

Capital Link 20th Annual Closed-End Funds & Global ETFs Forum

Tuesday, October 5, 2021

11:00 am – 6:00 pm New York Time
Digital Conference

Complimentary Registration

The Forum has been approved for 6 CFP CE Credits

CONFERENCE NOTES

20th Anniversary to “Capital Link's Closed-End Funds & Global ETFs Forum”

Tuesday, October 5, 2021 – DIGITAL CONFERENCE
11am - 6pm EST

New York, October 18, 2021

Capital Link's “20th Annual Digital Closed-End Funds & Global ETFs Forum” was held with great success on Tuesday, October 5, 2021 as a digital event from 11am - 6pm EST, in cooperation with New York Stock Exchange – NYSE. We are grateful to have had Calamos Investments as the Gold Sponsor, and Nuveen as the Silver Sponsor.

The event focused on topics of critical interest for the Closed-End Funds (CEFs) and ETFs space and also on investment strategies involving CEFs, ETFs, MLPs and BDCs (Business Development Companies).

KEYNOTE ROUNDTABLE

We had the privilege to feature three industry gurus on a roundtable discussion sharing their unique insight on the current investment climate and its outlook, as well as on the developments in the CEF & ETF space:

- **John P. Calamos**, Founder, Chairman and Global CIO of Calamos Investments and
- **Mario Gabelli**, CFA, Chairman & Chief Executive Officer of GAMCO Investors, Inc. and LICT Corp.
- The session was moderated by **John Koudounis**, CEO of Calamos Investments.

KEYNOTE SPEAKER

“Multi-Year Trends: Energy Transition and “Crypto” Beyond Bitcoin”

Jan Van Eck, President and Chief Executive Officer - **Van Eck Associates Corporation**

There were eight INDUSTRY PANELS: CEF Industry Roundtable; Alternatives & Real Assets (REITs, MLPs, Preferreds & Convertibles); New CEFs Brought to Market & Looking Ahead; The Use of Leverage; BDCs Roundtable – Financing America's Growth; ETF Industry Roundtable; Analyst Roundtable; and Industry Leaders on Challenges & Opportunities.

FORUM ADVISORY BOARD MEMBERS

- Mariana Fariña Bush, CFA, *Research Director - CEFs & ETPs/Passive Products* – Wells Fargo Investment Institute
- Michael Jabara, *Managing Director and Head of ETF and Closed-End Fund Research* – Morgan Stanley Wealth Management
- Alexander Reiss, *Director* – Stifel

Welcome Remarks: Nicolas Bornois, President - Capital Link, Inc.

Nicolas Bornois, in his welcoming remarks expressed his gratitude to all for joining the **20th Annual Capital Link Closed-End Funds & Global ETFs Forum** and continued by saying: “We are celebrating today a major milestone, the Forum's 20th Year Anniversary. For all these years we have showed commitment in the Closed-End Funds and ETFs space, and always had a strong agenda, great attendance, and this event has become one of the biggest and go to events in the industry, and widely anticipated year after year.

I would like to thank our advisory committee, for guiding us in coming up with agenda topics of relevance and critical interest to investors once again, **Mariana Fariña Bush**, CFA, Research Director - CEFs & ETPs/Passive Products - Wells Fargo Investment Institute, **Michael Jabara**, Managing Director and Head of ETF and Closed-End Fund Research - Morgan Stanley Wealth Management, **Alexander Reiss**, Director – Stifel, the **New York Stock Exchange** for their support, and of course I would like to extend my special thanks to all the sponsors who helped make this event possible.

We are particularly proud of the agenda we have this year and look forward to a day of impactful discussions and debate.”

CEF Industry Roundtable

Moderator: Mariana Fariña Bush, CFA, Research Director - CEFs & ETPs/Passive Products - **Wells Fargo Investment Institute**

Panelists:

- **Robert F. Bush**, Jr., Senior Vice President, Director of Closed-End Fund Products - **Calamos Investments**
- **Jonathan Isaac**, Director of Product Management - **Eaton Vance**
- **Parth Doshi**, Vice President, Closed-End Fund Product Management and Development - **Nuveen**

Robert F. Bush, Jr., Senior Vice President, Director of Closed-End Fund Products - **Calamos Investments**, served as both a panelist and moderator on separate roundtables that discussed industry trends, as well as hearing input from research analysts on the current closed-end fund market.

As a participant in the CEF Industry Roundtable discussion, Mr. Bush provided insight into the current product designs and pricing structures related to new issuance in the closed-end fund market. Mr. Bush also discussed topics including a general overview of the CEF market, the importance of fund advisor’s secondary market support, as well as the positive impact of virtual meetings on both CEF IPO issuance and follow on shareholder and advisor communications.

Alternatives & Real Assets

REITs, MLPS, Preferreds & Convertibles

Moderator: Alexander Reiss, Director - **Stifel**

Panelists:

- **Barry Nelson**, CFA, Partner, Senior Advisor - **Advent Capital Management**
- **Ryan Sullivan**, CFA, Co-Head of Real Assets - **abrdn**
- **Matthew Sallee**, CFA, Sr. Managing Director & Sr. Portfolio Manager - **Tortoise**
- **Paulo Almeida**, CIO - **Tufton Investment Management**

Barry Nelson, CFA, Partner, Senior Advisor - **Advent Capital Management**, addressed Moderator Alexander Reiss’s question about whether convertibles were becoming a mainstream asset class in the wake of record new issuance in the last two years. Mr Nelson said convertibles remain an attractive niche—as they have for centuries. Niches create investment opportunities for those in the know. Meanwhile, the rising number of convertible securities creates greater opportunities for convertible investors. Mr Nelson emphasized the timeliness of investing in convertible securities in the face of concerns about Fed tapering, rising interest rates, and rising inflation. The basic asymmetry of convertible securities—downside protection combined with upside participation—is particularly reassuring in this uncertain environment. Historically, convertible securities have outperformed most other fixed-income classes during periods when 10-year Treasury rates rose. Convertible bonds have much shorter durations than nonconvertible bonds, hence less sensitivity to increases in market rates of interest. Convertibles did well during the “stagflation” in the latter half of the 1970s—as Mr Nelson recalls vividly, because he has worked on Wall Street since 1972. Fed tapering is likely to cause higher volatility, which will increase the theoretical value of the conversion privilege that is embedded in convertible securities. Rising short-term interest rates raise the cost of leverage, which also boosts the theoretical value of the conversion right. Mr Nelson addressed a question about allocating convertibles to a traditional 60/40 portfolio of equities and fixed-income securities by observing that convertibles provide an “automatic transmission” by shifting more toward equity sensitivity in bull markets and by becoming more bond like in bear markets—an advantage in investment returns that is akin to the superior fuel mileage most drivers obtain from automatic transmissions.

Matthew Sallee, CFA, Sr. Managing Director & Sr. Portfolio Manager – **Tortoise**, stated:

“TortoiseEcofin Overview:

We broadly focus on those assets and services that are indispensable to the economy and society. Our Investment capabilities are primarily focused on energy infrastructure including midstream, power, renewables, and energy technology, both listed and private and across the capital structure. Today we have 132 people at TortoiseEcofin of which roughly 30 are investment professionals focused on energy, power, renewables, and energy technology.

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Energy Transition Overview:

- The world is facing competing challenges of growing energy demand and reducing energy poverty contrasting against the need to reduce global CO₂ emissions
 - This is leading to an evolution around how energy is delivered and consumed
- we have been studying these trends for years and are convinced the best way to meet the conflicting needs is not an either-or solution, we need low or no carbon renewables and natural gas to work in concert to replace heavy carbon energy sources that dominated the supply mix over the last several decades
- This creates a secular tail wind benefiting renewables and gas as they disrupt coal. This is similar to what we saw during the shale revolution in the US over the last 20 years but on a global basis.... it's bigger and impacts around 10% of the global equity market.

Defining Transition:

First, to set the table it's important to start with the high-level fact that over 2.5B people don't have basic access to electricity or gas in their home for something as simple as cooking, think UN sustainable development goal #7, (access to clean affordable energy). Also 2/3 of China and India's energy consumption comes from coal so energy transition can mean vastly different things depending on what part of the world you live in. Sure, in the US it may mean buying an EV but in India it means gaining access to US sourced LPG so you no longer have to use wood and animal dung to cook food for your family. Or in China and India, imagine the CO₂ emission reductions from replacing coal with gas and renewable generation for the nearly 3B people living there. US midstream companies are making the transition happen by exporting low carbon natural gas and LPG.

How to Invest:

TYG started as an MLP fund but evolved to a midstream fund with less emphasis on structure rather picking our favorite midstream names; as we look forward we see great opportunities in both midstream and utilities transitioning to cleaner generation mixes and pure renewable companies. We announced in fall 2020 TYG's portfolio will gradually transition to reflect the broader opportunity we see in "decarbonizing infrastructure"

- If you look at S&P global infra index it's about 2/3 energy and power and 1/3 industrial and transportation infrastructure
 - We are focused on 2/3 where we see most evolution and investment opportunity and ability to pick between winners and losers plus the biggest impact in terms of ability to decarbonize the world."

New CEFs Brought to Market & Looking Ahead

Moderator: Jefferey D. LeMaster, Partner - Clifford Chance US LLP

Panelists:

- **Stephen Minar, Director - BlackRock**
- **Finbar Ward, Vice President - Morgan Stanley Wealth Management**
- **Dave Lamb, Sr. Managing Director, Head of Closed-End Funds - Nuveen**

The Use of Leverage

Moderator: Peter Gargiulo, Director - Fitch Ratings

Panelists:

- **Kimberly Green, Analyst - Fitch Ratings**
- **Nate Jones, CFA, Senior Managing Director, Head of Fund Finance and Treasury - Nuveen**
- **Mark B. Quaglia, Director - TD Prime Services LLC**

BDCs Roundtable – Financing America's Growth

Moderator: Allen G. Laufenberg, CFA, Managing Director, Investment Banking - KEEFE, BRUYETTE & WOODS / Stifel

Panelists:

- **Jim Labe, Co-CEO & Co-Founder - TriplePoint Capital**
- **Steve Brown, Chairman, CEO & Founder - Trinity Capital Inc.**
- **Rob Pomeroy, Chief Executive Officer, Chairman & Co-Founder - Horizon Technology Finance Corporation**

KEYNOTE ADDRESS

Multi-Year Trends: Energy Transition and "Crypto" Beyond Bitcoin

Jan Van Eck, President and Chief Executive Officer - Van Eck Associates Corporation

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Jan van Eck, spoke to the Forum about two multi-year themes representing extreme value and extreme growth - and the paradoxes they present for investors. For commodities, the energy transition and sustainability are expected to be key drivers. Crucially, he noted that sustainability is multi-dimensional, and it's important to look beyond power and transport to consider agriculture, land use markets and food systems as well. He highlighted the supply constraints as well as the intense demand for commodities going forward. After facing an extended bear market, many commodities companies restructured and are in better financial shape than ever. However, the paradox is that their stock prices do not reflect this and remain undervalued—he pointed to gold miner stocks as an extreme example. On the other side, extreme growth, is blockchain. He referred to 2021 as the year of smart contracts. Disruption of finance by crypto is happening in three areas: brokerage/exchanges, payments and banking/lending. The blockchain revolution is happening, but the paradox here is that many growth companies are richly valued. These two multi-year themes are not going away anytime soon, but investors may be wary of participating, for conflicting reasons. In his view, a dollar cost average approach to edge into those investments makes the most sense.

ETF Industry Roundtable

Moderator: Douglas Yones, Head of Exchange Traded Products - **New York Stock Exchange**

Panelists:

- **Arne Noack**, Head of Systematic Investment Solutions - Americas - **DWS**
- **Paul Kim**, CEO and Co-founder - **Simplify ETFs**
- **Gunjan Chauhan**, Senior Managing Director, Global Head of SPDR Capital Markets - **State Street Global Advisors**

Analyst Roundtable

Moderator: Mr. Robert F. Bush, Jr., Senior Vice President, Director of Closed-End Fund Products - **Calamos Investments**

Panelists:

- **Mariana Fariña Bush**, CFA, Research Director - CEFs & ETPs/Passive Products - **Wells Fargo Investment Institute**
- **Michael Jabara**, Managing Director and Head of ETF and Closed-End Fund Research - **Morgan Stanley Wealth Management**
- **Alexander Reiss**, Director - **Stifel**
- **Mike Taggart**, CFA, CEO & Head of CEF Insights - **Taggart Fund Intelligence, LLC**

Robert F. Bush, Jr., Senior Vice President, Director of Closed-End Fund Products - **Calamos Investments**, served as both a panelist and moderator on separate roundtables that discussed industry trends, as well as hearing input from research analysts on the current closed-end fund market.

As moderator for the CEF Analyst Panel, Mr. Bush led the discussion on topics that explored the current dynamics and influences pertaining to both the primary and secondary markets of closed-end funds, the thoughts on the impacts of leverage in the current economic environment, the importance of CEF manager's coordination with research analysts to best support their closed-end fund products, and key takeaways from 2021 and thoughts for 2022 for the closed-end fund space.

Mike Taggart, CFA, CEO & Head of CEF Insights - **Taggart Fund Intelligence, LLC**, stated: "The closed-end fund IPO and secondary markets are in a virtuous circle: the strong valuations in the secondary market create a positive environment to launch new funds; meanwhile, the IPO marketing gets people interested in closed-end funds in general, bolstering the secondary market. Yields are also supporting the strong secondary market. The average valuation right now is a -2.6% discount. That's largely due to yields that are far higher than in similarly invested funds wrapped as mutual funds or ETFs. One could argue that valuations would be even better if some fund sponsors did a better job providing investors – and particularly prospective investors—with more and more pertinent information about their funds; Control your narrative! Tell your story! Investors and advisors don't have the time to dig and their narrative is going to be 'I'm moving onto the next fund.' Now, the flip side of these exceptional valuations is that investors who own funds trading at large premiums should consider taking their gains and investing the proceeds in similarly-invested funds trading at cheaper valuations. There's nothing wrong with taking gains or holding cash; however, there is something wrong with thinking that this positive environment will last forever – this time is NOT different from other cycles, as time will surely prove. While I don't think there will be a strong tax-loss selling season this year, assuming volatility doesn't spike, I do think valuations will widen once short rates go up, primarily because the marginal closed-end fund investor doesn't understand the effects of rising rates on their funds, assumes the worst, and sells."

"Industry Leaders on Challenges & Opportunities"

A Roundtable Discussion among CEOs

Moderator: John S. Koudounis, CEO - **Calamos Investments**

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Panelists:

- **John P. Calamos**, Founder, Chairman and Global CIO - **Calamos Investments**
- **Mario Gabelli**, CFA, Chairman & Chief Executive Officer - **GAMCO Investors, Inc.** and **LICT Corp**

John Koudounis, served as Moderator of the highlight panel of the day featuring esteemed industry veterans, John Calamos, Sr. – Founder, Chairman and Global CIO of Calamos Investments and Mario Gabelli – Founder, Chairman and CEO of GAMCO Investors. Mr. Koudounis led the group discussion covering various challenges and opportunities these seasoned investors are seeing in the industry. He elicited spirited conversation covering everything from the impact of tax increases on the markets and economy, the unique attributes of convertible securities within a CEF portfolio and the impressive resiliency of CEFs as a product.

John Calamos, discussed the importance of investor education, pointing out how CEFs are a solution in the search for income. He emphasized, “We are in the lowest interest rate environment in history; CEFs offer benefits to investors, including a level distribution policy.” As an investor who was one of the pioneers in the use of convertible securities, Calamos discussed how the asset class is uniquely suited for a closed-end fund product. He pointed out, “Convertibles can generate both capital gains and income to support distributions, and offer risked-managed exposure to equity markets. The asset class is adept at absorbing market volatility, which can help CEF investors stay in markets over the long haul as more stable NAVs due to convertible holdings can also mitigate wide price fluctuations of CEFs during periods of market volatility.”

Participating Companies

- abrdn
- Advent Capital Management
- BlackRock
- Calamos Investments
- CLIFFORD CHANCE US LLP
- DWS
- Eaton Vance
- Fitch Ratings
- GAMCO Investors, Inc. and LICT Corp
- Horizon Technology Finance Corporation
- KEEFE, BRUYETTE & WOODS / Stifel
- Morgan Stanley Wealth Management
- New York Stock Exchange
- Nuveen
- State Street Global Advisors
- Stifel
- Trinity Capital Inc.
- TriplePoint Capital
- TortoiseEcofin
- Tufton Investment Management
- Van Eck Associates Corporation
- Wells Fargo Investment Institute

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ABOUT THE FORUM

With a 20-year track record of success, it is the longest running investment forum with significant branding and recognition in the industry. It updates the broader investment community on the latest trends, developments and investment strategies using Closed-End Funds, MLPs, BDCs, and Exchange Traded Funds.

This conference brings together financial advisors, institutional investors, RIAs, private bankers, financial planners, fund and asset managers, analysts, and financial media utilize this forum not only as a resource for sharing and evaluating the latest CEF and ETF products and trends, but also as an interactive platform for enhancing visibility and establishing the right connections.

THE CONFERENCE WAS ORGANIZED:

In cooperation with: New York Stock Exchange - NYSE

SPONSORS:

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ORGANIZERS

Founded in 1995, Capital Link is a New York based investor relations, financial communications and advisory firm with a strategic focus on the maritime, commodities and energy sectors, MLPs, as well as Closed-End Funds and ETFs. Based in New York City, Capital Link has presence in London, Athens & Oslo. Capital Link is a member of the Baltic Exchange and works very closely with the New York Stock Exchange, NASDAQ and the London Stock Exchange as well as with major international and supranational organizations and industry associations in the areas of the firm's strategic concentration.

*Our proactive approach, which integrates **Investor Relations, Information Technology and Media**, enhances awareness and branding for our clients through tailored outreach programs targeting analysts, institutional and individual investors and the financial media complemented by extensive and uniquely powerful marketing platforms.*

Capital Link offers a full suite of services including strategic and corporate advisory, investor relations, media relations, public and industry relations and the organization of corporate events. Capital Link is also known for the organization of 22 large scale, high quality Forums and 28 Webinars the majority of which focus on maritime transportation and U.S. investment products, in the United States, Europe and Asia, in key industry centers, such as New York, London, Oslo, Hamburg, Athens, Limassol, Shanghai, Singapore, Tokyo and Hong Kong. The Capital Link Investment Forums feature industry leaders and draw the elite of the global financial and investment communities. The Capital Link brand is widely-recognized and valued worldwide by participants in these communities for combining rich informational and educational content with as well as superior networking opportunities. In addition to conferences, Capital Link organizes Webinars focusing on investment strategies, sectors, critical topics of interest to the investment community and company presentations. Capital Link's global marketing platform enhances the visibility and reach of these events on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Lloyds's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI-American Hellenic Institute.