12th Annual Capital Link Closed-End Funds and Global ETFs Forum
Wednesday, April 24, 2013
The Metropolitan Club, One East 60th St.,New York City

Capital Link

ANOTHER RECORD YEAR - CAPITAL LINK'S 12th ANNUAL CLOSED-END FUNDS & GLOBAL ETFS FORUM ATTENDANCE SURPASSES 1,000+ DELEGATES

New York – May 2, 2013, On Wednesday, April 24, 2013, at the Metropolitan Club in New York City, Capital Link hosted another prestigious and hugely successful Closed-End Funds & Global ETFs Forum for the twelfth year in a row. The event was organized in cooperation with the NYSE Euronext. As in previous years, it attracted more than 1,000+ delegates comprised mainly of financial advisors and wealth managers, institutional investors, portfolio managers, analysts, media and other industry participants, who gathered to discuss, debate and exchange information on critical industry topics, and to network.

OPENING ADDDRESS

John Calamos, ***CEO & Global Co-CIO*** - Calamos Investments opened the CEF Program sharing his views on the state of the CEF Industry in 2013. Due to a continued demand for yield, new issuance of CEF's has grown dramatically over the past 5 years, from $260 million in 2008 to $12 billion in 2012 and is continuing to build in 2013 with $6.3 billion in Q1. This has been facilitated by a strengthening secondary market, which has seen a dramatic narrowing of discounts as the desire for income has driven demand. CEF assets raised Pre-Crisis (2005-2008) were mostly made up of equity - with 73% in equity and 15% in fixed income and others. New CEF assets that were raised Post-Crisis (2009 – Present) presents a dramatic shift with a focus in fixed income - with 43% in fixed income, and only 14% in equity. Because of their ability to use leverage, CEF's have generally outperformed comparable investment vehicles, while offering higher yields over the past 3 years.

Some challenges seen in the market place are a rising interest rate environment. Interest rates currently at extremely low levels are subject to change; which will need consideration in how CEF's manage leverage and risk. Convertible bonds, high yield and global bonds, which are components of the Calamos Closed-End Funds, are asset classes that typically do well relative to other fixed income asset classes in a rising

John Calamos

interest rate environment.

Closed-End Funds will continue to serve as an income need for investors, and will continue to evolve to optimize market opportunities and meet investor demands. It is incumbent upon all parties that are involved in the issuance, sales and management of CEF's to educate and inform investors and the general market on an ongoing basis about the product. The future health and viability of the market depends upon such aftermarket support.

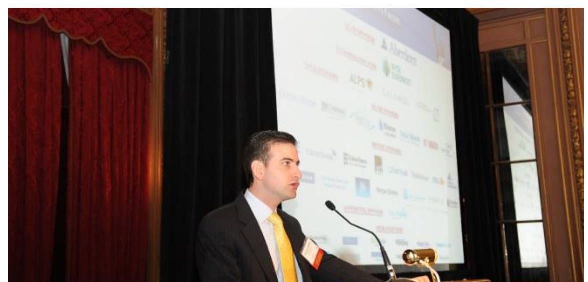
Dodd Kittsley, *Director, Global Head of ETP Research* - BlackRock kicked off the Exchange-Traded Fund (ETP) industry sharing his views on the state of the ETF/ETP Industry in 2013. ETP continue to be one of the fastest growing segments of the global asset management industry. On January 18, 2013, total assets under management crossed $2 trillion, building upon a record year in 2012 when $263 billion of new investor money was put to work and the industry grew 27%.

Dodd Kittslev

Industry growth is expected to continue with increased investor adoption, new markets and continued innovation. Last year, 570 ETFs were launched, which gathered $36 billion in investor assets. Areas of recent growth include ETFs offering exposure to floating rate bonds, dividend paying equities and minimum volatility strategies. BlackRock strongly believe there is ample room for continued growth as investor awareness of the many benefits that ETFs offer grows. ETFs currently account for about 13% of combined US mutual fund/ETP assets, up from 4% in 2004.

ETFs are a driving force in the democratization of investing. They offer very efficient ways for investors to gain market exposure in a liquid, low cost, tax efficient and precise manner. Few financial innovations throughout history have offered such meaningful benefits to all investors from the largest pensions, foundations and endowments to the self-directed investor.

FIXED INCOME INVESTING - *Moderated by Michael Jabara, Vice President, Head of Exchange Traded Funds & Closed-End Funds Research – Morgan Stanley Smith Barney*



Michael Jabara

"A Recap & Outlook on TIPS Securities & Inflation" - **Peter Stutz,** *Portfolio Manager, Research Analyst* **– Western Asset Management**

Peter Stutz

Summary: Peter Stutz offered a market review and provided his outlook for inflation. He also discussed the impact of quantitative easing and government monetary policy on the fixed income market.

Participating in the CEF Industry Roundtable, Robert Ionescu, Director & Senior Closed-End Fund Product Specialist for Legg Mason, discussed the firm's Global Income Survey. The results pointed to an increasing investor appetite for income – and an eagerness for financial professionals to point out fresh opportunities.

"Active Cash Management: Cash & Short Duration Investments" **- Jerome Schneider**, *Managing Director, Head of Short-Term & Funding Trade Desk* – **PIMCO**

Left to Right: Michael Jabara, Jerome Schneider

Summary: The current money market environment exemplifies financial repression, with yields so low that an investor's purchasing power is steadily eroded. Ample opportunities exist beyond the confines of money market guidelines for active managers. MINT aims to take advantage of these active management opportunities to increase total return without take on undue risk.

"Active Management: The Benefits in High-Yield & Senior Loan ETFs" - **William Housey**, *Senior Portfolio Manager, Leverage Finance Investment Team* – **First Trust Advisors**

Left to Right: Michael Jabara, William Housey

Summary: Investor demand for yield continues to grow in this anemic interest rate environment. Given the interest rate risk and asymmetric payoff profile that exists within traditional fixed-income, many investors have sought alternative sources of income in both the high-yield and senior loan markets. As interest rates have declined for the past 30 years, to the benefit of traditional fixed-income, investors have largely been conditioned to consider credit risk as the primary factor to determine fixed-income allocations.

Today, however, there's little room for rates to decline further, and duration risk is looming on the horizon. We believe that, given the strength of US corporate credit, as evidenced by the 1%-2% high-yield and senior loan default rates, senior loans and high-yield bonds remain attractive. Moreover, we believe that investors will be well served to consider actively-managed solutions within the below-investment grade credit spectrum. While an index-based senior loan or high-yield ETF principally considers the market value of the debt issuance outstanding in their selection methodology, an actively managed ETF provides investors access to our rigorous credit process in evaluating an individual company's ability to repay its debt, which we believe is paramount to driving attractive risk-adjusted and absolute returns over the long term.

Left to Right: Michael Jabara, William Housey

Two ETFs managed by the First Trust Leveraged Finance Investment Team catering to high-yield and senior loan investors are the High Yield Long/Short ETF (HYLS) and the First Trust Senior Loan Fund (FTSL). HYLS utilizes active management to select high-yield bonds and senior loan investments while overlaying a tactical treasury short to mitigate potential fallout from rising rates. The short component can range between 0% and 30%. FTSL has an anticipated launch date of May 2, 2013 and is an actively managed senior loan ETF. FTSL is unique because it offers investors an opportunity to capitalize on the relatively attractive yield from senior loans while simultaneously providing a degree of protection from the harmful effects of a potential increase in interest rates.

"Opportunities in Credit - A Focus on Seniors Loans" - **Larry Holzenthaler,** *Anaylst* - **Symphony Asset Management**

Larry Holzenthaler

Summary: Symphony Asset Management is an independent affiliate of Nuveen Investments and has been sub-advising their Senior Loan/Floating Rate closed-end funds since their respective inceptions.

Larry Holzenthaler, Investment Strategist at Symphony gave his view on the senior loan asset class and how it fits into the allocation of non-investment grade corporate credit. The senior loan market has grown dramatically in recent years, especially the Mutual Fund and ETF markets - ETFs and many mutual funds are passive and Index oriented. The issue, in Symphony's view, with "indexing" senior loans and high yield is that cap-weighted indexes result in portfolios that are "overweight" those issuers with the most debt. Symphony believes active management have resulted in an added value vs. Passive funds and that senior loans and high yield corporate should be thought of as "one asset class" by investors.

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<u>INTERNATIONAL INVESTING</u> - *Moderated by Alex Reiss, Director, Closed-End Fund Research – Stifel Nicolaus*

"The Mexico Fund" - **Eduardo Solano**, *Investor Relations Vice President* - **The Mexico Fund, Inc.**

Left to Right: Alex Reiss, Eduardo Solano

Summary: Despite the difficult global economic environment, the Mexican economy continues growing and the approval of structural reforms will likely boost its GDP growth in coming years. Mexico's solid economic fundamentals include healthy public sectors finances, controlled inflation, balanced external accounts and fair valued currency. Under this environment, The Mexico Fund (the Fund) has offered attractive returns that exceeded those of its benchmark. For the year ended March 31, 2013, the Fund's market price increased 58.3% its NAV per share

Eduardo Solano

32.1%, compared with 16.7% for the benchmark. Also, since 2009, the Fund has in place a Managed Distribution Plan (MDP), under which it distributes annually to stockholders 10% of NAV in quarterly cash payments. Although the MDP is subject to Board review, there are no current intentions to modify it.

"Emerging Markets"- **James Upton**, *Managing Director, Senior Portfolio Manager & COO* - **Morgan Stanley**

James Upton

Summary: History shows that certain asset classes appear to become very popular among investors and do very well for a decade or so. But winners of one decade are rarely the winners of the next. Gold and Energy Stocks did very well in the 1970's, Japanese Equities in the 1980's, Technology Stocks in the 1990's, and BRICS (Brazil, Russia, India, China, South Africa) and commodities in the 2000's. Emerging markets are currently in the midst of a major churn in leadership. BRICS hit peak growth several years ago and are all slowing down. Overall economic growth in Emerging Markets looks likely to slow to 4.5% on average over the next few years from its peak levels of 7.3% during the 2003-2007 boom period. This underscores the importance for investors of identifying the new breakout stars. Countries such as the Philippines, Indonesia, Thailand Turkey and Poland, in our view, have the critical catalysts of strong growth, policy reform, innovation, low credit penetration and robust domestic demand that will help their equity markets to expand in coming years. While emerging markets are still an attractive asset class relative to others, returns will depend on an active approach at both the country allocation and stock selection levels.

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"The Merits of Asia" - **Donald Amstad**, *Director* –**Aberdeen Asset Management Asia**

Donald Amstad

Summary: The unstoppable rise of the Asian middle class will have a substantial impact on a global investment trend. According to forecasts, Asia is predicted to account for nearly 50% of world GDP by 2050 compared to approximately 27% of GDP today. This growth will be driven, in part, by rising Asian consumption, growing intra-regional trade, and powerful Asian brands. Aberdeen believes that Asia is too important for investors to ignore in their diversified portfolios. While Asian markets should not be considered safe havens during periods of volatility and will be impacted by developed nations' growth, potential opportunities exist for investors presently under-allocated to Asia.

"Investment Opportunities in European Equities" - **David Wertheim**, *Senior Investment Specialist Equities & Commodities* –**Deutsche Asset & Wealth Management**

Summary: After a volatile 2012 for Europe that was characterized particularly by fears concerning cracks in the Eurozone, the leading indicators for the economy in Europe have turned around.

David Wertheim

There is good reason to believe that the German economy hit the bottom in Q4 2012. The decoupling between stock market performance and economic indicators point to some short-term consolidation. The New Germany Fund looks to be positioned to benefit from German exports to the United States and Asia, but currency development (USD, Yen) has to be watched. Valuations remain attractive in the region.

The picture for Turkey in 2013 is one of strong growth and looks to be the year GDP growth recovers with domestic demand. CPI Inflation seems to have bottomed but rates remain low. We continue to watch for Moody's to upgrade Turkey to investment grade, which should lead to more fixed income flows. Also, following an 18% growth in 2012, Turkish corporates are expected to continue to show strong earnings growth in 2013.

"Mexico: The Smart Alternative Investment" - **Maria Eugenia Pichardo**, *Senior Portfolio Manager* - **Mexico Equity and Income Fund, Inc; Roberto Barrera,** *Senior Portfolio Strategies* - **Pichardo Asset Management; Jose Arnulfo Rodriguez**, *Senior Debt Strategies* - **Citibank Banamex**

Left to Right: Roberto Barrera, Arnulfo Rodriguez, Alex Reiss, Eugenia Pichardo

Summary: Pichardo Asset Management (PAM), Mexico based, and the Portfolio Manager of the Mexico Equity and Income Fund "MXE" delivered the simple message that there is a strong case for investing in Mexican Equities over the mid to long-term based on changes that are already underway –specifically structural reforms- and are likely to materialize with the potential to boost Mexico's economic growth rate. Undoubtedly, Mexico has a solid macro for more than a decade; and, the local yield curve has flattened with longer maturity Bonds (30 year) lowering its yield by 108 basis points from 6.43 to 5.35 approximately, year-to-date to April 2013. Overnight rate remains at 4% with BANXICO (Mexico's Central Bank) and likely to signal for an additional cut any time in the 2H`13. Mexico's credit rating is BBB and has a positive perspective from Standard & Poor's rating agency. Finally, "PAM" highlighted that in the CDS market, Mexico's financial strength is better rated with a prime below 100 basis points equivalent to an A+ sovereign debt rate.

EQUITY & TOTAL RETURN INVESTING - *Moderated by John Duggan, Executive Director, Closed-End Fund & ETF Strategist– Oppenheimer & Co.*

"Global Listed Infrastructure & MLPs" - **Benjamin Morton**, *SVP, Portfolio Manager* - **Cohen & Steers**

Left to Right: John Duggan, Benjamin Morton

Summary: Ben Morton presented the fundamental case for infrastructure investing based on the return potential and inherent characteristics of the asset class: long-lived assets in businesses with high barriers to entry found in monopolistic industries, typically supported by the resilient demand for essential services. He spoke about global investment opportunities driven by decades of infrastructure neglect in developed economies and the need to build out large scale infrastructure networks in emerging markets. Through global listed infrastructure, Ben showed how investors can gain access to a broad base of investment themes and geographies through securities that typically offer a combination of stable and predictable income streams and long-term earnings and cash-flow growth.

"The Energy Renaissance & Upstream Income Opportunities" - **Daniel Spears**, *Partner & Portfolio Manager* – **The Cushing Funds**

Daniel Spears

Summary: Due largely to the production of previously inaccessible oil and gas from "tight" shale formations, the United States and North America is moving toward becoming the center for global energy production. Jerry Swank and Dan Spears discussed how this Energy Renaissance is positively impacting not only traditional energy companies, but industrial and manufacturing companies across the energy value chain. Mr. Swank and Mr. Spears outlined how the Energy Renaissance is the driving force by what they believe to be a "super cycle" of economic growth and productivity and how advisers and their clients can benefit from this investment thesis.

INVESTING IN THE ENERGY RENAISSANCE & MLPs THROUGH CEFs AND ETFs –

Moderated by Elias Lanik, Closed-End Fund & Exchange Traded Fund Research – Bank of America Merrill Lynch

"The Energy Renaissance: Investing Across the Entire Energy Value Chain" - **Jerry Swank,** *Founder, Managing Partner & CIO*, **Swank Capital & The Cushing Funds**

Jerry Swank

Summary: Please refer above to Daniel Spear's -"The Energy Renaissance & Upstream Income Opportunities"

"The Shale Revolution: What it Means for MLPs" - **Ron Logan**, *Managing Director*- **Kayne Anderson**

Ron Logan

Summary: The Shale Revolution is a once-in-a-lifetime event. Development and production of shale reserves will last for decades; it will be the catalyst for robust MLP and Midstream C-Corp growth. It is a complex story with winners and losers. Fundamental research and industry knowledge are critical and require a portfolio approach. With an experienced professional team and proven track record, Kayne Anderson CEFs are an ideal vehicle for retail investors.

"Investment Alternatives & Strategies in the MLP Sector through CEFs & ETFs" - **Kenny Feng,** *President & CEO* – **Alerian**

Kenny Feng

Summary: US taxable investors that are comfortable filing state taxes and K-1s and are willing to take on the risk of building their own portfolio are better off investing in MLPs directly. For everyone else, there are now 60 exchange-traded products, closed-end funds, and open-end mutual funds invested in a sector with 91 publicly traded operating entities. Investors should be aware of significant differences between funds in (a) percentage of assets in

MLPs, (b) percentage of yield characterized as tax-deferred return of capital, (c) fees, (d) use of leverage, (e) IRS tax treatment, and (f) degree of "closet indexing" in large, actively managed funds due to the relatively smaller median market capitalization of MLPs.

FIXED INCOME INVESTING – *Moderated by Mariana Bush, Closed-End Fund & Exchange Traded Funds Research – Wells Fargo Advisors*

Mariana Bush

"Innovation in Fixed Income Products" - **Steve Laipply,** *Director, Model Based Fixed Income Portfolio Management Group-* **BlackRock**

Left to Right: Steve Laipply, Mariana Bush

Summary: Fixed Income ETFs are providing a new source of access and liquidity for obtaining or hedging fixed income exposure. Sophisticated investors now optimize bond market exposure and execution across the OTC market and exchange. The granularity of fixed income ETFs allows investors to customize exposure based on risk/return. Innovations such as fixed maturity iSharesBonds provide investors with enhanced duration precision for applications such as laddering or asset/liability matching.

"Investment Opportunities in Municipal Bonds" - **Philip Condon**, *Head of Fixed Income U.S., Head of Municipal Bond Portfolio Management* – **Deutsche Asset & Wealth Management**

Philip Condon

Summary: Municipal bonds should be a key component of taxable portfolios as they provide tax-exempt income, are solid credits, have attractive return/volatility characteristics and have low correlation to equities. Municipal bonds have relatively high "real" income levels compared to taxable alternatives. Active management and credit research are more important than ever due to the demise of municipal bond insurers. Taking some credit and/or duration risk is needed to access the best values in munis.

"Preferred Securities-Potential for High Income and Attractive Relative Value" - **William Scapell**, *SVP, Director of Fixed Income & Portfolio Manager* – **Cohen & Steers**

William Scapell

Summary: Income is hard to come by, and that offered by preferred securities–a bit over 6%–is high compared with other asset classes in both absolute and relative terms. Additionally, preferred securities offer wide yield spreads to Treasurys by historical standards–both of these facts suggest good relative value.
Preferred securities tailwinds remain in place. Largely due to financial reform, credit quality of the most frequent issuers (banks and insurance companies) continues to strengthen with more room for improvement, the new tax

code is supportive of dividends and global central banks should remain accommodative which suggests that demand for income will remain very high. The supply picture is less supportive, but there are opportunities abound. In our view, the complex market for preferred securities is best navigated by an experienced investment team with deep research capabilities and a proven track record investing in preferred securities and multiple ways to invest in the asset class.

"Senior Loan Portfolio Market" - **Dan Norman**, *Managing Director & Group Head ING Senior Loan Group* –**ING**

Dan Norman

Summary: Our outlook for 2013, assuming there is no change in the central bank rate policies, is that the hunt for yield will continue. We believe it will mostly be a coupon-clipping year for loans. Fundamental risk appears to be manageable. Most below-investment grade borrowers don't need above-trend growth. Under our base case economic view, default rates will like rise moderately, although "tail risk" remains. Relative volatility and correlation advantages should fall to loans vs. most other risk asset classes.

Of course, there are headwinds that can't be ignored - the U.S. political dysfunction, Eurozone struggles, and uncertainty in China. Loans are not immune from periods of technical stress, but nevertheless offer a strong value proposition given the "top of the capital structure" risk profile of the asset class and the floating rate income protection from rate risk.

THE USE OF LEVERAGE IN CEFs PANEL DISCUSSION

Moderator:
Yuriy Layvand, *Director, Fund & Asset Manager Group*- **Fitch Ratings**

Left to Right: Yuriy Layvand, Gregory Fayvilevich, Andrew Hanson, Brad Adams, William Meyers

Panelists:
Gregory Fayvilevich, *Director, Fund & Asset Manager Group*- **Fitch Ratings**; **Brad Adams,** *Managing Director*- **Tortoise Capital Advisors**; **William Meyers**, *Managing Director, Capital Markets*- **Nuveen Investments**; **Andrew Hanson,** *Managing Director, Head of Debt Private Placements* –**Morgan Stanley**

Left to Right: Gregory Fayvilevich, Andrew Hanson, Brad Adams, William Meyers

Summary: Active leverage management is increasingly important for CEFs due to more complex capital structures, leverage types that require increased management, and expectations for further volatile economic conditions. Funds may look similar in terms of assets, but these days it's often leverage strategies that can differentiate performance. The increasing array of leverage types is beneficial to fund managers allowing greater flexibility and more active management. Taxable CEFs seek to diversify their capital structures and term out funding to take advantage of today's low interest rates. Municipal CEFs continue to issue additional leverage to take advantage of healthy price appreciation and available leverage capacity.

"The Case for Currency Hedging" - **Patrick Schramm**, *VP & ETF Investment Specialist*- **Deutsche Asset & Wealth Management**

Patrick Schramm

When investing in international equities, US investors are subject to two sources of risk – equity and currency.

Currency risk is important because currency moves are volatile and unpredictable, driven by central bank activity, speculators, foreign international corporations and policy rhetoric. Using the US dollar index as the indicator, the average dollar cycle lasts approximately 8 years but we look to be in year 11 of a UD dolar bear cycle. During this cycle, investors have been increasing their exposure to international equities, which has creating a complacency surrounding the risk that currency poses. Focusing on the MSCI EAFE Index and the contribution to its return from currency, in the 30 year period from 1983 – 2013, currency has helped or hurt in very unpredictable patterns. In most cases, currency fluctuations added significantly more risk to the index.

DB X-trackers currency hedged ETFs provide investors with pure exposure to international equity market returns by using non deliverable forwards (NDF) rolled over monthly to hedge out the full notional exposure to every currency in the product's tracked index. Since inception in June 2011 through the end of Q1 2013, all of our currency hedged products have outperformed their unhedged counterparts. All of the hedged indexes our ETFs seek to track have outperformed their unhedged counterparts with less risk. The only exception being Japan where the standard deviation between hedged and unhedged is approximately equivalent.

LUNCHEON KEYNOTE SPEAKER

Introduction by: **Laura Morrison**, *SVP, Global Index & Exchange Traded Products* of **NYSE Euronext**

Summary: On behalf of NYSE Euronext, Laura Morrison kicked off the luncheon and welcomed the audience. She mentioned the long relationship between NYSE and Capital Link and pointed out NYSE's initiatives and support related to the CEF and ETF sectors.

Laura Morrison

Keynote Speaker: **Piers Currie,** *Group Head of Brand* of **Aberdeen Asset Management** on *"Bridging the Transparency Gap"*

Piers Currie

Summary: The Forum's keynote luncheon address, delivered by Piers Currie, Group Head of Brand, Aberdeen Asset Management, focused on the importance of best practices in investor relations for closed-end funds. According to Mr. Currie, "Shareholders are always seeking the most up-to-date information, market research, investor education, portfolio manager commentary, and other timely communications in order to make informed decisions in a constantly changing market environment. A strong investor relations program is essential; it is not an option."

Mr Currie went on to explain how the future will be most different from the last fifty years due to changing world-wide demographics, increased consumption trends, and the enormous predicted rise of Asian GDP. The best investor relations practices will emerge from an increasingly globalized and digital world. Fund manager's intellectual literature (market research, white papers, thought leadership, analysis, advice and other information) needs to be well-shared in a timely manner and easily accessible on world-class websites for shareholders, fund managers, research analysts, and other centers of influence.

CEF INDUSTRY ROUNDTABLE PANEL DISCUSSION

Moderator:
Michael Taggart, *Head of Closed-End Fund Research* –**Morningstar, Inc.**

Left to Right: Jonathan Isaac, Anne Kritzmire, Robert Ionescu, Robert Bush, Michael Taggart

Panelists:
Robert Bush, *SVP* – **Calamos Investments;**
Robert Ionescu, *Director & Senior Closed-End Fund Product Specialist*- **Legg Mason & Co.; Jonathan Isaac**, *VP, Director of Product Management,* **Eaton Vance**: **Anne Kritzmire**, *Managing Director, Global Structured Products Marketing*- **Nuveen Investments**

Summary: The panel discussed investors' increasing need for income as retirement approaches. Panelists reviewed the history of closed-end funds, and how these investments are currently primarily created to provide income. However, most investors are unaware of closed-end funds or are hesitant to use them for income because of their complexity relative to mutual funds. Therefore, it is incumbent upon the industry to devote more resources to educating advisors and investors about closed-end funds in order to ensure that they are used appropriately and more extensively in

Left to Right: Jonathan Isaac, Anne Kritzmire, Robert Ionescu, Robert Bush

investment portfolios.

RISK MITIGATION STRATEGIES – *Moderated by Jon Maier, Head of ETF Strategy- Bank of America Merrill Lynch*

Left to Right: Joseph Nelesen, Jon Maier

"Minimum Volatility Exposure to the Equity Markets" - **Joseph Nelesen**, *Director, iShares Product Research & Development*- **BlackRock**

Summary: Joseph Nelesen of iShares U.S. Product Research talked about the performance, design and usage of Minimum Volatility ETFs (EEMV, USMV, EFAV and ACWV). Dr. Nelesen discussed academic research and institutional investor data showing that Minimum Volatility portfolios historically provide better risk-adjusted returns than capitalization-weighted portfolios. Dr. Nelesen also explained the MSCI index methodology designed to provide less volatile equity exposures, and shared examples of investors experiencing long-term improvements in portfolio performance with this rapidly-growing fund family.

"Equity Volatility Management" - **Matthew Moran,** *VP, Business Development-* **Chicago Board Options Exchange (CBOE)**

Matthew Moran

Summary: Matt Moran, VP of CBOE, discussed volatility management with products such a buywrite funds and ETPs based on VIX futures. He noted that a Morgan Stanley report stated that the option strategy CEF universe (a broader universe inclusive of covered call funds) grew exponentially from 2004 through 2007 and has since leveled off at 71 funds with net assets just north of $29 billion. Options benchmark indexes with lower volatility than the S&P 500 now include – (1) PUT - CBOE S&P 500 PutWrite Index, (2) BXM - CBOE S&P 500 BuyWrite Index®, (3) BXY - CBOE S&P 500 2% OTM BuyWrite Index, and (4) CLL - CBOE S&P 500 95-110 Collar Index.

COMMODITIES & PRECIOUS METALS - *Moderated by Jon Maier, Head of ETF Strategy- Bank of America Merrill Lynch*

"Outlook for Precious Metals" - **William Rhind**, *Managing Director-* **ETF Securities (US) LLC**

William Rhind

Summary: Bearish sentiment for gold has been driven by expectations of unwinding central bank stimulus and concern over Eurozone central bank sales. A breach of technical levels triggered a sharp fall in gold price in recent weeks. The recent gold correction appears exaggerated when underlying fundamentals are considered. Concerns over premature stimulus withdrawal seem overstated and the Eurozone central bank gold sales are an implausible solution to reduce debt burdens. An environment of high economic, political and sovereign risk, low real interest rates and quantitative easing by the world's main reserve currency central banks provide medium-term support for precious metals. Precious metal ETFs such as those offered by ETF Securities may be an effective way to play any recovery in metal prices.

Gregory King, *Director and Head of ETPs* at **Credit Suisse** presented on the topic of *"GLDI: Generating Yield on Gold".*

Left to Right: Nicolas Bornozis, Gregory King

"Commodity ETFs 101" - **John Hyland, CFA**, *Chief Investment Officer* – **United States Commodity Funds LLC**

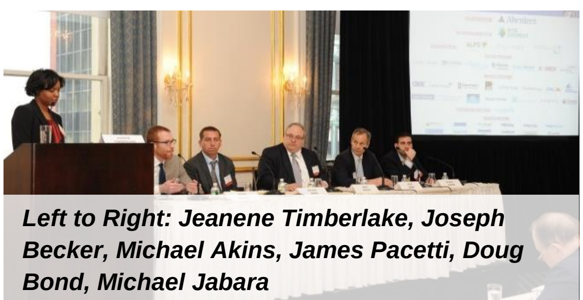
Summary: Although investors and investments advisors often view the commodity ETF space as a single sector or marketplace, it does in fact represent two distinct markets or sectors. Those markets/sectors are used in two very different ways and the analysis and selection process to select the appropriate ETF in each case varies.

The first market/sector consists of those ETFs that each tracks a single commodity. Think crude oil, copper, corn, silver, or gasoline. Investor here are usually looking to make a tactical trade, with a short to medium term time horizon, and are not looking to make a long-term investment. The analysis of such funds typically includes looking at if that single commodity's futures market, at the time the investor is looking to make the trade, is in backwardation or contango, the exact contract or contracts that the ETF(s) in question hold, and matching that all up with the investor's expected time frame for the trade.

The second market/sector consists of ETFs that track a diversified basket of commodities; ones that hold 12, 14, or 20 different commodities at a time. Investors here are almost always looking to invest as part of an asset allocation strategy and with a longer term expected time horizon. Typically investors are looking at commodity exposure because they want to add to their portfolio a new asset class that helps hedge their inflation risk. When trying to select an appropriate diversified ETF the most important factor is comparing the underlying commodity index that the various diversified commodity ETFs track. This is due to the fact that there is a very wide variation in results over time between commodity indexes. Far more variation than you typically see between equity or fixed income indices, meaning that "getting it right" when selecting a commodity index is of paramount importance.

<u>INVESTING FOR YIELD THROUGH ETPS PANEL DISCUSSION</u>

Moderator:
Jeanene Timberlake, *Managing Editor-* **Wall Street Letter**



Left to Right: Jeanene Timberlake, Joseph Becker, Michael Akins, James Pacetti, Doug Bond, Michael Jabara

Panelists:
Joseph Becker, *Senior Fixed & Equity Income Product Strategist-* **Invesco PowerShares Capital Management LLC; Michael Akins,** *Portfolio Manager-* **ALPS ETF Trust; James Pacetti,** *Director of Business Development* **- S-Network Global Indexes; Doug Bond**, *Executive Vice President, Portfolio Manager –* **Cohen & Steers; Michael Jabara**, *Vice President, Head of Exchange-Traded Funds & Closed End Funds Research –* **Morgan Stanley Smith Barney**

Summary: "Yield Solutions: Alternative Strategies using ETPs

Left to Right: Joseph Becker, Michael Akins, James Pacetti, Doug Bond, Michael Jabara

'Yield Solutions: Alternative Strategies using ETPs,' gathered together five executives representing preeminent players in the market to discuss the trend toward yield-bearing products with a focus on Exchange-Traded and Closed-End Funds. One key point was that, while it's a great time to invest due to the sheer number of options, investors must do some research and dig deep to choose the right fund to match their yield and value needs. ETP sponsors on the panel discussed their various offerings and noted that certain of the funds have attracted different types of investors due to their structures and underlying investments. The panelists agreed that while aggregate expense ratios are something to consider the issue is of somewhat less concern with yield ETPs. They also urged potential investors to explore all the options available to them, noting that there may be investing opportunities that are somewhat underutilized.

PERMANENT CAPITAL & ALTERNATIVE INCOME STRATEGIES PANEL DISCUSSION

Moderator:
Steve Baffico, Managing Partner & CEO- **Four Wood Capital Partners, LLC**

Left to Right: Steve Baffico, Michael McGrath, Ted Smith, Samuel Sahn, Michael Lehmann

Panelists:
Michael McGrath, *Partner* – **Perella Weinberg Partners**; **Ted Smith,** *Head of U.S. Intermediary Distribution*- **Ashmore Investment Management UK**; **Samuel Sahn,** *Portfolio Manager, Global Real Estate Securities*- **Timbercreek Asset Management**; **Michael Lehmann**, *Portfolio Manager* **Third Avenue Management**

Summary: "Using Permanent Capital to Effectively Deliver Alternative Income Strategies"
How do you enhance performance in today's low return environment while implementing an effective level of risk management? In the session "*Using Permanent Capital to Effectively Deliver Alternative Income Strategies",* the panel, moderated by Steve Baffico, Managing Partner, CEO, Four Wood Capital Partners, consisted of Mike McGrath, Partner, Perella Weinberg Partners; Ted Smith, Ashmore Investment Management UK; Sam Sahn, Portfolio Manager, Timbercreek Asset Management and Mike Lehmann, Partner, Sr. Portfolio Manager, Third Avenue Management, discussed the inclusion of non-traditional assets (such as asset based, hedge fund strategies, emerging markets, real estate and deep value investing across capital structure) and the greater emphasis on the delivery of consistent cash flow in the portfolio. It means utilizing a differential in the delivery of the investment strategy; permanent capital and alternatives are part of the portfolio solutions.

ETF INDUSTRY ROUNDTABLE PANEL DISCUSSION

Moderator:
Scott Burns, *Director of Fund Research*- **Morningstar, Inc.**

Left to Right: Deborah Fuhr, Paul Lohrey, Ed McRedmond, Matt Hougan, Scott Burns

Panelists:
Matt Hougan, *President, ETF Analytics & Global Head of Editorial*- **IndexUniverse/ETF Analytics; Edward McRedmond**, *SVP, Portfolio Strategies*- **Invesco PowerShares Capital Management LLC; Paul Lohrey**, *Managing Director, head of iShares Global Investment Group* –**BlackRock;Deborah Fuhr**, *Partner & Co-Founder* – **ETFGI**

Left to Right: Deborah Fuhr, Paul Lohrey, Ed McRedmond, Matt Hougan, Scott Burns

Summary: The panel discussed the latest trend and products in ETF industry. Distribution was the hot topic discussed; it is on the biggest unreported story in the ETF industry in terms of what's driving assets. The three main distribution trends dictating asset flow in the ETF space are: Push to commission free trading, growth of model portfolio providers, and the increased interaction between the issuers of the ETF and the major aggregators of investors. In addition, definitions of active and passive ETF products were discussed and what it means for investors.

Nicolas Bornozis, the *President* of **Capital Link**, stated that:

"The 12th Annual Closed-End Funds & Global ETFs Forum is the only educational, industry, marketing, and networking event to combine closed-end funds and ETFs. By combining CEFs and ETFs in one Conference we maximize attendance, as advisors and investors, who are our primary target audience, use CEFs and ETFs as complementary investment solutions. Also, most sell side research analysts follow both CEFs and ETFs. Furthermore, many Fund Sponsors provide both CEFs and ETFs, and our Forum enables them to present the range of their investment strategy and products. We are delighted that our Forum has consistently attracted over 1,000+ delegates every year providing unique informational, educational, marketing and networking opportunities."

12th Annual Capital Link Closed-End Funds and Global ETFs Forum
Wednesday, April 24, 2013
The Metropolitan Club, One East 60th St.,New York City

ORGANIZER - CAPITAL LINK, INC.

Capital Link is a New York-based investor relations and financial communications firm, which, among other activities, maintains a strategic focus on closed-end funds and ETFs.

Capital Link has developed powerful investor outreach programs and IR tools focused on CEFs and ETFs aimed to enhance their profile among analysts, investors, and financial media. In pursuit of this objective, it maintains websites dedicated to CEFs (www.CEFForum.com) and ETFs (www.ETFForum.com) that track the news and developments of all U.S. listed CEFs and ETFs, providing investors with a free information resource on these topics. The Annual Closed-End Funds & Global ETFs Forum held in New York City every April (www.CapitalLinkForum.com), has a 12-year track record and considered a premier industry annual event. It attracts consistently over 1,000 delegates, bringing together investors, analysts, wealth management professionals, and CEF and ETF industry participants. **The next Forum is scheduled for Thursday, April 24, 2014**. Capital Link also offers the "Closed-End Funds & Global ETFs Webinar Series (www.CapitalLinkWebinars.com)," an online interactive platform on CEFs, ETFs and other pertinent industry topics. These virtual events provide an in-depth look into CEFs & ETFs facilitating interaction among industry participants.

CONTACT INFORMATION

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