



# 2Q 2023 CLOSED-END FUND & BDC REVIEW AND OUTLOOK

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*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**
- **2Q 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**
- **Leverage Levels and Leverage Cost**
- **Return of capital trends**
- **Destructive return of capital**
- **CEF trading volume trends**
- **NAV vs price volatility comparison**
- **NAV vs price correlation trends**
- **2Q press release & SEC filing stats**
- **2Q 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**
- **3Q & 2023 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
  - CEFDData.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
  - CEFA Select BDC Unit Investment Trusts with partner SmartTrustUIT
- **Non-profit - Active Investment Company Alliance (AICA)**
  - Started a non-profit to improve the CEF & BDC ecosystem in 2019
  - AICA has done multiple events with over a thousand attendees





**ACTIVE INVESTMENT  
COMPANY ALLIANCE**  
Excellence beyond indexing

**Supporting closed-end  
investing worldwide**

- High Quality and Inclusive Non-Profit Trade Association: US Listed and Non-Listed CEFs / BDCs powered by CEFdata.com.
- Focused on helping CEFs, BDCs, & Interval Funds Extend Their Outreach to the Investment Community with Advisor Centric Content
- Membership Spread Amongst Fund Sponsors, Institutional Investors and Service Providers
- Access to The Only Public Profile Pages for Interval Funds & BDCs
- 200+ Podcasts (The NAVigator), Videos, Events, Articles, Webinars
- 12 Events to date, 10 virtual events during COVID. – 1,100 Total AICA Event Registrations.

2023 Goals:

- Full Day Event in NYC this Fall
- Student Challenge, CEF Research Rankings, Awards, Career Networking
- CEF/BDC Experienced Advisor Database for Individual Investors
- Grow Membership from 15 to 25 Members
- AICA Advisor CEF, BDC & Interval Fund Surveys

Founded by John Cole Scott, President, CIO of CEF Advisors

**Mission:** The Active Investment Company Alliance (AICA) will be the premier 501(c)(6) non-profit trade association for listed closed-end funds, business development companies, interval and tender offer funds. Membership will be broad-based globally across fund sponsors (member firm who manages a closed-ended management company, BDC or equivalent), or product sponsors (member firm who manages an investment product: open-end, UIT, ETF, CEF, SMA, LP where the underlying investments are focused on closed-ended management companies, BDC or equivalent) and Service Provider Membership.

Work to engage, educate, connect and offer transparency for investment professionals and the investors they serve. Seek to gain better advocacy and guidance from regulators to protect investors. Support quality fund managers and sponsors in order to grow the universe of funds in size and liquidity.

## Podcasts

**7**  
Jul, 2023

**XA Investments' Flynn sees rapid growth in interval funds using alternatives**



Kimberly Flynn, managing director of alternative investments at XA Investments, says that demand for alternative investments as a means of adding diversification to a portfolio has spurred tremendous growth in interval funds, whose limited liquidity makes them an ideal vehicle for many types of less-liquid securities.

**30**  
Jun, 2023

**Closed-End Fund Advisors' Scott on the funds he is using most for clients now**



John Cole Scott, president of Closed-End Fund Advisors, discusses what he is seeing in the market now by delving into four of the investments he is using the most and weighting heavily in client portfolios.

**23**  
Jun, 2023

**BDCs are well-positioned to handle Fed policies and recession**



Mickey Schleien, managing director for equity research at Ladenburg Thalmann and Co, says that business-development companies have seen the rising interest-rate environment lead to higher yields, which has helped to offset declines in net asset value that BDCs have...

**16**  
Jun, 2023


**Gabelli's Marangi expects market is about to widen its opportunity set**



Chris Marangi, co-chief investment officer for value at the Gabelli Funds, says 'the new normal' is one where inflation is higher than the Federal Reserve's target of 2 percent and growth is below trend, but it is creating an opportunity for...

**9**  
Jun, 2023

**Nuveen's Baker: Look beyond yield to find opportunity in preferreds**



Doug Baker, head of preferred securities at Nuveen, says that while it is relatively common now to find preferreds with yields above 7 percent, the real opportunity for investors at the moment comes from looking beyond the yield.

**2**  
Jun, 2023

**A 'Wall of Meh' in sentiment is an opportunity for closed-end fund investors**



Rob Shaker, portfolio manager at Shaker Financial Services, says that economic conditions -- the debt-ceiling debate, troubled banks, higher interest rates and persistent inflation -- have created a situation where the market isn't climbing the proverbial wall of worry,...

**26**  
May, 2023


**BlueBay's Farley on zagging while the credit market zigs**



Duncan Farley, portfolio manager at BlueBay Asset Management -- which runs the BlueBay Destra International Event-Driven Credit Fund -- discusses how his fund produced a 20-plus percent gain during one of the worst years ever for the...

**19**  
May, 2023

**Calamos' Freund: Rates could be as range-bound as stocks for a while**



Matt Freund, co-chief investment officer/head of fixed-income strategies at Calamos Investments, says he expects interest rates to settle in and remain stable for quite a while before trending down; he expects more volatility in longer-term bonds, which will make it harder for investors...

## Events

<p><b>CEF / BDC / Interval Fund BootCamp and Roundtable</b></p> <p>NYC - In Person - November 16th, 2022</p> <p><a href="#">Read More &gt;</a></p>	<p><b>2022 Interval Fund Spring Manager Spotlight</b></p> <p>April 26th - 27th, 2022</p> <p><a href="#">Read More &gt;</a></p>	<p><b>AICA Spring Closed-End Fund Roundtable</b></p> <p>March 15th - 16th, 2022</p> <p><a href="#">Read More &gt;</a></p>
<p><b>Passive Access to CEFs/ BDCs via ETF and UITs</b></p> <p>February 3rd, 2022</p> <p><a href="#">Read More &gt;</a></p>	<p><b>Interval Fund Winter Manager Spotlight</b></p> <p>December 8th - 9th, 2021</p> <p><a href="#">Read More &gt;</a></p>	<p><b>Business Development Company (BDC) Fall Forum</b></p> <p>November 16th, 2021</p> <p><a href="#">Read More &gt;</a></p>
<p><b>Tax Free &amp; Tax Advantaged Income for Investors</b></p> <p>September 29th, 2021</p> <p><a href="#">Read More &gt;</a></p>	<p><b>AICA Income Spotlight Summer 2021</b></p> <p>June 17th, 2021</p> <p><a href="#">Read More &gt;</a></p>	<p><b>BDC Investor Forum 2021</b></p> <p>May 27th, 2021</p> <p><a href="#">Read More &gt;</a></p>

# 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.
  - 280 Strategies and \$283.7 Billion in AUM (CEFFData.com: 6/30/23)



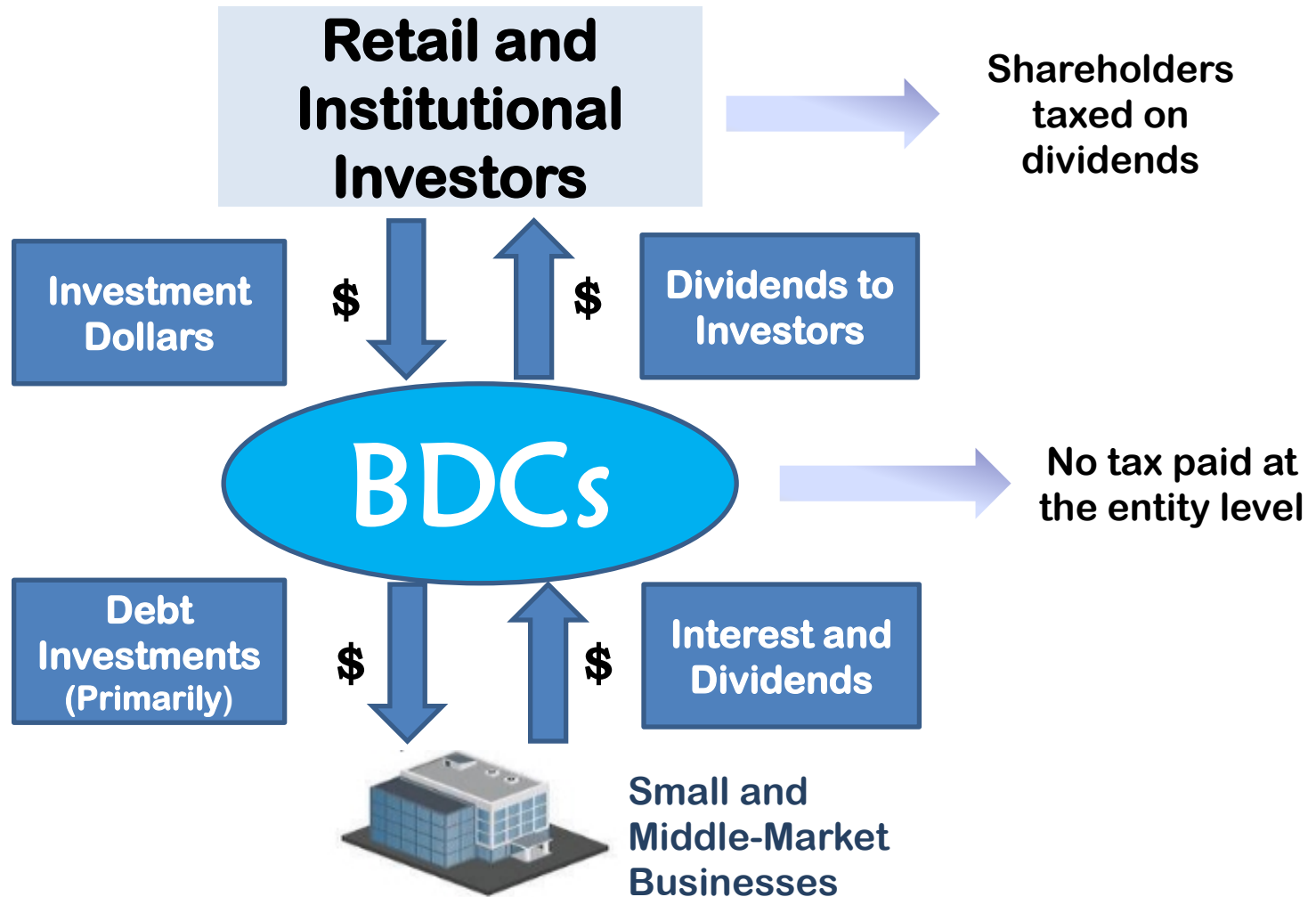
# What is a Business Development Company (BDC)?



- 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



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# Types of Loans Held By Listed BDCs

Source: Data as of June 30, 2023, from CEFData.com



	Listed BDCs	NL BDCs	All BDCs
<b>First Lien Loans</b>	70%	75%	73%
<b>Second Lien Loans</b>	10%	8%	8%
<b>Unsecured Loans</b>	4%	3%	3%
<b>Equity/Other</b>	16%	15%	15%
<b>Avg Portfolio Turnover</b>	14%	12%	13%
<b>Variable Loans</b>	85%	86%	86%
<b>Fixed Loans</b>	15%	14%	14%
<b>Libor Floor Average</b>	1.5%	1.2%	1.3%
<b>Libor Floor Percentage</b>	54%	41%	45%
<b>Avg Loan Size (\$MM)</b>	10.2	8.3	8.9
<b>Loans Under \$25MM</b>	67%	77%	73%
<b>Avg Maturity (2 to 6 years)</b>	3.4	3.8	3.7
<b>Avg # of Loans</b>	230	161	184
<b>From Companies</b>	136	92	107
<b>Total Gross Assets</b>	\$130.0B	\$150.4B	\$280.4B



# Asset Class Annual Returns (NAV) 2013-2023



2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023-YTD	2013 - 2022
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 22.69%	Covered Call 14.02%	US Stock 10.23%
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 7.47%	US Stock 13.72%	BDC 9.25%
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 -6.07%	World Stock 11.54%	Covered Call 7.89%
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%	HY Bond -14.45%	Convertible 9.07%	Convertible 7.61%
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%	Preferred -15.33%	Intl Bond 7.41%	REIT 6.93%
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%	US Stock -16.18%	Senior Loan 6.84%	Tactical Sector 6.37%
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%	Tactical Sector -16.26%	HY Bond 6.06%	Preferred 6.13%
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%	Covered Call -16.53%	Tactical Sector 5.92%	HY Bond 4.13%
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%	Investment Grade -17.13%	REIT 4.82%	Senior Loan 3.85%
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%	Muni Bond -17.7%	Muni Bond 4.21%	Muni Bond 3.13%
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 -17.81%	BDC 3.58%	Investment Grade 2.84%
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 -17.93%	Investment Grade 3.29%	World Stock 2.68%
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 -26.31%	MLP 1.98%	MLP 1.89%
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 -27.18%	Preferred -2.26%	Intl Bond -1.03%

US Stock – CEFA’s US Equity Index; REIT – CEFA’s Global Real Estate, REIT & Real Asset Index; MLP – CEFA’s Master Limited Partnership (MLP) Fund Index; BDC – CEFA’s Debt-Focused Business Development Company (BDC) Index; High Yield Bond – CEFA’s High Yield Bond Index; Preferred – CEFA’s Preferred Equity Index; World Stock – CEFA’s International Equity Index; Sr Loan – CEFA’s Senior Loan Index; Muni Bond – CEFA’s National Municipal Bond Index; Covered Call – CEFA’s Covered Call / Option Funds Index; Convertible – CEFA’s Convertible Bond Index; Investment Grade – CEFA’s Investment Grade Bond Index.; 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. "2013- 2022" 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 6/30/2023.

# Asset Class Average Discounts/Premiums 2013-2023



2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023-YTD	2013-2022
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 -0.88%	Investment Grade -0.12%	Preferred -1.63%
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 -2.23%	Convertible -2.33%	Investment Grade -2.23%
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%	Convertible -2.4%	Covered Call -2.88%	Tactical Sector -2.58%
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%	Preferred -2.78%	Intl Bond -4.97%	Covered Call -4.87%
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%	Tactical Sector -5.06%	Preferred -5.51%	Muni Bond -4.9%
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%	REIT -5.14%	Tactical Sector -6.73%	Convertible -5.03%
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%	Intl Bond -5.18%	REIT -7.86%	HY Bond -5.38%
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%	Muni Bond -5.67%	HY Bond -8.64%	BDC -5.73%
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%	US Stock -6.25%	Muni Bond -9.76%	Intl Bond -6.75%
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%	BDC -6.78%	BDC -10.39%	Senior Loan -6.9%
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%	HY Bond -7.44%	US Stock -10.75%	MLP -7.9%
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%	Senior Loan -7.61%	Senior Loan -11.14%	REIT -8.93%
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 -9.84%	World Stock -11.89%	US Stock -9.27%
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 -15.51%	MLP -14.82%	World Stock -10.41%

Historical Premium / Discount expressed as average value over each year. 2023 Premium / Discount average value as of June 30, 2023. "2013 - 2022" 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)



	MLP	BDC	Convertible	HY Bond	Muni Bond	Senior Loan	Preferred	World Stock	Cov Call	US Stock	REIT	Investment Grade	Tactical Sector	International Bond
MLP	100%	57%	74%	73%	33%	69%	55%	66%	73%	75%	57%	60%	72%	66%
BDC	57%	100%	46%	45%	15%	42%	33%	46%	50%	52%	34%	34%	45%	37%
Convertible	74%	46%	100%	94%	55%	85%	77%	90%	92%	94%	77%	86%	95%	85%
HY Bond	73%	45%	94%	100%	60%	94%	81%	87%	85%	88%	85%	91%	96%	86%
Muni Bond	33%	15%	55%	60%	100%	58%	54%	47%	43%	43%	55%	63%	58%	62%
Senior Loan	69%	42%	85%	94%	58%	100%	71%	75%	73%	77%	76%	80%	87%	71%
Preferred	55%	33%	77%	81%	54%	71%	100%	78%	73%	77%	83%	94%	88%	75%
World Stock	66%	46%	90%	87%	47%	75%	78%	100%	92%	93%	80%	83%	93%	86%
Cov Call	73%	50%	92%	85%	43%	73%	73%	92%	100%	98%	80%	79%	92%	80%
US Stock	75%	52%	94%	88%	43%	77%	77%	93%	98%	100%	83%	82%	95%	79%
REIT	57%	34%	77%	85%	55%	76%	83%	80%	80%	83%	100%	85%	89%	71%
Investment Grade	60%	34%	86%	91%	63%	80%	94%	83%	79%	82%	85%	100%	94%	86%
Tactical Sector	72%	45%	95%	96%	58%	87%	88%	93%	92%	95%	89%	94%	100%	87%
International Bond	66%	37%	85%	86%	62%	71%	75%	86%	80%	79%	71%	86%	87%	100%

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

*Source: CEFDData.com as of 6/30/2023*

# The CEF and BDC Investment Universe (Listed)



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 6/30/2023

	# of Funds	Total Net Assets	Total Gross Assets	Premium / Discount	Market Yield	1 Year Dividend Growth	3 Year Dividend Growth	NAV Beta (2yr)	Duration	Leverage	Non Lev Gross Exp Ratio	Average Net Assets
Equity Funds	187	\$124,485	\$141,973	-9.2%	8.1%	-3.5%	7.9%	0.75		14.3%	1.17%	\$666
Taxable Bond	137	\$54,407	\$82,575	-5.7%	10.4%	4.2%	8.1%	0.62	3.9	26.6%	1.15%	\$397
Municipal Bond	114	\$55,731	\$88,047	-10.9%	4.4%	-22.1%	-25.4%	0.86	11.2	33.6%	0.68%	\$489
BDCs	48	\$58,044	\$130,429	-14.5%	10.0%	11.4%	10.9%	0.64		48.3%	3.50%	\$1,209
<b>Total CEFs</b>	<b>486</b>	<b>\$292,667</b>	<b>\$443,024</b>	<b>-9.1%</b>	<b>8.0%</b>	<b>-4.5%</b>	<b>-0.3%</b>	<b>0.73</b>	<b>7.1</b>	<b>25.6%</b>	<b>1.28%</b>	<b>\$602</b>
Municipal Bond	114	\$55,731	\$88,047	-10.9%	4.4%	-22.1%	-25.4%	0.86	11.2	33.6%	0.68%	\$489
World Stock	36	\$9,689	\$9,819	-11.9%	7.5%	-11.1%	3.0%	0.75		6.7%	1.47%	\$269
Debt Focused BDC	43	\$57,621	\$129,900	-9.9%	11.0%	10.0%	10.9%	0.65		52.5%	3.19%	\$1,340
High Yield Bond	30	\$9,732	\$12,783	-8.5%	10.1%	-1.2%	-6.2%	0.60	3.64	23.9%	1.07%	\$324
US Stock	30	\$27,721	\$29,043	-11.3%	7.4%	-9.9%	8.7%	0.86		9.1%	1.19%	\$924
Multisector Bonds	24	\$18,185	\$28,858	-2.6%	10.4%	-0.5%	-6.0%	0.73	4.32	26.9%	0.96%	\$758
Covered Call	22	\$20,225	\$19,165	-4.1%	7.9%	-6.8%	3.5%	0.79		0.0%	1.09%	\$919
Senior Loan	23	\$8,324	\$12,951	-11.0%	11.6%	33.8%	44.3%	0.15	0.99	33.9%	1.30%	\$362
Hybrid / Balanced	19	\$11,613	\$15,095	-12.3%	10.6%	-7.5%	-6.5%	0.77	3.1	19.4%	1.20%	\$611
MLP Funds	16	\$5,472	\$7,718	-12.5%	8.5%	30.0%	62.5%	0.89		21.4%	1.17%	\$342
Preferred Equity	18	\$9,355	\$15,575	-7.0%	8.0%	-16.9%	-17.7%	0.40	3.5	38.3%	0.80%	\$520
International Bond	14	\$4,034	\$5,048	-4.9%	11.8%	-1.2%	5.4%	0.81	4.99	21.6%	1.29%	\$288
Investment Grade Bond	12	\$3,909	\$5,832	0.0%	7.6%	-2.3%	-10.4%	0.83	5.3	15.5%	0.74%	\$326
Convertible Bond	11	\$3,896	\$6,243	-3.9%	9.9%	-3.6%	2.8%	0.90	2.60	34.1%	0.97%	\$354
REIT Funds	10	\$5,263	\$7,248	-10.1%	10.5%	-2.3%	-1.9%	0.90		26.4%	1.09%	\$526

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# CEF Universe: Sponsors

Source: CEFData.com as of June 30, 2023



## Traditional CEF

#	Sponsor	Gross Assets (B)	# Funds	# Sectors	Gross Non Lev Exp Ratio (%)
1	Nuveen	\$52.8	51	19	0.81
2	BlackRock	\$49.1	51	22	0.75
3	PIMCO	\$22.9	21	7	0.74
4	Eaton Vance	\$20.7	23	7	0.96
5	Franklin Templeton	\$14.1	31	16	0.97
6	Sprott	\$12.5	5	2	0.75
7	Cohen&Steers	\$11.1	9	4	0.92
8	Virtus	\$10.7	14	7	1.00
9	Invesco	\$9.6	15	9	0.68
10	Calamos	\$8.0	7	2	1.10
11	Gabelli	\$7.1	13	7	1.17
12	First Trust	\$5.9	14	11	1.15
13	John Hancock	\$5.7	10	7	0.86
14	abrdn	\$4.8	12	9	1.48
15	Guggenheim Funds	\$4.1	4	4	1.03
16	Tekla	\$3.1	4	1	1.21
17	Adams Funds	\$2.9	2	2	0.67
18	Doubleline	\$2.8	3	2	1.22
19	Flaherty & Crumrine	\$2.8	5	1	0.68
20	RiverNorth	\$2.7	8	4	1.44
<b>Other Sponsors</b>		<b>\$59.6</b>	<b>135</b>	<b>27</b>	<b>1.54</b>
<b>All Listed CEFs</b>		<b>\$312.8</b>	<b>437</b>	<b>38</b>	<b>1.41</b>

## Business Development Companies (Listed & Non listed)

#	Sponsor	Gross Assets (B)	# Funds	# Listed	# Non Listed	Gross Non Lev Exp Ratio (%)
1	Blackstone	\$61.2	2	1	1	1.81
2	Owl Rock	\$29.9	6	0	6	2.08
3	Ares	\$22.2	2	1	1	1.05
4	FS/KKR	\$18.3	2	1	1	2.62
5	Blue Owl Cr Advisors	\$13.7	1	1	0	2.80
6	Golub Capital	\$8.9	5	1	4	1.75
7	Morgan Stanley	\$7.9	4	0	4	1.28
8	Prospect Capital	\$7.7	2	1	1	4.05
9	Goldman Sachs	\$7.4	5	1	4	2.25
10	Apollo	\$7.0	2	1	1	2.01
11	New Mountain Capital	\$6.9	4	1	3	2.02
12	HPS	\$6.9	1	0	1	1.87
13	Barings	\$6.5	3	1	2	1.84
14	Main Street Capital	\$5.4	2	1	1	2.21
15	Sixth St Splty Lending	\$4.6	2	1	1	2.56
16	Carlyle	\$4.5	3	1	2	1.95
17	Oaktree Capital	\$4.3	2	1	1	2.65
18	Franklin Templeton	\$3.8	2	0	2	2.49
19	Hercules	\$3.3	1	1	0	2.54
20	SLR Capital	\$3.2	3	1	2	1.66
<b>Other Sponsors</b>		<b>\$47.4</b>	<b>80</b>	<b>32</b>	<b>48</b>	<b>3.44</b>
<b>All BDCs</b>		<b>\$280.8</b>	<b>134</b>	<b>48</b>	<b>86</b>	<b>3.13</b>

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# 2Q Snapshot: Discounts & Total Returns



	Discount / Premium				QTD NAV TR				QTD Price TR			
	Discount	%	Premium	%	Positive	%	Negative	%	Positive	%	Negative	%
<b>Municipal Bond</b>	111	97%	3	3%	89	78%	25	22%	21	18%	93	82%
<b>World Stock</b>	34	94%	2	6%	30	83%	6	17%	23	64%	13	36%
<b>Debt Focused BDC</b>	31	72%	11	26%	43	100%	0	0%	36	84%	7	16%
<b>High Yield Bond</b>	28	93%	2	7%	29	97%	1	3%	27	90%	3	10%
<b>US Stock</b>	26	87%	4	13%	27	90%	2	7%	26	87%	4	13%
<b>Multisector Bonds</b>	15	63%	9	38%	20	83%	4	17%	18	75%	6	25%
<b>Covered Call</b>	17	77%	5	23%	21	95%	1	5%	19	86%	3	14%
<b>Senior Loan</b>	22	96%	1	4%	22	96%	1	4%	21	91%	2	9%
<b>Hybrid / Balanced</b>	19	100%	0	0%	16	84%	3	16%	14	74%	5	26%
<b>MLP Funds</b>	15	94%	1	6%	14	88%	2	13%	14	88%	2	13%
<b>Preferred Equity</b>	14	78%	4	22%	17	94%	1	6%	6	33%	12	67%
<b>International Bond</b>	11	79%	3	21%	14	100%	0	0%	12	86%	2	14%
<b>Investment Grade Bond</b>	9	75%	3	25%	7	58%	5	42%	6	50%	6	50%
<b>Convertible Bond</b>	7	64%	4	36%	11	100%	0	0%	10	91%	1	9%
<b>REIT Funds</b>	10	100%	0	0%	8	80%	2	20%	5	50%	5	50%
<b>Total CEFs</b>	<b>421</b>	<b>87%</b>	<b>64</b>	<b>13%</b>	<b>405</b>	<b>83%</b>	<b>81</b>	<b>17%</b>	<b>281</b>	<b>58%</b>	<b>205</b>	<b>42%</b>

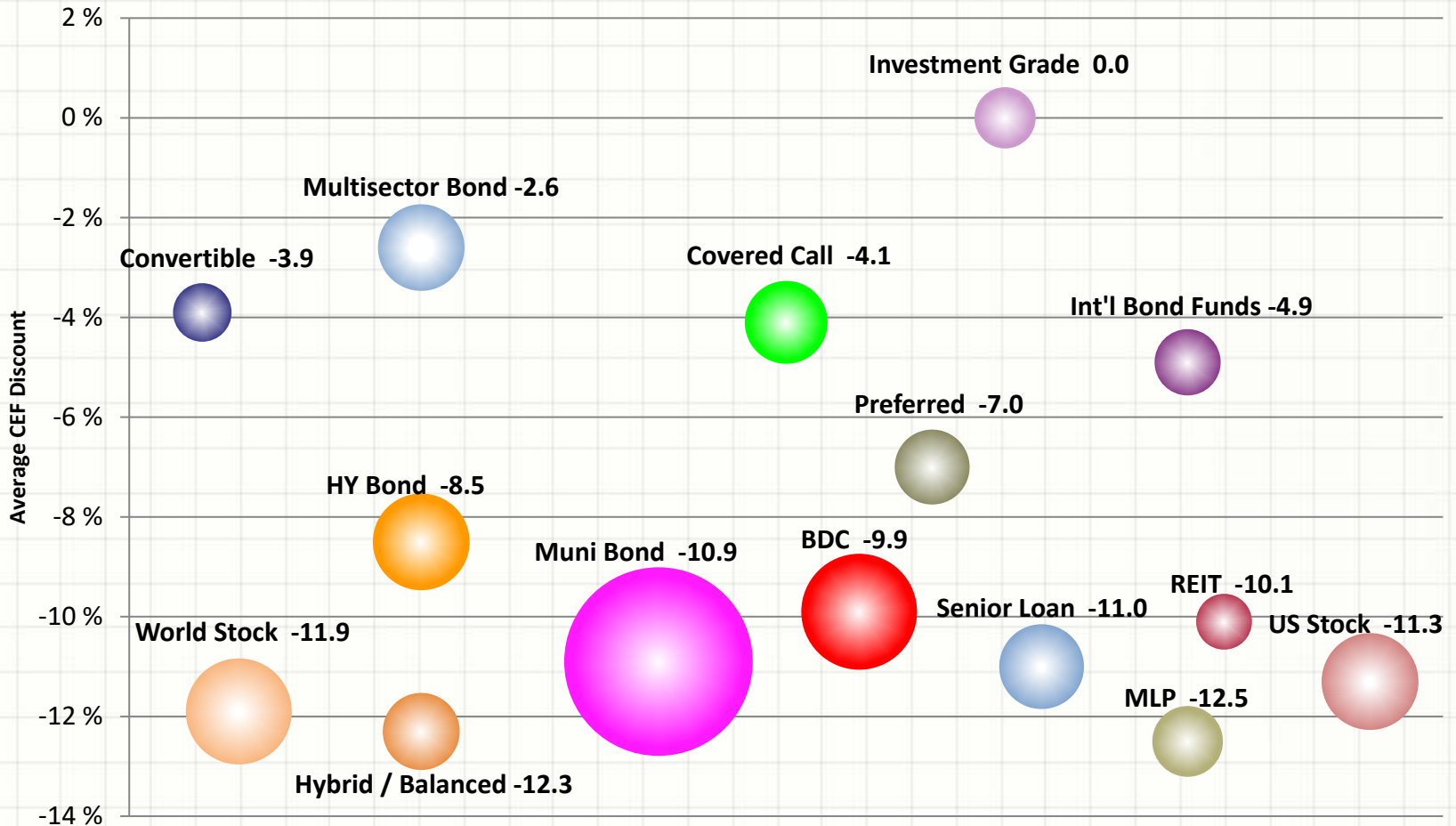
Note: BDCs reflect 1Q23 NAV TR, as 6/30/2023 NAVs are largely unreported yet

Source: CEFData.com as of June 30, 2023

# Major Sector Average Discount Levels



**Avg Discount % vs # of Funds - June 30, 2023**



Source: CEFData.com



# Discount & Yield Perspective

Source: CEFDData.com as of June 30, 2023



Discount Relative Movement						
Sector	Current Q	Vs Prev Q	Vs 1Yr Ago	Vs 8-Nov-21	Vs 23-Mar-20	Vs 19-Feb-20
US Stock	-11.4%	-0.8%	-4.2%	-5.1%	6.7%	-3.2%
World Stock	-11.9%	0.3%	-3.5%	-2.1%	7.3%	-1.6%
Covered Call	-4.1%	-1.3%	-1.7%	-3.9%	11.3%	-2.9%
MLP	-13.3%	1.6%	1.7%	1.4%	9.2%	-7.4%
REIT	-10.1%	-1.9%	-5.3%	-5.7%	5.8%	-5.0%
Hybrid	-12.3%	-0.7%	-5.0%	-11.4%	2.9%	-12.7%
Preferred	-7.0%	-3.2%	-5.7%	-11.6%	1.9%	-12.2%
Convert	-3.9%	1.2%	-2.0%	-0.3%	10.6%	-3.1%
Multisector	-2.6%	1.4%	0.4%	-3.7%	10.9%	-6.1%
HY Bond	-8.5%	1.1%	-1.0%	-8.7%	11.8%	-6.3%
Senior Loan	-11.0%	0.7%	-2.6%	-10.3%	9.1%	-5.2%
BDC	-10.1%	1.1%	2.3%	-14.3%	49.1%	-10.7%
Inv Grade	0.0%	1.2%	1.7%	-6.0%	9.3%	-6.9%
Intl Bond	-4.9%	1.2%	-0.7%	-6.1%	12.5%	-5.2%
Muni Bond	-10.9%	-1.6%	-6.0%	-10.8%	1.5%	-8.2%
Average	-8.1%	0.0%	-2.1%	-6.6%	10.7%	-6.4%

Mk Yield Relative Movement						
Sector	Current Q	Vs Prev Q	Vs 1Yr Ago	Vs 8-Nov-21	Vs 23-Mar-20	Vs 19-Feb-20
US Stock	7.9%	-0.2%	-2.4%	1.2%	-6.3%	0.4%
World Stock	7.9%	-0.6%	-2.5%	0.7%	-4.7%	0.7%
Covered Call	8.0%	-0.2%	-0.9%	1.3%	-4.6%	0.6%
MLP	8.7%	-0.3%	0.8%	2.6%	-39.3%	-0.4%
REIT	10.5%	0.2%	1.9%	4.0%	-4.4%	3.7%
Hybrid	10.6%	0.0%	-0.1%	2.9%	-6.0%	1.8%
Preferred	8.0%	-0.2%	-0.2%	1.6%	-4.3%	1.8%
Convert	9.9%	-0.2%	-0.6%	3.5%	-4.1%	2.3%
Multisector	10.4%	-0.1%	0.7%	2.9%	-2.4%	2.5%
HY Bond	10.1%	0.0%	0.0%	2.6%	-3.8%	2.1%
Senior Loan	11.6%	0.1%	2.9%	4.9%	-1.6%	3.7%
BDC	11.3%	-0.1%	1.1%	2.6%	-14.6%	1.8%
Inv Grade	7.6%	0.0%	0.0%	1.8%	-1.3%	1.5%
Intl Bond	11.8%	-0.1%	-0.1%	3.4%	-4.0%	2.9%
Muni Bond	4.4%	0.0%	-0.9%	0.2%	-1.1%	0.3%
Average	9.2%	-0.1%	0.0%	2.4%	-6.8%	1.7%

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# CEF Groups: Average Premium / Discount

Source: CEFData.com as of June 30, 2023

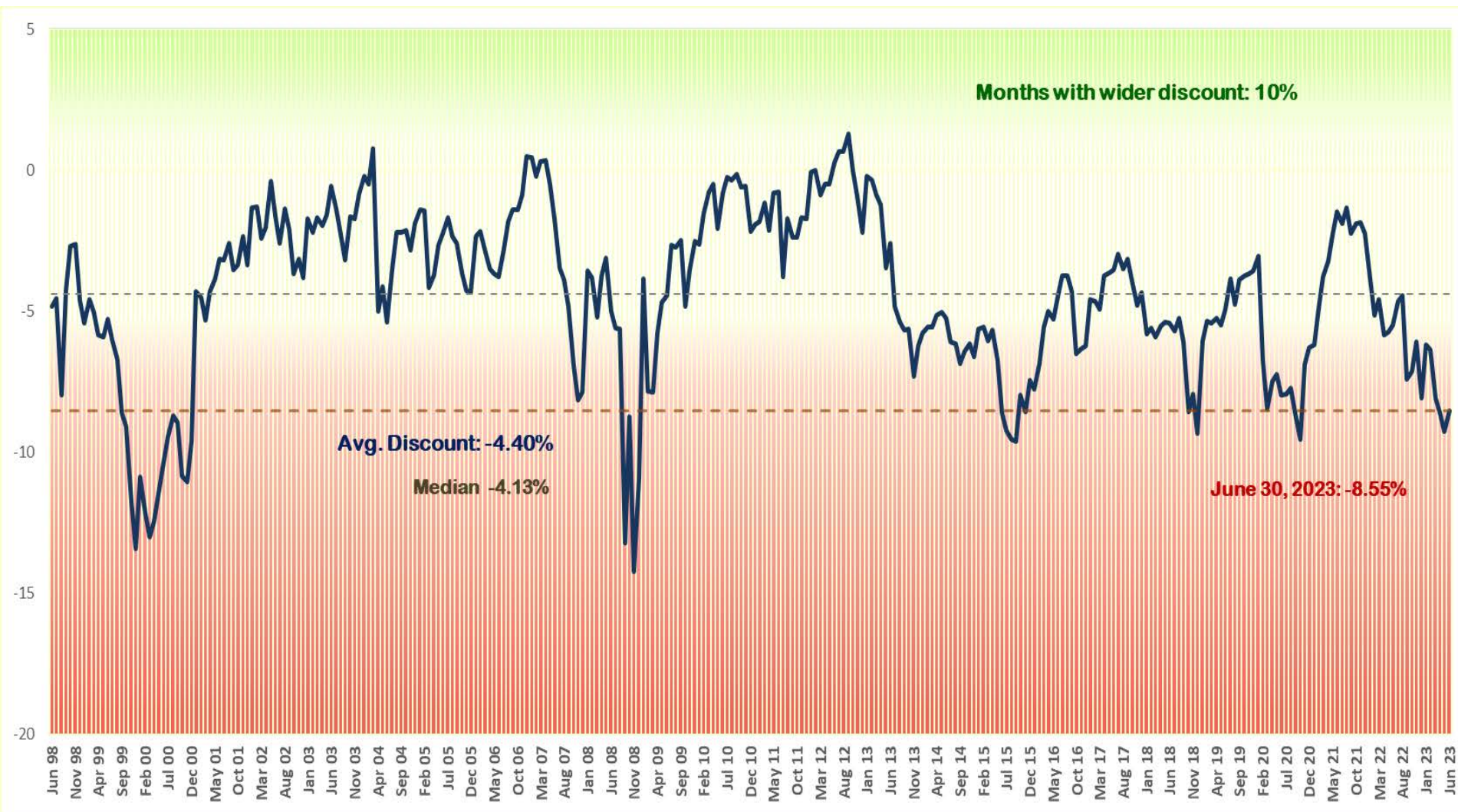


Fund Grouping	Discount (6/30/23)	Average Premium/(Discount)						
		1Yr	3Yr	5Yr	10Yr	15Yr	20Yr	25Yr
US Stock	-11.3%	-9.2%	-8.6%	-9.0%	-9.8%	-9.8%	-7.3%	-7.3%
World Stock	-11.9%	-10.9%	-10.9%	-11.1%	-10.4%	-9.2%	-8.4%	-9.2%
Covered Call	-4.1%	-1.2%	-2.3%	-2.5%	-4.2%	-5.1%	-4.8%	-4.8%
MLP	-12.5%	-14.9%	-17.2%	-13.7%	-8.7%	-5.8%	-5.4%	-5.4%
REIT	-10.1%	-6.5%	-6.7%	-7.5%	-8.6%	-8.4%	-7.8%	-7.3%
Hybrid	-12.3%	-10.1%	-5.9%	-5.1%	-6.4%	-7.2%	-6.7%	-6.0%
Preferred	-7.0%	-4.6%	-0.3%	0.1%	-1.6%	-1.6%	-2.0%	-2.0%
Convert	-3.9%	-2.2%	-4.2%	-3.9%	-4.5%	-4.3%	-3.3%	-3.5%
Multisector	-2.6%	-3.0%	-1.9%	-1.1%	0.0%	1.4%	0.3%	0.2%
HY Bond	-8.5%	-8.4%	-6.1%	-6.7%	-6.7%	-4.4%	-3.9%	-3.1%
Senior Loan	-11.0%	-10.3%	-7.8%	-8.7%	-7.9%	-6.5%	-5.9%	-5.8%
BDC	-9.9%	-10.7%	-8.1%	-8.7%	-6.2%	-6.4%	-5.4%	-5.3%
Inv Grade	0.0%	-0.8%	1.2%	1.8%	-0.2%	0.7%	-0.3%	-1.2%
Intl Bond	-4.9%	-5.5%	-4.4%	-5.0%	-7.3%	-6.7%	-6.5%	-6.8%
Muni Bond	-10.9%	-7.9%	-4.8%	-5.3%	-4.7%	-3.4%	-3.3%	-3.4%
<b>All CEF</b>	<b>-9.1%</b>	<b>-7.8%</b>	<b>-6.1%</b>	<b>-6.2%</b>	<b>-6.1%</b>	<b>-5.2%</b>	<b>-4.7%</b>	<b>-4.8%</b>

# All CEFs: 25 Year Discount History



Source: CEFData.com



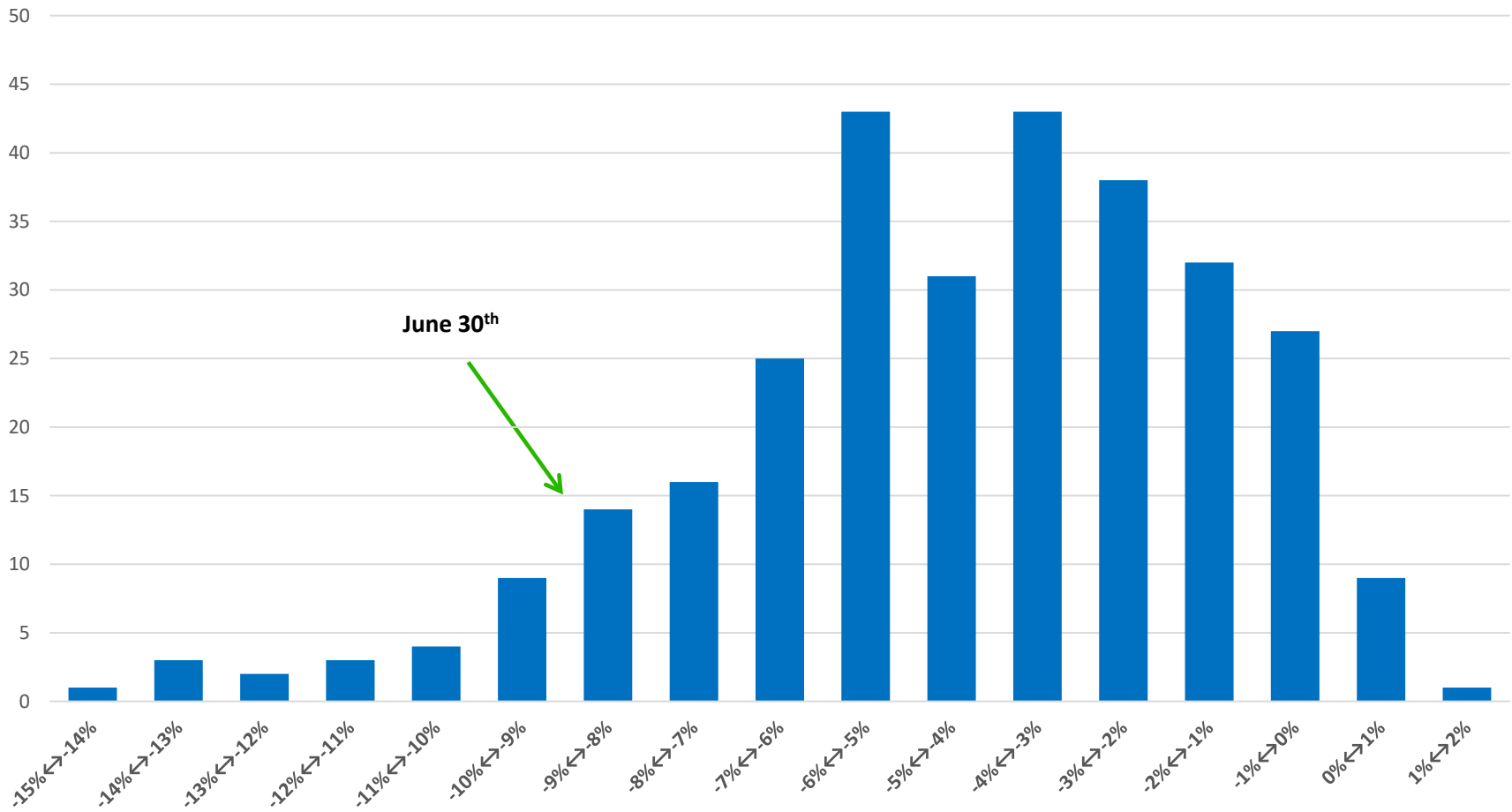
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# All CEFs: 25 Year Discount Level Frequency

Source: CEFData.com



## Monthly Discount Levels (June '98 - June '23)

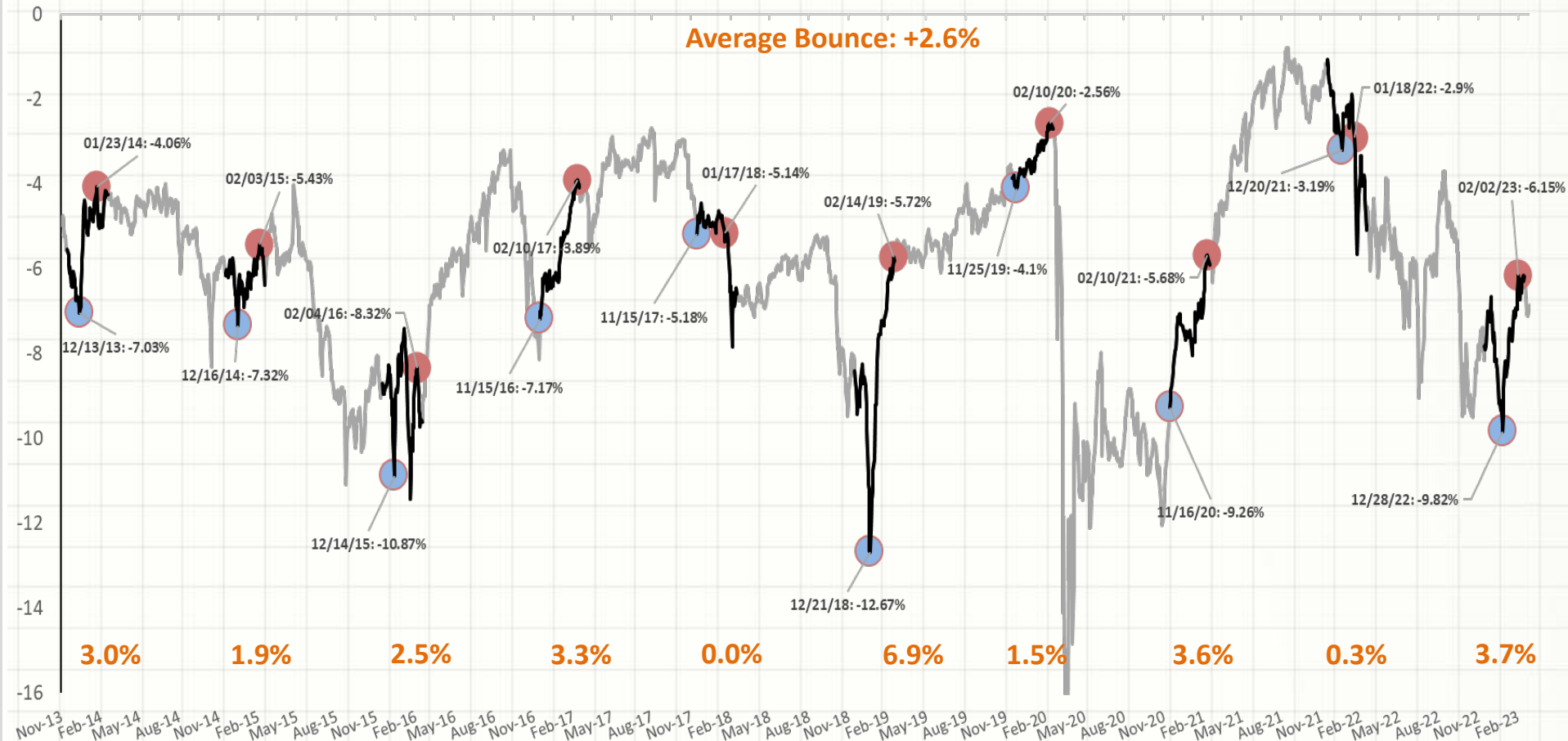


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# Discount Seasonality & Tax Loss Selling

## Major Sector Avg Discount Moves From November to February

Source: CEFData.com



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# Traditional CEFs: 25 Year Total Return



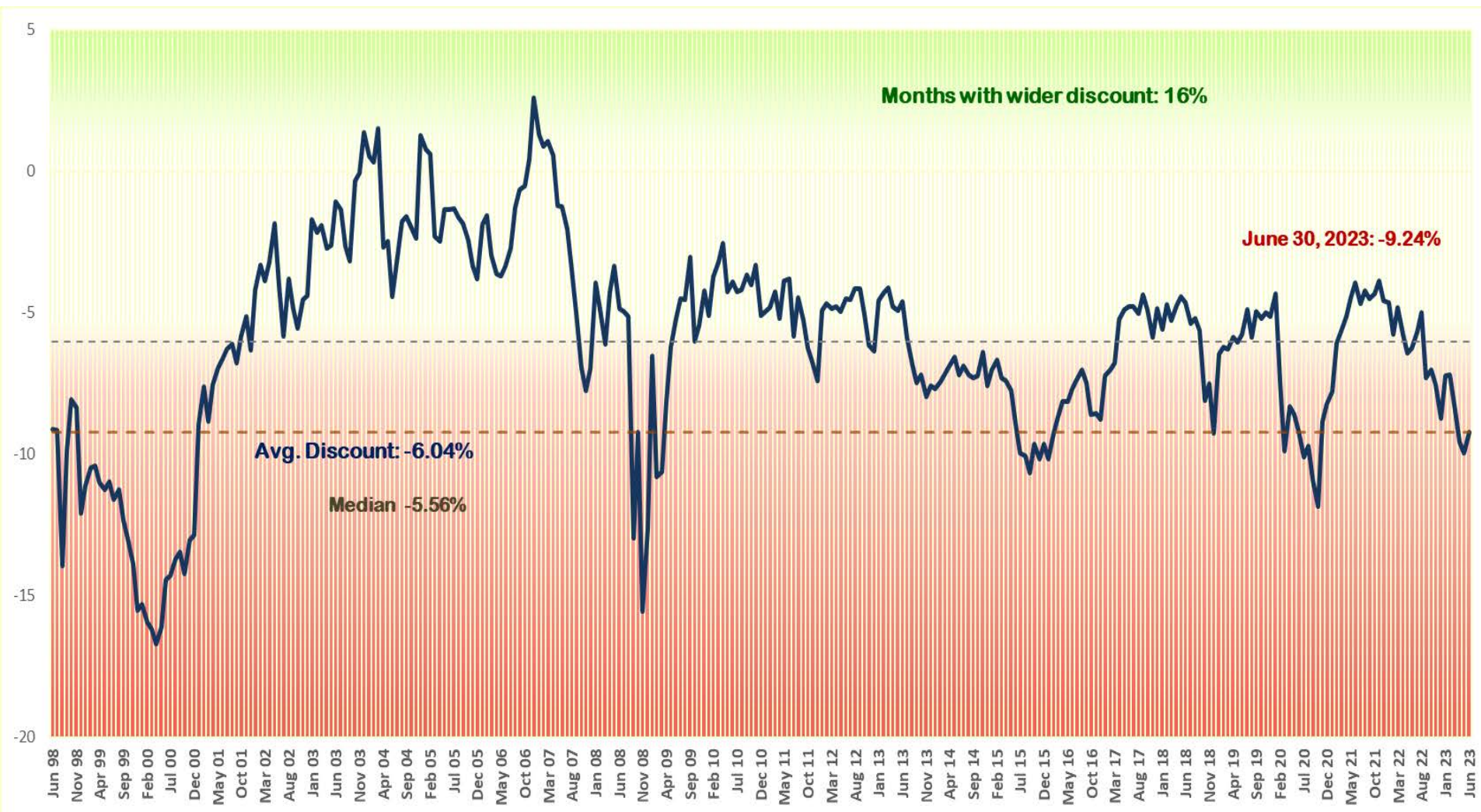
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*Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above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

# Equity CEFs: 25 Year Discount History

Source: CEFData.com



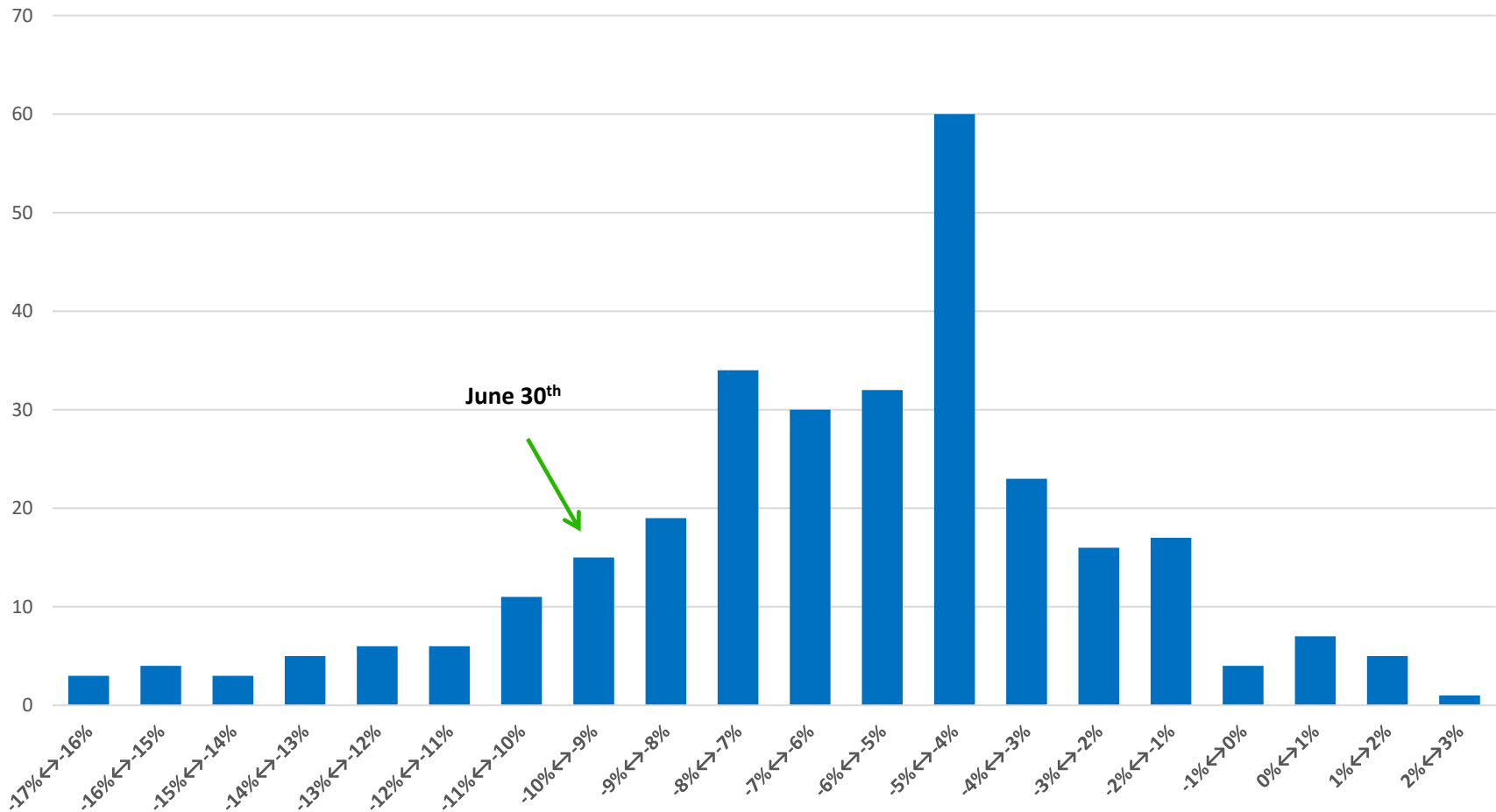
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# Equity CEFs: 25 Year Discount Level Frequency

Source: CEFData.com



## Monthly Discount Levels (June '98 - June '23)



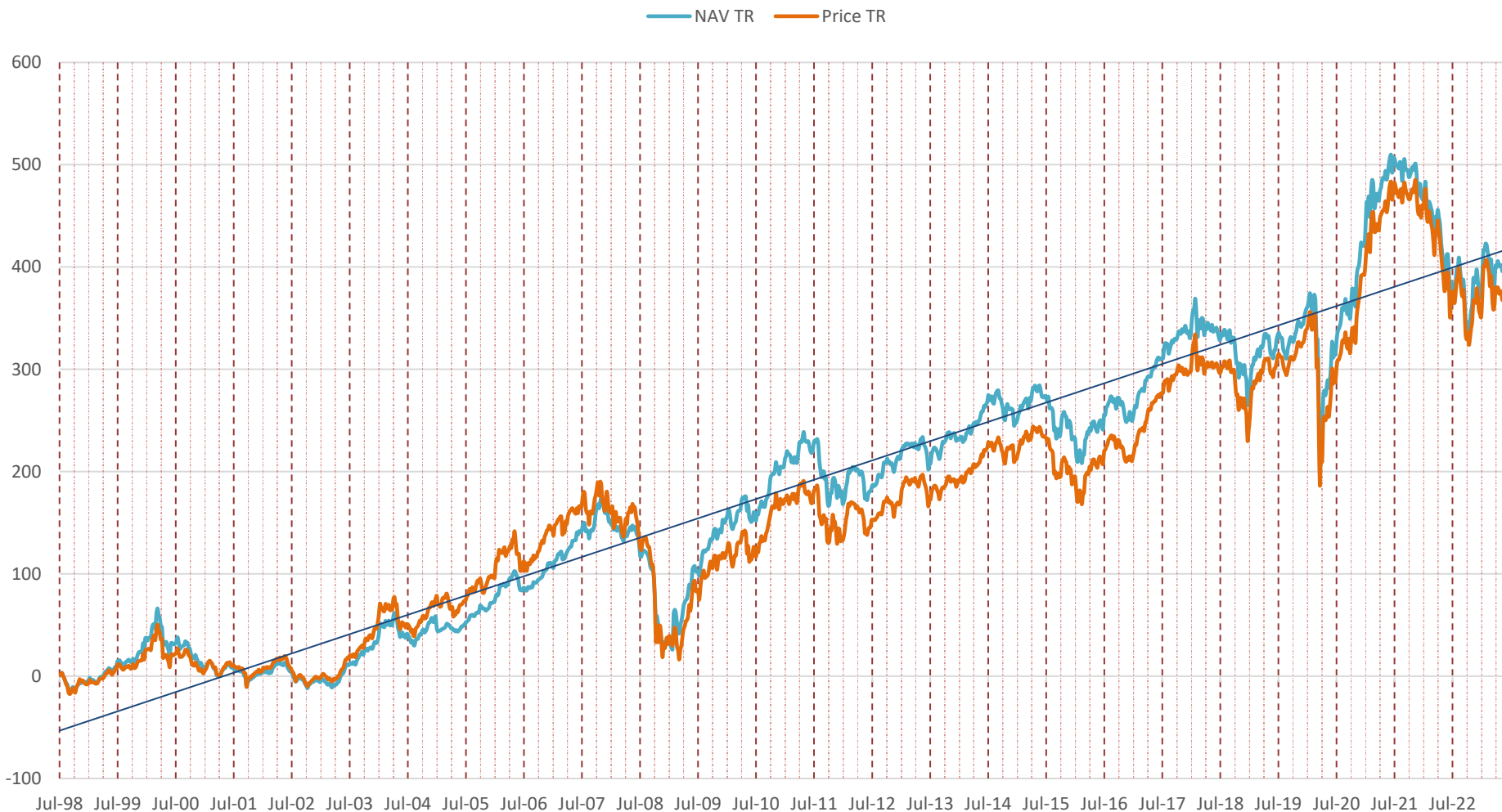
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# Equity CEFs: 25 Year Total Return



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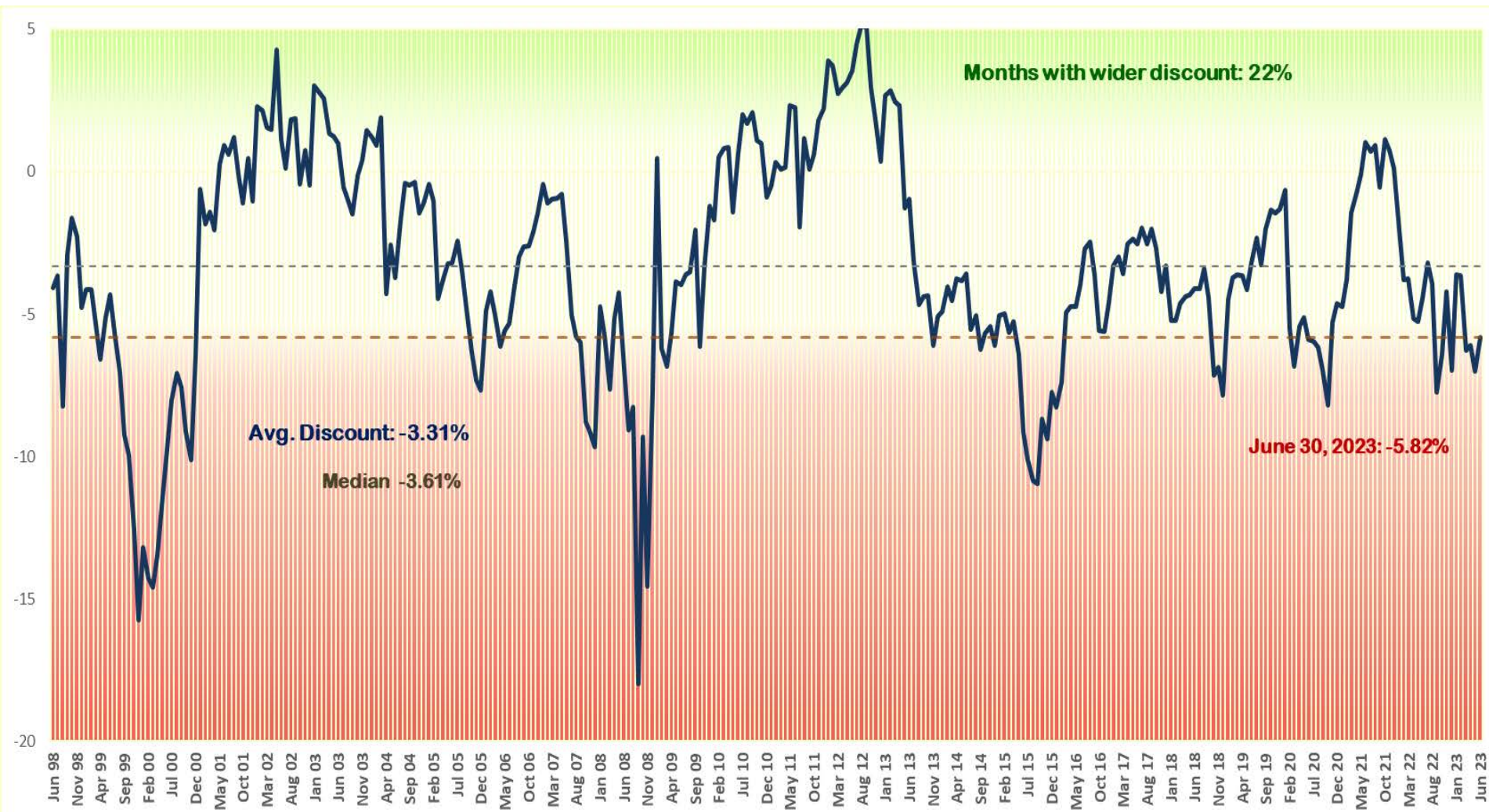


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# Taxable Fixed Income CEFs: 25 Year Discount History



Source: CEFData.com



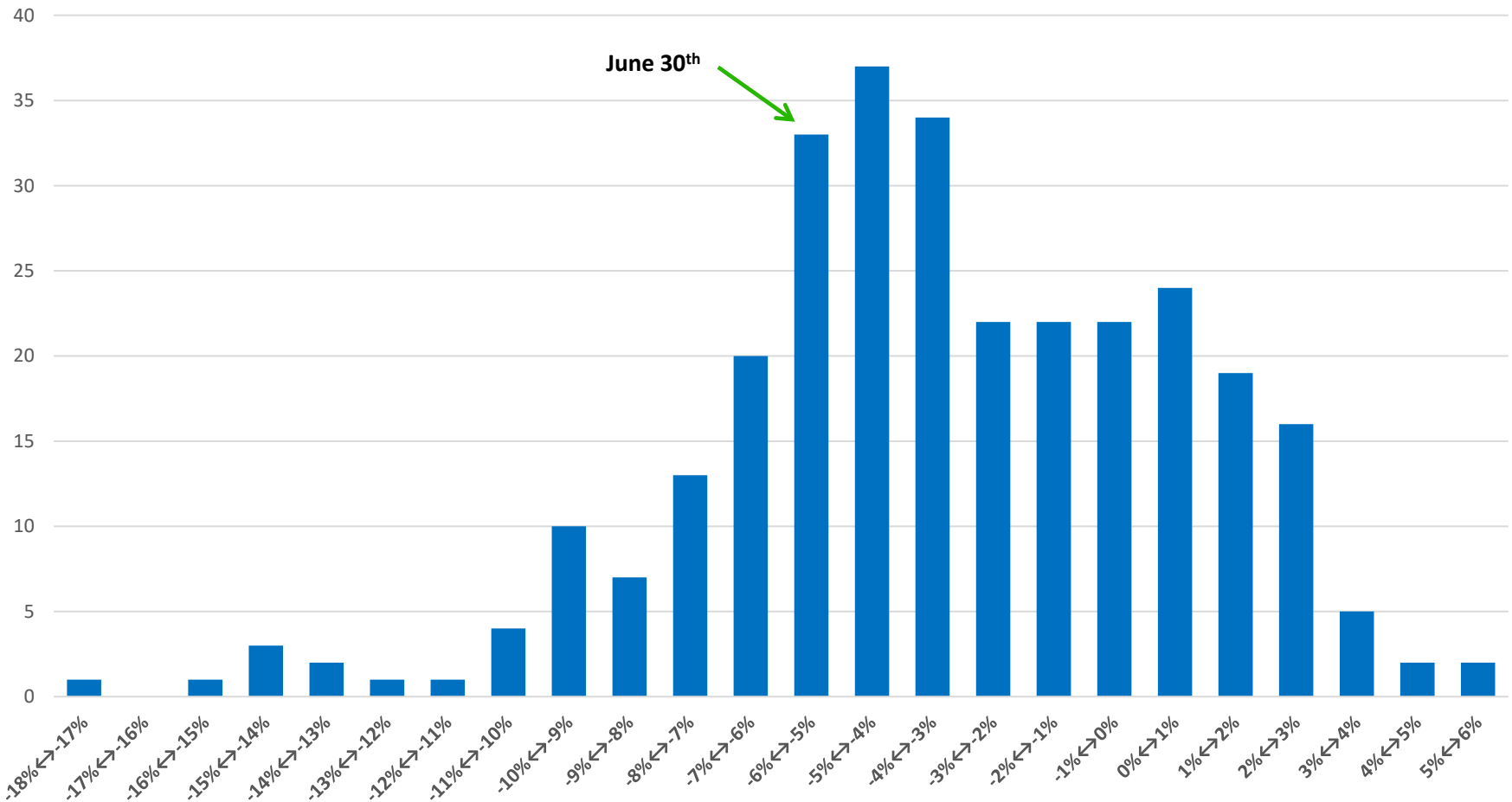
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# Taxable Fixed Income: 25 Year Discount Level Frequency



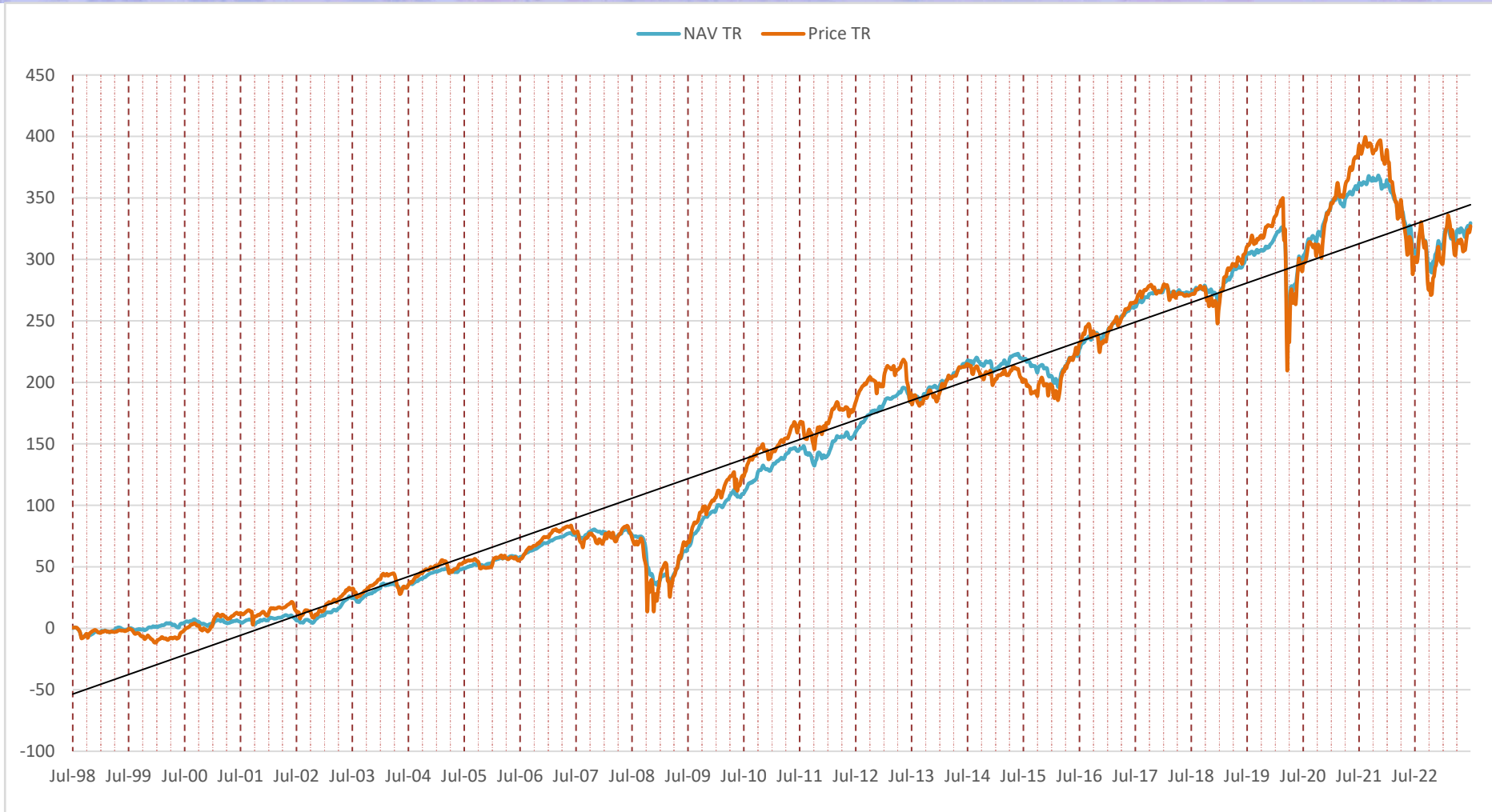
Source: CEFData.com

## Monthly Discount Levels (June '98 - June '23)



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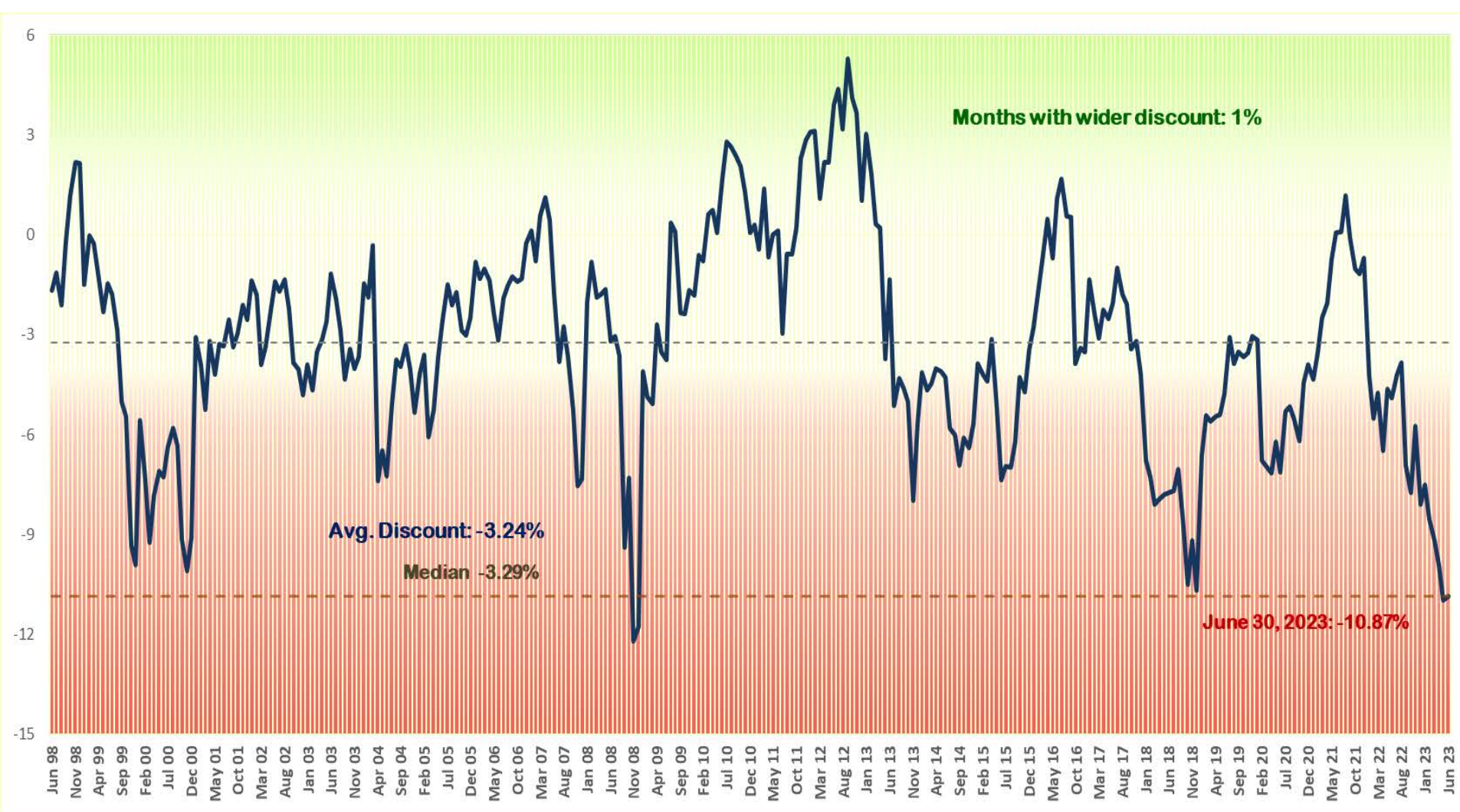
# Taxable Fixed Income CEFs: 25 Year Total Return



*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: 25 Year Discount History

Source: CEFData.com



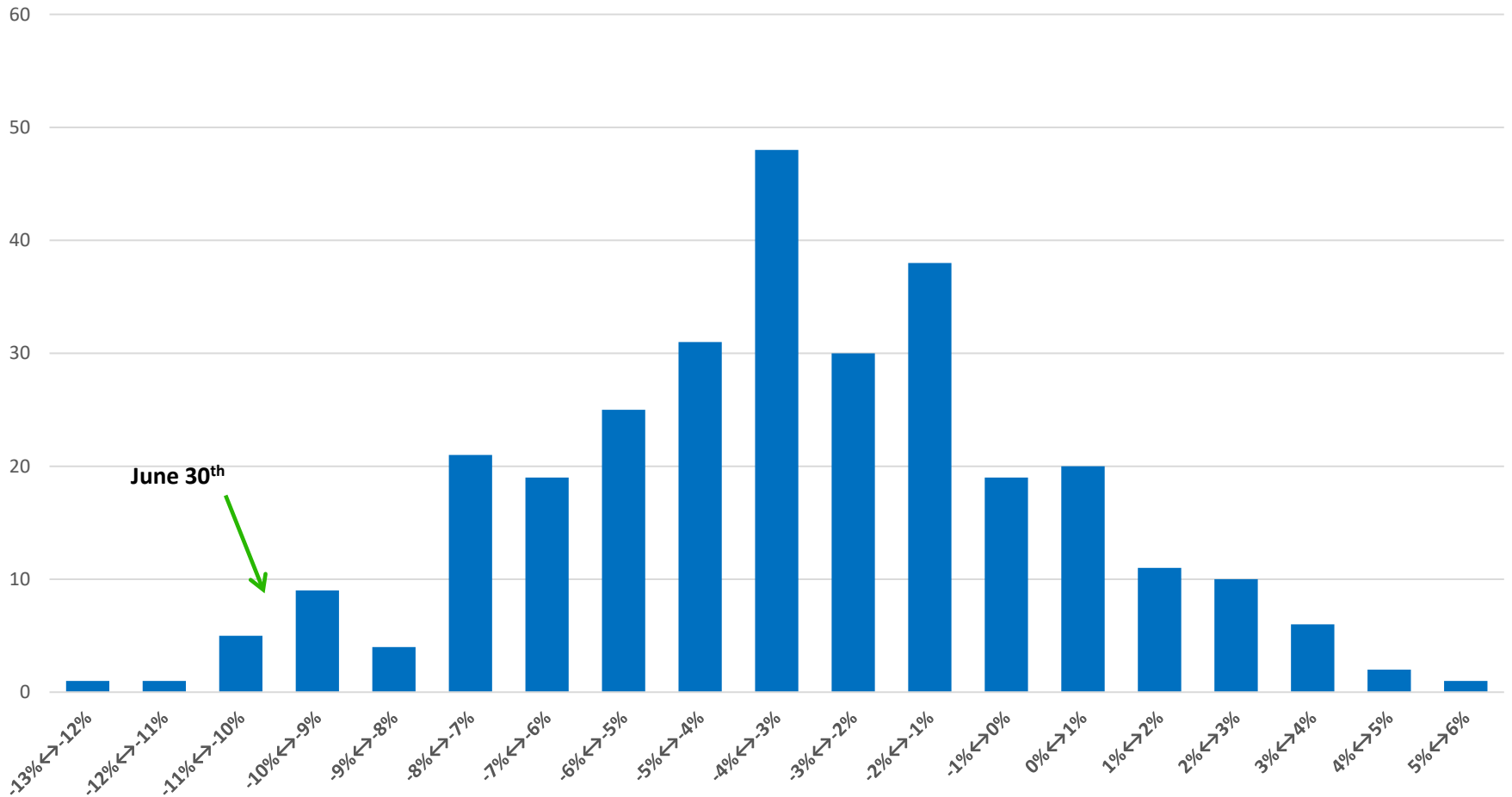
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# Municipal Bond CEFs: 25 Year Discount Level Frequency



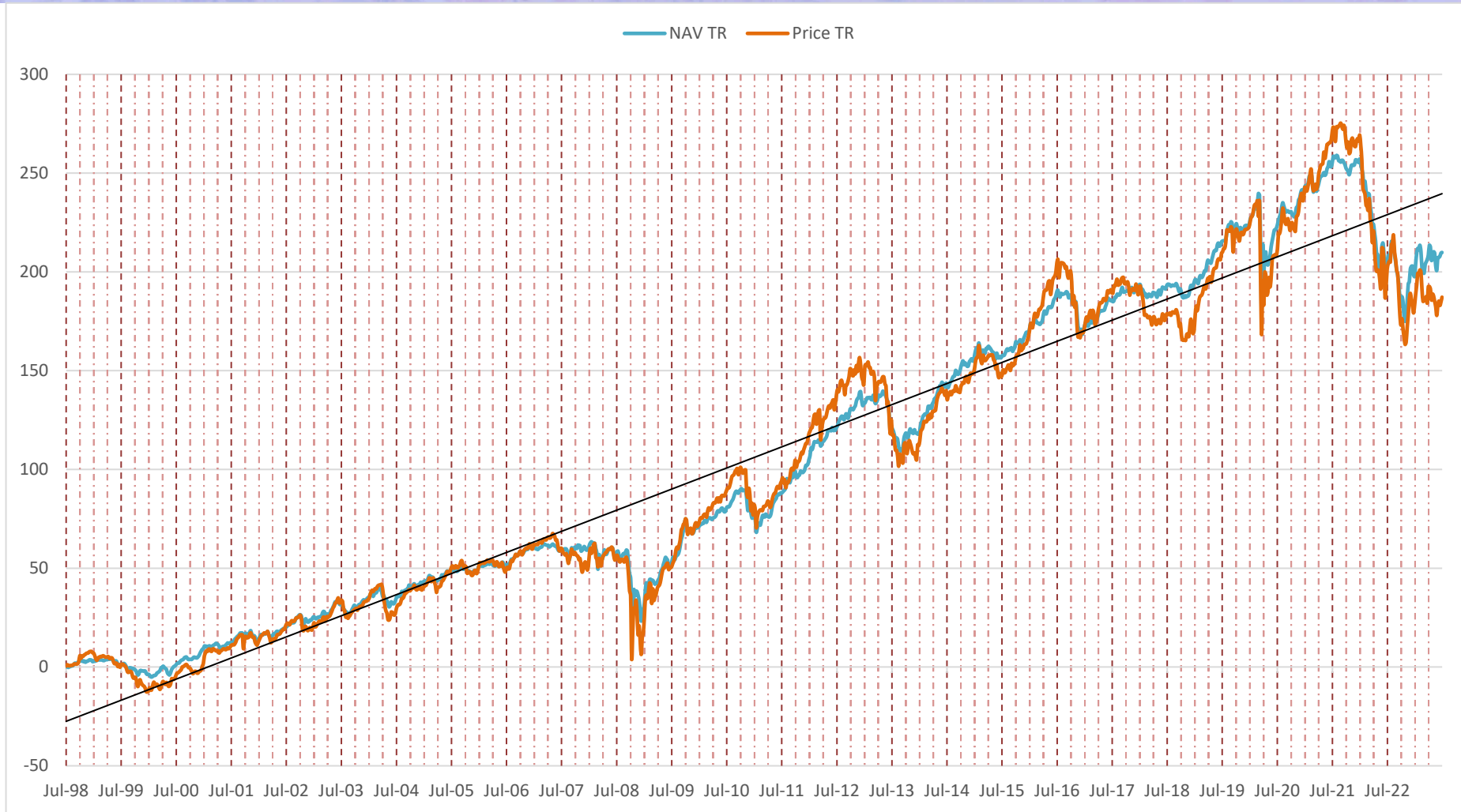
Source: CEFData.com

## Monthly Discount Levels (June '98 - June '23)



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# Municipal Bond CEFs: 25 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.*

# 2Q 2023 Performance and Discounts



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

[ABOUT](#) [PERFORMANCE](#) [DISCOUNT](#) [CHARACTER](#)

### 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	1,460.55	0.48	2.64	4.95	4.18	8.55	7.50	9.63	4.97	5.77	4.95	4.18	8.55
NAV	1,438.14	0.51	1.97	3.49	3.34	6.73	8.12	7.87	5.10	5.72	3.49	3.34	6.73
Difference		0.03	-0.67	-1.46	-0.85	-1.83	0.62	-1.76	0.13	-0.05	-1.46	-0.85	-1.83

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

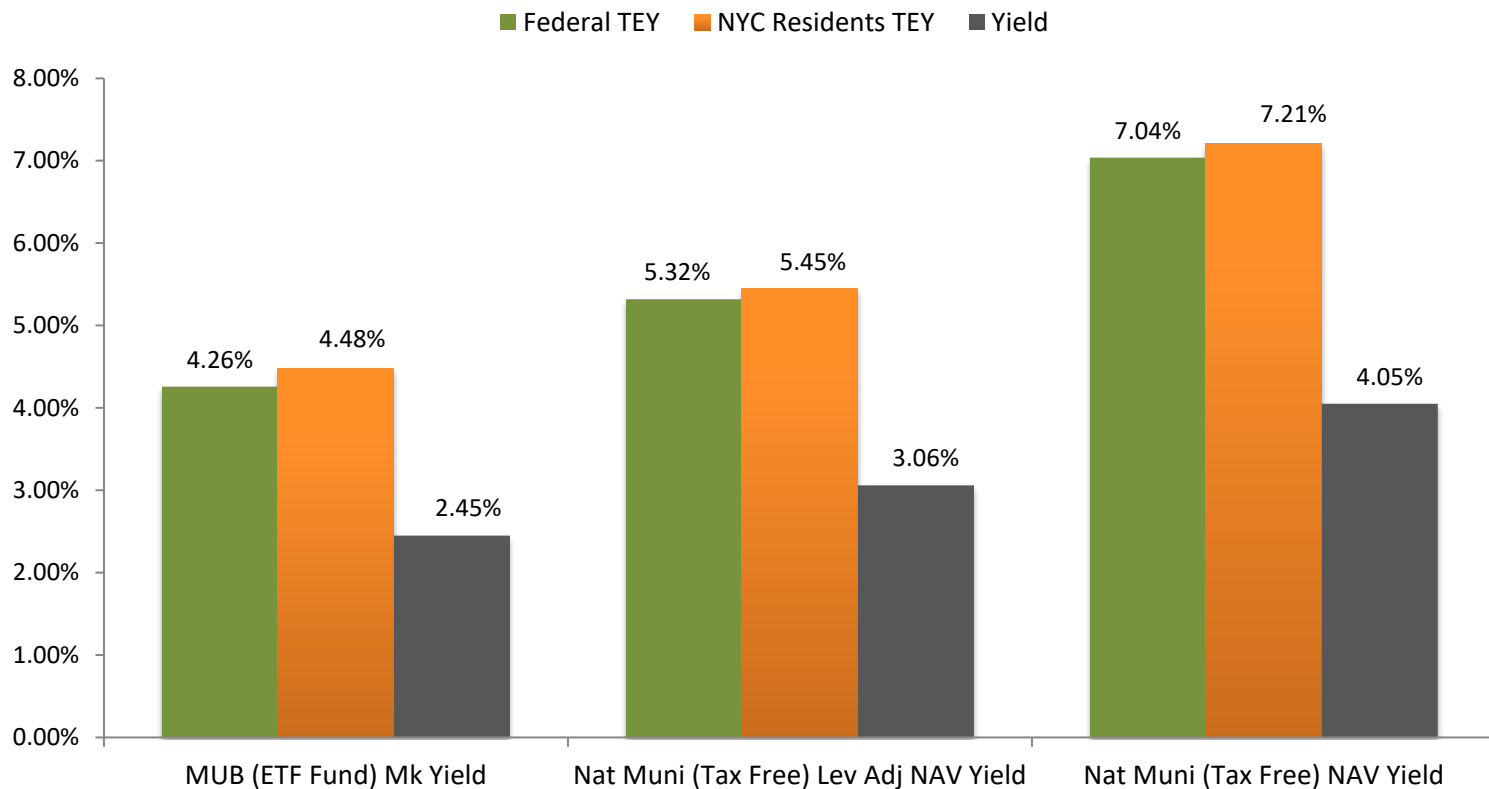
	2023 - Monthly Performance (%)																		<a href="#">Show Previous Years</a>
	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	1H	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	2H	
Price	10.20	-2.35	-3.17	4.20	1.04	-1.76	4.95	4.18	8.55	-	-	-	-	-	-	-	-	-	-
NAV	6.07	-2.51	-0.13	3.28	0.95	-1.09	3.49	3.34	6.73	-	-	-	-	-	-	-	-	-	-
Difference	-4.13	-0.16	3.04	-0.92	-0.09	0.67	-1.46	-0.85	-1.83	-	-	-	-	-	-	-	-	-	-

*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.*



# Tax Equivalent Yield Comparison

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



Sources: CEFData.com as of 6/30/2023; tax rates from IRS and NY State.

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# Relative UNII for National Muni Funds

Source: CEFData.com as of June 30, 2023



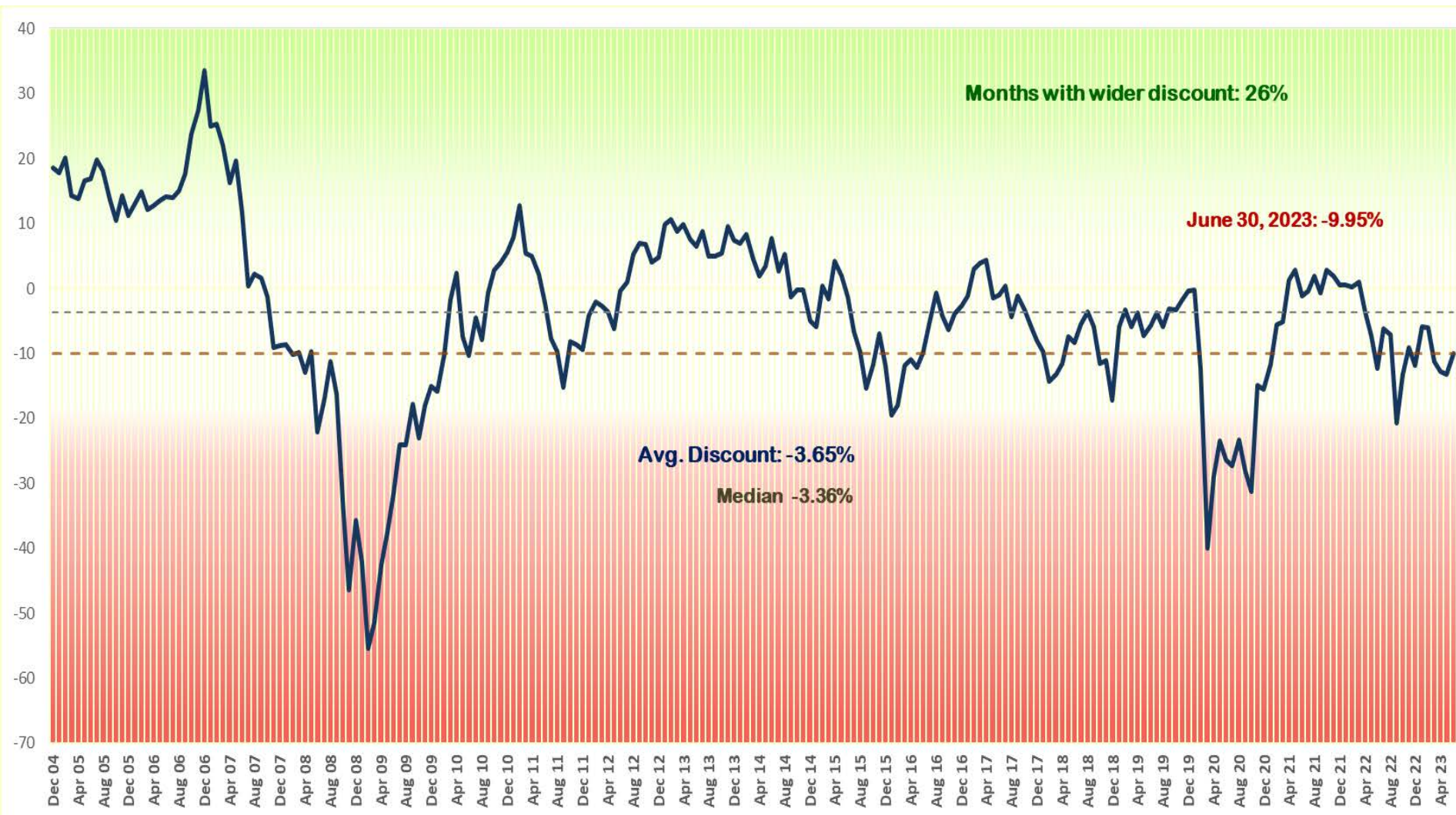
## Nat Muni Bond - Relative UNII May' 12 – June' 23



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# Debt BDCs: 18 Year Discount History

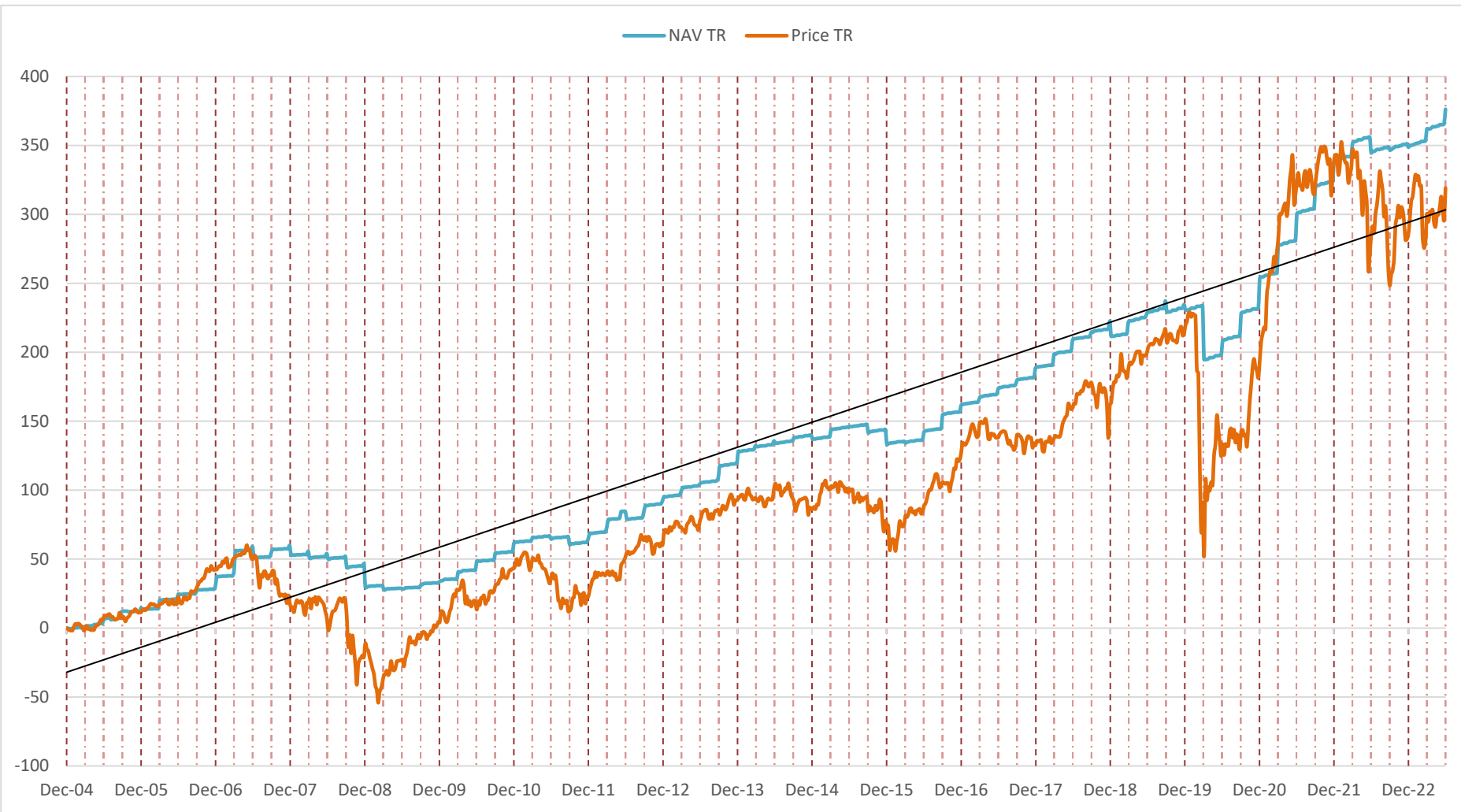
Source: CEFData.com



# Debt BDCs: 18 Year Total Return

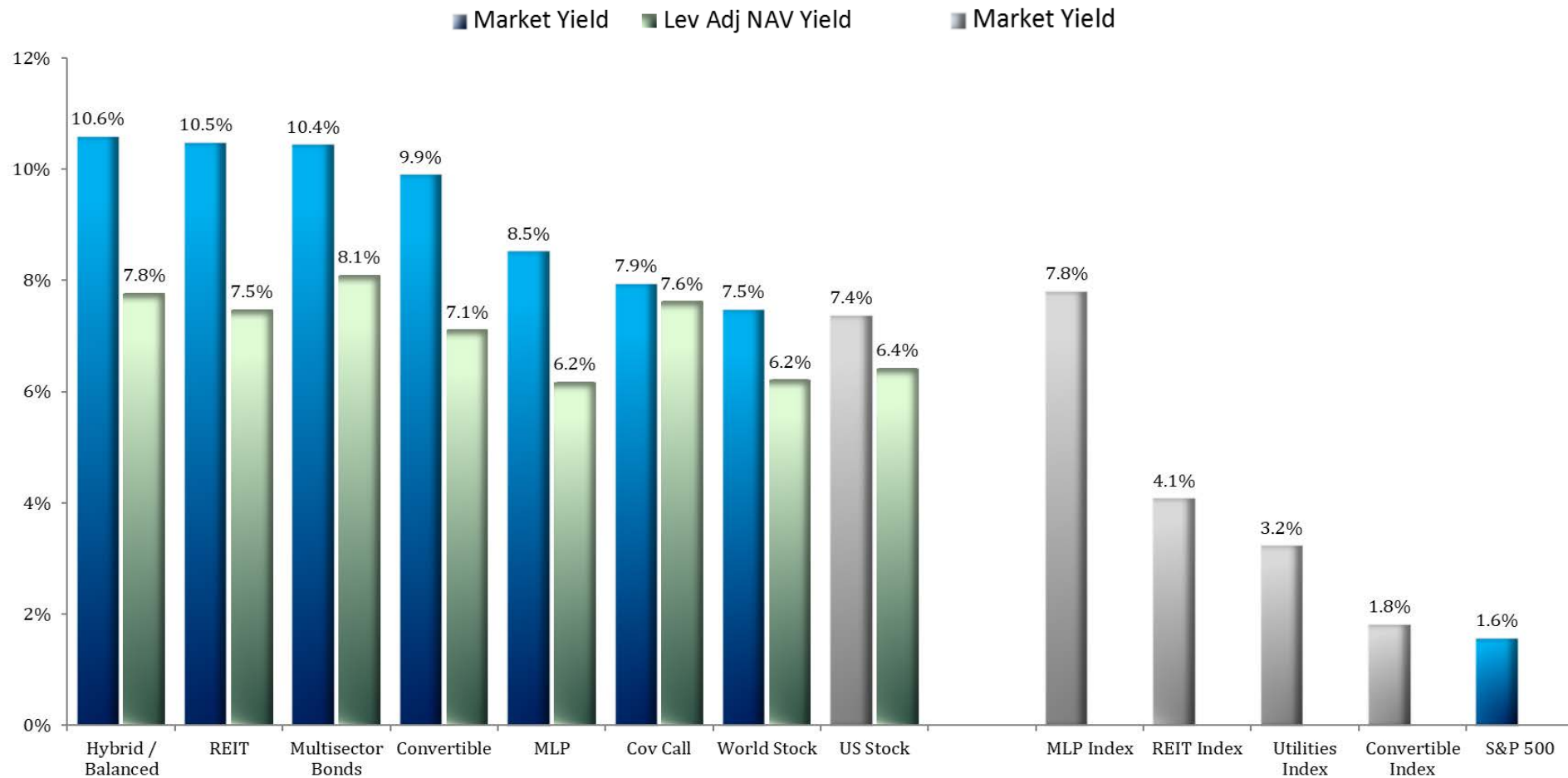


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*Back-tested results also do not account for those Funds that were previously recommended by the Adviser and which are no longer included as an alternative in a client's asset allocation strategy. Thus, the back-tested performance results shown above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

# Equity Sectors: Yield Comparison



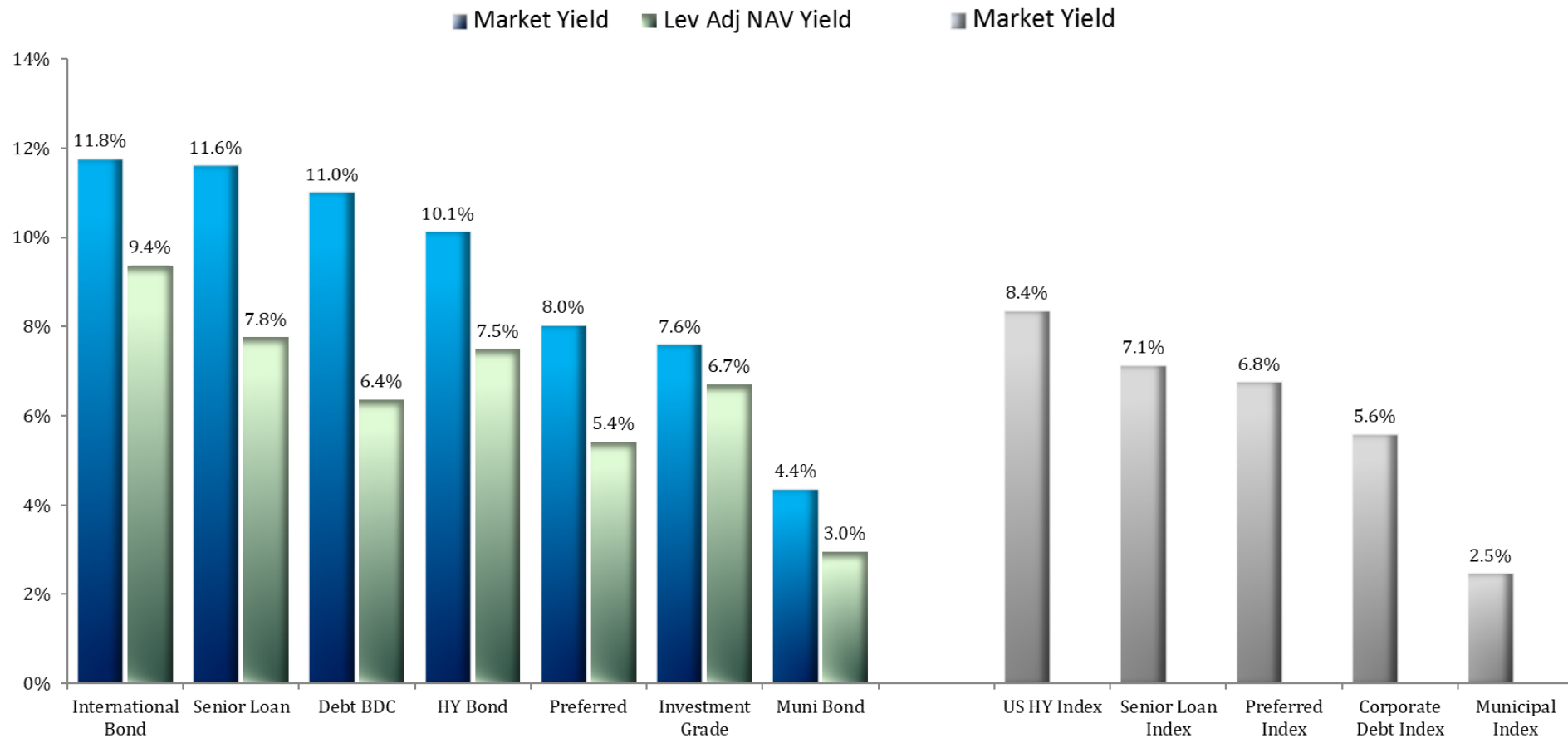
Data as of 6/30/20223

MLP Index: Alerian MLP Index; REIT Index: FTSE NAREIT All Equity REITs Index; Utilities Index: The Utilities Select Sector SPDR® Fund;

Convertible Index: iShares Convertible Bond ETF

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# Debt Sectors: Yield Comparison



Data as of 6/30/20223

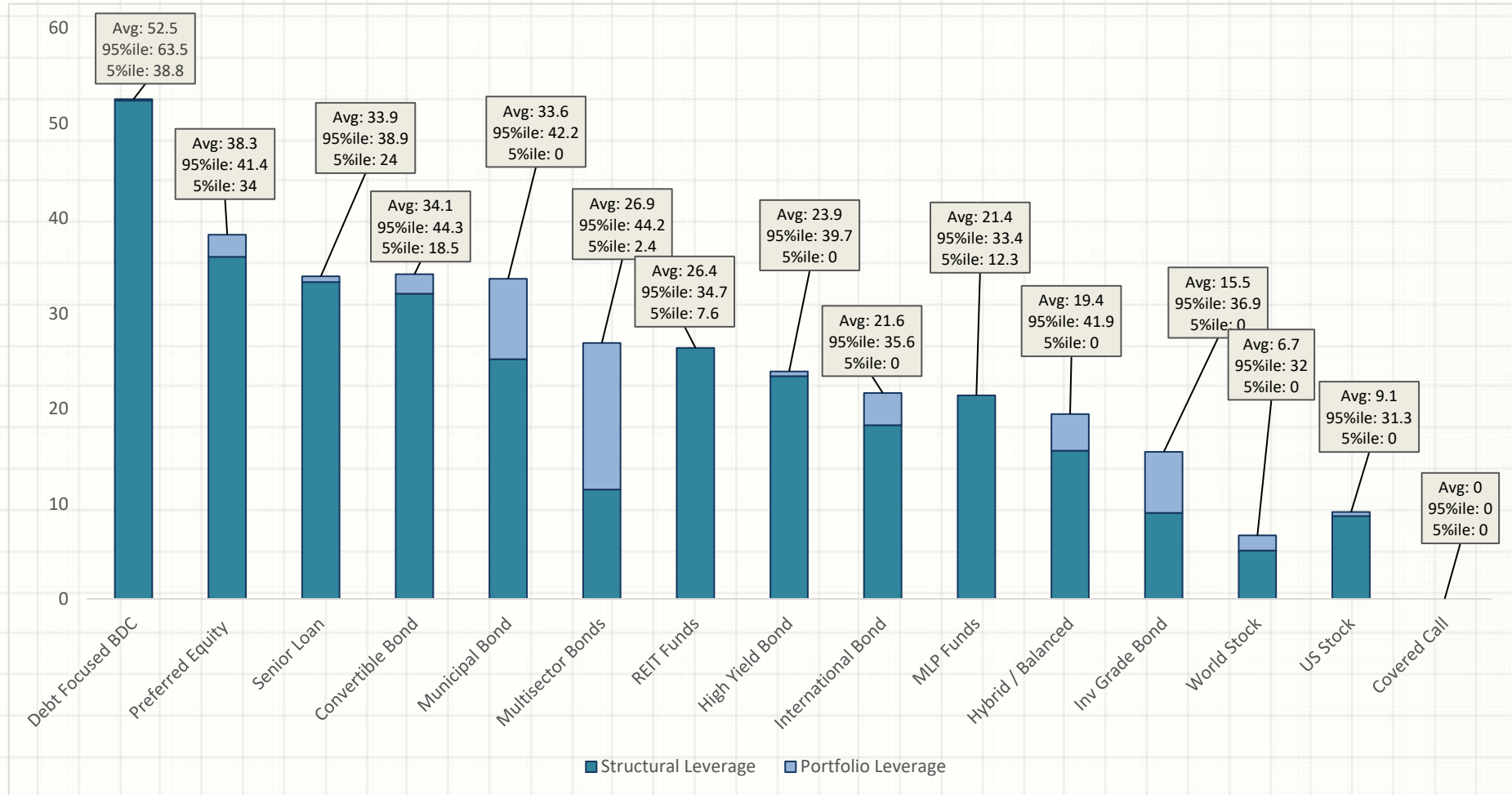
US High Yield Index: BofA Merrill Lynch US High Yield; Preferred Index: iShares Preferred and Income Securities ETF;

Senior Loan Index: Invesco Senior Loan ETF; Corporate Debt Index: S&P 500 Bond Index; Municipal Index: iShares National Muni Bond ETF

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# 15 Major Sectors: Leverage (%)

Source: June 30, 2023 – CEFData.com

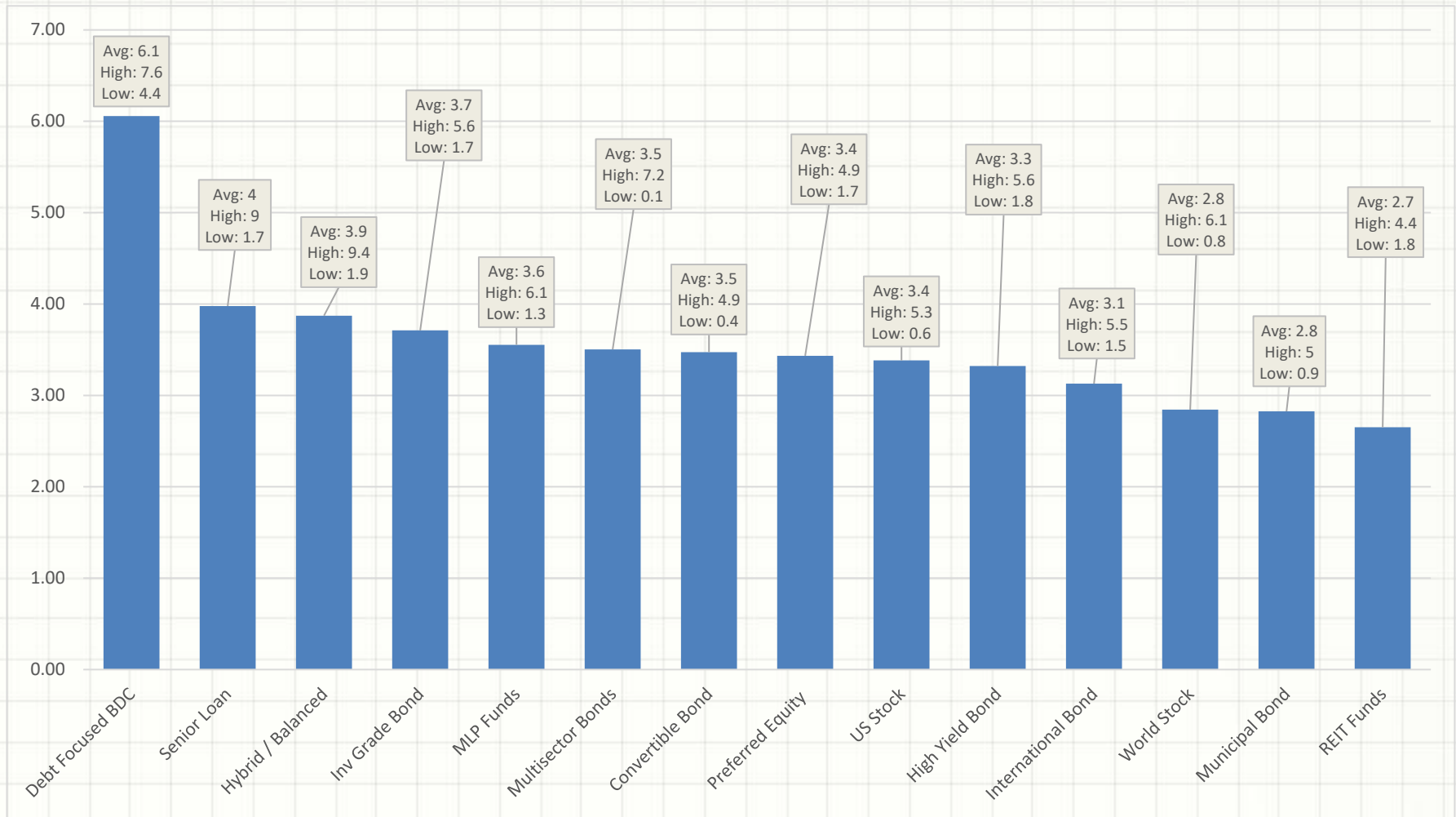


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# 15 Major Sectors: Relative Leverage Cost (%)



Source: June 30, 2023 – CEFData.com



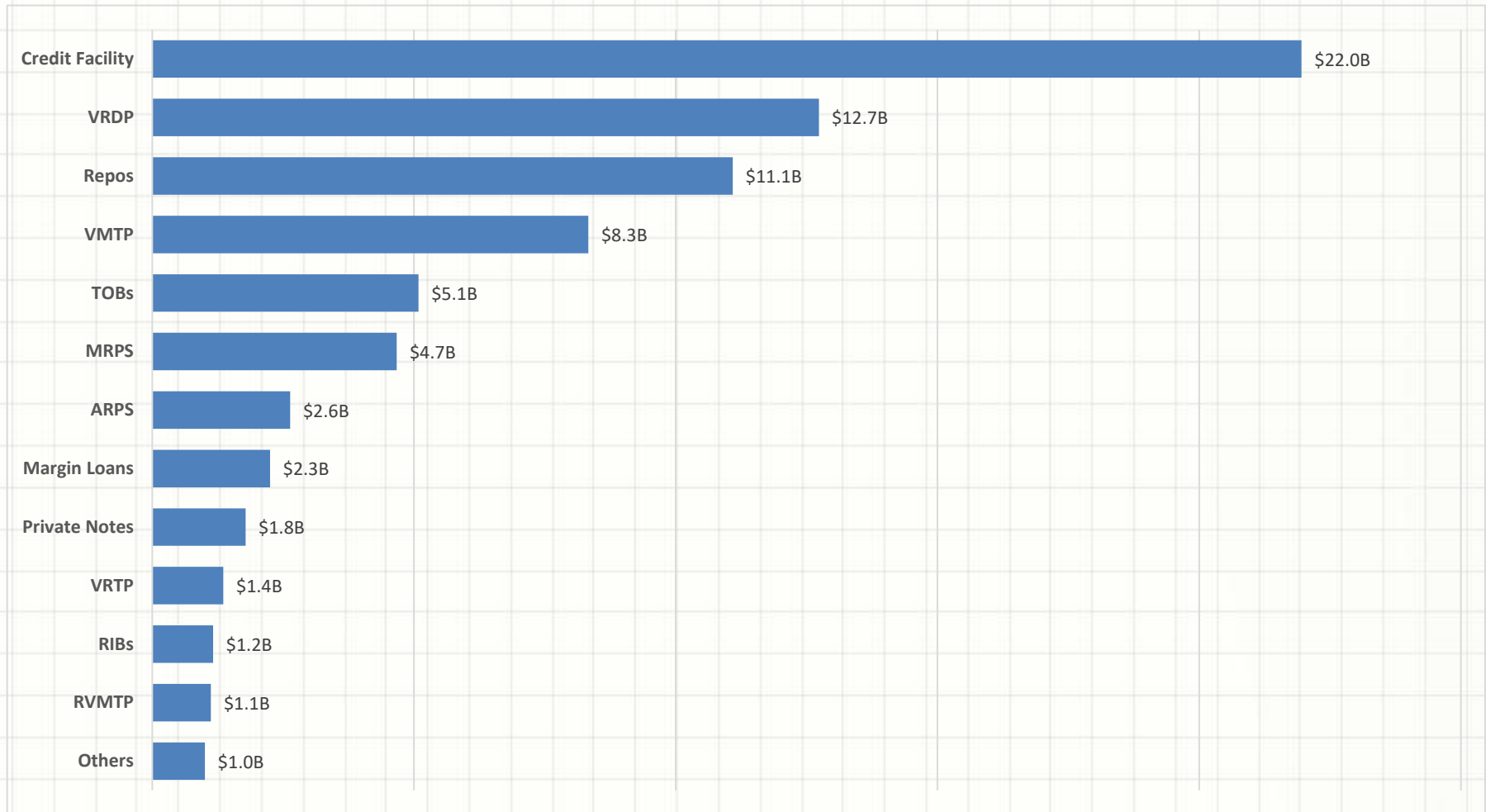
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# Traditional CEF Leverage By Type



Source: June 30, 2023 – CEFData.com

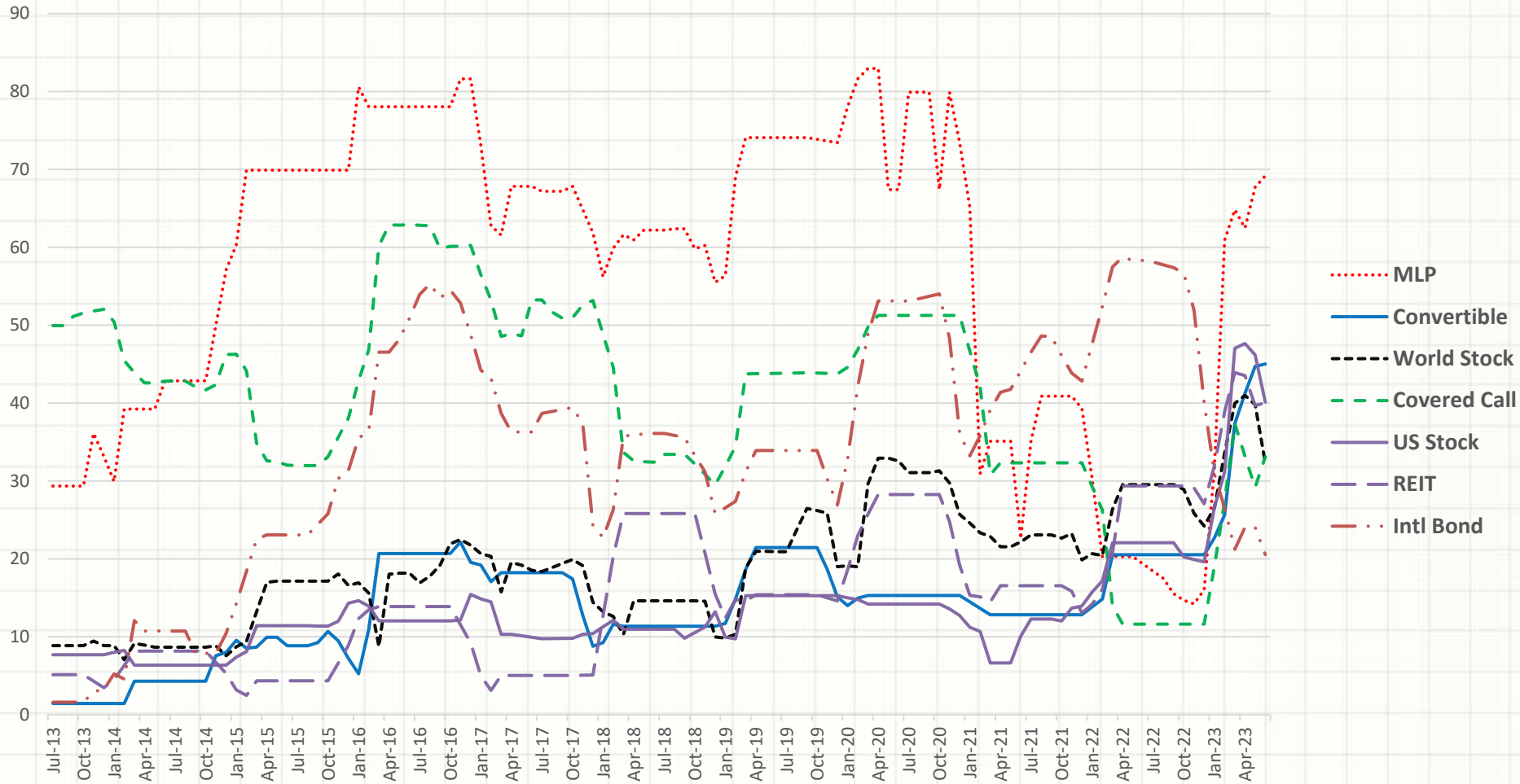


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# Return of Capital Trends (90 day rolling)



Source: CEFDATA.com as of June 30, 2023



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# Destructive Return of Capital (10YR DRoC)



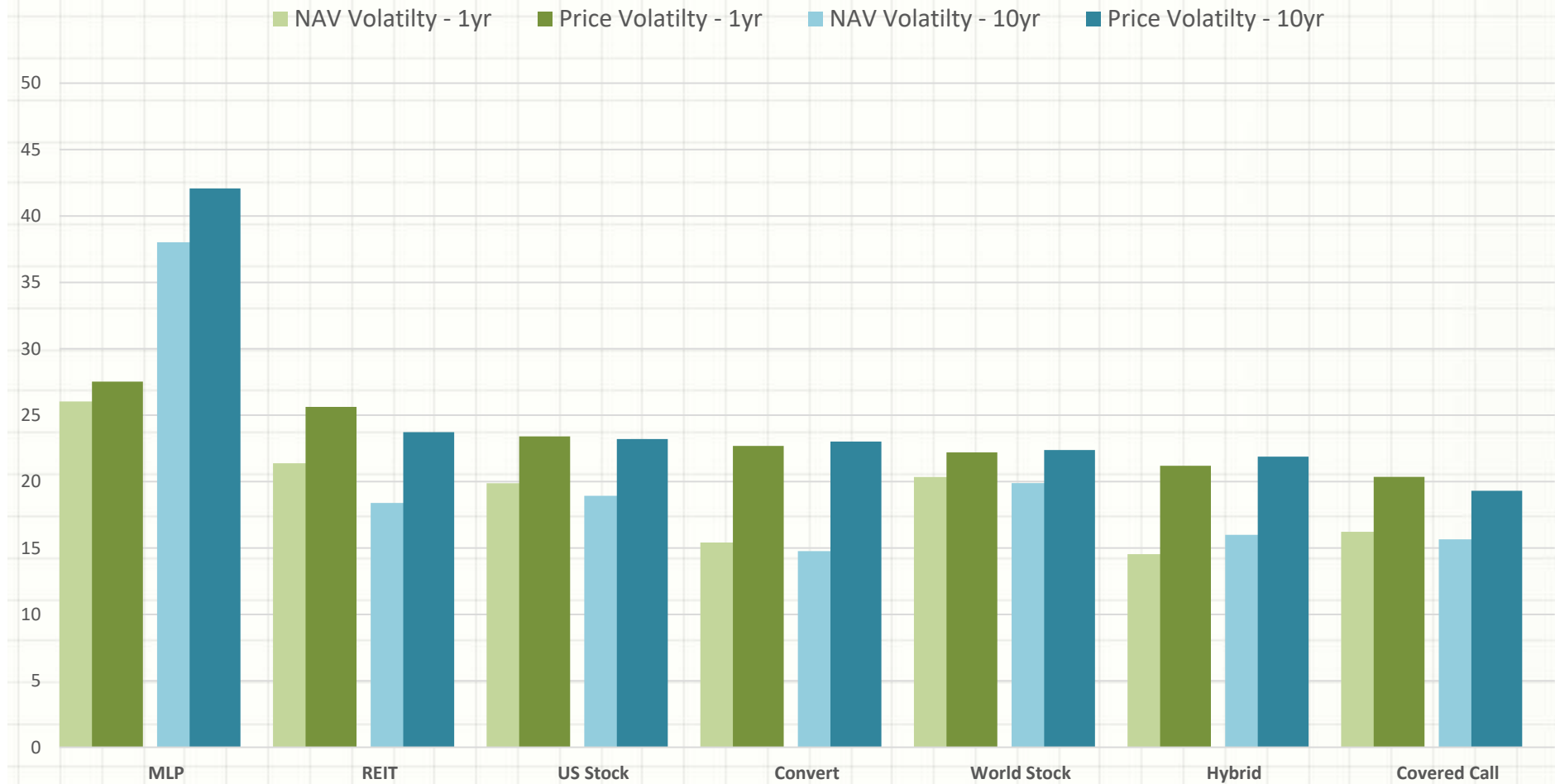
Source: CEFData.com as of 6/30/2023

Fund Grouping	RoC%	Funds with Destructive RoC		Avg Destructive RoC %	1Yr NAV TR vs NAV Yield	3Yr NAV TR vs NAV Yield	5Yr NAV TR vs NAV Yield	10Yr NAV TR vs NAV Yield
		#	%					
<b>US Equity</b>	31%	4	13%	20%	0.8x	0.9x	0.1x	0.2x
<b>Non-US Equity</b>	32%	9	25%	50%	0.4x	0.2x	-0.6x	-0.3x
<b>Specialty Equity</b>	28%	32	31%	35%	-0.1x	0.7x	-0.6x	-0.4x
<b>All Equity CEFs</b>	<b>32%</b>	<b>55</b>	<b>29%</b>	<b>38%</b>	<b>0.1x</b>	<b>0.6x</b>	<b>-0.5x</b>	<b>-0.3x</b>
<b>Taxable Bond</b>	18%	63	46%	16%	-0.3x	-0.6x	-0.8x	-0.6x
<b>National Muni</b>	10%	41	54%	12%	-0.5x	-1.3x	-0.7x	-0.1x
<b>State Muni</b>	8%	16	42%	N/A	-0.4x	-1.6x	-0.7x	0.0x
<b>All Bond CEFs</b>	<b>14%</b>	<b>120</b>	<b>48%</b>	<b>15%</b>	<b>-0.4x</b>	<b>-0.8x</b>	<b>-0.7x</b>	<b>-0.5x</b>
<b>Average – All CEFs</b>	<b>21%</b>	<b>175</b>	<b>40%</b>	<b>22%</b>	<b>-0.2x</b>	<b>-0.2x</b>	<b>-0.6x</b>	<b>-0.4x</b>

# NAV vs Market Price Volatility: Equity CEF Sectors



Source: June 30, 2023 – CEFData.com



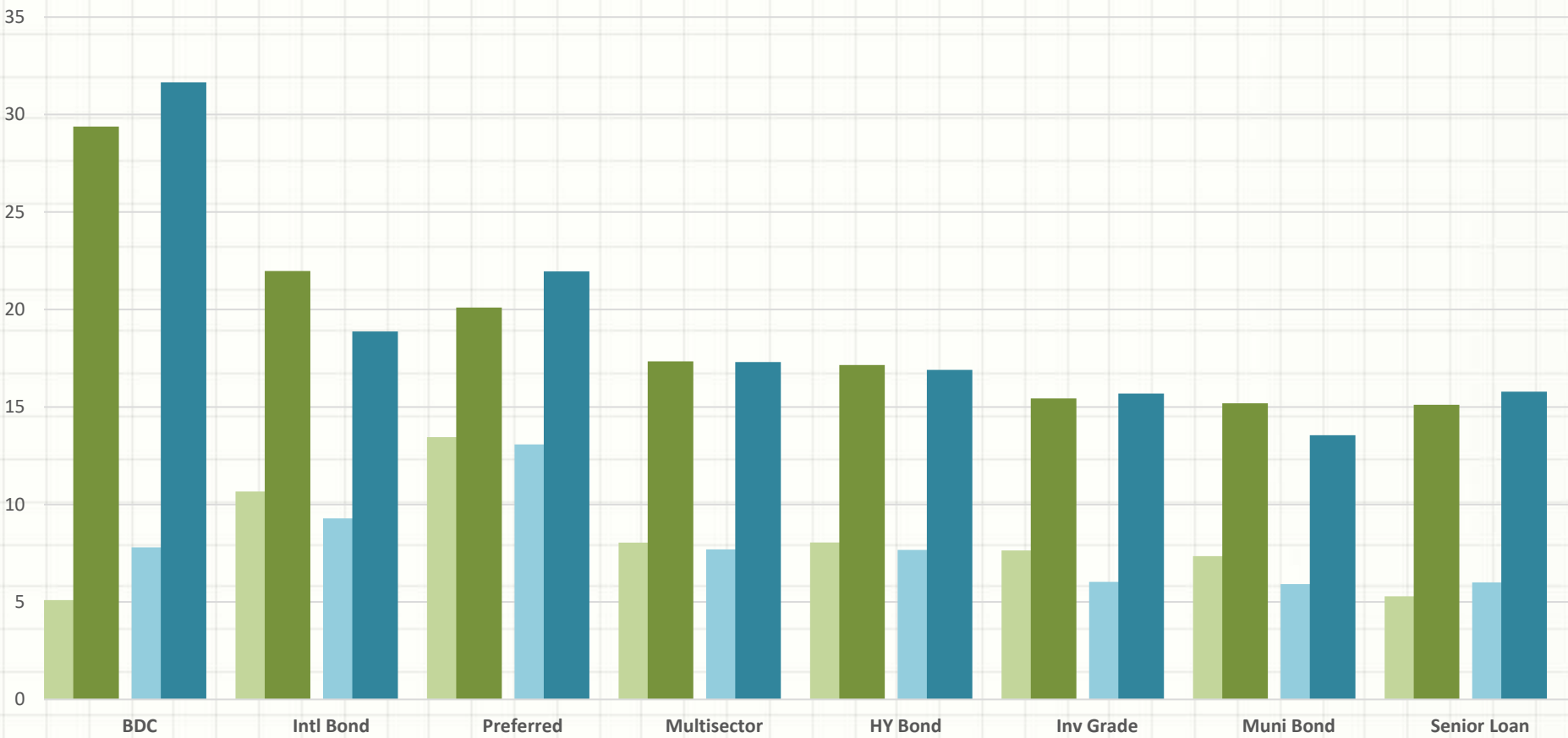
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# NAV vs Market Price Volatility: Fixed Income Sectors



Source: June 30, 2023 – CEFDData.com

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



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# CEF Liquidity Trends (\$ADV 90 days) – 2Q 2023



Source: CEFData.com as of 6/30/2023

Fund Grouping	Avg Liq - 2Q'23	Avg Liq - 1Q'23	% Q/Q Change	Avg Liq - 2Q'22	% Y/Y Change
Convertible	\$1,063	\$1,057	1%	\$1,314	-19%
Covered Call	\$1,774	\$1,763	1%	\$2,123	-16%
High Yield Bond	\$860	\$1,041	-17%	\$950	-10%
International Bond	\$756	\$884	-14%	\$853	-11%
Investment Grade	\$918	\$1,091	-16%	\$911	1%
MLP	\$964	\$1,007	-4%	\$1,287	-25%
Municipal Bond	\$878	\$1,050	-16%	\$1,524	-42%
Preferred Stock	\$1,239	\$1,436	-14%	\$1,549	-20%
Real Estate / REIT	\$1,404	\$1,497	-6%	\$1,572	-11%
Senior Loan	\$1,124	\$1,189	-5%	\$1,175	-4%
Hybrid / Balanced	\$1,256	\$1,452	-14%	\$1,550	-19%
US Stock	\$1,716	\$2,042	-16%	\$3,226	-47%
World Stock	\$520	\$677	-23%	\$610	-15%
<b>Average Equity CEF</b>	<b>\$1,533</b>	<b>\$1,794</b>	<b>-15%</b>	<b>\$2,071</b>	<b>-26%</b>
<b>Average Bond CEF</b>	<b>\$1,049</b>	<b>\$1,227</b>	<b>-14%</b>	<b>\$1,449</b>	<b>-28%</b>
<b>Average BDC</b>	<b>\$5,290</b>	<b>\$5,760</b>	<b>-8%</b>	<b>\$6,143</b>	<b>-14%</b>
<b>Average - ALL CEFs</b>	<b>\$1,655</b>	<b>\$1,889</b>	<b>-12%</b>	<b>\$2,141</b>	<b>-23%</b>

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# Traditional CEFs: NAV – Market Price Correlation



Source: CEFData.com as of 6/30/2023

Fund Grouping	Correlation 2Q 23	Correlation 1Q 23	Q/Q Chg in Correlation	Correlation 2Q 22	Y/Y Chg in Correlation
<b>US Equity</b>	78.6%	82.3%	-3.7%	89.4%	-10.8%
<b>Non-US Equity</b>	80.5%	89.9%	-9.4%	95.8%	-15.2%
<b>Specialty Equity</b>	81.8%	91.2%	-9.4%	95.1%	-13.3%
<b>Equity CEF Avg</b>	<b>80.7%</b>	<b>89.3%</b>	<b>-8.6%</b>	<b>94.5%</b>	<b>-13.8%</b>
<b>Taxable Bond</b>	59.1%	81.3%	-22.2%	90.7%	-31.5%
<b>National Muni Bond</b>	75.0%	79.7%	-4.7%	82.9%	-7.9%
<b>State Muni Bond</b>	76.6%	82.1%	-5.5%	78.5%	-1.9%
<b>Bond CEF Avg</b>	<b>66.6%</b>	<b>81.0%</b>	<b>-14.4%</b>	<b>86.5%</b>	<b>-19.9%</b>
<b>Average – All CEFs</b>	<b>72.6%</b>	<b>84.5%</b>	<b>-11.9%</b>	<b>89.9%</b>	<b>-17.3%</b>

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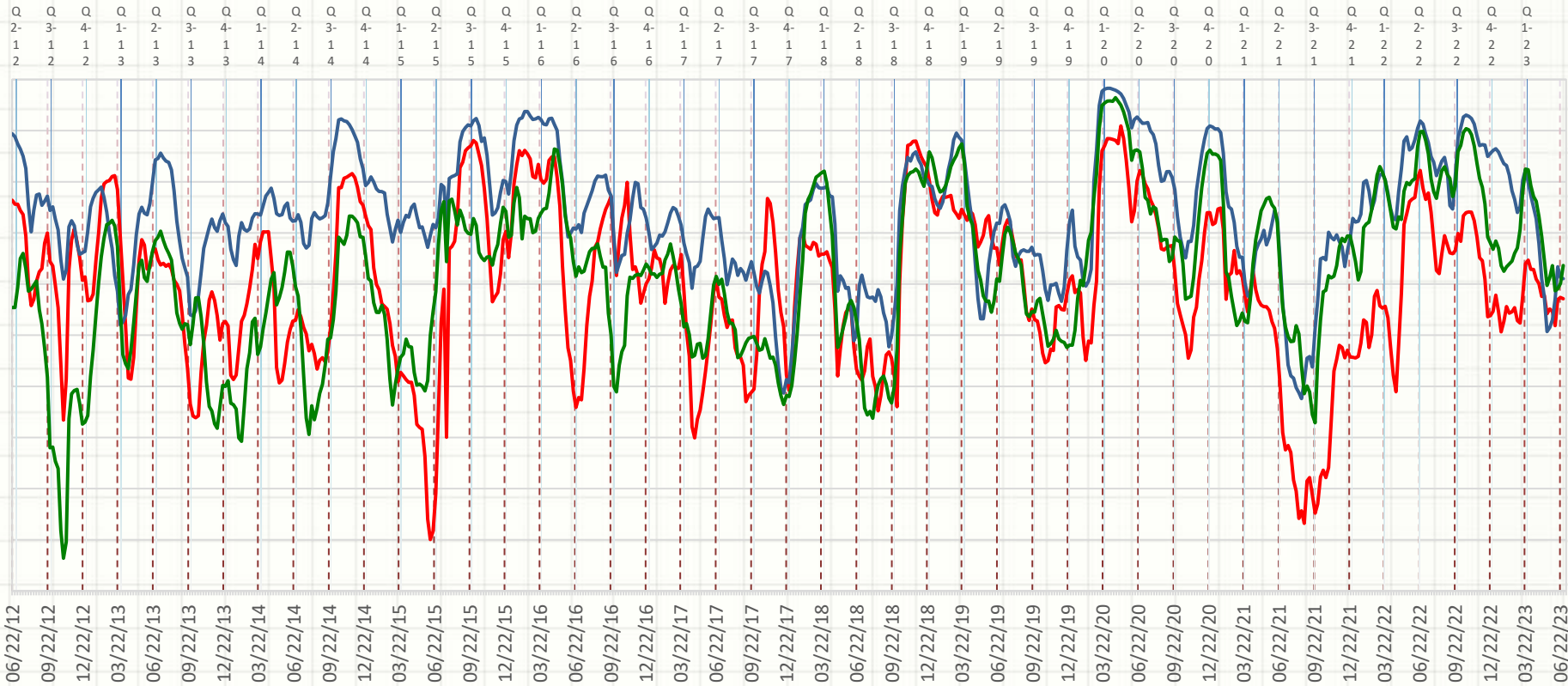
# CEF Market Price/NAV Correlation (Rolling 90 Day)



Source: June 30, 2023 - CEFData.com

## Main Peer Groups - 90 Day NAV/Price Correlation June 22, 2012 - June 30, 2023

— US Equity — Non US Equity — Special Equity







# CEF Press Release & SEC Filings Summary (2,202 CEF & BDC PRs in 2Q23)



Source: Fund Press Releases & SEC Filings

Announcement Type	2Q 2023	YTD	2022	2021	2020	2019	Avg/Q
Rights Issue / Offering	3	6	18	28	11	18	5
Secondary Offering (CEFs)	0	0	3	7	3	1	1
Secondary Offering (BDCs)	2	5	11	6	1	8	2
Tender Offer	2	8	20	41	39	23	7
Distribution Policy Change (CEFs)	1	2	8	12	13	18	3
Distribution Policy Change (BDCs)	0	0	1	0	3	0	0
13D/G Filings (Traditional CEF)	50	142	282	208	575	282	83
13D Filings (Traditional CEF)	26	36	44	47	56	50	13
New N-2 Filings	19	29	49	61	46	37	12
Updated N-2 Filings	97	125	123	171	155	154	40
Director Change	9	18	65	56	34	85	14
Portfolio Manager Change	26	44	23	40	41	47	11
Leverage Amount / Type Change	20	33	78	365	109	70	36

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# 2Q23 CEF & BDC Distribution Increases vs. Decreases

Source: Fund Press Releases & SEC Filings

*3.5% of announcements "Big Cuts"*

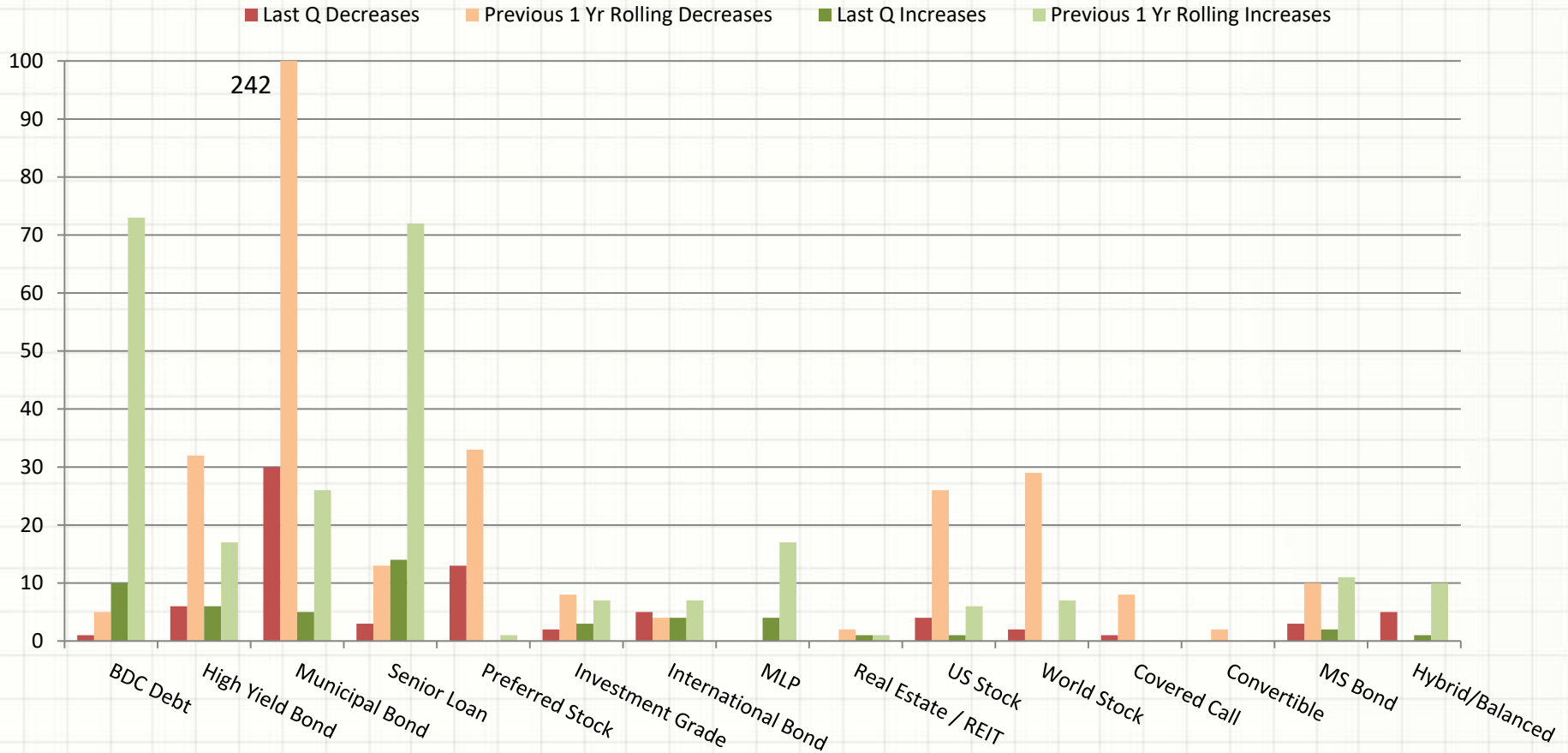
Distribution Announcement	2Q 2023 Number of Announcements	2Q 2023 Average Change	2Q '22 – 1Q '23 Number of Announcements	2Q '22 – 1Q '23 Average Change
<b>Dividend Maintains</b>	999 (86.5%)	N/A	3864 (82%)	N/A
<b>Dividend Increases</b>	58 (5%)	+5.84%	310 (6.6%)	+9.34%
<b>Dividend Decreases</b>	98 (8.5%)	-6.1%	541 (11.5%)	-10.74%
<b>Under 5% Increase</b>	33 (57%)	+2.47%	145 (47%)	+2.36%
<b>5% - 15% Increase</b>	20 (34%)	+8.21%	118 (38%)	+9.16%
<b>Over 15% Increase</b>	5 (9%)	+18.57%	47 (15%)	+31.31%
<b>Under 5% Decrease</b>	58 (59%)	-2.05%	190 (35%)	-2.45%
<b>5% - 15% Decrease</b>	33 (34%)	-8.15%	215 (40%)	-9.54%
<b>Over 15% Decrease</b>	7 (7%)	-29.89%	136 (25%)	-24.22%

# 2Q23 CEF & BDC Distribution Changes by Sector

Source: Fund Press Releases



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



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# Dividend Growth Rate



Source: CEFData.com as of 6/30/2023

Sector	1 Year	3 Year	5 Year	10 Year
US Stock	-14.3%	16.9%	5.6%	38.2%
World Stock	-17.0%	2.3%	-6.9%	9.7%
Covered Call	-16.6%	4.3%	0.7%	-1.5%
MLP	63.2%	90.3%	-60.1%	-67.6%
REIT	-7.6%	-2.9%	-8.6%	29.9%
Hybrid	-13.9%	-8.0%	-20.0%	2.3%
Preferred	-19.4%	-21.7%	-22.2%	-24.4%
Convert	-20.0%	4.5%	-4.1%	33.1%
Multisector	-2.9%	-12.2%	-13.7%	-20.6%
HY Bond	-2.3%	-10.4%	3.4%	-19.4%
Senior Loan	30.1%	52.3%	39.9%	13.6%
BDC	12.2%	16.5%	-1.8%	67.1%
Inv Grade	-7.5%	-18.1%	-19.8%	-27.0%
Intl Bond	0.1%	3.5%	-20.5%	-31.2%
Muni Bond	-23.1%	-26.7%	-31.8%	-46.3%

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# CEF Distribution Lookback (Policies NOT Promises)



Source: CEFADData.com, as of June 30, 2023

## 3 Year Dividend Growth (2.3 : 1 Negative Ratio)

- 206 funds (47%) had negative 3-year growth (average -25%)
- 86 funds (20%) had positive 3-year growth (average +27%)

## 2 Year Lookback (2: 1 Negative Ratio)

- 302 funds changed their dividend policy in the past 2 years (69% of funds)
- 201 cut (46%) an average of -15%, while 101 (23%) raised by an average of 13%
- 175 of these funds have “level” or “managed distributions”
  - 115 of those were cut an average -16%
  - 60 were increased an average of +14%

## 1 Year Lookback (2 : 1 Negative Ratio)

- 108 increases vs 213 decreases
- 39 had BOTH increases and decreases in the past year

# CEF & BDC IPOs – Annual Trend



Source: SEC Filings, Press Releases

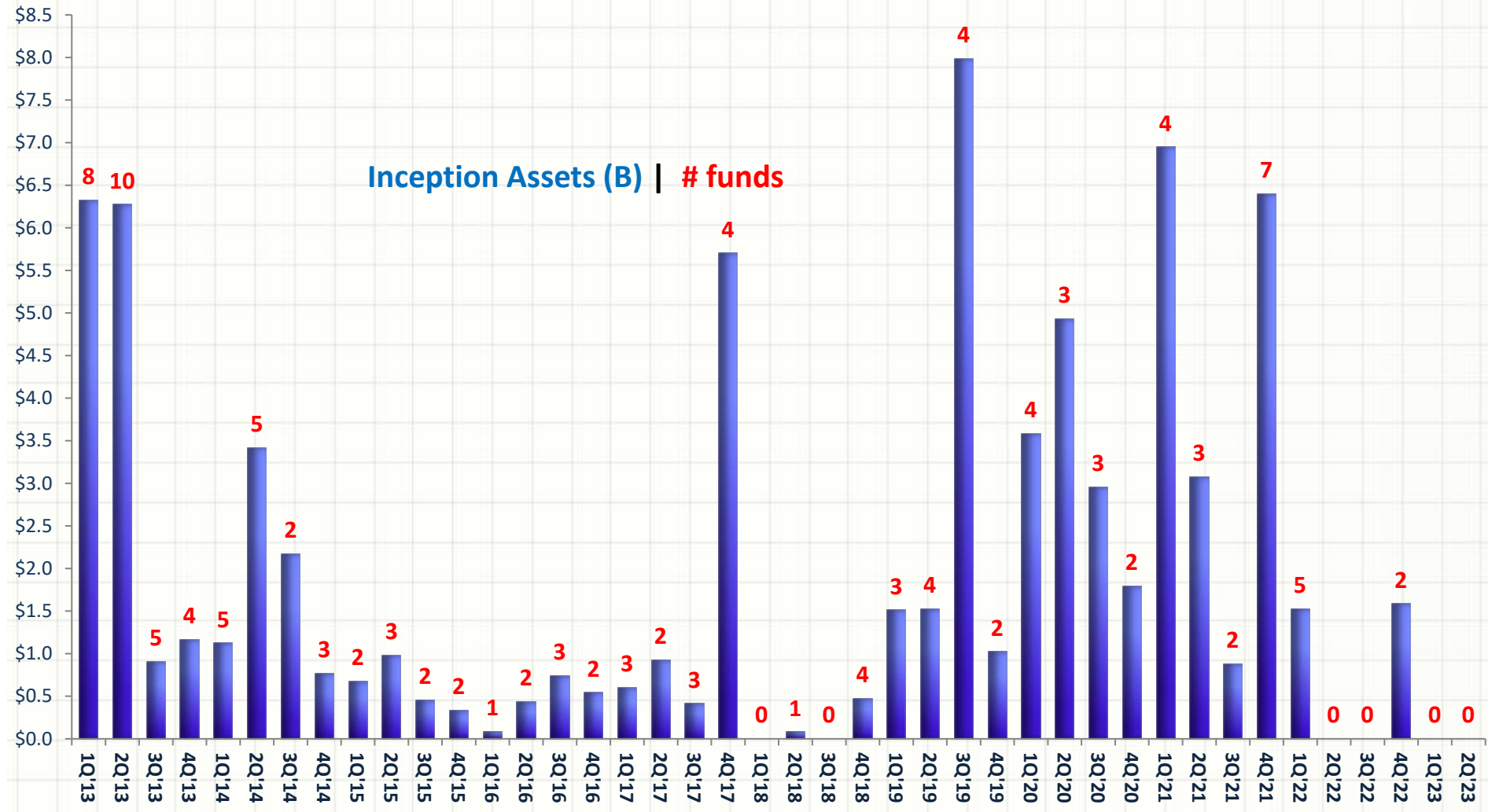
	2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Number of IPOs</b>											
CEF	0	6	12	10	12	4	11	8	8	9	25
BDC	0	1	4	2	1	1	2	0	1	6	2
<b>TOTAL</b>	<b>0</b>	<b>7</b>	<b>16</b>	<b>12</b>	<b>13</b>	<b>5</b>	<b>13</b>	<b>8</b>	<b>9</b>	<b>15</b>	<b>27</b>
<b>Average Assets (\$ Millions)</b>											
CEF	\$0	\$504	\$1,253	\$852	\$429	\$80	\$294	\$225	\$291	\$469	\$580
BDC	\$0	\$83	\$561	\$2,368	\$6,890	\$152	\$2,852	\$0	\$120	\$543	\$90
<b>AVERAGE</b>	<b>\$0</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>Total IPO Assets (\$ Millions)</b>											
CEF	\$0	\$3,026	\$15,040	\$8,525	\$5,148	\$319	\$3,239	\$1,799	\$2,327	\$4,218	\$14,488
BDC	\$0	\$83	\$2,245	\$4,736	\$6,890	\$152	\$5,163	\$0	\$120	\$3,257	\$180
<b>TOTAL</b>	<b>\$0</b>	<b>\$3,109</b>	<b>\$17,285</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>

**10 Year Average: 12 funds per year, \$632 MM avg fund assets, \$8.0 B avg raised per year**

# CEF & BDC IPOs – Quarterly Trend



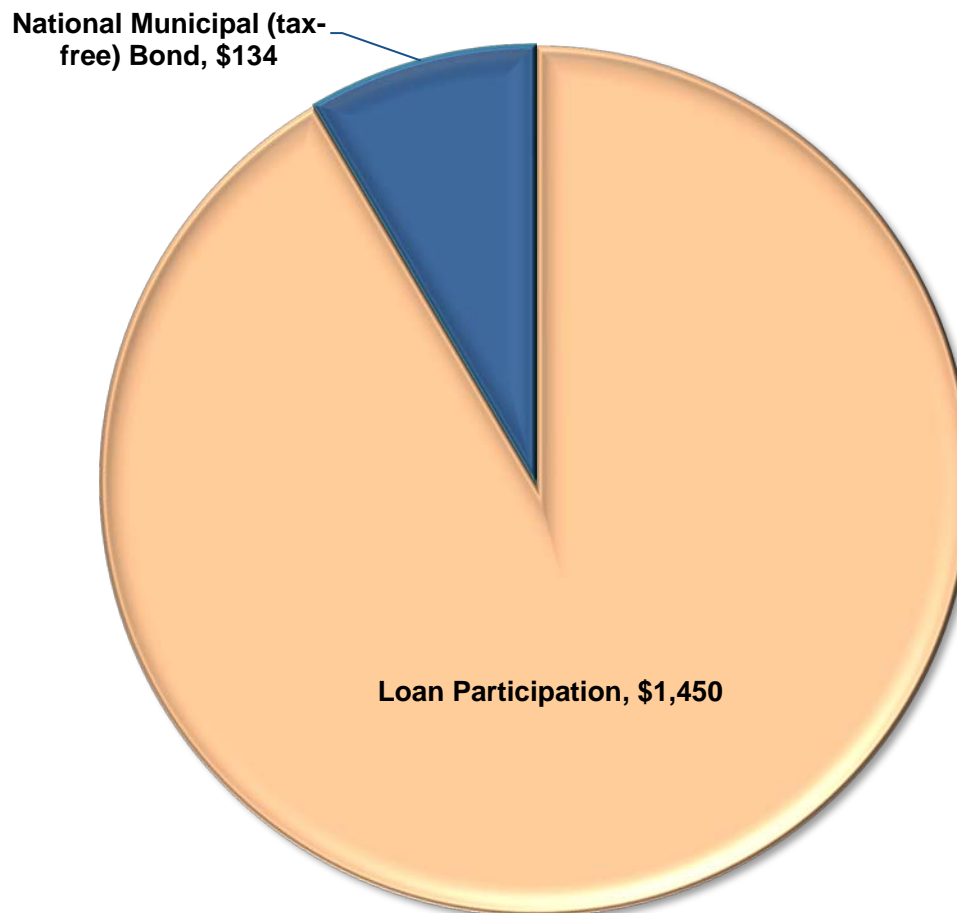
Source: June 30, 2023 - CEFData.com



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



*Note: Inception Assets in millions ; data as of 6/30/2023 , cefdata.com*

# 2022 IPO Details (pt 1 of 2)



Source: Fund Press Releases

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

Direct Listed on January 13, 2022

IPO Price: \$12.00

IPO Assets: \$106M

Price as of 6/30/23: \$5.01

Disc/Prm as of 6/30/23: -52.60%

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

IPOed on January 27, 2022

IPO Price: \$20.00

IPO Assets: \$866M

Price as of 6/30/23: \$14.75

Disc/Prm as of 6/30/23: -0.94%

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

IPOed on February 11, 2022

IPO Price: \$20.00

IPO Assets: \$165M

Price as of 6/30/23: \$16.04

Disc/Prm as of 6/30/23: -13.82%

# 2022 IPO Details (pt 2 of 2)



Source: Fund Press Releases

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

IPOed on February 4, 2022

IPO Price: \$14.00

Price as of 6/30/23: \$8.18

IPO Assets: \$83M

Disc/Prm as of 6/30/23: -42.76%

## 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 6/30/23: \$13.78

IPO Assets: \$305M

Disc/Prm as of 6/30/23: -13.82%

## BlackRock 2037 Municipal Target Term Trust (BMN) – *National Municipal (tax-free) Bond*

IPOed on October 26, 2022

IPO Price: \$25.00

Price as of 6/30/23: \$24.84

IPO Assets: \$134M

Disc/Prm as of 6/30/23: -3.31%

## FS Credit Opportunities Corp (FSCO) – *Loan Participation*

Direct Listed on November 14, 2022

IPO Price: \$4.48

Price as of 6/30/23: \$4.75

IPO Assets: \$1450M

Disc/Prm as of 6/30/23: -28.68%

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



Source: CEFData.com as of June 30, 2023

## Traditional CEFs

IPO Date	Ticker	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
3Q 2020	ASGI	-15.29%	\$17.79	\$20.00	88.95%
	NDMO	-7.12%	\$10.17	\$15.00	67.80%
	BCAT	-12.00%	\$15.25	\$20.00	76.25%
4Q 2020	PTA	-8.98%	\$17.43	\$25.00	69.72%
	SDHY	-12.77%	\$14.89	\$20.00	74.45%
1Q 2021	PDO	2.75%	\$13.06	\$20.00	65.30%
	RFMZ	-6.26%	\$14.38	\$20.00	71.90%
	BIGZ	-16.31%	\$7.85	\$20.00	39.25%
2Q 2021	NPCT	-15.86%	\$9.97	\$20.00	49.85%
	NBXG	-17.60%	\$10.91	\$20.00	54.55%
	WDI	-10.79%	\$13.47	\$20.00	67.35%
3Q 2021	TBLD	-13.76%	\$15.23	\$20.00	76.15%
	MIO	-14.40%	\$10.76	\$20.00	53.80%
	ECAT	-12.95%	\$15.66	\$20.00	78.30%
4Q 2021	MEGI	-16.31%	\$13.70	\$20.00	68.50%
	GUG	-10.42%	\$14.36	\$20.00	71.80%
	NPFD	-15.18%	\$15.48	\$25.00	61.92%
1Q 2022	DMA	-52.60%	\$5.01	\$12.00	41.75%
	PAXS	-0.94%	\$14.75	\$20.00	73.75%
	RMMZ	-6.96%	\$16.04	\$20.00	80.20%
	RLTY	-13.82%	\$13.78	\$20.00	68.90%
4Q 2022	BMN	-3.31%	\$24.84	\$25.00	99.36%
	FSCO	-28.68%	\$4.75	\$4.48	106.03%

## BDCs

IPO Date	Ticker	Current Disc/Prm	Current Price	IPO Price	Curr vs IPO
1Q 2021	TRIN	1.45%	\$13.26	\$14.00	94.71%
3Q 2021	CION	-31.30%	\$10.38	\$11.85	87.59%
	RWAY	-12.22%	\$12.35	\$14.60	84.59%
	BXSL	4.83%	\$27.36	\$26.15	104.63%
1Q 2022	SSIC	-42.76%	\$8.18	\$14.00	58.43%

12 Quarters Avg: 70% of IPO Price & CEFs @ Avg -13.46% Discount



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# Closed-End Fund Mergers

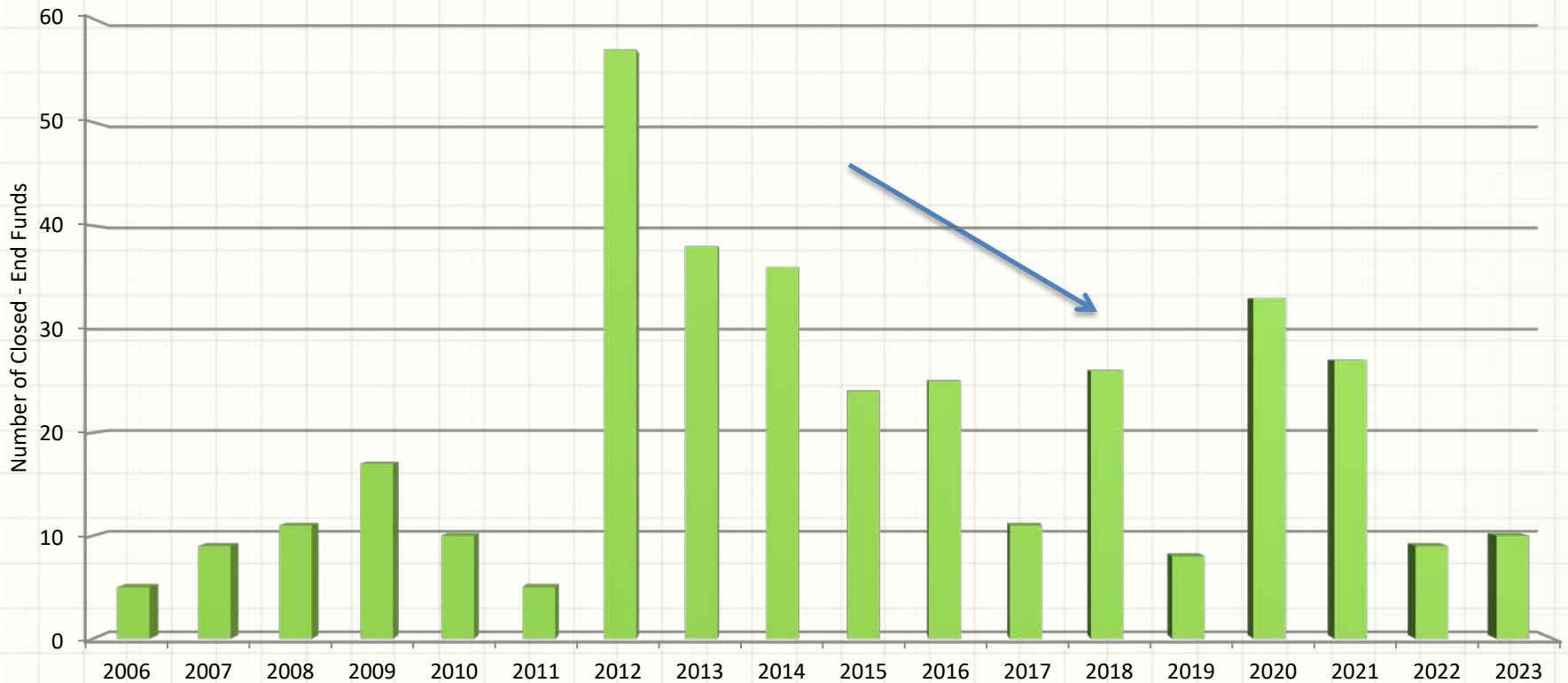
Note: Based on date announced  
Source: Fund Press Releases



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 (June 2023)



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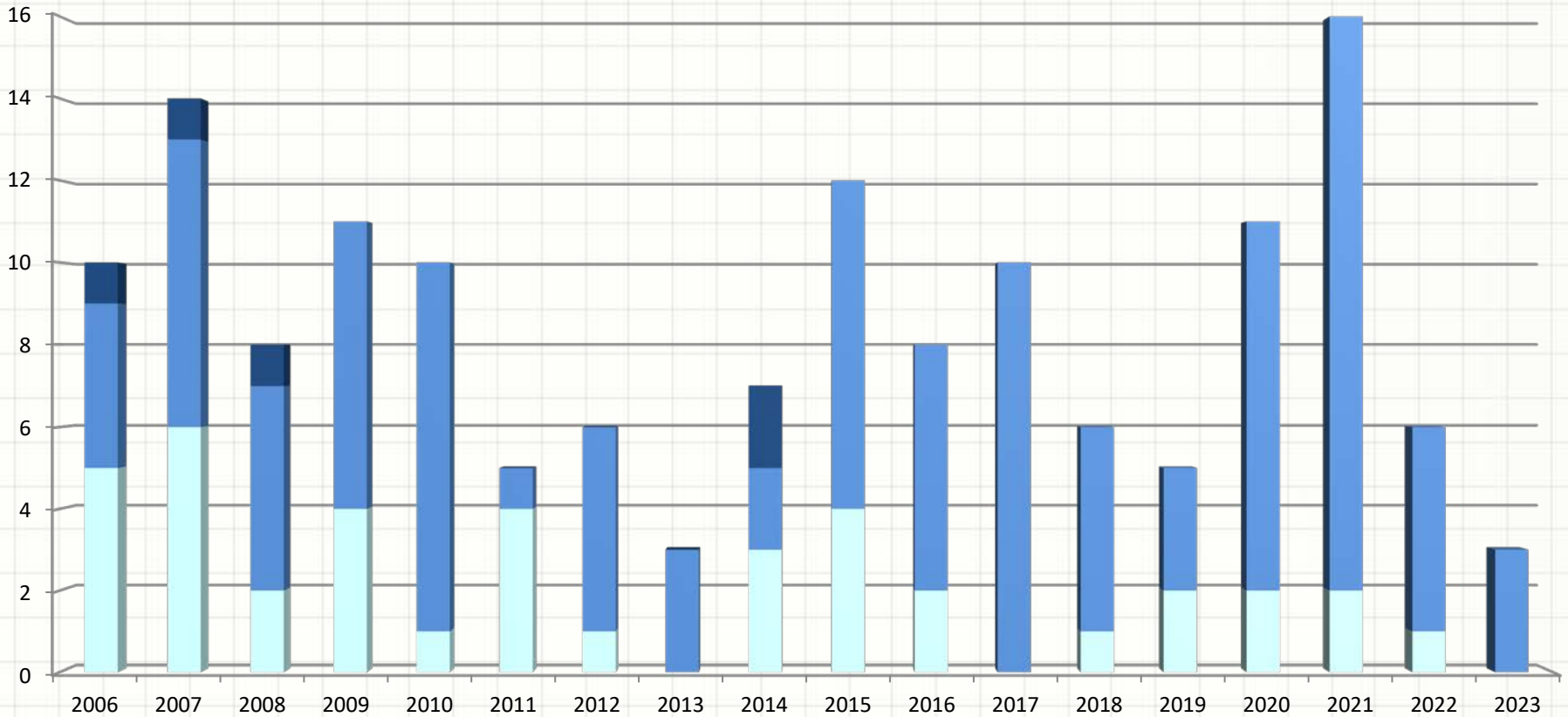
# Closed-End Fund Deaths Open-Ending, Liquidation & Conversion

Source: Fund Press Releases



### CEF Funds Open-Ended, Liquidated or Converted to ETF

Open-ended   Liquidated   Converted to ETF



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



Note: Returns annualized beyond 1 year

Source: CEFData.com as of June 30, 2023

## 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>	1,460.55	1,438.14	1.12	1.05	2.64	1.97	4.95	3.49	4.18	3.34	8.55	6.73	7.50	8.12	9.63	7.87	4.97	5.10	5.77	5.72	4.95	3.49	4.18	3.34	8.55	6.73
<u>2. High Income Index</u>	1,266.69	1,257.44	1.36	1.30	2.67	1.97	5.17	3.16	3.99	2.95	10.47	7.25	7.44	7.76	11.30	8.04	1.59	2.22	3.57	3.94	5.17	3.16	3.99	2.95	10.47	7.25
<u>3. Equity Income Index</u>	1,629.27	1,494.98	1.65	1.58	3.44	3.10	5.81	5.24	2.37	3.15	7.40	6.58	7.34	9.34	13.42	11.55	6.03	5.51	6.30	5.79	5.81	5.24	2.37	3.15	7.40	6.58
<u>4. 60/40 Balanced (w/ BDCs) Index</u>	1,561.28	1,501.53	1.26	1.28	2.76	2.24	5.47	4.26	3.66	3.54	8.65	7.39	7.53	8.98	10.00	8.37	5.49	5.42	6.43	6.29	5.47	4.26	3.66	3.54	8.65	7.39
<u>5. Tax-Advantaged Equity Dividend Index</u>	1,692.73	1,563.05	1.56	1.54	2.83	2.64	5.26	5.03	1.89	3.58	5.36	6.53	6.08	9.79	12.17	10.43	6.14	6.06	7.93	6.99	5.26	5.03	1.89	3.58	5.36	6.53
<u>6. Tax-Sensitive Income Index</u>	1,254.67	1,234.32	0.80	0.87	2.29	1.84	3.57	3.07	0.58	1.77	3.75	3.81	3.64	5.70	12.42	10.95	2.90	3.05	3.03	3.30	3.57	3.07	0.58	1.77	3.75	3.81
<u>7. Taxable Bond &amp; BDC Index</u>	1,293.12	1,268.23	1.00	0.88	1.61	0.89	3.68	1.98	3.10	1.88	6.21	4.39	5.73	5.50	3.77	2.90	3.07	2.78	4.33	4.14	3.68	1.98	3.10	1.88	6.21	4.39
<u>8. Discount CEF/BDC Index</u>	1,779.13	1,269.37	1.15	0.95	2.66	2.02	5.20	3.68	3.86	2.34	11.01	5.37	7.77	5.52	15.08	5.43	9.88	3.24	8.62	4.35	5.20	3.68	3.86	2.34	11.01	5.37
<u>9. Premium CEF/BDC Index</u>	871.63	1,463.86	1.39	1.25	2.85	1.89	4.27	3.18	0.40	2.57	-0.02	5.51	2.32	8.45	-2.12	6.02	-3.66	5.30	-0.54	6.01	4.27	3.18	0.40	2.57	-0.02	5.51
<u>10. All Sector Equity CEF Index</u>	1,706.01	1,581.85	1.52	1.55	3.19	2.95	6.26	5.60	3.66	4.25	9.73	9.10	8.70	11.06	12.38	10.59	6.35	6.03	7.04	6.56	6.26	5.60	3.66	4.25	9.73	9.10
<u>11. Alternative Income Index</u>	1,364.40	1,392.35	1.17	1.19	2.72	2.05	4.54	3.08	3.20	2.12	5.66	3.83	3.88	4.73	10.11	8.25	3.18	4.39	5.01	5.43	4.54	3.08	3.20	2.12	5.66	3.83

## 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>	1,550.57	1,436.45	1.11	1.18	1.40	1.47	4.68	4.18	1.56	1.66	11.66	11.54	8.60	10.69	6.86	5.11	4.05	3.39	4.83	4.25	4.68	4.18	1.56	1.66	11.66	11.54
<u>2. US Equity Index</u>	1,944.94	1,847.66	1.60	1.50	2.99	2.46	5.77	4.75	6.30	6.88	12.53	13.72	14.43	16.40	11.96	10.86	8.17	8.57	10.27	9.62	5.77	4.75	6.30	6.88	12.53	13.72
<u>3. Global Equity Index</u>	1,759.14	1,649.17	1.39	1.52	2.95	2.80	6.71	5.95	4.94	5.35	12.08	11.64	10.04	12.77	11.28	9.58	6.59	6.48	7.61	7.19	6.71	5.95	4.94	5.35	12.08	11.64
<u>4. Covered Call / Option Funds Index</u>	1,805.22	1,698.70	1.64	1.37	3.08	2.30	4.87	3.84	5.75	6.65	12.08	14.02	14.78	15.95	12.06	10.87	6.89	7.42	8.95	8.05	4.87	3.84	5.75	6.65	12.08	14.02
<u>5. Global Real Estate, REIT &amp; Real Asset Index</u>	1,325.68	1,261.88	1.53	1.57	5.32	5.62	4.97	4.62	0.21	2.32	2.21	4.82	-7.74	-3.32	6.97	5.93	2.51	2.46	5.21	5.21	4.97	4.62	0.21	2.32	2.21	4.82
<u>6. Utilities / Infrastructure Index</u>	1,655.81	1,482.93	1.46	1.82	2.36	2.90	1.67	3.61	-4.98	-0.86	-0.66	0.42	0.45	0.80	8.31	9.04	7.30	5.69	8.08	6.86	1.67	3.61	-4.98	-0.86	-0.66	0.42
<u>7. Master Limited Partnership (MLP) Fund Index</u>	705.09	687.12	0.98	0.78	5.29	4.23	10.22	5.90	6.99	2.29	7.35	1.98	18.72	13.98	33.75	27.34	-6.18	-5.97	-6.23	-5.60	10.22	5.90	6.99	2.29	7.35	1.98
<u>8. Preferred Equity Index</u>	1,177.33	1,228.03	1.53	1.32	2.18	1.79	3.69	2.33	-0.25	2.71	-2.73	-2.26	-6.17	-2.04	-1.22	1.92	0.86	1.72	4.93	5.00	3.69	2.33	-0.25	2.71	-2.73	-2.26
<u>9. Hybrid / Balanced Fund Index</u>	1,542.06	1,464.26	1.46	1.18	2.63	2.08	5.65	3.88	3.63	3.58	10.35	8.77	6.00	8.74	7.57	7.51	3.66	4.76	6.75	6.26	5.65	3.88	3.63	3.58	10.35	8.77



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

Note: Returns annualized beyond 1 year

Source: CEFData.com as of June 30, 2023



## 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>	1,590.49	1,682.96	0.78	0.68	4.08	1.06	5.63	1.41	7.21	2.47	11.97	3.58	13.95	5.28	20.76	13.74	8.99	8.75	6.56	8.23	5.63	1.41	7.21	2.47	11.97	3.58
<u>2. BDC Baby Bond / Debt Index</u>	1,413.91	N/A	0.73	N/A	1.00	N/A	0.84	N/A	1.49	N/A	4.27	N/A	4.09	N/A	6.74	N/A	5.27	N/A	N/A	N/A	0.84	N/A	1.49	N/A	4.27	N/A
<u>3. High Yield Bond Index</u>	1,274.02	1,212.41	0.53	0.78	1.05	1.09	3.96	2.19	3.91	2.30	7.60	6.06	10.12	9.30	5.19	3.53	3.49	2.13	4.14	3.97	3.96	2.19	3.91	2.30	7.60	6.06
<u>4. Senior Loan Index</u>	1,218.28	1,244.34	0.89	0.77	2.68	1.30	4.77	2.97	3.98	3.07	8.29	6.84	9.06	10.36	8.44	6.55	3.16	2.92	3.44	3.92	4.77	2.97	3.98	3.07	8.29	6.84
<u>5. Convertible Bond Index</u>	1,683.85	1,563.95	0.94	0.88	3.52	2.51	8.22	5.51	6.12	4.05	12.24	9.07	10.70	10.61	6.26	4.38	5.62	6.00	6.71	6.16	8.22	5.51	6.12	4.05	12.24	9.07
<u>6. Investment Grade Bond Index</u>	1,176.68	1,167.88	0.52	0.70	0.38	0.23	1.33	0.74	1.39	0.39	4.84	3.29	2.19	1.91	-1.62	-0.95	1.30	1.44	3.27	3.03	1.33	0.74	1.39	0.39	4.84	3.29
<u>7. Multisector Bond Fund Index</u>	1,296.88	1,267.33	0.69	0.59	0.94	0.47	2.96	0.87	3.64	1.09	6.60	3.08	4.55	2.38	3.26	2.41	1.92	1.99	5.17	4.97	2.96	0.87	3.64	1.09	6.60	3.08
<u>8. US Bond Index</u>	1,281.08	1,280.19	0.66	0.70	1.33	0.88	3.43	1.82	3.36	2.08	7.25	5.73	7.77	8.42	4.63	4.33	2.88	2.95	4.41	4.58	3.43	1.82	3.36	2.08	7.25	5.73
<u>9. International Bond Index</u>	1,062.08	995.76	0.60	0.88	0.93	0.70	5.16	3.80	4.41	3.30	9.28	7.41	12.01	11.69	1.21	-1.36	0.48	-0.65	1.02	0.27	5.16	3.80	4.41	3.30	9.28	7.41

## 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>	1,085.77	1,150.41	0.20	0.13	0.62	-0.01	1.91	1.80	-1.77	0.59	0.35	4.21	-3.61	2.69	-2.77	-1.57	0.90	1.26	3.10	3.69	1.91	1.80	-1.77	0.59	0.35	4.21
<u>2. High Yield Municipal Index</u>	1,058.37	1,144.40	0.01	0.21	0.68	-0.37	2.09	1.59	-1.69	0.52	2.30	4.09	-4.21	1.08	-2.51	-0.81	-0.41	0.88	2.71	3.61	2.09	1.59	-1.69	0.52	2.30	4.09
<u>3. Term Municipal Fund Index</u>	1,079.97	1,100.46	0.48	0.31	1.26	0.36	2.31	1.72	1.05	0.45	5.01	2.95	-0.63	1.98	-1.56	-1.11	0.83	0.91	2.32	2.45	2.31	1.72	1.05	0.45	5.01	2.95
<u>4. California Municipal Index</u>	1,068.82	1,122.11	0.18	0.16	0.38	0.03	2.79	1.78	-1.00	0.13	1.36	3.22	-2.53	2.58	-2.58	-2.62	1.13	0.90	3.16	3.53	2.79	1.78	-1.00	0.13	1.36	3.22
<u>5. New York Municipal Index</u>	1,049.12	1,103.57	0.15	0.09	0.22	-0.09	2.13	1.83	-1.01	0.78	3.93	4.86	-0.21	3.54	-2.52	-1.98	0.75	0.76	2.37	3.12	2.13	1.83	-1.01	0.78	3.93	4.86
<u>6. State Municipal Index (Non NY/CA)</u>	1,122.13	1,125.90	0.21	0.09	0.66	-0.08	1.42	1.55	-1.95	0.06	1.28	3.13	-6.43	2.20	-1.68	-1.85	1.86	1.09	3.00	2.98	1.42	1.55	-1.95	0.06	1.28	3.13



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# CEF Institutional Holdings Trend (2Q23)



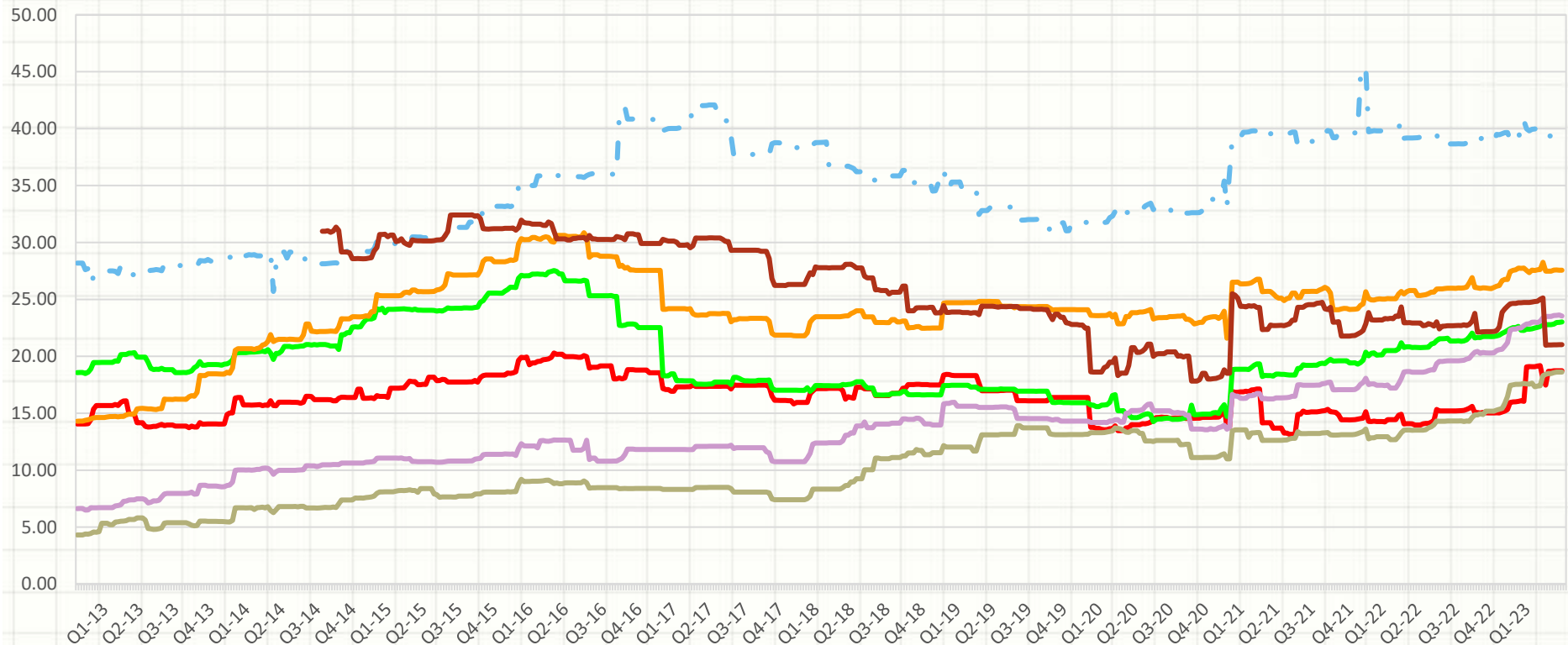
Source: CEFData.com

**Institutional Holdings Trends**

**Increase: 314 funds  
Decrease: 121 funds**

## Shares Owned by Institutions January '13 - June '23

US Equity   Non US Equity   Special Equity   Taxable Bond   Nat Muni Bond   State Muni Bond   All BDC CEFs



# Top 5 % Institutional Ownership (per group)



Source: CEFDData.com as of June 30, 2023

U.S. Equity		Institutions
1	GDL Fund (GDL)	64.0%
2	Miller/Howard Hi Incm Eq Fd (HIE)	56.9%
3	NB Nxt Gen Connectivity Fd (NBXG)	33.7%
4	Spl Opp Fd (SPE)	32.8%
5	General American Invstr (GAM)	30.9%

Non U.S. Equity		Institutions
1	Taiwan Fund (TWN)	84.0%
2	Japan Sml Caplz Fd (JOF)	80.0%
3	MS China A Shr Fd (CAF)	76.1%
4	Korea Fund (KF)	70.7%
5	abrdn Japan Eq Fd (JEQ)	66.1%

Specialty Equity		Institutions
1	ASA Gd & Prcs Mtl (ASA)	55.4%
2	NB Nrg Infra & Incm Fd (NML)	54.2%
3	Tortoise Nrg Ind Fd (NDP)	50.3%
4	Center Coast Brkf MLP & Nrg Infr (CEN)	49.9%
5	CB Nrg Midstream Opp Fd (EMO)	46.7%

Taxable Bond Funds		Institutions
1	BR Enh Govt Fd (EGF)	69.0%
2	Nuv Multi-Mkt Incm Fd (JMM)	64.6%
3	Tmp Gbl Incm Fd (GIM)	60.8%
4	Vertical Capital Incm Fd (VCIF)	60.7%
5	FT Mortg Incm Fd (FMY)	58.8%

National Muni Bond Funds		Institutions
1	WA Imd Muni Fd (SBI)	46.6%
2	DWS Muni Incm Tr (KTF)	45.7%
3	AB Nat Muni Incm Fd (AFB)	42.7%
4	BR Muni Incm Fd (MUI)	42.4%
5	DTF Tx-Free Incm 2028 Trm Fd (DTF)	39.8%

Single State Muni Bond Funds		Institutions
1	EV NY Muni Bnd Fd (ENX)	44.0%
2	BR CA Muni Incm Tr (BFZ)	41.2%
3	EV CA Muni Bnd Fd (EVM)	32.4%
4	Nuv NY AMT-Fr Qlty Muni Incm (NRK)	28.8%
5	NB NY Muni Fd (NBO)	27.6%

BDCs		Institutions
1	Runway Gwth Fin Corp (RWAY)	65.2%
2	Bain Cap Splty Fin (BCSF)	52.1%
3	Crescent Capital BDC (CCAP)	49.1%
4	Barings BDC (BBDC)	48.9%
5	Owl Rock Capital Corp (ORCC)	45.6%

# CEF/BDC Institutional Investors (by AUM \$Ms, 2Q23)



Source: CEFData.com

1 Morgan Stanley	\$ 8,262	26 Blackrock Inc	\$ 443
2 Bank Of America Corp De	\$ 2,334	27 Stifel Financial Corp	\$ 418
3 Ubs Group Ag	\$ 1,908	28 Cambridge Investment Research Advisors Inc	\$ 393
4 Saba Capital Management L P	\$ 1,789	29 Hennion & Walsh Asset Management, Inc.	\$ 388
5 Sit Investment Associates Inc	\$ 1,780	30 Kohlberg Kravis Roberts Co L P	\$ 365
6 Wells Fargo Company Mn	\$ 1,769	31 Oaktree Capital Management Lp	\$ 346
7 Karpus Management Inc	\$ 1,662	32 Penserra Capital Management Llc	\$ 338
8 Rivernorth Capital Management Llc	\$ 1,505	33 Regents Of The University Of California	\$ 319
9 Royal Bank Of Canada	\$ 1,369	34 Hightower Advisors Llc	\$ 307
10 Allspring Global Investments Holdings, Llc	\$ 1,223	35 State Of New Jersey Common Pension Fund E	\$ 287
11 Guggenheim Capital Llc	\$ 1,068	36 Atlas Wealth Llc	\$ 287
12 City Of London Investment Management Co Ltd	\$ 1,041	37 Cetera Advisor Networks Llc	\$ 279
13 Lpl Financial Llc	\$ 1,033	38 Oak Hill Advisors Lp	\$ 274
14 1607 Capital Partners Llc	\$ 1,001	39 Legal General Group Plc	\$ 274
15 Raymond James Associates	\$ 992	40 Janney Montgomery Scott Llc	\$ 270
16 Invesco Ltd	\$ 987	41 Mcgowan Group Asset Management Inc	\$ 264
17 Van Eck Associates Corp	\$ 750	42 Rockefeller Capital Management L P	\$ 260
18 Raymond James Financial Services Advisors Inc	\$ 741	43 Central Trust Co	\$ 250
19 Advisor Group Holdings, Inc.	\$ 740	44 Strs Ohio	\$ 243
20 Advisors Asset Management Inc.	\$ 726	45 Ares Management Llc	\$ 234
21 Commonwealth Equity Services Llc	\$ 683	46 Envestnet Asset Management Inc	\$ 230
22 Ameriprise Financial Inc	\$ 597	47 Jpmorgan Chase Co	\$ 228
23 Lazard Asset Management Llc	\$ 551	48 Shaker Financial Services Llc	\$ 228
24 Bramshill Investments Llc	\$ 480	49 Sound Income Strategies Llc	\$ 223
25 Cohen Steers Inc	\$ 451	50 Bb T Corp	\$ 222

**All 13 Filings = \$64 Billion -- Top 50 = \$43 Billion (67% of total)**

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# Activists vs Institutional Investors



Source: CEFADData.com

## 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 6/30/23 - \$3.0 Billion Activist // \$16.7 Billion Followers & Activist



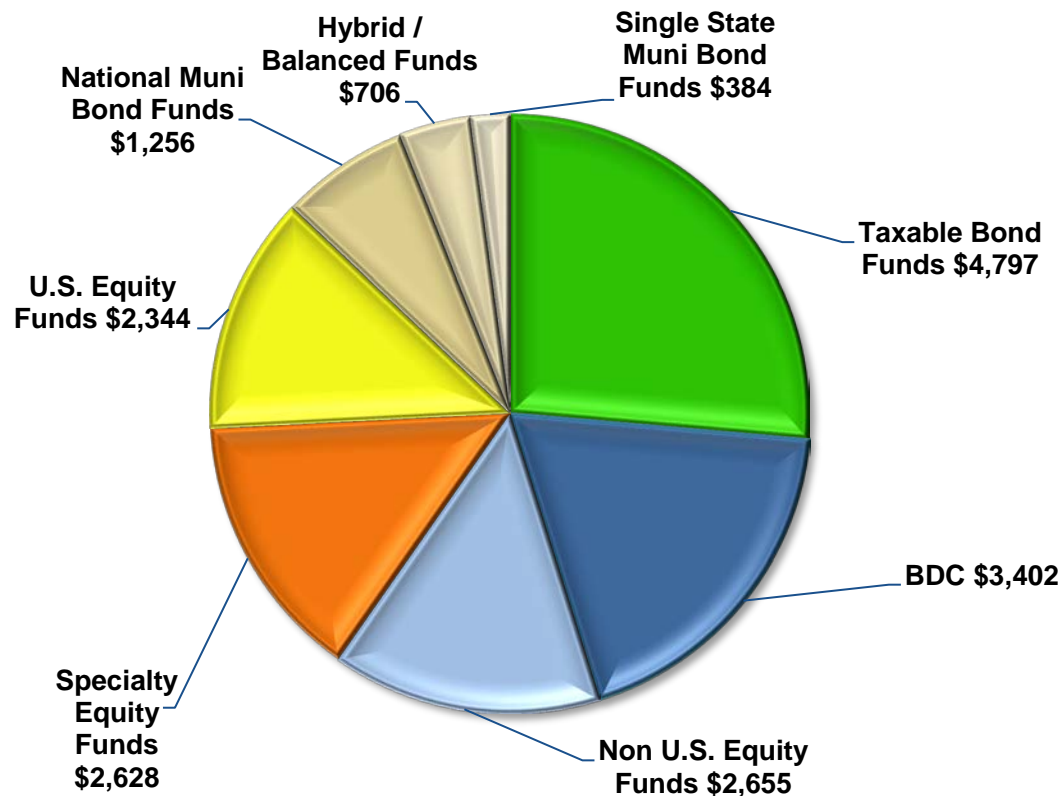
# CEF Corporate Actions/Activist Update 2Q 2023



Source: SEC Filings, Press Releases

Month Filed	Filing	Closed-End Fund/BDC	Investor/Who	Notes
June	13D/A	CB MLP & Midstream Tot Rtn Fd (CTR)	Saba	10.2% Terminate Investment Mgmt Proposal
June	Proxy	RENN Fd (RCG)	Public	Fund Declassification Proposal
June	Proxy	BR Innovation & Gwth Trm Tr (BIGZ)	Saba	Board Nominee Proposals
May	13D	Tortoise Nrg Ind Fd (NDP)	Bulldog	5.1% (Inc)
Apr	Proxy	Firsthand Tech Val Fd (SVVC)	Donald Chambers	Terminate Investment Mgmt Proposal (Resolved)
Apr	13D/A	Nuv Srt Dur Cr Opp Fd (JSD)	Saba	6.1% (Inc) Vote against merger

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



Note: millions of dollars, data as of 6/30/23, cefdata.com

<b>CEF Activist Ownership</b>	<b>\$18,173</b>
-------------------------------	-----------------

<b>Top 5 Peer Groups</b>	
BDC Debt	\$3,287
General Equity	\$2,176
Asian Equity	\$1,289
Nat Muni (tax free)	\$1,083
High Yield Bond	\$1,030

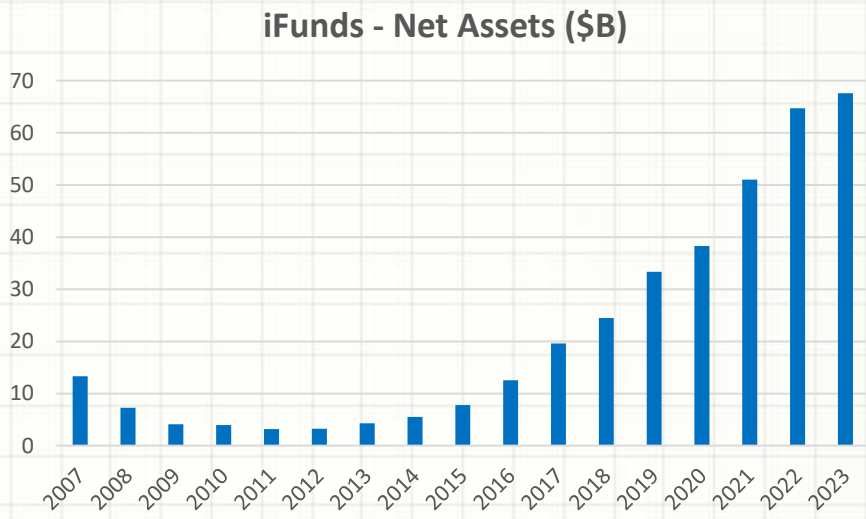
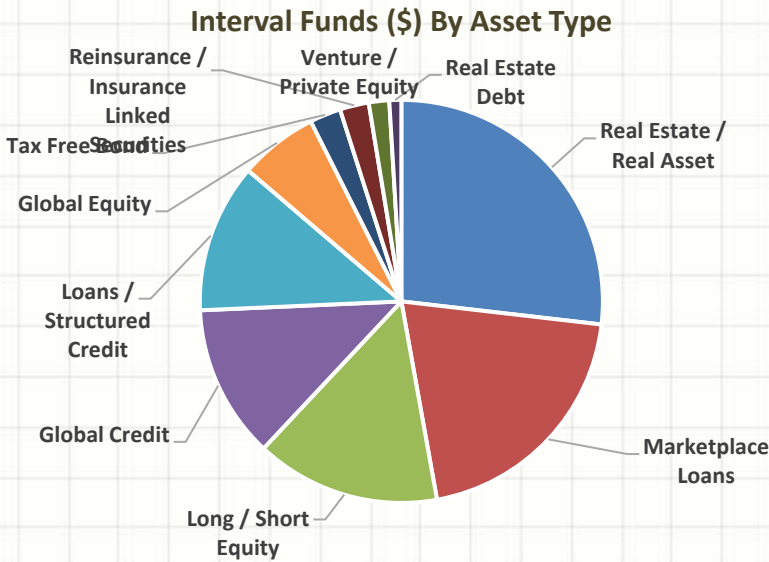
# Interval Closed-Ended Funds

Source: CEData.com, as of 6/30/2023



- Interval funds are growing in popularity as an alternative investment vehicle. Many interval funds can be seen as the best of both worlds. Interval Funds are a small (0.1%) portion of the multitrillion dollar fund industry, but are growing assets quickly, in the ~50% range annually.
  - There are 92 interval funds with \$81B in total AUM as of 6/30/23 (compared to listed CEF AUM of \$313B in 438 funds according to CEData.com).
- CEData.com also tracks Tender Offer Funds (a type of non-listed CEF).
  - As of 6/30/23, there were 188 Tender Offer Funds with \$203B in AUM. \$150B in NL/Pvt BDCs

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

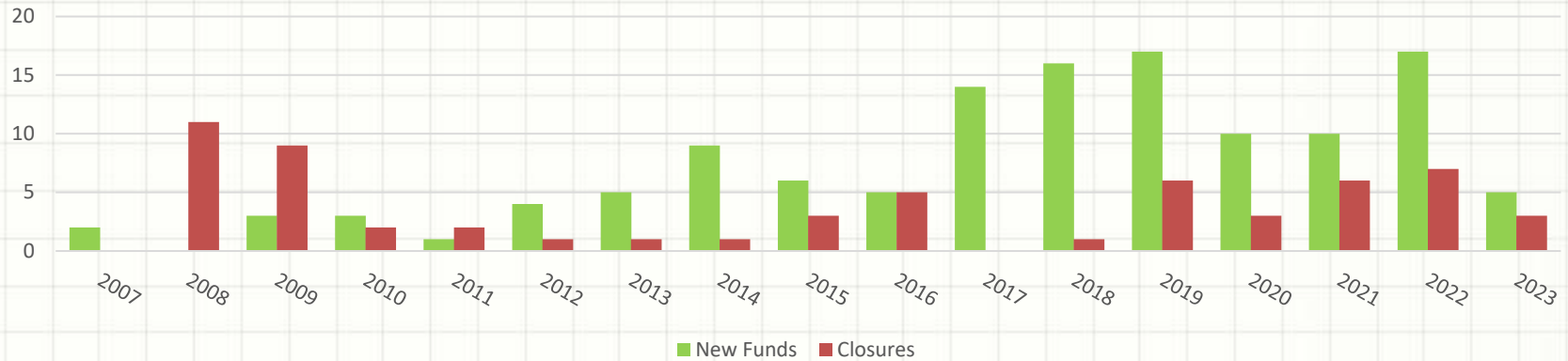


# Interval Closed-Ended Funds

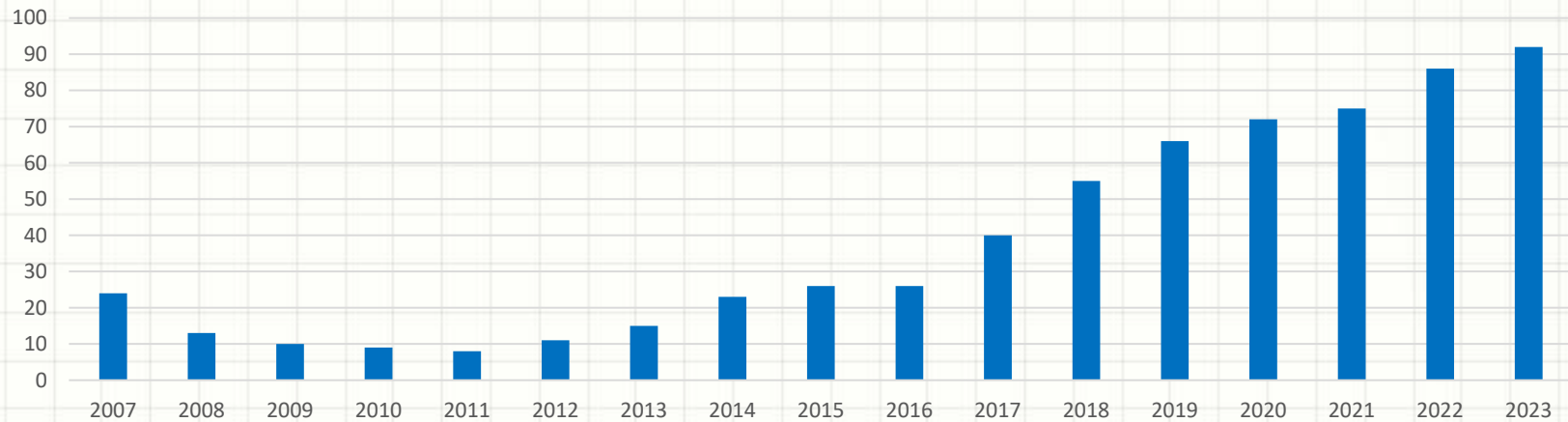
Source: CEFData.com, as of 6/30/2023



### iFunds - New and Ceased



### Interval Funds By Year



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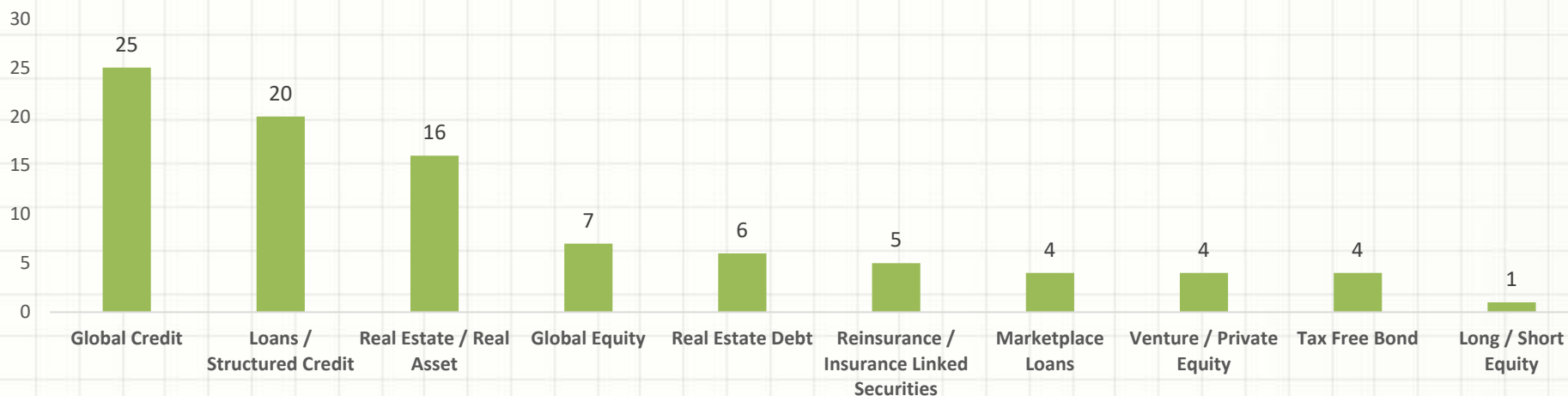


# Non-Listed CEFs: Asset Class Breakdown (# Funds)

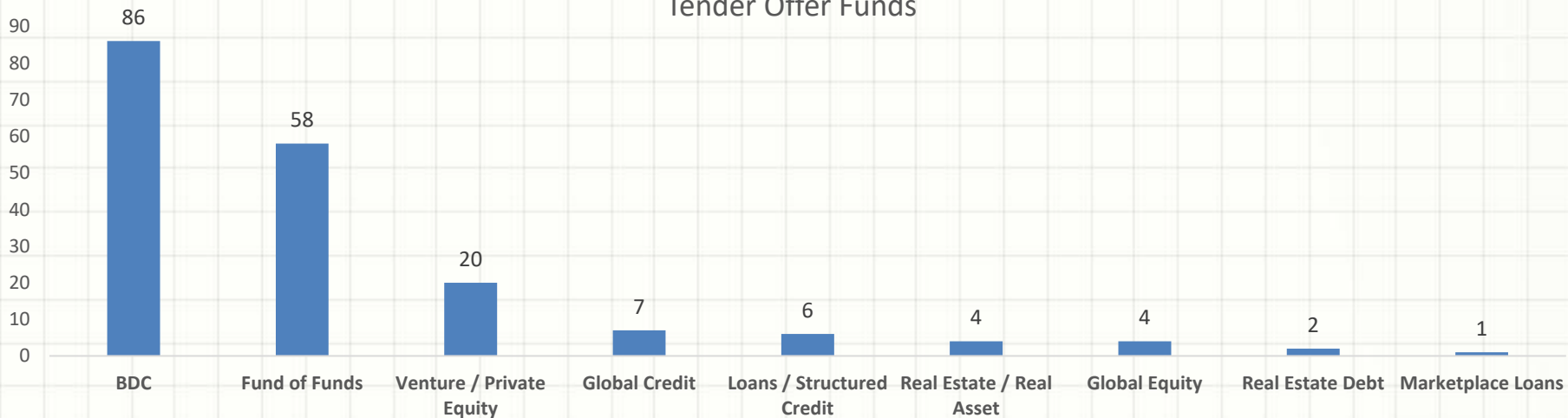
Source: CEFData.com, as of 6/30/2023



### Interval Funds



### Tender Offer Funds



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# Non-Listed CEFs: Asset Class Breakdown (\$B AUM)

Source: CEData.com, as of 6/30/2023



### Interval Funds



### Tender Offer Funds



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# Non-Listed CEFs: Sponsors

Source: CEFData.com, as of 6/30/2023



## TOP SPONSORS (AUM)

Sponsor	Funds	AUM (MM)
1 Blackstone	2	\$51,682
2 Owl Rock	6	\$29,923
3 Partners Group	1	\$13,777
4 Cliffwater	2	\$13,300
5 SilverBay Capital	1	\$11,930
6 Morgan Stanley	8	\$9,366
7 Bluerock	2	\$7,449
8 PIMCO	6	\$6,991
9 HPS	1	\$6,888
10 Griffin Capital	1	\$5,660
11 Versus Capital	2	\$5,563
12 Apollo	2	\$5,315
13 Franklin Templeton	4	\$4,569
14 Goldman Sachs	6	\$4,363
15 Stone Ridge	5	\$4,076
16 Barings	3	\$3,889
17 CION Investment	1	\$3,760
18 New Mountain Capital	3	\$3,517
19 Oppenheimer	1	\$3,392
20 Central Park	8	\$3,194
21 Golub Capital	4	\$3,182
22 TCW	4	\$2,977
23 FS/KKR	2	\$2,848
24 Variant Investments	2	\$2,730
25 Carlyle	3	\$2,610

## TOP SPONSORS (# FUNDS)

Sponsor	Funds	AUM (MM)
1 Morgan Stanley	8	\$9,366
2 Central Park	8	\$3,194
3 Neuberger Berman	8	\$1,446
4 Owl Rock	6	\$29,923
5 PIMCO	6	\$6,991
6 Goldman Sachs	6	\$4,363
7 BlackRock	5	\$1,243
8 Stone Ridge	5	\$4,076
9 First Trust	5	\$956
10 Franklin Templeton	4	\$4,569
11 Golub Capital	4	\$3,182
12 TCW	4	\$2,977
13 Nuveen	4	\$2,327
14 Hatteras	4	\$327
15 Guggenheim Funds	4	\$113
16 Bank of America	4	\$75
17 Barings	3	\$3,889
18 New Mountain Capital	3	\$3,517
19 John Hancock	3	\$2,405
20 Fundrise	3	\$2,084
21 Lord Abbett	3	\$1,423
22 Aetos	3	\$831
23 UBS Hedge Fund	3	\$662
24 Flat Rock	3	\$607
25 Grosvenor	3	\$443

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# CEFA's Outlook for 3Q 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



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DATA AS OF JULY 6, 2023 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)	Comp NAV TR	Comp Discount
1. CEFA International Opportunity	-11.04	-10.34	-9.50	36.33	8.67	6.73	7.39	1.28	37.4	27.5	13.9	0.67	1.38	16.35	1.45	48.98	54.24	66.15	31.44	26	1.62	0.81	-2.93	-2.00
2. CEFA Diversified Equity	-16.60	-15.72	-14.75	30.99	7.36	5.92	6.66	0.70	43.3	10.6	9.1	0.39	1.48	20.27	7.01	59.36	71.27	86.56	8.44	23	N/A	0.82	-1.58	-3.70
3. CEFA Diversified Growth	-10.27	-10.83	-10.30	41.24	9.46	7.08	7.82	1.64	42.6	16.9	21.5	1.93	2.10	16.84	7.57	48.01	51.11	61.01	35.60	29	0.81	0.78	-0.82	-1.07
4. CEFA Hybrid (High) Income	-12.41	-12.44	-8.50	37.50	11.93	7.97	9.78	2.15	39.1	25.5	32.3	2.78	2.75	10.73	6.77	68.85	55.09	34.37	63.49	44	2.14	0.72	-1.23	-3.69
4.1 CEFA Hybrid (High) Income - Tax Advantaged	-11.92	-11.79	-8.00	33.53	10.28	7.02	8.50	1.78	38.9	20.9	30.4	2.34	2.60	11.13	8.54	63.69	56.47	38.29	58.97	44	2.01	0.69	-0.73	-2.92
4.2. CEFA Hybrid (High) Income Monthly	-2.06	-2.60	-3.10	48.34	11.81	9.32	10.07	1.74	51.6	31.6	27.5	2.05	2.54	13.43	6.05	82.27	86.49	48.62	48.19	35	1.54	0.75	-1.11	4.57
5. CEFA Discount Opportunity	-20.89	-20.87	-20.13	41.67	8.69	5.61	7.41	1.28	43.7	21.4	23.8	2.40	2.60	15.46	9.40	44.71	51.23	56.94	38.03	37	0.79	0.70	-1.42	-10.40
6. CEFA Alternative Income	-11.17	-11.89	-7.70	34.58	10.77	7.26	8.73	2.04	42.1	18.2	32.4	2.73	2.72	10.11	8.57	67.57	58.40	33.14	64.91	44	1.35	0.67	0.58	-2.48
6.1 CEFA Alternative Income - Tax Advantaged	-13.51	-13.18	-11.22	33.06	9.42	6.40	7.98	1.44	42.5	20.3	29.0	1.96	2.13	12.82	9.20	60.57	50.93	37.48	59.14	46	3.37	0.76	0.57	-4.39
7. CEFA Foundation / Balanced	-14.06	-13.51	-11.76	32.75	10.16	7.20	7.75	2.41	41.3	20.4	22.1	1.51	2.01	13.40	7.64	58.16	59.64	52.32	44.76	44	1.03	0.75	0.38	-5.01
7.1 CEFA Foundation / Balanced - Tax Advantaged	-11.12	-9.40	-7.93	31.31	8.70	6.36	7.04	1.66	47.7	14.8	23.6	1.54	1.83	15.64	8.60	52.24	56.43	60.52	37.45	43	2.68	0.84	0.35	-1.69
8. CEFA Taxable Bond & BDC	-9.65	-10.50	-7.74	37.78	10.83	7.30	7.35	3.48	27.5	21.3	35.1	3.05	2.92	6.25	5.17	64.47	52.49	6.55	90.82	32	3.10	0.61	-1.06	-2.56
8.1 CEFA Fixed Income - Tax Advantaged	-10.26	-9.56	-7.63	32.08	9.39	6.42	7.59	1.80	38.8	28.9	34.5	2.43	2.59	7.00	1.69	59.57	44.76	9.76	88.16	43	7.50	0.73	-1.48	-2.34
9. CEFA Dividend Confidence Model	-10.17	-9.52	-8.08	33.80	9.42	6.77	7.81	1.61	37.6	5.9	25.9	1.86	1.99	13.70	9.03	55.87	52.77	51.96	45.99	33	0.95	0.74	0.67	-1.95
9.1 CEFA Inflation Optimized Tax-Advantaged Income	-7.27	-7.42	-6.09	42.29	11.08	7.93	9.15	1.93	43.3	22.7	31.5	2.79	2.92	12.69	9.38	61.99	48.89	44.02	53.59	47	2.78	0.71	-1.03	-0.25
10. CEFA Diversified Low Beta	-11.38	-9.54	-8.08	33.49	9.47	6.55	7.76	1.71	44.8	16.9	28.5	1.85	2.13	12.10	6.82	57.78	62.54	38.18	60.22	35	1.50	0.67	-0.59	-2.34
11. CEFA Low Correlation	-9.13	-7.20	-7.02	37.63	7.66	5.75	6.24	1.42	20.9	1.3	24.6	1.99	2.05	12.21	8.31	46.08	46.08	44.93	51.43	26	3.16	0.70	-1.51	-1.12
11.2. CEFA Low Correlation - IRA	-6.81	-5.88	-5.38	40.10	8.77	6.66	7.07	1.70	28.6	6.5	24.3	1.86	2.15	13.97	9.08	31.29	34.44	43.96	53.13	23	2.65	0.85	0.22	0.26
12.1 CEFA Div Tax-Sensitive Income	-11.71	-11.49	-8.65	32.68	8.86	6.10	7.20	1.66	42.6	18.0	29.5	1.84	1.95	12.42	6.77	47.30	49.64	36.64	61.55	45	3.88	0.78	-0.57	-2.90
13. CEFA BDC Select	2.07	-1.69	11.19	38.82	11.16	7.33	8.58	2.58	43.1	4.3	54.4	7.42	4.20	4.82	12.86	11.11	11.11	4.62	93.45	10	N/A	0.79	5.21	11.61
13.2. CEFA BDC - Low Beta	-9.00	-9.68	-6.04	49.00	11.08	6.49	8.41	2.67	12.2	9.4	53.9	7.08	4.18	5.26	11.24	14.08	14.08	10.23	84.95	14	N/A	0.68	0.94	0.53
13.3. CEFA BDC Premium	12.35	10.27	19.02	34.34	10.32	7.49	7.94	2.38	27.8	2.6	52.6	6.70	3.89	4.83	13.39	12.60	12.60	7.36	92.25	11	N/A	0.82	5.75	21.88
13.4. CEFA BDC Monthly Income	-7.72	-8.35	-8.38	57.90	10.49	6.25	7.94	2.55	17.5	15.6	54.8	8.41	4.77	5.60	7.30	16.35	16.35	10.19	84.22	8	N/A	0.63	-3.17	1.82
14. CEFA Select Municipal	-13.31	-10.86	-6.96	10.06	4.18	2.66	4.17	0.01	12.2	8.1	36.9	1.64	1.05	5.80	-1.67	19.36	20.53	0.60	99.07	20	11.30	0.89	-1.41	-1.94
14.1. CEFA Low Duration Municipal	-13.75	-8.88	-6.91	4.82	4.18	2.65	4.14	0.04	10.2	4.6	37.4	1.44	1.16	6.26	-1.92	33.14	31.87	0.00	99.14	3	3.20	0.94	-3.44	-2.91
15. CEFA Select "Six Pack" Income	-7.28	-5.52	-3.50	31.93	9.70	7.09	7.87	1.83	32.2	9.9	28.2	2.10	2.23	11.96	6.90	63.98	60.80	48.29	49.66	35	0.81	0.65	0.05	-0.91
16. CEFA Non-Profit Foundation Diversified Income	-12.20	-12.21	-11.01	36.50	9.99	7.16	9.99	0.00	35.2	13.1	23.9	1.53	2.23	13.03	8.55	67.39	66.72	45.15	52.82	40	1.18	0.64	0.12	-4.41

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# CEFA Portfolio Model Info (pt 1 of 2)



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**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.
- 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).
- 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
- 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).
- 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. 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)



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8. **Taxable Bond and BDC:** Diversified portfolio focused on the taxable bond and debt-focused business development company (BDC) sectors. This income focused model historically targets a 7%-8% income level. It seeks "cash weighted" duration under 4 and a Beta to the S&P 500 from 0.35-0.50.
9. **Dividend Confidence Model:** Diversified portfolio of roughly 50% equity and bond funds where we see above average dividend coverage as the primary factor after our Trifecta analysis. Historically 6.25% - 7.5% is our target income level and we expect durations under 2.5 and a beta under 0.80.
10. **Diversified Low Beta:** Diversified portfolio seeking 50/50 allocations to equity and debt at the fund level focusing on a lower Beta for to the S&P 500 in the sector when selecting funds. We seek to have duration of the portfolio on a "cash weighted" basis under 1.75 and a Beta to the S&P 500 between 0.40 and 0.60.
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.
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 15 Major Sector Index under normal market conditions.

# Speaker's Biography



## John Cole Scott, CFS

*President & Chief Investment Officer  
Closed-End Fund Advisors, Inc.*

Mr. Scott has worked at Closed-End Fund Advisors, a 1989 RIA firm, since 2001. CEF Advisors primarily offers high net worth investors highly customized income focused portfolios optimized for risk and taxes amongst other factors through separate account management. 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 75 occasions. In 2008 John founded CEFDData.com, a data service now covering all US listed and non-listed closed-end funds (CEFs), business development companies (BDCs) and Interval Funds. Currently supported by an internal 10-member analyst / programmer team covering the 765+ ticker, \$727 billion universe of closed-ended management companies.

CEF Advisors regularly does consulting and projects for CEF/BDC Sponsors, Hedge Funds and Institutional Investors. In 2016 John developed 35 CEF/BDC based benchmark indexes. He has worked with a fund sponsor on a BDC focused fund that has raised \$500MM in deposits. John is also the Founder & Executive 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 past Treasurer & Chair F&I Committee for the William & Mary National Alumni Board.

## John Cole Scott, CFS

### EXPERIENCE

**President & CIO of a Registered  
Investment Advisory Firm Focused  
on CEFs, BDCs & Interval Funds**

### EDUCATION

**College of William & Mary  
Bachelor of Science in Psychology**





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