

# Why an At-The-Market Offering?

## Fund Goals

- The Fund wants to raise capital opportunistically off an existing shelf
- Avoid paying high capital raising fees
- The Fund’s board and management want to raise capital without impacting the stock price

## Solution

- The Fund could raise equity capital through an “At-The-Market” (ATM) offering
- The ATM provides flexibility, offers limited exposure, and a low cost mechanism for raising capital

## Execution

- Partner with a Sales Agent that can assist the Fund with selling primary shares into the daily trading flow raising capital as needed
- Goals are aligned
- Sales are at a percentage premium to NAV

## Benefits of an ATM Offering

No “file-to-offer” discount

Flexible timing and execution

Limited exposure to market sentiment

Satisfy Retail demand

No roadshow commitments

Low cost

## Details of an At-The-Market Offering

- It is recommended that Funds have in place the ability to raise equity capital opportunistically through “at-the-market” offerings
  - ▶ Fund sells primary shares into the daily trading flow raising capital as needed
  - ▶ Issuer can target selling a certain percentage of its average daily trading volume in order to minimize market impact
  - ▶ Fund may sell more shares on a daily basis, liquidity permitting, or when a large buyer is present
- Once a Fund has an effective N-2 shelf in place and a plan of distribution on file, it can sell stock into daily trading flow
  - ▶ Take advantage of large volume days and/or upward price movement
  - ▶ Stock is sold “at the market” with no discount always between the bid/ask
- An ATM has several benefits when compared to a traditional marketed follow-ons or overnight block transactions
  - ▶ At the market sales without file-to-offer pricing discount and avoids marketing sell-off
  - ▶ No need for the Fund to issue rights or pay high transaction fees
  - ▶ Limited management commitment – no road show required
  - ▶ Flexibility with timing and execution (price and volume) – total discretion of the Fund
  - ▶ Ability to access demand in the market
  - ▶ Access to alternative liquidity pools – algos, crossing networks, etc
  - ▶ No obligation to use program if market conditions wan, unlike other transactions that require notice of withdrawal

# At-The-Market Summary

- In the first quarter of 2012, 34 At-The-Markets filed with gross proceeds of \$5.2 billion
  - ▶ In 2011, a record 120 At-The-Markets filed with gross proceeds of \$14.3 billion versus 2010 when there were 112 ATMs filed with gross proceeds of \$10.9 billion (excluding Citibank's \$35.5 billion ATM)
  - ▶ Since 2011, Financials have filed 24 At-The-Markets with gross proceeds of \$2.1 billion
    - Closed-End Funds consisted of 17 At-The-Markets with gross proceeds of \$1.1 billion
  - ▶ 51% of ATMs filed in 2011 had a market cap less than \$500 million
  - ▶ Minimal market impact – 42% of filers posted positive 2-day performance

US\$ in millions

Year	Number of Deals Announced	Gross Proceeds Filed		Gross Proceeds as % of Market Cap		Gross Spread		90-Day ADTV at Filing		Aftermarket Performance to/from Announcement							
		Total	Average	Average	Median	Average	Median	Average	Median	2-Days Prior		2-Days Post		7-Days Post		30-Days Post	
2012YTD	37	\$5,856.2	\$158.3	16.5%	13.0%	2.5%	2.5%	991,928	447,357	1.6%	1.0%	(0.7%)	(0.5%)	(1.0%)	(0.7%)	12.0%	0.8%
2011	120	14,354.4	119.6	17.0%	11.1%	2.6%	2.0%	1,059,357	468,933	(1.1%)	(0.2%)	(1.3%)	(0.8%)	(1.4%)	0.1%	(4.7%)	(1.1%)
2010	112	46,396.4	414.3	16.4%	11.6%	2.6%	2.0%	6,490,379	607,418	0.3%	0.0%	(2.4%)	(1.1%)	(2.0%)	(0.9%)	(0.7%)	(0.1%)
2009	110	33,074.5	300.7	13.2%	10.0%	2.1%	2.0%	8,884,216	1,204,730	0.5%	0.6%	(0.8%)	(0.4%)	(0.0%)	0.2%	(0.5%)	(0.5%)
2008	56	9,080.6	162.2	11.3%	7.8%	2.2%	2.0%	5,303,302	1,056,197	(2.6%)	(1.8%)	(1.2%)	(1.0%)	1.0%	(0.7%)	(5.8%)	(3.7%)
2007	9	1,400.7	155.6	10.7%	8.6%	2.7%	2.1%	1,227,610	544,403	1.3%	1.3%	0.7%	1.1%	(1.7%)	(1.9%)	(5.4%)	(0.5%)
2006	10	2,253.2	225.3	13.0%	8.1%	1.9%	2.0%	445,941	312,084	(0.3%)	(0.0%)	(0.3%)	0.0%	(0.9%)	(0.1%)	1.3%	(0.3%)
2005	2	280.0	140.0	5.4%	5.4%	2.3%	2.3%	1,032,825	1,032,825	(0.8%)	(0.8%)	(0.8%)	(0.8%)	(2.0%)	(2.0%)	2.2%	2.2%
2004	3	382.3	127.4	5.5%	4.1%	2.3%	2.3%	475,902	427,658	(0.6%)	1.0%	(0.4%)	(0.3%)	2.5%	3.6%	3.0%	4.8%
2003	5	552.5	110.5	5.5%	3.7%	2.5%	3.0%	9,284,317	1,171,760	(0.5%)	(0.2%)	0.2%	0.0%	0.5%	(0.4%)	7.6%	0.2%
2002	7	559.4	79.9	7.0%	8.7%	2.5%	2.5%	820,184	543,646	1.0%	1.7%	(0.9%)	(0.7%)	(0.4%)	0.0%	5.1%	3.3%
<b>Index Performance*</b>										<b>0.1%</b>	<b>0.2%</b>	<b>(0.1%)</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.8%</b>	<b>1.9%</b>

Market Cap at Filing	Number of Deals Announced	Gross Proceeds Filed		Gross Proceeds as % of Market Cap		Gross Spread		90-Day ADTV at Filing		Aftermarket Performance to/from Announcement							
		Total	Average	Average	Median	Average	Median	Average	Median	2-Days Prior		2-Days Post		7-Days Post		30-Days Post	
Less than \$250	145 / 30.8%	\$3,348.4	\$23.1	24.7%	20.1%	3.3%	3.0%	743,804	334,283	0.1%	(0.4%)	(1.9%)	(1.1%)	(1.5%)	(1.2%)	(1.7%)	(4.0%)
\$250 - \$500	54 / 11.5%	2,356.9	43.6	12.2%	11.3%	2.6%	2.5%	624,936	317,288	(0.9%)	(0.2%)	(0.8%)	(0.7%)	0.6%	0.2%	1.6%	0.6%
\$500 - \$1,000	77 / 16.3%	7,451.3	96.8	14.0%	9.1%	2.2%	2.0%	1,228,130	427,658	0.1%	0.5%	(2.1%)	(0.9%)	(2.1%)	(0.6%)	(4.4%)	(0.2%)
\$1,000 - \$2,000	75 / 15.9%	11,643.4	155.2	10.4%	8.5%	1.9%	2.0%	2,536,509	746,120	(0.6%)	0.0%	(0.7%)	(0.3%)	(0.8%)	(0.4%)	(0.9%)	0.1%
\$2,000 - \$5,000	67 / 14.2%	16,080.2	240.0	7.5%	6.3%	1.8%	2.0%	4,725,208	1,534,330	(0.6%)	(0.3%)	(0.4%)	(0.1%)	0.8%	1.1%	1.1%	1.6%
Greater than \$5,000	53 / 11.3%	73,310.0	1,383.2	5.7%	4.1%	1.6%	2.0%	28,172,984	2,524,879	0.1%	0.0%	(0.9%)	(0.6%)	(0.9%)	0.1%	(2.6%)	(0.4%)
<b>Aggregate Summary</b>																	
<b>2002 - 2012YTD</b>	<b>471</b>	<b>\$114,190.2</b>	<b>\$242.4</b>	<b>14.7%</b>	<b>10.3%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>4,747,685</b>	<b>693,788</b>	<b>(0.2%)</b>	<b>0.0%</b>	<b>(1.3%)</b>	<b>(0.7%)</b>	<b>(0.9%)</b>	<b>(0.3%)</b>	<b>(1.3%)</b>	<b>(0.3%)</b>

Note: Filings and performance as of April 22, 2012

Source: Company Filings, JonesTrading Capital Markets, and Capital IQ

C O N F I D E N T I A L

# 2008 – YTD Precedent Closed-End Fund At-The-Market Filings

US\$ in millions, except per share data

Company Name	Ticker	Date Filed	Market Cap at File	Size of ATM at File		Price at Filing	Gross Proceeds	% of Market Cap at File	30-Day ADTV as a % of		2-Days Post		7-Days Post		30-Days Post	
				Shares	\$ Value				Shares Out	Gross Spread	Company	Index	Company	Index	Company	Index
ClearBridge Energy MLP Fund Inc.	CEM	3/30/2012	\$1,541.4	5,000,000		\$23.60	\$118.0	7.7%	0.2%	2.0%	0.2%	0.3%	(0.7%)	(0.7%)		
Credit Suisse High Yield Bond Fund, Inc.	DHY	2/29/2012	248.9	12,300,000		3.13	38.5	15.5%	0.8%	2.0%	1.0%	0.3%	(1.0%)	(1.0%)	(0.3%)	3.1%
Aberdeen Global Income Fund Inc.	FCO	1/3/2012	126.3	1,500,000		13.97	21.0	16.6%	0.2%	2.3%	(0.6%)	0.3%	(1.2%)	1.2%	1.6%	3.8%
Guggenheim Strategic Opportunities Fund	GOF	12/19/2011	187.2	4,875,670		20.09	98.0	52.3%	0.3%	2.0%	(0.7%)	3.2%	1.4%	5.0%	0.7%	8.5%
Fiduciary/Claymore MLP Opportunity Fund	FMO	12/19/2011	509.4	10,165,343		20.77	211.1	41.5%	0.3%	2.0%	0.2%	3.2%	3.7%	5.0%	2.8%	8.5%
Credit Suisse High Yield Bond Fund, Inc.	DHY	12/8/2011	221.9	6,500,000		2.95	19.2	8.6%	0.4%	2.0%	0.0%	(1.5%)	(1.7%)	(1.5%)	(1.4%)	3.8%
Calamos Convertible & High Income Fund	CHY	9/30/2011	797.3	6,232,167		11.10	69.2	8.7%	0.3%	1.8%	(4.0%)	(0.7%)	(2.7%)	2.1%	7.7%	10.8%
Calamos Global Total Return Fund	CGO	9/30/2011	113.4	2,871,921		13.82	39.7	35.0%	0.2%	1.8%	(3.1%)	(0.7%)	(1.7%)	2.1%	6.2%	10.8%
Calamos Convertible Opportunities & Income Fund	CHI	6/6/2011	844.1	7,500,000		13.52	101.4	12.0%	0.3%	1.8%	(1.8%)	(0.5%)	(4.6%)	(1.4%)	(2.6%)	4.1%
Aberdeen Chile Fund, Inc.	CH	5/5/2011	167.8	1,600,000		22.00	35.2	21.0%	0.8%	2.0%	0.8%	0.8%	1.3%	1.0%	(2.3%)	(3.7%)
Tortoise Energy Capital Corp.	TYE	4/21/2011	545.3		30.0	28.40	30.0	5.5%	0.3%	2.0%	0.2%	(0.2%)	(0.6%)	1.7%	(7.0%)	(1.5%)
Aberdeen Australia Equity Fund Inc.	IAF	4/12/2011	264.8	3,300,000		12.16	40.1	15.2%	0.4%	2.0%	0.7%	0.0%	3.6%	1.8%	2.5%	2.6%
Tortoise Energy Infrastructure Corp.	TYG	3/21/2011	1,120.6		20.0	41.40	20.0	1.8%	0.2%	1.5%	(1.5%)	(0.1%)	(2.9%)	2.1%	(4.5%)	2.5%
TICC Capital Corp.	TICC	3/15/2011	327.2		50.0	10.26	50.0	15.3%	1.3%	2.0%	(3.5%)	(1.2%)	1.2%	2.8%	7.6%	3.5%
Calamos Convertible & High Income Fund	CHY	3/1/2011	952.4	5,000,000		13.47	67.4	7.1%	0.3%	1.8%	2.6%	1.9%	1.2%	1.2%	1.3%	1.5%
Calamos Global Total Return Fund	CGO	3/1/2011	123.6	3,000,000		15.33	46.0	37.2%	0.3%	1.8%	1.6%	1.9%	(1.5%)	1.2%	0.1%	1.5%
Calamos Convertible Opportunities & Income Fund	CHI	2/28/2011	825.3	6,000,000		13.22	79.3	9.6%	0.4%	1.8%	(0.2%)	(1.4%)	0.3%	(1.3%)	0.9%	0.1%
TICC Capital Corp.	TICC	11/18/2010	290.5		50.0	10.81	50.0	17.2%	0.9%	2.0%	(0.7%)	0.7%	(0.5%)	1.1%	(0.2%)	5.4%
Prospect Capital Corporation	PSEC	9/24/2010	769.2	6,000,000		9.86	59.2	7.7%	1.1%	2.0%	(0.9%)	(0.1%)	(1.7%)	(1.5%)	1.9%	4.6%
Prospect Capital Corporation	PSEC	9/3/2010	715.0	2,185,472		9.43	20.6	2.9%	1.1%	2.0%	1.2%	(1.1%)	5.2%	2.3%	2.8%	5.0%
Prospect Capital Corporation	PSEC	7/19/2010	682.4	6,000,000		9.50	57.0	8.4%	1.8%	2.0%	0.1%	(0.5%)	3.2%	2.4%	0.3%	0.8%
Gladstone Capital Corporation	GLAD	5/17/2010	235.4	2,000,000		11.19	22.4	9.5%	1.3%	2.0%	(1.3%)	(2.4%)	4.7%	(3.3%)	3.6%	(2.1%)
Tortoise Energy Capital Corp.	TYE	4/21/2010	517.7		30.0	27.01	30.0	5.8%	0.4%	3.0%	(2.3%)	0.3%	(0.5%)	0.7%	(14.3%)	(11.2%)
Prospect Capital Corporation	PSEC	3/17/2010	792.9	8,000,000		12.47	99.8	12.6%	1.2%	2.0%	(1.0%)	(0.6%)	(1.0%)	(0.6%)	(4.8%)	3.9%
Calamos Convertible Opportunities & Income Fund	CHI	3/8/2010	675.5	6,600,000		12.94	85.4	12.6%	0.3%	1.8%	(2.7%)	0.9%	(3.7%)	1.7%	(1.1%)	4.0%
Calamos Global Total Return Fund	CGO	3/4/2010	116.0	3,000,000		14.47	43.4	37.4%	0.3%	1.8%	1.9%	(0.0%)	(1.6%)	1.0%	4.2%	4.3%
First Trust Active Dividend Income Fund	FAV	11/13/2009	86.1	1,000,000		11.90	11.9	13.8%	1.4%	1.0%	0.2%	1.4%	0.3%	1.2%	2.7%	1.9%
Tortoise Energy Capital Corp.	TYE	8/3/2009	355.0		30.0	20.25	30.0	8.5%	0.4%	3.0%	(1.2%)	0.0%	2.2%	1.0%	(9.1%)	(0.8%)
Tortoise Energy Infrastructure Corp.	TYG	7/17/2009	617.6		40.0	26.27	40.0	6.5%	0.2%	3.0%	4.3%	1.1%	1.0%	4.4%	3.1%	4.2%
Energy Income & Growth Fund	FEN	5/19/2009	129.0	1,000,000		19.90	19.9	15.4%	0.4%	1.8%	(0.3%)	(2.2%)	2.8%	1.2%	(3.3%)	1.1%
Calamos Strategic Total Return Fund	CSQ	9/3/2008	1,682.7	8,000,000		10.89	87.1	5.2%	0.2%	1.8%	(2.8%)	(2.6%)	(2.8%)	(2.6%)	(24.7%)	(13.8%)
Calamos Global Total Return Fund	CGO	7/8/2008	122.8	3,000,000		15.34	46.0	37.5%	0.3%	1.8%	(3.1%)	(1.6%)	(2.2%)	(1.0%)	(2.2%)	(0.6%)
Calamos Convertible & High Income Fund	CHY	6/26/2008	893.9	5,000,000		13.26	66.3	7.4%	0.2%	1.8%	(0.1%)	(0.2%)	(2.3%)	(0.4%)	(4.5%)	(3.8%)
Calamos Convertible Opportunities & Income Fund	CHI	6/13/2008	732.6	5,000,000		15.18	75.9	10.4%	0.2%	1.8%	(0.8%)	0.0%	(5.5%)	(3.1%)	(16.7%)	(9.7%)
<b>34 Total Transactions</b>	<b>Mean</b>		<b>\$539.2</b>				<b>\$56.7</b>	<b>15.6%</b>	<b>0.5%</b>	<b>2.0%</b>	<b>(0.5%)</b>	<b>(0.0%)</b>	<b>(0.2%)</b>	<b>0.8%</b>	<b>(1.5%)</b>	<b>1.6%</b>
	<b>Median</b>		<b>\$513.5</b>				<b>\$46.0</b>	<b>11.2%</b>	<b>0.3%</b>	<b>2.0%</b>	<b>(0.4%)</b>	<b>(0.0%)</b>	<b>(0.7%)</b>	<b>1.2%</b>	<b>0.1%</b>	<b>2.6%</b>
	<b>Quartile</b>		<b>\$481.8</b>				<b>\$46.6</b>	<b>11.5%</b>	<b>0.4%</b>	<b>1.9%</b>	<b>(0.0%)</b>	<b>(0.0%)</b>	<b>(0.1%)</b>	<b>0.1%</b>	<b>(0.0%)</b>	<b>0.3%</b>
	<b>2 &amp; 3 Mean</b>															

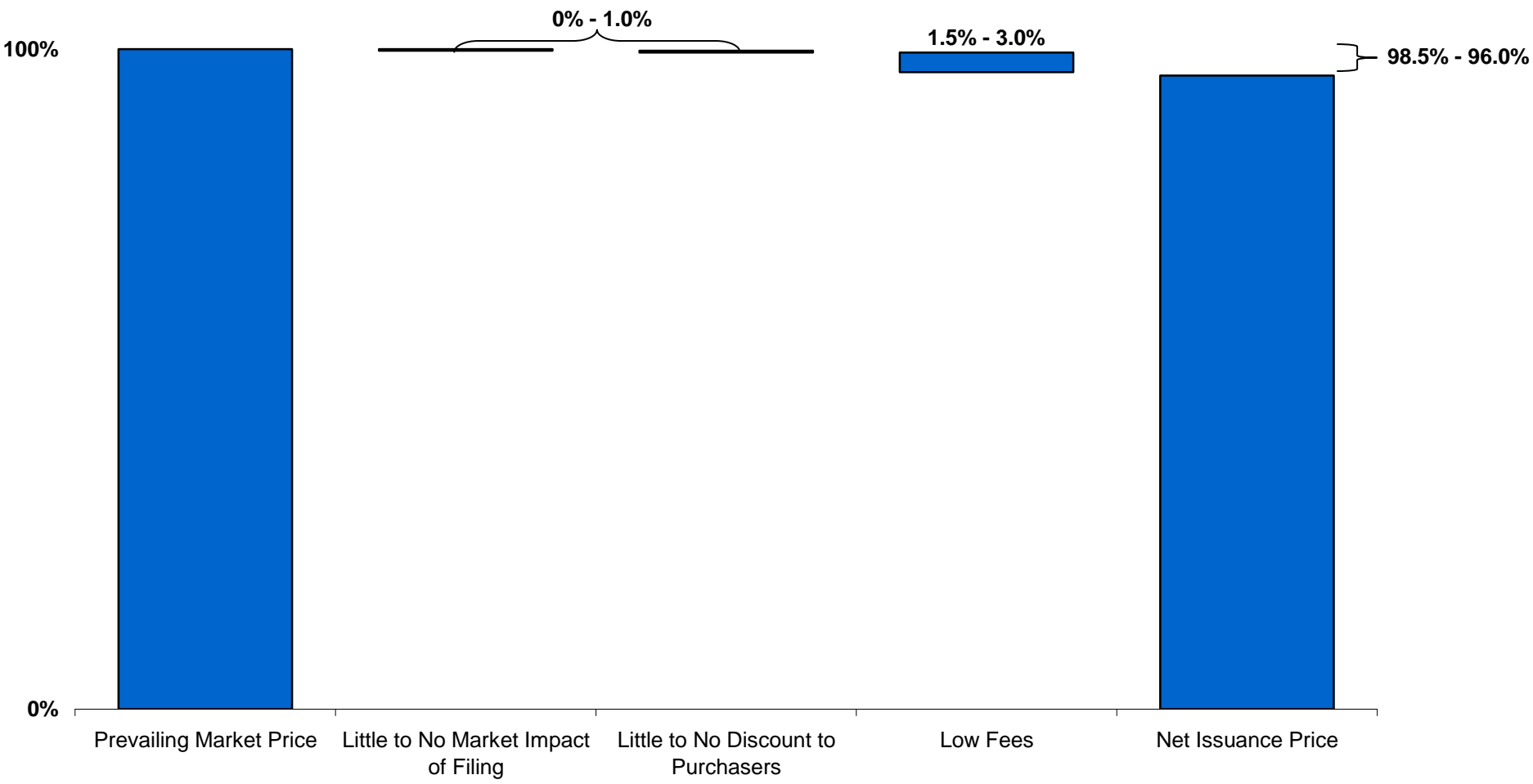
Source: Company Filings, Capital IQ and JonesTrading Capital Markets

\*Represents the performance of the NASDAQ Index for NASDAQ listed companies during the same time periods as companies and S&P 500 Index for companies not listed on NASDAQ

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# At-The-Market: The Bottom Line

*At-The-Market can dramatically reduce the costs of issuing equity*



# At-The-Market Sample Timeline

Timing	Summary of Events	Responsibility
Preparation	- SEC Filings current semi annual and annual reports	<i>Fund</i>
	- N-2 filed is current	<i>Fund</i>
	- Board Approval	<i>Fund</i>
	- JonesTrading and Fund to agree on size of offering	<i>Fund/ JT</i>
	- Decision to "GO"	<i>Fund</i>
	- JonesTrading engages Underwriter's counsel	<i>JT</i>
	- Prepare Agency Sales Agreement (JonesTrading will provide form)	<i>JT/ UC</i>
	- Assemble diligence materials	<i>Fund</i>
7 to 10 Days to sales	- Organizational Meeting: Discuss Printers/Comfort Letter/Legal Opinion	<i>All</i>
	- Financial diligence	<i>JT/ UC</i>
	- Legal diligence and preparation of 497	<i>UC/ CC/ JT</i>
	- Accounting diligence and preparation of comfort letter	<i>UC/ Accountants/ JT</i>
	- Prepare first draft of prospectus supplement	<i>CC</i>
	- Agency Sales Agreement	<i>UC/ JT</i>
4 to 6 Days to Sales	- Review prospectus supplement and press release	<i>Fund/ JT/ UC/ CC</i>
	- Hold over diligence day for either legal/accounting/financial	<i>JT/ UC</i>
	- Review any concerns on Agency Sales Agreement and Underwriters Agreement	<i>Fund/ JT/ UC/ CC</i>
	- Comply with exchange requirements (NYSE/AMEX/NASDAQ)	<i>All</i>
2 to 3 Days to Sales	- Finalize Agency Sales Agreement	<i>Fund/ JT/ UC/ CC</i>
	- Receive comfort letter	<i>Accountants/ UC/ CC</i>
	- Receive 10-b5	<i>UC</i>
	- All preparatory work completed - finalize prospectus supplement and press release	<i>All</i>
Prior to Sales	- Final prospectus filed	<i>All</i>
	- Prospectus supplement with Agency Sales Agreement filed	<i>All</i>
	- Press Release	<i>Fund</i>
Day of Sales	- Sales may occur from time to time in the open market	<i>JT</i>
Trade Date + 3	- Settlement of securities sold via Transfer Agent	<i>JT</i>