



**July Update**

**June Performance**

As a group, closed-end funds (CEFs) rose 0.4% in June on a price basis, following a 0.9% increase in May. NAV returns for the period trailed, advancing a meager 0.1%, as discounts narrowed 20 b.p., closing June at 3.7%. Fixed income and equity fund returns were positive in June, with fixed income funds returning 0.4% on a price basis and 0.1% on a NAV basis, while equity funds generated a 0.3% total return on a price basis and 0.2% on a NAV basis. For the prior three months, closed-end funds rose 3.5% on a price basis, well above a 2.0% NAV advance. Fixed income funds outperformed the overall group on a price basis, producing price and NAV advances of 3.9% and 2.7%, respectively. Equity funds underperformed the fixed income group on a price basis, generating price and NAV returns of 2.8% and 0.9%, respectively.

**Valuation Trends**

Across all closed-end funds, discounts contracted slightly in June, closing the period at 3.7%. For the three month period, discounts narrowed roughly 140 b.p. from a March close of 5.1%. The 3 and 5 year average discounts for the CEF universe are 6.6% and 5.7%, respectively.

Fixed income discounts narrowed 30 b.p. in June, closing the month at 2.7% compared to 3.0% at the end of May. For the three month period, discounts narrowed 100 b.p. from a March close of 3.7%. At the end of June, the 3 and 5 year average discounts were 5.4% and 4.4%, respectively.

Equity fund discounts were flat at the end of June, closing the month at 5.5%, compared to a May close of 5.5%. For the three months, discounts narrowed 200 b.p. from a March close of 7.5%. The 3 and 5 year average discounts at month-end were 8.6% and 7.8%, respectively.

Please see select sector Z-scores and Total Return data below, as well as a chart of CEF discount/valuation history since 2008 on page 2.

**Recommendations**

We are lowering our rating on the **Flaherty & Crumrine Dynamic Preferred and Income Fund (DFP)**, moving the shares from our Preferred list to the Neutral list based on valuation. We are comfortable with existing shareholders maintaining positions.

Please refer to our Preferred list for those CEFs we consider attractive investment options for those investors seeking income, capital appreciation, or both. There are currently 15 investment categories represented on our list, as defined by Morningstar (1). In this report, for each CEF on our Preferred List, we have included fund summaries (pages 6-8), as well as detailed tables with fund metrics (pages 9-14). Before taking positions in the funds on the Preferred list, we strongly encourage investors to review these summaries, as well as the fund detail tables.

**As in the past, we caution investors that many closed-end funds are thinly-traded. Consequently, we strongly recommend limit orders when placing trades.** Each fund on the Preferred list has average daily volume listed in their respective detail table, which we encourage investors to consider before making portfolio allocation decisions.

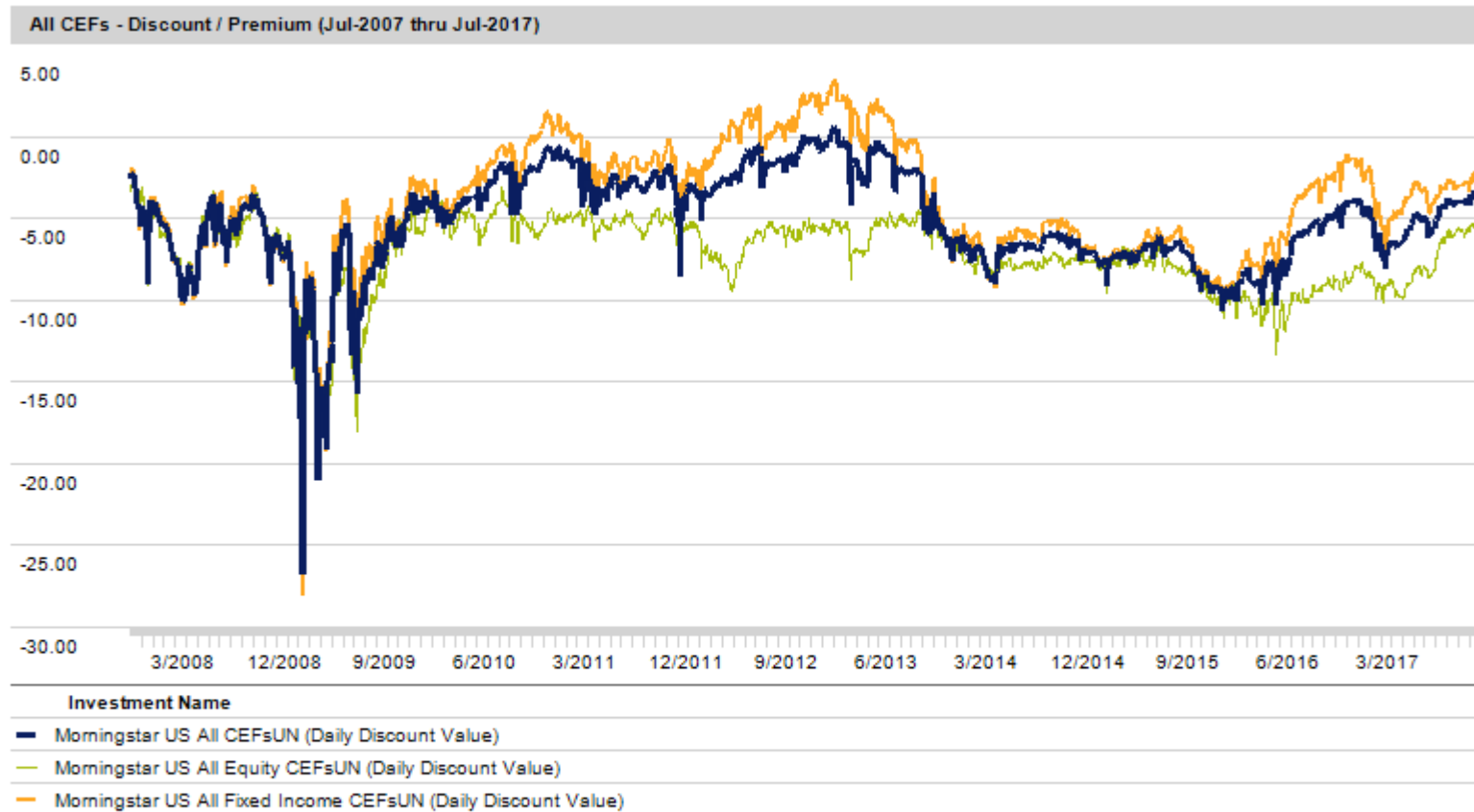
Data Source: Hilliard Lyons calculations, Morningstar Direct (1), Company Reports

Please see our coverage lists on pages 3-5 for more information.

*To obtain important disclosure information regarding Hilliard Lyons' rating system, valuation methods, risk factors and potential conflicts of interest with respect to companies covered in this report, please call (800) 444-1854, ext. 8820, send a request via e-mail to [RsLib@hilliard.com](mailto:RsLib@hilliard.com), or go online to <http://hilliard.com/site/market-info/research-disclosures.html>. Requests should include the name and date of this report and a list of companies for which the disclosure information is requested.*

MS Category	Z - Score				MS Category	Total Return %					
	Discount	1 Year	3 Year	5 Year		1 Month		1 Year		3 Year	
Most Undervalued					Price	NAV	Price	NAV	Price	NAV	
Diversified Pacific/Asia	-13.3	-0.1	<b>-0.8</b>	-1.2	<b>Best Performance</b>						
Latin America Stock	-11.8	-0.2	<b>-0.7</b>	-1.1	Non-Traditional Bond	<b>6.4</b>	0.5	22.9	12.8	5.6	1.9
Commodities Precious Mtls	-0.4	-0.1	<b>-0.5</b>	-0.6	Health	<b>5.4</b>	4.9	15.6	14.1	9.7	8.2
Muni Ohio	-8.5	-0.8	<b>-0.3</b>	-0.6	Communications	<b>5.1</b>	3.7	1.0	0.6	4.6	5.0
Muni California Intermediate	-2.8	-0.4	<b>-0.3</b>	-0.9	China Region	<b>4.3</b>	3.1	32.4	25.5	10.5	8.8
Muni National Interm	-0.6	-0.2	<b>-0.2</b>	-0.2	Financial	<b>3.6</b>	3.7	38.6	34.2	14.3	11.1
Muni Massachusetts	-5.8	-0.4	<b>-0.2</b>	-0.3	Global Real Estate	<b>3.4</b>	1.5	15.0	8.4	3.3	2.2
Equity Precious Metals	-11.1	-0.1	<b>-0.0</b>	-0.6	Mid-Cap Growth	<b>3.3</b>	1.2	20.8	15.2	6.7	6.3
Mid-Cap Blend	-11.8	+0.3	<b>+0.1</b>	-0.1	Small Blend	<b>3.0</b>	3.0	30.5	22.9	5.4	4.2
Muni Pennsylvania	-7.9	-0.4	<b>+0.2</b>	-0.1	Infrastructure	<b>2.8</b>	-0.1	23.2	11.9	6.6	3.8
					Real Estate	<b>2.8</b>	2.4	4.2	2.3	10.2	8.3
Most Overvalued					Worst Performance						
Option Writing	-0.6	+1.2	<b>+1.7</b>	+1.7	Emerging Markets Bond	<b>-1.3</b>	0.1	17.2	10.3	1.5	0.4
Europe Stock	-5.7	+2.3	<b>+1.8</b>	+1.5	Europe Stock	<b>-1.4</b>	-1.2	21.4	18.8	1.8	1.5
Real Estate	-6.2	+1.8	<b>+1.9</b>	+0.8	Commodities Precious Metals	<b>-1.4</b>	-1.6	-2.2	-0.1	-6.6	-5.9
Allocation-70% to 85% Eqty	-6.1	+2.0	<b>+1.9</b>	+1.7	Equity Precious Metals	<b>-1.6</b>	-2.6	-20.7	-19.9	-6.9	-5.9
World Allocation	-3.3	+1.9	<b>+2.0</b>	+1.6	Equity Energy	<b>-2.3</b>	-1.9	2.5	-0.8	-19.2	-20.5
Mid-Cap Growth	-10.1	+2.8	<b>+2.1</b>	+0.8	Natural Resources	<b>-3.4</b>	-0.2	3.6	2.1	-7.4	-7.8
Utilities	+4.4	+2.2	<b>+2.1</b>	+1.4	Commodities Broad Basket	<b>-3.7</b>	-0.6	-21.9	-8.0	-6.7	-1.7
Industrials	-2.2	+2.2	<b>+2.2</b>	+1.7	Long Government	<b>-4.1</b>	-0.1	-	-	-	-
Large Value	-8.8	+2.4	<b>+2.6</b>	+3.0	Foreign Small/Mid Value	<b>-4.2</b>	-3.2	4.8	5.0	-2.5	-0.5
Non-Traditional Bond	-0.5	+2.6	<b>+4.0</b>	+3.1	Technology	<b>-4.4</b>	-2.9	43.2	35.8	-20.4	16.3

**Note Important Disclosures on Pages 18 to 20**  
**Note Analyst Certification on Page 18**



Date Source: Morningstar Direct (1)

## Preferred List (1)

(Past performance is no guarantee of future results)

As of Date: 6/30/2017

CEF Peer Group/Category (Average = PG Avg)	Ticker	Inception Date	Closing Price (7/17/17)	Prem/Disc (Daily)	Prem/Disc 12 Mo Avg	Total Leverage Ratio	Income Only Yield (Price) **	Income and Cap Gains (Price) **	Total Distrib Rate (Price) **	Dividend Distribution Frequency	Managed Distribution	CEF Volatility (Price-TR)	CEF Volatility (NAV-TR)	ROC Designation
<b>Allocation--50% to 70% Equity</b>														
JH Tax-Advantaged Dividend Inc	HTD	2/27/2004	25.37	-2.57	-5.02	31.70	2.96	2.96	6.53	Monthly	Yes	PV3	NV3	
Average			20.32	-5.03	-7.71	25.14	4.46	5.09	6.77					
<b>Allocation--70% to 85% Equity</b>														
Tri-Continental Corporation	TY	1/14/1929	24.73	-11.49	-14.26	2.30	3.94	3.95	3.94	Quarterly	No	PV3	NV3	
Average			16.61	-6.89	-9.82	18.93	3.72	6.47	7.65					
<b>Corporate Bond</b>														
BlackRock Credit Allocation Inc	BTZ	12/27/2006	13.49	-8.60	-9.67	21.70	6.27	6.30	6.27	Monthly	No	PV3	NV2	*
BlackRock Core Bond	BHK	11/30/2001	13.69	-7.12	-7.17	29.20	5.70	5.70	5.70	Monthly	No	PV3	NV2	
Average			15.96	-5.02	-4.80	11.97	4.75	4.78	5.09					
<b>Equity Energy</b>														
Adams Natural Resources Fund	PEO	1/30/1929	18.83	-13.66	-14.56		1.81	6.05	6.05	Quarterly	No	PV4	NV4	
Average			13.09	-5.97	-7.57	17.80	2.42	3.13	8.89					
<b>Health</b>														
Gabelli Health & Wellness	GRX	6/19/2007	10.68	-10.78	-11.48	22.00	0.04	4.49	4.87	Quarterly	No	PV4	NV3	
Average			21.30	-3.18	-5.18	15.65	0.41	6.11	7.26					
<b>High Yield Bond</b>														
New America High Income Fund	HYB	2/26/1988	9.58	-6.54	-7.31	27.50	7.52	7.52	7.52	Monthly	No	PV3	NV2	
BlackRock Corp High Yield	HYT	5/30/2003	11.04	-9.43	-8.80	27.30	7.61	7.61	7.61	Monthly	No	PV3	NV2	
BlackRock Limited Duration Inc	BLW	7/28/2003	15.79	-6.95	-7.52	29.00	6.04	6.04	6.04	Monthly	No	PV3	NV1	
Average			13.32	-3.79	-4.51	24.47	7.02	7.09	7.35					
<b>Inflation-Protected Bond</b>														
Western/Claymore Infr-Lnkcd Securities	WIA	9/30/2003	11.23	-11.78	-10.95	31.90	3.69	3.69	3.69	Monthly	Yes	PV2	NV1	*
Average			11.13	-11.88	-11.19	32.10	3.81	3.81	3.81					
<b>Large Blend</b>														
Adams Diversified Equity Fund	ADX	10/1/1929	14.63	-15.06	-16.03	1.50	1.16	6.77	6.77	Quarterly	No	PV3	NV3	
Average			15.20	-7.31	-7.87	13.43	1.30	4.31	8.13					
<b>Large Value</b>														
Boulder Growth & Income	BIF	12/7/1972	9.92	-15.29	-18.60	3.90	0.00	0.47	4.11	Monthly	Yes	PV4	NV3	*
Average			16.03	-10.50	-13.77	13.15	2.98	3.22	5.04					
<b>Multisector Bond</b>														
BlackRock Multi-Sector Income	BIT	2/26/2013	18.10	-7.42	-8.97	38.10	7.74	7.71	7.74	Monthly	No	PV3	NV1	
TCW Strategic Income	TSI	3/5/1987	5.70	-4.20	-8.22	0.00	2.84	2.92	2.84	Quarterly	No	PV3	NV1	
Average			15.58	2.45	0.23	25.73	7.54	7.61	8.22					
<b>Muni National Long</b>														
EV Municipal Bond	EIM	8/30/2002	12.75	-7.47	-6.98	39.60	4.90	4.90	4.90	Monthly	No	PV3	NV3	
BlackRock MuniHoldings Qty II	MUE	2/26/1999	13.93	-1.35	-4.11	37.80	5.51	5.51	5.51	Monthly	No	PV3	NV2	
BlackRock MuniYield Quality II	MQT	8/28/1992	13.35	-3.40	-4.83	37.80	5.57	5.58	5.57	Monthly	No	PV3	NV2	
Average			14.23	-1.45	-2.54	33.61	5.10	5.10	5.10					
<b>Preferred Stock</b>														
Nuveen Pref Income Opps Fund	JPC	3/26/2003	10.46	-2.97	-4.57	28.80	7.46	7.51	7.46	Monthly	No	PV3	NV1	
Average			20.32	1.44	-0.26	31.38	6.42	6.47	7.21					
<b>Small Blend</b>														
Royce Value Trust	RVT	11/19/1986	14.97	-9.98	-13.67	4.90	0.27	7.21	7.21	Quarterly	Yes	PV4	NV4	
Average			11.93	-10.23	-13.69	7.80	0.18	6.08	7.21					
<b>World Allocation</b>														
EV Tax Adv Global Dividend Inc	ETG	1/30/2004	17.42	-3.38	-7.71	23.60	3.11	3.11	7.06	Monthly	No	PV4	NV3	
Average			13.86	-3.69	-8.27	27.54	6.11	7.66	8.55					
<b>World Bond</b>														
Western Asset Glb Corp Def Opp	GDO	11/24/2009	18.06	-6.04	-7.42	22.50	7.54	7.54	7.54	Monthly	No	PV3	NV1	
Average			12.00	-5.49	-7.66	25.48	4.44	4.99	8.28					

## Neutral List (1)

(Past performance is no guarantee of future results)

As of Date: 6/30/2017

CEF Peer Group/Category (Average=PG Avg)	Ticker	Inception Date	Closing Price (7/17/17)	Prem/Disc (Daily)	Prem/Disc 12 Mo Avg	Total Leverage Ratio	Income Only Yield (Price) **	Income and Cap Gains (Price) **	Total Distrib Rate (Price) **	Dividend Distribution Frequency	Managed Distribution	CEF Volatility (Price-TR)	CEF Volatility (NAV-TR)	ROC Designation
<b>Bank Loan</b>														
BlackRock Floating Rate Inc Trust	BGT	8/30/2004	13.93	-3.60	-3.16	28.90	5.02	5.02	5.02	Monthly	No	PV2	NV1	
Average			12.86	-3.53	-3.97	31.73	6.98	7.03	7.12					
<b>Corporate Bond</b>														
Western Asset Income	PAI	3/22/1973	15.22	0.20	-0.66	0.00	4.53	4.53	4.53	Monthly	No	PV3	NV1	
Average			15.96	-5.02	-4.80	11.97	4.75	4.78	5.09					
<b>Intermediate-Term Bond</b>														
Nuveen Multi-Market Income	JMM	12/30/1988	7.47	-8.23	-8.37	21.70	5.78	5.78	5.78	Monthly	No	PV3	NV1	
Average			9.64	0.00	-1.43	25.03	4.60	4.60	6.31					
<b>Muni National Long</b>														
Nuveen Select TaxFree Income 3	NXR	7/24/1992	14.68	-5.78	-5.79	0.50	3.56	3.56	3.56	Monthly	No	PV3	NV1	
Putnam Municipal Opportunities	PMO	5/28/1993	12.60	-4.26	-5.41	30.60	5.15	5.15	5.15	Monthly	No	PV3	NV2	
Nuveen AMT-Free Quality Muni Inc	NEA	11/22/2002	13.76	-7.96	-7.91	37.40	5.41	5.38	5.41	Monthly	No	PV3	NV2	
Nuveen Quality Muni Income Fund	NAD	5/26/1999	14.19	-7.25	-7.11	37.10	5.41	5.41	5.41	Monthly	No	PV3	NV2	
Average			14.23	-1.45	-2.54	33.61	5.10	5.10	5.10					
<b>Preferred Stock</b>														
Flah & Crum Dynamic Pref & Income Fund	DFP	5/24/2013	26.60	-0.31	-2.17	32.10	7.22	7.22	7.22	Monthly	No	PV3	NV2	
Average			20.32	1.44	-0.26	31.38	6.42	6.47	7.21					
<b>Utilities</b>														
Reaves Utility Income	UTG	2/24/2004	34.35	1.21	-3.31	21.50	3.44	5.59	5.59	Monthly	Yes	PV4	NV4	
Average			17.65	3.27	-1.44	23.97	4.38	4.75	7.37					
<b>World Allocation</b>														
EV Tax Adv Global Div Opps	ETO	4/30/2004	25.55	4.80	-2.06	25.00	1.92	8.45	8.45	Monthly	Yes	PV4	NV3	
Nuveen Diversified Div & Income	JDD	9/25/2003	12.98	0.70	-6.70	30.70	4.37	5.44	8.32	Quarterly	Yes	PV4	NV3	
Average			13.86	-3.69	-8.27	27.54	6.11	7.66	8.55					

**Sell List (1)** (Past performance is no guarantee of future results)

As of Date: 6/30/2017

CEF Peer Group/Category (Average=PG Avg)	Ticker	Inception Date	Closing Price (7/17/17)	Prem/Disc (Daily)	Prem/Disc 12 Mo Avg	Total Leverage Ratio	Income Only Yield (Price) **	Income and Cap Gains (Price) **	Total Distrib Rate (Price) **	Dividend Distribution Frequency	Managed Distribution	CEF Volatility (Price-TR)	CEF Volatility (NAV-TR)	ROC Designation
<b>High Yield Muni</b>														
Western Asset Muni High Income	MHF	11/28/1988	7.45	-6.41	-5.37	0.00	4.11	4.11	4.11	Monthly	No	PV3	NV1	
Average			10.02	-1.12	-1.80	27.65	5.02	5.02	5.03					
<b>Multisector Bond</b>														
PIMCO High Income	PHK	4/30/2003	8.70	27.38	37.94	27.30	11.13	11.09	11.13	Monthly	No	PV5	NV3	
Average			15.58	2.45	0.23	25.73	7.54	7.61	8.22					

## Preferred List - Fund Summaries

### Allocation - 50% to 70% Equity

#### JH Tax-Advantaged Dividend Income Fund (HTD)

**Sector** HTD, with roughly \$1.0 billion in net assets, invests primarily in U.S.-based (~90%) preferred and common securities concentrated in the Utility (53%), Financial (29%), and Energy (11%) sectors. Preferred/Fixed income securities account for 50% of the portfolio, with the following credit breakdown: AAA (1%), A (4%), BBB (66%), BB (23%), and B (6%).

**Valuation** As of this report, HTD shares trade at a discount of 2.6%, with a market price of \$25.37. The current valuation is above 1, 3, and 5 year average discounts of 6.0%, 8.5%, and 8.8%, respectively.

**Distribution** HTD pays distributions monthly, with a current distribution yield (price) of 6.4%.

**Leverage** The fund makes use of a line of credit, maintaining a leverage ratio of 32%. HTD's average daily trading volume over the last 3 months was 66K shares per day.

**Top 10 Holdings** 1) Kinder Morgan, Inc (4.2%), 2) Vectren Corp. (3.3%), 3) American Electric Power Co. (2.9%), 4) Interstate Power and Light Co. (2.6%), 5) Teva Pharm. Ind. (2.6%), 6) SCE Trust II (2.3%), 7) Wells Fargo & Co. (2.3%), 8) Dominion Resources, Inc. (2.3%), 9) Ameren Corp. (2.2%), 10) Black Hills Corp. (2.2%).

### Allocation - 70% to 85% Equity

#### Tri-Continental Corporation (TY)

**Sector** TY, with \$1.6 billion in net assets, invests primarily in U.S.-based (>90%) equity, preferred, and debt securities. Equity holdings are distributed across 11 sectors, while debt instruments are concentrated in corporate bonds, convertibles, and preferred stock. Equity securities account for 70% of the portfolio.

**Valuation** As of this report, TY shares trade at a discount of 11.5%, with a market price of \$24.73. The current valuation is above 1, 3, and 5 year average discounts of 14.5%, 14.7%, and 14.4%, respectively.

**Distribution** TY pays distributions quarterly, with a current distribution yield (price) of 4.0%

**Leverage** The fund makes use of preferred shares as a leverage source, maintaining a leverage ratio of 2.4%. TY's average daily trading volume over the last 3 months was 76K shares per day.

**Top 10 Holdings** 1) Microsoft (2.4%), 2) Bank of America (1.8%), 3) AT&T (1.8%), 4) Merck (1.7%), 5) Cisco Systems (1.7%), 6) JP Morgan Chase (1.7%), 7) Apple (1.7%), 8) Facebook Inc-A (1.5%), 9) Altria Group (1.5%), 10) Sysco (1.3%).

### Corporate Bond

#### Blackrock Credit Allocation, Inc. (BTZ)

**Sector** BTZ, with \$1.6 billion in net assets, invests primarily in U.S.-based (>80%) bonds, as well as preferred securities. Fixed income allocations are concentrated in corporate (84%), government (4%), Other (3%) bonds, with preferred securities accounting for 8%. The credit breakdown is as follows: AAA (1.9%), AA (1.2%), A (12.7%), BBB (50.9%), BB (20.3%), B (9.6%), and Other (3.4%).

**Valuation** As of this report, BTZ shares trade at a discount of 8.6%, with a market price of \$13.49. The current valuation is above 1, 3, and 5 year average discounts of 10.2%, 11.6%, and 11.2%, respectively.

**Distribution** BTZ pays distributions monthly, with a current distribution yield (price) of 6.4%.

**Leverage** The fund makes use of reverse repurchase agreements, maintaining a leverage ratio of 29%. BTZ's average daily trading volume over the last 3 months was 165K shares per day.

**Top 10 Holdings** 1) Verizon Comm. (2.3%), 2) Aviation Capital Group (2.3%), 3) Goldman Sachs (2.0%), 4) Bank of America (1.8%), 5) JP Morgan Chase (1.6%), 6) International Paper (1.5%), 7) Enterprise Products Operating LLC (1.5%), 8) Wells Fargo (1.5%), 9) Citigroup (1.4%), 10) US Treasury (1.4%).

#### Core Bond Trust (BHK)

**Sector** BHK, with \$793 million in net assets, invests primarily in U.S.-based (>70%) bonds, as well as preferred securities. Fixed income/bond allocations are concentrated in corporate (51.3%), government (13.8%), asset-backed (7.0%), Agency MBS (6.6%), and other (21.3%) bonds. The credit breakdown is as follows: AAA (24.7%), AA (5.5%), A (15.8%), BBB (29.3%), BB (11.0%), B (9.2%), and Other (4.5%).

**Valuation** As of this report, BHK shares trade at a discount of 7.1%, with a market price of \$13.69. The current valuation is above 1, 3, and 5 year average discounts of 7.4%, 8.6%, and 7.4%, respectively.

**Distribution** BHK pays distributions monthly, with a current distribution yield (price) of 5.6%.

**Leverage** The fund makes use of reverse repurchase agreements, maintaining a leverage ratio of 29%. BHK's average daily trading volume over the last 3 months was 89K shares per day.

**Top 10 Holdings** 1) US Treasuries (10.3%), 2) Federal National Mtg. Assoc. (3.4%), 3) JP Morgan Chase (1.7%), 4) Verizon Comm. (1.5%), 5) Bank of America (1.3%), 6) Goldman Sachs (1.1%), 7) BNY Mellon (0.9%), 8) Berkshire Hathaway Energy Co. (0.9%), 9) GNMA\_14-72-MQ (0.9%), 10) FHLMC\_4398-ZX (0.8%).

### Equity Energy

#### Adams Natural Resources Fund (PEO)

**Sector** PEO, with \$609 million in net assets, invests primarily in U.S.-based (97%) energy and natural resource securities concentrated in the Expl. & Prod. (27%), Intg. Oil & Gas (26%), Chemicals (17%) and Oil Eqpt. & Serv. (14%) sectors. Equity securities account for 98% of the portfolio, with 44 holdings.

**Valuation** As of this report, PEO shares trade at a discount of 13.7% with a market price of \$18.83. The current valuation is above 1, 3, and 5 year average discounts of 14.6%, 14.4%, and 14.3%, respectively.

**Distribution** PEO's latest quarterly distribution was \$0.06 per share. The distribution yield (price) is 6.2%. PEO adopted a 6% minimum annual distribution (price-based, Q4 wght'd) in 2012.

**Leverage** The fund does not use leverage. PEO's average daily trading volume over the last 3 months was 75K shares per day.

**Top 10 Holdings** 1) Exxon Mobil (18.1%), 2) Chevron (8.9%), 3) Schlumberger (6.2%), 4) Dow Chemical (4.3%), 5) ConocoPhillips (4.1%), 6) Occidental Petroleum (3.6%), 7) Halliburton (3.5%), 8) LyondellBassell Ind. N.V. (3.2%), 9) Anadarko Petroleum Corp. (3.0%), 10) EOG Resources (2.9%).

### Health

#### Gabelli Healthcare & Wellness Trust (GRX)

**Sector** GRX, with \$233 million in net assets, invests primarily in U.S.-based (>80%) equity securities concentrated in the Healthcare (56%) and Consumer Defensive (40%) sectors. The fund has 150 holdings.

**Valuation** As of this report, GRX shares trade at a discount of 10.8%, with a market price of \$10.68. The current valuation is above 1, 3, and 5 year average discounts of 11.5%, 12.2%, and 11.4%, respectively.

**Distribution** GRX pays distributions on a quarterly basis. The current distribution yield (price) is 4.9% based on trailing twelve month distributions.

**Leverage** The fund uses preferred shares as a source of leverage, maintaining a leverage ratio of 22%. GRX's average daily trading volume over the last 3 months was 41K shares per day.

**Top 10 Holdings** 1) CVS Health Corp. (N/A), 2) Allergan plc (N/A), 3) Integer Holdings Corp. (N/A), 4) HCA Holdings Inc. (N/A), 5) Alere Inc. (N/A), 6) Actelion Ltd. (N/A), 7) Envision Healthcare Corp. (N/A), 8) Thermo Fisher Scientific Inc. (N/A), 9) Mondelez Intl. Inc. (N/A), 10) Kellogg Co. (N/A).

### High Yield Bond

#### New America High Income Fund (HYB)

**Sector** HYB, with \$240 million in net assets, invests primarily in U.S.-based (65%) fixed income securities concentrated in the Energy (14.2%), Cable Operators (11.8%), Financial (7.5%), Metals & Mining (6.4%), Healthcare (6.2%), Services (4.6%) and Wireless Comm. (5.6%) sectors. Fixed income securities account for 95% of the portfolio, with the following credit breakdown: AAA (1.3%), BBB (3.7%), BB (39.5%), B (45.0%), <B (9.6%) and NR (0.9%).

**Valuation** As of this report, HYB shares trade at a discount of 6.5%, with a market price of \$9.58. The current valuation is above 1, 3, and 5 year average discounts of 7.6%, 10.7%, and 8.3%, respectively.

**Distribution** HYB pays distributions monthly, with a current distribution yield (price) of 7.6%.

**Leverage** The fund makes use of a line of credit, maintaining a leverage ratio of 28%. HYB's average daily trading volume over the last 3 months was 47K shares per day.

**Top 10 Holdings** 1) CSC Holdings LLC (1.7%), 2) First Data Corp. (1.5%), 3) Scientific Games Intl (1.1%), 4) ALTI SA (1.1%), 5) Bombardier Inc. (1.1%), 6) HCA Inc. (1.0%), 7) AES Corp. (0.9%), 8) Veritas US Inc. (0.9%), 9) CSC Holdings LLC (0.7%), 10) AMC Entertainment Holdings (0.7%).

#### Blackrock Limited Duration Income Trust (BLW)

**Sector** BLW, with \$627 million in net assets, invests primarily in U.S.-based (>70%) fixed income securities concentrated in the Corporate (46.7%), Bank Loan (28%), and Asset-backed (9.4%) sectors. Fixed income securities account for 90% of the portfolio, with the following credit breakdown: AAA (3.3%), AA (1.7%), A (5.8%), BBB (16.4%), BB (29.8%), B (31.9%), < B (9.3%) and Other (1.8%).

**Valuation** As of this report, BLW shares trade at a discount of 7.0%, with a market price of \$15.79. The current valuation is in line with 1, 3, and 5 year average discounts of 7.8%, 9.4%, and 5.9%, respectively.

**Distribution** BLW pays distributions monthly, with a current distribution yield (price) of 6.1%.

**Leverage** The fund makes use of reverse repurchase agreements, maintaining a leverage ratio of 29%. BLW's average daily trading volume over the last 3 months was 83K shares per day.

**Top 10 Holdings** 1) Argentina (Republic of) (1.5%), 2) JP Morgan Chase (1.3%), 3) Morgan Stanley (1.0%), 4) Goldman Sachs Group (0.9%), 5) Freeport McMoran (0.9%), 6) Citigroup Inc. (0.9%), 7) First Data Corp. (0.8%), 8) HCA Inc. (0.8%), 9) Level 3 Financing (0.7%), 10) Penske Truck Leasing Co. (0.7%).

**Preferred List - Fund Summaries****High Yield Bond****BlackRock Corporate High Yield (HYT)**

**Sector** HYT, with \$1.5 billion in net assets, invests primarily in U.S.-based (>75%) fixed income securities concentrated in the High Yield-Industrials (73%), Bank Loans (10%), and High Yield-Financials (8%) sectors. Fixed income securities account for 90% of the portfolio, with the following credit breakdown: AAA (0.1%), A (0.6%), BBB (3.4%), BB (33.6%), B (39.8%), < B (17.3%), and Other (5.2%).

**Valuation** As of this report, HYT shares trade at a discount of 9.4%, with a market price of \$11.04. The current valuation is in line with 1, 3, and 5 year average discounts of 9.1%, 10.3%, and 7.8%, respectively.

**Distribution** HYT pays distributions monthly, with a current distribution yield (price) of 7.6%.

**Leverage** The fund makes use of a bank loan, maintaining a leverage ratio of 27%. HYT's average daily trading volume over the last 3 months was 347K shares per day.

**Top 10 Holdings** 1) Freepport-McMoran (2.5%), 2) HCA, Inc. (2.3%), 3) New Lightsquared LLC (1.9%), 4) First Data Corp. (1.9%), 5) Ally Financial, Inc. (1.6%), 6) Ardagh Packaging Finance (1.5%), 7) Sprint Corp. (1.4%), 8) CSC Holdings LLC (1.4%), 9) CCO Holdings LLC (1.4%), 10) Sprint Communications (1.4%).

**Inflation-Protected Bond****Western/Claymore Inflation-Linked Securities (WIA)**

**Sector** WIA, with \$369 million in net assets, invests primarily in U.S.-based (>90%) fixed income securities concentrated in the U.S. TIPS (83%) and MBS (6.8%) sectors. Fixed income securities account for >90% of the portfolio, with the following credit breakdown: AAA (86.2%), AA (0.3%), A (0.6%), BBB (3.4%), BB (1.1%), B (2.1%) and < B (7.0%).

**Valuation** As of this report, WIA shares trade at a discount of 11.8%, with a market price of \$11.23. The current valuation is consistent with 1, 3, and 5 year average discounts of 11.1%, 12.7%, and 12.1%, respectively.

**Distribution** WIA pays distributions monthly, with a current distribution yield (price) of 3.7%.

**Leverage** The fund makes use of a reverse repurchase agreements, maintaining a leverage ratio of 32%. WIA's average daily trading volume over the last 3 months was 49K shares per day.

**Top 10 Holdings** 1) US TIPS, 1/15/2026 (10.6%), 2) US TIPS, 4/15/2018 (9.3%), 3) US TIPS, 4/15/2020 (7.3%), 4) US TIPS, 1/15/2021 (7.0%), 5) US TIPS, 1/15/2028 (6.8%), 6) US TIPS, 4/15/2019 (6.4%), 7) US TIPS, 1/15/2023 (4.9%), 8) US TIPS, 7/15/2022 (4.7%), 9) US TIPS, 1/15/2026 (4.2%), 10) US TIPS, 1/15/2024 (2.8%).

**Large Blend****Adams Diversified Equity Fund (ADX)**

**Sector** ADX, with \$1.7 billion in net assets, invests primarily in U.S.-based (>95%) equities. Portfolio holdings are allocated across 11 sectors as follows: Materials (2.7%), Communications (4.9%), Consumer Cyclical (9.6%), Consumer Defensive (8.3%), Energy (6.7%), Financial (18.2%), Healthcare (14.4%), Industrials (8.9%), Real Estate (2.2%), Technology (21.1%), and Utilities (3.0%).

**Valuation** As of this report, ADX shares trade at a discount of 15.1%, with a market price of \$14.63. The current valuation is consistent with 1, 3, and 5 year average discounts of 16.1%, 15.2%, and 14.7%, respectively.

**Distribution** ADX pays distributions quarterly, with a current distribution yield (price) of 6.9%.

**Leverage** The fund makes use of securities lending, and maintains a very low leverage ratio of 1.6%. ADX's average daily trading volume over the last 3 months was 149K shares per day.

**Top 10 Holdings** 1) Apple Inc. (4.3%), 2) Microsoft Corp. (3.4%), 3) Alphabet Inc A & C (3.4%), 4) Facebook A (2.7%), 5) Adams Natural Resources Fund (2.6%), 6) Wells Fargo (2.6%), 7) Amazon (2.4%), 8) Comcast Corp. (2.3%), 9) Phillip Morris Intl. (2.3%), 10) Bank of America Corp. (2.0%).

**Large Value****Boulder Growth & Income (BIF)**

**Sector** BIF, with \$1.2 billion in net assets, invests primarily in U.S.-based (>85%) large-cap equities. Portfolio holdings are allocated across 11 sectors as follows: Materials (1.0%), Communications (0.3%), Consumer Cyclical (8.6%), Consumer Defensive (7.3%), Energy (7.1%), Financial (46.0%), Healthcare (8.2%), Industrials (6.3%), Real Estate (2.7%), Technology (11.4%) and Utilities (1.2%).

**Valuation** As of this report, BIF shares trade at a discount of 15.3%, with a market price of \$9.92. The current valuation is above 1, 3, and 5 year average discounts of 18.7%, 20.0%, and 20.7%, respectively.

**Distribution** BIF pays distributions monthly, with a current distribution yield (price) of 4.2%.

**Leverage** The fund makes use of a line of credit, maintaining a low leverage ratio of 3.9%. BIF's average daily trading volume over the last 3 months was 152K shares per day.

**Top 10 Holdings** 1) Berkshire Hathaway A (23.5%), 2) JP Morgan Chase (7.4%), 3) Berkshire Hathaway B (6.6%), 4) Wells Fargo & Co. (5.5%), 5) Chevron Corp. (5.6%), 6) Cisco Systems (5.1%), 7) Wal-Mart Stores (5.1%), 8) YUM Brands (5.0%), 9) SSB Loan (4.2%), 10) Caterpillar (4.2%).

**Multi-Sector Bond****BlackRock Multi-Sector Income Fund (BIT)**

**Sector** BIT, with \$750 million in net assets, invests primarily in U.S.-based (>70%) fixed income securities concentrated in the Corporate Bond (45.1%), Asset-Backed (22.0%), Other (29.8%) and Preferred stock (3.1%) sectors. Fixed income securities account for 90% of the portfolio, with the following credit breakdown: AAA (2.6%), AA (0.5%), A (4.8%), BBB (17.4%), BB (22.2%), B (18.2%), < B (25.1%), and Other (9.2%).

**Valuation** As of this report, BIT shares trade at a discount of 7.4%, with a market price of \$18.10. The current valuation is above 1 and 3 year average discounts of 9.3% and 11.3%, respectively.

**Distribution** BIT pays distributions monthly, with a current distribution yield (price) of 7.8%.

**Leverage** The fund makes use of reverse repurchase agreements, maintaining a leverage ratio of 36%. BIT's average daily trading volume over the last 3 months was 109K shares per day.

**Top 10 Holdings** 1) Aviron Capital LLC (2.3%), 2) Argentina (Republic of) (1.9%), 3) FHLT\_06-A-2A3 (1.3%), 4) Firststar Realty LLC (1.0%), 5) Bank of America (1.0%), 6) Goldman Sachs Group (1.0%), 7) Russian Federation (1.0%), 8) MSRR\_10-R5-7B (0.9%), 9) Wells Fargo & Co. (0.9%), 10) Macquerie Bank (0.9%).

**TCW Strategic Income Fund (TSI)**

**Sector** TSI, with \$283 million in net assets, invests primarily in U.S.-based (>90%) fixed income securities concentrated in the Asset-Backed (35.6%), Corporate Bond (24.2%), Other (28.4%) and Commercial Mortgage-Backed (11.8%) sectors. Fixed income securities account for 95% of the portfolio, with the following credit breakdown: AAA (20.2%), AA (9.4%), A (15.2%), BBB (16.4%), BB (6.9%), B (5.3%), and < B (26.6%).

**Valuation** As of this report, TSI shares trade at a discount of 4.2%, with a market price of \$5.70. The current valuation is above 1, 3, and 5 year average discounts of 8.4%, 9.1%, and 7.2%, respectively.

**Distribution** TSI pays distributions quarterly, with a current distribution yield (price) of 2.9%.

**Leverage** The fund does not use leverage. TSI's average daily trading volume over the last 3 months was 73K shares per day.

**Top 10 Holdings** 1) N/A.

**Municipal National Long****Eaton Vance Municipal Bond (EIM)**

**Sector** EIM, with \$934 million in net assets, invests primarily in U.S.-based (>95%) fixed income securities concentrated in the tax-exempt municipal sector (99%). Fixed income securities account for >95% of the portfolio, with the following credit breakdown: AAA (15.9%), AA (65.0%), A (17.4%), BBB (0.8%) and NR (0.9%).

**Valuation** As of this report, EIM shares trade at a discount of 7.5% at a market price of \$12.75. The current valuation is in line with 1, 3, and 5 year average discounts of 7.2%, 8.3%, and 6.7%, respectively.

**Distribution** EIM pays distributions monthly, with a current distribution yield (price) of 5.0%.

**Leverage** The fund makes use of Tender Option Bonds, maintaining a leverage ratio of 39%. EIM's average daily trading volume over the last 3 months was 118K shares per day.

**Top 10 Holdings** 1) San Joaquin CA Toll Rd (2.2%), 2) College of the Holy Cross (2.2%), 3) Dallas TX, Waterworks 7 Sewer (1.9%), 4) Ascension Health WI H&E (1.9%), 5) Miami-Dade Fla GO (1.9%), 6) Alabama Pub Sch & Coll AD (1.7%), 7) Kane Cook IL SD 46 GO (1.6%), 8) Virtua Hlth NJ HCFA (1.6%), 9) Houston TX (1.5%), 10) NYS Dormitory Auth. (1.5%).

**BlackRock MuniYield Quality II (MQT)**

**Sector** MQT, with \$312 million in net assets, invests primarily in U.S.-based (>95%) fixed income securities concentrated in the tax-exempt municipal sector (96%). Fixed income securities account for >95% of the portfolio, with the following credit breakdown: AAA (16.6%), AA (43.5%), A (25.7%), BBB (13.6%) and NR (0.6%).

**Valuation** As of this report, MQT shares trade at a discount of 3.4% at a market price of \$13.35. The current valuation is above 1, 3, and 5 year average discounts of 4.8%, 6.1%, and 5.3%, respectively.

**Distribution** MQT pays distributions monthly, with a current distribution yield (price) of 5.7%.

**Leverage** The fund makes use of Variable Muni-Term Preferred shares, maintaining a leverage ratio of 38%. MQT's average daily trading volume over the last 3 months was 40K shares per day.

**Top 5 Holdings** 1) TOB 4.428 REGTRN (2.6%), 2) Illinois Sports Facs Auth (2.3%), 3) North Tex Twy Auth Rev (2.2%), 4) Duval Cnty FL Sch Brd (1.6%), 5) TOB 2.91 MIAUTL (1.6%).

## Preferred List - Fund Summaries

### Municipal National Long

#### **BlackRock MuniHoldings Quality II (MUE)**

**Sector** MUE, with \$318 million in net assets, invests primarily in U.S.-based (>90%) fixed income securities concentrated in the taxable and tax-exempt municipal sector (>95%). Fixed income securities account for >95% of the portfolio, with the following credit breakdown: AAA (20.5%), AA (36.1%), A (37.1%), and BBB (6.3%).

**Valuation** As of this report, MUE shares trade at a discount of 1.4% at a market price of \$13.93. The current valuation is above 1, 3, and 5 year average discounts of 4.2%, 6.7%, and 5.5%, respectively.

**Distribution** MUE pays distributions monthly, with a current distribution yield (price) of 5.6%.

**Leverage** The fund makes use of Variable Muni-Term Preferred shares, maintaining a leverage ratio of 38%. MUE's average daily trading volume over the last 3 months was 52K shares per day.

**Top 5 Holdings** 1) Driver MIA (2.6%), 2) North Tex Twy Auth Rev 2040 (2.6%), 3) North Tex Twy Auth Rev 2030 (2.2%), 4) Chicago ILL O Hare Intl (2.1%), 5) Driver CLASCD (2.1%).

### Preferred Stock

#### **Nuveen Preferred Income Opportunities Fund (JPC)**

**Sector** JPC, with \$1.1 billion in net assets, invests primarily in U.S.-based (>80%) preferred/fixed income and equity securities concentrated in the Preferred Stock/Bond (90%), and Equity (10%) sectors. Preferred/fixed income securities account for approximately 90% of the portfolio, with the following credit breakdown: A (4.1%), BBB (44.7%), BB (38.4%), B (4.0%) and NR (8.8%).

**Valuation** As of this report, JPC shares trade at a discount of 3.0%, with a market price of \$10.46. The current valuation is above 1, 3, and 5 year average discounts of 4.8%, 7.6%, and 7.5%, respectively.

**Distribution** JPC pays distributions monthly, with a current distribution yield (price) of 7.5%.

**Leverage** The fund makes use of a bank loan, maintaining a leverage ratio of 29%. DFP's average daily trading volume over the last 3 months was 270K shares per day.

**Top 10 Holdings** 1) Citigroup: Taxable Debt (3.6%), 2) JP Morgan Chase: Taxable Debt (3.4%), 3) Wells Fargo: Taxable Debt (3.3%), 4) Bank of America: Taxable Debt (3.2%), 5) Land O Lakes: Debt (2.8%), 6) General Electric Capital Corporation (2.8%), 7) CoBank Agric. Cr.: Taxable Debt (2.5%), 8) Morgan Stanley: Taxable Debt (2.3%), 9) CHS Inc.: Debt (2.2%), 10) Federal Farm Credit Bank: Taxable Debt (2.0%).

### Small Blend

#### **Royce Value Trust (RVT)**

**Sector** RVT, with \$1.3 billion in net assets, invests primarily in U.S.-based (>75%) small-cap equities. Portfolio holdings are allocated across 11 sectors as follows: Materials (8.1%), Communications (0.5%), Consumer Cyclical (12.0%), Consumer Defensive (3.5%), Energy (4.4%), Financial (12.8%), Healthcare (4.4%), Industrials (32.3%), Real Estate (3.6%), Technology (18.2%) and Utilities (0.1%).

**Valuation** As of this report, RVT shares trade at a discount of 10.0%, with a market price of \$14.97. The current valuation is above 1, 3, and 5 year average discounts of 13.7%, 13.5%, and 12.9%, respectively.

**Distribution** RVT pays distributions quarterly, with a current distribution yield (price) of 7.5%.

**Leverage** The fund makes use of a line of credit, maintaining a low leverage ratio of 5.0%. RVT's average daily trading volume over the last 3 months was 222K shares per day.

**Top 10 Holdings** 1) Coherent (1.7%), 2) HEICO Corp. (1.4%), 3) Cognex Corp. (1.3%), 4) Quaker Chemical (1.1%), 5) Ash Grove Cement (1.0%), 6) Copart (1.0%), 7) MarketAccess Holdings (1.0%), 8) E-L Financial (1.0%), 9) RBC Bearings (0.9%), 10) Manpower Group (0.9%).

### World Allocation

#### **Eaton Vance Tax-Advantaged Global Dividend Income Fund (ETG)**

**Sector** ETG, with \$1.4 billion in net assets, invests primarily in European (50%), large-cap equities. ETG's assets are allocated as follows: Equity (78%), Preferred (9%), Bond (10%), and Other (3%). Equity holdings are distributed across 11 sectors as follows: Materials (2.5%), Communications (7.3%), Consumer Cyclical (14.9%), Consumer Defensive (6.4%), Energy (4.3%), Financial (25.5%), Healthcare (8.1%), Industrials (11.4%), Real Estate (0.7%), Technology (7.7%) and Utilities (11.2%).

**Valuation** As of this report, ETG shares trade at a discount of 3.4%, with a market price of \$17.42. The current valuation is above 1, 3, and 5 year average discounts of 8.0%, 8.0%, and 7.1%, respectively.

**Distribution** ETG pays distributions monthly, with a current distribution yield (price) of 7.2%.

**Leverage** The fund makes use of a notes payable, maintaining a leverage ratio of 24%. ETG's average daily trading volume over the last 3 months was 178K shares per day.

**Top 10 Holdings** 1) iShares US Preferred Stock ETF (2.3%), 2) Fortum OYJ (2.2%), 3) Intercontinental Hotels Group (2.1%), 4) Zurich Insurance Group (2.0%), 5) Alphabet Inc. (1.9%), 6) Swedbank AB (1.9%), 7) Swisscom AG (1.9%), 8) Sampo OYJ (1.8%), 9) Skandinaviska Enskilda Banken AB (1.8%), 10) Swiss Re AG (1.7%).

### World Bond

#### **Western Asset Global Corporate Defined Opportunity Fund (GDO)**

**Sector** GDO, with \$285 million in net assets, is a global bond fund that invests primarily in corporate bonds (75%), both investment and non-investment grade. Fixed income securities account for >95% of the portfolio, with the following credit breakdown: AAA (2.8%), AA (2.4%), A (18.5%), BBB (42.3%), BB (20.1%), B (11.4%), <B (2.4%) and Other (0.1%).

**Valuation** As of this report, GDO shares trade at a discount of 6.0%, with a market price of \$18.06. The current valuation is above 1, 3, and 5 year average discounts of 7.7%, 9.6% and 8.5%, respectively.

**Distribution** GDO pays distributions monthly, with a current distribution yield (price) of 7.7%.

**Leverage** The fund makes use of a bank loan, maintaining a leverage ratio of 23%. GDO's average daily trading volume over the last 3 months was 35K shares per day.

**Top 10 Holdings** 1) JP Morgan Chase (2.3%), 2) Telecom Italia SpA (1.6%), 3) Barclays (1.3%), 4) Charter Comm. Opt. (1.2%), 5) Brinker Intl. (1.1%), 6) Sprint Spectrum (1.1%), 7) Sprint Corp. (1.0%), 8) ING Bank NV (1.0%), 9) Wachovia Cap Trust III (1.0%), 10) Goldman Sachs Group (0.9%).













US CE World Bond

Western Asset Glb Corp Def Opp: Metrics				Total Return and Valuation						Fixed Income Allocation				Equity Allocation		Fixed Income Credit Quality			
Ticker	GDO	Fund Size (mm)	285.1	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Bond Sectors		Muni Sectors		Sectors	Rating Allocation					
Mkt Price	18.06	Shares Out. (mm)	14.9	GDO - TR (Price)	8.16	13.02	6.50	6.45	N/A	Agency Mortgage Backed	0.0%	Adv. Refunded	0.0%	Basic Materials	0.0%	AAA	2.8%	BB	20.1%
NAV	19.22	Avg Daily Vol (3 Mo)	35,013	GDO - TR (NAV)	6.45	10.59	4.62	6.92	N/A	Asset Backed	0.4%	Appr. Tobacco	0.0%	Communications	0.0%	AA	2.4%	B	11.4%
Prem/Disc	-6.04	Div. Distr. Freq.	Monthly	BBgBarc US Agg Bond TR USD	2.27	-0.31	2.48	2.21	N/A	Bank Loan	0.0%	Education	0.0%	Consumer Cyclical	0.0%	A	18.5%	<B	2.4%
P/D (12 Mo Avg)	-7.42	Latest Dvd.	0.1135	US CE World Bond (Price)	11.10	13.06	3.97	3.57	N/A	Commercial Mortgage Backed	0.3%	Gen. Obligation	0.0%	Consumer Defensive	0.0%	BBB	42.3%	NR	0.1%
Inception Date	11/24/2009	Expense Ratio	1.64	US CE World Bond (NAV)	7.67	8.26	2.08	3.66	N/A	Convertible	0.9%	Health	0.0%	Energy	0.0%	Asset Allocation			
Total Lvg. Ratio	22.5	Mgmt. Fee	1.04	(3-, 5-, & 10 yr TR figures are annualized)						Corporate Bond	75.4%	Housing	0.0%	Financial Services	0.0%	US Equity	0.0%	Conv. Bond	1.4%
<b>Duration</b>	<b>Distr. Yld. (Price)</b>	<b>Discount / Premium</b>		<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>		Covered Bond	0.0%	Industrial	0.0%	Healthcare	0.0%	Non-US Equity	0.0%	Cash	18.1%	
Avg. Eff. Dur.	6.50	Inc-Only Yld. %	7.65	GDO - High	-5.74	-5.74	1.00	N/A	Government	3.8%	Misc. Rev.	0.0%	Industrials	0.0%	US Bond	40.9%	Other	0.9%	
Lvg-Adj. Eff. Dur.	8.42	Inc. & C.G. Yld. %	7.65	GDO - Low	-11.38	-15.28	-15.28	N/A	Government Related	0.4%	Transportation	0.0%	Real Estate	0.0%	Non-US Bond	35.7%	# of Equity Hldgs	-	
Comments:		Total Distr. Yld. %	7.65	GDO - Average	-7.70	-9.58	-8.53	N/A	Municipal Tax-Exempt	0.0%	Utilities	0.0%	Technology	0.0%	Preferred Stk	3.0%	# of Bond Hldgs	316	
									Other	18.8%	Water/Sewer	0.0%	Utilities	0.0%	# of Other Hldgs	37			
									Preferred Stock	0.0%					Firm Name:	Legg Mason			

**CEF Investment Strategies and Category Descriptions (Preferred List Only):** (Information reflects most current data available as provided by Morningstar (1))

Ticker	Fund Name	MS Category	Investment Strategy	Category Description
HTD	JH Tax-Advantaged Dividend Inc	US CE Allocation—50% to 70% Equity	The Funds investment objective is to provide a high level of after-tax total return from dividend income and capital appreciation. Under normal market conditions, the Fund will invest at least 80% of its assets in dividend-paying common and preferred securities that John Hancock Advisers, LLC believes at the time of acquisition are eligible to pay dividend, which for individual shareholders, qualify for U.S. federal income taxation at rates applicable to long-term capital gains, which are taxed at a maximum rate of 15%. The Fund intends to concentrate in securities issued by U.S. corporations in the related groups of industries comprising each of the utilities sector and the financial services sector.	Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 50% and 70%.
TY	Tri-Continental Corporation	US CE Allocation—70% to 85% Equity	The Fund will seek to produce future growth of both capital and income, while providing reasonable current income (i.e. from fixed-income securities). There are no Charter restrictions with respect to the Funds investments. The Fund may invest up to 15% of its net assets in illiquid and/ or restricted securities. Additionally, the Fund may invest in Commercial Paper, CDs and other securities of foreign issuers directly or through the use of ADRs, ADSs, EDRs, or GDRs. Supplement to the prospectus, dated 1-May-2006, the Corporation may also invest up to 10% of its assets in equity-linked securities as part of its overall investment strategy.	Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 70% and 85%.
BHK	BlackRock Core Bond	US CE Corporate Bond	The Trust seeks current income, current gains and capital appreciation. Normally, it will invest at least 80% of its total assets in credit-related securities, including, but not limited to, investment grade corporate bonds, high yield bonds, bank loans, preferred securities or convertible bonds or derivatives with economic characteristics similar to these credit-related securities.	Corporate Bond portfolios concentrate on bonds issued by corporations. These tend to have more credit risk than government or agency-backed bonds. These portfolios hold more than 65% of their assets in corporate bonds, hold less than 40% of their assets in foreign bonds, less than 35% in high yield bonds, and have an effective duration of more than 75% of the Morningstar Core Bond Index.
BTZ	BlackRock Credit Allocation Inc	US CE Corporate Bond	Seeks to achieve its investment policy by investing primarily in a diversified portfolio of investment grade bonds. Portfolio will include corporate bonds, U.S. government and agency securities and mortgage-related securities. At least 75% of its total assets will be invested in investment grade bonds. Up to 25% of its total assets may be invested in bonds that at the time investment are rated Ba/BB or below. Up to 10% of its total assets may be invested in bonds issued in foreign currencies.	Corporate Bond portfolios concentrate on bonds issued by corporations. These tend to have more credit risk than government or agency-backed bonds. These portfolios hold more than 65% of their assets in corporate bonds, hold less than 40% of their assets in foreign bonds, less than 35% in high yield bonds, and have an effective duration of more than 75% of the Morningstar Core Bond Index.
PEO	Adams Natural Resources Fund	US CE Equity Energy	Preservation of capital, attainment of reasonable and dependable investment income and capital appreciation by investing at least 80% of assets in companies engaged in petroleum or natural resources or related industries, and at least 25% in the petroleum industry.	Equity energy portfolios invest primarily in equity securities of U.S. or non-U.S. companies who conduct business primarily in energy-related industries. This includes and is not limited to companies in alternative energy, coal, exploration, oil and gas services, pipelines, natural gas services, and refineries.
GRX	Gabelli Health & Wellness	US CE Health	The Healthcare Trust will invest at least 80% of its assets, plus borrowings made for investment purposes, in equity securities such as common stock and preferred stock and income producing securities, such as fixed income debt securities and securities convertible into common stock, of domestic and foreign companies in the healthcare and wellness industries. The remaining 20% of its assets may be invested in other securities, including stocks, debt obligations and money market instruments, as well as certain derivative instruments in the healthcare and wellness industries or other industries.	Health portfolios focus on the medical and health-care industries. Most invest in a range of companies, buying everything from pharmaceutical and medical-device makers to HMOs, hospitals, and nursing homes. A few portfolios concentrate on just one industry segment, such as service providers or biotechnology firms.
HYB	New America High Income Fund	US CE High Yield Bond	To provide high current income while preserving capital through investment in a diversified portfolio of high-yield fixed-income securities rated in the lower categories by established rating agencies. The portfolio consists primarily of fixed-income securities rated BB / Ba or lower. It has a leveraged capital structure.	High-yield bond portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. These portfolios primarily invest in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.
HYT	BlackRock Corp High Yield	US CE High Yield Bond	The primary investment objective is to seek current income, but it also seeks to provide stockholders with capital appreciation. Under normal market conditions, it will invest at least 80% of its total assets in high yield debt instruments, including high yield bonds and high yield corporate loans which are rated in the lower rating categories of the established rating services (Ba or lower by Moodys or BB or lower by S&P) or are unrated securities of comparable quality. It may invest in debt instruments of any maturity. It may invest without limitation in financial instruments of issuers domiciled outside the U.S. or that are denominated in various foreign currencies and multinational foreign currency units. Up to 15% of its total assets may be invested in corporate loans extended to borrowers by commercial banks or other financial institutions. These loans may be below investment grade. It may invest up to 15% of its total assets in convertible debt securities and up to 15% of its total assets in preferred securities, which are rated below investment grade. Up to 10% of its total assets may be invested in high-yield securities, including Corporate Loans purchased in the secondary market, which are the subject of bankruptcy proceedings.	High-yield bond portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. These portfolios primarily invest in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.

Ticker	Fund Name	MS Category	Investment Strategy	Category Description
BLW	BlackRock Limited Duration Inc	US CE High Yield Bond	The Fund's investment objective is to provide current income and capital appreciation. Normally, it will have average portfolio duration of less than five years (including the effect of anticipated leverage), although it may be longer at any time or time depending on market conditions. The Fund will invest primarily in three distinct asset classes: 1) intermediate duration, investment grade corporate bonds, mortgage-related securities and asset-backed securities and U.S. government and agency securities; 2) Senior Loans, and; 3) Non-investment grade bonds. It is anticipated that approximately 70% of its initial portfolio will consist of below investment grade debt securities. There is no limit for U.S. denominated securities of U.S. and non-U.S. issuers. Up to 20% may be invested in non-U.S. denominated securities in emerging markets.	High-yield bond portfolios concentrate on lower-quality bonds, which are riskier than those of higher-quality companies. These portfolios generally offer higher yields than other types of portfolios, but they are also more vulnerable to economic and credit risk. These portfolios primarily invest in U.S. high-income debt securities where at least 65% or more of bond assets are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.
WIA	Western/Claymore Infl-Lnk'd Securities	US CE Inflation-Protected Bond	Under normal market conditions, the Fund will invest in: 1. At least 80% of its total managed assets in inflation-linked securities; 2. At least 60% of its total managed assets in U.S. TIPS; and 3. No more than 40% of its total managed assets in non-U.S. dollar investments, which gives the Fund the flexibility to invest up to 40% of its total managed assets in non-U.S. dollar inflation-linked securities. It is also expected that the Fund will make expanded use of credit default swaps.	Inflation-protected bond portfolios invest primarily in debt securities that adjust their principal values in line with the rate of inflation. These bonds can be issued by any organization, but the U.S. Treasury is currently the largest issuer for these types of securities.
ADX	Adams Diversified Equity Fund	US CE Large Blend	Preservation of capital, attainment of reasonable income and opportunity for capital appreciation.	Large-blend portfolios are fairly representative of the overall U.S. stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 Index.
BIF	Boulder Growth & Income	US CE Large Value	The Fund seeks to produce both long-term capital appreciation through investment in common stocks and income from investment in both dividend paying common stocks and fixed income securities. The Fund typically invests in securities of US-based companies. The Fund expects to invest, under normal market conditions, approximately 75% of its assets in publicly traded common stocks. The Fund must invest at least 25% of its assets in real estate related companies instead of solely in REITs and related companies.	Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).
BIT	BlackRock Multi-Sector Income	US CE Multisector Bond	The Fund seeks to achieve its objective through investment of at least 80% of its Managed Assets in loan and debt instruments and other investments with similar economic characteristics (collectively "fixed income securities"). These securities include mortgage related securities, asset-backed securities, U.S. government and agency securities and loans and loan participations, among other instruments. It normally invests at least 25% of total assets in mortgage related securities. The Fund may invest up to 20% of its Managed Assets in securities other than fixed income securities.	Multisector-bond portfolios seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, U.S. corporate bonds, foreign bonds, and high-yield U.S. debt securities. These portfolios typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.
TSI	TCW Strategic Income	US CE Multisector Bond	The Fund's investment objective is to seek a total return comprised of current income and capital appreciation by investing in convertible securities, marketable equity securities, investment-grade debt securities, high-yield debt securities, options, securities issued or guaranteed by the United States Government, its agencies and instrumentalities, repurchase agreements, mortgage related securities, asset-backed securities, money market securities and other securities.	Multisector-bond portfolios seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, U.S. corporate bonds, foreign bonds, and high-yield U.S. debt securities. These portfolios typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.
EIM	EV Municipal Bond	US CE Muni National Long	To provide current income exempt from federal income tax, including alternative minimum tax. Under normal market conditions, the Fund is required to invest at least 80% of net assets in municipal obligations rated A or better by Moodys, S&P or Fitch. The interest on which is exempt from federal income tax, including alternative minimum tax. These municipal obligations are of the highest investment grade at the time of investment or, if unrated, determined by Eaton Vance to be of comparable quality. Up to 20% of its assets may be invested in investment-grade municipal obligations (rated below Aaa/AAA, but no lower than Baa/BBB) and unrated municipal obligations considered to be of comparable quality and/or municipal obligations that are uninsured. There is no intention to invest in obligations rated below investment grade. Various kinds of financial futures contracts and related options may be purchased and sold to seek to hedge against changes in interest rates or for other risk management purposes.	Muni national long portfolios invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of more than 7.0 years (or, if duration is unavailable, average maturities of more than 12 years).
MQT	BlackRock MuniYield Quality II	US CE Muni National Long	To provide as high a level of current income exempt from federal income taxes by investing at least 80% of its net assets (including preferred stock), plus the amounts of any borrowings for investment purposes, in a portfolio of municipal bonds the interest on which is excludable from gross income for Federal income tax purposes. It invests in a portfolio of municipal bonds which are rated in the three highest quality rating categories (A or better) or, if unrated, are considered by the Investment Adviser to be of comparable quality. It may invest in certain tax exempt securities classified as private activity bonds.	Muni national long portfolios invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of more than 7.0 years (or, if duration is unavailable, average maturities of more than 12 years).
MUE	BlackRock MuniHoldings Qty II	US CE Muni National Long	To provide shareholders with as high a level of current income exempt from federal income taxes by investing primarily in a portfolio of long-term, investment-grade municipal obligations, the interest on which is exempt from federal income tax.	Muni national long portfolios invest in bonds issued by various state and local governments to fund public projects. The income from these bonds is generally free from federal taxes. To lower risk, these portfolios spread their assets across many states and sectors. These portfolios have durations of more than 7.0 years (or, if duration is unavailable, average maturities of more than 12 years).



Ticker	Fund Name	MS Category	Investment Strategy	Category Description
JPC	Nuveen Pref Income Opps Fund	US CE Preferred Stock	The Fund seeks total return by investing in a portfolio of preferred and other income-producing securities issued by U.S. and non-U.S. companies. Under normal market conditions, the Fund invests at least 80% of its Managed Assets in preferred securities, including traditional preferred stock, hybrid and trust preferred securities that have characteristics of both equity and debt securities, convertible securities, subordinated debt and senior debt. The Fund may invest up to 100% of its Managed Assets in securities of U.S. companies, and may also invest up to 100% of its Managed Assets in securities of non-U.S. companies.	Preferred stock portfolios concentrate on preferred stocks and perpetual bonds. These portfolios tend to have more credit risk than government or agency backed bonds, and effective duration longer than other bond portfolios. These portfolios hold more than 65% of assets in preferred stocks and perpetual bonds.
RVT	Royce Value Trust	US CE Small Blend	The Fund's primary investment objective is long-term capital appreciation, that it will seek to achieve by normally investing more than 65% of its assets in common stocks, convertible preferred stock and convertible debentures. Current income is a secondary investment objective. Royce Value Trust, Inc.'s portfolio includes common stocks, preferred stocks, corporate bonds and repurchase agreements. The Fund invests in various sectors, including technology, industrial products, industrial services, financial intermediaries, natural resources, financial services, health, consumer services, consumer products, utilities and diversified investment companies.	Small-blend portfolios favor U.S. firms at the smaller end of the market-capitalization range. Some aim to own an array of value and growth stocks while others employ a discipline that leads to holdings with valuations and growth rates close to the small-cap averages. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.
ETG	EV Tax Adv Global Dividend Inc	US CE World Allocation	The Funds investment objective is to provide a high level of after-tax total return consisting primarily of tax-advantaged dividend income and capital appreciation. Under normal market conditions, the Fund will invest at least 80% of its total assets in dividend-paying common and preferred stocks. The Fund may invest in common and preferred stocks of both domestic and foreign issuers. The Fund may invest up to 30% of its total assets in securities rated below investment grade.	World-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. While these portfolios do explore the whole world, most of them focus on the U.S., Canada, Japan, and the larger markets in Europe. They should have less than 50% of their assets in emerging markets. These portfolios typically have at least 10% of assets in bonds, less than 70% of assets in stocks, and at least 40% of assets in non-U.S. stocks or bonds.
GDO	Western Asset Glb Corp Def Opp	US CE World Bond	The Fund seeks to achieve its investment objectives by investing, under normal market conditions, at least 80% of its Managed Assets in a portfolio of US and foreign corporate fixed income securities of varying maturities. Under normal market conditions, the Fund will invest at least 40% of its Managed Assets in fixed income securities of foreign issuers organized or having a principal place of business outside the United States, the Fund may also invest up to 35% of its Managed Assets in fixed income securities of below investment grade quality.	World-bond portfolios invest 40% or more of their assets in foreign bonds. Some world-bond portfolios follow a conservative approach, favoring high-quality bonds from developed markets. Others are more adventurous and own some lower-quality bonds from developed or emerging markets. Some portfolios invest exclusively outside the U.S., while others regularly invest in both U.S. and non-U.S. bonds.

Additional information is available upon request.

Prices of stocks mentioned: N/A

### **Analyst Certification**

I, Wesley C. Roberts, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject closed-end fund(s) and their securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

### **Important Disclosures**

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Risk factors vary from fund to fund. Not every risk factor below will pertain to each fund. Based on these risk factors, not every fund may be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances.

A closed-end fund has both a net asset value (NAV) and a price, and these two values may differ. A closed-end fund's NAV is the total value of the securities in the portfolio minus any liabilities, divided by the fund's number of common shares outstanding. The fund's price is the market value at which the fund trades on an exchange. Changes in investor demand for a particular closed-end fund may cause the fund to trade at a price greater (lower) than the NAV; in that case the fund is trading at a premium (discount) to its NAV. Since a fund's premium or discount to its NAV may narrow or widen, a closed-end fund's price return may differ from its NAV return.

Investments that are concentrated in a specific sector or industry may be subject to a higher degree of market risk than investments that are more diversified. Investments concentrated in specific industries or sectors increases risk associated with any single economic, political, or regulatory development. This may result in greater price volatility.

The use of leverage may cause a Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. This may cause a Fund to be more volatile, which may increase the risk of investment loss.

Investing in fixed income securities involves certain risks such as market risk if sold prior to maturity and credit risk especially if investing in high yield bonds, which have lower ratings and are subject to greater volatility. All fixed income investments may be worth less than original cost upon redemption or maturity. Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any will be subject to taxes.

High-yield bonds typically have a lower credit rating than other bonds and generally involve a greater risk to principal than higher rated bonds.

Bank loans are subject to interest rate and credit risk. In addition, these funds are exposed to other loan-specific risks. These funds typically invest in companies that are below investment grade. Investors should consider these and other risks before investing.

There are special risks associated with investing in preferred securities. Preferred securities generally offer no voting rights with respect to the issuer. Preferred securities are generally subordinated to bonds or other debt instruments in an issuer's capital structure, subjecting them to a greater risk on non-payment than more senior securities. In addition, the issue may be callable which may negatively impact the return of the security. Preferred dividends are not guaranteed and are subject to deferral or elimination.

Income for some investors may be subject to the federal Alternative Minimum Tax (AMT).

Certain funds may use derivative instruments for hedging purposes or as part of their investment strategy. Use of these instruments may involve certain costs and risks such as liquidity risk (the risk that illiquid securities may not be able to be sold at an advantageous time or price), interest rate risk (the risk that the value of fixed-income securities will decline if interest rates rise), market risk (the risk that the market price of securities may go up or down, sometimes rapidly or unpredictably), credit risk (the risk that the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, may be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations), management risk (the risk that investment management decisions may not produce the desired results) and the risk that a fund could not close out a position when it would be most advantageous to do so. Portfolios investing in derivatives could lose more than the principal amount invested in those instruments.

Total returns assume reinvestment of all distributions, including dividends and capital gains. Reinvestment does not assure a profit or protect against a loss in declining markets. Total returns do not include commissions, fees, other transaction variables or the effects of taxation. Past performance does not guarantee or predict future results.

Certain funds may use options. Options investing involves a number of inherent risks and is not suitable for everyone.

Liquidity will vary among funds; certain funds may be thinly traded.

Distributions are not guaranteed and are subject to change or elimination.

All figures are subject to market fluctuation and change.

Hilliard Lyons customers own at least 5% of the outstanding share of Western Asset Global Corporate Defined Opportunity Fund (GDO).

### Investment Ratings

**Preferred** - We believe the closed-end fund is an attractive holding in its sector, and expect solid returns to be realized over a longer time frame, typically 2-3 years.

**Neutral** - We believe the closed-end fund is an average holding in its sector, is currently fairly valued, and may be used as a source of funds if better opportunities arise.

**Sell** - We believe the closed-end fund is vulnerable to a price decline and that better alternatives exist within the sector/category.

Individual fund ratings may also reflect risks, such as event, situational, and/or economic, specific to a fund and/or sector.

Funds may employ leverage to enhance returns. Derivatives may be used to hedge risk and/or generate current income.

Ratings are also based on other factors, including, but not limited to, a fund's holdings, leverage, duration, credit quality, and investment strategy.

### Volatility Ratings

**NAV Volatility (NV1) / Price Volatility (PV1) – Below Average Volatility**

**NAV Volatility (NV2) / Price Volatility (PV2) – Average Volatility**

**NAV Volatility (NV3) / Price Volatility (PV3) – Above Average Volatility**

**NAV Volatility (NV4) / Price Volatility (PV4) – High Volatility**

**NAV Volatility (NV5) / Price Volatility (PV5) – Speculative**

Closed-end funds often invest in a broad range of asset categories and are assigned to over 100 Morningstar categories/classifications, which makes performing volatility/risk comparisons between funds difficult, particularly when relying solely on asset allocations or portfolio structures. This, combined with differences in NAV and Price volatility, portfolio leverage, as well as liquidity risk, led us to search for a simple metric by which to assess comparative volatility/risk. **Our volatility rating reflects a scoring framework which compares individual CEF volatility (as measured by the standard deviation of monthly total returns, annualized) against a "hypothetical" benchmark portfolio (Benchmark) comprised of 3 primary asset classes: Equities (45%), Bonds (50%), and Cash (5%).** More specifically, the following asset sub-categories are used to construct the benchmark: 1) Equities, 2) Corporate securities, 3) Asset-backed securities, 4) Treasuries, 5) Federal agencies, 6) Mortgage-related, 7) Municipal bonds, and 8) Money market. Benchmark asset weightings are determined using historical data on total U.S. equity and debt outstanding (\$ billions), by sub-category, as provided by the Securities Industry and Financial Markets Association (SIFMA). We calculate our Benchmark volatility score by assigning our asset weighting %'s to those market indices we believe provide a broad representation of each asset category. For example, we use the S&P 500 Index (SPX) to represent the equity portion of our benchmark portfolio. From this information, we compute a weighted total return volatility measure for the benchmark over a 5 year period, which we then compare to the same metric for individual funds. Based on this comparison, we categorize each fund according to the volatility table framework provided in this report.

By constructing a hypothetical, broad-based benchmark portfolio, it is our view we are providing a tool that offers investors useful information in making capital allocation decisions based on their level of risk tolerance and the risk profile of their existing portfolio. We note that, while proper asset allocations vary based on individual investor time horizon and risk tolerance, among other factors, it is our belief that this revised framework provides a simple metric by which investors may gauge a fund's overall volatility/risk potential relative to a broad basket of asset categories. We caution investors that data used to support our calculations is historical, and as such, should not be considered predictive. It provides an average of total return volatility based on monthly data for the time periods measured, which may or may not provide an accurate representation of future volatility. Furthermore, our volatility ratings incorporate NAV and Price total return volatility only, and as such, may not fully incorporate other risks, such as, but not limited to, credit, liquidity, leverage, market, or event risk. Finally, this rating framework may not establish/reflect suitability for all clients.

As of this report, the annualized volatility score for our benchmark portfolio was approximately 60% of the volatility of the SPX over the same period. **Our benchmark is rated as Average Volatility (PV2 and NV2).**

## **Closed-End Funds - Analysis and Methodology**

Our "Preferred" list of CEFs are those funds we consider attractive for investors seeking exposure to a specific asset class or sector within the closed-end fund product space. Our pool of potential candidates for the Preferred list will be derived from the approximately 500 CEFs currently tracked in our Morningstar database. We will also provide "Neutral" and "Sell" lists derived from funds as they move off of our Preferred list of funds (more discussion below).

### **Analysis**

The metrics used for the evaluation of individual funds will be similar to our prior methodology. We will continue to analyze a multitude of factors in determining whether a CEF, in our opinion, is appropriate for client portfolios and, therefore, inclusion on our Preferred list. Funds will be screened, ranked and evaluated using a variety of metrics, both quantitative and qualitative. The evaluation will include comparing peer funds within individual CEF categories, selecting those we consider most attractive given a range of criteria. The criteria include, but are not limited to, valuation (discounts/premiums), NAV returns, leverage, historical volatility, portfolio quality, distribution and earnings rates, liquidity, investment strategy, etc.

### **Ratings**

CEFs included on our lists will not be designated as Buy, Long-term Buy, Neutral, or Underperform, as under the prior format. Instead, CEFs placed on the Preferred list are considered appropriate to purchase for those investors seeking the investment exposure provided by the individual fund. As funds are removed from the Preferred List, they will be classified as either "Neutral" or "Sell". The Neutral list will include those funds that have valuations or other characteristics that are not as attractive as those currently on the Preferred List, but are still worthy of maintaining existing positions, in our view. CEFs on the Sell List represent those funds that, in our opinion, either have an unattractive valuation or, other distinguishing characteristics that make them unsuitable for inclusion in client portfolios (please see page 19). In addition to the List designations, we will also provide individual CEF risk profiles, in the form of volatility ratings, similar to the prior methodology.

### **Volatility Ratings**

Suitability ratings based on individual CEF asset allocations will be replaced with a Volatility rating based on monthly total return data. The revised rating framework, which will include codes for both NAV (NV1-NV5) and Price (PV1-PV5) return volatility, compares individual CEF volatility to a "hypothetical" benchmark portfolio comprised of 8 asset sub-categories derived from the 3 primary asset classes of equities, bonds, and cash. We strongly encourage investors to review our detailed description of the framework on the prior page under "Volatility Ratings" in order to gain a better understanding of how this tool may assist in selecting appropriate funds based on investor risk tolerance.

### **Sectors**

**Though many fund sectors/categories (as classified by Morningstar) may be included on the Preferred list, their inclusion/exclusion does not represent a "sector bet", it is simply our attempt to provide a broad selection of investment sectors/alternatives in order to assist our clients in meeting their investment objectives.** The number of available funds within each sector classification varies widely, with some categories having only one fund, while others, such as the Municipal Long category, having over 60 individual CEFs. Consequently, certain sector classifications may have multiple funds on our Preferred List, while others may have one or none.

### **CEF Investment Strategy and Category Descriptions**

In order to provide a more complete understanding of both individual CEF strategies and Category classifications, we have included tables for our "Preferred List" selections that provide descriptions of each with the goal of assisting investors with their capital allocation decisions.

### **Liquidity**

**As in the past, we caution investors that many closed-end funds are thinly-traded. Consequently, we strongly recommend limit orders when placing trades.** Each fund on the Preferred list has average daily volume listed in their respective detail table, which we encourage investors to consider before making portfolio allocation decisions. The **Z-score** incorporates fund/sector "valuation volatility" (as measured by standard deviation) in CEF and sector comparisons. Simply put, a Z-score is the difference between a fund's current discount/premium and its average discount/premium over a chosen time period, divided by the standard deviation over the same period. The z-score is a simple metric that permits easier fund to fund comparisons by employing standard deviation, which in our view provides greater clarity when attempting to determine the level of under/over-valuation, statistically, for a given fund or sector.

For example, if fund A is trading 15% below its net asset value, it may appear more undervalued, on an absolute basis, when compared to peer fund B trading at a 10% discount. However, if Fund A has a Z-score of -1 while fund B has a Z-score of -2, an investor could justifiably conclude that fund B is statistically more undervalued since it trades 2 standard deviations below its average valuation for a given measurement period. Based on our review of historical data for the past 5 years, a fund/sector z-score of +/- 2 typically reflects a valuation that is near the top or bottom of its valuation range for the period measured. For this reason, we consider fund scores of -2 or less to be statistically undervalued, while scores equal to or above 2 would be viewed as statistically overvalued for the time periods measured.

**Other Disclosures**

Opinions expressed do not take into account the particular investment objectives, financial situation or needs of individual investors. Employees of J.J.B. Hilliard, W.L. Lyons, LLC or its affiliates may, at times, release written or oral commentary, technical analysis or trading strategies that differ from the opinions expressed here.

J.J.B. Hilliard, W.L. Lyons, LLC is a multi-disciplined financial services firm that regularly seeks investment banking assignments and compensation from issuers for services including, but not limited to, acting as an underwriter in an offering or financial advisor in a merger or acquisition, or serving as placement agent in private transactions. In addition, J.J.B. Hilliard, W.L. Lyons, LLC acts as a fund administrator for DNP Select Income Fund (DNP), DTF Tax-Free Income Fund (DTF), and Duff & Phelps Utility and Corporate Bond Fund (DUC), and may seek additional fund administration business. The Research Department does not currently provide research coverage on companies for which it provides fund administration services.

The information herein has been obtained from sources we believe to be reliable but is not guaranteed and does not purport to be a complete statement of all material factors. This is for informational purposes and is not a solicitation of orders to purchase or sell securities. Reproduction is forbidden unless authorized. Please consult your tax or financial consultants before taking any action that may have tax consequences. All rights reserved.

Hilliard Lyons sells mutual funds that may be part of the same fund families as the closed end funds described. In addition to the compensation received from the sale of mutual funds, distributors, investment advisers or other entities affiliated with mutual funds ("sponsors") may make payments to Hilliard Lyons to support our training, back office operations, educational presentations and sales support activities provided to our Financial Consultants. These payments are generally referred to as revenue sharing payments. The following mutual fund sponsors have made revenue sharing payments to Hilliard Lyons as of December 31, 2016: American Funds, Federated Funds, Franklin Templeton, Columbia Funds, John Hancock and Hartford Funds. Other service providers not listed here may pay directly for educational seminars for Financial Consultants and/or clients.

Hilliard Lyons may earn compensation for providing the following services: acting as an investment adviser; providing fund accounting, transfer agency, and custody services; or providing omnibus record keeping and associated shareholder or administrative services to various mutual funds. Most of these fees are earned on a percentage-of-assets or number of positions basis and paid by the mutual funds or their affiliates. Please refer to the specific mutual fund's prospectus for more detailed disclosure concerning these payments.

Unless otherwise stated, return data will be reported as of the most recent month-end. All other data will reflect the most current data available as provided by Morningstar Direct or company reports.

\* - Note that for some investors, for US income tax purposes all or a portion of the Company's 2016 dividend or distribution was treated as return of capital and not as "dividend income" as reflected on the IRS Form 1099-Div for the 2016 tax year. The Company generally makes a final determination regarding the proper tax treatment of distributions after calendar year end. We urge each shareholder to consult with his or her own tax advisor to determine the tax consequences of the distributions received, including any state, local or foreign tax considerations.

\*\* - For US income tax purposes, the Company may classify all or a portion of its distributions as dividends or other non-dividend distributions. On pages 3-5, "Income Only Yield" is calculated by determining the Net Investment Income of the last declared monthly distribution, multiplying by 12 (or 4, if quarterly) and dividing by the closing price on 7/17/2017. "Income and Capital Gains Yield" is calculated by determining the Net Investment Income and Capital Gains of the last declared monthly distribution, multiplying by 12 (or 4, if quarterly) and dividing by the closing price on 7/17/2017. "Total Yield" is calculated by determining the Net Investment Income and Capital Gains plus Return of Capital of the last declared monthly distribution, multiplying by 12 (or 4, if quarterly) and dividing by the closing price on 7/17/2017. Return of Capital represents a return of some or all of your investment. The tax treatment of Investment Income, Capital Gains, and Return of Capital differs. Please consult your tax advisor as Hilliard Lyons does not provide tax advice.

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