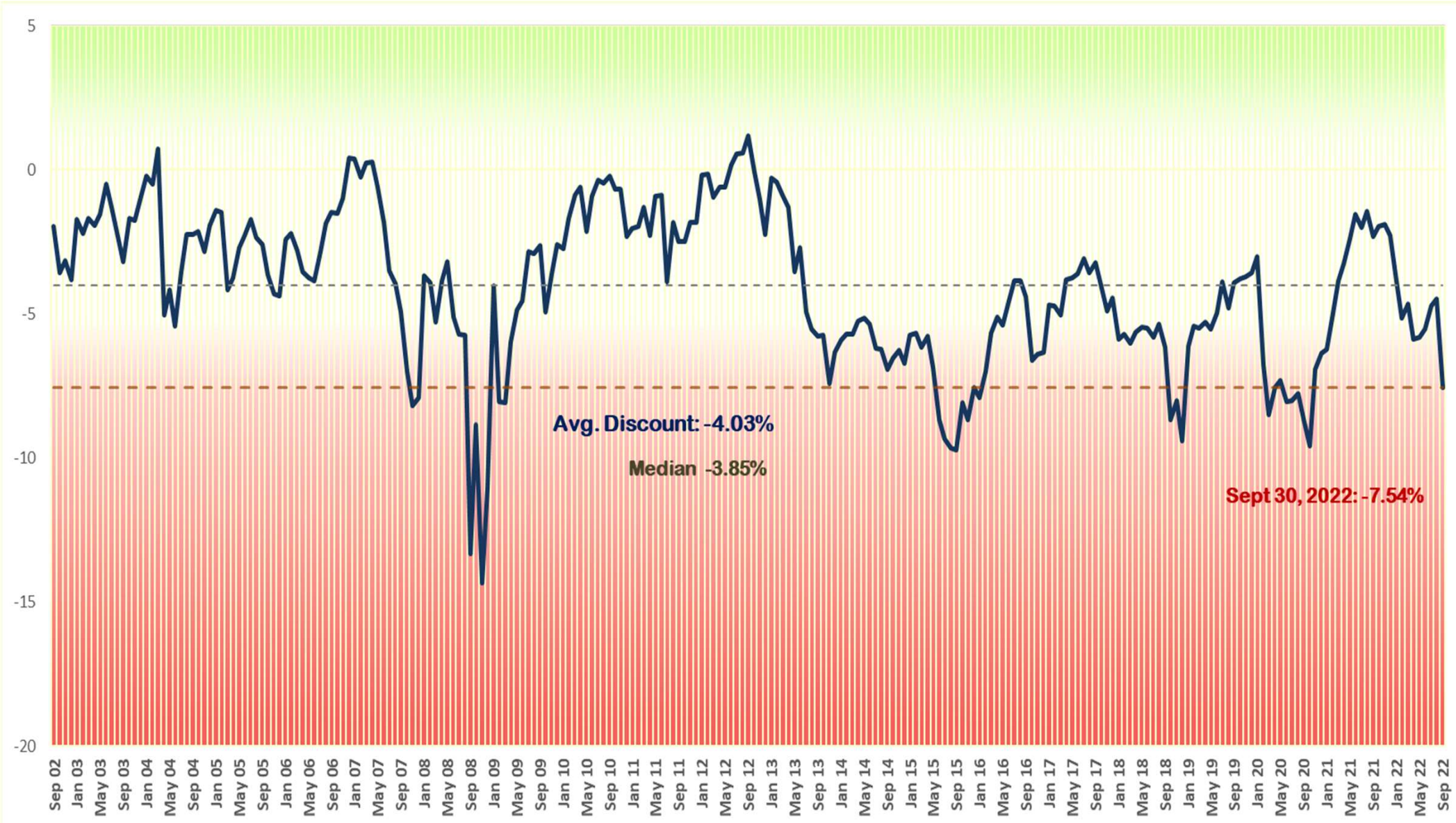


## Avg Discount % vs # of Funds - September 30, 2022



Source: CEFData.com

# All CEFs: 20 Year Discount History



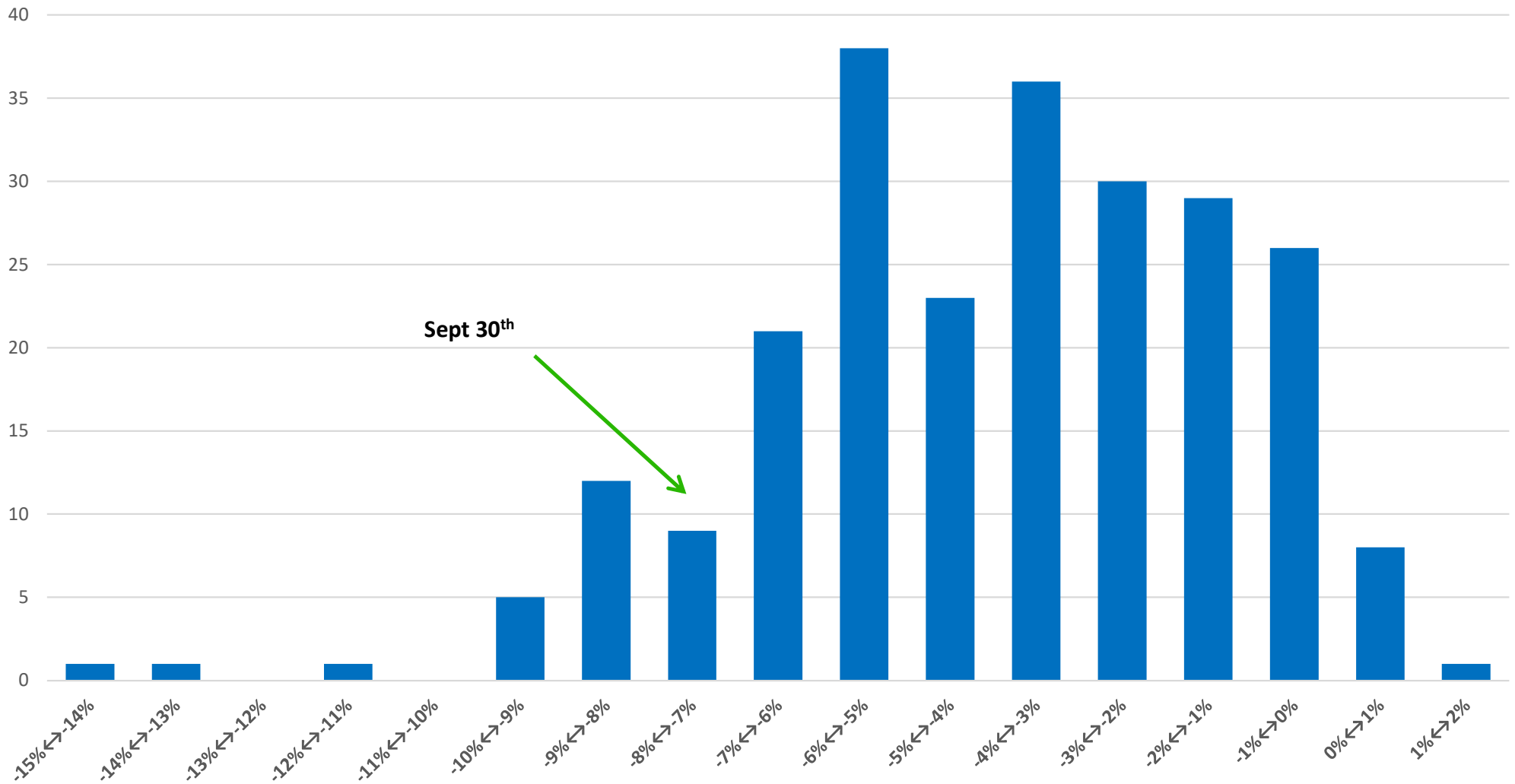
Source: CEFData.com



# All CEFs: 20 Year Discount Level Frequency



Monthly Discount Levels (Sept '02 - Sept '22)



Source: CEFData.com

# Relative Discount Opportunity



## Equity Sector Indexes

Index	Discount	1 Yr Avg Discount	3 Yr Avg Discount	5 Yr Avg Discount	10 Yr Avg Discount	Rel Disc Range(3yr)	Mk Yield	Lev Adj NAV Yield	After Tax Yield *	Est. Tax Friction*	1 Yr RoC %	3 Yr Dest RoC %	Lev %	Non Lev Expense Ratio	3 Yr NAV Volatility	% Equity Exposure	% Bond Exposure	# Holdings	Cash Weighted Duration	Beta (2yr)	Comp NAV TR	Comp Discount	Net Assets (M)	Liquidity- 90 day (K)
8. Preferred Equity Index	-6.38	-0.57	1.37	0.46	-1.69	38.08	8.71	5.99	6.71	2.0	10.9	8.9	36.3	1.28	21.07	4.54	93.9	14	3.64	0.34	-0.46	0.27	669	1420
9. Hybrid / Balanced Fund Index	-9.96	-4.44	-3.27	-2.21	-6.28	40.07	11.82	8.77	10.04	1.78	41.1	35.0	20.9	1.53	22.78	64.88	30.92	19	N/A	0.79	-1.3	1.17	583	1398
1. International Equity Index	-12.76	-11.38	-12.23	-11.73	-10.8	43.27	10.29	8.92	9.39	0.9	41.5	36.8	2.9	1.35	25.97	97.81	1.35	23	N/A	0.7	-1.28	0.15	200	366
7. Master Limited Partnership (MLP) Fund Index	-14.0	-15.57	-15.82	-11.53	-6.99	55.38	7.98	5.6	7.44	0.54	72.3	71.9	22.6	1.58	55.44	98.92	0.58	12	N/A	0.89	-3.59	-0.12	411	1230
3. Global Equity Index	-6.54	-4.0	-6.76	-6.46	-7.71	55.73	10.98	10.03	9.66	1.32	41.9	33.1	7.0	1.15	24.41	91.45	6.31	33	0.06	0.86	-2.09	2.08	869	2347
2. US Equity Index	-1.3	1.88	-0.57	-1.06	-3.0	58.51	10.6	10.79	9.33	1.27	41.1	30.1	1.4	1.03	22.48	97.81	0.68	24	0.0	0.87	-1.07	4.07	908	2758
5. Global Real Estate, REIT & Real Asset Index	-7.75	-3.91	-6.24	-7.09	-7.86	60.19	10.16	7.49	8.46	1.7	40.2	40.3	25.4	1.31	27.45	65.18	20.79	8	N/A	0.84	-2.0	0.17	598	1362
4. Covered Call / Option Funds Index	-1.52	-0.16	-2.23	-2.09	-4.43	63.97	9.42	9.3	8.04	1.38	25.6	20.2	0.0	1.02	22.16	95.31	1.85	20	0.0	0.83	-2.75	0.96	874	1997
6. Utilities / Infrastructure Index	15.59	14.72	13.31	9.26	3.36	64.46	8.54	8.11	7.29	1.25	57.5	45.6	22.1	1.34	27.76	91.77	7.28	7	N/A	0.77	-0.22	9.07	1169	2238

## Taxable Bond Sector Indexes

Index	Discount	1 Yr Avg Discount	3 Yr Avg Discount	5 Yr Avg Discount	10 Yr Avg Discount	Rel Disc Range(3yr)	Mk Yield	Lev Adj NAV Yield	After Tax Yield *	Est. Tax Friction*	1 Yr RoC %	3 Yr Dest RoC %	Lev %	Non Lev Expense Ratio	3 Yr NAV Volatility	% Equity Exposure	% Bond Exposure	# Holdings	Cash Weighted Duration	Beta (2yr)	Comp NAV TR	Comp Discount	Net Assets (M)	Liquidity- 90 day (K)
6. Investment Grade Bond Index	-7.02	-1.98	-0.24	-0.83	-2.7	34.37	8.7	6.42	6.9	1.8	27.1	28.8	26.1	1.08	8.74	1.51	96.1	28	6.26	0.98	-1.22	-0.42	500	1510
7. Multisector Bond Fund Index	-6.2	-1.69	-0.24	1.22	2.3	44.97	11.04	7.98	8.75	2.29	26.2	23.5	30.9	1.43	9.95	7.67	89.36	19	4.07	0.72	-0.24	0.51	929	2960
1. Debt-Focused Business Development Company (BDC) Index	-18.57	4.38	-0.66	0.17	1.83	46.08	11.64	6.17	8.79	2.85	6.5	5.9	51.7	3.25	8.93	10.57	88.04	31	N/A	0.8	3.67	3.69	1783	6437
5. Convertible Bond Index	-8.85	-3.91	-5.35	-4.23	-5.27	46.85	12.18	8.07	10.55	1.63	67.4	59.0	36.2	1.32	22.11	6.6	91.65	9	2.53	1.33	-0.95	-2.52	381	1114
8. US Bond Index	-9.1	-3.58	-3.58	-3.92	-3.19	47.35	10.02	6.96	7.64	2.38	9.1	7.0	30.9	1.63	11.51	5.17	92.99	64	3.66	0.6	-1.5	0.04	463	1406
3. High Yield Bond Index	-9.69	-5.57	-6.43	-7.64	-6.58	51.05	11.13	8.09	8.74	2.39	16.6	14.9	25.1	1.33	10.96	3.25	94.7	22	3.9	0.72	-2.56	0.54	360	999
4. Senior Loan Index	-11.09	-5.9	-8.21	-8.27	-6.78	59.07	8.95	5.91	6.97	1.98	15.4	12.0	34.4	1.52	9.64	1.7	97.39	16	0.8	0.18	-0.55	-0.99	348	961
9. International Bond Index	-11.22	-7.74	-9.5	-10.24	-9.98	64.73	11.46	8.61	9.18	2.28	23.4	34.5	18.1	1.38	9.63	0.73	95.55	8	4.59	0.68	-1.7	-3.04	389	1226
2. BDC Baby Bond / Debt Index	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA		N/A	N/A	N/A	N/A	N/A	N/A	N/A	20	N/A	N/A	N/A	N/A	N/A	N/A

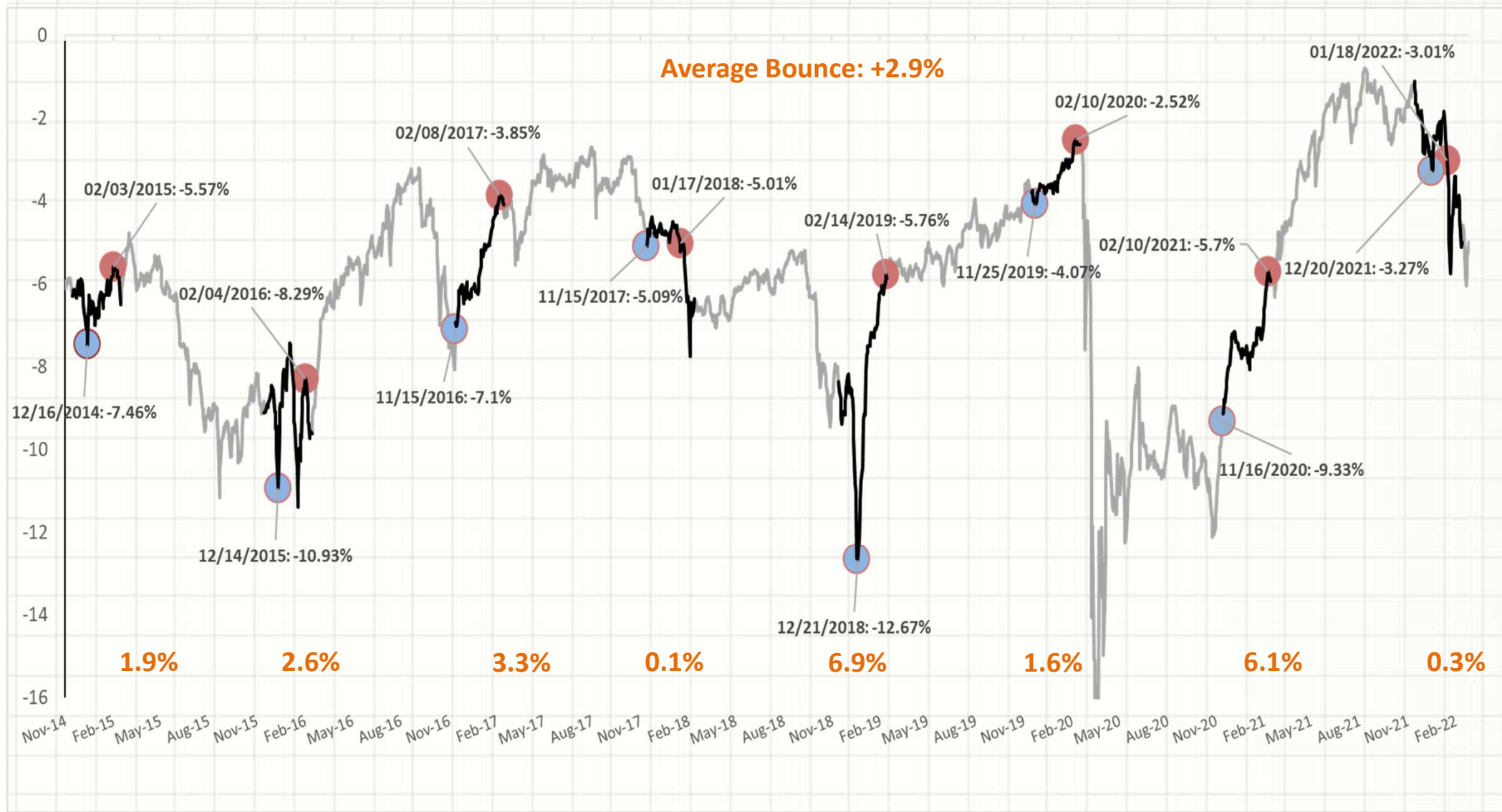
## Tax-Free Bond Sector Indexes

Index	Discount	1 Yr Avg Discount	3 Yr Avg Discount	5 Yr Avg Discount	10 Yr Avg Discount	Rel Disc Range(3yr)	Mk Yield	Lev Adj NAV Yield	After Tax Yield *	Est. Tax Friction*	1 Yr RoC %	3 Yr Dest RoC %	Lev %	Non Lev Expense Ratio	3 Yr NAV Volatility	% Equity Exposure	% Bond Exposure	# Holdings	Cash Weighted Duration	Beta (2yr)	Comp NAV TR	Comp Discount	Net Assets (M)	Liquidity- 90 day (K)
2. High Yield Municipal Index	-8.12	-4.79	-3.12	-3.38	-4.13	41.31	5.99	4.09	5.98	0.01	7.7	6.9	35.3	1.09	9.84	0.42	98.64	8	13.99	1.24	-1.66	-1.01	264	605
3. Term Municipal Fund Index	-5.31	-2.81	-2.12	-3.04	-4.13	43.44	6.59	4.51	6.36	0.23	28.2	25.7	37.9	1.37	9.66	8.98	82.15	13	9.26	1.03	1.85	2.03	432	874
5. New York Municipal Index	-11.49	-7.74	-7.6	-8.53	-6.87	45.92	5.16	3.36	5.16	0.0	4.3	2.3	35.6	0.92	8.02	0.04	98.77	8	11.78	1.14	1.0	-3.78	365	635
1. National Municipal Bond Index	-7.48	-3.42	-2.86	-4.1	-3.66	47.72	6.04	4.07	6.04	0.0	6.6	4.5	37.5	0.95	8.66	1.76	97.23	24	11.14	1.18	-1.15	0.33	836	1866
4. California Municipal Index	-7.54	-5.97	-6.01	-6.75	-4.42	57.78	5.29	3.59	5.28	0.01	2.6	1.3	36.5	0.95	8.99	0.0	99.68	8	12.2	1.19	-0.15	-4.35	626	1062
6. State Municipal Index (Non NY/CA)	-6.11	-4.93	-7.1	-9.05	-8.22	63.81	5.03	3.37	5.03	0.0	4.0	2.2	40.2	0.99	8.62	0.36	99.21	11	12.44	1.08	0.16	-0.99	293	393

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

# Discount Seasonality & Tax Loss Selling

## 14 Major Sector Avg Discount Moves From November to February



# Traditional CEFs: 10 Year Total Return



*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.*

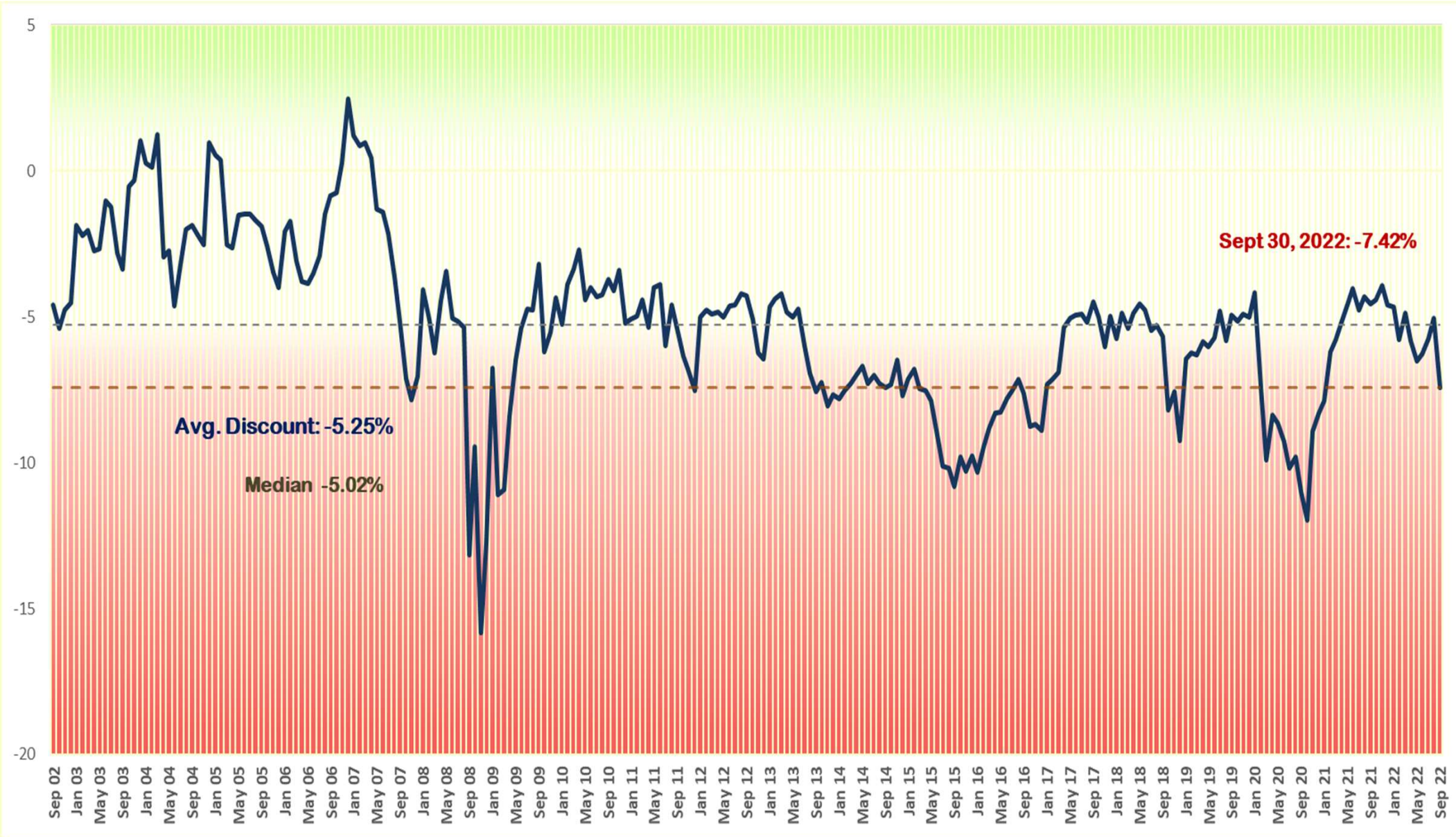
# CEF Groups: Average Premium / Discount



Fund Grouping	Discount (9/30/22)	Average Premium/(Discount)			
		1 Yr	3 Yr	5 Yr	10 Yr
Equity CEFs	-7.42%	-5.33%	-6.59%	-6.29%	-6.83%
Taxable Fixed Income CEFs	-7.93%	-3.15%	-3.28%	-3.67%	-4.01%
Municipal Bond CEFs	-6.99%	-3.93%	-3.94%	-4.92%	-4.04%
Debt Focused BDCs	-21.62%	-2.71%	-8.07%	-7.53%	-4.54%

Source: CEFData.com as of Sept 30, 2022

# Equity CEFs: 20 Year Discount History

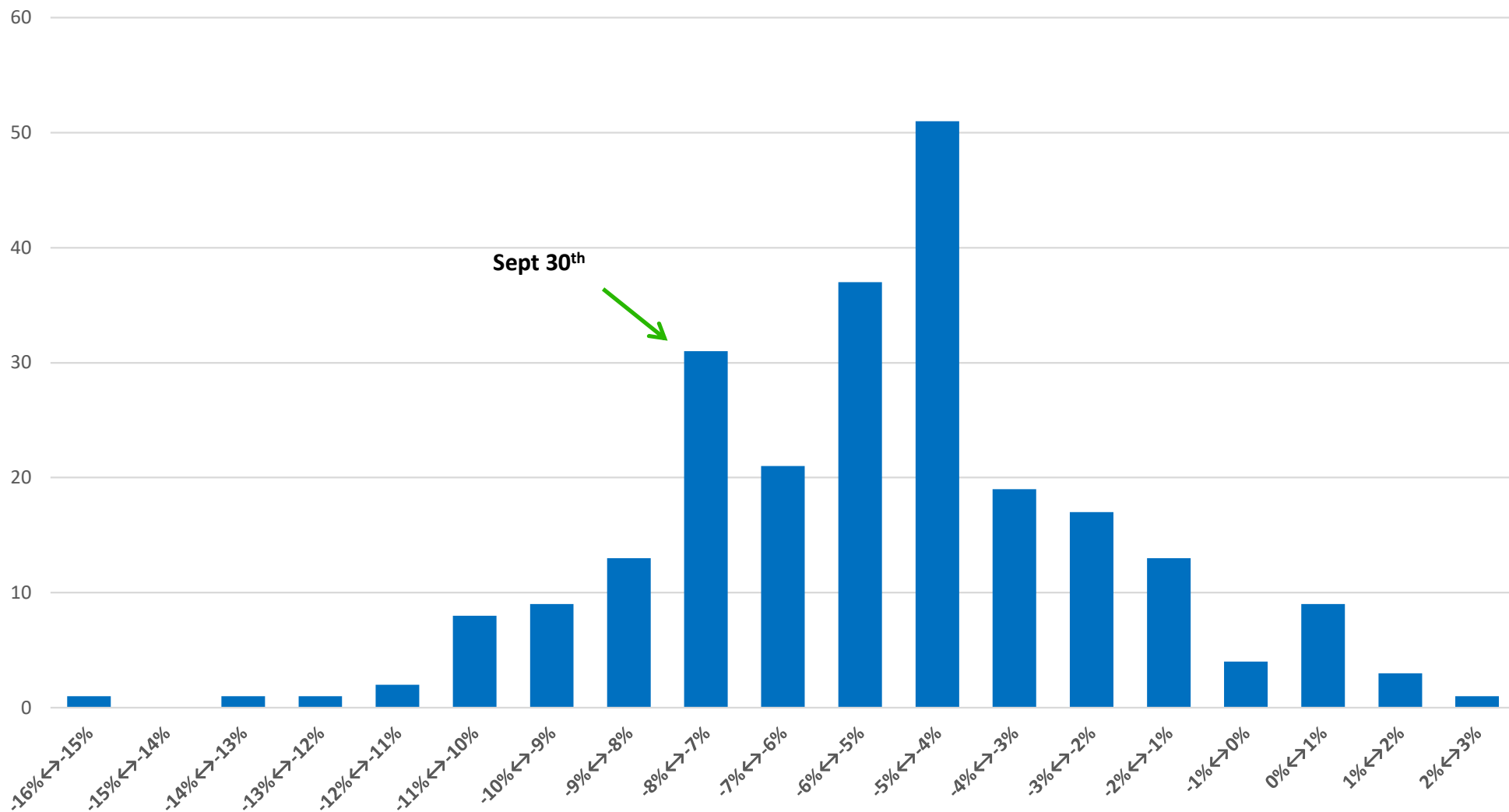


Source: CEFData.com

# Equity CEFs: 20 Year Discount Level Frequency



Monthly Discount Levels (Sept '02 - Sept '22)



Source: CEFData.com

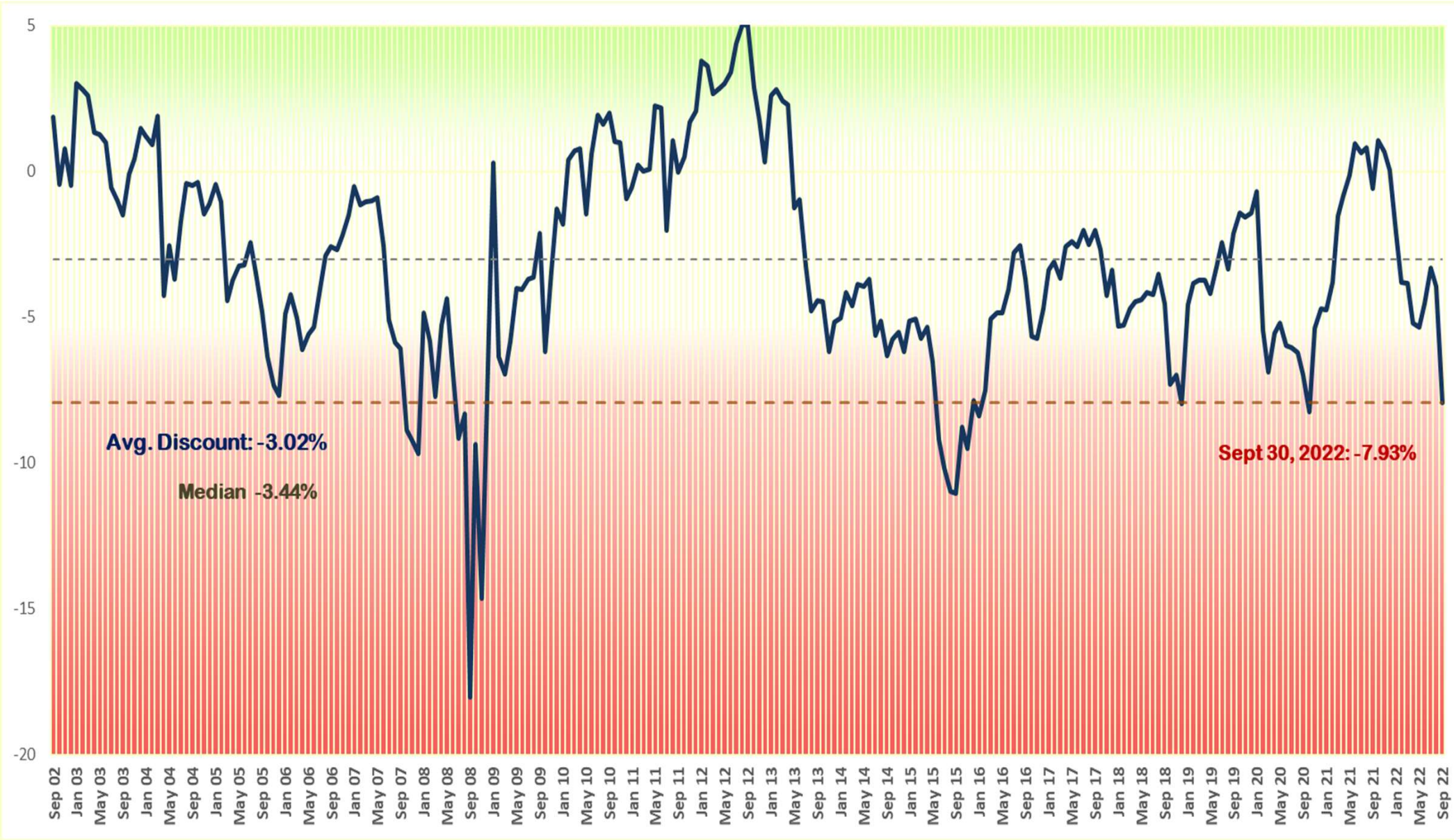
# Equity CEFs: 10 Year Total Return



*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.*



# Taxable Fixed Income CEFs: 20 Year Discount History

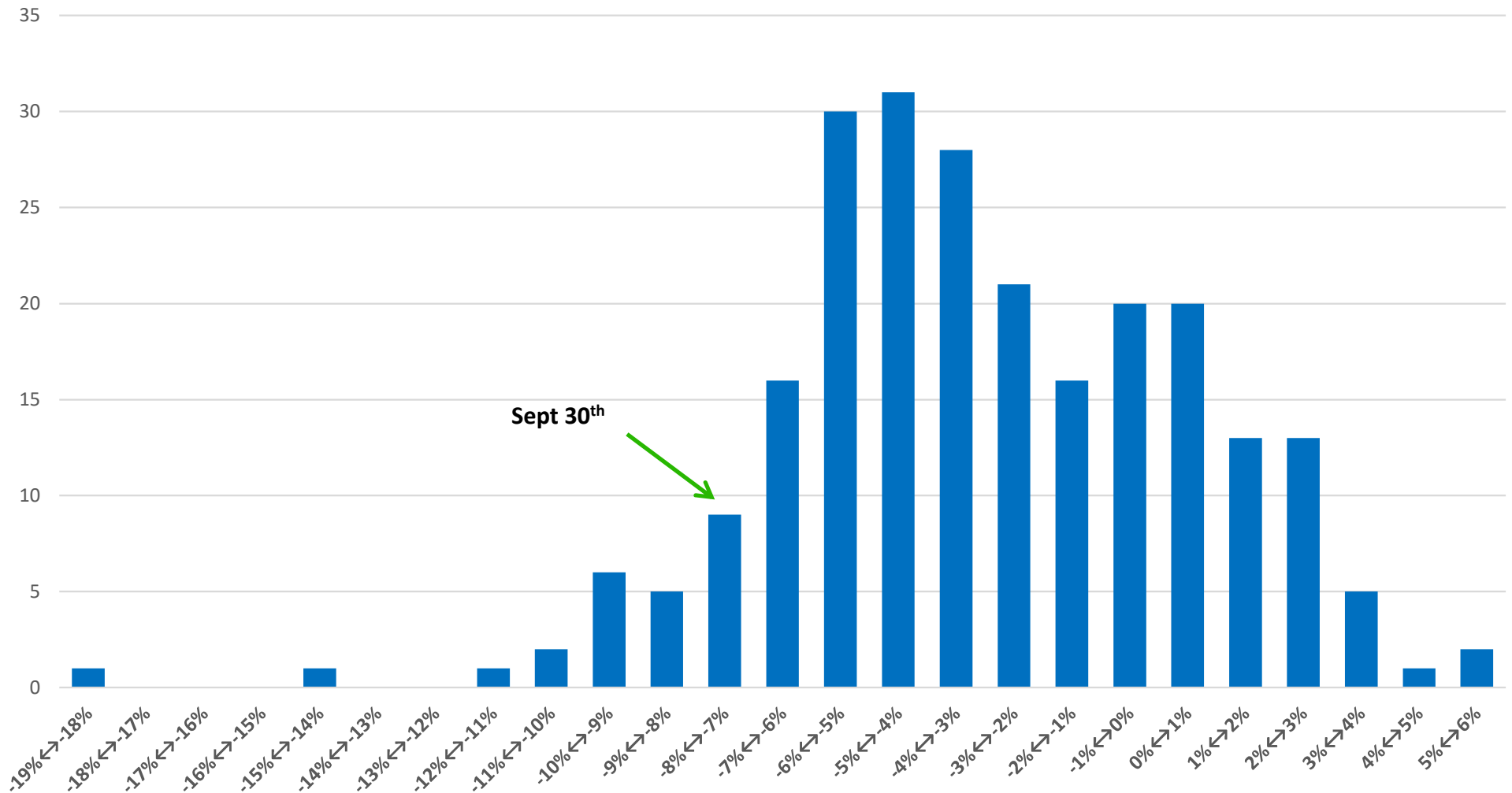


Source: CEFData.com

# Taxable Fixed Income: 20 Year Discount Level Frequency



Monthly Discount Levels (Sept '02 - Sept '22)

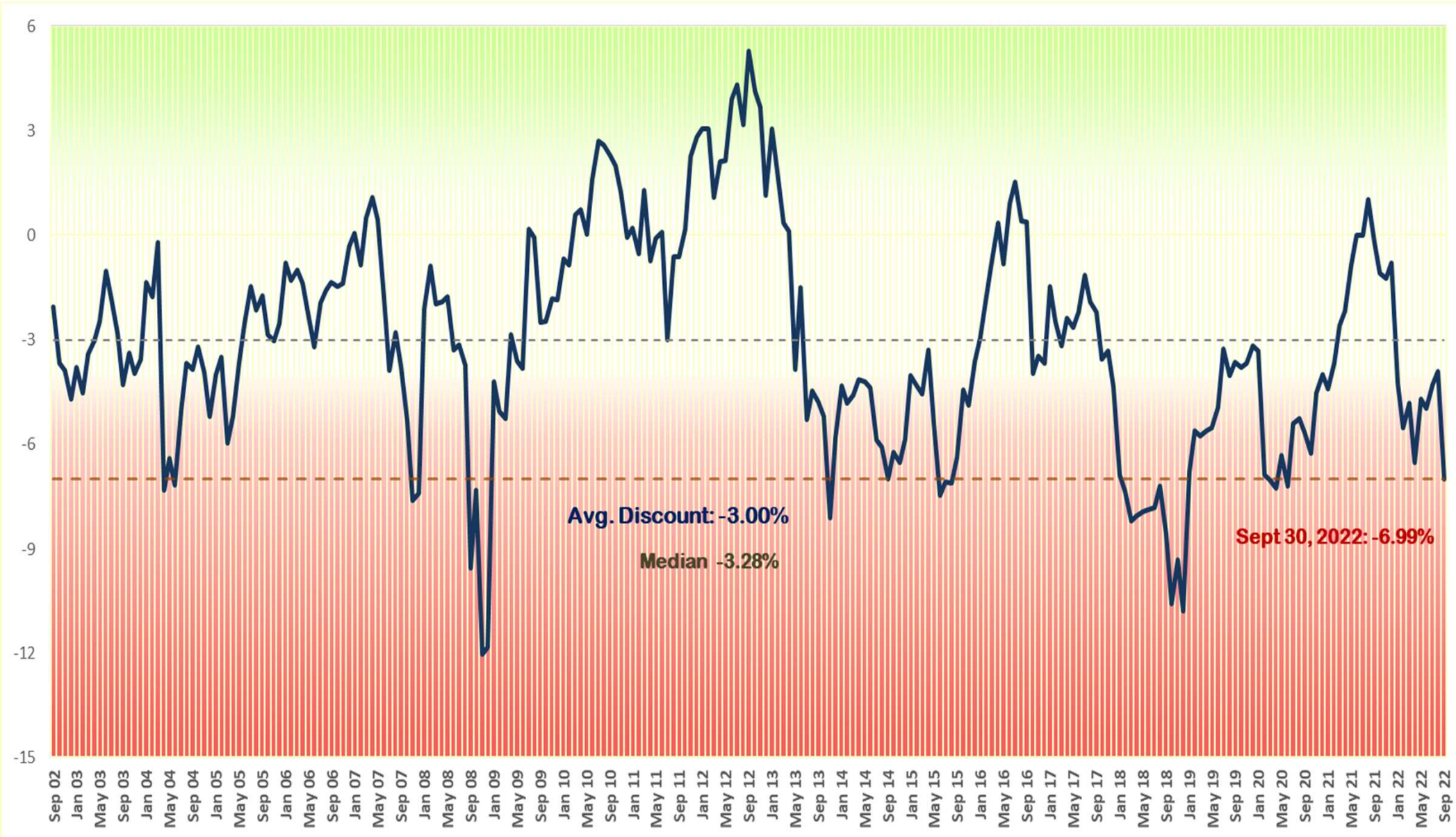


# Taxable Fixed Income CEFs: 10 Year Total Return



*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 Bond CEFs: 20 Year Discount History

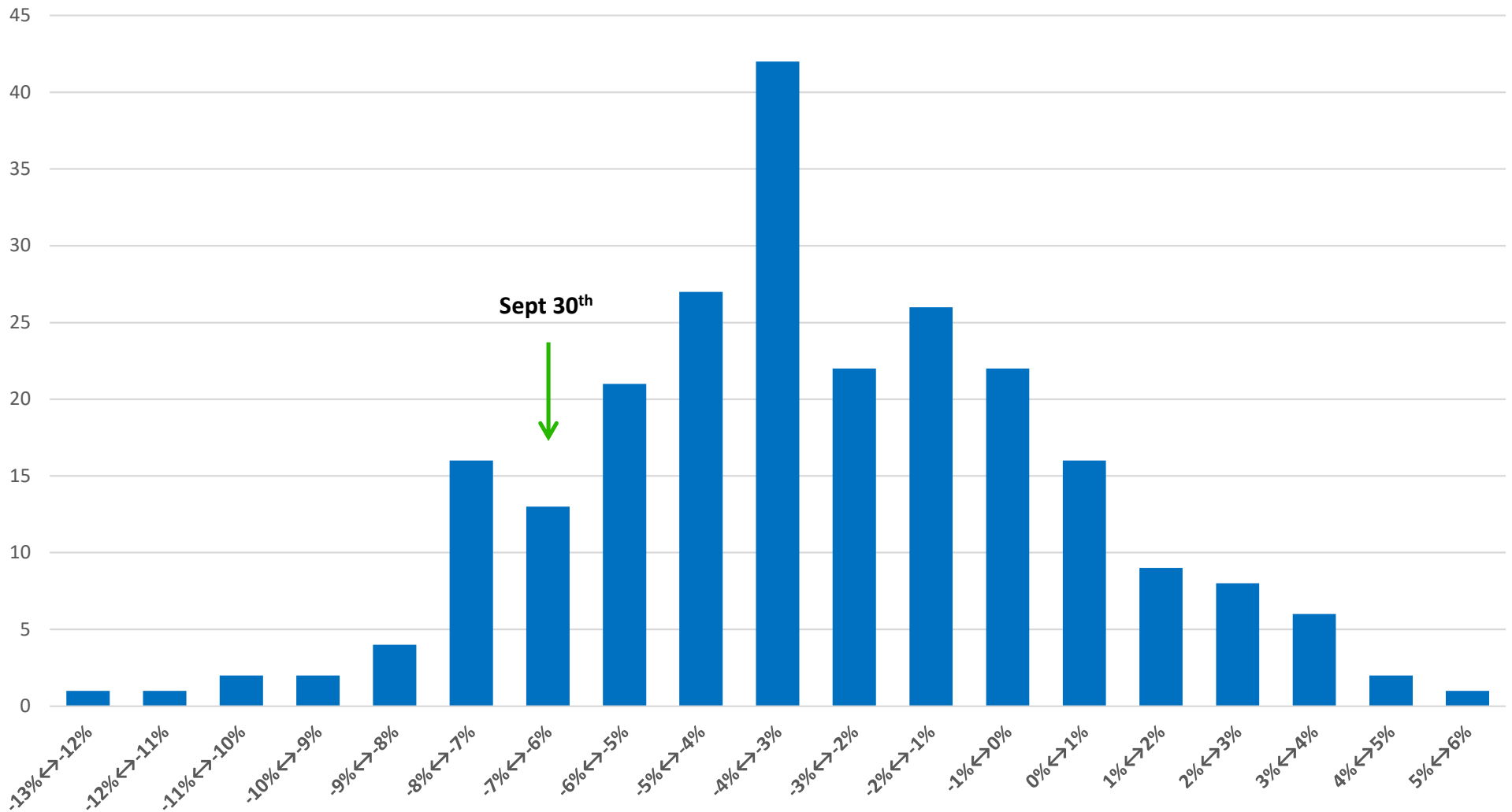


Source: CEFData.com

# Municipal Bond CEFs: 20 Year Discount Level Frequency



Monthly Discount Levels (Sept '02 - Sept '22)



Source: CEFData.com

# Municipal Bond CEFs: 10 Year Total Return



*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.*

# 2022 Performance and Discounts



## CEF Advisors' 15 Major CEF Sectors Index Data as of

[ABOUT](#) [PERFORMANCE](#) [DISCOUNT](#) [CHARACTERISTICS](#) [ASSET ALL](#)

### ABOUT THE INDEX

The seven most liquid funds by 90-day average trading dollar \$ liquidity in each of the 15 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, US Equity, Hybrid / Balanced Funds, Multi-sector Bonds and International Bonds . For Hybrid / Balanced Funds and Multi-sector Bonds sectors, the selection allows only the most liquid fund from each sponsor. From the selected funds, we exclude the least liquid 5 funds. Each sector has equal weight in the index (6.66%), which is distributed equally to funds within that sector. The index constituents will be rebalanced each quarter.

As of June 30, 2022, we updated the index rules to cover 3 more major sectors. [Click here](#) to see the previous index rules, used since 2017 for the index.

### INDEX PERFORMANCE

	Current(\$)	Previous Day(%)	1 Week(%)	1 Month(%)	3 Month(%)	6 Month(%)	1 Year(%)	3 Year(%)	5 Year(%)	10 Year(%)	MTD(%)	QTD(%)	YTD(%)
Price	1,264.93	-4.05	-2.67	-12.76	-6.90	-21.08	-20.84	0.33	2.33	4.69	-12.76	-6.90	-23.73
NAV	1,280.50	-2.38	-1.78	-7.47	-3.73	-15.56	-15.31	1.77	3.32	5.25	-7.47	-3.73	-17.69
Difference		1.67	0.89	5.30	3.17	5.52	5.53	1.45	0.98	0.56	5.30	3.17	6.04

\* Periods greater than 1 Year are annualized. \*\* On Inception Date (12/30/16), Index Price was \$1,000 and NAV was \$1,000.00

### 2022 - Monthly Performance (%)

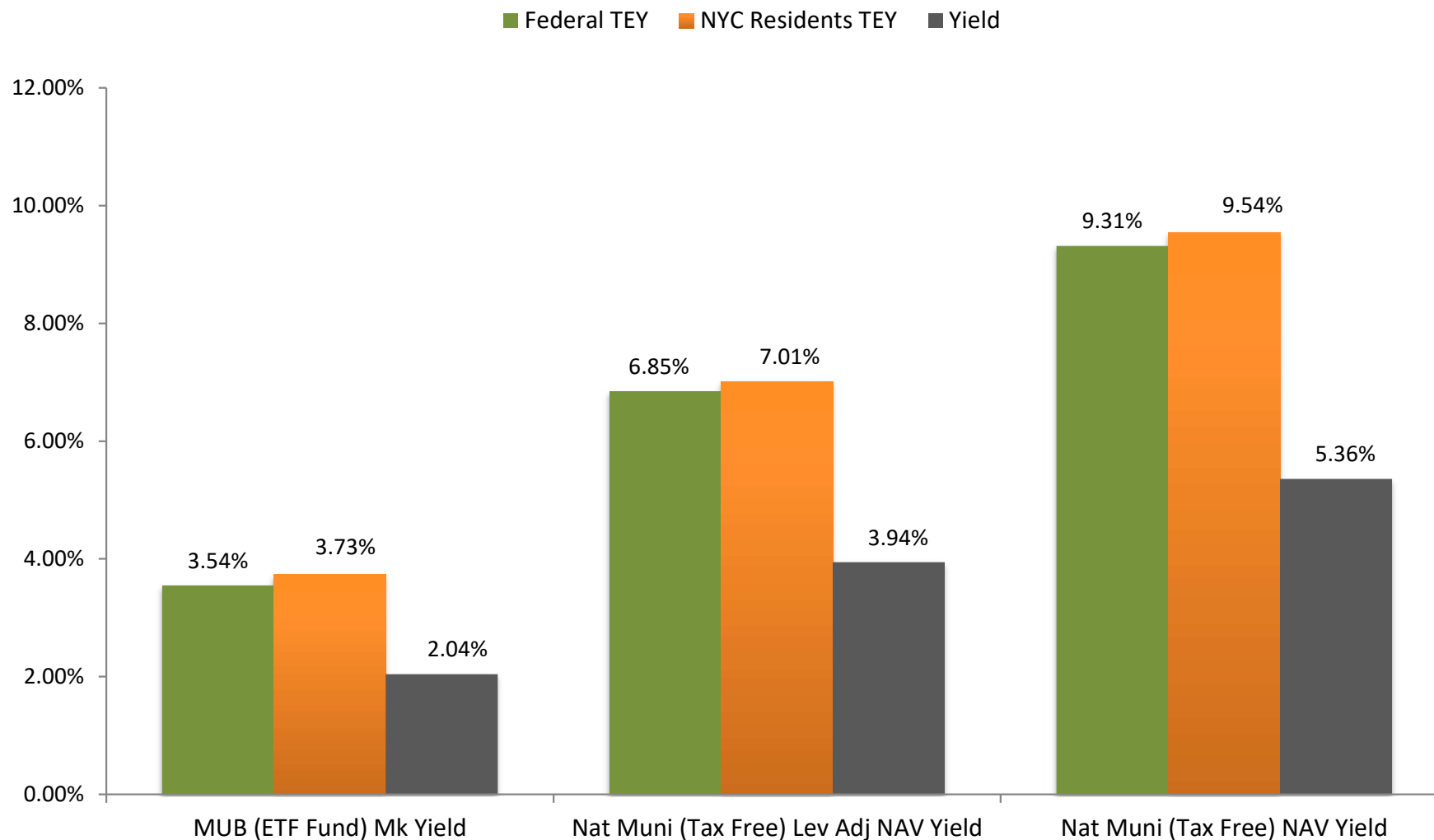
[Show Previous Years](#)

	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	1H	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	2H	2022
Price	-2.87	-2.93	1.36	-4.43	-6.54	-1.01	-7.34	-14.28	-18.08	8.65	-1.77	-12.76	-6.90	-	-	-	-	-	-
NAV	-2.69	-1.26	0.86	-3.09	-5.00	-0.63	-6.55	-11.78	-14.50	6.09	-1.93	-7.47	-3.73	-	-	-	-	-	-
Difference	0.17	1.68	-0.50	1.35	1.54	0.38	0.79	2.50	3.58	-2.56	-0.16	5.30	3.17	-	-	-	-	-	-

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.

# Tax Equivalent Yield Comparison

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



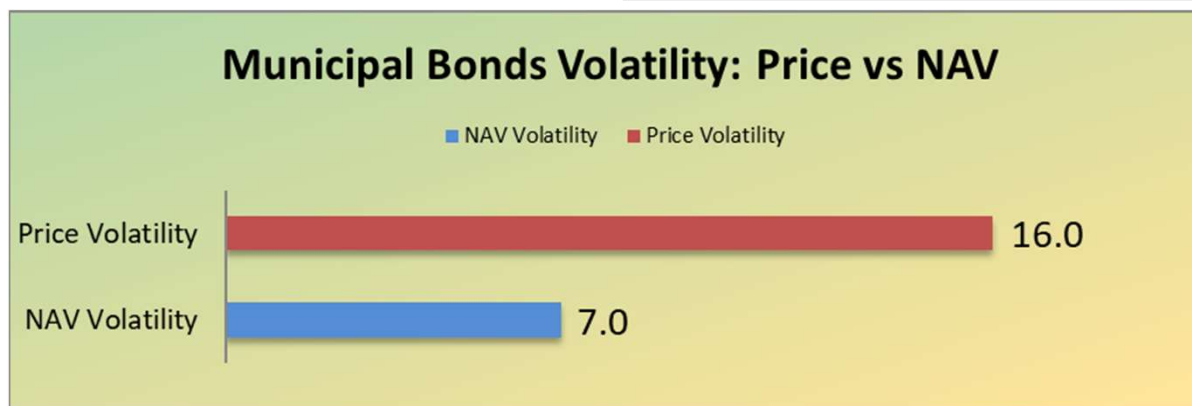
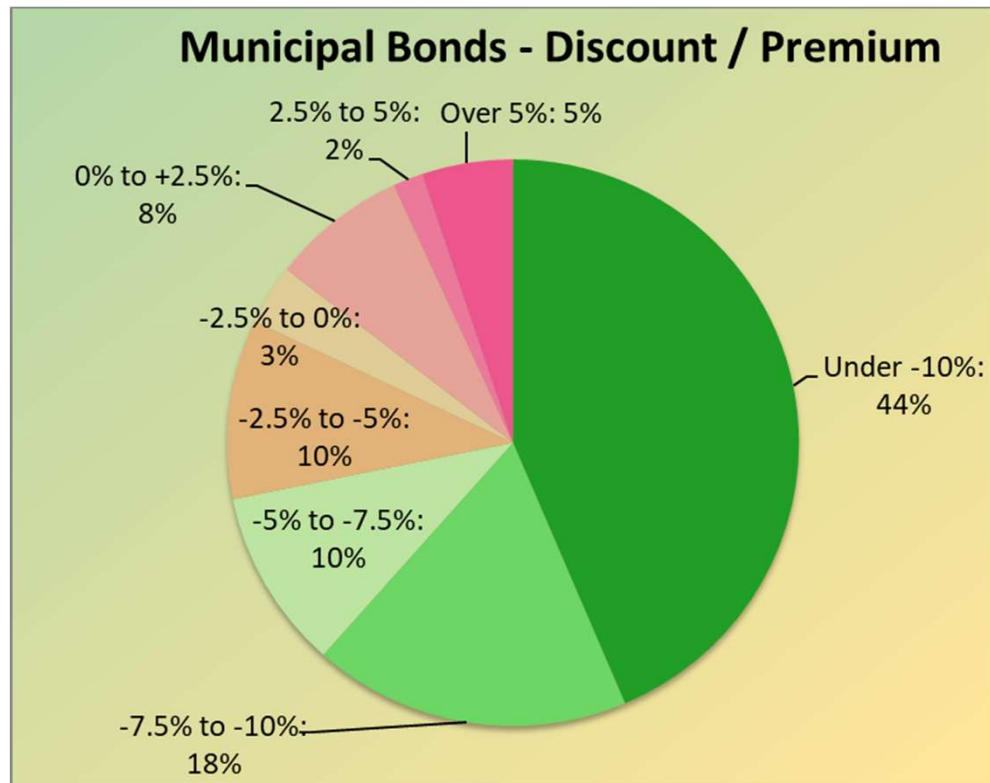
Sources: CEFData.com as of 6/30/2022; tax rates from IRS and NY State.



# Municipal Bond CEF Overview



	National Muni Funds	Single State Muni Funds	Total
Number of Funds	77	40	117
Net Assets (Total)	\$40,845	\$12,248	\$53,093
Net Assets	\$530	\$306	\$454
Earnings Covg Ratio %	89.0	93.1	90.4
Premium / Discount %	-7.81	-5.41	-6.99
Total Mkt Yield %	5.93	5.14	5.66
Lvg Adj NAV Yield %	4.04	3.53	3.87
NAV Volatility	7.07	6.79	6.97
Leverage %	35.3	37.6	36.1
Leverage Cost %	0.52	0.58	0.54
Duration	10.44	11.82	10.92
Insured %	5.7	4.9	5.4
Investment Grade %	78	86	81
Credit Quality	A	A	A



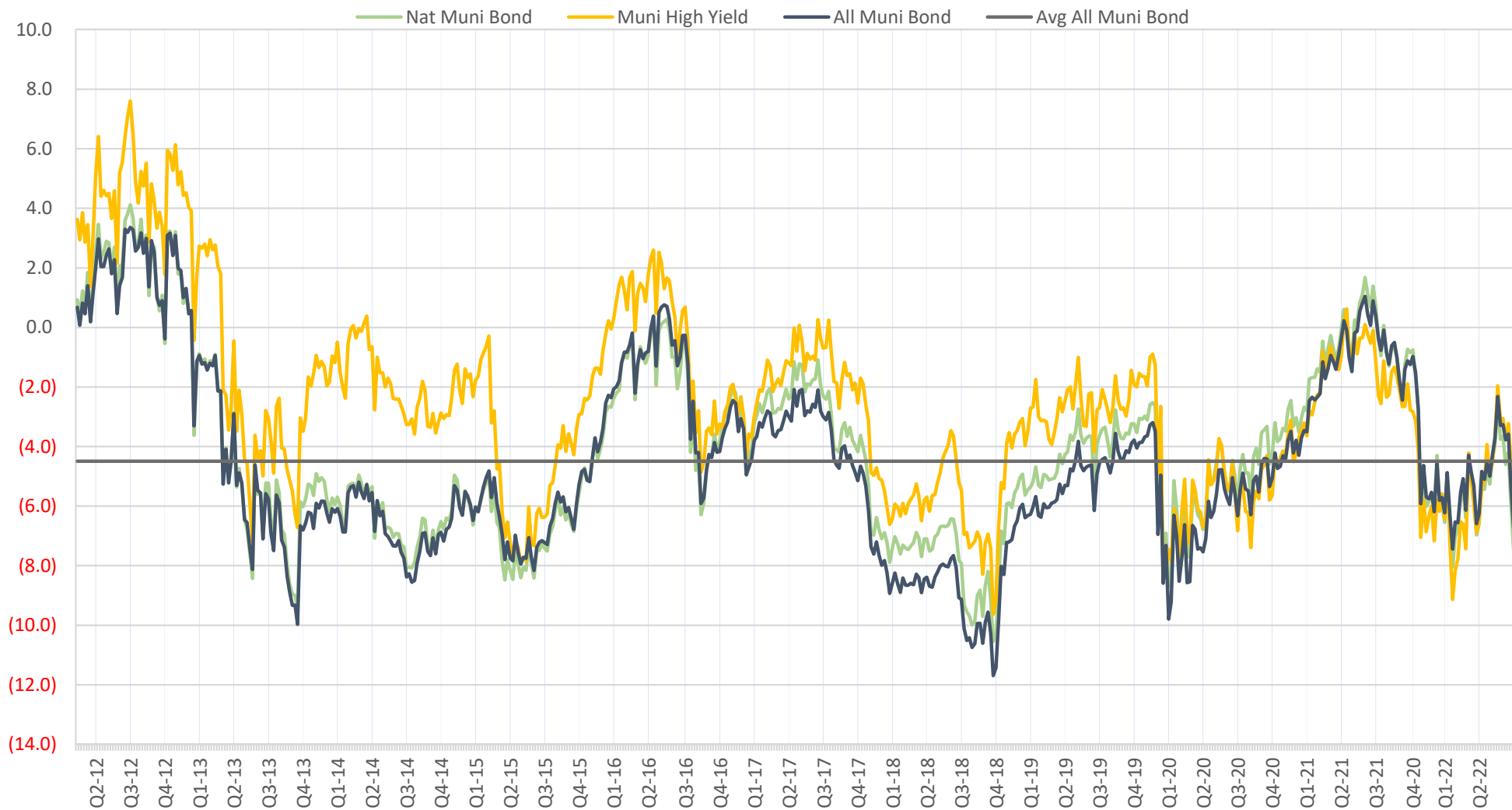
Note: Volatility is a three year rolling calculation

Source: CEFData.com as of Sept 30, 2022

# Municipal Bond: CEF Discount by Sub-Sector



## All Muni Bond Groups - Average CEF Discount May '12 - September '22

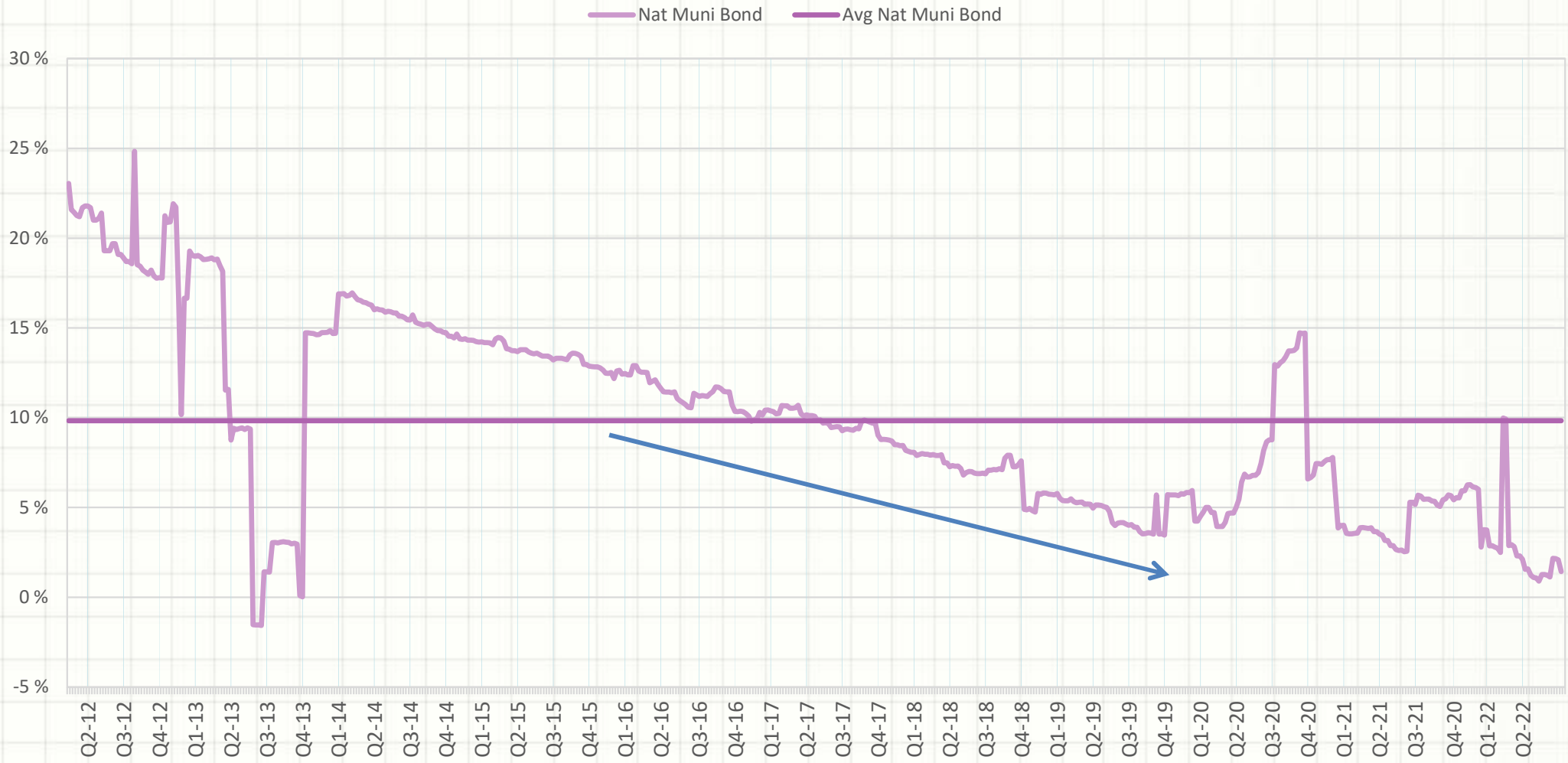


Source: CEFData.com as of Sept 30, 2022

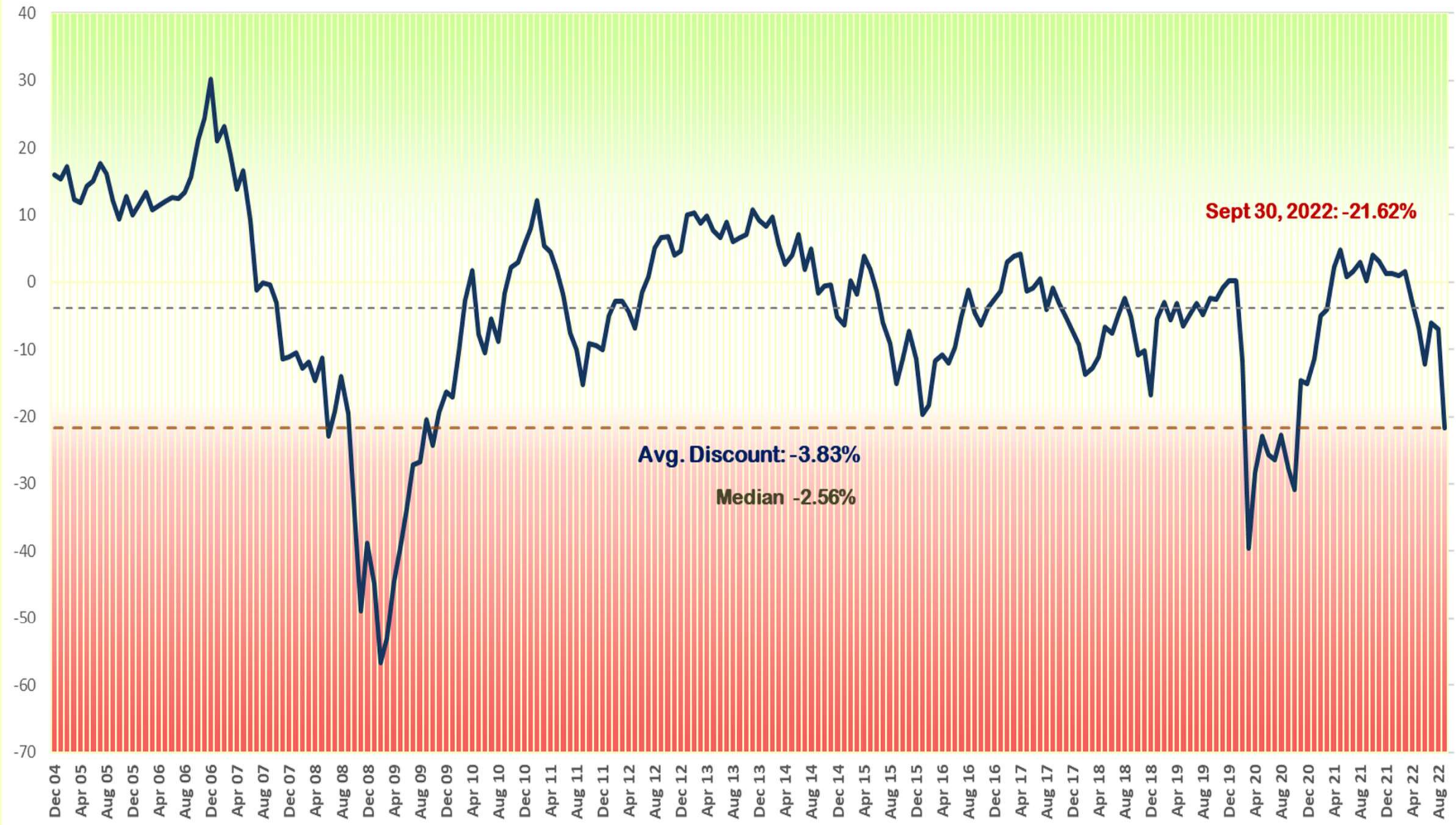
# Relative UNII for National Muni Funds



## Nat Muni Bond - Relative UNII May '12 - September '22

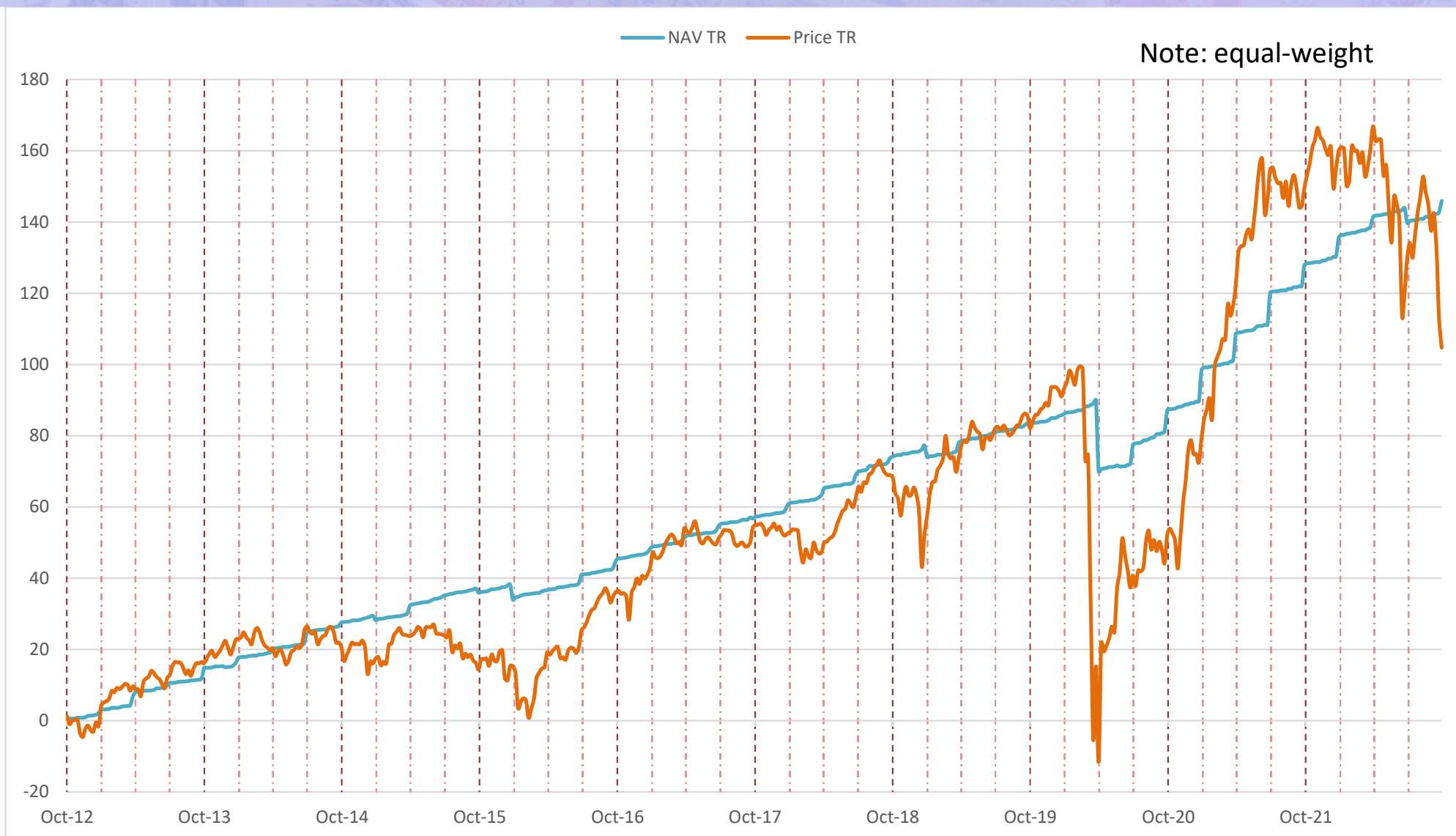


# Debt BDCs: 17 Year Discount History



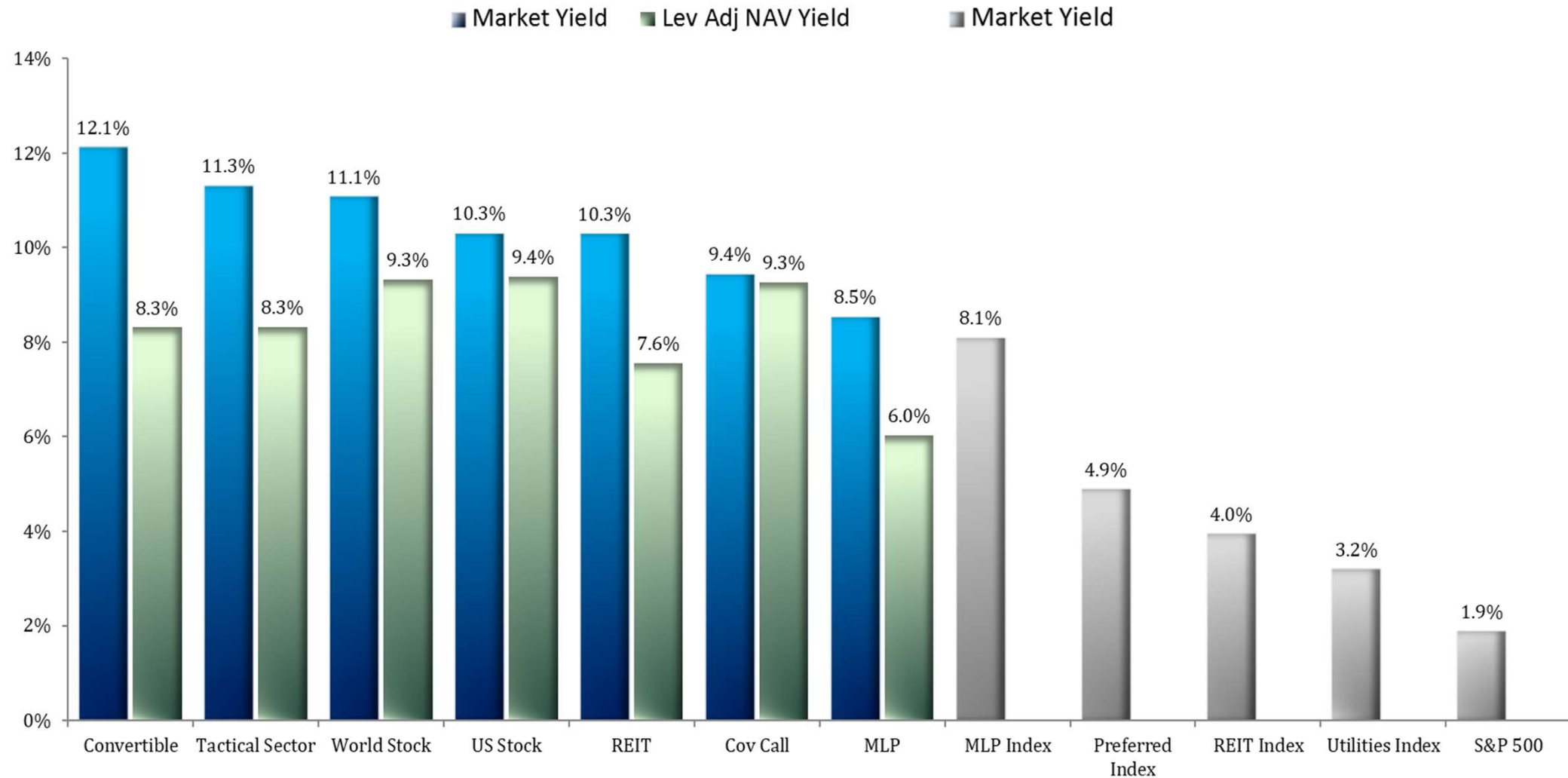
Source: CEFData.com

# Debt BDCs: 10 Year Total Return



*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.*

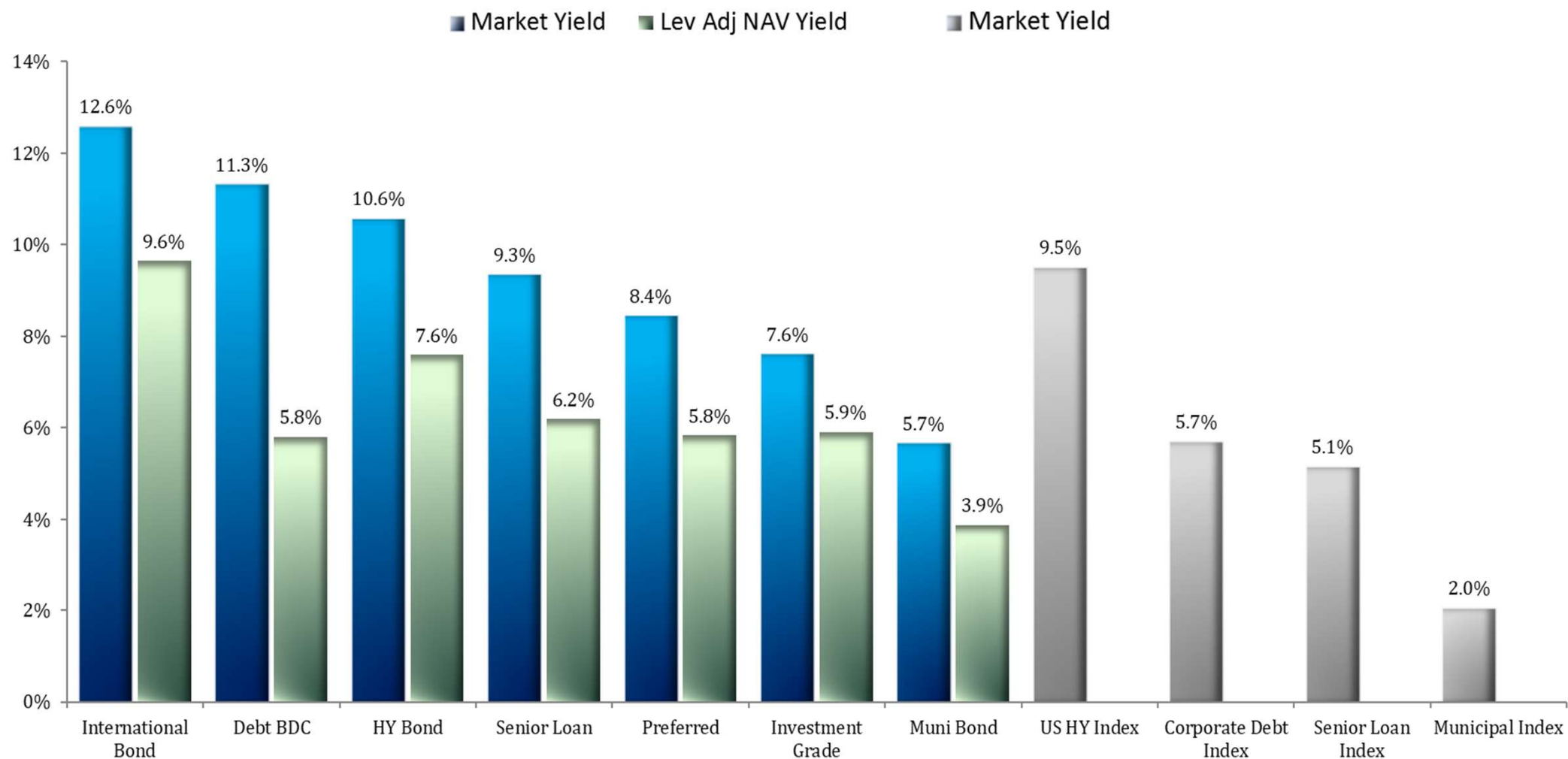
# Equity Sectors: Yield Comparison



Data as of 9/30/2022.

MLP Index: **Alerian MLP Index**; Preferred Index: **iShares Preferred and Income Securities ETF**; REIT Index: **FTSE Nareit All Equity REITs Index**; Utilities Index: **The Utilities Select Sector SPDR® Fund**

# Debt Sectors: Yield Comparison

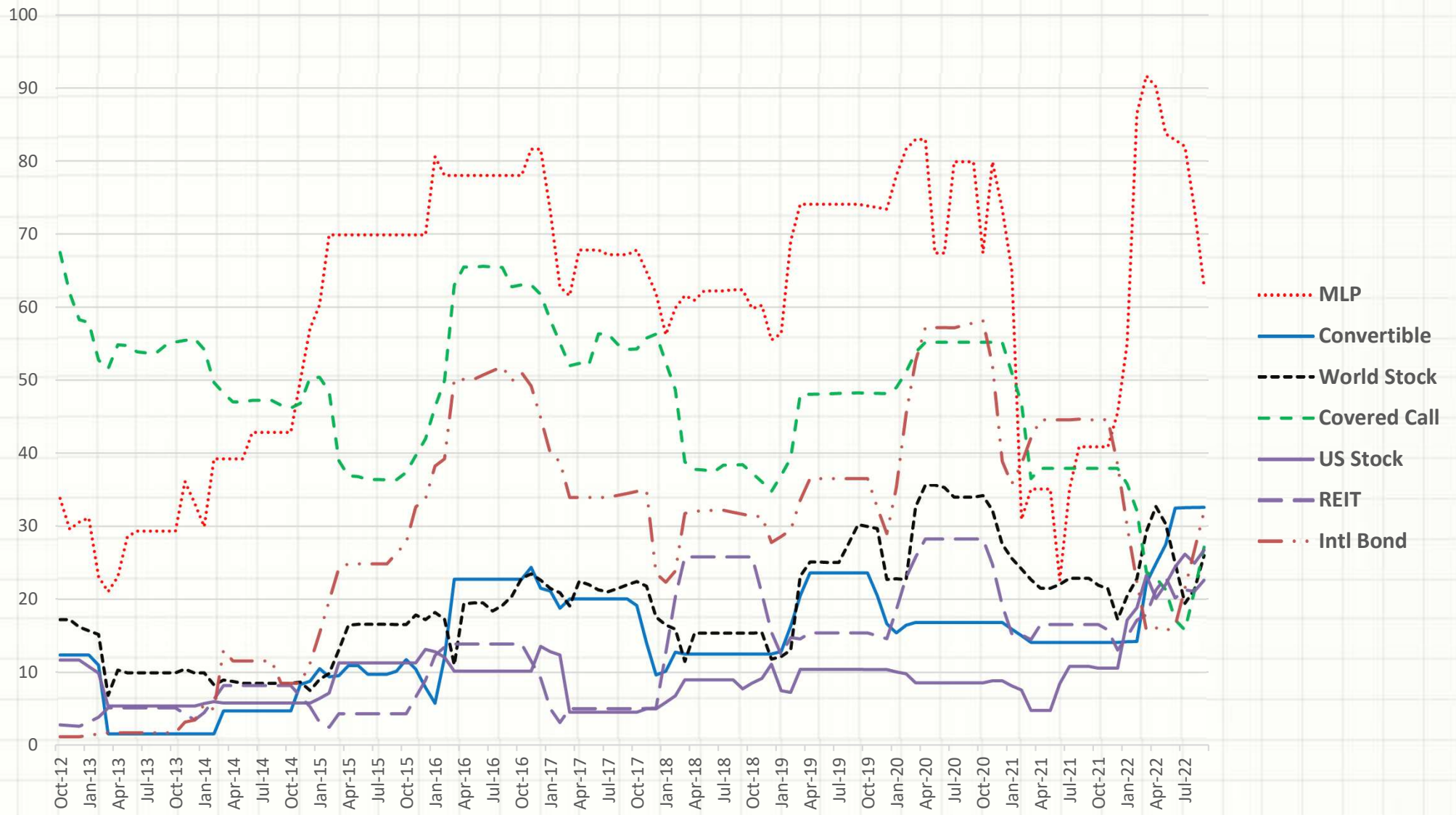


Data as of 9/30/2022.

US High Yield Index: **BofA Merrill Lynch US High Yield**; Senior Loan Index: **SPDR® Blackstone Senior Loan ETF**;

Corporate Debt Index: **S&P 500 Bond Index**; Municipal Index: **iShares National Muni Bond ETF**

# Return of Capital Trends (90 day rolling)



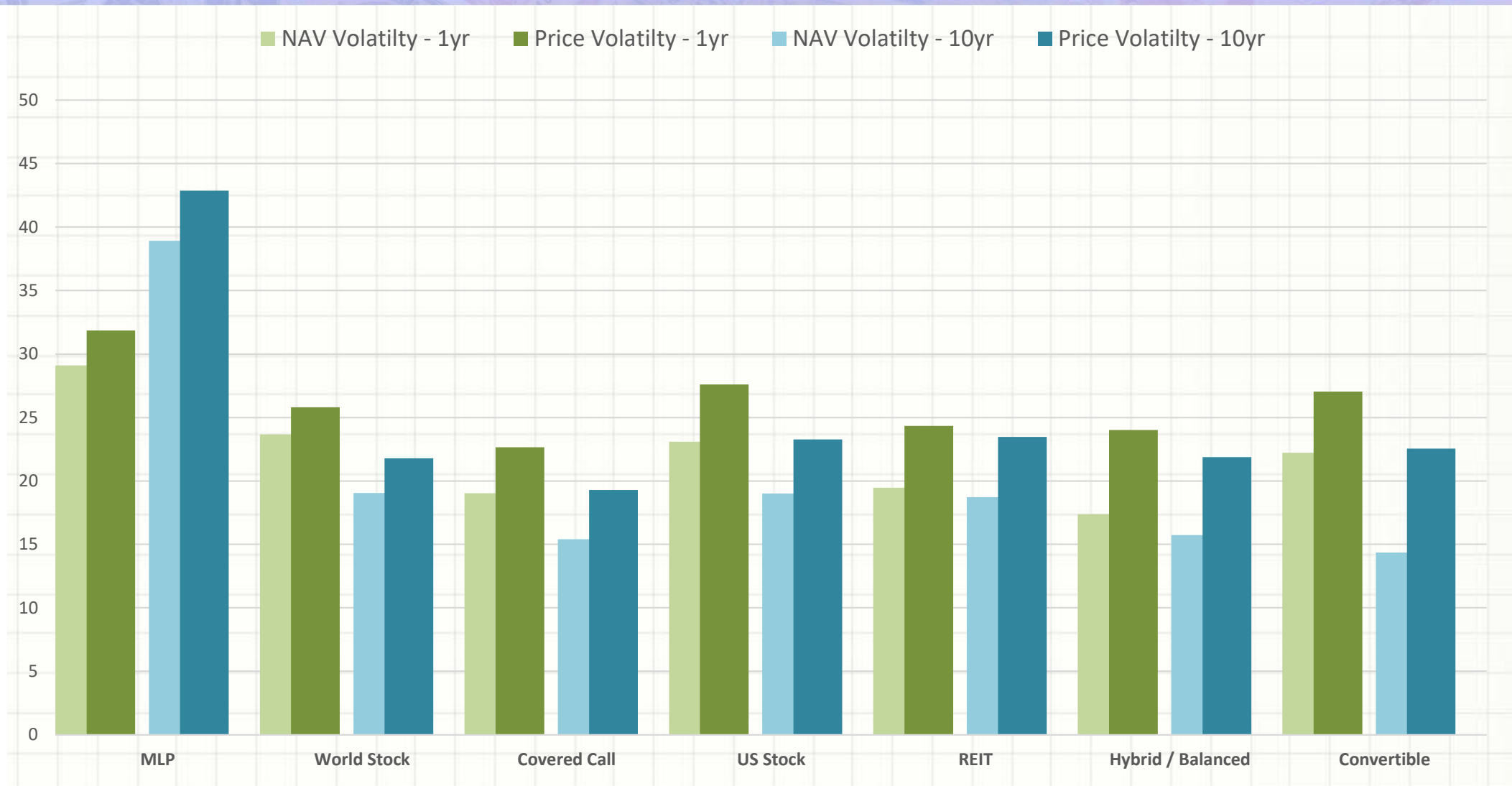


# Destructive Return of Capital (1YR DRoC)



Fund Group	RoC%	Funds with Destructive RoC		Avg Destructive RoC %	1Yr NAV TR vs NAV Yield	3Yr NAV TR vs NAV Yield
		#	%			
US Equity	21%	15	54%	39%	-2.8x	-0.4x
Non-US Equity	25%	23	58%	40%	-3.4x	-0.9x
Specialty Equity	31%	50	49%	35%	-1.9x	-1.0x
<b>All Equity CEFs</b>	<b>28%</b>	<b>103</b>	<b>54%</b>	<b>39%</b>	<b>-2.5x</b>	<b>-0.8x</b>
Taxable Bond	17%	88	63%	27%	-2.6x	-1.0x
National Muni	5%	37	48%	11%	-4.7x	-1.6x
State Muni	2%	16	40%	N/A	-5.1x	-1.9x
<b>All Bond CEFs</b>	<b>11%</b>	<b>141</b>	<b>55%</b>	<b>21%</b>	<b>-3.3x</b>	<b>-1.3x</b>
<b>Average – All CEFs</b>	<b>18%</b>	<b>244</b>	<b>54%</b>	<b>28%</b>	<b>-2.9x</b>	<b>-1.1x</b>

# NAV vs Market Price Volatility: Equity CEF Sectors

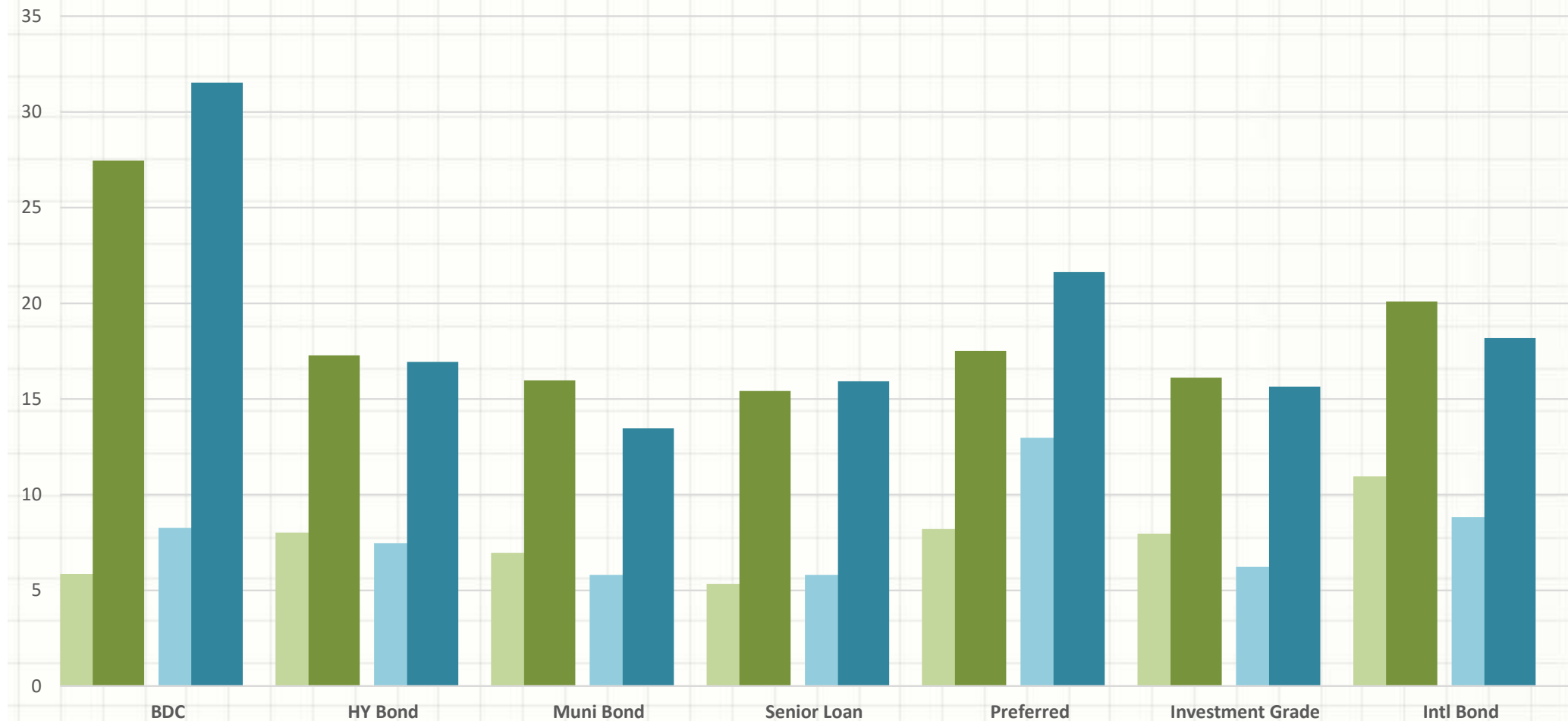


Source: Sept 30, 2022 – CEFData.com

# NAV vs Market Price Volatility: Fixed Income Sectors



NAV Volatility - 1yr   Price Volatility - 1yr   NAV Volatility - 10yr   Price Volatility - 10yr



Source: Sept 30, 2022 – CEFData.com

# CEF Liquidity Trends – 3Q 2022



Fund Grouping	Avg Liq - 3Q'22	Avg Liq - 3Q'21	% Y/Y Change
Convertible	\$ 1,009.79	\$ 1,382.47	-27%
Covered Call	\$ 1,723.93	\$ 2,076.70	-17%
High Yield Bond	\$ 777.45	\$ 1,236.19	-37%
International Bond	\$ 822.75	\$ 1,530.12	-46%
Investment Grade	\$ 788.18	\$ 1,384.74	-43%
MLP	\$ 949.60	\$ 871.23	9%
Municipal Bond	\$ 974.10	\$ 795.91	22%
Preferred Stock	\$ 1,181.53	\$ 1,190.74	-1%
Real Estate / REIT	\$ 1,166.79	\$ 1,781.06	-34%
Senior Loan	\$ 854.88	\$ 1,704.33	-50%
Hybrid / Balanced	\$ 1,255.17	\$ 1,464.43	-14%
US Stock	\$ 2,224.12	\$ 2,403.24	-7%
World Stock	\$ 514.07	\$ 648.84	-21%
<b>Average Equity CEF</b>	<b>\$ 1,549.17</b>	<b>\$ 1,680.63</b>	<b>-8%</b>
<b>Average Bond CEF</b>	<b>\$ 1,042.62</b>	<b>\$ 1,226.04</b>	<b>-15%</b>
<b>Average BDC</b>	<b>\$ 4,124.32</b>	<b>\$ 4,538.49</b>	<b>-9%</b>
<b>Average - ALL CEFs</b>	<b>\$ 1,546.31</b>	<b>\$ 1,690.36</b>	<b>-9%</b>

# Traditional CEFs: NAV – Market Price Correlation



Fund Grouping	Correlation 3Q 22	Correlation 2Q 22	Chg in Correlation
US Equity	84.94%	89.36%	-4.42%
Non-US Equity	94.28%	95.76%	-1.48%
Specialty Equity	92.96%	95.10%	-2.14%
<i>Equity CEF Avg</i>	<i>91.90%</i>	<i>94.47%</i>	<i>-2.57%</i>
Taxable Bond	84.49%	90.66%	-6.17%
National Muni Bond	94.71%	82.94%	11.77%
State Muni Bond	90.25%	78.54%	11.71%
<i>Bond CEF Avg</i>	<i>88.45%</i>	<i>86.47%</i>	<i>1.98%</i>
<b>Average – All CEFs</b>	<b>89.92%</b>	<b>89.89%</b>	<b>0.03%</b>

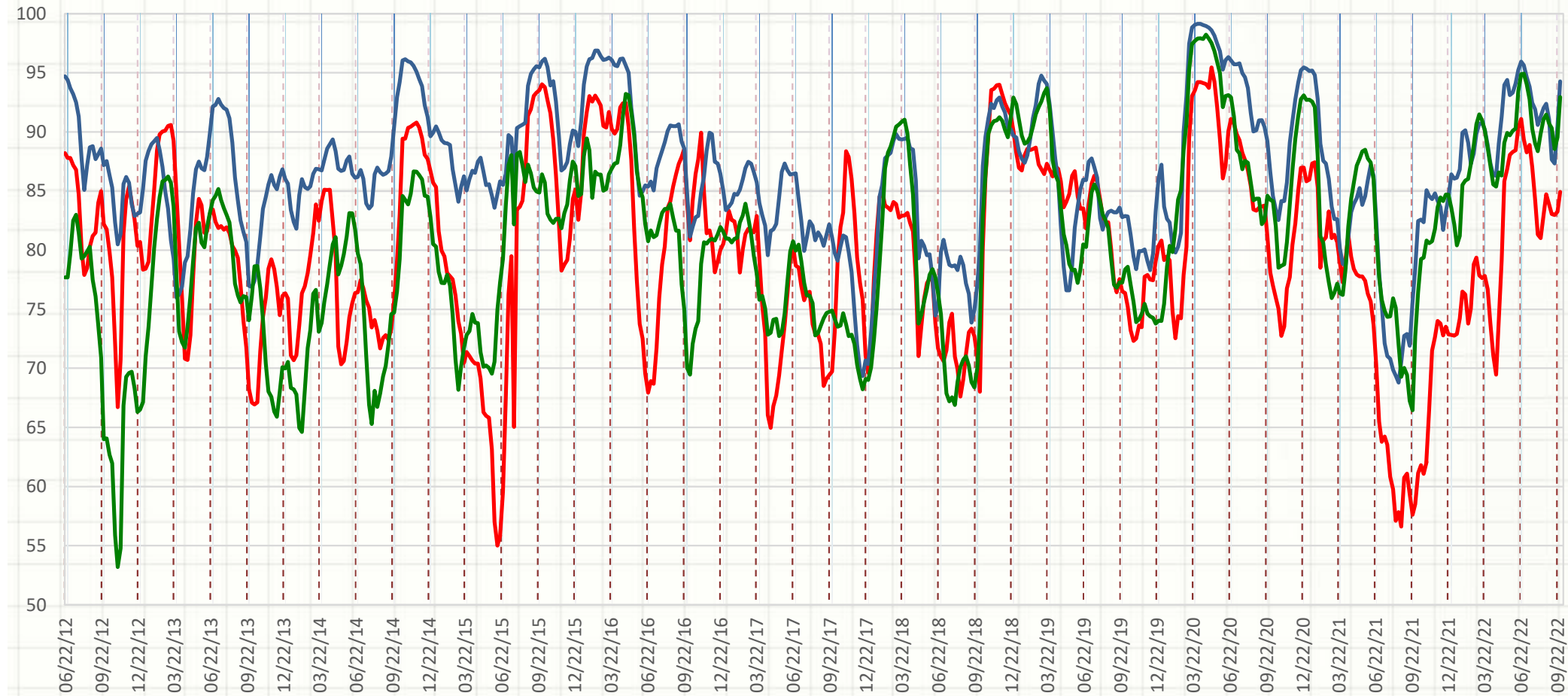


# CEF Market Price/NAV Correlation (Rolling 90 Day)



## Main Peer Groups - 90 Day NAV/Price Correlation June 22, 2012 - September 30, 2022

— US Equity — Non US Equity — Special Equity



Source: Sept 30, 2022 - CEFData.com

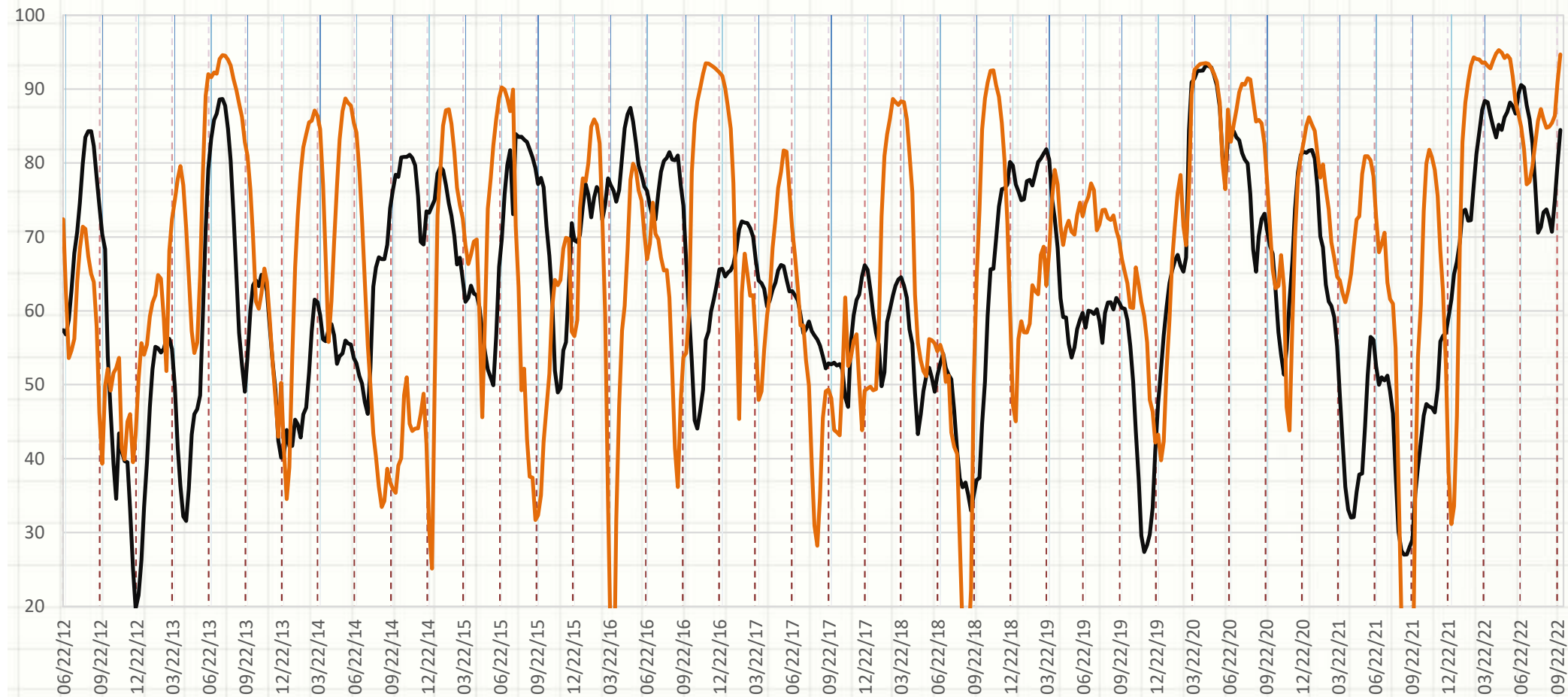


# CEF Market Price/NAV Correlation (Rolling 90 Day)



## Main Peer Groups - 90 Day NAV/Price Correlation June 22, 2012 - September 30, 2022

— Taxable Bond — Nat Muni Bond



Source: Sept 30, 2022 - CEFData.com



# CEF Press Release & SEC Filings Summary (2,039 CEF & BDC PRs in 3Q22)



Announcement Type	3Q 2022	2021	2020	2019	2018	2017	Avg/Q
Rights Issue / Offering	3	28	11	18	26	16	5
Secondary Offering (CEFs)	1	7	3	1	1	1	1
Secondary Offering (BDCs)	6	6	1	8	5	17	2
Tender Offer	3	41	39	23	17	46	8
Distribution Policy Change (CEFs)	4	12	13	18	18	12	4
Distribution Policy Change (BDCs)	1	0	3	0	0	1	0
13 Filings (Traditional CEF)	50	208	575	282	207	700	95
New N-2 Filings	13	61	46	37	66	133	17
Updated N-2 Filings	49	171	155	154	259	221	46
Director Change	12	56	34	85	79	18	14
Portfolio Manager Change	5	40	41	47	60	52	12
Leverage Amount / Type Change	16	365	109	70	149	118	38



# 3Q22 CEF & BDC Distribution Increases vs. Decreases



5.6% of announcements "Big Cuts"

Distribution Announcement	3Q 2022 Number of Announcements	3Q 2022 Average Change	3Q '21 – 2Q '22 Number of Announcements	3Q '21 – 2Q '22 Average Change
<b>Dividend Maintains</b>	1,033 (84.7%)	N/A	4,179 (87.3%)	N/A
<b>Dividend Increases</b>	71 (6.0%)	+9.43%	253 (5.3%)	+12.94%
<b>Dividend Decreases</b>	110 (9.3%)	-8.07%	353 (7.4%)	-6.47%
<b>Under 5% Increase</b>	34 (48%)	+2.52%	107 (42%)	+1.91%
<b>Over 5% Increase</b>	37 (52%)	+15.78%	146 (58%)	+21.02%
<b>Under 5% Decrease</b>	44 (40%)	-2.33%	211 (60%)	-2.03%
<b>Over 5% Decrease</b>	66 (60%)	-11.90%	142 (40%)	-13.06%

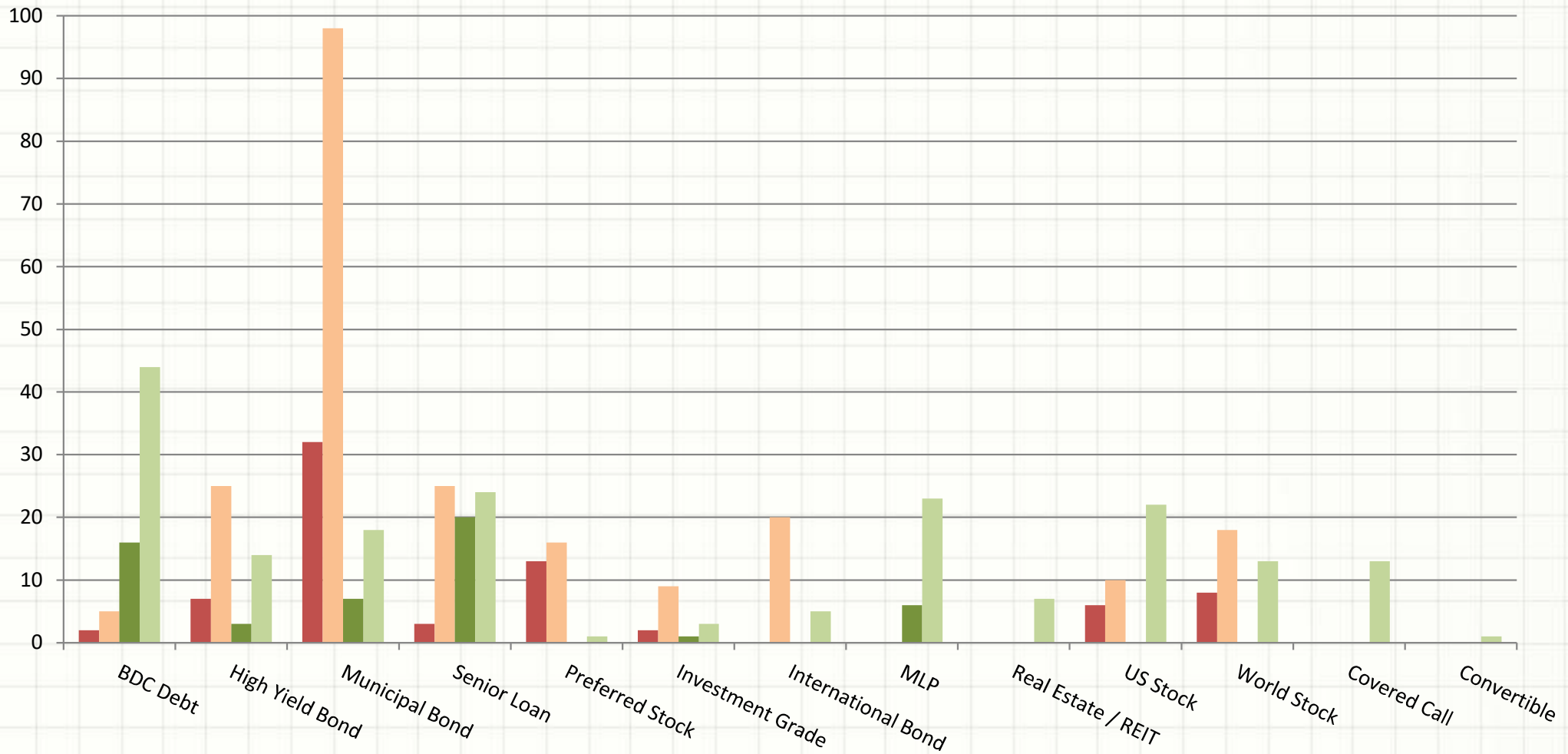


# 3Q22 CEF & BDC Distribution Changes by Sector



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

■ Last Q Decreases   ■ Previous 1 Yr Rolling Decreases   ■ Last Q Increases   ■ Previous 1 Yr Rolling Increases



# CEF Distribution Lookback (Policies NOT Promises)



## 3 Year Dividend Growth (1.9 : 1 Negative Ratio)

- 204 funds (45%) had negative 3-year growth (average -22%)
- 108 funds (24%) had positive 3-year growth (average +17%)

## 2 Year Lookback (1 : 1 Ratio)

- 270 funds changed their dividend policy in the past 2 years (60% of funds)
- 136 cut (50%) an average of -12%, while 134 (50%) raised by an average of 14%
- 164 of these funds have “level” or “managed distributions”
  - 70 of those were cut an average -12%
  - 94 were increased an average of +14%

## 1 Year Lookback (1.1 : 1 Negative Ratio)

- 128 increases vs 144 decreases
- 43 had BOTH increases and decreases in the past year

*Source: CEFADData.com, as of September 30, 2022*

# CEF & BDC IPOs – Annual Trend

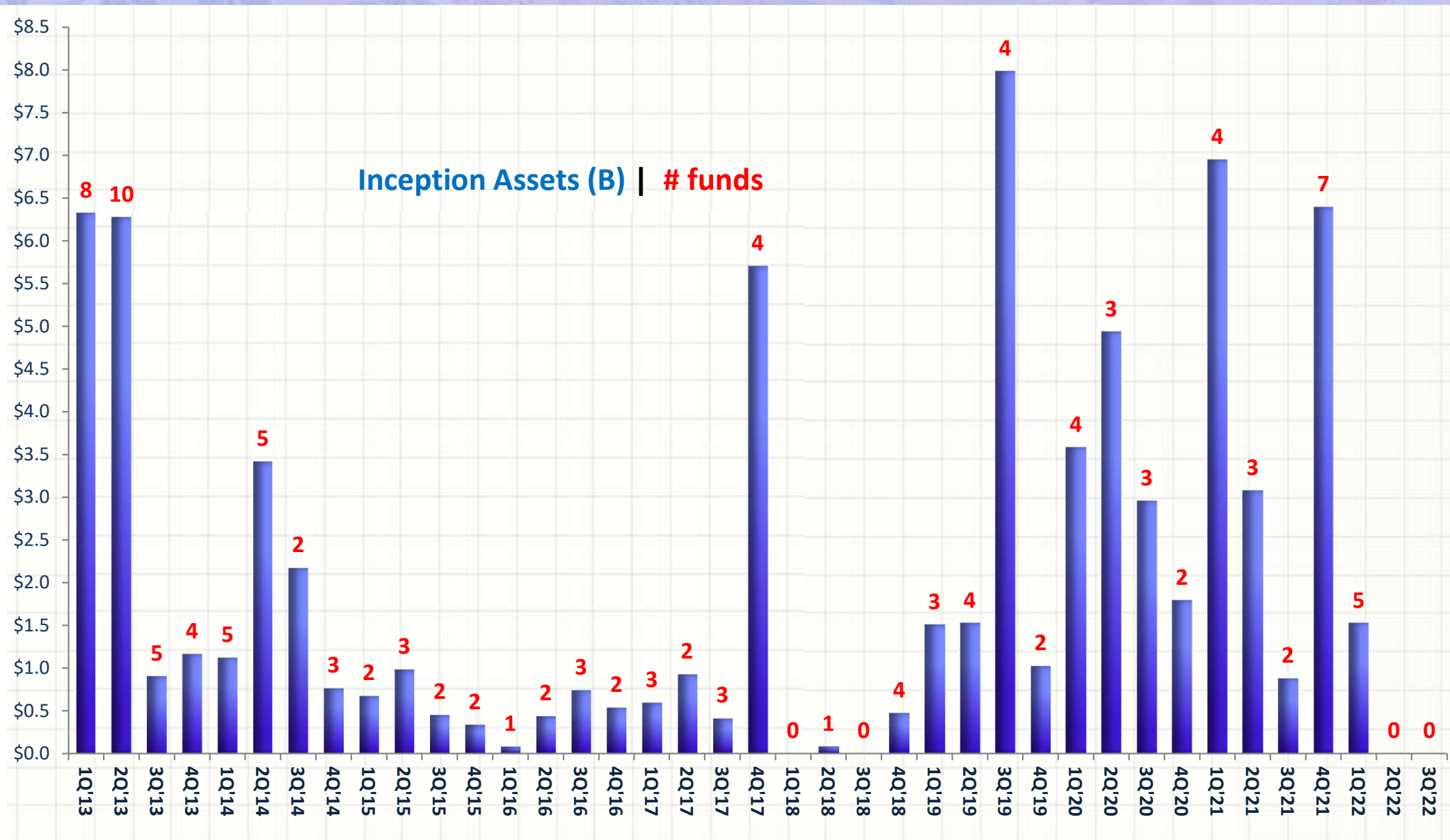


	2022 YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Number of IPOs</b>											
CEF	4	12	10	12	4	11	8	8	9	25	23
BDC	1	4	2	1	1	2	0	1	6	2	5
<b>TOTAL</b>	<b>5</b>	<b>16</b>	<b>12</b>	<b>13</b>	<b>5</b>	<b>13</b>	<b>8</b>	<b>9</b>	<b>15</b>	<b>27</b>	<b>28</b>
<b>Average Assets (\$ Millions)</b>											
CEF	\$361	\$1,254	\$852	\$429	\$80	\$294	\$225	\$291	\$469	\$580	\$517
BDC	\$83	\$561	\$2,368	\$6,890	\$152	\$2,852	\$0	\$120	\$543	\$90	\$96
<b>AVERAGE</b>	<b>\$361</b>	<b>\$1,653</b>	<b>\$1,105</b>	<b>\$926</b>	<b>\$94</b>	<b>\$646</b>	<b>\$225</b>	<b>\$272</b>	<b>\$498</b>	<b>\$543</b>	<b>\$442</b>
<b>Total IPO Assets (\$ Millions)</b>											
CEF	\$1,442	\$15,050	\$8,525	\$5,148	\$319	\$3,239	\$1,799	\$2,327	\$4,218	\$14,488	\$11,891
BDC	\$83	\$2,245	\$4,736	\$6,890	\$152	\$5,163	\$0	\$120	\$3,257	\$180	\$480
<b>TOTAL</b>	<b>\$1,525</b>	<b>\$17,295</b>	<b>\$13,261</b>	<b>\$12,038</b>	<b>\$471</b>	<b>\$8,402</b>	<b>\$1,799</b>	<b>\$2,447</b>	<b>\$7,475</b>	<b>\$14,668</b>	<b>\$12,371</b>

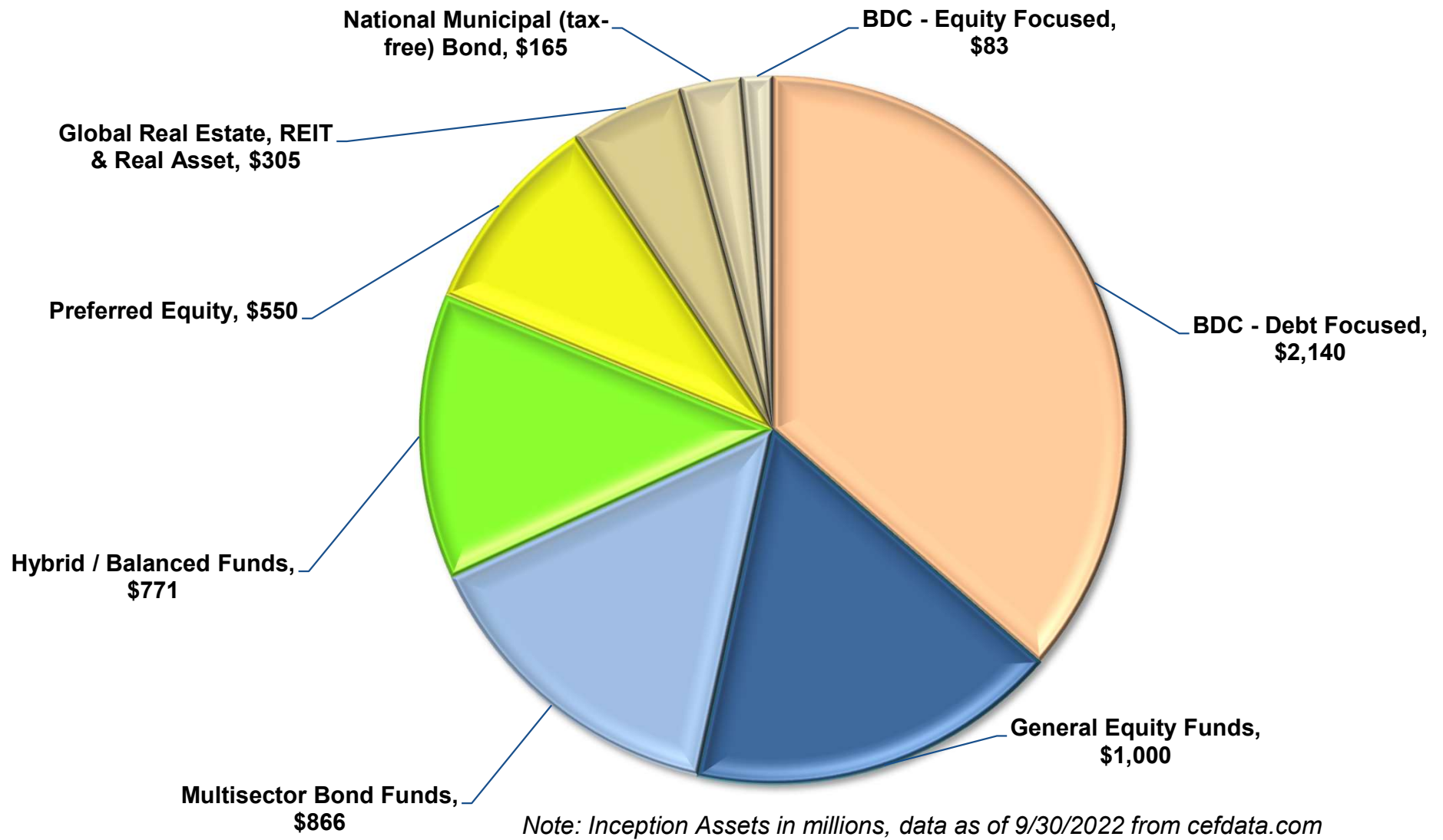
**10 Year Average: 15 funds per year, \$640 MM avg fund assets, \$9.0 B avg raised per year**

Source: SEC Filings, Press Releases

# CEF & BDC IPOs – Quarterly Trend



# CEF & BDC IPOs – By Investment Strategy (L4Q)



# 2022 IPO Details (pt 1 of 2)



## **Destra Multi-Alternative Fund (DMA)** – *Hybrid / Balanced Funds*

IPOed on January 13, 2022

IPO Price: \$12.00

Price as of 9/30/22 : \$6.50

IPO Assets: \$106M

Disc/Prm as of 9/30/22: -39.42%

## **PIMCO Access Income Fund (PAXS)** – *Multisector Bond Funds*

IPOed on January 27, 2022

IPO Price: \$20.00

Price as of 9/30/22 : \$15.85

IPO Assets: \$866M

Disc/Prm as of 9/30/22: -5.43%

## **RiverNorth Managed Duration Municipal Income Fund II (RMMZ)** – *National Municipal (tax-free) Bond*

IPOed on February 11, 2022

IPO Price: \$20.00

Price as of 9/30/22 : \$15.33

IPO Assets: \$165M

Disc/Prm as of 9/30/22: -7.54%

# 2022 IPO Details (pt 2 of 2)



## **Silver Spike Investment Corp (SSIC) – *BDC - Equity Focused***

IPOed on February 4, 2022

IPO Price: \$14.00

Price as of 9/30/22 : \$10.00

IPO Assets: \$83M

Disc/Prm as of 9/30/22: -26.69%

## **Cohen & Steers Real Estate Opportunities and Income Fund (RLTY) – *Global Real Estate, REIT & Real Asset***

IPOed on February 24, 2022

IPO Price: \$20.00

Price as of 9/30/22 : \$13.37

IPO Assets: \$305M

Disc/Prm as of 9/30/22: -12.10%



# Recent IPOs (last 12 quarters) Current Discount / Premium



## Traditional CEFs

## BDCs

IPO Date	Ticker	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
3Q 2020	ASGI	-16.20%	\$15.73	\$20.00	78.65%
	NDMO	-3.75%	\$10.28	\$15.00	68.53%
	BCAT	-17.57%	\$13.61	\$20.00	68.05%
4Q 2020	PTA	-10.97%	\$18.10	\$25.00	72.40%
	SDHY	-12.64%	\$14.37	\$20.00	71.85%
1Q 2021	PDO	-9.35%	\$13.19	\$20.00	65.95%
	RFMZ	-10.59%	\$13.25	\$20.00	66.25%
	BIGZ	-18.95%	\$7.27	\$20.00	36.35%
2Q 2021	NPCT	-16.07%	\$10.24	\$20.00	51.20%
	NBXG	-17.70%	\$9.44	\$20.00	47.20%
	WDI	-15.34%	\$12.58	\$20.00	62.90%
3Q 2021	TBLD	-14.90%	\$12.74	\$20.00	63.70%
	MIO	-13.26%	\$10.14	\$20.00	50.70%
	ECAT	-19.48%	\$12.81	\$20.00	64.05%
4Q 2021	MEGI	-15.57%	\$12.36	\$20.00	61.80%
	GUG	-15.14%	\$12.89	\$20.00	64.45%
	NPFD	-9.20%	\$17.46	\$25.00	69.84%
1Q 2022	DMA	-39.42%	\$6.50	\$12.00	54.17%
	PAXS	-5.43%	\$15.85	\$20.00	79.25%
	RMMZ	-7.54%	\$15.33	\$20.00	76.65%
	RLTY	-12.10%	\$13.37	\$20.00	66.85%

IPO Date	Ticker	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
1Q 2021	TRIN	-14.30%	\$12.53	\$14.00	89.50%
3Q 2021	CION	-46.51%	\$8.50	\$11.85	71.73%
	RWAY	-19.59%	\$11.37	\$14.60	77.88%
	BXSL	-12.17%	\$22.74	\$26.15	86.96%
1Q 2022	SSIC	-26.69%	\$10.00	\$14.00	71.43%

12 Quarters Avg: 64% of IPO Price & CEFs @ Avg -14.34% Discount



# Closed-End Fund Mergers



Reasons to merge: lower expense ratios (scale), increased liquidity, lower fund leverage costs

Avg ~21 per year

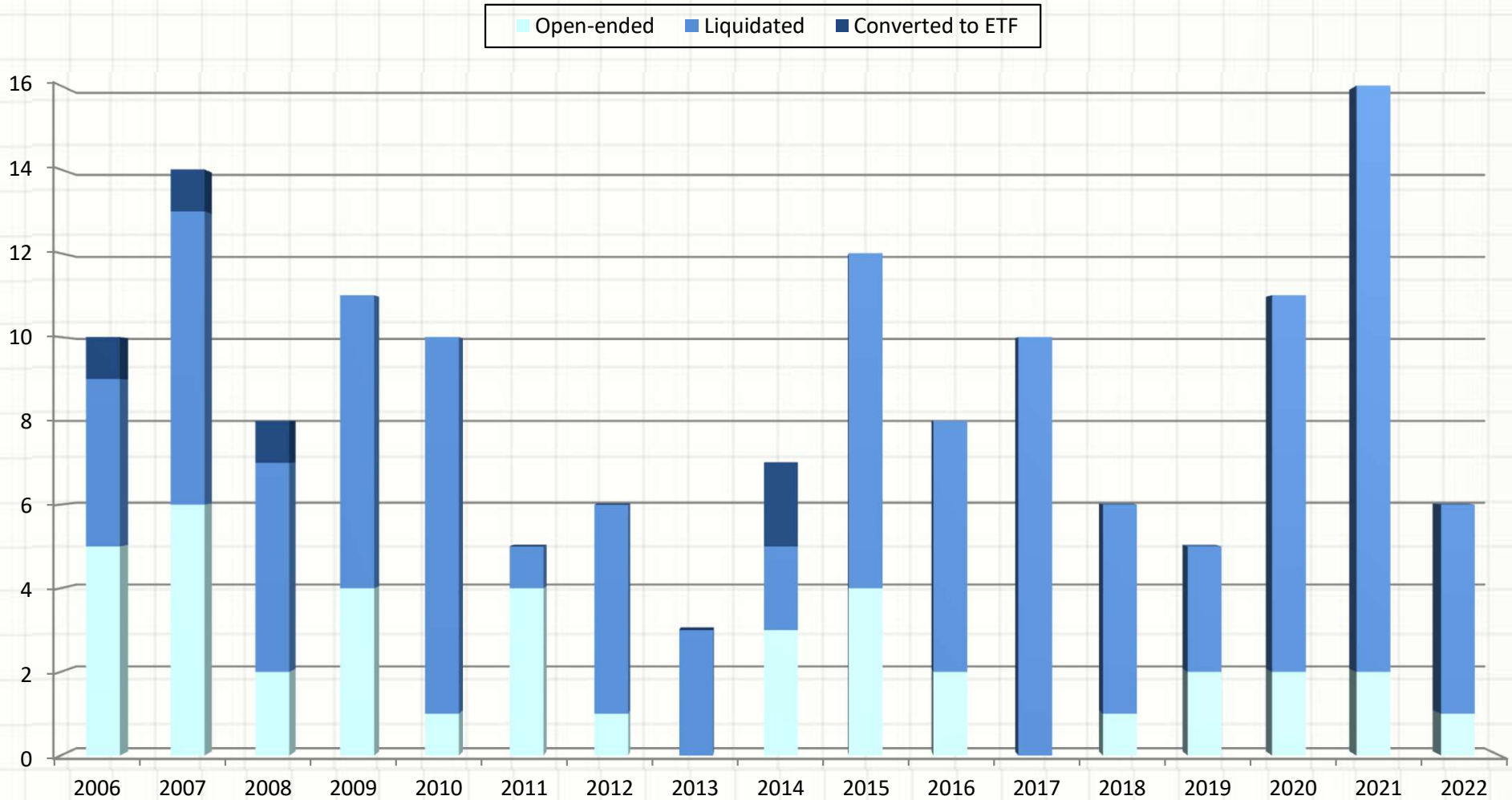
Closed-End Funds Merged into Other Closed-End Funds (Sept 2022)



# Closed-End Fund Deaths Open-Ending, Liquidation & Conversion



CEF Funds Open-Ended, Liquidated or Converted to ETF



# CEF / BDC Index Performance (pt 1 of 2)



## Diversified Indexes

Index	Current(\$)		Previous Day(%)		1 Week(%)		1 Month(%)		3 Month(%)		6 Month(%)		1 Year(%)		3 Year(%)		5 Year(%)		10 Year(%)		MTD(%)		QTD(%)		YTD(%)	
	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV
<u>1. 15 Major CEF Sectors Index</u>	1,264.93	1,280.50	0.49	0.15	-2.67	-1.78	-12.76	-7.47	-6.90	-3.73	-21.08	-15.56	-20.84	-15.31	0.33	1.77	2.33	3.32	4.69	5.25	-12.76	-7.47	-6.90	-3.73	-23.73	-17.69
<u>2. High Income Index</u>	1,094.24	1,123.24	1.11	0.33	-2.14	-1.15	-13.08	-6.68	-7.19	-3.74	-21.24	-15.49	-20.81	-15.03	-3.04	-1.29	-1.07	0.55	2.31	3.33	-13.08	-6.68	-7.19	-3.74	-22.53	-16.90
<u>3. Equity Income Index</u>	1,408.13	1,283.79	0.63	0.05	-1.26	-1.51	-11.87	-9.48	-7.23	-6.11	-20.75	-19.07	-15.76	-13.96	3.39	2.59	3.38	2.76	5.51	4.95	-11.87	-9.48	-7.23	-6.11	-20.46	-18.64
<u>4. 60/40 Balanced (w/ BDCs) Index</u>	1,350.57	1,316.29	0.46	0.04	-1.85	-1.50	-11.64	-7.51	-6.98	-4.47	-20.95	-16.59	-20.66	-16.22	1.61	2.30	2.82	3.20	5.53	5.69	-11.64	-7.51	-6.98	-4.47	-23.71	-18.91
<u>5. Tax-Advantaged Equity Dividend Index</u>	1,482.51	1,330.82	0.76	-0.16	-1.77	-1.69	-12.01	-9.50	-7.09	-6.52	-19.15	-19.13	-15.76	-16.09	4.50	3.61	4.32	3.30	7.29	5.95	-12.01	-9.50	-7.09	-6.52	-21.31	-21.37
<u>6. Tax-Sensitive Income Index</u>	1,131.07	1,098.23	0.26	-0.10	-1.59	-2.16	-11.19	-9.23	-6.57	-5.95	-16.55	-16.30	-10.17	-8.86	-0.73	-0.67	0.71	1.01	2.23	2.57	-11.19	-9.23	-6.57	-5.95	-13.86	-12.48
<u>7. Taxable Bond &amp; BDC Index</u>	1,140.73	1,164.65	0.80	0.33	-2.46	-1.80	-11.26	-5.69	-6.73	-3.11	-18.49	-12.90	-23.77	-16.57	-2.89	-1.25	0.50	1.33	2.77	3.60	-11.26	-5.69	-6.73	-3.11	-24.15	-16.98
<u>8. Discount CEF/BDC Index</u>	1,539.49	1,132.19	0.35	-0.03	-2.68	-1.52	-11.76	-7.34	-6.74	-5.89	-19.61	-16.38	-18.28	-16.30	6.79	-0.80	6.37	1.01	7.09	3.53	-11.76	-7.34	-6.74	-5.89	-19.96	-16.55
<u>9. Premium CEF/BDC Index</u>	776.10	1,302.26	1.07	0.07	-2.84	-1.41	-11.57	-6.71	-8.90	-3.52	-25.86	-16.40	-30.90	-16.56	-12.28	1.37	-6.32	3.63	-1.23	5.51	-11.57	-6.71	-8.90	-3.52	-32.24	-19.59
<u>10. All Sector Equity CEF Index</u>	1,454.79	1,336.52	0.43	-0.10	-1.33	-1.40	-11.68	-9.13	-7.31	-6.17	-21.86	-19.55	-19.23	-17.40	3.30	2.74	3.49	2.98	6.21	5.56	-11.68	-9.13	-7.31	-6.17	-23.46	-21.19
<u>11. Alternative Income Index</u>	1,215.19	1,272.87	0.78	0.22	-2.08	-1.64	-12.07	-6.92	-7.48	-4.26	-19.55	-14.20	-17.53	-12.11	-1.33	1.41	1.14	3.02	4.25	5.31	-12.07	-6.92	-7.48	-4.26	-20.24	-14.56

## Equity Sector Indexes

Index	Current(\$)		Previous Day(%)		1 Week(%)		1 Month(%)		3 Month(%)		6 Month(%)		1 Year(%)		3 Year(%)		5 Year(%)		10 Year(%)		MTD(%)		QTD(%)		YTD(%)	
	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV
<u>1. International Equity Index</u>	1,231.77	1,149.94	0.51	0.77	-2.22	-1.12	-10.48	-9.13	-13.73	-11.38	-26.20	-23.51	-31.60	-30.36	-1.39	-1.58	-1.07	-1.43	2.72	2.21	-10.48	-9.13	-13.73	-11.38	-28.11	-26.71
<u>2. US Equity Index</u>	1,619.98	1,508.90	0.23	-0.79	-1.95	-1.45	-11.35	-8.03	-4.69	-4.94	-21.51	-18.88	-19.25	-17.83	5.41	4.96	6.51	5.76	9.60	8.53	-11.35	-8.03	-4.69	-4.94	-24.67	-22.16
<u>3. Global Equity Index</u>	1,480.53	1,371.41	0.23	-0.25	-1.39	-1.28	-11.49	-8.78	-7.39	-6.22	-22.97	-20.04	-22.62	-20.75	3.10	2.78	3.52	3.12	6.74	6.04	-11.49	-8.78	-7.39	-6.22	-26.40	-23.71
<u>4. Covered Call / Option Funds Index</u>	1,498.87	1,382.20	0.17	-0.52	-2.71	-1.50	-12.42	-8.53	-4.70	-5.66	-19.70	-18.83	-17.80	-17.35	3.80	3.44	4.77	4.14	7.58	6.33	-12.42	-8.53	-4.70	-5.66	-23.63	-22.56
<u>5. Global Real Estate, REIT &amp; Real Asset Index</u>	1,233.78	1,153.63	2.35	1.64	-2.26	-3.86	-18.51	-14.07	-14.14	-11.62	-29.97	-27.77	-22.66	-21.33	-5.20	-4.48	1.12	1.03	5.22	5.19	-18.51	-14.07	-14.14	-11.62	-32.91	-30.21
<u>6. Utilities / Infrastructure Index</u>	1,513.70	1,310.50	-0.51	-0.81	-4.09	-6.59	-14.01	-14.05	-8.17	-10.92	-16.27	-19.99	-8.18	-8.17	0.58	-0.33	4.73	2.88	7.51	6.33	-14.01	-14.05	-8.17	-10.92	-13.95	-15.79
<u>7. Master Limited Partnership (MLP) Fund Index</u>	602.48	607.31	-1.21	-0.81	0.20	-0.99	-12.12	-12.23	1.44	0.74	-8.49	-11.27	17.06	13.24	-11.19	-10.79	-9.41	-8.19	-6.54	-5.41	-12.12	-12.23	1.44	0.74	14.18	10.59
<u>8. Preferred Equity Index</u>	1,177.01	1,228.55	1.09	0.38	-1.08	-2.80	-9.78	-6.21	-6.20	-2.00	-17.19	-12.94	-23.86	-16.63	-4.69	-1.27	0.49	1.73	4.73	5.56	-9.78	-6.21	-6.20	-2.00	-23.73	-17.20
<u>9. Hybrid / Balanced Fund Index</u>	1,327.48	1,262.38	0.53	-0.19	-2.51	-2.01	-13.56	-9.05	-8.75	-6.25	-24.21	-19.95	-26.04	-20.98	-1.21	1.16	1.55	2.30	6.29	5.76	-13.56	-9.05	-8.75	-6.25	-27.30	-23.28

Note: Returns annualized beyond 1 year  
Source: CEFData.com as of Sept 30, 2022



# CEF / BDC Index Performance (pt 2 of 2)



## Taxable Bond Sector Indexes

Index	Current(\$)		Previous Day(%)		1 Week(%)		1 Month(%)		3 Month(%)		6 Month(%)		1 Year(%)		3 Year(%)		5 Year(%)		10 Year(%)		MTD(%)		QTD(%)		YTD(%)	
	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV
<u>1. Debt-Focused Business Development Company (BDC) Index</u>	1,286.94	1,599.83	1.40	0.73	-5.42	0.81	-15.44	1.14	-7.80	0.08	-22.02	2.21	-14.53	10.05	3.34	9.55	4.06	8.68	5.36	8.72	-15.44	1.14	-7.80	0.08	-18.65	5.82
<u>2. BDC Baby Bond / Debt Index</u>	1,358.63	N/A	1.33	N/A	0.42	N/A	-0.77	N/A	0.02	N/A	-1.54	N/A	-0.47	N/A	4.41	N/A	5.15	N/A	N/A	N/A	-0.77	N/A	0.02	N/A	-1.30	N/A
<u>3. High Yield Bond Index</u>	1,111.52	1,096.24	0.25	0.40	-2.28	-1.80	-9.41	-5.60	-3.92	-1.17	-17.61	-14.35	-23.53	-17.97	-2.56	-2.28	0.25	0.30	2.27	3.61	-9.41	-5.60	-3.92	-1.17	-24.45	-17.96
<u>4. Senior Loan Index</u>	1,102.29	1,133.89	0.64	0.44	0.54	-1.34	-5.74	-4.19	-1.33	0.56	-14.38	-8.40	-14.25	-8.11	1.11	0.37	1.45	1.79	2.69	3.55	-5.74	-4.19	-1.33	0.56	-16.29	-8.56
<u>5. Convertible Bond Index</u>	1,412.11	1,379.69	-0.53	-0.40	-4.72	-1.96	-15.21	-9.50	-7.17	-2.42	-26.54	-23.83	-32.58	-29.80	1.47	3.15	3.44	4.49	5.51	5.89	-15.21	-9.50	-7.17	-2.42	-34.34	-29.10
<u>6. Investment Grade Bond Index</u>	1,065.92	1,092.79	0.80	0.16	-1.92	-1.84	-10.05	-5.85	-7.43	-4.64	-16.74	-13.58	-26.68	-20.15	-5.59	-3.41	-0.94	-0.00	1.38	2.28	-10.05	-5.85	-7.43	-4.64	-26.40	-19.91
<u>7. Multisector Bond Fund Index</u>	1,168.10	1,201.27	0.71	0.11	-2.49	-2.00	-10.26	-5.51	-5.84	-2.96	-15.75	-12.74	-21.27	-16.20	-3.75	-1.58	-0.01	1.20	4.05	5.09	-10.26	-5.51	-5.84	-2.96	-20.72	-16.29
<u>8. US Bond Index</u>	1,137.41	1,171.38	0.52	0.29	-1.66	-1.69	-8.91	-4.72	-4.31	-0.80	-16.75	-11.89	-22.18	-14.86	-2.43	-0.63	0.51	1.56	2.94	4.21	-8.91	-4.72	-4.31	-0.80	-23.09	-15.13
<u>9. International Bond Index</u>	865.88	841.38	0.24	0.58	-4.41	-3.04	-11.73	-7.43	-8.68	-5.63	-22.87	-19.25	-31.45	-26.91	-8.98	-8.37	-5.55	-5.46	-1.97	-1.74	-11.73	-7.43	-8.68	-5.63	-28.42	-25.40

## Tax-Free Bond Sector Indexes

Index	Current(\$)		Previous Day(%)		1 Week(%)		1 Month(%)		3 Month(%)		6 Month(%)		1 Year(%)		3 Year(%)		5 Year(%)		10 Year(%)		MTD(%)		QTD(%)		YTD(%)	
	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV	Price	NAV
<u>1. National Municipal Bond Index</u>	1,016.06	1,042.10	0.17	0.22	-2.28	-2.02	-10.12	-7.35	-9.80	-6.98	-16.88	-13.80	-27.23	-21.08	-5.79	-4.63	-1.26	-0.52	1.19	2.21	-10.12	-7.35	-9.80	-6.98	-28.80	-22.31
<u>2. High Yield Municipal Index</u>	984.54	1,042.65	-0.40	0.09	-3.64	-2.37	-13.06	-9.18	-10.89	-7.91	-20.04	-16.52	-28.80	-23.32	-7.69	-4.72	-2.24	-0.49	1.14	2.52	-13.06	-9.18	-10.89	-7.91	-29.67	-24.68
<u>3. Term Municipal Fund Index</u>	1,000.80	1,020.58	-0.30	0.28	-1.91	-1.91	-9.79	-6.77	-7.91	-5.43	-15.44	-12.89	-24.26	-19.82	-4.80	-3.70	-0.89	-0.38	1.03	1.40	-9.79	-6.77	-7.91	-5.43	-25.08	-21.08
<u>4. California Municipal Index</u>	1,007.04	1,019.64	-0.14	0.20	-2.21	-2.00	-9.39	-7.42	-8.16	-6.79	-14.14	-14.04	-26.31	-21.46	-5.36	-5.23	-1.55	-0.85	1.58	2.14	-9.39	-7.42	-8.16	-6.79	-26.19	-22.53
<u>5. New York Municipal Index</u>	956.89	992.95	0.36	0.16	-1.56	-1.88	-9.07	-6.70	-8.98	-6.84	-16.80	-13.47	-26.54	-20.64	-6.88	-5.45	-2.40	-1.36	0.29	1.45	-9.07	-6.70	-8.98	-6.84	-26.91	-21.89
<u>6. State Municipal Index (Non NY/CA)</u>	1,121.31	1,029.54	0.55	0.12	-1.67	-1.91	-9.51	-6.85	-6.50	-6.55	-11.53	-12.90	-20.50	-19.42	-1.68	-4.48	0.95	-0.53	1.74	1.58	-9.51	-6.85	-6.50	-6.55	-22.84	-20.67

Note: Returns annualized beyond 1 year  
Source: CEFDData.com as of Sept 30, 2022

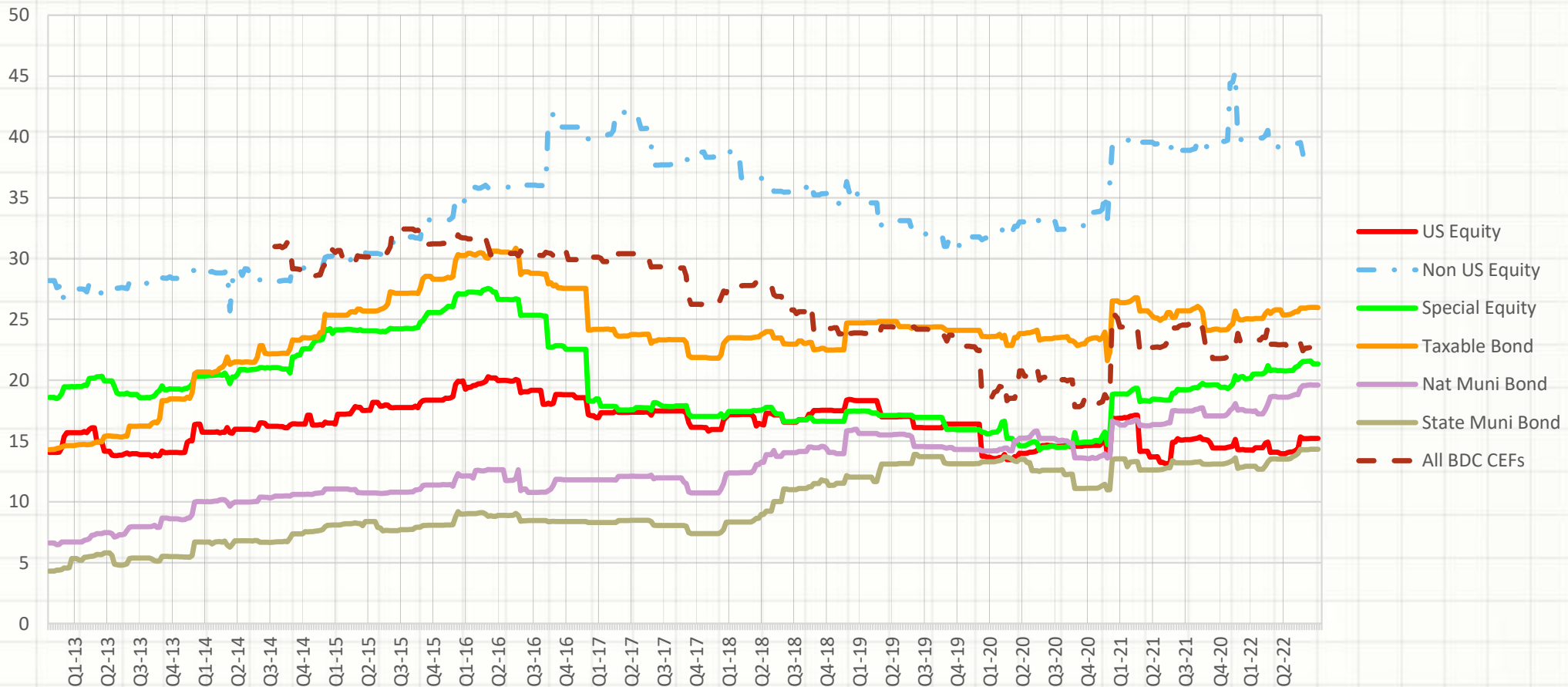


# CEF Institutional Holdings Trend (3Q22)



**Institutional Holdings Trends**      **Increase: 300 funds**  
**Decrease: 147 funds**

**Main Peer Groups - % Shares Owned by Institutions**  
 January '13 - September '22



# Top 5 % Institutional Ownership (per group)



U.S. Equity		Institutions
1	Spl Opp Fd (SPE)	36.4%
2	Royce Micro-Cap Tr (RMT)	31.2%
3	General American Invstr (GAM)	27.9%
4	Royce Val Tr (RVT)	26.1%
5	Gabelli Div & Incm Tr (GDV)	23.6%

Non U.S. Equity		Institutions
1	Taiwan Fund (TWN)	84.7%
2	Japan Sml Caplz Fd (JOF)	77.8%
3	MS China A Shr Fd (CAF)	74.2%
4	Korea Fund (KF)	72.5%
5	abrdn Japan Eq Fd (JEQ)	68.2%

Specialty Equity		Institutions
1	Tortoise Nrg Ind Fd (NDP)	54.5%
2	NB MLP & Nrg Incm Fd (NML)	50.8%
3	ASA Gd & Prcs Mtl (ASA)	48.0%
4	Tortoise Pip & Nrg Fd (TTP)	43.4%
5	Macquarie Gbl Infra Tot Rtn (MGU)	42.7%

Taxable Bond Funds		Institutions
1	BR Enh Govt Fd (EGF)	71.0%
2	Nuv Multi-Mkt Incm Fd (JMM)	63.7%
3	Vertical Capital Incm Fd (VCIF)	59.4%
4	Eagle Point Incm Co (EIC)	57.0%
5	FT Mortg Incm Fd (FMY)	55.6%

National Muni Bond Funds		Institutions
1	WA Imd Muni Fd (SBI)	40.9%
2	DTF Tx-Free Incm 2028 Trm Fd (DTF)	39.2%
3	DWS Muni Incm Tr (KTF)	38.4%
4	AB Nat Muni Incm Fd (AFB)	38.0%
5	Pioneer Muni Hi Incm Fd (MHI)	34.3%

Single State Muni Bond Funds		Institutions
1	BR CA Muni Incm Tr (BFZ)	36.8%
2	EV NY Muni Bnd Fd (ENX)	35.5%
3	Nuv NY AMT-Fr Qlty Muni Incm (NRK)	27.5%
4	Nuv OH Qlty Muni Incm Fd (NUO)	24.2%
5	NB NY Muni Fd (NBO)	23.2%

BDCs		Institutions
1	Runway Gwth Fin Corp (RWAY)	63.3%
2	Bain Cap Splty Fin (BCSF)	50.6%
3	Barings BDC (BBDC)	47.3%
4	Oaktree Splty Lending (OCSL)	44.9%
5	Sixth St Splty Lending (TSLX)	44.1%

Source: CEFData.com as of Sept 30, 2022

# CEF/BDC Institutional Investors (by AUM \$Ms, 3Q22)



1 Morgan Stanley	\$ 8,306	26 Stifel Financial Corp	\$ 423
2 Bank Of America Corp De	\$ 2,432	27 Hennion & Walsh Asset Management, Inc.	\$ 387
3 Ubs Group Ag	\$ 2,049	28 Kohlberg Kravis Roberts Co L P	\$ 383
4 Wells Fargo Company Mn	\$ 1,795	29 Cambridge Investment Research Advisors Inc	\$ 363
5 Rivernorth Capital Management Llc	\$ 1,604	30 State Of New Jersey Common Pension Fund E	\$ 345
6 Sit Investment Associates Inc	\$ 1,501	31 Oaktree Capital Management Lp	\$ 344
7 Royal Bank Of Canada	\$ 1,372	32 Regents Of The University Of California	\$ 334
8 Guggenheim Capital Llc	\$ 1,234	33 Oak Hill Advisors Lp	\$ 323
9 Invesco Ltd	\$ 1,048	34 Penserra Capital Management Llc	\$ 314
10 City Of London Investment Management Co Ltd	\$ 1,026	35 Private Advisor Group Llc	\$ 299
11 Raymond James Associates	\$ 996	36 Blackrock Inc	\$ 289
12 Allspring Global Investments Holdings, Llc	\$ 948	37 Strs Ohio	\$ 287
13 1607 Capital Partners Llc	\$ 942	38 Uss Investment Management Ltd	\$ 285
14 Lpl Financial Llc	\$ 938	39 Janney Montgomery Scott Llc	\$ 280
15 Advisor Group Holdings, Inc.	\$ 746	40 Ares Management Llc	\$ 276
16 Raymond James Financial Services Advisors Inc	\$ 731	41 Hightower Advisors Llc	\$ 276
17 Advisors Asset Management Inc	\$ 729	42 Rockefeller Capital Management L P	\$ 250
18 Van Eck Associates Corp	\$ 692	43 Mcgowan Group Asset Management Inc	\$ 250
19 Lazard Asset Management Llc	\$ 649	44 Mackay Shields Llc	\$ 246
20 Bramshill Investments Llc	\$ 618	45 Deer Park Road Corp	\$ 236
21 Commonwealth Equity Services Llc	\$ 609	46 Legal General Group Plc	\$ 236
22 Ameriprise Financial Inc	\$ 604	47 Cetera Advisor Networks Llc	\$ 234
23 Saba Capital Management L P	\$ 593	48 Relative Value Partners Group Llc	\$ 231
24 Karpus Management Inc	\$ 564	49 Central Trust Co	\$ 216
25 Cohen Steers Inc	\$ 454	50 Two Sigma Advisers Lp	\$ 211

**All 13 Filings = \$62 Billion**

**Top 50 = \$41 Billion (34% of total)**

Source: CEFData.com





# Activists vs Institutional Investors



## Activists:

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

## Followers:

1. Punch & Associates Investment Mgmt
2. Relative Value Partners
3. 1607 Capital Partners LLC
4. Rivernorth Capital Management
5. Matisse Capital
6. SIT Investment Associates
7. DG Capital Management (BDCs)
8. Sims Capital Management (BDCs)

Total Assets at work 9/30/22 - \$3.1 Billion Activist // \$17.4 Billion Followers & Activist

Source: CEFADData.com

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

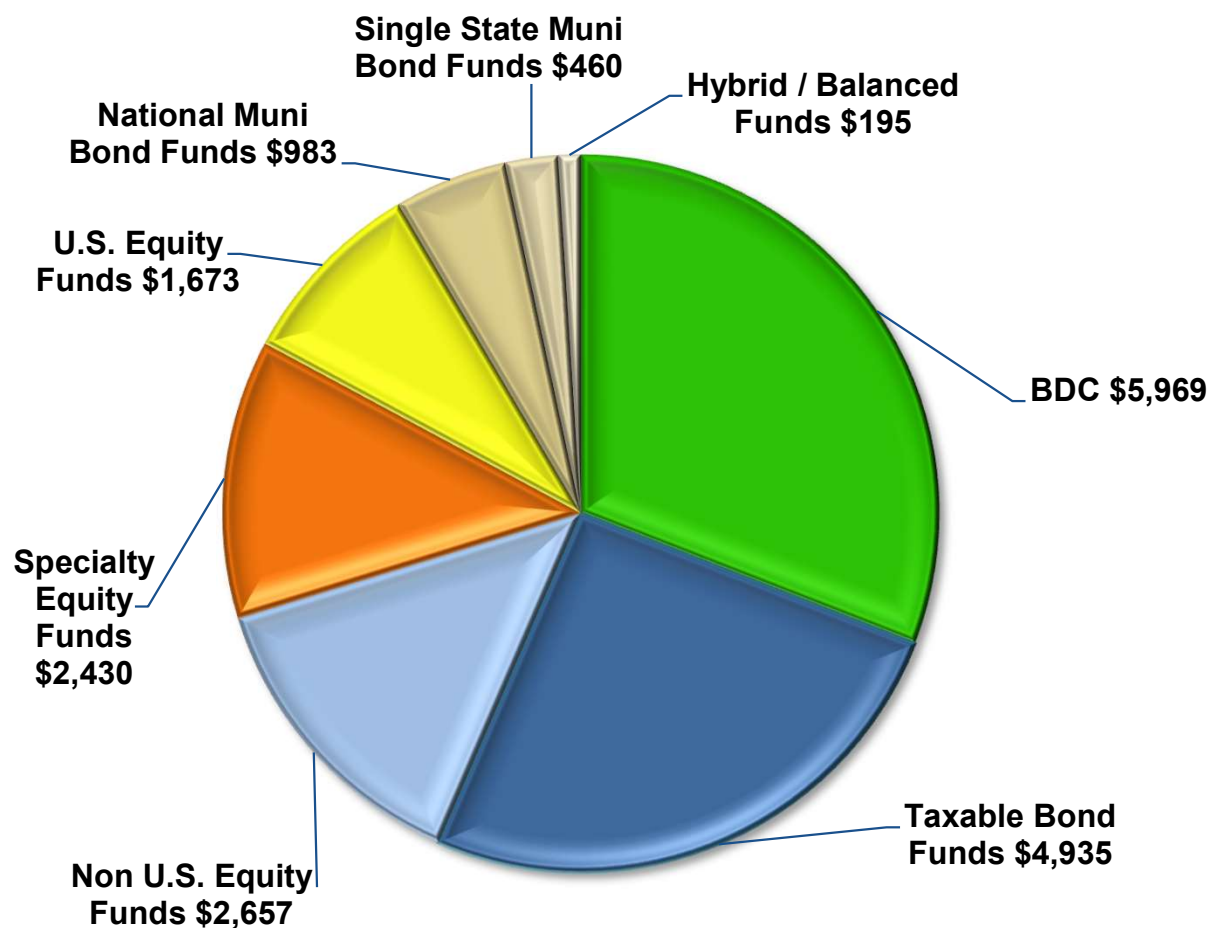


# CEF Corporate Actions/Activist Update 3Q 2022



Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
Sep	13D	Dlw Enh Glbl Div & Incm Fd (DEX)	Bulldog	Liquidation or Conversion proposal if merger into AGD not approved
Sep	13D/A	Putnam Master Intermediate Income Trust (PIM)	SIT Investment	32.9% (Inc)
Aug	13D/A	Center Coast Brkf MLP & Nrg Infr (CEN)	Saba	Withdrawal of Board Nominees for election
July	AGM	Angel Oak Fin Stgs Incm Trm Tr (FINS)	Public	Extend the termination date proposal: not approved
July	13D/A	DI Nat Muni Incm Fd (VFL)	Saba	Tender Offer Standstill Agreement
July	13D/A	Taiwan Fund (TWN)	Bulldog	Self Tender Offer proposal

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



<b>CEF Activist Ownership</b>	<b>\$19,302</b>
-------------------------------	-----------------

<b>Top 5 Peer Groups</b>	
BDC Debt	\$5,911
General Equity	\$1,613
Asian Equity	\$1,266
High Yield Bond	\$1,167
Loan Participation	\$915

Note: millions of dollars, data as of 9/30/22, cefdata.com

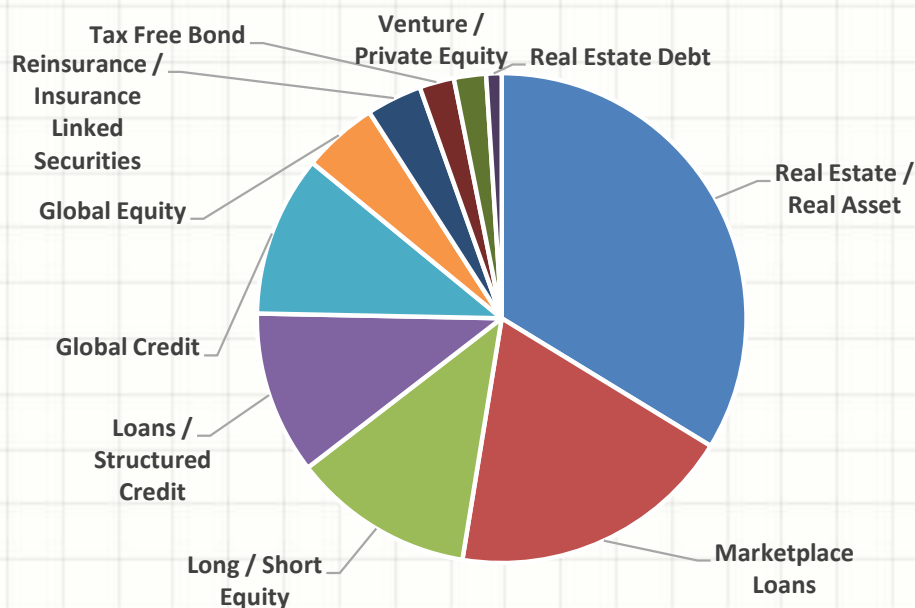
# Interval Closed-Ended Funds (iCEFs)



- Interval funds (iCEFs) are growing in popularity as an alternative investment vehicle. Many interval funds can be seen as the best of both worlds. iCEFs are a small (0.1%) portion of the multitrillion dollar fund industry, but iCEFs are growing assets quickly, in the ~50% range annually.
  - There are 83 iCEFs with \$74.4B in total AUM as of 9/30/22 (compared to listed CEF/BDC AUM of \$420B in 499 funds according to CEFData.com).
- CEFData.com also tracks Tender Offer Funds (a type of non-listed CEF).
  - As of 9/30/22, there were 154 Tender Offer Funds with \$161.9B in AUM.

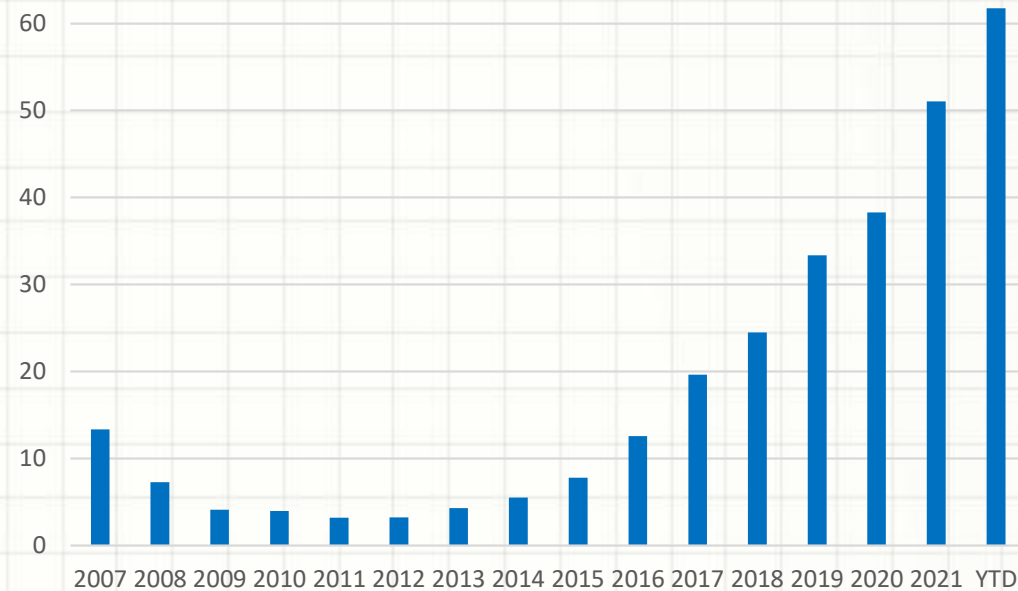
Whitepaper / Overview on: <https://cefadvisors.wordpress.com>  
 Public Screener & Profile Page @ [www.AICAlliance.org](http://www.AICAlliance.org)

Interval Funds (\$) By Asset Type



www.CEFadvisors.com

iFunds - Net Assets (\$B)



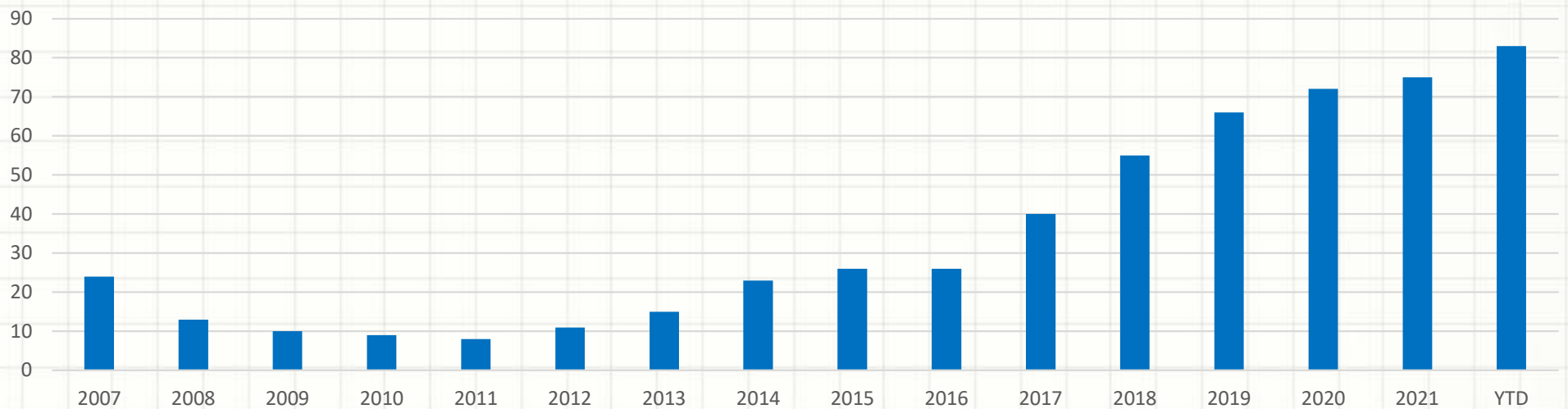
# Interval Closed-Ended Funds (iCEFs)



### iFunds - New and Ceased



### Interval Funds By Year



# Recent Active Interval CEFs (launched in 2022)



Total Active iFunds: 83 with AUM of \$74.4B

Name	Structure	Major Group	Sub-Group	Sponsor	Inception	Min Investment
<a href="#">Ark Venture Fund</a>	Interval Fund	Equity	Global Equity	ARK	2022-08-08	500
<a href="#">Opportunistic Credit Interval Fund</a>	Interval Fund	Bond	Global Credit	Mount Logan	2022-07-01	100000
<a href="#">Cantor Fitzgerald Sustainable Infrastructure Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	Cantor Fitzgerald	2022-06-30	2500
<a href="#">First Trust Real Assets Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	First Trust	2022-06-29	1000
<a href="#">PIMCO California Flexible Municipal Income Fund</a>	Interval Fund	Bond	Tax Free Bond	PIMCO	2022-06-27	
<a href="#">Bluerock Institutional High Income Credit Fund</a>	Interval Fund	Bond	Loans / Structured Credit	Bluerock	2022-06-21	2500
<a href="#">Sweater Cashmere Fund</a>	Interval Fund	Equity	Venture / Private Equity	Sweater	2022-04-11	500
<a href="#">The Fundrise Income Real Estate Fund</a>	Interval Fund	Bond	Real Estate Debt	Fundrise	2022-04-01	
<a href="#">PIMCO Flexible Emerging Markets Income Fund</a>	Interval Fund	Bond	Global Credit	PIMCO	2022-03-15	
<a href="#">Lind Capital Partners Municipal Credit Income Fund</a>	Interval Fund	Bond	Tax Free Bond	Lind Capital	2022-02-02	50000

# Interval Funds (by size)



Name	Structure	Major Group	Sub-Group	Sponsor	Inception	Min Investment	Managed Assets (MM)	Avg Net Expense Ratio	Leverage (%)	Dividend Frequency	Avg NAV Yield	Total Return (3mo)	Total Return (YTD)	Total Return (1yr)	Total Return (3yr)	Total Return (5yr)	Number Of Share Classes
<a href="#">ACAP Strategic Fund</a>	Interval Fund	Equity	Long / Short Equity	SilverBay Capital	2010-03-01	50000	9757	2	2.03	A		-8.91	-41.18	-45.88	-9.36	-3.77	2
<a href="#">Cliffwater Corporate Lending Fund</a>	Interval Fund	Bond	Marketplace Loans	Cliffwater	2019-03-06	10000	8600	2.21	27.08	Q		-0.1	0.72	2.63	5.51		2
<a href="#">Apollo Diversified Real Estate Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	Griffin Capital	2014-06-30	2500	5950	2.13	3.8	Q		-4.8	-1.62	5.06	5.72	6.04	5
<a href="#">Total Income+ Real Estate Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	Bluerock	2012-10-22	2500	5410	2.2	3.32	Q		-1.19	11.83	17.65	12	9.89	5
<a href="#">PIMCO Flexible Credit Income Fund</a>	Interval Fund	Bond	Global Credit	PIMCO	2017-02-22	2500	5253	2.6	36.7	Q		-3.09	-16.21	-17.53	-1.64	0.85	5
<a href="#">Clon Ares Diversified Credit Fund</a>	Interval Fund	Bond	Loans / Structured Credit	Clon Investment	2017-01-26	2500	3480	2.92	18.84	M		-0.68	-4.11	0.21	2.69	4.09	7
<a href="#">Versus Cap Real Estate Income Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	Versus Capital	2012-07-09	10000000	3115	1.95	0	Q		-1.11	1.94	4.6	6.02	5.92	1
<a href="#">Stone Ridge Alternative Lending Risk Premium Fund</a>	Interval Fund	Bond	Marketplace Loans	Stone Ridge	2015-11-12	15000000	2954	4.02	21.74	A		-0.38	-1.17	-1.81	-0.73	-0.4	1
<a href="#">Versus Capital Real Assets Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	Versus Capital	2017-09-18	10000000	2881	2.22	0	Q	2.9	-0.4	0.26	2.88	4.09	4.02	1
<a href="#">Variant Alternative Income Fund</a>	Interval Fund	Equity	Global Equity	Variant Investments	2017-10-02	1000000	2125	1.63	0	Q		0.85	3.61	5.45	8.04		1
<a href="#">PIMCO Flexible Municipal Income Fund</a>	Interval Fund	Bond	Tax Free Bond	PIMCO	2019-03-15	2500	1688	1.19	0.44	M		-7.71	-19.51	-6.43	-2.41		4
<a href="#">Carlyle Tactical Private Credit Fund</a>	Interval Fund	Bond	Loans / Structured Credit	OCP	2018-06-04	10000	1509	4.71	14.05	Q		-0.22	-5.96	-0.13			7
<a href="#">Stone Ridge Reinsurance Risk Premium Interval Fund</a>	Interval Fund	Bond	Reinsurance / Insurance Linked Securities	Stone Ridge	2013-12-09	15000000	1223	2.45		A		-6.61	-0.37	-0.89	-3.26	-3.62	1
<a href="#">Fundrise Real Estate Interval Fund</a>	Interval Fund	Equity	Real Estate / Real Asset	Fundrise	2020-12-18	1000	1198	1.22		Q				29.35			1

# Recent Active Tender Offer CEFs (launched in 2022)



**Total Active Tender Offer Funds: 154 with AUM of \$161.9B**

Name	Structure	Major Group	Sub-Group	Sponsor	Inception	Min Investment
<a href="#"><u>John Hancock Asset-Based Lending Fund</u></a>	Tender Offer Fund	Bond	Loans / Structured Credit	John Hancock	2022-07-06	10000
<a href="#"><u>Eagle Point Institutional Income Fund</u></a>	Tender Offer Fund	Bond	Loans / Structured Credit	Eagle Point	2022-06-22	2500
<a href="#"><u>Wellings Real Estate Income Fund</u></a>	Tender Offer Fund	Bond	BDC - Debt	Wellings Capital	2022-05-13	50000
<a href="#"><u>AFC BDC Inc.</u></a>	Tender Offer Fund	Bond	BDC - Debt	AFC Advisor	2022-04-29	1000000
<a href="#"><u>Golub Capital BDC 4, Inc.</u></a>	Tender Offer Fund	Bond	BDC - Debt	Golub Capital	2022-04-01	
<a href="#"><u>Golub Capital Direct Lending Unlevered Corp</u></a>	Tender Offer Fund	Bond	BDC - Debt	Golub Capital	2022-04-01	
<a href="#"><u>Ares Private Markets Fund</u></a>	Tender Offer Fund	Equity	Venture / Private Equity	Ares	2022-04-01	25000
<a href="#"><u>New Mountain Guardian IV BDC</u></a>	Tender Offer Fund	Bond	BDC - Debt	New Mountain Capital	2022-03-18	
<a href="#"><u>Nuveen Churchill Private Capital Income Fund</u></a>	Tender Offer Fund	Bond	BDC - Debt	Nuveen	2022-02-08	2500
<a href="#"><u>Carlyle Secured Lending III</u></a>	Tender Offer Fund	Bond	BDC - Debt	Carlyle	2022-02-08	
<a href="#"><u>Oaktree Strategic Credit Fund</u></a>	Tender Offer Fund	Bond	BDC - Debt	Oaktree Capital	2022-02-03	2500
<a href="#"><u>HPS Corporate Lending Fund</u></a>	Tender Offer Fund	Bond	BDC - Debt	HPS	2022-02-03	1002500
<a href="#"><u>AGTB Private BDC</u></a>	Tender Offer Fund	Bond	BDC - Debt	Angelo Gordon	2022-01-27	



# Tender Offer Funds (by size)



Name	Structure	Major Group	Sub-Group	Sponsor	Inception	Min Investment	Managed Assets (MM)	Avg Net Expense Ratio	Leverage (%)	Dividend Frequency	Avg NAV Yield	Total Return (3mo)	Total Return (YTD)	Total Return (1yr)	Total Return (3yr)	Total Return (5yr)	Number Of Share Classes
<a href="#">Blackstone Private Credit Fund</a>	Tender Offer Fund	Bond	BDC - Debt	BlackRock	2020-10-05	2500	49700	5.82	51.66	M				5.1			3
<a href="#">Eagle Point Institutional Income Fund</a>	Tender Offer Fund	Bond	Loans / Structured Credit	Eagle Point	2022-06-22	2500	14800	5.14		M				2.2			1
<a href="#">Partners Group Private Equity (Master Fund), LLC</a>	Tender Offer Fund	Equity	Venture / Private Equity	Partners Group	2017-01-01	50000	12073	3.65	0.02	A				22.02			2
<a href="#">Owl Rock Technology Finance Corp.</a>	Tender Offer Fund	Bond	BDC - Debt	Owl Rock	2018-07-12		6105	4.8	45.61	Q				24.5			1
<a href="#">Owl Rock Core Income Corp.</a>	Tender Offer Fund	Bond	BDC - Debt	Owl Rock	2020-11-20		5296	4.93	44.44	M							3
<a href="#">AIP Alternative Lending Fund P</a>	Tender Offer Fund	Bond	Marketplace Loans	Morgan Stanley	2018-10-01	50000	3028	2.58	0	Q				32.76			1
<a href="#">Owl Rock Capital Corp III</a>	Tender Offer Fund	Bond	BDC - Debt	Owl Rock	2020-01-27		2936	3.7	42.63	Q				12.3			1
<a href="#">Morgan Stanley Direct Lending Fund</a>	Tender Offer Fund	Bond	BDC - Debt	Morgan Stanley	2019-11-25		2717	5.58	52.99	Q				14.83			1
<a href="#">Franklin BSP Lending Corporation</a>	Tender Offer Fund	Bond	BDC - Debt	Franklin Templeton	2010-05-05		2704	7.9	43.32	M				12.66			1
<a href="#">Goldman Sachs Private Middle Market Credit II LLC</a>	Tender Offer Fund	Bond	BDC - Debt	Goldman Sachs	2019-04-11		2689	1.98	58.27	Q				11.57			1
<a href="#">FS Energy &amp; Power Fund</a>	Tender Offer Fund	Bond	BDC - Debt	FS/KKR		5000	2548	6.56	29.22	Q				14.22			1
<a href="#">Owl Rock Capital Corporation II</a>	Tender Offer Fund	Bond	BDC - Debt	Owl Rock	2015-10-15	5000	2409	7.4	43.75	M				10.7			1
<a href="#">Golub Capital BDC 3, Inc.</a>	Tender Offer Fund	Bond	BDC - Debt	Golub Capital	2017-10-02		2326	5.51	46.53	M				11.03			1
<a href="#">Ironwood Multi-Strategy Fund LLC</a>	Tender Offer Fund	Equity	Fund of Funds	Ironwood	2011-01-01	50000	2105	0.8	0	A				2.92			1

# CEFA's Outlook for 4Q and 2023



- **US Equity Funds**
- **Non-US Equity Funds**
- **Specialty Equity (Sector) Funds**
- **Taxable Bond Funds**
- **National Municipal Bond (Tax-Free) Funds**
- **Debt-Focused Business Development Companies (BDCs)**
- **Sustainable CEF Portfolio Distribution Yields, Beta, Correlations, Duration and After-Tax Income, Gross Asset Exposure, Leverage**



# CEFA Model Portfolios

Often a good starting point for customizing client portfolios



DATA AS OF OCTOBER 7, 2022 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	-10.73	-8.76	-9.93	56.24	10.97	8.50	9.41	1.56	37.2	32.2	16.4	0.31	1.37	20.73	-1.33	48.95	54.02	65.52	32.01	26	1.59	0.78
2. CEFA Diversified Equity	-16.21	-13.44	-14.46	54.80	8.98	7.02	7.77	1.21	26.8	14.5	10.6	0.25	1.34	26.19	2.75	59.34	71.25	88.67	8.70	23	N/A	0.82
3. CEFA Diversified Growth	-13.29	-8.75	-10.80	56.14	10.41	7.42	8.74	1.67	33.0	25.4	23.5	1.16	1.80	24.74	1.25	51.99	54.84	63.82	34.20	30	0.82	0.80
4. CEFA Hybrid (High) Income	-14.05	-8.65	-9.56	49.82	11.79	7.98	9.64	2.15	34.1	30.2	28.2	1.37	2.26	15.84	-0.36	64.58	51.98	31.44	66.54	48	2.02	0.66
4.1 CEFA Hybrid (High) Income - Tax Advantaged	-6.79	-2.70	-5.13	58.07	10.73	7.85	8.58	2.15	45.9	38.2	29.1	1.02	2.02	21.51	0.97	71.37	66.47	49.37	48.49	41	3.05	0.78
4.2. CEFA Hybrid (High) Income Monthly	-5.47	-1.41	-3.63	60.20	12.83	9.49	10.98	1.85	39.7	37.6	30.6	1.14	2.31	19.07	0.30	80.48	85.10	47.49	49.96	35	1.49	0.75
5. CEFA Discount Opportunity	-22.48	-18.90	-19.99	51.88	9.53	6.08	8.25	1.28	47.3	38.3	24.8	1.61	2.10	23.65	-0.29	49.89	56.13	57.98	38.38	39	0.81	0.71
6. CEFA Alternative Income	-12.27	-8.25	-10.14	59.56	10.80	7.57	9.24	1.56	34.9	27.1	26.1	1.05	2.06	19.89	0.20	68.58	64.14	50.10	47.81	44	1.32	0.68
6.1 CEFA Alternative Income - Tax Advantaged	-14.33	-9.91	-10.37	42.53	10.37	7.05	8.56	1.81	34.7	29.9	27.4	0.93	1.95	20.70	-0.13	65.21	58.08	41.04	56.09	49	2.52	0.72
7. CEFA Foundation / Balanced	-14.67	-10.78	-11.72	48.20	10.61	7.44	7.94	2.67	36.2	32.1	22.8	0.81	1.89	20.27	0.66	55.30	57.49	50.61	46.79	45	1.09	0.72
7.1 CEFA Foundation / Balanced - Tax Advantaged	-10.03	-5.86	-7.04	53.18	9.58	7.00	7.49	2.09	42.1	29.5	25.4	0.82	1.80	22.76	1.30	52.89	57.13	59.40	38.87	45	3.18	0.84
8. CEFA Taxable Bond & BDC	-14.23	-7.24	-7.70	44.72	10.72	6.83	7.33	3.39	22.4	18.7	35.4	1.67	2.39	10.02	2.20	68.66	56.68	5.94	92.51	32	3.16	0.62
8.1 CEFA Fixed Income - Tax Advantaged	-11.57	-6.45	-7.51	51.79	10.15	6.66	8.23	1.92	33.5	29.5	35.9	1.24	2.23	10.39	-1.93	59.84	45.66	10.25	87.95	44	7.92	0.76
9. CEFA Dividend Confidence Model	-10.75	-7.16	-7.99	59.17	9.54	6.67	7.79	1.75	29.0	16.3	28.2	1.01	1.71	21.14	3.34	58.41	55.27	52.87	45.81	33	1.01	0.78
9.1 CEFA Inflation Optimized Tax-Advantaged Income	-10.89	-5.17	-6.30	55.05	11.16	7.57	9.19	1.97	37.5	34.0	31.7	1.69	2.52	21.18	0.54	63.45	50.61	44.64	53.49	48	3.25	0.71
10. CEFA Diversified Low Beta	-11.02	-6.54	-8.18	59.52	9.76	6.74	8.03	1.73	36.0	30.7	29.5	1.17	1.91	19.67	-0.25	62.43	67.19	39.40	59.78	35	1.59	0.69
11. CEFA Low Correlation	-8.87	-5.79	-6.89	55.09	8.02	6.07	6.82	1.20	26.1	19.0	25.0	1.10	1.76	20.65	0.21	47.26	47.26	44.75	51.90	26	3.17	0.76
11.2. CEFA Low Correlation - IRA	-8.20	-4.35	-5.82	58.95	9.41	6.90	7.62	1.79	30.9	20.9	25.0	1.18	1.64	20.67	1.67	36.16	39.30	45.22	53.63	23	2.63	0.93
12.1 CEFA Div Tax-Sensitive Income	-12.13	-8.58	-9.61	47.62	10.07	6.90	8.15	1.92	39.3	33.0	29.2	0.91	1.81	20.13	-0.71	57.92	51.66	38.71	57.99	41	4.52	0.79
13. CEFA BDC Select	-20.60	-4.19	-6.07	51.23	11.33	5.74	8.54	2.79	8.4	0.0	55.8	4.94	3.59	8.48	7.18	24.75	24.75	7.44	91.18	10	N/A	0.75
13.2. CEFA BDC - Low Beta	-18.58	-3.06	-7.59	57.52	11.12	5.86	8.46	2.66	8.6	4.1	53.4	4.84	3.44	9.87	7.04	29.18	29.18	12.52	85.08	14	N/A	0.76
13.3. CEFA BDC Premium	-0.95	27.28	22.06	45.02	11.29	7.29	8.50	2.79	0.6	0.0	52.1	4.57	3.94	7.32	10.56	32.28	32.28	10.15	89.18	12	N/A	0.85
13.4. CEFA BDC Monthly Income	-21.26	-4.57	-10.58	54.80	9.80	5.15	8.41	1.39	10.2	17.6	53.5	5.94	4.33	10.43	4.17	27.54	27.54	11.99	83.57	8	N/A	0.72
14. CEFA Select Municipal	-7.22	-3.23	-2.59	41.18	6.63	4.41	6.59	0.04	19.8	16.1	40.2	0.62	1.23	10.28	-3.50	19.97	20.47	5.98	92.87	18	12.68	1.02
14.1. CEFA Low Duration Municipal	-8.88	-5.84	-6.20	57.47	5.06	3.47	4.97	0.09	1.7	1.3	33.2	0.68	0.99	8.66	-3.84	33.14	31.87	0.00	96.52	3	3.20	1.02
15. CEFA Select "Six Pack" Income	-6.99	-1.41	-3.57	62.31	10.02	7.32	8.09	1.93	29.9	23.2	29.9	1.25	2.11	19.30	1.86	66.72	63.54	47.76	49.97	36	0.80	0.65
16. CEFA Non-Profit Foundation Diversified Income	-13.13	-9.96	-11.19	44.09	10.07	7.08	10.07	0.00	38.1	30.2	25.1	0.83	2.01	22.35	-0.05	69.37	68.57	45.66	52.67	41	1.24	0.61

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

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

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

© Closed-End Fund Advisors Inc.(CEFAadvisors) and CEFdata.com 2020. All rights reserved. Any copying, republication or redistribution of CEFadvisors, CEFdata.com, content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of CEFAadvisors. CEFAadvisors shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

# CEFA Portfolio Model Info (pt 1 of 2)



**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 (#4.2) for investors that seek this feature to their investment needs and a Tax-Advantaged version of this model (#4.1). 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 40/60 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 to the S&P 500 during normal market conditions with "cash weighted" duration under 2. We offer a Tax-advantaged version of this model (#6.1). 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 (#7.1), 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.

# CEFA Portfolio Model Info (pt 2 of 2)



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 (#12.1) 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" (#13.1), "low Beta" (#13.2) and Premium BDC version of this model (#13.3).
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 (#14.1).
15. **CEFA Select "Six Pack" Income:** This is a Diversified portfolio of fund in the following six sectors: Business Development Companies, Covered Call Funds, Loan Participation Funds, Preferred Equity Funds, REIT/ Real Asset Funds and Utility / Infrastructure Funds. They are expected to be weighted with a min allocation of 10% and Maximum allocation of 20% per sector. Exposure should be at a minimum of 40% for both equity and fixed-income holdings for the underlying funds. We anticipate the yield being about 1% higher than the 12 Major Sector Index under normal market conditions.

*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](http://www.SpiderRockadvisors.com)



## John Cole Scott, CFS

### EXPERIENCE

CIO of a Registered Investment  
Advisor Focused Exclusively on CEFs,  
BDCs & iCEFs 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 60 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 12 member analyst / programmer team covering the 650+ ticker, \$420 Billion universe of CEFs/BDCs/iCEFs. They regularly do consulting and projects for CEF/BDC Sponsors, Hedge Funds and Institutional Investors.

John developed 35 CEF/BDC based indexes; 9 diversified portfolio objective, 9 Equity and 15 Bond sectors. He has worked with a UIT sponsor on a BDC focused UIT that has raised \$525MM in deposits. John is also the Founder & Exec. Chairman of Active Investment Company Alliance (AICA). He is a past board member of The Richmond Association for Business Economics (RABE) and serves as Treasurer and on the Investment Committee for The New York State Society of The Cincinnati. He is Treasurer and Chair F&I Committee for the William & Mary National Alumni Board.

# Disclosures

These indexes were created and developed by Closed-End Fund Advisors, Inc. CEF Advisors launched these indexes in January 2017 based on December 31, 2016 data and began pricing on January 1, 2017. CEF Advisors does not guarantee the accuracy or the completeness of the index or any data included therein and CEF Advisors shall have no liability for any errors, omissions or interruptions therein. CEF Advisors makes no warranty, express or implied, as to results to be obtained by any person or entity from the use of the index or any data included therein. CEF Advisors makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, in no event shall CEF Advisors have any liability for any special, punitive, direct, indirect or consequential damages (including lost profits) arising out of matters relating to the use of the index, even if notified of the possibility of such damages.

The historical values above have not been verified by an independent third party. The historical performance data is for illustrative purposes only and does not represent the actual performance of any investment product. No representation is being made that any investment will achieve performance similar to that shown. The index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the historical performance shown. The index is unmanaged and an investor cannot invest directly in the index.

Performance information for the index is for illustrative purposes only and does not represent the performance of any actual investment. The historical performance of the price and NAV of the index should not be taken as an indication of future performance, and no assurance can be given as to the index's value on any date. The data for the historical performance of the index was calculated on materially the same basis on which the performance of the index is now calculated. Discounts are the result of a closed-end fund's market price deviating from its Net Asset Value (NAV).

© Closed-End Fund Advisors Inc.(CEFadvisors) and CEFdata.com 2019. All rights reserved. Any copying, republication or redistribution of CEFadvisors, CEFdata.com, content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of CEFAdvisors. CEFAdvisors shall not be liable for any errors or delays in the content, or for any actions taken in reliance thereon.

*Closed-end Fund Advisors, Inc. ("CEFA") is a SEC Registered Investment Advisory Firm located in Richmond, VA. Registered investment adviser does not imply a certain level of skill or training. CEFA may only transact business in those states in which it is registered or has completed the appropriate notice-filing requirements. Prospective clients should consult with a financial consultant to review their investment objectives and financial situation before determining whether any investment, security, or strategy is suitable. A copy of CEFA's Form ADV Part 2A & 2B providing information regarding CEFA's services, fees, and other important disclosure items is available on this website and/or from CEFA upon request. Any opinions expressed in this email or in any CEFA authored documents are subject to change without notice and, due to the rapidly changing nature of the security markets, may quickly become outdated. No information should be interpreted to state or imply that past results are an indication of future performance. The discussions and opinions in this email are for general information only and for use of the recipient, and are not intended to provide investment advice. All materials presented are compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. Performance data and other information contained herein are estimated and unaudited. Actual yields will vary from one investor to the next depending on their tax bracket. No portion of the email should be interpreted as legal, accounting or tax advice and is not to be reproduced or copied or made available to others. All investments involve risk including the loss of principal. The Market Price and Net Asset Value Total Return Performance referenced in the attached PDF files for each of CEFA's Models does not reflect composite performance for CEFA's clients. It is shown to allow investors to compare the current model allocations performance differences between Market prices and Net Asset Value for comparable rolling time periods. If a fund in the model does not have a trading history for the entire period shown (usually the 3 Year figure), it is not included in the results. Investors cannot invest in CEFs' net asset values, but it is considered the best judge of a funds management team after cost for comparison purposes. CEFA also seeks funds with above average NAV performance and recent market price underperformance so we may have the opportunity to experience discount narrowing, and if traded properly, general out performance of the funds NAV returns.*

# Disclaimer

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

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

The information herein shall not be disclosed, used or disseminated, in whole or part, and shall not be reproduced, copied or made available to others without CEFA expressed written permission. CEFA reserves the right to make changes and corrections to the information, including any opinions or forecasts expressed herein at any time, without notice. Data comes from our CEF Universe service and/or CEFdata.com and is dated as of Sept 30, 2022 unless otherwise noted.





# Closed-End Fund Advisors

For questions/inquiries, contact John Cole Scott

Email: [jcs@cefadvisors.com](mailto:jcs@cefadvisors.com)

Phone: (800) 356-3508

Schedule a 15 minute phone call with John by clicking:

<https://my.timetrade.com/book/V9Q2J>



**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](mailto:jcs@CEFadvisors.com)**

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

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