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SECTION I

Scott Schultz Closed End Funds, Inc.



Scott Schultz Closed End Funds, Inc.

- Founded in 1994
- Offers individual separately managed accounts invested exclusively in closed-end funds (CEFs)
- Utilizes proprietary evaluation methodology to select and monitor CEF investments
- Located in Williamston, Michigan
- Strategies available: Domestic Growth, Foreign Growth, World Growth, Fixed Income and Asset Allocation
- Under \$50,000,000 in AUM, thus EXTREMELY PERSONAL SERVICE for ALL existing and NEW clients.

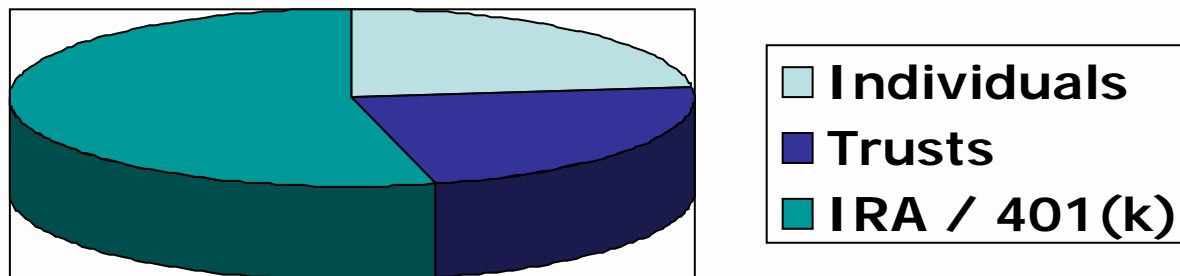


Scott T. Schultz

- Scott Schultz Closed End Funds, Inc., Chairman and Chief Investment Strategist
- “Partner” of the Closed-end Fund Association (CEFA).
- Author, ***Scott Schultz’s Guide to Closed-end Funds***
- Motivational Speaker
- Responsible for the extensive research that led to development of Schultz’s proprietary evaluation methodology



Assets by Client Type



Scott Schultz CEF

Investment Strategies

- Domestic Growth
- Foreign Growth
- World Growth
- Fixed Income
- Asset Allocation



SECTION II

Investment Philosophy



Investment Philosophy

Closed-End Fund Investing

“Buying these little-known funds below their net asset value can dramatically increase your profits.”

-Mutual Fund Forecaster Issue No. 116-September 1994



Why Closed-End Funds (CEF's)

- Provide many of the advantages of open-end mutual funds
 - Professional management
 - Diversification
 - Liquidity (traded daily on NYSE, ASE, & NASDAQ)
 - Economies of scale
 - Plenty of opportunity to successfully invest
 - New supply of CEFs available every year



Why Closed-End Funds (CEF's)

- Provide many of the advantages of diversified managed funds, and why CEF's when properly used are #1 compared to ANY investment vehicle available to retail/institutional investors. Including ALL Open-End Funds, UIT's, ETF's, etc.
- Provide additional benefits, including
 - Flexibility of exchange-traded securities
 - Potential to purchase at attractive discounts
 - CEF's have a stable pool of capital well-suited to long-term strategies and specialized investment areas



Why NOT ETF's/i-Shares/SPDR's

- You deserve better than mediocre
- Inactively managed portfolios
- Too *RISKY!!!*
- Unknown underlying assets held by fund
- GUESSWORK – Why throw handfuls of darts?
- Meant for institutional players
- Where is Merlin when you need him?



SECTION III

Investment Process



Domestic Growth Strategy

Investments	Primarily closed-end funds
Benefits	Growth without cash flow
Objectives	Capital appreciation and total return



Investment Process/Portfolio Construction

600 CEFs



- Discount/premium comparative analysis
- Price vs. value of underlying securities



600 CEFs reduced to 300 CEFs

Step 1

Step 2

Step 3

Step 4



Investment Process/Portfolio Construction

300 CEFs



- Screen securities
- Perform sector analysis
- Discount / Premium historical analysis



300 CEFs reduced to 240 CEFs



Step 1

Step 2

Step 3

Step 4



Investment Process/Portfolio Construction

240 CEFs



- Value Evaluation
- Optimization
- Qualitative Analysis
- Portfolio Manager Tenure
- Track Record
- Largest Shareholders



240 CEFs reduced to 24 CEFs

Step 1

Step 2

Step 3

Step 4



Investment Process/Portfolio Construction

24 CEFs



- Liquidity analysis
- Buy/sell strategy determined



How is the \$ allocated between the 24 CEFs?

Step 1

Step 2

Step 3

Step 4



Schultz Usage of CEF's Various Databases

- CEF's Represent a broad range of fund issuers, asset classes and investment objectives
 - Schultz uses much detailed historical CEF data including
 - EDGAR filings
 - Historical discount/premium data
 - Management experience and track record
 - Account holdings
 - 13-D filings
 - Market sector participation
 - Liquidity factors
 - Trading history
 - Actual vs. Perceived "float" on the fund
-



Scott Schultz Proprietary Approach

- Schultz measures relative value based on a variety of factors, including the historical ranges of a CEF's discounts and premiums in relation to its underlying NAV
- The resulting insights enable Schultz to *“manage the managers”* to develop portfolios suited to a client's individual needs and objectives



Schultz Target Investments

Schultz seeks to consistently purchase CEFs that are

- In line with clients' objectives
- Available at a prices Schultz deems attractive to each separate fund's historical and recent discount/premium parameters.
- Able to provide monthly or quarterly cash flow (income) automatically ACH'd into the bank of your choosing at NO charge.
- Total return investing is the ultimate goal for EVERY investment category of Schultz's 8 offerings.



SECTION V

Schultz's Value Added Approach



Scott Schultz Closed End Value-Added

Schultz Manages diversified CEF portfolios

- Individually managed portfolios
 - Personalized money management with clients having direct telephone/SKYPE access to Schultz top management as necessary.
 - Greater flexibility as such personal access to the person managing YOUR FUNDS is RARE!
- Single asset-based fee aligns the interests of Schultz and investor – ALL transaction charges are paid by Schultz; client should never be subject to other manager's guesses which prove to be 'guesses'.



Advantages

- For example, the “Schultz approach” showed its merit in the 5 year period from 1999-2004 (which many market observers note as one of the most difficult in history) when Schultz’ Upside Capture in the portfolio had been 189% of the S&P 500 Index while the Downside Capture had been only 27%
- High Alpha, Low Beta, Efficient market analysis and Portfolio Stability (i.e. low turnover and trade activity) keep Schultz from missing the forest while looking at the trees.
- Personally diversified portfolios by client
- Historically top decile performance



Reporting

Scott Schultz Closed End Funds, provides investors with

- Quarterly report
 - Performance
 - Commentary on each CEF in the portfolio
- Confirmations of all transactions
- Monthly summary statement if trades occur. If no transactions occur, statements may be issued quarterly by the clearing firm.



Section VI

Appendixes



Appendix A

Fees for Services

Schultz charges a single, all-inclusive fee based on the amount of assets under management

\$75,000	to	\$149,999	2.50%
\$150,000	to	\$499,999	2.25%
\$500,000	to	\$999,999	2.00%
\$1,000,000	to	\$2,999,999	1.75%
\$3,000,000	to	\$4,999,999	1.50%
\$5,000,000 and over			negotiable

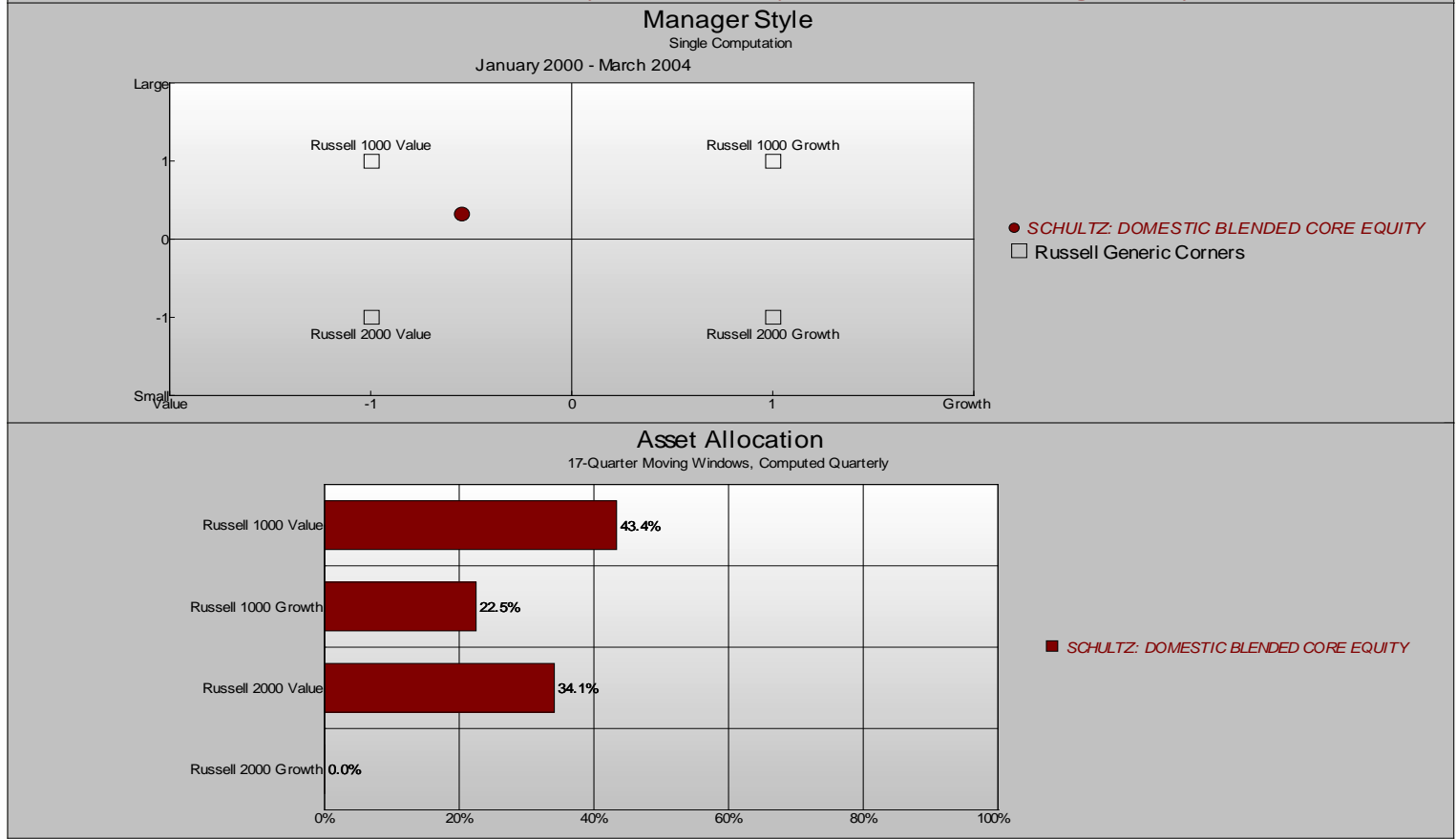


Recommended fees; subject to change at any time.

Appendix B

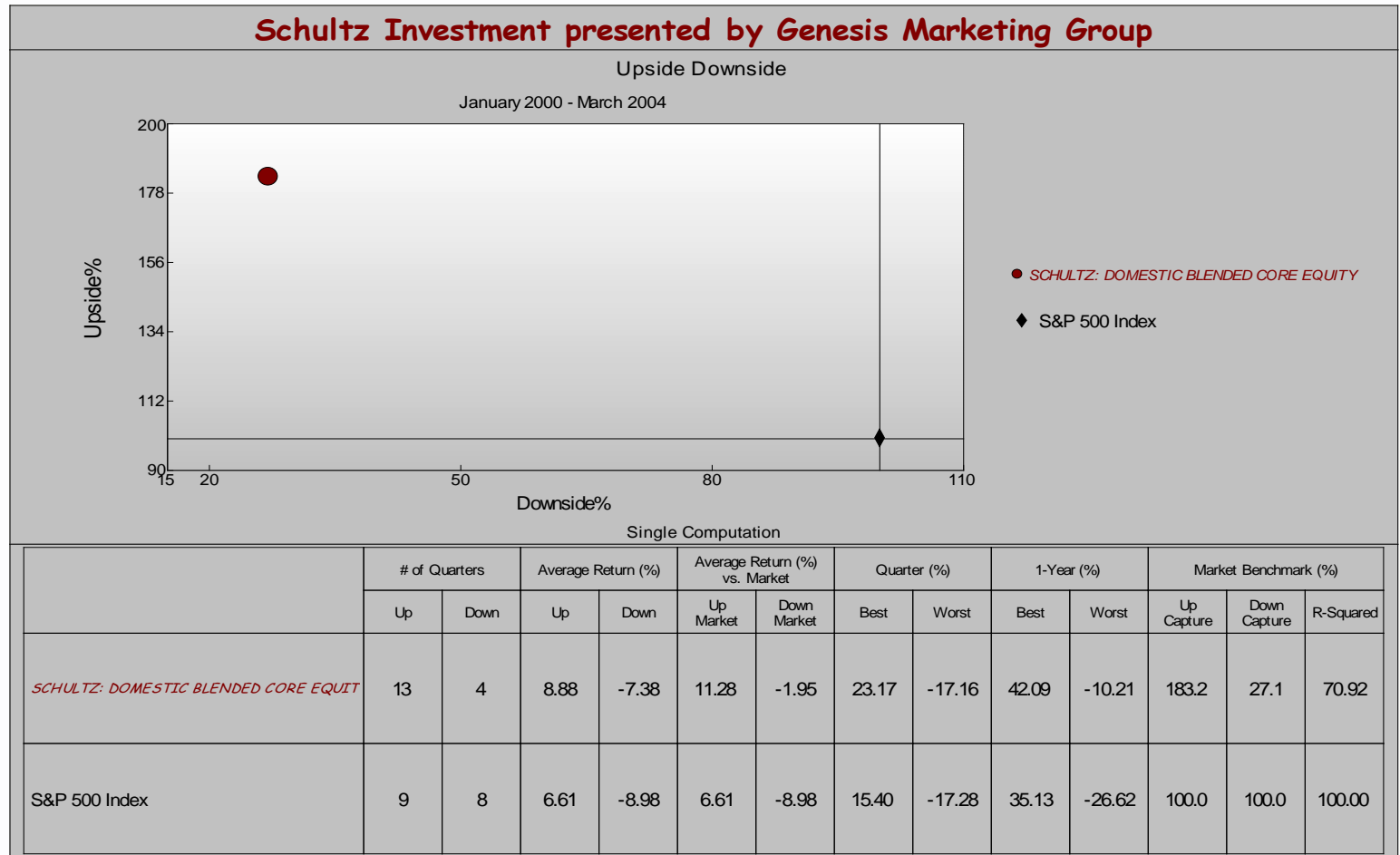
Style Chart from 1999-2004

Schultz Investment presented by Genesis Marketing Group



Appendix C

Up Down Capture Chart

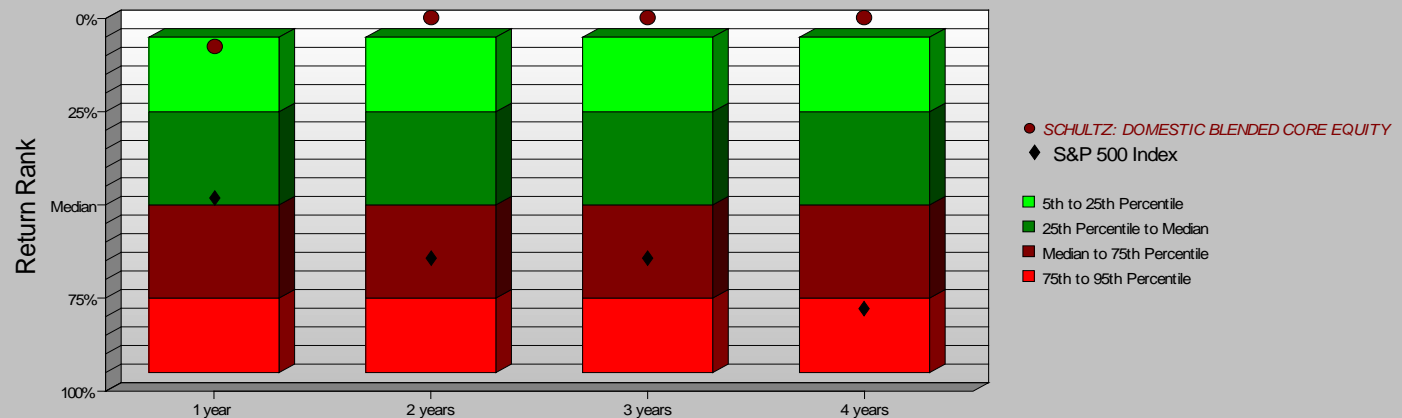


Appendix D

Universe Chart

Schultz Investment presented by Genesis Marketing Group

Manager vs Universe: Return Rank through March 2004
(not annualized if less than 1 year)
Zephyr Large Core Universe (PSN)



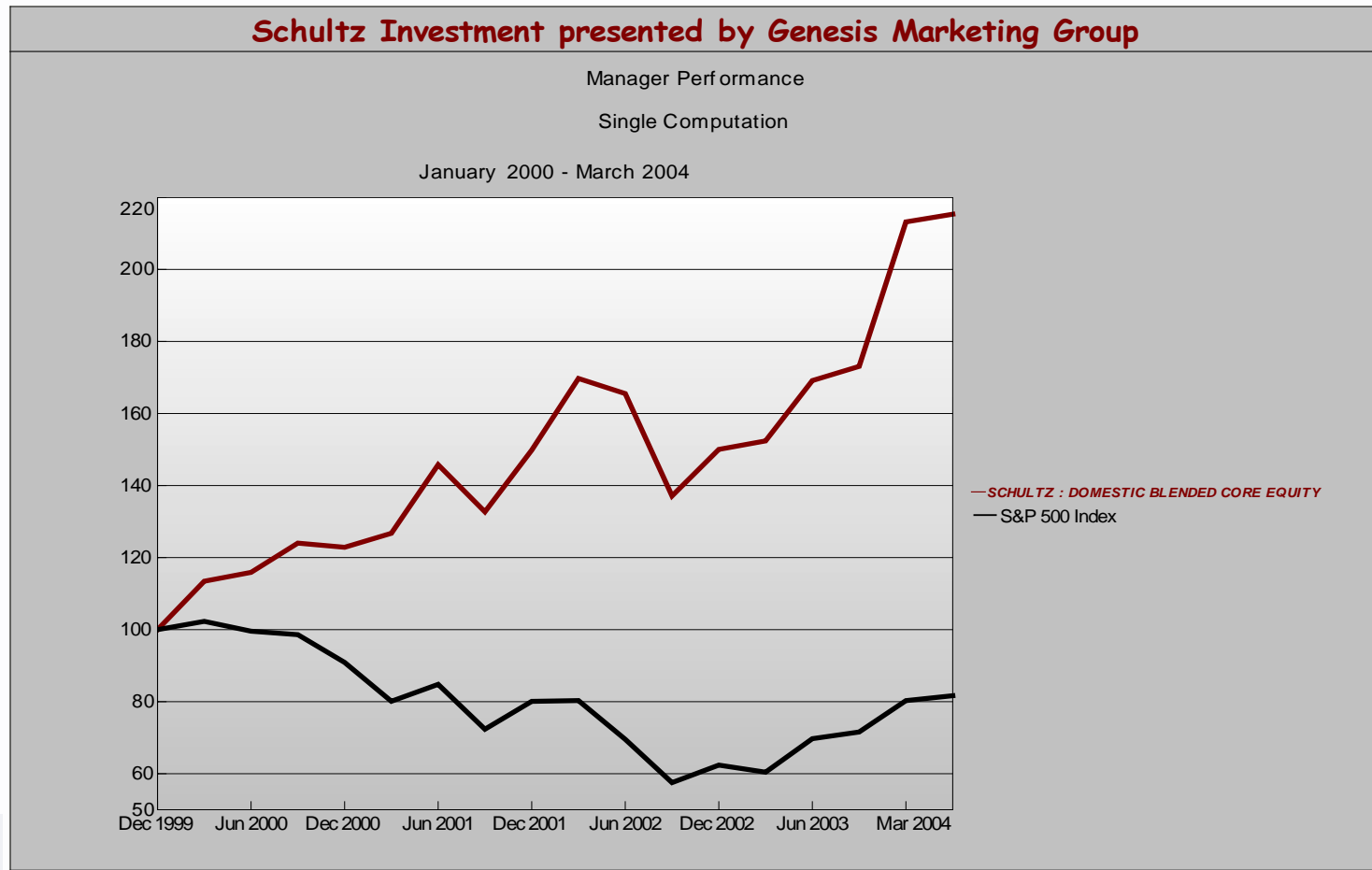
	Median Rank	Volatility of Rank	1 year 319 mng	2 years 318 mng	3 years 309 mng	4 years 293 mng
SCHULTZ: DOMESTIC BLENDED CORE EQUITY	0.00%	0.00	7.57%	0.00%	0.00%	0.00%
S&P 500 Index	64.42%	9.23	47.83%	64.55%	64.34%	77.52%

Zephyr Large Core Universe (PSN)



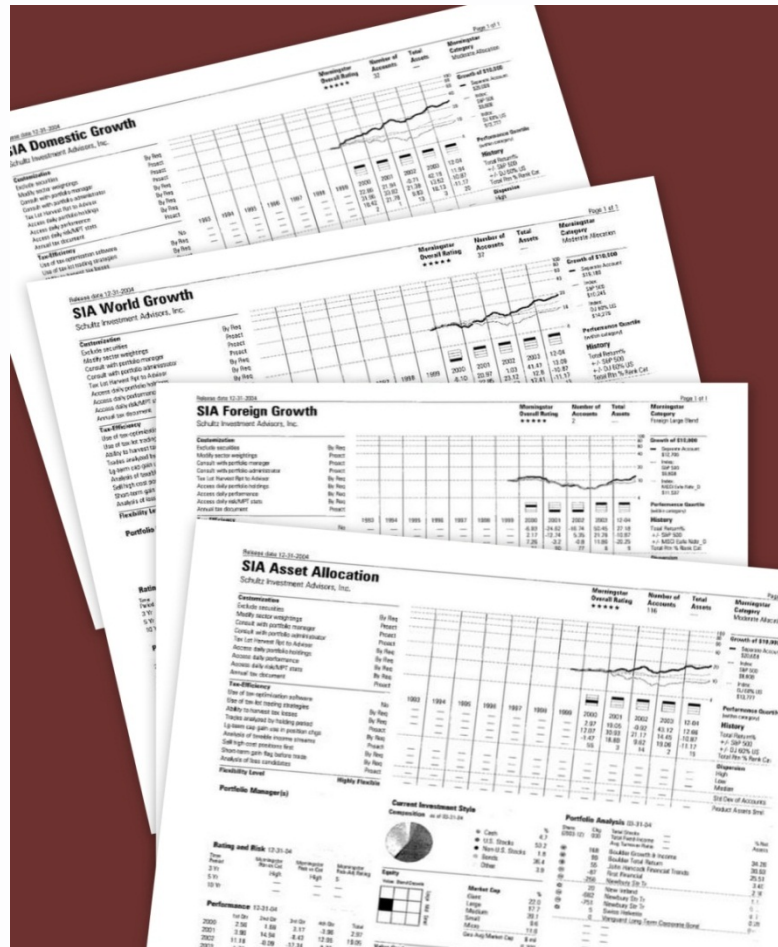
Appendix E

Growth of a Dollar Chart



Appendix F

Morningstar Principia (four 5-star portfolios)



Appendix G

Effron – PSN – “Top Gun” Manager



Appendix H

Scott T. Schultz – Managed Account Performance

Performance Data from managed Closed-End portfolios as managed by Scott T. Schultz.
(all numbers include reinvestment of dividends and capital gains)

		Asset	Domestic	Equity	Fixed	Foreign	World	DJIA	S&P
12/31/1999 to	12/31/2000	-1.84	15.33	*	1.80	-10.80	0.83	-4.88	-9.11
12/31/2000 to	12/31/2001	14.85	13.92	*	11.66	-24.44	16.98	-5.46	-11.88
12/31/2001 to	12/31/2002	-1.95	-1.54	-35.42	-19.69	-19.97	0.38	-14.99	-22.10
12/31/2002 to	12/31/2003	43.32	41.38	36.24	42.08	49.33	41.46	28.29	28.69
12/31/2003 to	12/31/2004	10.44	9.67	11.83	-5.16	25.52	10.77	5.31	10.87
12/31/2004 to	12/31/2005	-3.82	-3.98	-4.33	9.17	-0.59	-3.73	-0.61	4.79
12/31/2005 to	12/31/2006	19.49	21.97	24.08	6.85	9.49	16.56	16.29	15.74
12/31/2006 to	12/31/2007	-5.49	-2.30	-4.59	-5.25	8.46	-7.64	6.43	5.46
12/31/2007 to	12/31/2008	-46.00	-47.09	-47.21	-19.27	-17.90	-44.08	-33.84	-37.22
12/31/2008 to	12/31/2009	19.47	21.27	19.84	44.99	-0.12	17.10	18.82	27.11
12/31/2009 to	12/31/2010	22.77	21.75	22.94	3.13	8.06	22.08	11.02	14.32
12/31/2010 to	12/31/2011	-17.39	-14.29	-12.80	6.12	-16.86	-11.91	5.33	2.11

*Portfolios not offered during this timeframe

12/31/2008 to	12/31/2011	21.18	26.55	28.47	58.69	21.18	25.93
12/31/2006 to	12/31/2011	-38.16	-34.58	-35.28	21.37	-20.10	-34.96
12/31/2001 to	12/31/2011	10.31	16.97	24.41	53.21	30.46	14.78

GIPS Verified by Ashland Partners 1/01/99 through 12/31/04.

All data as reported through Advent Axys software.





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