Capital Link's
CEF & ETF Monthly Newsletter

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The Month in Closed-End Funds: April 2014

PERFORMANCE

Despite concerns of a lackluster Q1 reporting season and continued geopolitical worries, for the third consecutive month equity and fixed income CEFs posted plus-side NAV-based returns (+1.25% and +1.56%, respectively) and market-based returns (+1.66% and +2.42%, respectively) for April. Shrugging off the recent meltdown in growth and momentum stocks, for the year to date CEFs added 4.37% and 6.86%, respectively, to their NAV-based returns.

During the month investors had to weigh the impacts of additional economic sanctions on Russia as the result of increased scrimmages in Ukraine and the sudden sharp declines in biotechnology and Internet stocks (the NASDAQ experienced its worst one-day decline in two months at the beginning of April and by April 11 closed under 4,000 for the first time since February 3). The week of April 7 the NASDAQ suffered its worst weekly return since June 2012. Market gurus were calling for a market correction from that sector, while talking about a shift in leadership from growth- to value-oriented stocks. The U.S. economic picture remained slightly out of focus during the first half of the month, with many of the headline numbers showing improvements but missing analyst expectations. The U.S. created 192,000 new jobs in March, but analysts had expected a stronger 200,000. Both the ISM manufacturing and nonmanufacturing indices, reporting increases to 53.7 and 53.1, suffered the same fate: both continued to signal expansion but came in lower than expected.

As the month progressed, ignoring the ugly 14.5% decline in March new-home sales, investors cheered better-than-expected March retail sales (+1.1% versus the expected +0.9%), a rise in industrial production (+0.7% versus the consensus +0.5%), and an unexpected gain in March durable goods orders (+2.6% versus +2.0%, the largest gain since November). While the first estimate for Q1 real GDP growth came in at a lower-than-expected 0.1% annual rate (the weakest showing in nearly three years), many of the weather-blaming pundits claimed it set the market up for a strong rebound in Q2.

For the month of April the Dow Jones Industrial Average (+0.75%) and the S&P 500 (+0.62%) showed persistence in the face of increased tensions between Russia and Ukraine and another $10-billion reduction in Federal Open Market Committee bond purchases. However, the tech-heavy NASDAQ Composite (-2.01%) suffered its second consecutive month of declines.

After the ten-year Treasury yield hit a closing high of 2.82% for the month on April 4 on investors' fears that the Federal Reserve would raise interest rates sooner than expected, Fed Chair Janet Yellen calmed the markets by reiterating that the central bank would maintain "extraordinary economic support for some time to come." This, along with a slight flight to safety because of increased tensions in Ukraine, pushed Treasury prices higher and yields lower. The ten-year Treasury yield declined 6 bps to 2.67% for April. But the largest decline in yields was witnessed at the long end of the curve, with the 20- and 30-year yields dropping 9 bps to 3.22% and 3.47%, respectively, for the month.

The Month in Closed-End Funds: April 2014

- For April only 11% of all closed-end funds (CEFs) traded at a premium to their net asset value (NAV), with 10% of equity funds and 11% of fixed income funds trading in premium territory. Lipper's High Yield CEFs macro-group witnessed the largest narrowing of discounts for the month—185 basis points (bps) to 5.47%.
- For the third consecutive month equity and fixed income CEFs posted plus-side returns, with equity funds returning 1.25% on a NAV basis and their fixed income counterparts returning 1.56% for the month.
- For the fourth consecutive month all of Lipper's municipal bond CEF classifications posted returns in the black, with General & Insured Municipal Debt CEFs (Leveraged) (+2.44%) outpacing the other classifications in the group. Municipal debt CEFs (+2.22%) outpaced their domestic taxable fixed income CEF (+0.70%) and world income CEF (+1.15%) counterparts for the month.
- Despite slight declines in crude oil prices during the month, Natural Resources CEFs (+4.11%) and Energy MLP CEFs (+3.59%) rose to the head of the CEFs universe for April.

Authored by:
TOM ROSEEN
HEAD OF RESEARCH SERVICES
LIPPER, DENVER
THOMSON REUTERS

For April the dollar lost ground against the euro (-0.69%), the pound (-1.25%), and the yen (-0.86%). Perhaps in part as a result of a flight to safety because of geopolitical concerns, commodities prices were mixed, with near-month gold prices rising 0.95% to close April at $1,295.60/ounce, while crude oil prices fell 1.81% to close the month at $99.74/barrel.

For April 88% of all CEFs posted NAV-basis returns in the black, with 77% of equity CEFs and 95% of fixed income CEFs chalking up returns in the plus column. Despite lower-than-expected earnings reports for some U.S. companies, increased geopolitical concerns, and a reduction in the Fed stimulus, investor optimism pushed U.S. stocks and bonds to yet another plus-side month. On the equity side investors appeared to prefer domestic over international issues, pushing the domestic equity CEFs macro-group (+1.62%) to the top of the leaders' board for the first month in three, followed closely by its mixed-asset (+1.45%) and world equity (+0.36%) CEF cohorts.

While investors remained concerned over slowing growth in China and the conflict in Ukraine, CEF investors pushed Lipper's Developed Markets CEFs classification to the bottom of the pack for April (-0.55%, one of only two equity CEF classifications in the red for the month). **Canadian World Fund Limited (TOR: T.CWF)**, shedding 3.25%, and **Aberdeen Israel Fund, Inc. (AMEX: ISL)**, losing 2.97%, weighed heavily on the subgroup. Given that biotechnology and tech firms took it on the chin in April, it wasn't surprising to see Sector Equity Funds (-0.17%) in the red as well. Despite the small decline in crude oil prices during the month, Natural Resources CEFs (+4.11%) shot to the top of the charts for April, followed by Energy MLP CEFs (+3.59%) and Utility CEFs (+2.67%). For the remaining equity classifications returns ranged from 0.05% (Growth CEFs) to 2.62% (Real Estate CEFs).

Shrugging off concerns of slowing growth in China and the impact additional sanctions on Russia might have on global growth, two of the five top-performing individual equity CEFs were housed in Lipper's World Equity Funds macro-classification; **Turkish Investment Fund, Inc. (NYSE: TKF**, housed in Lipper's Emerging Markets CEFs classification**)** rose to the top of the leader board, gaining 7.71% on a NAV basis and traded at a 10.57% discount at month-end. Following TKF and housed in Lipper's Natural Resources CEFs classification, were T**ortoise Pipeline & Energy Fund, Inc. (NYSE: TTP)**, rising 5.68% on a NAV basis and traded at a 10.59% discount on April 30, and **Tortoise Energy Independence Fund, Inc. (NYSE: NDP)**, posting a 5.61% return and traded at an 11.92% discount at month-end. The last World Equity CEF on the top-five list was **Thai Fund, Inc. (NYSE: TTF**, housed in Lipper's Pacific ex-Japan CEFs classification**)**, posting a 5.44% return and traded at an 11.70% discount on April 30. The last noteworthy fund—once again housed in Lipper's Natural Resources CEFs classification— was **First Trust Energy Infrastructure Fund (NYSE: FIF)**, chalking up a 5.01% return and traded at a 9.63% discount at month-end.

CLOSED-END FUNDS LAB

TABLE 1 CURRENT-MONTH PERFORMANCE, P&D, P&D SHIFTS (% OF UNIVERSE)

	NAV RETURNS POSITIVE	PREMIUM/DISCOUNT		NOW TRADING AT	
		BETTER	WORSE	PREMIUM	DISCOUNT
Equity Funds	77	63	37	10	90
Bond Funds	95	74	23	11	89
ALL CEFs	**88**	**70**	**28**	**11**	**89**

TABLE 2 AVERAGE NAV RETURNS, SELECTED PERIODS (%)

	APRIL	YTD	3-MONTH	CALENDAR-2013
Equity Funds	1.25	4.37	6.09	16.03
Bond Funds	1.56	6.86	4.18	-1.74
ALL CEFs	**1.44**	**5.88**	**4.34**	**5.17**

TABLE 3 NUMBER OF IPOs, SELECTED 12-MONTH PERIODS

	APRIL 2014	CALENDAR-2013
ALL CEFs	**22**	**28**

TABLE 4 AVERAGE SIZE OF IPOs, SELECTED PERIODS, $MIL

3 MONTHS THROUGH 3/31/2014	377
COMPARABLE YEAR-EARLIER 3 MONTHS	696
CALENDAR 2013 AVERAGE	564

Source: Lipper, a Thomson Reuters company

For the month the dispersion of performance in individual equity CEFs—ranging from minus 8.49% to positive 7.71%— was narrower than March's spread and similarly skewed. The 20 top-performing equity CEFs posted returns at or above 4.14%, while the 20 lagging CEFs were below minus 1.56%.

For the month **RENN Global Entrepreneurs Fund, Inc. (AMEX: RCG)**, housed in Lipper's Global CEFs classification, was at the bottom of the equity CEFs group, shedding 8.49% of its March month-end value and traded at a 36.29% discount at month-end. **John Hancock Financial Opportunities Fund (NYSE: BTO**, warehoused in Lipper's Sector Equity CEFs classification**)** was the next poorest performing equity fund, declining 5.73% and traded at a 5.07% discount at month-end. For April 55 equity CEFs suffered negative returns.

Despite the FOMC's decision to reduce its monthly bond purchases by $10 billion to $45 billion in May—signaling its continued vote of confidence in the economy, fixed income investors continued their search for yield and looked for opportunities in select sectors of the market, pushing municipal bond CEFs (+2.22%) to the head of the fixed income universe. Investors also continued to consider the relatively attractive yields seen in the global market, pushing world bond CEFs (+1.15%) above their domestic bond CEFs (+0.70%) counterparts.

For the fourth consecutive month all of Lipper's municipal debt CEF classifications posted plus-side NAV-based returns as investors bid up the group, scooping up tax-exempt issues with yields exceeding those of similarly dated Treasuries (before tax adjustments). General & Insured Municipal Debt CEFs (Leveraged) (+2.44%) and California Municipal Debt CEFs (+2.24%) realized the largest returns of the group, while once again General & Insured Municipal Debt CEFs (Unleveraged) (+1.54%) and Intermediate Municipal Debt CEFs (+1.78%) were the relative laggards. National municipal debt CEFs (+2.29%) outpaced their single-state municipal debt CEF counterparts (+2.15%).

Despite continued uncertainty in the world markets, both of the classifications making up Lipper's World Income CEFs macro-classification (+1.15%) outpaced some of the other taxable fixed income classifications. Emerging Markets Debt CEFs (+1.51%) outpaced Global Income CEFs (+0.94%). Despite some flight to safety, investors remained hungry for yield, and Corporate Debt BBB-Rated CEFs (Leveraged) (+1.28%, March's group laggard) jumped to the head of the domestic taxable fixed income macro-group, while Loan Participation CEFs (+0.12%) was the relative laggard. Despite increasing market optimism in the latter half of the month, continued geopolitical uncertainty kept investors at bay. The two-/ten-year Treasury spread narrowed 4 bps from March's month-end 2.29%. The yield on the ten-year Treasury note finished the month 6 bps lower at 2.67%.

In the domestic taxable fixed income CEFs universe (+0.70%) the remaining classification returns ranged from 0.46% (High Yield CEFs [Leveraged]) to 1.26% (U.S. Mortgage CEFs, the second runner-up for the second month in a row). None of the classifications in the taxable fixed income CEFs universe suffered negative returns for April.

Seven of the ten top-performing individual CEFs in the fixed income universe were housed in Lipper's General Municipal Bond CEFs macro-classification. The four top performers were housed in Lipper's General & Insured Municipal Debt CEFs (Leveraged) classification. At the top of the chart was **Eaton Vance Municipal Income Term Trust (NYSE: ETX)**, returning 3.98% and traded at a 9.97% discount on April 30. Following ETX were **Eaton Vance Municipal Income Trust (NYSE: EVN)**, tacking 3.74% onto its March month-end value and traded at a 4.00% discount at April month-end; **BlackRock Municipal Target Term Trust (NYSE: BTT)**, posting a 3.59% return and traded at a 6.63% discount at month-end; and **Dreyfus Municipal Bond Infrastructure Fund, Inc. (NYSE: DMB)**, posting a 3.39% return and traded at an 8.96% discount at month-end.

For the remaining funds in the fixed income CEFs universe monthly NAV-basis performance ranged from minus 2.48% (**NexPoint Credit Strategies Fund [NYSE: NHF**, March's laggard**]**, housed in Lipper's High Yield CEFs (Leveraged) classification and traded at a 10.21% discount on April 30), to 3.14% for **Stone Harbor Emerging Markets Income Fund (NYSE: EDF)**, housed in Lipper's Emerging Markets Debt CEFs classification and traded at a 3.47% discount at month-end. The 20 top-performing fixed income CEFs posted returns at or above 2.84%, while the 20 lagging funds were at or below 0.01%. Only 18 fixed income CEFs suffered downside performance for April.

PREMIUM AND DISCOUNT BEHAVIOR

For April the median discount of all CEFs narrowed 87 bps to 7.50%—slightly better than the 12-month moving average discount (7.53%). Equity CEFs' median discount narrowed 64 bps to 9.37%, while fixed income CEFs' median discount narrowed 104 bps to 6.78%. Municipal bond CEFs' median discount narrowed 126 bps to 6.61%. The High Yield CEFs macro-group witnessed the largest narrowing of discounts in the CEF universe—185 bps to 5.47%, while the World Equity CEFs macro-group witnessed the only widening in the group, 19 bps to 10.92%.

For the month 70% of all funds' discounts or premiums improved, while 28% worsened. In particular, 63% of equity funds and 74% of fixed income funds saw their individual discounts narrow, premiums widen, or premiums replace discounts. The number of funds traded at premiums on April 30 (62) was one less than on March 31.

CEF EVENTS AND CORPORATE ACTIONS

IPOs

Bluerock Fund Advisor's hybrid interval fund **Total Income+ Real Estate** launched two additional share classes in April: Class C and Class I shares, which are designed to cater to a wide variety of investors and to expand Bluerock's distribution channels.

RIGHTS, REPURCHASES, TENDER OFFERS

The recently expired cash tender offer for up to 5.2 million shares (15%) of **The India Fund (NYSE: IFN)** saw 15.3 million shares tendered, which meant that under *pro rata* conditions 34.2% of tendered shares were accepted for payment. The discount on IFN widened in April from 9.8% to 11.6%.

MERGERS AND REORGANIZATIONS

Directors of **American Municipal Income Portfolio (NYSE: XAA)** approved a proposal to merge the fund into **Nuveen Investment Quality Municipal Fund (NYSE: NQM)**. The proposal will be submitted to shareholders at a special meeting expected to be held during Q3 2014. Both funds are currently subadvised by Nuveen. The discount on XAA widened 30 bps to 4.1% in April, while that of NQM improved from 7.5% to 6.2%.

Directors of **American Strategic Income Portfolio (NYSE: ASP)**, **American Strategic Income Portfolio II (NYSE: BSP)**, **American Strategic Income Portfolio III (NYSE: CSP)**, and **American Select Portfolio (NYSE: SLA)** have approved proposals to merge the funds into a newly organized CEF. Shareholders of each fund will vote on the proposals at a special meeting expected to be held during Q3 2014. All four funds are subadvised by Nuveen.

Trustees of **Salient MLP & Energy Infrastructure Fund (NYSE: SMF)** and S**alient Midstream & MLP Fund (NYSE: SMM)** approved a reorganization of SMF into SMM, subject to shareholder approval. The discount on SMF bounced around in April from as wide as 6.4% to as narrow as 1.4% before ending the month at 3.9%. The discount on SMM began April at 8.5% and ended at 6.1%.

OTHER

City of London Investment Management Company sent a letter to directors of **The Taiwan Fund (NYSE: TWN)** after they decided to postpone the annual shareholder meeting in April in order to solicit more votes to approve the investment management agreement between the fund and Allianz Global Investors. City of London told directors, "we have no confidence in the soundness of the Board's recommendation" and "this fund would seem to be in disarray." City of London reported that its clients hold approximately 27% of TWN's shares. The discount on TWN generally held steady in April and ended at 9.4%.

Western Asset Inflation Management Fund (NYSE: IMF) announced that its shareholders recently voted to approve the liquidation of the fund, which is expected to become effective May 30, 2014. The fund's discount narrowed slightly in April from 1.2% to 0.90%.

The Gabelli Dividend & Income Trust (NYSE: GDV) announced that shareholders approved the contribution of approximately $100 million of the Dividend & Income Trust's assets to **The Gabelli Global Small and Mid-Cap Value Trust**, a newly organized CEF that will seek to have its shares listed on the New York Stock Exchange. The discount on GDV held steady in April to end at 9.2%.

Shareholders of **The Asia Tigers Fund (NYSE: GRR)** voted to eliminate the fund's interval structure, effective April 4, 2014. The discount on GRR widened in April from 10.4% to 11.7%.

ING Investments announced that its CEFs changed their names, effective May 1, 2014. **ING Emerging Markets High Dividend Equity Fund (NYSE: IHD)**; **ING Asia Pacific High Dividend Equity Income Fund (NYSE: IAE)**; I**NG Risk Managed Natural Resources Fund (NYSE: IRR)**; I**NG International High Dividend Equity Income Fund (NYSE: IID)**; I**NG Prime Rate Trust (NYSE: PPR)**; **ING Global Equity Dividend and Premium Opportunity Fund (NYSE: IGD)**; **ING Infrastructure, Industrials and Materials Fund (NYSE: IDE)**; and **ING Global Advantage and Premium Opportunity Fund (NYSE: IGA)** each had "ING" replaced with "Voya." Tickers for each fund remained the same, while all the CUSIPs changed.

Authored by:
JEFF TJORNEHOJ
HEAD OF LIPPER AMERICAS RESEARCH
LIPPER, DENVER

CEF Performance Statistics

LIPPER

Category	Average 1Mo NAV Change	Average 1Mo Mkt Change	Average P/D 3/31/2014	Average P/D 4/30/2014	Average 1 Mo P/D Change	Average YTD NAV Change	Average YTD Mkt Change	Average YTD P/D Change
Growth Funds	1.04%	5.11%	11%	9%	-1.00	$ (0.02)	-35.76%	7.44
High Yield Municipal Debt Funds	-1.51%	-1.97%	-2%	-1%	0.45	$ 0.06	8.88%	2.69
Loan Participation Funds	0.35%	1.03%	-5%	-6%	-0.41	$ (0.00)	-1.05%	-0.62
High Yield Funds (Leveraged)	0.19%	-1.28%	-5%	-4%	1.42	$ 0.02	4.44%	2.42
Convertible Securities Funds	0.05%	-0.15%	-5%	-5%	0.21	$ 0.01	3.74%	2.79
New York Municipal Debt Funds	-1.71%	-2.25%	-5%	-4%	0.53	$ 0.06	8.96%	2.29
Options Arbitrage/Opt Strategies Funds	-0.13%	-1.30%	-5%	-4%	1.11	$ (0.00)	2.91%	3.08
Global Funds	0.17%	-0.24%	-11%	-10%	0.33	$ 0.00	1.53%	0.70
California Municipal Debt Funds	-1.72%	-2.44%	-5%	-5%	0.65	$ 0.08	8.83%	1.04
Developed Market Funds	0.56%	1.08%	-10%	-10%	-0.48	$ 0.02	0.72%	-1.00
General & Insured Muni Debt Funds (Lever	-1.90%	-2.44%	-7%	-6%	0.50	$ 0.08	8.98%	0.85
Corporate BBB-Rated Debt Funds(Leveraged	-0.90%	-1.33%	-9%	-8%	0.40	$ 0.03	4.28%	0.65
Intermediate Municipal Debt Funds	-1.34%	-2.18%	-4%	-3%	0.82	$ 0.05	6.30%	1.41
Other States Municipal Debt Funds	-1.60%	-2.78%	-7%	-6%	1.14	$ 0.07	6.47%	3.11
Pennsylvania Municipal Debt Funds	-1.51%	-2.82%	-9%	-7%	1.12	$ 0.07	-4.77%	4.77
Emerging Mrkts Hard Currency Debt Funds	-1.10%	-2.55%	-10%	-8%	1.37	$ 0.02	3.96%	1.85
Real Estate Funds	-2.19%	-1.13%	-11%	-11%	0.80	$ 0.01	8.33%	1.05
New Jersey Municipal Debt Funds	-1.65%	-3.31%	-10%	-8%	1.57	$ 0.07	8.91%	1.63
General & Insured Muni Fds (Unleveraged)	-1.16%	-1.19%	-4%	-4%	0.04	$ 0.05	6.37%	1.52
U.S. Mortgage Funds	-0.71%	-1.15%	-9%	-8%	0.35	$ 0.04	5.00%	0.86
Value Funds	-1.61%	-2.03%	-12%	-11%	0.40	$ 0.04	3.88%	-0.31
Corporate Debt Funds BBB-Rated	-0.62%	-1.54%	-9%	-8%	0.85	$ 0.02	4.27%	1.73
Global Income Funds	-0.42%	-2.14%	-8%	-7%	1.67	$ 0.02	4.04%	1.62
Income & Preferred Stock Funds	-1.34%	-2.63%	-8%	-6%	1.22	$ 0.06	8.58%	1.88
Pacific Ex Japan Funds	-1.11%	-0.65%	-10%	-11%	-0.42	$ (0.03)	-4.78%	-1.47
Core Funds	0.14%	-0.56%	-10%	-9%	1.78	$ 0.00	-3.58%	0.59
Emerging Markets Funds	-0.13%	0.58%	-8%	-9%	-0.60	$ (0.02)	-3.40%	-0.57
Utility Funds	-2.34%	-2.49%	-7%	-7%	0.13	$ 0.08	7.98%	0.25
Sector Equity Funds	-11.42%	1.08%	-7%	-6%	1.47	$ (0.04)	2.94%	1.67
Energy MLP Funds	-3.19%	-3.61%	-4%	-3%	0.35	$ (0.00)	2.45%	-1.62
Natural Resources Funds	-3.57%	-4.56%	-11%	-10%	0.49	$ 0.06	7.40%	0.34
General Bond Funds	-0.56%	-0.92%	-3%	-3%	0.16	$ (0.04)	4.00%	0.73
High Yield Funds	-0.10%	-1.12%	-6%	-5%	0.97	$ 0.01	3.44%	2.17

Top 5 Performing CEFs

LIPPER

Fund Name	Category	Ticker Symbol	1-Month NAV Change	Rank
RENN Glbl Entrepreneurs	Global Funds	RCG	9.3%	1
Liberty All-Star Growth	Growth Funds	ASG	7.6%	2
J Hancock Finl Opptys	Sector Equity Funds	BTO	6.1%	3
Morg Stan East Europe	Emerging Markets Funds	RNE	4.4%	4
Royce Micro-Cap Trust	Core Funds	OTC	4.0%	5

Fund Name	Category	Ticker Symbol	Year-to-Date NAV Change	Rank
Aberdeen Indonesia	Pacific Ex Japan Funds	XIF	16.7%	1
ASA Gold & Prec Met Ltd	Sector Equity Funds	ASA	16.6%	2
Nuveen Real Estate Inc	Real Estate Funds	JRS	16.4%	3
J Hancock Tx-Adv Div Inc	Value Funds	HTD	15.7%	4
Cohen & Steers Qual Rlty	Real Estate Funds	RQI	14.7%	5

Fund Name	Category	Ticker Symbol	1-Month Market Change	Rank
Aberdeen Chile	Emerging Markets Funds	XCH	9.9%	1
Firsthand Technology Val	Sector Equity Funds	SVC	9.2%	2
Self Storage Group	Real Estate Funds	SELF	9.0%	3
RENN Glbl Entrepreneurs	Global Funds	RCG	7.6%	4
Gabelli Multimedia Trust	Global Funds	GGT	7.2%	5

Fund Name	Category	Ticker Symbol	Year-to-Date Market Change	Rank
Kayne Anderson Enrgy Dev	Natural Resources Funds	KED	22.3%	1
Flaherty & Crumrine Preferred Income Fund Inc	Income & Preferred Stock Funds	PFD	19.4%	2
NexPoint Credit Strat	High Yield Funds (Leveraged)	NHF	17.6%	3
BlackRock Muni Tgt Term	General & Insured Muni Debt Funds (Leveraged)	BTT	16.8%	4
Eaton Vance NY Muni Inc	New York Municipal Debt Funds	EVY	16.7%	5

Fund Name	Category	Ticker Symbol	1-Month P/D Change	Rank
Flaherty & Crumrine Preferred Income Fund Inc	Income & Preferred Stock Funds	PFD	11.82	1
Helios Multi-Sector High Income Fund	High Yield Funds (Leveraged)	HMH	11.68	2
Pioneer Municipal High Income Advantage Trust	High Yield Municipal Debt Funds	MAV	10.12	3
AllianzGI Convertible & Income Fund II	Convertible Securities Funds	NCZ	9.56	4
Nuveen Missouri Premium Income Municipal Fund	Other States Municipal Debt Funds	NOM	8.98	5

Fund Name	Category	Ticker Symbol	Year-to-Date P/D Change	Rank
Engex Inc	Core Funds	EXGI	$31.1024	1
Foxby Corp	Growth Funds	FXBY	$26.6917	2
Aberdeen Chile	Emerging Markets Funds	XCH	$16.2284	3
Nuveen MO Prem Inc Muni	Other States Municipal Debt Funds	NOM	$12.3117	4
BlackRock PA Strat Muni	Pennsylvania Municipal Debt Funds	BPS	$12.1005	5

Global ETF and ETP Monthly Overview

etfgi.com

ETFs and ETPs listed globally gathered US$34.0 billion in net new assets in April which, when combined with a small positive market performance in the month, pushed assets in the global ETF/ETP industry to a new record high of US$2.49 trillion, according to preliminary data from ETFGI's April 2014 Global ETF and ETP industry insights report. At the end of April 2014 there were 5,241 ETFs/ETPs, with 10,238 listings, from 221 providers listed on 59 exchanges around the world.

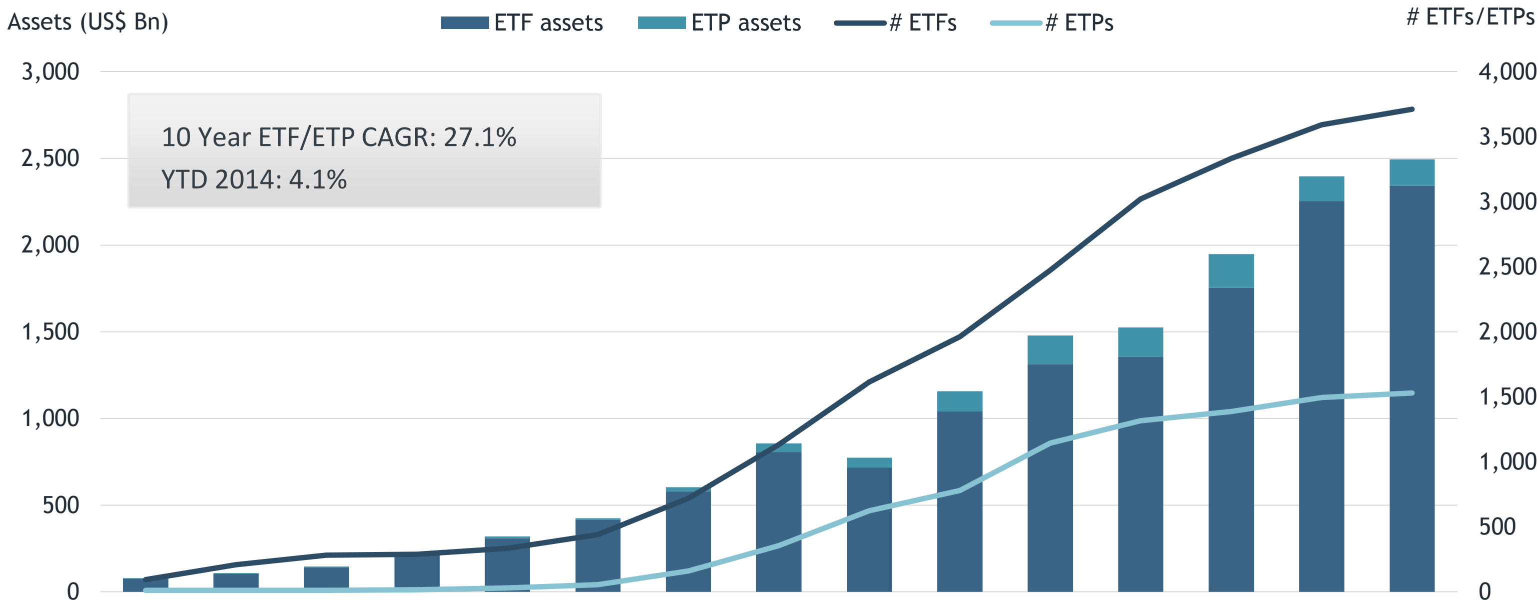
The ETF/ETP industry in many countries and regions also hit record highs in assets at the end of April 2014 including: the United States at US$1.76 Trn, Europe at US$449.7 Bn, Japan at US$82.4 Bn, Canada at US$61.1 Bn, and the Middle East/Africa at US$41.4 Bn.

"In April, as was the case in March, investors continued to show a strong preference to equity allocations. Equity markets were again choppy in April - the S&P 500 closed at an all-time high on April 2nd but ended the month up less than 1%. The DJIA closed the month at an all-time high of 16,581. Outside the U.S., developed markets improved slightly, European equities continued to strengthen, while emerging markets remained flat for the month." according to **Deborah Fuhr**, *Managing Partner* at **ETFGI.**

In April 2014, ETFs/ETPs globally gathered net inflows of US$34.0 Bn. Equity ETFs/ETPs gathered the largest net inflows with US$27.5 Bn, followed by fixed income ETFs/ETPs with US$6.3 Bn, while commodity ETFs/ETPs experienced net outflows of US$920 Mn.

Global ETF and ETP asset growth as at end of April 2014

At the end of April 2014, the Global ETF industry had 3,712 ETFs, with 8,043 listings, assets of US$2.342 trillion, from 193 providers on 57 exchanges. At the end of April 2014, the Global ETF/ETP industry had 5,241 ETFs/ETPs, with 10,238 listings, assets of US$2.495 trillion, from 219 providers on 59 exchanges.

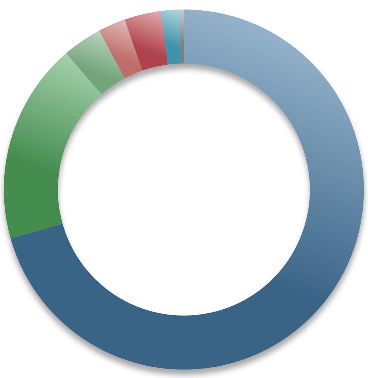


Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Apr-14
# ETFs	94	208	283	288	334	440	719	1,132	1,614	1,962	2,474	3,023	3,335	3,593	3,712
# ETFs/ETPs	105	220	295	303	364	506	887	1,543	2,237	2,740	3,616	4,340	4,723	5,087	5,241
ETF assets	74	105	142	212	310	416	579	806	716	1,041	1,313	1,355	1,754	2,254	2,342
ETF/ETP assets	79	109	146	218	319	425	603	856	774	1,158	1,478	1,526	1,949	2,398	2,495

Source: ETFGI data sourced from ETF/ETP sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, publicly available sources, and data generated by our in-house team.
Note: "ETFs" are typically open-end index funds that provide daily portfolio transparency, are listed and traded on exchanges like stocks on a secondary basis as well as utilising a unique creation and redemption process for primary transactions. "ETPs" refers to other products that have similarities to ETFs in the way they trade and settle but they do not use a mutual fund structure. The use of other structures including grantor trusts, partnerships, notes and depositary receipts by ETPs can create different tax and regulatory implications for investors when compared to ETFs which are funds.

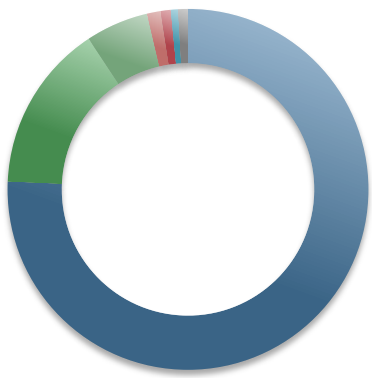
Global ETF/ETP Assets Summary

ETF/ETP assets by region listed



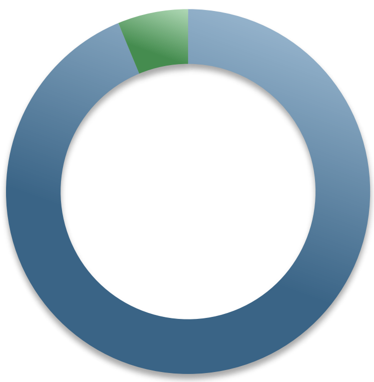
Region	Assets (US$ Bn)	% total
US	$1,762	70.6%
Europe	$450	18.0%
Asia Pacific (ex-Japan)	$89	3.6%
Japan	$82	3.3%
Canada	$61	2.5%
Middle East and Africa	$41	1.7%
Latin America	$9	0.4%
Total	**$2,495**	**100.0%**

ETF/ETP assets by asset class



Asset class	Assets (US$ Bn)	% total
Equity	$1,888	75.7%
Fixed Income	$375	15.0%
Commodities	$140	5.6%
Leveraged	$30	1.2%
Active	$23	0.9%
Leveraged Inverse	$16	0.7%
Others	$22	0.9%
Total	**$2,495**	**100.0%**

ETF/ETP assets by product structure



Structure	Assets (US$ Bn)	% total
ETF	$2,342	93.9%
ETP	$153	6.1%
Total	**$2,495**	**100.0%**

Source: ETFGI data sourced from ETF/ETP sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, publicly available sources, and data generated by our in-house team.

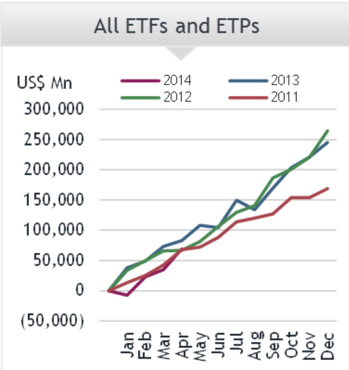
YTD through end of April 2014, ETFs/ETPs have seen net inflows of US$68.9 Bn which is less than the US$83.1 Bn of net inflows gathered at this time last year. Equity ETFs/ETPs have gathered the largest net inflows YTD with US$37.4 Bn, followed by fixed income ETFs/ETPs with US$24.5 Bn, while commodity ETFs/ETPs have experienced net outflows of US$1.2 Bn YTD.

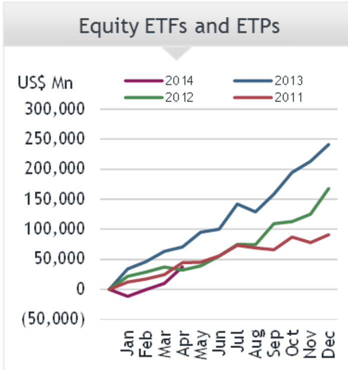
In April 2014, iShares gathered the largest net ETF/ETP inflows with US$10.7 Bn, followed by Vanguard with US$6.2 Bn in net inflows, and SPDR ETFs with US$4.6 Bn in net inflows.

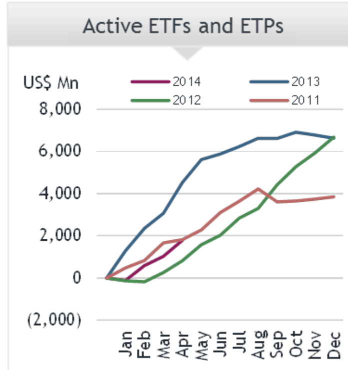
- In April 2014, 46 new ETFs/ETPs were launched by 16 providers and I8 ETFs/ETPs were closed. YTD through end of April 2014, 206 new ETFs/ETPs have been launched by 62 providers and 52 ETFs/ETPs have closed.
- The top 100 ETFs/ETPs, out of 5,241, account for 56.6% of Global ETF/ETP assets. 375 ETFs/ETPs have greater than US$1 Bn in assets, while 3,588 ETFs/ETPs have less than US$100 Mn in assets, 3,029 ETFs/ETPs have less than US$50 Mn in assets and 1,634 ETFs/ETPs have less than US$10 Mn in assets.

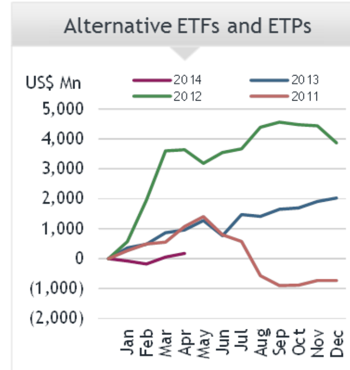
Source: ETFGI data sourced from ETF/ETP sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, publicly available sources, and data generated by our in-house team.Note: This report is based on the most recent data available at the time of publication. Asset and flow data may change slightly as additional month-end data becomes available.

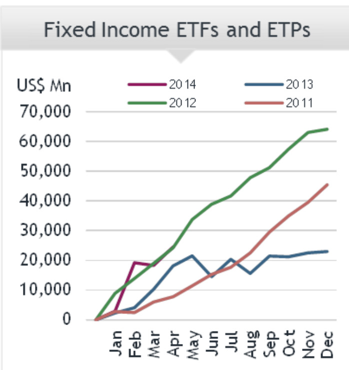
YTD 2013 vs 2012, 2011 ETF and ETP net new assets by asset class: Global

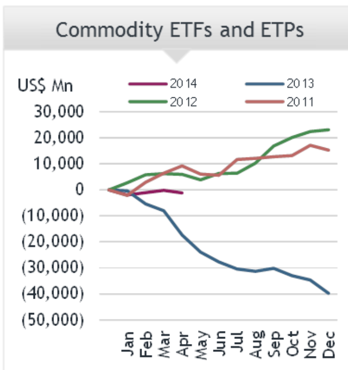


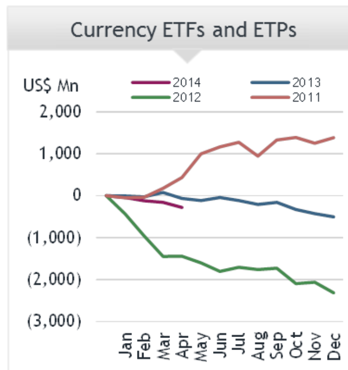


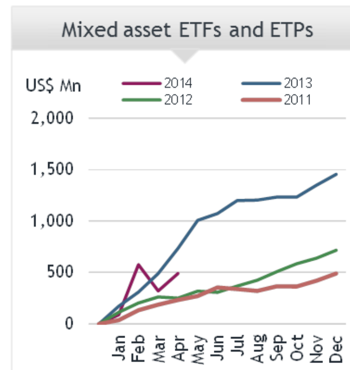












ETFs and ETPs listed globally gathered net inflows of $33,962 Mn in April. Year to date, net inflows stand at $68,861 Mn. At this point last year there were net inflows of $83,067 Mn.

Equity ETFs/ETPs saw net inflows of $27,500 Mn in April, bringing year to date net inflows to $37,403 Mn, which is less than the net inflows of $70,764 Mn over the same period last year.

Fixed income ETFs and ETPs accumulated net inflows of $6,265 Mn in April, growing year to date net inflows to $24,514 Mn. This is greater than over the same period last year when net inflows were $18,137 Mn.

Commodity ETFs/ETPs saw net outflows of $920 Mn in April. Year to date, net outflows are at $1,158 Mn, compared to net outflows of $17,317 Mn over the same period last year.

Actively managed products saw net inflows of $765 Mn in April, with year to date net inflows rising to $1,782 Mn. This is less than the net inflows of $4,534 Mn over the same period last year.

Products tracking alternative indices gathered net inflows of $126 Mn in April, with year to date net inflows at $175 Mn. This is less than the net inflows of $954 Mn over the same period last year.

Currency products saw net outflows of $121 Mn in April. Year to date, net outflows are at $277 Mn, compared to net outflows of $63 Mn over the same period last year.

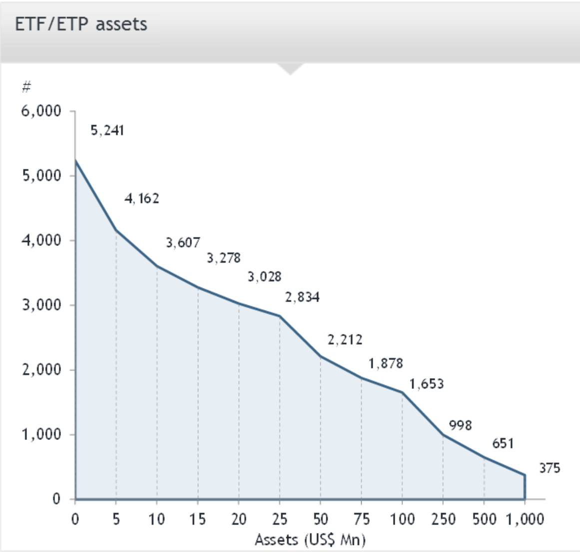
Mixed asset ETFs and ETPs saw net inflows of $169 Mn in April, taking year to date net inflows up to $489 Mn. This is less than the net inflows of $733 Mn over the same period last year.

Source: ETFGI data sourced from ETF/ETP sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, publicly available sources, and data generated by our in-house team.
Note: This report is based on the most recent data available at the time of publication. Asset and flow data may change slightly as additional month-end data becomes available.

ETF/ ETP Distribution and Benchmarks

etfgi.com

Distribution of ETFs/ETPs by size



Assets greater than (US$ Mn)	# ETFs	% total	Total assets (US$ Bn)	% total
0	5,241	100.0%	2,494	100.0%
5	4,162	79.4%	2,492	99.9%
10	3,607	68.8%	2,488	99.8%
15	3,278	62.5%	2,484	99.6%
20	3,028	57.8%	2,480	99.4%
25	2,834	54.1%	2,475	99.2%
50	2,212	42.2%	2,453	98.4%
75	1,878	35.8%	2,433	97.5%
100	1,653	31.5%	2,413	96.8%
250	998	19.0%	2,309	92.6%
500	651	12.4%	2,187	87.7%
1,000	375	7.2%	1,993	79.9%

375 ETFs/ETPs have greater than US$1 Bn in assets, while 1,653 have greater than US$100 Mn in assets and 2,212 have greater than US$50 Mn in assets. The 375 ETFs/ETPs with greater than US$1 Bn in assets hold a combined total of US$1,993 Bn, or 79.9%, of Global ETF/ETP assets.

ETF/ETP underlying benchmarks: developed equity

Top 20 by assets

Name	Assets (US$ Mn) Apr-14	NNA (US$ Mn) Apr-14	NNA (US$ Mn) YTD 2014
S&P 500 Index	268,069	5,714	(9,940)
MSCI EAFE Index	56,999	42	1,152
NASDAQ 100 Index	44,654	(3,208)	(3,964)
CRSP US Total Market Index	42,225	691	2,339
Nikkei 225 Index	39,919	487	3,548
S&P Mid Cap 400 Index	36,360	(417)	(2,485)
TOPIX Index	35,961	4,042	4,454
EURO STOXX 50 Index	31,436	89	(1,988)
DAX Index	30,286	(997)	(947)
Russell 2000 Index	28,608	(884)	(284)
MSCI Japan Index	25,074	(240)	660
Russell 1000 Growth Index	22,841	(383)	(217)
Russell 1000 Value Index	22,286	571	647
MSCI US REIT Index	21,906	210	2,181
FTSE Developed ex North America Index	21,717	772	2,657
NASDAQ Dividend Achievers Select Index	19,131	45	(465)
S&P Financial Select Sector Index	18,443	17	1,293
MSCI World Index	17,305	(7)	117
FTSE Developed Europe Net Tax US RIC TR Index USD	16,411	185	2,239
MSCI EMU Index	15,300	582	2,362

Top 20 by monthly net inflows

Name	Assets (US$ Mn) Apr-14	NNA (US$ Mn) Apr-14	NNA (US$ Mn) YTD 2014
S&P 500 Index	268,069	5,714	(9,940)
TOPIX Index	35,961	4,042	4,454
S&P Energy Select Sector Index	10,664	1,194	2,119
S&P Utilities Select Sector Index	6,451	994	1,263
S&P Industrial Select Sector Index	9,901	860	(169)
FTSE Developed ex North America Index	21,717	772	2,657
CRSP US Total Market Index	42,225	691	2,339
S&P 500 Value Index	7,656	582	625
MSCI EMU Index	15,300	582	2,362
Russell 1000 Value Index	22,286	571	647
CRSP US Large Cap Value Index	13,650	553	738
MSCI Spain 25-50 Net USD Index	2,132	488	1,122
Nikkei 225 Index	39,919	487	3,548
S&P Preferred Stock Index	9,597	410	678
S&P Technology Select Sector Index	12,953	403	(476)
S&P Consumer Staples Select Sector Index	5,971	387	(856)
Alerian MLP Infrastructure Index	10,165	382	798
MSCI Europe Value Index	518	369	350
S&P Health Care Select Sector Index	9,666	317	738
S&P Select Sector Capped 20% Technology Index	534	307	359

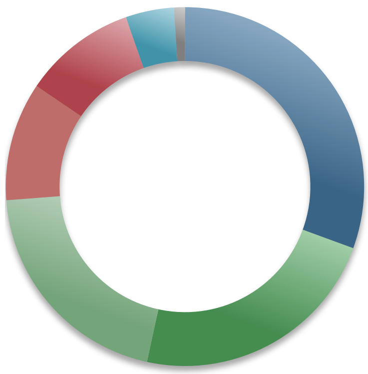
Source: ETFGI data sourced from ETF/ETP sponsors, exchanges, regulatory filings, Thomson Reuters/Lipper, Bloomberg, publicly available sources, and data generated by our in-house team.

Year to Date ETF / ETP Product Launches

etfgi.com

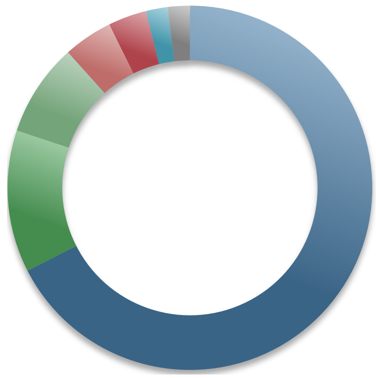
Summary of ETF / ETP assets

ETFs/ETPs by region listed



Region	# ETFs/ETPs	% total
US	63	30.6%
Middle East and Africa	47	22.8%
Europe	42	20.4%
Canada	22	10.7%
Asia Pacific (ex-Japan)	21	10.2%
Japan	9	4.4%
Latin America	2	1.0%
Total	**206**	**100.0%**

ETFs/ETPs by asset class



Asset class	# ETFs/ETPs	% total
Equity	139	67.5%
Fixed income	26	12.6%
Active	17	8.3%
Leveraged Inverse	9	4.4%
Leveraged	7	3.4%
Commodities	4	1.9%
Others	4	1.9%
Total	**206**	**100.0%**

ETFs/ETPs by product structure

Structure	# ETFs/ETPs	% total
ETF	153	74.3%
ETP	53	25.7%
Total	**206**	**100.0%**

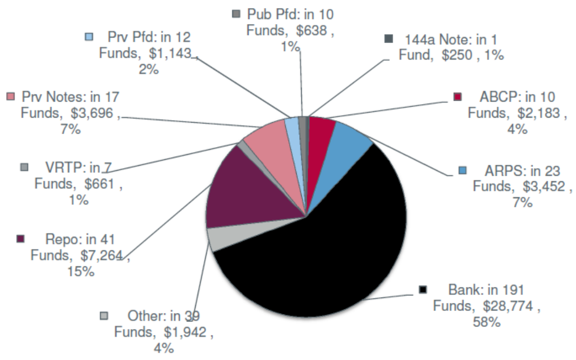
Source: ETFGI, Bloomberg, ETF/ETP providers.

Please visit www. Etfgi.com and contact deborah.fuhr@etfgi.com if you would like to subscribe to ETFGI's full monthly Global ETF and ETP industry insights reports containing over 300 pages of charts and analysis, ETFGI's Institutional Users of ETFs and ETPs report or a custom analysis.

Fitch Ratings' Recap From Capital Link's 13th Annual Closed-End Funds and Global ETFs Forum

Leverage Trends

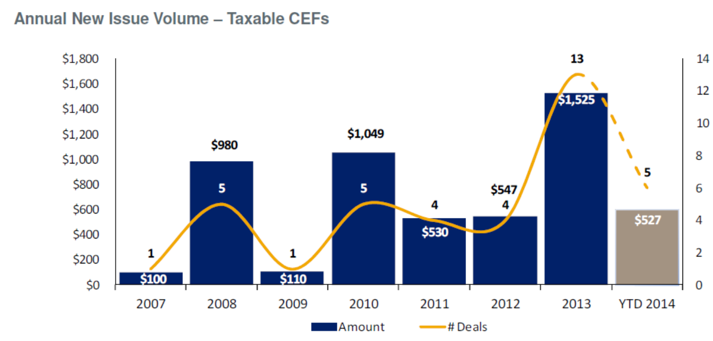
Taxable CEFs: Leverage Snapshot Today



Data in millions, covers $50.0 bil. in outstanding leverage across 259 U.S. taxable CEFs through 4/18/2014.
Source: Fitch, public filings.

Debt Private Placement Market

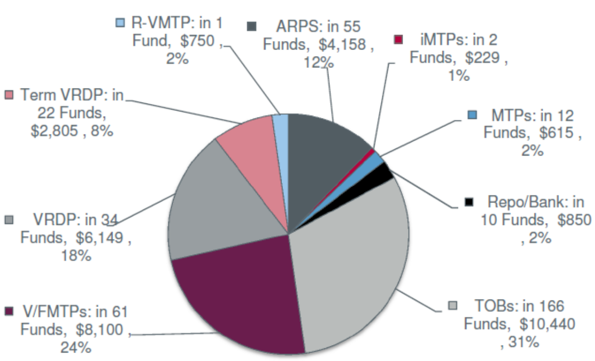
Closed-End Fund Issuance Trends – MARKET VOLUME



Source: Bank of America Merrill Lynch's Proprietary Database

- The 259 taxable CEF sector issued approximately $50 billion of leverage - this is up by $9 billion since same time last year due to NAV appreciation and new fund IPOs. The 193 municipal CEF sector issued approximately $34 billion - this is mostly unchanged as NAVs have only recently recovered the interest rate stress period they faced in late 2013.
- Over the last year, CEF managers remained active by issuing new leverage security types, attracting new lenders, and fixing their leverage costs by issuing term notes and preferred stock. A particular leverage sector increasing in importance is the private placement market for raising debt capital. Over the past year as costs decreased, issuance by taxable CEFs in this market hit record highs. Fitch expects this trend to continue, including sectors other than MLP funds.

Municipal CEFs: Leverage Snapshot Today



Data in millions, covers $34.1 bil. in outstanding leverage across 193 U.S. municipal CEFs through 4/18/2014.
Source: Fitch, public filings.

> Click here to access the audio archive & presentation

Rating Actions

To access the complete rating action, please click on the links below.

- **Fitch Affirms Preferred Shares Issued by 3 First American Closed-End Funds – April 23, 2014**
- **Fitch Affirms Preferred Shares Issued by 52 Nuveen Closed-End Funds – April 23, 2014**
- **Fitch Rates New Kayne Anderson Fund Notes 'AAA' & Pfd 'AA'; Affirms Existing Ratings – May 1, 2014**
- **Fitch Rates Clearbridge Energy MLP Fund Inc. Senior Notes 'AAA'; Affirms Existing Ratings – May 2, 2014**
- **Fitch Affirms VRDP, VMTP, and RVMTP Shares Issued by 49 BlackRock Closed-End Funds – May 5, 2014**

Return of Capital

April 28, 2014

Authored by:

Mariana F. Bush, CFA
Senior Analyst,
Wells Fargo Advisors

Dan Brown, CFA
Analyst, Wells Fargo Advisors

Constructive vs. Destructive

Confusion still reigns among shareholders when a closed-end fund returns capital. Most investors view the return of capital as a negative event, which it is sometimes. This report explains what return of capital is, when we think it is undesirable, and how to attempt to anticipate such destructive return of capital.

Why does a closed-end fund return capital?

A portion of the distribution of a closed-end fund is defined as return of capital when the source of such distribution is not otherwise characterized as interest income, dividend income or realized capital gains. In other words, return of capital may be present in a distribution to the extent that there is not enough interest income, dividend income or realized gains to support the payment for the particular period. One could argue that return of capital is a distributed realized loss.

Certain types of closed-end funds, such as municipal or taxable fixed-income closed-end funds, rarely (if ever) return capital. Such closed-end funds primarily distribute interest income derived from bonds. On the other hand, closed-end funds that tend to return capital usually pay shareholders a distribution in excess of what they earn from interest and/or dividend income in order to enhance their distribution rate. Among others, such funds often include equity funds that rely on expected realized capital gains and losses for their distributions. Such closed-end funds may use a level or managed distribution in order to pay out regular, systematic, distributions on a quarterly or monthly basis.

Closed-end fund managers are often under pressure to increase their fund's distribution rates so that the fund's valuation improves. Historically, closed-end funds with a higher net asset value (NAV) distribution rate[1] have tended to trade at richer valuations, i.e., a wider premium or narrower discount, than comparable funds with a lower NAV distribution rate. If a closed-end fund trades at a wide discount, activists may pressure its board to recommend a corporate action such as a repurchase of shares, a tender, a conversion to an open-end fund, or in the most extreme case, liquidation, in order to encourage or force a narrowing of the discount. Accordingly, a fund's board may increase a closed-end fund's distribution in an attempt to avoid a wide discount. The problem arises when the NAV distribution rate is too high for its underlying asset class and appears to be disconnected to its total return potential.

Estimated vs. Actual Return of Capital. Keep in mind that a CEF publishes the actual tax composition of its distribution for the year only after year-end on its 1099 tax form. Yet, if a CEF estimates that a given regular distribution includes any amount of return of capital, the CEF is required to send out a Section 19(a) Notice to shareholders stating how much of such distribution may be considered a return of capital. Thus, it is possible for a CEF to under- or over-estimate the portion of return of capital of its distributions throughout the year.

Destructive return of capital

We use the terms constructive vs. destructive return of capital to differentiate between a CEF's return of capital that is, in our opinion, a reasonable attempt to maintain a narrower discount, and that which is more likely to erode NAV over time.

The following hypothetical, though admittedly somewhat exaggerated, example should clarify when a closed-end fund returns capital in a destructive manner. If a closed-end fund were to distribute 15% of NAV but it "produces" only 5% in NAV total return on an annualized basis, its NAV will erode over time. One may compare this scenario to the fluid dynamics in a funnel where the volume of the liquid that is flowing out of it exceeds the volume that is flowing into the funnel. Eventually, the height of the volume of the liquid inside the funnel will decrease. The height of the volume of the liquid inside the funnel is the equivalent of the level of NAV of a closed-end fund.

Constructive return of capital

We find it easiest to explain a constructive return of capital with another hypothetical example — a simplistic two-stock portfolio starting with equal weights in stocks A and B. For the sake of simplicity and for illustrative purposes, let's pretend that the price of stock A rises, and stock B falls in price. The portfolio manager may decide to hold stock A because she thinks that it will continue to rise, and decides to sell stock B expecting it to continue to decline in price. Let's further pretend that this hypothetical CEF pays a distribution, but neither of the two stocks paid any dividends (and there is clearly no interest income from bonds). The manager did not realize any capital gain — short or long — during our hypothetical holding period. Only a capital loss was realized. In that case, the CEF's distribution would be considered a return of capital.

[1] *A closed-end fund's NAV distribution rate is its most recent regular distribution, annualized, and divided by its NAV.*

In our hypothetical scenario, if the price of stock A rises by a greater magnitude than stock B's price decline — and the total return exceeds the distribution — the hypothetical CEF's NAV would appreciate. Thus, we have a CEF with a rising NAV and with a non-taxable distribution. Return of capital is not taxable[2]; however, one would need to adjust the position's cost basis by the amount of capital returned during the holding period. In other words, we have a desirable situation — a case of a constructive return of capital.

It is also possible that a CEF takes advantage of previous tax-loss carry forwards to offset current realized capital gains, creating a more tax-advantageous distribution — a return of capital. With the aftermath of 2008, for example, a number of CEFs sheltered subsequent years' distributions with capital loss carry forwards.

How does one know if capital returned was constructive or destructive?

Nobody clarifies to shareholders if capital returned was the "good" or the "bad" kind. Still, one can get a sense of its merit by observing how the NAV changed relative to the amount of capital returned during that period. Ideally, the NAV should remain stable or increase while capital is returned for a given period. It is more sensible to use a longer period for this assessment — a period of only a few months or quarters is too short, in our opinion. In other words, the amount of the distribution should not exceed the total return (distribution plus change in NAV.) The chart on page three of this report illustrates various hypothetical scenarios where the return of capital remains constant at $1 per share (black bars), but the total return (white bars) varies. For example, the second set of bars illustrates a simplified scenario where the return of capital was $1 per share and during the holding period the NAV increased by $1. In other words, the total return ($2) exceeded the amount of returned capital ($1). We would consider this return of capital to be of the constructive kind. On the contrary, the last set of bars in the same chart illustrates a scenario where the total return (-$1) is less than the amount of returned capital ($1), which resulted in an erosion in NAV (-$2). This is clearly a destructive return of capital.

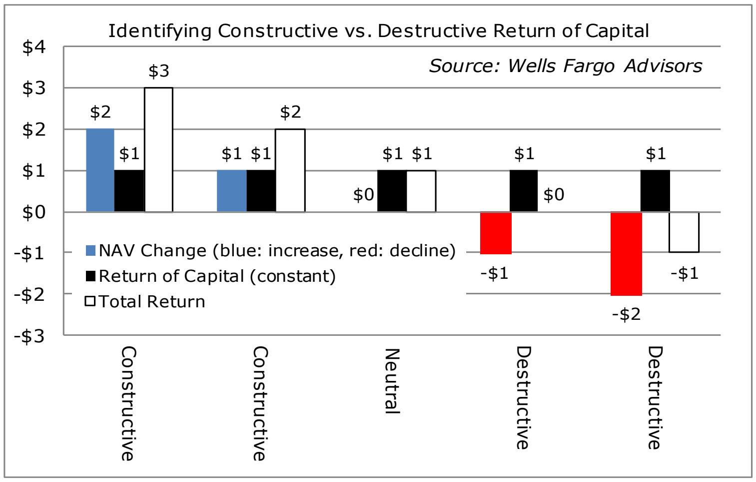
Avoiding destructive return of capital in the future

The previous suggestions to identify the kind of returned capital are useful for a holding period in the past, but in no way do they necessarily identify if a CEF is likely to return capital in a destructive manner in the future. However, one can help reduce the probability of future destructive return of capital by focusing on a couple of variables. We think the best way to help avoid an eroding NAV is to evaluate the level of the CEF's NAV distribution rate given the expected return for its underlying assets. Returning to the idea of the funnel, if we can identify a situation where the rate of outflow is low or below the historical rate of inflow, the funnel is more likely

to remain filled. In the closed-end fund world, we favor a closed-end fund with an NAV distribution rate that does not exceed the expected total return of its NAV. For example, a covered-call domestic equity CEF with an NAV distribution rate in the low or mid-teens would be less desirable; however, one with a 6% or 7% NAV distribution rate is less likely to erode NAV over time given historical returns for the equity markets. Clearly, this assessment is somewhat subjective.

Conclusion

Return of capital is not always detrimental. The process of identifying future destructive return of capital is an art, not a science. We favor NAV distribution rates that are reasonable given the expected return of the closed-end fund's underlying assets or strategy.



This information is hypothetical and is provided for informational purposes only. It is not intended to represent any specific return, yield, or investment, nor is it indicative of future results.

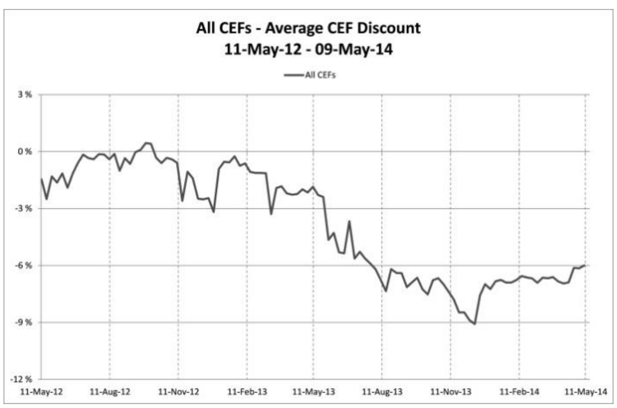
[2] *State income tax may be imposed in some states. Wells Fargo Advisors is not a tax advisor.*

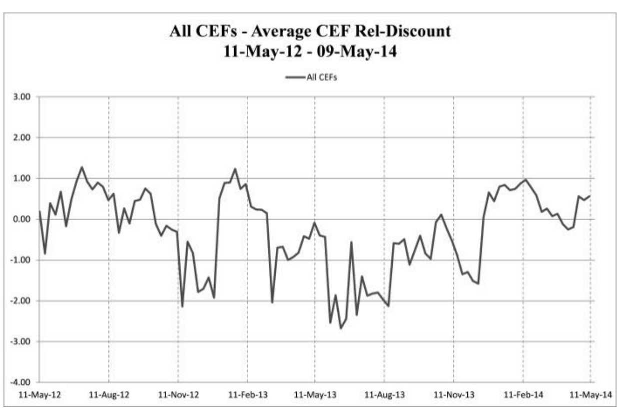
Closed-End Fund Discounts: A Master-Class in Nuance

May 13, 2014

Authored by:
John Cole Scott, CFS
EVP, Portfolio Manager,
Closed-End fund Advisors, Inc.

We are often asked, "So, your firm buys closed-end funds, do you just buy at a discount and sell at a premium?" After thirteen years in the industry the answer is, "Yes, but all discounts are not created equal". In this article we hope to address three areas that we believe investors should better understand before venturing into the closed-end fund (CEF) structure. First let's look at Absolute Discounts vs. Relative Discounts charted over the past two years. An Absolute Discount is the fund's current Market Price vs. Current Net Asset Value (NAV). CEFA defines a Relative Discount as a fund's Current Discount/Premium vs. its 90-day Average Discount/Premium. We see Relative Discounts as a way to monitor the momentum and recent relative value of a fund's Current Discount. For some CEFs trading near their Historical Average Discount level is normal while other CEFs routinely trade with a high level of Discount Volatility. We think that this information is important to comprehend. The graphs below track the Average CEF Discount and the Average CEF Relative Discount, for the approximately 600 closed-end funds, from May 2012 through May 2014.



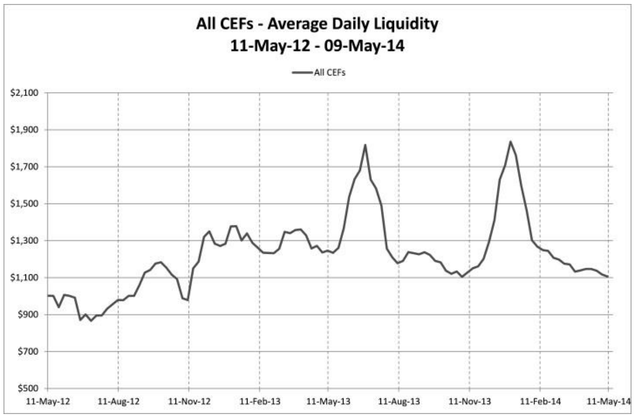


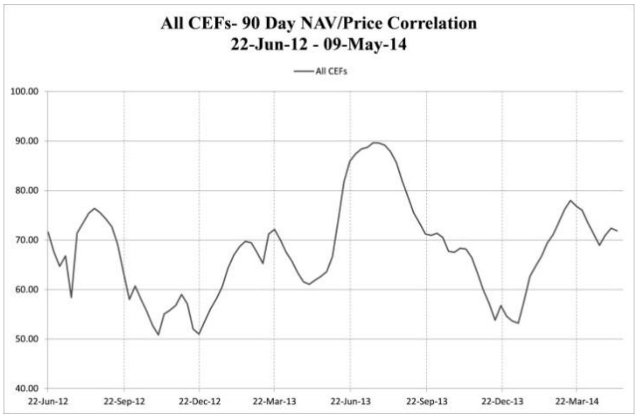
premium to NAV and since May of 2013, the average fund has been at a discount to NAV. A -9% Average CEF Discount in December 2013 is the widest we have seen in a long time, for a non-crisis environment. However, after reviewing relative discounts, we can see that it is uncommon for the average CEF to be priced more than 1% above, or -2% below its 90 day Average Discount. If your strategy with CEFs is to buy funds that are cheap to themselves and to sell funds that are expensive to themselves, then this data can help you understand the magnitude of the potential relative value you may be able to exploit.

We believe that with CEF based portfolios, you can design an investment allocation based on your personal market outlook and a risk profile, and then use the inefficient nature of the CEF structure to attempt to swap funds at relative highs for funds at relative lows while maintaining similar portfolio exposure. This strategy is called "discount capture" and is often repeatable over time for those investors or financial advisors that are patient and diligent enough to monitor for the changes amongst funds. In addition to discounts, we also think you should be comfortable with both the Board of Director's dividend policy and the ability of the Fund's manager to create good performance over time. Just because a fund is cheap, doesn't mean the discount will narrow due to the Market Price out-performing NAV. The NAV could end up falling towards the market price; in such a case, the discount narrows but investors may not experience positive performance.

What other factors are at play in a closed-end fund's trading behavior? We think understanding a CEF's liquidity peaks and valleys as well as its correlation peaks and valleys can help identify a turn in a fund's discount or premium. The graphs below track Average Daily Liquidity, expressed as Current Market Price multiplied by 30 day Average Trade Volume, and the Average Correlation, of NAV and Market Price over a rolling 90 day period, for the approximately 600 CEFs, from May 2012 through May 2014.

As you can see from the two charts above, correlation levels tend to peak when trade volumes are more than 50% above average. Discounts bottomed out and then turned higher as trade volume subsided during late December of 2013 and into January 2014. This volume spike roughly coincided with the reduction in correlation to NAV over the same period of time.





We suggest investors look at peer funds for swapping ideas, in that they should try to find opportunities where thier fund's discount has narrowed beyond both its peer-group average as well as its 90-day Average Discount. Finding similar funds based on investment allocation or Net Asset Value Total Return can assist one in finding a replacement CEF with some relative value potential based on discount differences from the original holding.

Benefits of volatility: As of May 9, 2014 our CEF Universe data shows the Average Equity CEF has a one-year Standard Deviation of 16.6 vs. the Average Bond CEF one-year Standard Deviation of 13.0. Equity NAVs have an avg. one-year Standard Deviation of 13.2 while bond NAV standard deviations average 8.6. This means, in simple terms, that the Average Equity CEF's Market Price is currently about 25% more volatile than its NAV and, the Average Bond CEF's Market Price is about 50% more volatile than its respective NAV. We believe the cause of this volatility is due to the sometimes illiquid trading in some CEFs with about 36% of funds trading under $500K a day in Average Liquidity. In addition there is the likelihood of increased irrational trading due to high retail investor ownership in the shares, especially municipal bond CEFs. The average institutional ownership is about 22% for taxable CEFs and only 8% for tax free CEFs. The discount volatility of Bond and Equity CEFs has been similar for the past year at 2.4 and 2.3 respectively. We see this volatility as opportunity for CEF investors to seek the potential to buy at lower prices relative to NAV and sell at potentially higher prices relative to NAV.

	NAV St Dev	Mrt Pr St Dev	St Dev Mkt Pr Increase	Discount St Dev
Equity CEFs	13.2	16.6	+25.8%	2.3
Bond CEFs	8.6	13.0	+51.2%	2.4

Lastly, remember buying a CEF is buying exposure to a sector and a portfolio manager's investment objective. As mentioned before, if you don't have a reasonable expectation that a fund's NAV should grow over time, then we suggest you only look at the fund for a short-term Discount Capture strategy. If you are going to do well buying into CEF discounts and taking profit on the reversion to mean then it is possible you have a strong idea why the discount widened. Was it sector concerns? Distribution concerns? Liquidity concerns due the likelihood of creating more capital with a secondary offering or rights offering? Or is it as simple as investors don't like the manager's performance results?

On the other side, when a discount narrows aggressively you need to answer a similar list of questions to determine why. Is it a potential tender offer? Is it liquidation, merger, or a dividend increase? Typically, if we make 4-6 months distributions from a discount narrowing situation, we sell or at least cut our exposure in half and look for a similar place to invest the proceeds. Discounts and premiums will always exist for CEFs, in our opinion, due to the nature of having a fixed-capital structure and predominately retail investor base. We suggest investors continue to keep in mind the simple rules of: 1. What is normal for a fund? 2. What is normal for its peers and 3. Why would the discount trend revert to previous levels?

The views and opinions herein are as of the date of publication and are subject to change at any time based upon market or other conditions. None of the information contained herein should be constructed as an offer to buy or sell securities or as recommendations. Performance results shown should, under no circumstances, be construed as an indication of future performance. Data, while obtained from sources we believe to be reliable, cannot be guaranteed. Data unless otherwise noted come from our CEF Universe data form May 9, 2014.

WELLS FARGO ADVISORS

The Use of Forward Contracts by Exchange-Traded Funds

May 8, 2014

Authored by:
Dan Brown, CFA
Analyst, Wells Fargo Advisors
Mariana F. Bush, CFA
Senior Analyst,
Wells Fargo Advisors

Providing synthetic exposure to an asset class or investment style

Most exchange-traded funds (ETFs) gain exposure to a certain asset class, investment style, geographic region, etc. by investing in the same securities that are represented by the underlying index. For example, the mainstream ETFs that attempt to track the S&P 500 Index do so by investing in the stocks that comprise the index in a manner that is proportionate to the weightings in the index. However, in certain cases, because of a lack of liquidity associated with an asset group, or because it may be more economical, certain ETFs will use other instruments to gain access to a particular group of assets.[1] These instruments could be in the form of futures, swap contracts or forward contracts. This report focuses on the latter category.

Customization

Some investors may be more familiar with the futures markets than with the forwards markets and thus may mistakenly believe that they are essentially the same thing. However, while there are some similarities, they are quite different in many respects. First, forwards do not trade on an exchange. They are simply private, customized transactions, traded over the counter (OTC), between two parties to buy or sell an asset at an agreed-upon future point in time at an agreed-upon price and quantity. Virtually any type of asset can be included in a forward contract and at any agreed-upon quantity, in contrast to standardized, exchange-traded futures contracts where the assets have to conform to provisions of the exchange and have to be at specified quantities. In addition, unlike the futures markets, the forwards market is not regulated.

Counterparty risks

A significant difference between futures and forwards is counterparty risks. Futures exchanges have a clearing house that is responsible for settling trading accounts, clearing trades, collecting and maintaining margins (each party in a contract must maintain sufficient money to cover its net debit balance at the end of each trading session, a process called mark-to-market), regulating delivery and reporting traded data. This creation of a third party reduces the counterparty risk between the two participants significantly as the clearing house is responsible to all members for the fulfillment of the contracts. However, the forwards market has no such third party entity, which exposes the contracting parties to counterparty risk. Suppose that parties A and B engage in a contract so that A is expected to deliver 100,000 widgets at a price of $1 per widget in exactly three months. If something would happen to party B that would compromise its ability to perform pursuant to the terms of the contract, needless to say, it could considerably impact party A. Moreover, because there is no mark-to-market feature associated with forwards, additional vulnerability may be present.

What if a party desires to liquidate a position in the forwards market?
Another weakness of the forwards market, relative to the futures market, is the inefficiency of liquidating (reversing) positions. If a party prefers to avoid delivering or receiving the asset included in the original futures contract it can simply engage in an offsetting transaction, either with the current party or a third party. Since the futures market uses a formal exchange, this process can be completed quickly and efficiently. However, since there is no exchange for forward contracts, the ability to identify a third party, or the willingness of the current party to engage in an offsetting contract, could be much more challenging. Using the earlier example, party A could possibly engage in a contract to purchase 100,000 widgets with a different party, perhaps party C, in order to offset its initial position.

Use of Forwards

Despite the risks cited earlier, these instruments are a common method utilized by large financial institutions (or other organizations) who desire exposure to a certain asset group or who desire to accommodate a large client who needs a more customized exposure to a certain asset group. Such parties normally constantly assess the risks associated with potential counterparties and also may use multiple parties (as opposed to one or two) in order to reduce the risks. Such parties may also prefer the flexibility afforded by forward contracts, given the ability to customize transactions.

Liquidity

The forwards market is quite liquid in our opinion. According to the Triennial Central Bank Survey (sponsored by the Bank for International Settlements), dated April 2013, the daily average of reported currency

[1] *Investors may also use exchange-traded notes (ETNs) to gain exposure to derivative-based indices; however, for the purpose of simplicity, they are excluded from this report.*

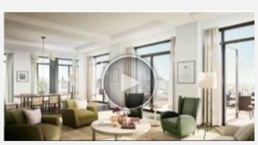
forward contracts transactions was $680 billion in April 2013, up 43% from the $475 billion reported in 2010. While this amount is less than what was reported for the currency spot and currency swap markets ($2 trillion and $2.2 trillion per day, respectively), it is still a very large market. Currency forwards account for a large component of the forwards market.

Risks in connection with ETFs that utilize forward contracts

While the risks associated with forwards are not to be ignored, we believe that such risks in connection with ETFs utilizing forwards, which are typically used to take a position on a currency, is minimal, at least in most instances. Most, if not all of the ETF sponsors who have products utilizing forwards, do perform due diligence on an ongoing basis and also use multiple counterparties, whenever possible. While such actions cannot completely immunize an ETF from counterparty risks, they do serve to help minimize such risks, in our opinion.

Market Videos

Click on image to access video



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April 11, 2014
Patty Oey from Morningstar: *Lost in Translation: Emerging-Markets Dividend ETFs*

Consistently Strong Large Cap Funds Are Difficult To Find

April 28, 2014

Authored by:
Todd Rosenbluth
Director, ETF and Mutual Fund Research
S&P Capital IQ

Despite what the mutual fund industry might want you believe, it is extremely hard for active mutual funds to outperform common benchmarks on a regular basis. Active funds typically incur high expense ratios and managers need to take sector- and stock-specific risks in order to try to stand out, which naturally can result in just as many failures as successes.

S&P Dow Jones Indices, which operates independently from S&P Capital IQ, published its December index versus active report card known as SPIVA last month. U.S. focused mid-cap managers on average had a good 2013, with 61% outperforming the S&P MidCap 400 Index, but just 32% of small-cap funds, 44% of large-cap funds and 48% multi-cap funds outperformed their respective S&P Small Cap 600, S&P 500 and S&P Composite 1500 indices last year.

But in most cases, the funds that did well in 2013 were not strong performers in the previous two years. Aye Soe, Director, Index Research and Design for S&P Dow Jones Indices and author of the SPIVA report and a companion Persistence Scorecard, notes that very few funds consistently stay on top. Looking just at large cap mutual funds, just 19% of funds maintained their top-half ranking compared to peers over three consecutive 12-month periods through September 2013 (latest available). After flipping a coin and getting "tails", random expectations should result in two additional "tails" 25% of the time, a higher success rate than large-cap managers have generated.

S&P Capital IQ provides rankings and research on more than 20,000 mutual funds and 1,000 ETFs, taking into account the performance, risk and cost attributes. Mutual funds that receive a five star ranking and ETFs that receive an Overweight ranking stand out for a combination of these factors.

One example that demonstrates how difficult it is to continue outperforming the market is American Funds Fundamental Investors (ANCFX 51 ***), which rose 31.5% in 2013, just ahead of the 31.2% large-cap core average. While this $42 billion fund was an outperformer in 2012 beating its peers by 200 basis points, the fund declined 1.9% in 2011, wider than the 0.02% loss for its peers.

Within the large-cap growth group, Invesco American Franchise (VAFAX 16 ***) was also among the top performers in 2013, climbing 39.7% ahead of the 33.8% peer average. But the $9 billion fund's 2011 and 2012 returns were notably below its mutual fund peer average.

To us, this makes a strong case for passively managed ETFs that seek to track benchmarks rather than outperform them. Within the large-cap space, there are a number of ETFs that are worthy of investor attention in our view. The largest and most actively traded is SPDR S&P 500 Index (SPY 186 Overweight), which launched in 1993 and has over $158 billion in assets. The ETF, which has a net expense ratio of 0.10% and trades with a tight $0.01 bid/ask spread offers diversification across all 10 GICS sectors, with the largest being Information Technology (17% of assets) and the smallest Telecom Services (2.5%).

For investors wanting a more growth tilt, iShares S&P 500 Growth (IVW 99 Overweight) has greater exposure to Information Technology (25%) and Consumer Discretionary (17%) than SPY. In contrast, iShares S&P 500 Value (IVE 87 Overweight) has more Financials (23%) and Energy (15%). Both have a 0.18% expense ratio and trade with a modest $0.02 bid/ask spread.

Despite the passive and low cost appeal of ETFs, investors are inclined to put fresh money to work in mutual funds. According to ICI data, domestic equity mutual funds garnered more than $20 billion of inflows so far in 2014. Naturally, as the above data also suggests, there are indeed funds that have consistently strong records but you just have look hard to find them. Below are two such examples that have outperformed their peer in three or more consecutive years while incurring relatively low costs compared to similar mutual funds.

Oakmark Select Fund (OAKLX 42 *****)

This large-cap core fund has outperformed its peer group, and indeed SPY, in the last three calendar years, including a 37% gain in 2013, well ahead of the 31% average and 32% gain for SPY. Year to date, the fund has risen 3.8%, ahead of the 0.9% peer average. The fund has only 22 holdings and compared to SPY, has relatively high exposure to Consumer Discretionary (22% of assets) and Financials (22%) stocks. Meanwhile, it has no exposure to Consumer Staples, Materials and Telecom Services stocks. The fund's top 10 holdings included American Intl Group (AIG 51 ****) and Medtronic (MDT 58 ****).

Click here for complete reading

Field Notes: India

May 6, 2014

Authored by:
Nick Niziolek

SVP Co-Portfolio Manager, Co-Head of Research
Calamos Investments

I recently spent a week in Delhi and Mumbai meeting with corporate management teams and local investors to gain insights into the Indian economy and the outlook for upcoming elections. Meetings like these enhance our team's understanding of how company management teams are thinking about their businesses and the potential impact they believe future macro events (e.g., elections) may have on how they deploy capital and pursue growth initiatives.

When I meet with company management teams, my primary focus is deepening my knowledge about key business drivers, industry dynamics and near-term growth prospects. However, I always set aside time to discuss the macro environment and what issues are top of mind for management. Often, the conversations take interesting and unexpected turns. During my most recent trip, CEOs shared ranging views, including concerns about the lack of progress on a nearby massive construction project, the perspectives of Japanese investors versus their U.S. counterparts and the policies being implemented under Central Bank Governor Rajan.

In isolation, these exchanges could be viewed as side conversations. However, over the course of a week, my conversations with business leaders in a diverse set of industries helped me gain a fuller picture of what the near-term outlook could be for India and the companies in the region.

One consistent message I heard across industries, regions and political parties was that change was needed and Narendra Modi, the favored candidate for prime minister, was best equipped to bring change to India. Many believe Modi can provide the political and regulatory stability to allow the pent-up demand for infrastructure investments to be unleashed. Many people commented on how the current leadership has rewritten contracts and introduced retroactive policy that makes the business environment difficult to navigate. This approach has hindered economic freedom in the Indian economy, and by extension, the flow of capital into infrastructure projects—hence, cranes that sit dormant for months on end. This concern about the near-term prospects for infrastructure build-out influenced the aforementioned CEO's admiration for Japanese investors, who are more likely to accept potentially lower returns on invested capital (ROIC) on investments in the region.

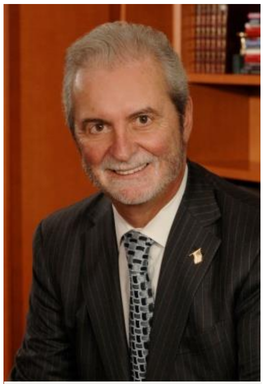
Another consistent message of management teams was the concern about the equity valuations of their companies. Specifically, they were worried that investors would become impatient, given that increased economic activity is likely at least several quarters away. This was not just a timing/valuation issue, but they were also concerned that investors' views have become overly optimistic.

The prevailing view is not that a Modi-Rajan partnership will spark significant economic activity, or that Rajan will have any impact on the economy at all, but instead the view is that a Modi-led government will get out of the way, which will lead to a reacceleration in growth.

In summary, the results of my recent travels were mixed. On the positive side, I had the opportunity to better know several management teams and based on this, I have additional conviction in several of our holdings. Also, we have identified a queue of opportunities that merit additional fundamental research by our investment team. On the negative side, the economic impact of a Modi victory is likely at least 12 to 18 months away and many of the equities we've held during this recent rally have appreciated to a degree that we are taking profits in our more cyclically-exposed positions. We have invested these proceeds into information technology and health care exposures that we believe have more reasonable valuations and may benefit, even if there is a lull in economic activity between the elections and enactment of reform initiatives. Longer term, we believe new leadership will be more pro-urbanization than the previous party and we are looking for opportunities that will benefit from this trend.

As the Taper Begins, What's Next for Asset Allocation?

March 2014



Authored by:
John P. Calamos, Sr.
CEO & Global Co-CIO
Calamos Investments

Over the past months, we have received many questions about the Federal Reserve's (the Fed's) move to taper its quantitative easing (QE) program and the potential impact of tapering on investment portfolios. As we have noted in our recent commentaries, we believe investors should not be discouraged by the taper—the Fed's willingness to reduce its stimulus points to the sustainability of the U.S. economic recovery. We also believe an orderly taper will support more fundamentally driven markets. Finally, we are hopeful that the combination of economic recovery and moderately higher interest rates will incentivize U.S. banks to loan to U.S. small businesses, the engine of job growth and therefore, more sustainable economic recovery.

Of course, the unprecedented scope of QE adds to the challenges of unwinding it. But the Federal Reserve has made it clear that it will maintain a deliberate and flexible course. Still, we expect continued volatility in the financial markets. Long-term interest rates in the U.S. have stayed stable so far, but we believe investors should position their asset allocations to ward against the potential for a more dramatic rise in interest rates.

In this paper, we assess the opportunities in the global markets and the potential implications of macro factors on asset allocation. **We discuss our framework for asset allocation built around the use of core strategies, and our current rationale for underweighting and overweighting asset classes**. Of course, asset allocations should be rebalanced over time in response to changing market conditions.

I. Outlook

Global economic recovery looks set to continue, albeit at varying paces. In the United States, a healthy consumer, increased merger-and-acquisition activity, good fourth quarter corporate earnings results, growth momentum in the private sector, and positive data in the manufacturing sector all bode well for a sustained recovery. And although the Fed is tapering, overall policy remains accommodative. Short-term interest rates are still almost zero, returns on capital are above the cost of capital, and inflation is well contained.

In regard to the euro zone, we believe that improving macro factors, including expansion in Germany and accommodative European Central Bank (ECB) policy, will likely provide a tailwind for continued recovery over the coming months. We are more cautious about Japan. Although Abenomics got off to a promising start, growth has since slowed and the current account deficit has risen to a record level. Problems such as stagnant wage growth, poor consumer demand, and underutilization of women in the labor force are deeply entrenched.

There's a great deal of uncertainty in the emerging markets (EMs). Better economic fundamentals, a stronger dollar and higher long-term interest rates in the United States have created pressures. These influences, combined with slowing growth prospects and political instability in a number of countries, will likely contribute to broad market volatility as well as country- and company-specific pressures. We expect headwinds for large EM economies such as Russia and Brazil. On the other hand, we believe China is taking many of the right steps to navigate the next phase of its economic development. A variety of smaller EMs (including Mexico and the Philippines) are also positioning themselves for future growth, supported by economic reforms that encourage foreign direct investment.

We must not forget that *monetary policy* is not the only determinant of economic growth. The impact of government *fiscal policy* is also extremely important. As history has demonstrated, economies are more likely to grow when fiscal policy properly incentivizes the investment of capital. Tax policies that encourage capital investment are particularly imperative, given that there are large amounts of capital on the sidelines.

II. Impact of the Taper on Asset Allocation

Asset allocation is about matching investor risk tolerance to long-term investment objectives. For example, a 40% fixed income/60% equity allocation may be comfortable for one investor, while another investor's situation may call for an allocation with reduced equity risk, along the lines of 60% fixed income and 40% equity.

The challenge for investors is that the risks associated with asset classes can shift. In the current environment, the potential for higher interest rates changes the risk profile of traditional fixed income allocations. Additionally, in an increasingly interconnected global economy, what happens in one country or region influences markets and asset classes worldwide. As a result, we believe successful asset allocation strategies should reflect global perspective, fundamental research and active risk management.

III. The Calamos Approach to Asset Allocation

Our approach to asset allocation goes beyond focusing on traditional asset class categories, and instead considers how a security or asset type can be actively managed to achieve a specific objective over market cycles. At the broadest level, our asset allocation framework includes the following categories: traditional fixed income, enhanced fixed income, core and equity.

We believe that our use of core strategies is a key differentiator of our asset allocation philosophy. Core strategies are neither tactical overweights nor underweights; rather, they reflect a consistent commitment over full market cycles and an emphasis on preserving capital during down markets. Core strategies may center on long-term durable investing themes, as our experience has shown that a focus on long-term growth trends can mitigate the impact of shorter-term volatility.

Our use of core strategies within the asset allocation framework has its roots in our pioneering use of convertibles, which we have used since the 1970s as a means to potentially manage risk and enhance returns. Compared with the "balanced" allocations of stocks and bonds upon which other asset allocation approaches rely, our core strategies are structured to provide more upside participation than balanced strategies with similar risk postures. We seek to provide an asymmetrical risk/return profile, with more equity upside than downside over full market cycles, aiming to outperform the typical balanced strategy.

Because of our focus on full market cycle performance and downside risk management, we are willing to give up some upside equity market participation for a cushion on the downside. In regard to managing volatility versus the broad market, we may target a beta in the range of 0.70—that is, 30% less volatile than a relevant equity benchmark.

We may place a specific asset type within more than one of the four broad groups (traditional fixed income, enhanced fixed income, core and equity) at different points in the market cycle. As we will discuss, convertibles are a mainstay within the core allocation, but in certain environments we may make further, more-tactical allocations to convertibles within the enhanced fixed income segment. Liquid alternatives may also be used within both core and enhanced fixed income allocations. For example, as we will discuss, given the current rising interest-rate environment in the U.S., we believe it is appropriate to increase convertibles and market neutral income within the enhanced fixed income portion of the asset allocation.

Traditional Fixed Income Allocation: Underweight

ASSET CLASS	SEGMENT	OUTLOOK	RATIONALE
Traditional Fixed Income	U.S. Investment Grade	● Underweight	Long-term debt is particularly vulnerable to interest rate risk; conservative duration management is imperative
	Global Bonds	● Underweight	Risk has increased on the back of recent currency volatility (by-product of the taper)

Traditionally, fixed income strategies have been viewed as the less risky portion of an asset allocation, versus more risky equity strategies. With the Federal Reserve's move to taper, U.S. fixed income strategies are more vulnerable to potentially higher interest rates, while a very low interest-rate environment globally has made it more difficult for traditional fixed income strategies to generate income. Interest rate risk can be managed by maintaining a shorter duration, but unfortunately, a shorter duration means less income. While the specter of rising rates is most immediate in the U.S., we believe the ECB will also dial back its accommodative policy as economic recovery continues. Against this backdrop, we see considerable risks in outsized allocations to traditional fixed income securities, both U.S. and global.

Enhanced Fixed Income Allocation: Overweight

ASSET CLASS	SEGMENT	OUTLOOK	RATIONALE
Convertible	Convertible Securities	● Overweight	Convertibles have demonstrated less sensitivity to rising interest rates, often outperforming traditional bonds in a rising rate environment
Liquid Alternatives	Market Neutral	● Overweight	Market neutral can provide an alternative to interest-rate sensitive fixed-income investments
High Yield	Higher-Quality High Income	● Neutral	Shorter-duration higher-quality high yield has been less sensitive to interest rate risk, compared to investment-grade bonds
Traditional Fixed Income	Global Bonds	● Underweight	Risk has increased on the back of recent currency volatility (by-product of the taper)

Traditional fixed income has lost much of its appeal to us against the backdrop of the taper, but investors who wish to maintain well-diversified portfolios still have many choices, including what we refer to as enhanced fixed income approaches. Although the risk of such strategies has historically been higher than those of investment-grade bonds, there is less potential interest rate risk, while income prospects are better. Convertible bond, higher-quality high income, and market neutral income strategies are examples of enhanced fixed income strategies that we believe can work well in a rising interest-rate environment.

Convertible bonds: Because they have equity characteristics in addition to their fixed income attributes, convertibles have been less susceptible to rising interest rates than investment-grade bonds. Figure 1 shows that convertibles have performed more like stocks than bonds over past periods of rising U.S. interest rates, and at times, have outperformed stocks by a wide margin.

Click here for complete reading

U .S. REITs: Leading the Way in 2014

April 2014

Authored by:
Thomas Bohjalian
Executive Vice President, Portfolio Manager
Cohen & Steers

Edited by:
David Shanahan
Cohen & Steers

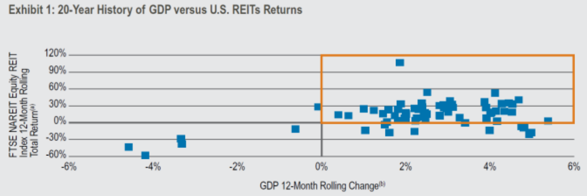
The shares of real estate investment trusts (REITs) started the year on a positive note, delivering a total return of 10% in the first quarter and outpacing the broader stock market by a wide margin. In the context of improving economic growth in 2014, we believe REIT valuations remain compelling when compared to their underlying property values and improving cash flows.

Macro Environment Reflects Accelerating Growth

REITs' strong recent performance partly reflected expectations that their fundamentals will continue to benefit from accelerating economic growth. Cohen & Steers expects U.S. GDP to accelerate to 3% in 2014, while adding close to 3 million new jobs. Our GDP estimate is based on proprietary analysis of factors such as consumer spending, investment by businesses to acquire goods and services, excess of exports over imports and government spending on goods and services.

Economic growth has historically been good for REITs. As shown in exhibit 1, REITs' performance has historically had strong ties to the U.S. economy. In rolling 12-month periods since 1994, REITs had positive total returns more than 80% of the time when GDP was positive. Strong economic growth has historically led to better real estate fundamentals that can act as an offset to higher interest rates.

Exhibit 1: 20-Year History of GDP versus U.S. REITs Returns



Performance data quoted represents past performance. Past performance is no guarantee of future results. The information presented above does not reflect the performance of any fund or other account managed or serviced by Cohen & Steers, and there is no guarantee that investors will experience the type of performance reflected above. There is no guarantee that any historical trend illustrated above will be repeated in the future, and there is no way to predict precisely when such a trend might begin. The views and opinions are as of the date of publication and are subject to change without notice. An investor cannot invest directly in an index and index performance does not reflect the deduction of any fees, expenses or taxes.

(a) Source: Morningstar. Quarterly 12-month index total return from Q4 1994–Q4 2013.

(b) Source: Bloomberg. Quarterly 12-month U.S. Real GDP figures from Q4 1994–Q4 2013.

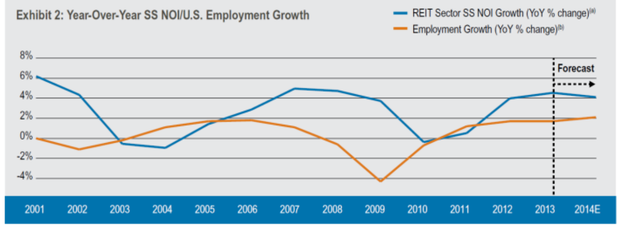
The FTSE/EPRA NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded U.S. REITs that invest predominantly in the equity ownership of real estate, not including timber and infrastructure. Gross Domestic Product GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

REIT Fundamentals Are Sound

We expect REITs to see strong cash flow growth as the environment of improving demand, limited new supply and relatively low capital costs persists. We expect this favorable combination to result in sustained growth in net operating income in the 4% area through 2014, in line with ISI Group estimates as shown in Exhibit 2.

New supply remains at a multi-decade low. U.S. commercial real estate continues to see low supply conditions, magnified by the slowdown in construction starts during and after the financial crisis. We expect development to accelerate in some property sectors as demand improves and investors become more willing to finance new projects. But supply growth should remain below its long-term average for several more years, in our view, barely exceeding the rate of obsolescence and lagging well behind the growth in demand.

Exhibit 2: Year-Over-Year SS NOI/U.S. Employment Growth



There is no guarantee that any historical trend illustrated above will be repeated in the future, and there is no way to predict precisely when such a trend will begin. There is no guarantee that any market forecast set forth in this presentation will be realized. The views and opinions are as of the date of publication and are subject to change without notice.

(a) Source: ISI Group LLC. Same-store net operating income (SS NOI) measures NOI on a static number of properties to give insight as to how a portfolio of assets performs over a period of time.

(b) Source: Thompson Data Stream. 2014E is Cohen & Steers estimate. Employment growth measures the number of jobs created in the American economy calculated by taking the year-over-year change in the total non-farm employment figures reported by the Bureau of Labor Services.

Strengthening Demand +	Limited New Supply +	Low Capital Costs =	Cash Flow Growth
Demand for real estate is improving, but some property sectors are benefiting more than others.	Supply remains scarce in most sectors after years of historically low commercial development.	U.S. REITs continue to have access to capital at historically low rates through public capital markets and private financing.	Favorable supply and demand should drive occupancy gains and rent growth, but the pace will vary by company and sector.

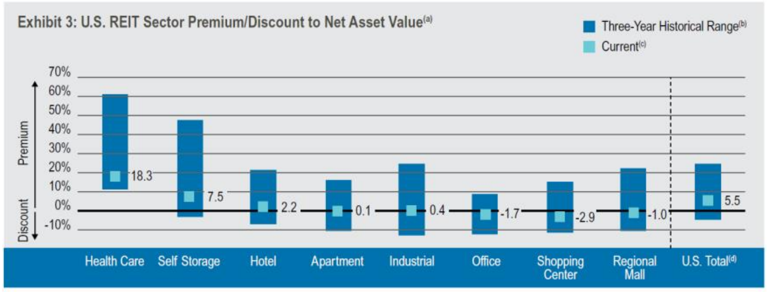
U.S. REIT balance sheets are strong. Despite rising Treasury yields over the past year, REITs have continued to enjoy low capital costs due to the strength of their balance sheets and improving real estate fundamentals. REIT leverage is at a historically low level, and their healthy financial profiles enabled them to raise more than $60 billion in equity capital in 2013, with such activity continuing into 2014.

At the same time, narrowing credit spreads have kept REIT bond yields stable, and many REITs will have an opportunity to refinance upcoming debt maturities at lower rates even if interest rates rise. For example, Wells Fargo estimates that mall owner Simon Property Group, a top issuer of REIT debt, will replace 5.5% coupon bonds maturing in 2014–15 with bonds carrying coupons closer to the current 3.7% rate for high-quality 10-year debt.

U.S. REIT Valuations Are Attractive

U.S. REIT valuations are near their most attractive levels in years. REIT prices are at three-year lows relative to cash flows, while the broader stock market's prices relative to earnings are near their highest levels during this period. We believe this represents a compelling opportunity for REIT investors.

As shown in exhibit 3, many U.S. REITs can currently be purchased at prices that are close to (or less than) their underlying asset values compared with the higher premiums typically seen in the past three years.



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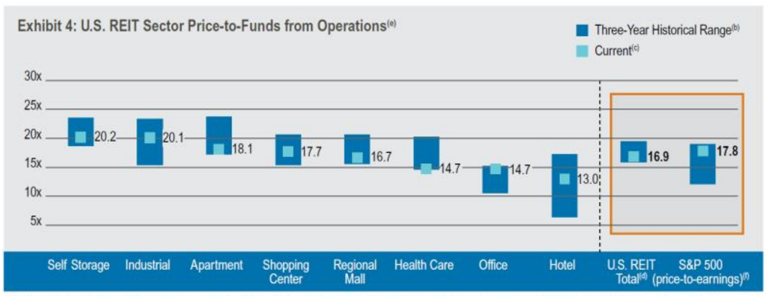
Also, many U.S. REITs are priced at the low and middle end of the three-year range versus earnings; broad stocks, as represented by the S&P 500, are priced closer to the high end.



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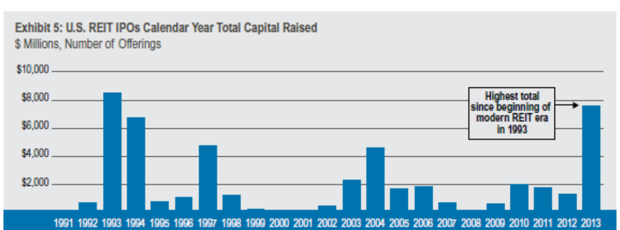
Another Reason for Active Management

The REIT universe continues to expand. Last year was the most productive year for initial public offerings (IPOs) of REITs and related real estate companies since the initial wave of REIT IPOs in the early 1990s. We expect this general trend to continue, presenting timely investment opportunities for active managers. As cornerstone participants in a number of REIT IPOs, Cohen & Steers has been able to capture postlaunch returns unavailable to passively managed vehicles such as real estate ETFs.



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of IPOs	3	5	44	43	6	6	17	9	2	0	0	2	6	16	7	2	1	0	2	9	5	5	14

At December 31, 2013. Source: Cohen & Steers, NAREIT, Bloomberg, Green Street Advisors and UBS.
Performance data quoted represents past performance. Past performance is no guarantee of future results. An investor cannot invest directly in an index and index performance does not reflect the deduction of any fees, expenses or taxes. The charts are for illustrative purposes only and do not reflect information about any fund or other account managed or serviced by Cohen & Steers. The views and opinions are as of the date of publication and are subject to change without notice. There is no guarantee that any historical trend illustrated above will be repeated in the future, and there is no way to predict precisely when such a trend will begin. There is no guarantee that any market forecast set forth in this presentation will be realized.

Footnotes for Exhibits 3 and 4: At March 31, 2014. Source: Cohen & Steers estimates based on proprietary qualitative and quantitative metrics. Only major REIT sectors are shown individually. (a) NAV (Net Asset Value) seeks to calculate the net market value of all of a company's assets after subtracting liabilities. (b) The Three-Year Historical Range begins on 4/30/11 and ends on 3/31/14. The range was calculated using Cohen & Steers' valuation metrics and is based on the FTSE NAREIT Equity REIT Index at the end of each month. (c) Current numbers were calculated using Cohen & Steers' valuation metrics and are based on securities that are in Cohen & Steers' coverage universe which represents a 98% overlap with securities included in the FTSE NAREIT Equity REIT Index. Certain companies in sectors, such as infrastructure, are covered by Cohen & Steers but are not in the FTSE NAREIT Equity REIT Index. The FTSE NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded U.S. REITs that invest predominantly in the equity ownership of real estate, not including timber and infrastructure. An investor cannot invest directly in an index and index performance does not reflect the deduction of any fees, expenses or taxes. (d) U.S. Total represents the weighted average of all REIT sectors. (e) Funds from operations is the REIT industry's key earnings metric. It is calculated as GAAP net income, plus real estate gains (minus real estate losses), plus GAAP real estate depreciation and amortization. (f) Price-to Earnings is a valuation ratio of a company's current share price compared to its per-share earnings. It is calculated by dividing the current market value per share by the latest earnings per share. The S&P 500 price-to-book and price-to-earnings ratios 3-Year Historical range begins on 4/30/11 and ends on 3/31/14. The range as well as the current multiple was calculated by FactSet and represents the weighted average of all S&P 500 Index sectors. The S&P 500 Index is an unmanaged index of 500 large-capitalization, publicly traded U.S. stocks representing a variety of industries.

Index Definitions
An investor cannot invest directly in an index and index performance does not reflect the deduction of any fees, expenses or taxes.
FTSE NAREIT Equity REIT Index is an unmanaged, market-capitalization-weighted index of all publicly traded U.S. REITs that invest predominantly in the equity ownership of real estate, not including timber and infrastructure. S&P 500 Index is an unmanaged index of 500 large-capitalization, publicly traded U.S. stocks representing a variety of industries.

Risks of Investing in Real Estate Securities
Property values may fall due to increasing vacancies, declining rents resulting from economic, legal, tax, political or technological developments, lack of liquidity, limited diversification and sensitivity to certain economic factors such as interest rate changes and market recessions. The risks of investing in REITs are similar to those associated with direct investments in real estate securities. Foreign securities involve special risks, including currency fluctuations, lower liquidity, political and economic uncertainties, and differences in accounting standards. Some international securities may represent small- and medium-sized companies, which may be more susceptible to price volatility and less liquidity than larger companies.

Important Disclosures
Performance data quoted represents past performance. Past performance is no guarantee of future results. The views and opinions in the preceding commentary are as of the date of publication and are subject to change. There is no guarantee that any historical trend illustrated above will be repeated in the future, and there is no way to predict precisely when such a trend will begin. There is no guarantee that a market forecast made in this commentary will be realized. This material represents an assessment of the market environment at a specific point in time, should not be relied upon as investment or tax advice and is not intended to predict or depict performance of any investment. We consider the information in this commentary to be accurate, but we do not represent that it is complete or should be relied upon as the sole source of suitability for investment. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell or hold any particular security and should not be relied on as investment advice. Investors shouldconsult their own advisors with respect to their individual circumstances.

This article must be accompanied by the most recent applicable Cohen & Steers mutual fund factsheet(s) if used in connection with the sale of U.S. mutual fund shares.

Addressing The Tradeoffs and Challenges within the Income Landscape

May 6, 2014

Authored by:
Steve Cornelius

SVP, Head of Distribution
RevenueShares

KEY POINTS

- Demographics suggest that the demand for income is here to stay for a long while. Investors should develop a plan to provide income, while addressing risks and tradeoffs among sources of income.

- Generating returns or yield in fixed income is likely to be challenging whether rates rise or not. Credit risk, and the associated risk/reward profile of each area within corporate credit should be taken into account.

- Diversifying among various types of dividend paying stocks may help to achieve an optimal mix of current income, as well as growth of income in the future to mitigate inflation risk.

With 10,000 baby boomers crossing the retirement threshold every day, the demand for investment income has scarcely been greater. This trend is unlikely to abate any time in the near future as the number of retiring baby boomers is set to continue at this pace for the next 17 years or so. As with investment returns, investors are prone to "chase" what they perceive as opportunity often without sufficient consideration for the risks, or what could go wrong. As many realize, it tends to be the unexpected, or unable to be anticipated occurrences that lead to investment setbacks. As asset allocation serves to mitigate risks associated with investing in individual asset classes or categories, we believe that investors seeking yield should strongly consider a diversified portfolio of various sources of income. Each income-oriented investment carries with it an associated tradeoff between the level of current yield and specific risk factor(s) to consider. The following commentary is intended to highlight some of the elements of each area within income to be taken into account in structuring income focused asset allocations.

Bonds

After a three decade bull market in bonds, which saw rates fall from double digit levels in the early 1980s, it is a longshot at best to imagine the next 30 years providing anything close to what the last 30 years have in terms of terms of yield or total return. In fact, that prospect virtually borders on mathematical impossibility. There have been periods such as 1994 and 1999, among others, when rates rose resulting in disappointing returns or losses for most bond, or bond fund investors. The potential for rising rates is a concern which is now top of mind for many fixed income investors, and interest rate risk should be at the forefront of concern. Also looming is the expectation or possible "great rotation" from fixed income into equities. Along with the anticipated effects of the Fed beginning to taper its quantitative easing program, these factors present headwinds for fixed income markets and investors. In addition, although inflation does not seem to be an imminent risk, it is a factor to be accounted for in the intermediate to long term. It should also be noted that there is the potential for inflation to surprise investors sooner than anticipated.

Another scenario to be considered is that rates may not rise substantially in the near to intermediate time horizon. The case that could be made here is that the demand from both individual as well as institutional investors could serve to keep somewhat of a "ceiling" on rates. The plausibility of this derives from a dynamic where as yields increase, buying pressure could come into the market, pushing bond prices higher and yields back down. The challenge for investors in this situation would be how to meet current income and/or income replacement needs.

Of course there are other options within the fixed income marketplace to provide higher yields. Higher yields can be attained by moving down the scale of credit quality in areas such as high yield bonds or floating rate loans. The tradeoff in these areas is the risk that credit downgrades or defaults occur, particularly if the economy stalls for any reason. This would likely lead to disappointing returns for investors. Another important consideration in the credit sensitive space is whether current yields compensate sufficiently for the aforementioned credit risk. With the vast majority of these issues priced at premiums above par value, along with most of the fixed income markets, credit spreads are well below historical averages. This also could likely limit potential for total return.

Dividend Paying Equities

As is the case with bonds, there are tradeoffs for investors to consider within the arena of dividend paying stocks. We believe that investors should be mindful of differences among dividend paying companies regarding factors like current yield, dividend growth, payout ratios, valuations, etc. Over the years, dividend growers have provided an incrementally higher total return, but the tradeoff in many cases is the relative sacrifice of higher current yield. Sectors such as utilities and telecommunications, along with other high dividend payers provide more in the way of current income, but with lower growth rates. The combination of these segments within the dividend paying universe may provide potential to arrive at an optimal blend for investors of sufficient current income, along with the potential for growth of assets and income over time.

Alternative Sources Of Yield

Other options for yield exist in the form of real estate investment trusts, closed-end fund (often employing leverage), master limited partnerships, among others. While these may make sense to include as a portion of a diversified income portfolio, investors should be mindful of potential risks that may be associated with each of these, including interest rate risk, liquidity risk, and business-specific risk.

Conclusions

The landscape of income has become quite challenging to address for investors. A balance must be struck between the yield objectives of today relative to the tradeoffs among various sources of investment income, as well as the likely income needs of investors 5, 10, or 20 or more years into the future. In coupling these challenges of the current income environment along with longevity (life expectancy) statistics, we can clearly see the importance of proper planning and allocation of income sources to address the income needs of today and into the future. We recommend diversification of sources of income to address these tradeoffs.

Fixed Income Yields

	10 Year Treasury Yield	30 Year Treasury Yield	Barclays Aggregate Index Yield	FTSE NAREIT All Equity REITS Index Yield	iBoxx Liquid High Yield Index Yield
As of 12/31/1990	8.067	8.249	N/A	N/A	N/A
As of 12/31/2000	5.114	5.457	N/A	N/A	N/A
As of 12/31/2010	5.112	4.3341	2.79	3.39	7.83
As of 3/31/2014	2.719	3.559	2.21	3.63	5.6

Equity Breakdown by Sector (as of 3/31/2014)

	10 Year Average Dividend Yield	5 Year Average Dividend Yield	Current Yield (as of 3/31/2014)	Price to Sales
Consumer Discretionary	1.49%	1.90%	1.40%	1.38%
Consumer Staples	2.58%	2.97%	2.64%	1.23%
Energy	1.89%	2.10%	2.18%	1.18%
Financials	2.49%	2.33%	1.67%	2.08%
Healthcare	1.92%	2.14%	1.61%	1.84%
Industrials	2.25%	2.53%	1.96%	1.59%
Information Technology	0.93%	1.19%	1.53%	3.04%
Materials	2.30%	2.38%	2.25%	1.45%
Telecommunications	5.08%	5.64%	4.97%	1.25%
Utilities	3.87%	4.25%	3.73%	1.46%

Source Bloomberg Professional Services LP

To access the updates, please click on the links below.

- Aberdeen Reports Shareholders' Equity of $0.54 Per Share and 2014 Year End Financial Results: May 2, 2014
- Aberdeen Asia-Pacific Income Fund, Inc. Announces Record Date and Payment Date for Monthly Distribution: May 9, 2014
- Aston Hill Announces 2014 First Quarter Results: May 12, 2014
- BlackRock(R) Announces May Cash Distributions for the iShares(R) Funds: May 13, 2014
- Certain BlackRock Closed-End Funds Announce Redemption of Auction Rate Preferred Shares: May 16, 2014
- Deutsche Bank Launches All China ETF: May 2, 2014
- Certain DWS Closed-End Funds Declare Monthly Distributions: May 9, 2014
- Eaton Vance Tax-Advantaged Global Dividend Opportunities Fund Declares Monthly Distribution: May 13, 2014
- Month-End Portfolio Data Now Available for Federated Investors' Closed-End Funds: May 15, 2014
- First Trust to Launch the First Trust Managed Municipal ETF: May 7, 2014
- Global High Income Fund Inc. -- Fund Commentary and Portfolio Statistics: May 9, 2014
- Invesco PowerShares Expands Access-Suite Listing First Variable-Rate Preferred ETF: May 1, 2014
- Kayne Anderson Energy Total Return Fund Provides Unaudited Balance Sheet Information and Announces Its Net Asset Value and Asset Coverage Ratios at April 30, 2014: May 2, 2014
- The Multi-Strategy Growth & Income Fund Declares April 2014 Dividend: May 5, 2013
- Managed High Yield Plus Fund Inc. -- Dividend Declaration and Updated Price and Yield Information: May 12, 2014
- Nuveen Announces Closed-End Fund Merger Update: May 9, 2014
- Pioneer Investments Declares Monthly Distributions for Closed-End Funds: May 5, 2014
- ProShare Capital Management LLC Temporarily Suspends Ability of Authorized Participants to Purchase New Creation Units in Eleven Exchange-Traded Funds: May 2, 2014
- Tortoise Capital Advisors, L.L.C. Announces Release of 2014 First Quarter Stockholders' Reports for Closed-End Funds (NDP, NTG, TPZ, TTP, TYG, TYN and TYY): April 22, 2014
- Tortoise Capital Advisors Announces Distribution Dates and Amounts for Closed-End Funds: May 12, 2014
- Voya Global Equity Dividend and Premium Opportunity Fund and Voya International High Dividend Equity Income Fund Declare Monthly Distributions: May 15, 2014
- Wells Fargo Advantage Closed-End Funds Declare Monthly Dividends: April 25, 2014
- WisdomTree Announces 10 Additional Exchange-Traded Funds (ETFs) Have Filed Notification with the Financial Services Agency of Japan (FSA): April 29, 2014

Recap from Capital Link's 13th Annual Closed-End Funds & Global ETFs Forum

13th Annual Capital Link Closed-End Funds and Global ETFs Forum
Thursday, April 24, 2014
The Metropolitan Club, One East 60th St.,New York City

Capital Link's 13th Annual Closed-End Funds & Global ETFs Forum was once again a huge success. The event took place on Thursday, April 24, 2014 at the Metropolitan Club in New York City, and drew in more than 1,000+ high caliber delegates.

The Forum is the only educational, industry, marketing, and networking event to combine closed-end funds (CEFs) and exchange-traded Funds (ETFs). The event provided a platform where CEFs and ETFs investors, and industry participants debate and exchange information on critical industry topics, the market outlook, and to network. Featured panel discussions and presentations were presented by senior executives and portfolio manager of individual CEF and ETF Funds, investment banks, analysts, rating agencies as well as industry experts. CEFs and ETFs are both complementary investing vehicles. These fast growing asset classes present advisors and investors with attractive returns and investment opportunities.

The Forum kicked off with the opening address of the **"CEF State of the Industry"** and **" ETF State of the Industry"** delivered by **Michael Taggart**, *CFA, VP, Director of CEF Research, CEF & Global Structured Products* of **Nuveen Investments** and **Deborah Fuhr**, *Managing Partner* of **ETFGI LLP** respectively.

Joseph Harvey, *President & Chief Investment Officer* of Cohen & Steers delivered the luncheon Keynote address, **"A Real View of the World."** Following the address was **The Annual Closed-End Fund & ETF Awards** ceremony. The Awards are an initiative of Capital Link's - a leading New York-based investor relations and financial communications firm that maintains a strategic focus on Closed-End Funds (CEF) and ETFs.

To the view the audio archive, presentations, and photo gallery of this Forum, please visit: http://forums.capitallink.com/cef/2014/index.html.

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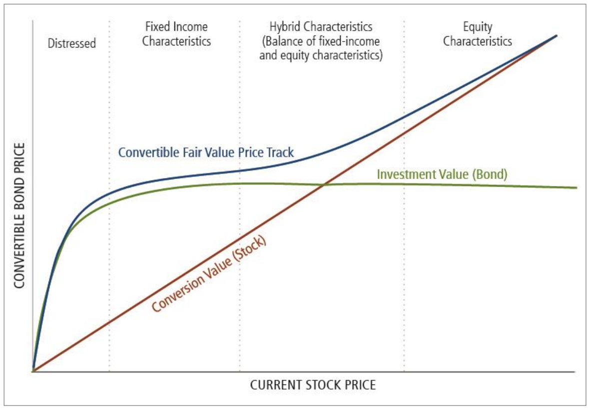
"Convertible Bonds in a Portfolio" –

Scott Henderson, CFA, CIMA®, CMFC, *Vice President, Portfolio Specialist* - Calamos Investments

Convertibles are hybrid securities in that they have both debt and equity characteristics. Convertibles can be thought of as the sum of their parts: a bond plus a long-term call option (the right to convert into the underlying stock). The convertible fair value price track shows three types of convertibles. Equity-sensitive convertibles are convertibles that are at or in the money. Often, the most equity-sensitive convertibles can be thought of as "too hot" because they trade dollar for dollar with the stocks that they convert into. On the opposite side, we have credit-sensitive convertibles with underlying stocks that have gone down so much that the option to convert is deeply out of the money; these convertibles are trading at their bond values. In certain situations, credit-sensitive convertibles can be thought of as "too cold" because they do not participate in much of their underlying stocks' performance. In the middle, we have the total return convertibles that have a greater balance of credit and equity attributes, including attractive risk/reward profiles relative to the underlying stocks. Typically, these convertibles can be expected to participate in much of the equity's upside movements with the potential for less downside than the equity.



There are a number of ways that Calamos has traditionally positioned convertibles within asset allocation, including enhanced fixed income and defensive equity. In regard to enhanced fixed income, convertibles have the attributes that one associates with straight bonds (a coupon and maturity date, and in many cases, a credit rating). However, the ability to convert to the underlying stock changes the dynamics of the convertible. In rising interest-rate environments, convertibles have meaningfully outperformed the general fixed income markets, performing more akin to equities as opposed to bonds. This is because many periods of rising interest rates have been accompanied by rising equity markets. In the 1993–1994 period, however, when equity prices were mostly flat, convertibles outperformed the Barclays U.S. Government/Credit Index because convertibles typically have a duration of about three years, which is lower than the average duration of the index.

In regard to defensive equity, convertibles have, over the 10 years ended March 31, 2014, approximated the annualized performance of equities (7.30% for the VOA0 versus 7.42% for the S&P 500 Index), with roughly 60% of the volatility, as measured by standard deviation (11.93% versus 7.30%). In periods of volatility, convertibles have tended to have smoother returns relative to equities. This is helpful in managing the risk/return dynamics of a portfolios seeking equity exposure.

Convertibles tend to be issued by small and medium-sized growth companies, as these companies are most in need of finding lower cost access to capital (convertibles offer a lower coupon in exchange for the conversion feature). Convertibles offer a yield whereas most small to mid-cap growth stocks do not pay dividends. In this respect, convertibles provide an attractive means of accessing more-volatile small and mid-cap stocks with lower volatility.

Economic growth drives convertible issuance. Accordingly, convertible issuance has grown over the past three years, with U.S. convertible issuance in 2013 nearly doubling that of 2012 ($40 billion versus $21 billion). Not surprisingly, annual flows into convertibles and other non-traditional bond investments have risen dramatically from 2012 to 2013 (net $3.2 billion to net $55.9 billion).

Because of these defensive characteristics relative to the general equity and fixed income markets, investors who have seen large equity gains in the past two years may find convertibles appealing as a way to risk manage those gains, while still participating in stocks. Conversely, those investors who may not have capitalized on the gains of the equity markets over the past two years may find that convertibles provide measured entrance into stocks with potentially less volatility. However, because the characteristics of these convertibles change over time due to various market dynamics, it is essential to have them handled through active and professional management.

Past performance is no guarantee of future results.

Convertibles entail interest rate risk and default risk.

The **BofA Merrill Lynch All U.S. Convertibles ex Mandatory Index, VOA0**, is a benchmark for the U.S. convertible market, excluding mandatory convertibles. The **S&P 500 Index** is a considered generally representative of the U.S. large-cap stock market. The **Barclays U.S. Government/Credit Index** is used as a benchmark for the U.S. bond market. Indexes are unmanaged, do not entail fees or expenses and are not available for direct investment.

At the money: a situation where an option's strike price is identical to the price of the underlying security. **Out of the money**: a call option with a strike price that is higher than the market price of the underlying asset, or a put option with a strike price that is lower than the market price of the underlying asset. **Standard deviation**: a statistical measure of the historical volatility of an investment, usually computed using 36 monthly returns. More generally, a measure of the extent to which numbers are spread around their average. **Duration**: a measure of interest rate sensitivity. The higher the duration, the greater the investment's sensitivity to a change in interest rates.

Sources: Morningstar Direct, Bloomberg, State Street Corporation and Mellon Analytical Solutions LLC.

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Calamos Advisors, LLC

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Closed-End Fund & ETP / ETF Awards

13th ANNUAL Closed-End Funds and Global ETFs 2014 CAPITAL LINK FORUM

PUBLISHED IN: INVESTOR BUSINESS DAILY (April 29, 2014) & BARRON'S (May 12, 2014)

Closed-End Funds Awards

Most Innovative Closed-End Fund in 2013
- DoubleLine Income Solutions Fund (DSL)

Best Shareholder Relations by a Non-US Equity Fund Family in 2013
- Aberdeen Asset Management

Best Shareholder Relations by a US Equity Fund Family in 2013
- Nuveen Investments

Best Shareholder Relations by a Fixed Income Fund Family in 2013
- Nuveen Investments

Best Investor Relations Closed-End Fund Website in 2013
- Nuveen Investments

For Contribution to the Closed-End Fund Sector in 2013
- Jeffrey Margolin, Senior Vice President & Closed-End Fund Analyst - First Trust Advisors

Closed-End Funds Analyst Awards

Best Research Analyst for Closed-End Funds in 2013
- Alexander Reiss, Director, Closed-End Fund Research - Stifel Nicolaus

ETF Awards

Most Innovative Exchange-Traded Product in 2013
- db X-trackers Harvest China ETF (ASHR)

Best Shareholder Relations by an ETP Sponsor in 2013
- iShares / BlackRock

Best Investor Relations ETP/ETF Website in 2013
- iShares / BlackRock

For Most Innovative Index / Index Based ETP in 2013
- iShares MSCI USA Quality Factor (QUAL)

For Contribution to The Exchange-Traded Fund Sector in 2013
- Ed McRedmond, Senior Vice President, Institutional & Portfolio Strategies - Invesco PowerShares

ETF Analyst Awards

Best Research Analyst for Exchange-Traded Products in 2013
- Michael Jabara, Executive Director, Head of Exchange-Traded Fund (ETF) and Closed-End Fund Research - Morgan Stanley Smith Barney

The Annual Closed-End Fund & ETF Awards, an initiative of Capital Link, Inc. aims to identify and recognize annually those fund sponsors and executives who consistently apply high standards of financial disclosure, investor and shareholder relations, as well as product innovation. **The Analyst Awards** recognize firms and analysts for their research coverage of the CEF and ETP/ETF sectors. The Awards are based on nominations by a committee of analysts and industry specialists who actively follow CEFs and ETPs/ETFs. Capital Link is not part of the Nominating Committee. Also, members of the Nominating Committee cannot be candidates for the Awards.

The Awards are presented at the luncheon of Capital Link's 13th Annual Closed-End Funds & Global ETFs Forum.


Patrick Townzen (DoubleLine)


Rennie McConnochie (Aberdeen Asset Management)


Dave Lamb (Nuveen Investments)


Alexander Reiss (Stifel Nicolaus)


Jeffrey Margolin (First Trust Advisors)


Left to right: Steve Darby (Deutsche Asset & Wealth Management, Orit Hodarkovsky, BlackRock)


Ed McRedmond (Invesco PowerShares)


Michael Jabara (Morgan Stanley)

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