

**Get Rich - Stay Rich:  
Investing for Monthly Income**



# **Closed-End Fund Report**

## **Monthly Income for**

### **June 2012**

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In the May CEF Report, the S&P 500 was up 12.3% year to date at the time of the writing. What a difference a few weeks of a correction can make! The current year to date return for the S&P 500 is now only 2.57%. The S&P 500 is down 8.84% in the last four weeks and 6.48% in the past 13 weeks. Big market swings like this will definitely affect all CEFs with exposure to equity prices. So how did CEFs that pay monthly dividends perform in the past month? The table below displays the May CEF statistics of monthly dividend payers excluding taxable and muni bond funds. In total, the average CEF lost 7.7% in market price in the last month. This is extreme compared to the 0.8% price increase year to date. By asset class, the US Stock funds were close to the average while the multi-asset funds were only down 6% in price and the international stock funds were down 11% in price.

Asset Class	Market Price Performance (Last 4 Wk)	Market Price Performance (YTD)	NAV Total Return (Month-End 1 Month)	Prem/Discount (1 Month Average)	Total Distribution Rate (Market Price)
US Stock	-7.63%	-0.48%	0.60%	4.1%	9.4%
Multi-Asset	-5.98%	2.58%	-0.11%	1.4%	9.0%
International Stock	-11.04%	-0.40%	-0.72%	-4.6%	10.5%
TOTAL	-7.75%	0.77%	0.00%	1.0%	9.5%

So far, these stats have centered on price performance only. Looking at the change in NAV the past four weeks results in nearly no change for the total. All asset classes, shown in table above, had less than a 1% change in NAV. This indicates that CEFs are cheaper in market price today than before the market correction. This is a good time to add to current positions at a lower price point for more yield. The following table displays the monthly dividend CEFs with their NAV and price changes in the past 4 weeks.

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## June 2012 CEF Strategy

We are looking at what CEFs held up during the market correction in terms of NAV. You can buy many CEFs at a cheaper price as their market prices pulled back during the correction. The CEFs focused on real estate had increases in their NAVs while their prices decreased 7-10%. These CEFs are at the top of the list: NEUBERGER REAL ESTATE SECURITIES INCOME (NRO); LMP REAL ESTATE INCOME (RIT); and CBRE CLARION GLOBAL REAL ESTATE INCOME (IGR).

Other CEFs outperformed the S&P 500, down 8.8% in the last 4 weeks, by having strong price performance of 3-5% better. Some of these CEFs include: JHANCOCK TAX-ADVANTAGED DIVIDEND INC (HTD) -1.35%; BLACKROCK CREDIT ALLOCATION INC TRUST 4 (BTZ) -3.65%; JHANCOCK PREMIUM DIVIDEND FUND (PDT) -3.23%; NUVEEN PREF INCOME OPPS FUND (JPC) -2.43%; and GUGGENHEIM STRATEGIC OPP FUND(GOF) -3.35%.

Investors in the CEFs trading at a premium to NAV did not fare too well in the last 4 weeks. CEFs trading at an 8% or more premium to NAV lost an average of 9.65% in market price in this period. You do not want to open any new positions in these CEFs that are being overvalued by the marketplace at this time. These CEFs can take a big hair cut quickly when investors flee them in a panic.

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**Table 1: Monthly Dividend CEFs by NAV Performance in May (excludes all bond CEFs)**

CEF Name	Symbol	Market Price	Prem/Discount (1 Month Average)	Total Distribution Rate (Market Price)	Market Price Perf (YTD)	Market Price Perf (Last 52 Wk)	Total Leverage Ratio	Total Expense Ratio Adjusted	Return of Capital (TTM)	NAV Total Return (Month-End 1 Yr)	Market Price Total Return (Month-End 1 Yr)	NAV Total Return (Month-End 1 Month)	Market Price Total Return (Month-End 1 Month)	Market Price Perf (Last 4 Wk)	Asset Class
DNP SELECT INCOME	DNP	\$10.82	30.18%	7.21%	-0.92%	9.18%	33.71%	1.95%	0.13	13.68%	20.15%	2.92%	7.56%	0.65%	US Stock
NEUBERGER REAL ESTATE SECURITIES INCOME	NRO	\$4.08	-13.04%	5.97%	7.73%	-6.91%	26.79%	2.21%	--	9.39%	5.82%	2.85%	3.29%	-7.13%	US Stock
LMP REAL ESTATE INCOME	RIT	\$9.88	-9.40%	7.35%	5.62%	-9.03%	22.68%	1.82%	0.245714	8.10%	8.73%	2.78%	4.29%	-7.57%	US Stock
CBRE CLARION GLOBAL REAL ESTATE INCOME	IGR	\$7.39	-8.84%	7.44%	6.14%	-14.29%	7.27%	--	0.166	3.13%	3.83%	2.43%	3.18%	-10.48%	International Stock
REAVES UTILITY INCOME	UTG	\$25.15	7.34%	5.99%	-3.73%	-1.11%	25.38%	1.93%	0	10.81%	21.47%	2.28%	3.41%	-4.72%	US Stock
TORTOISE POWER AND ENERGY INFRASTRUCTURE	TPZ	\$23.61	-4.77%	6.37%	-5.84%	-5.01%	16.56%	1.23%	0.072744	7.33%	4.68%	2.15%	-0.45%	-5.24%	US Stock
JHANCOCK TAX-ADVANTAGED DIVIDEND INC	HTD	\$17.52	-8.11%	6.74%	1.10%	7.48%	32.50%	1.03%	--	14.27%	16.77%	1.31%	0.97%	-1.35%	US Stock
BLACKROCK CREDIT ALLOCATION INC TRUST 4	BTZ	\$12.98	-8.17%	7.28%	6.50%	2.62%	31.39%	0.99%	--	6.81%	15.25%	1.25%	2.06%	-3.65%	Multi-Asset
JHANCOCK PREMIUM DIVIDEND FUND	PDT	\$13.25	-2.09%	6.86%	-1.79%	8.02%	32.72%	1.37%	--	15.23%	25.67%	1.07%	1.62%	-3.23%	Multi-Asset
GABELLI UTILITY TRUST	GUT	\$7.97	45.19%	7.59%	1.41%	9.71%	23.21%	1.92%	0.19472	6.03%	28.68%	0.94%	0.08%	-1.00%	US Stock
NUVEEN CREDIT STRATEGIES INCOME FUND	JQC	\$8.89	-6.22%	8.97%	10.81%	-4.19%	28.66%	1.65%	0.1667	0.48%	10.37%	0.90%	3.10%	-4.19%	Multi-Asset
FRANKLIN UNIVERSAL	FT	\$6.86	-4.90%	6.73%	1.35%	2.73%	18.95%	2.51%	--	8.14%	13.73%	0.82%	1.60%	-3.00%	Multi-Asset
DELAWARE INVESTMENTS DIVIDEND & INCOME	DDF	\$7.44	-6.82%	9.26%	5.33%	-7.34%	25.72%	0.91%	0.4308	5.67%	4.52%	0.81%	-1.98%	-5.77%	Multi-Asset
EATON VANCE ENHANCED EQUITY INCOME II	EOS	\$10.09	-13.63%	10.45%	-1.57%	-16.80%	0.00%	1.14%	1.0461	3.89%	-1.04%	0.62%	1.00%	-6.69%	US Stock
NUVEEN PREF INCOME OPPS FUND	JPC	\$8.86	-3.31%	8.61%	10.11%	-2.11%	28.19%	1.70%	0.072751	0.98%	11.81%	0.58%	2.65%	-2.43%	Multi-Asset
GUGGENHEIM STRATEGIC OPP FUND	GOF	\$20.72	9.02%	8.97%	0.40%	-3.64%	27.53%	2.69%	0	6.48%	9.07%	0.54%	3.79%	-3.50%	Multi-Asset
MFS SPECIAL VALUE	MFV	\$6.82	3.06%	9.96%	5.13%	-15.50%	0.00%	1.39%	0.244774	1.32%	-2.15%	0.41%	0.69%	-5.72%	Multi-Asset
CALAMOS CONVERTIBLE & HIGH INCOME FUND	CHY	\$11.68	-2.78%	8.71%	1.30%	-13.32%	25.94%	1.20%	0.3376	3.48%	-0.36%	0.12%	-0.73%	-5.94%	Multi-Asset
CORNERSTONE PROGRESSIVE RETURN FUND	CFP	\$5.44	31.65%	20.16%	-9.75%	-26.42%	0.00%	1.30%	0.336474	7.72%	10.03%	0.06%	3.12%	-22.33%	US Stock
ZWEIG TOTAL RETURN	ZTR	\$3.00	-13.70%	8.05%	-1.65%	-13.87%	0.00%	0.88%	0.232388	2.73%	1.86%	0.04%	-0.90%	-5.10%	Multi-Asset

Continued below...

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CEF Name	Symbol	Market Price	Prem/Discount (1 Month Average)	Total Distribution on Rate (Market Price)	Market Price Perf (YTD)	Market Price Perf (Last 52 Wk)	Total Leverage Ratio	Total Expense Ratio Adjusted	Return of Capital (TTM)	NAV Total Return (Month-End 1 Yr)	Market Price Total Return (Month-End 1 Yr)	NAV Total Return (Month-End 1 Month)	Market Price Total Return (Month-End 1 Month)	Market Price Perf (Last 4 Wk)	Asset Class
WELLS FARGO ADVANTAGE UTIL & HIGH IN	ERH	\$11.09	-0.85%	8.20%	-1.35%	-8.10%	17.92%	1.24%	--	-1.49%	3.16%	-0.12%	-2.37%	-4.51%	Multi-Asset
BROOKFIELD GLO LISTED INF INCOME	INF	\$17.42	-8.33%	8.04%	-1.14%	--	26.07%	0.00%	0.258795	--	--	-0.14%	0.77%	-8.42%	International Stock
BOULDER TOTAL RETURN	BTF	\$15.49	-20.01%	0.00%	2.85%	-6.89%	23.47%	2.12%	--	4.32%	0.18%	-0.14%	-0.35%	-7.67%	US Stock
GABELLI DIVIDEND & INCOME	GDV	\$14.60	-9.87%	6.56%	-5.06%	-11.75%	25.13%	1.50%	0.0572	-1.96%	2.47%	-0.21%	1.36%	-8.61%	US Stock
DELAWARE ENHANCED GLOBAL DIV AND INC	DEX	\$10.85	2.50%	11.36%	0.56%	-21.41%	27.16%	1.98%	0.3	-2.81%	2.23%	-0.21%	-3.37%	-11.52%	International Stock
GABELLI GLOBAL UTILITY & INCOME	GLU	\$19.43	4.10%	6.16%	-7.70%	-5.73%	0.00%	1.36%	0.064	-1.81%	8.87%	-0.23%	0.35%	-8.18%	US Stock
CORNERSTONE STRATEGIC VALUE	CLM	\$6.96	25.66%	19.26%	4.85%	-36.57%	7.18%	1.55%	1.4211	4.07%	-11.70%	-0.26%	5.76%	-12.85%	US Stock
CALAMOS CONVERTIBLE OPP INC	CHI	\$11.59	1.21%	9.74%	3.91%	-13.46%	26.32%	1.55%	0.3246	3.06%	1.96%	-0.28%	-0.88%	-5.49%	Multi-Asset
EATON VANCE ENHANCED EQUITY INCOME	EOI	\$10.16	-13.81%	10.27%	-0.79%	-15.69%	0.00%	1.15%	1.004	1.08%	-1.11%	-0.33%	0.07%	-7.08%	US Stock
PIMCO GLOBAL STOCKSPUS & INCOME	PGP	\$20.12	70.10%	11.07%	5.87%	-21.04%	49.25%	2.81%	0.35534	-5.11%	-5.41%	-0.39%	5.01%	-6.63%	Multi-Asset
ALPINE GLOBAL PREMIER PROPERTIES	AWP	\$5.98	-11.60%	10.10%	12.08%	-19.51%	6.03%	1.29%	0.1378	-7.66%	-2.79%	-0.39%	0.47%	-8.05%	International Stock
PUTNAM HIGH INCOME SECURITIES	PCF	\$7.73	1.22%	6.77%	1.30%	-13.75%	0.00%	0.92%	--	-2.58%	-0.54%	-0.67%	-1.25%	-6.15%	Multi-Asset
CORNERSTONE TOTAL RETURN FUND	CRF	\$6.10	25.13%	19.46%	1.17%	-37.86%	12.20%	1.88%	1.2664	5.78%	-12.52%	-0.68%	5.46%	-15.05%	US Stock
ADVENT CLAYMORE CONVERTIBLE SECS & INC II	AGC	\$6.20	-7.95%	9.10%	-1.59%	-33.40%	43.56%	1.99%	0.0604	-17.83%	-21.99%	-0.71%	-1.63%	-7.05%	Multi-Asset
EATON VANCE TAX ADVANTAGED DIVIDEND INC	EVT	\$14.97	-8.89%	8.64%	2.26%	-13.75%	27.08%	1.20%	--	-0.38%	-0.49%	-0.81%	-0.12%	-9.24%	US Stock
EATON VANCE TAX-ADVANTAGED GLBL DIV OPP	ETO	\$16.91	-12.35%	8.35%	-1.35%	-22.25%	29.78%	1.18%	--	-7.08%	-9.27%	-0.86%	-1.18%	-11.36%	International Stock
ADVENT CLAYMORE CONVERTIBLE SEC & INC	AVK	\$14.69	-8.64%	7.60%	0.68%	-21.20%	40.52%	1.58%	0.0605	-9.58%	-10.03%	-0.88%	-2.18%	-6.20%	Multi-Asset
ING GLOBAL EQUITY DIVIDEND AND PREM OPP	IGD	\$8.47	-3.15%	13.33%	-3.12%	-25.33%	0.00%	1.14%	0.36364	-4.59%	-4.81%	-0.88%	0.24%	-9.81%	International Stock
ALPINE GLOBAL DYNAMIC DIVIDEND	AGD	\$5.06	8.00%	14.31%	-2.71%	-32.48%	6.33%	1.39%	--	-18.99%	-12.86%	-0.88%	-0.94%	-11.91%	International Stock
AGIC CONVERTIBLE & INCOME	NCV	\$8.50	9.83%	12.69%	0.71%	-21.20%	37.42%	1.28%	--	-1.12%	-2.11%	-0.92%	-1.43%	-8.30%	Multi-Asset
AGIC CONVERTIBLE & INCOME II	NCZ	\$7.81	12.91%	13.11%	-1.14%	-23.20%	37.81%	1.31%	--	-1.32%	-2.27%	-0.94%	-0.11%	-9.64%	Multi-Asset
CALAMOS GLOBAL DYNAMIC INCOME FUND	CHW	\$7.74	-7.17%	9.64%	5.62%	-11.68%	28.68%	1.93%	0.102956	-3.43%	5.28%	-1.01%	0.72%	-10.66%	Multi-Asset
CALAMOS STRATEGIC TOTAL RETURN	CSQ	\$8.99	-7.06%	9.33%	7.78%	-5.76%	27.76%	1.41%	0.0543	-1.20%	7.06%	-1.10%	-0.48%	-7.50%	Multi-Asset
GAMCO GLOBAL GOLD NATURAL RESOURCES&INC	GGN	\$13.57	12.65%	12.39%	-3.69%	-24.92%	9.25%	1.27%	0.064	-15.14%	-6.45%	-1.14%	1.31%	-10.53%	US Stock
LAZARD GLOBAL TOTAL RETURN AND INCOME	LGI	\$13.12	-11.22%	7.41%	-2.61%	-16.69%	12.42%	1.54%	0.09001	-1.10%	-1.02%	-1.21%	0.02%	-10.56%	International Stock
ALPINE TOTAL DYNAMIC DIVIDEND	AOD	\$4.05	-7.20%	16.42%	-8.22%	-34.85%	4.57%	1.35%	0.1095	-16.78%	-16.29%	-1.26%	-0.95%	-11.84%	International Stock
GAMCO NATURAL RESOURCES, GOLD & INC TR	GNT	\$14.22	3.87%	11.92%	4.84%	-23.47%	0.00%	1.17%	0.268478	-17.02%	-13.07%	-1.29%	-0.65%	-3.95%	US Stock
LAZARD WORLD DIVIDEND & INCOME	LOR	\$10.44	-11.28%	7.65%	-4.14%	-24.01%	16.95%	2.06%	0.00075	-5.66%	-7.82%	-1.40%	-2.06%	-11.18%	International Stock
ING INTERNATIONAL HIGH DIVIDEND EQ INC	IID	\$8.74	11.23%	11.88%	-1.81%	-26.64%	0.00%	1.28%	0.07224	-9.47%	-2.71%	-1.50%	3.01%	-14.71%	International Stock
CALAMOS GLOBAL TOTAL RETURN	CGO	\$12.91	0.90%	9.27%	-5.13%	-18.82%	27.82%	1.90%	0.1	-3.57%	-2.39%	-1.88%	-3.16%	-10.87%	Multi-Asset
EATON VANCE TAX ADV GLOBAL DIVIDEND INC	ETG	\$12.52	-3.47%	9.91%	1.55%	-17.76%	29.98%	0.87%	--	-5.05%	1.04%	-2.30%	0.65%	-12.61%	International Stock

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### **More Financial Advisors are Recommending CEFs for Income**

Financial advisors are increasingly turning to closed-end funds to develop client investment solutions, according to the second annual survey of financial advisors conducted on behalf of Aberdeen Asset Management Inc., part of Aberdeen Group, the world's largest manager of emerging market closed-end funds as determined by both value and number.[1] The survey was conducted online from March 29 to April 20, 2012 by Harris Interactive and surveyed 508 financial advisors through an intermediary panel of finance professionals managed by Harris.

Advisors surveyed cite that closed-end funds are suitable for many types of accounts, particularly for post-retiree income-generating purposes and individual retirement accounts. Advisors state that income is the primary reason for including closed-end funds in their recommendations citing ease of use, ability to use leverage and access to active, professional investment management.

Significant results of the advisor survey include:

63% of advisors recommend closed-end funds, up from 52% in 2011

50% of advisors cite that their clients implement their closed-end fund recommendations, up from 45% in 2011

62% of advisors state that additional research coverage on closed-end funds would improve their recommendations

45% of advisors state that increased client awareness and understanding of closed-end funds would improve their recommendations

64% of advisors recommend closed-end funds to clients between the ages of 45-65; 52% of advisors recommend closed-end funds to clients under 45