

Uniform Application for Investment Adviser Registration

Part II – Page 1

OMB APPROVAL

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Name of Investment Adviser:					
CLOSED-END FUND ADVISORS INC					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone No.:
	7204 Glen Forest Drive, Suite #105	Richmond	VA	23233	(804) 288-2482

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
 The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instructions below.)

Applicant:

- ☐ (1) Provides investment supervisory services %
- ☒ (2) Manages investment advisory accounts not involving investment supervisory services 100 %
- ☐ (3) Furnishes investment advice through consultations not included in either service described above .. %
- ☐ (4) Issues periodicals about securities by subscription %
- ☐ (5) Issues special reports about securities not included in any service described above %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities ... %
- ☐ (8) Provides a timing service %
- ☐ (9) Furnishes advice about securities in any manner not described above %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B.** Does applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☒ No

C. Applicant offers investment advisory services for: (check all that apply)

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☐ (2) Hourly charges ☐ (5) Commissions
- ☐ (3) Fixed fees (not including subscription fees) ☐ (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the advisor on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients — Applicant generally provides investment advice to: (check those that apply)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☒ F. Corporations or business entities other than those listed above
- ☐ C. Investments companies ☐ G. Other (describe on Schedule F)
- ☐ D. Pension and profit sharing plans

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- A. Equity securities ☐ H. United States government securities
- ☒ (1) exchange-listed securities ☐ I. Options contracts on:
- ☒ (2) securities traded over-the-counter ☐ (1) securities
- ☐ (3) foreign issues ☐ (2) commodities
- ☐ B. Warrants ☐ J. Futures contracts to:
- ☐ C. Corporate debt securities (other than commercial paper) ☐ (1) tangibles
- ☐ D. Commercial paper ☐ (2) intangibles
- ☐ E. Certificates of deposit ☐ K. Interests in partnerships investing in:
- ☐ F. Municipal securities ☐ (1) real estate
- G. Investment company securities:
- ☐ (1) variable life insurance ☐ (2) oil and gas interests
- ☐ (2) variable annuities ☐ (3) other (explain on Schedule F)
- ☒ (3) mutual fund shares ☐ L. Other (explain on Schedule F)

4. Methods of Analysis, Sources of Information, and Investment Strategies

A. Applicant's security analysis methods include: (check those that apply)

- ☐ (1) Charting ☒ (4) Cyclical
- ☒ (2) Fundamental ☒ (5) Other (explain on Schedule F)
- ☒ (3) Technical

B. The main sources of information applicant uses include: (check those that apply)

- ☒ (1) Financial newspapers and magazines ☐ (5) Timing services
- ☒ (2) Inspections of corporate activities ☒ (6) Annual reports prospectuses, filings with the Securities and Exchange Commission
- ☒ (3) Research materials prepared by others ☒ (7) Company press releases
- ☒ (4) Corporate rating services ☒ (8) Other (explain on Schedule F)

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- ☒ (1) Long-term purchases (securities held at least a year) ☒ (5) Margin transactions
- ☒ (2) Short-term purchases (securities sold within a year) ☐ (6) Option writing, including covered options, uncovered options or spreading strategies
- ☐ (3) Trading (securities sold within 30 days) ☐ (7) Other (explain on Schedule F)
- ☐ (4) Short sales

5. Education and Business Standards

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No

6. Education and Business Background

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors),
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box, describe the other activities, including the time spent on them on Schedule F.)

8. Other Financial Industry Activities or Affiliations (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading advisor.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment advisor | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading advisor or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions

Applicant or related person: (check all that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client
- ☐ B. As broker or agent effects securities transactions for compensation for any client
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, in Schedule F, your code of ethics, and state that you will provide copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No
☐ ☒

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews and the number of accounts assigned each.

Client Accounts are monitored on an on-going basis. A formal review occurs each quarter. Each account is reviewed, in particular, for needs to re-balance or selection of a superior investment vehicle. The performance of each account is measured using AXYS software from Advent. George Cole Scott, Sr. Portfolio Manager and John Cole Scott, Portfolio Manager are in charge of reviewing all client accounts. There are currently 125 accounts managed by the firm.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Custodians mail / email trade confirms and regular brokerage statements to the client, at least on a quarterly basis. Also, on a quarterly basis, clients of Closed-End Fund Advisors receive portfolio appraisals, performance reports, copies of the invoice for management fee and quarterly client letters.

12. Investment or Brokerage Discretion

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A above, describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services;
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services;
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | Yes | No |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangement on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of fees of more than \$500 in fees per client and six or more months in advance

- | | Yes | No |
|--|--------------------------|-------------------------------------|
| Has applicant provided a Schedule G balance sheet? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Applicant:	SEC File Number:	Date:
Closed-End Fund Advisors, Inc.		03/24/2011

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
CLOSED END FUND ADVISORS. INC ("CEFA").		77-0212293
Item of Form (identify)	Answer	
1.D.	<p>BUSINESS DESCRIPTION AND FEES</p> <p>Business Description</p> <p>Closed-End Fund Advisors, Inc. ("CEFA") provides professional investment management advice for global-oriented portfolios, which primarily contain closed-end funds. The portfolio may contain open-end funds, exchange traded funds or individual stocks as they pertain to the investment objectives of particular clients. Clients include individuals, family offices, charitable organizations and institutions.</p> <p>CEFA offers its portfolio investment advisory services through financial advisors, registered investment advisory firms and others who qualify, as described by the U.S. Securities Exchange Commission ("SEC"). Investment advisory services currently cover portfolios in the following categories:</p> <ol style="list-style-type: none"> 1. Conservative Diversified 2. Diversified Bond 3. Muni (Tax-Free) Bond 4. Balanced/Foundation 5. Globally Diversified Growth and Income 6. Globally Diversified Growth 7. International Balanced 8. International Equity 9. Aggressive Growth 10. Hybrid Income 11. Absolute Return (has least CEF exposure) <p>The firm's mission is to work with clients to give them the best access to global portfolios comprised of active closed-end fund managers. CEFA has found that closed-end funds are one of the most effective ways to access this market through listed securities. CEFA produces <i>The Scott Letter: Closed-End Fund Report</i> to publish its primary research and to evaluate fund managers through personal interviews. <i>The Scott Letter</i> is distributed free of charge on CEFA's web site (www.cefadvisors.com) and, upon client request, via U.S. postal service. CEFA also has a weekly CEF Data service, CEFA's Closed-End Fund Universe Report which tracks 26 data points on all US listed CEFs. Subscriptions are available on our website: (www.cefadvisors.com/universe.html) for \$595 /year or \$185 / quarter. The service does not give recommendations or ratings of funds.</p> <p>The firm charges portfolio management fees as a percentage of the assets under management to its clients. CEFA is compensated solely and exclusively from these professional fees paid by its clients. Fees will be debited from account unless other arrangements are approved by CEFA. The firm does not receive any sales fees, referral fees or other forms of compensation from any third party on securities, investment selections and/or allocations.</p> <p>Before any agreement for performing services is executed, a copy of this ADV Part II is provided to prospective clients as well as the firm's Investment Advisory Agreement and Client Privacy Statement. Prospective clients who are not registered with the SEC and/or investment regulatory state agencies are interviewed by CEFA, using a preliminary questionnaire to assist in understanding the client's goals, investment experience, risk tolerance and time horizon to achieve investment objectives.</p>	

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All information collected by CEFA for both clients and subscribers to *The Scott Letter* will be treated in the strictest confidence. CEFA will not voluntarily disclose confidential information to third parties without the clients' prior consent, unless required by law or regulatory agency directive. In the event that the client information is no longer retained by CEFA, the firm will take responsible measures to destroy client information.

Fees and Compensation

CEFA is a fee-only firm. Management fees vary according to account size and investment platform. Currently all direct clients are on the TD Ameritrade platform. Fees are invoiced quarterly, in advance, based on the market value for the assets managed on the last business day of the previous quarter. An example of our fee schedule follows:

Retail/Direct Client Fee Schedule

This fee schedule is for direct investors to CEFA's managed account program.

Assets Under Management	Fee Rate
First \$500,000	1.50%
Second \$500,000	1.25%
\$1,000,000.01 to \$5,000,000.00	1.00%
\$5,000,000.01 to \$15,000,000.00	0.85%
Greater than \$15,000,000.00	Negotiable

Institutional/Third Party Manager Fee Schedule

Accounts that qualify for Institutional/Third Party Manager Fee Schedule:

- RIA Firms
- Investment Companies as defined in the 1940 Act.
- NASD Series 65 / 66 Investment Professionals

Assets Under Management	Fee Rate
First \$500,000	0.50%
Second \$500,000	0.42%
\$1,000,000.01 to \$5,000,000.00	0.33%

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	<table> <tr> <td>\$5,000,000.01 to \$15,000,000.00</td><td>0.28%</td></tr> <tr> <td>Greater than \$15,000,000.00</td><td>Negotiable</td></tr> </table> <p>There are no minimum account sizes; however, all accounts may be subject to the minimum quarterly fee. Direct/Retail quarterly minimum fee is \$937.50 USD and Intuitional/Third Party quarterly minimum fee is \$312.50 USD. This fee can be waived or reduced by senior management at the Firm.</p> <p>The management fee may be prorated for the first quarter a prospect agrees to be a CEFA client. (It will be the client's responsibility to verify the accuracy of the fee calculation, as the custodian is not responsible for the calculation of the fees due.) Each client will have the right to terminate the services of CEFA by delivering written notice to that effect. CEFA's services shall be terminated upon receipt of written notice from the client unless the client specifies a later termination date. A prorated portion of all fees paid to CEFA in advance will be promptly refunded to the client upon termination of CEFA's services. The maximum annual fee charged to any client will not exceed 2.50%.</p> <p>Clients should be aware that they can be assessed fees from other parties in connection with CEFA's investment advisory services. These could include fees from the account custodian such as wire transfer fees and transaction costs when buying and selling securities. Mutual fund purchases are always assessed level loads, meaning they are purchased at net asset value. It is a high priority for CEFA to minimize these fees as they detract from performance.</p>	\$5,000,000.01 to \$15,000,000.00	0.28%	Greater than \$15,000,000.00	Negotiable
\$5,000,000.01 to \$15,000,000.00	0.28%				
Greater than \$15,000,000.00	Negotiable				
4.A(5)	<p>METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES</p> <p>Primary research is conducted at CEFA's Richmond-based corporate headquarters, and files are kept for periodic reports on individual funds. CEFA looks for undervalued closed-end funds in every region of the world that has strong, long-term performance and manager tenure. Interviews with fund portfolio managers are key to CEFA's investment research and analyses of funds. Fund portfolio manager interviews are published in <i>The Scott Letter: Closed-End Fund Report</i> (www.cefadvisors.com), which also contains news items and investment commentaries.</p> <p><i>The Scott Letter</i> is available to the general public at no-charge, and notice of its publication is e-mailed to people requesting such. Clients and prospects, who do not have web access, may request to receive <i>The Scott Letter</i> via U.S. postal service. Most of the economic and market analyses can be classified as fundamental, though CEFA often uses its analyses on the technical aspects of an investment to helping the timing of purchase and/or sale.</p>				
4.B.	<p>Investment Strategy</p> <p>The primary strategy of CEFA is long-term capital appreciation for its portfolios, using total return derived from capital gains and income distributions. Long-term capital gain is the primary objective. Although dividend distributions are important and funds paying regular distribution are favored, long-term capital gain remains CEFA's primary focus. Each year, CEFA typically chooses a regional focus on a part of the world in which to evaluate its security selections.</p> <p>For income-oriented accounts, we use both coupon bond and convertible bond funds, seeking monthly or quarterly distributions. More and more funds follow market demand for regular "managed distributions" or regular pay-outs from income and capital gains (not a return of capital) to shareholders. This tends to narrow discounts. Funds repurchasing shares are also now quite common, which adds to the value.</p>				

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Portfolio Management

CEFA's asset allocation models are derived to balance the risks with clients goals and needs. The company's investment approach focuses on areas of investment as follows:

- **Aggressive Growth:** This model provides the best opportunity for higher than normal returns for long-term investors. It will include access to a diversified and actively managed group of funds. The primary objective is for average annualized growth 5% or greater over the S&P 500 index.
- **Diversified Growth:** This well diversified and actively managed model is designed for growth oriented investors that want growth in excess of the S&P 500 and Dow Jones World ex-US indices on a consistent basis.
- **International Equity:** This model provides risk tolerant investors a diversified and actively managed portfolio in order to invest in equity funds with little-to-no US equity exposure. The primary objective is for growth on average 3%+ over the Dow Jones World ex-US index.
- **International Balanced:** This model is designed for moderate investors seeking non US exposure while still seeking the diversification of both equities and bonds. The primary objective is stable growth with income
- **Balanced Foundation:** The goal of this model is for active management similar to the way foundations manage their assets with a focus on high relative UNII and unleveraged funds. The goal is to provide returns on average 2% a year higher than a 60% S&P500/40% Barclays Bond index.
- **Hybrid Income:** This model provides high current income with half of the funds based on equity income strategies and half based on bond strategies. Funds that pay monthly dividends and have high relative UNII are preferred. A yield on average 2% greater than the ML High Yield 100 is the primary objective with preservation of capital second.
- **Diversified Bond:** This model provides active managed in the fixed-income sector for conservative investors. The Primary objective is steady income. Quality of underlying bonds is a key factor in analysis. The fund's secondary objective is preservation of capital.
- **Tax-Free Muni Income:** This model provides an active and diversified way to access the tax-free muni bond markets for tax sensitive investors. We will give exposure to client's state muni bonds if it make sense and is readily available. High relative UNII and stability of income will be the primary objective with preservation of capital second.
- **Diversified Conservative:** This model is designed for our most conservative investor that still desires the opportunity to modestly grow their portfolio. Preservation of capital is the primary objectives of this model with moderate income yield second while seeking an average annual annualized 6% per year.
- **Absolute Return. Alternative Portfolio:** This model is designed as an active, diversified way to access the nontraditional or hedging strategies available to investors. Some offerings may be limited to investors of certain income /net worth levels. The goal of the portfolio is to provide 8%-12% return independent of stock and bond market performance.

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Allocations are rebalanced quarterly, reducing positions or sectors that have made the biggest moves and adding to those selling at better value. Model Allocations are adjusted as need based on market changes.

Every account is separately managed and usually reviewed on a daily basis, attending to specific objectives of the client. The allocations may be adjusted up to a variance of 10% of the portfolio model.

Buy/Sell Disciplines

Each week, CEFA reviews all the funds in the portfolios, tabulating the previous Friday's net asset value, stock price, discount to net asset value, the 52-week average discount and the total returns for both the net asset value and the market price. Each position is rated as a buy, sell or hold.

CEFA has a list of core holdings for new clients and chooses positions according to the client's individual investment objectives. CEFA uses levels of discounts and other value-oriented analyses for equity purchases and sales.

The financial services industry has moved more and more toward global investment. Flow-of-fund trends are tracked worldwide. When a region looks overvalued or the particular fund sells above net asset value, CEFA is likely to start selling funds in this region.

A fund selling at a premium to net asset value will often be sold, replacing it with new funds at a discount. Not only is it unlikely that this premium will remain, but the fund is also likely to issue a rights offering, depressing the stock. When CEFA sells a particular fund at a premium, if there is a mutual fund available using the same manager, we purchase it; if not, CEFA allocates the funds into a fund selling at a discount in the same region or sector.

Research. See response above in Item 4.A(5).

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6.

EDUCATION AND BUSINESS BACKGROUND

Business Standards

Closed-End Fund Advisors, Inc. requires that all parties involved in final investment analyses or client portfolio decision-making capabilities to have at least a college degree and five years of actual investment experience.

George Cole Scott, III — President and Sr. Portfolio Manager

George Scott has been President since 1996 and is a graduate of the University of Washington.

George has been in the investment business since 1969. In 1976, he joined the Board of Directors of the award-winning closed-end fund, Bergstrom Capital, and has specialized in using closed-end funds for investment clients since the mid-1980's. Bergstrom is the only fund — mutual or closed-end fund — to have been on the *Forbes* Honor Roll for 10 consecutive years. Because of his expertise, George also has advised several funds (both domestic and foreign) as a consultant.

George is editor-in-chief of *The Scott Letter: Closed-End Fund Report*. For the period from January 1, 1990 to December 31, 1995, *Hulbert's Guide to Financial Newsletters* rated *The Scott Letter* in the top five mutual fund letters. In 1991, George, with Albert Fredman, Ph.D., Professor Emeritus (Finance), California State University at Fullerton, published the 500-page hardback book, *Investing in Closed-End Funds: Finding Value and Building Wealth*.

George has been on the closed-end fund committee of the Investment Company Institute, the trade association for the open-end and closed-end fund industry. He also is a long-standing member of the Richmond Society of Financial Analysts, now CFA Virginia, and has been widely quoted in such publications as *The Wall Street Journal*, *Business Week*, *Financial Times*, *Kiplingers*, *Mutual Fund Magazine* and *Money*, as well as many metropolitan newspapers. George has published articles on closed-end funds in both *Barron's* and *Pensions & Investments*. He has also been interviewed by various televised investment programs and has presented at conferences in New York, Atlanta, Las Vegas, San Francisco and Seattle.

As a value investor, George sees closed-end funds as the best way to take advantage of inefficiencies in the global stock markets. George was born in July 1937.

John Cole Scott, CFS — Portfolio Manager, Chief Compliance Officer and Executive Vice President

John Scott is responsible for portfolio management, compliance and operations for Closed-End Fund Advisors, Inc.

A graduate of The College of William & Mary with a B.S. in Psychology, John has worked in both the retail (Circuit City Corporation) and non-profit (development of The William & Mary Annual Fund) arenas. He is an Investment Advisory Representative for Closed-End Fund Advisors, Inc. John holds the FINRA Series 66 FINRA licenses, as well as the Certified Fund Specialist (CFS) designation. In 2008 John founded CEFA's Closed-End Fund Universe, a weekly CEF data service.

John is a long-time member of The Richmond Association for Business Economics. He was awarded the "Character Counts" award from the Capital Area of the YMCA in 1999 and "Master of Networking" from Business Networking International in 2003 and 2004. In addition to being published in *Senior Consultant*, John has been quoted in the Money section of *USA Today*, the *Richmond Times-Dispatch*, *Bond Buyer* and *Investment News*. John has presented on the topic of closed-end funds at conferences in Atlanta, Georgia; Boca Raton, Florida; Washington, D.C.; Norfolk and Richmond, Virginia; Charlotte, North Carolina and New York, NY.

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	<p>John has served as co-President and Vice President of the Richmond Chapter of The College of William & Mary Alumni Society. He serves on the investment committee for The New York State Society of the Cincinnati and is Membership Chair and Treasurer for the Business Council of the Virginia Museum of Fine Arts.</p> <p>John joined CEFA in January 2001 and was born in February 1978.</p>
9.	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>The principals of Closed-End Fund Advisors, Inc. ("CEFA") will often trade in the same securities that are being traded for CEFA clients, as the principals believe in investing their own money alongside CEFA's clients. Quite often, orders will be simultaneously executed across many client portfolios and CEFA employee portfolios through block trading. However, CEFA always favors its clients in pricing, making sure that they get the most favorable price for a security over any employee or employee-family accounts. There is no conflict of interests since most of the transactions will be done in an average cost accounting basis or executed for personal accounts after client transactions have been completed. Any orders where multiple clients and employee accounts are aggregated will be done in compliance with SEC requirements, and records of all client trades and CEFA employee trades will be maintained in accordance with the requirements of the Investment Advisory Act of 1940.</p> <p>Other Business Activities</p> <p>CEFA charges \$185/ quarter or \$595 a year for a subscription to its weekly data service. This service is not a fund ranking, rating or recommendation service. Only data is offered to subscribers. More information is available on our website. www.cefadvisors.com/universe.html.</p> <p>Code of Ethics</p> <p>In accordance with Rule 204A-1 of the Investment Advisors Act of 1940, CEFA requires that all employees follow the standard of business conduct set forth in CEFA's Code of Ethics ("the Code"). The Code is distributed to every employee, and each is required to sign it as both acceptance of the Code and acknowledgement of receipt. CEFA places a high value on ethical conduct based on the fundamental principals of openness, integrity, honesty and trust. All employees are expected not only to live up to the letter of the law, but also to a sound moral standard. As an investment manager, we owe a fiduciary duty to our clients and therefore must place their interest above ours. This includes avoiding any conduct which could create a conflict of interest. Personal securities transactions must not interfere with client portfolio transactions, nor will any employee take inappropriate advantage of their position. By following these principals, our actions will easily fall within in a high standard of business conduct.</p> <p>CEFA requires that all employees must comply with all applicable securities laws and regulations. Should any employee violate current law, they will be subject to immediate termination. No CEFA employee may trade, either personally or on behalf of others, while in possession of material non-public information; not may they communicate material non-public information to others. CEFA's first priority is to our clients. All employees are expected to protect client information, securities transactions and holdings. Employees must remember that all investment opportunities are offered first to clients.</p> <p>The Chief Compliance Officer ("CCO") will maintain a list of persons who may access to client non-public information ("access persons"). Access persons are those employees in a position to exploit information about client's transactions and holdings. They will be subject to additional reporting requirements. An access person may be involved in making securities recommendations to clients or have access to such recommendations. Since CEFA's primary business is providing investment advice, all directors, officers and partners are presumed access persons.</p> <p>Each quarter the CCO will send a memo to all access persons requesting a list of personal trades</p>

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outside of the CEFA portfolio monitoring software. The CCO will review and save hard copy files of the lists of employee trades. Each list will be signed and dated by the CCO as proof of review. The CCO will use employee reports to review employee trades for the following information; looking for trading during blackout periods, pre-clearance procedures, personal trading vs. restricted lists, analysis of trading patterns that indicate abuse, access if access person is trading for his own account in the same securities as for clients and making sure client trades are favored, investigation of substantial disparities of access person's account vs. client portfolios, and percentage of trades profitable for access person vs. client accounts. The CCO will request a listing of access person's personal holdings at the beginning of each year. New employee personal holdings will be requested upon employment. Additional requests for access person's personal holdings may be made.

CEFA's restricted list is a list of securities maintained by the Investment Committee and includes securities the firm is analyzing, recommending or has inside information. All employees are prohibited from personally trading in restricted securities. Employees who wish to trade a security must wait until all client trades in the same security are completed. All employees are prohibited from participating in short-swing trading and market timing.

No access persons shall accept gifts or other offering of more than \$100 retail value from any person or entity that does business with or on behalf of CEFA, if such gift is in relation to the business of CEFA and the recipient of the gift. Access persons who receive an unsolicited gift of a gift with an unclear status shall promptly notify the CCO and may only accept the gift upon written approval from the CCO.

All violations of the Code of Ethics should be reported to the CCO immediately. Employees are expected to self report if they have knowingly or unknowingly committed a violation. Those reporting violations may do so anonymously in order to avoid retaliation. Should retaliation occur against a reporting employee, the person who retaliated will be considered in further violation of the Code. Copies of the Code, records of violations and actions taken, copies of receipt of the Code by employees, names of access persons, holdings and transactions of access persons and documentation of decisions approving trades will be maintained by the CCO. All records will be maintained for five years in an easy to access place. The most recent files (2 years) will be held on-site.

12.A.

INVESTMENT OR BROKERAGE DISCRETION

Closed-End Fund Advisors, Inc. has full discretion to buy/sell any number of shares of any listed, over-the-counter or open-ended fund on behalf of a client for whom there is an Investment Advisory Agreement and Limited Power of Attorney in good standing. CEFA is only allowed to withdraw monies from such accounts in payment of management fees.

Schedule F of FORM ADV
Continuation Sheet for Form ADV Part II
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12.B.

INVESTMENT OR BROKERAGE DISCRETION

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Proxy Voting Policies

Closed-End Fund Advisors, Inc. does not vote client proxies. Clients are always encouraged to contact CEFA concerning questions about a particular proxy solicitation.

Brokerage Discretion:

The Firm participates in the TD Ameritrade Institutional program for advisors. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer.

TD Ameritrade offers to independently registered investment advisors services which include custody of securities, trade execution, and clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program.

The Firm may recommend TD Ameritrade to clients for custody and brokerage services.

The Firm receives economic benefits through its participation in the program which may include any one or more of the following: compliance, marketing, technology, and practice management products or services provided to the Firm by third party vendors.

These benefits received by the Firm, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade.

The Firm participates in the TD Ameritrade Institutional Coaching Program established by TD Ameritrade, an independent broker-dealer;

TD Ameritrade and the Firm are separate and unaffiliated.

Conflicts of interest may arise from the Firm's participation in the TD Ameritrade Institutional Coaching Program. The Firm's duty of "best execution" is not eliminated by its participation in the program; The Firm and TD Ameritrade are independent of one another and have neither an agency nor employment relationship.

Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services includes \$7500 a year for the next three (3) years (2011, 2012, 2013) to help offset the conversion and implementation cost as well as the annual software costs. Orion Advisor is a portfolio management software, which enables the Firm to manage assets across platforms (custodian's) as well as produce internal reports and client household and account reports via print, email and web.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay fee to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into separate agreement ("additional Services Addendum") to govern the term of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are not met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interest of its Clients, including

to seek best execution of trades for Client accounts.
Complete amended pages in full, circle amended items and file with execution page (page 1).

Privacy Statement

Closed-End Fund Advisors, Inc. is committed to the confidentiality, integrity and security of the

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13.

ADDITIONAL COMPENSATION

CEFA participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14 below.)

The following is the fee schedule for a one-time referral payable to individuals who refer closed business to Closed-End Fund Advisors, Inc. Payment is made once a full quarter's fees are paid by the client, unless otherwise agreed upon.

Account Size	Annual Client Fee	Quarterly Client Fee	Independent Rep Pay-Out	CEFA Commission Range
\$250,000-\$500,000	1.50%	37.50 bp	70%	\$657-\$1,313
\$500,000.01-\$1,000,000	1.25%	31.25 bp	75%	\$1,172-\$2,344
\$1,000,000.01-\$5,000,000	1.00%	25.00 bp	75%	\$1,875-\$9,375
Greater than \$5,000,000	0.85%	21.25 bp	80%	Minimum \$8,500

14.

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

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Advisor may receive coaching services referrals from TD Ameritrade through its participation in TD Ameritrade Institutional Coaching Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Coaching Program, Advisor may have been selected to participate in the TD Ameritrade Institutional Coaching Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between them. TD Ameritrade has established the TD Ameritrade Institutional Coaching Program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisor business. TD Ameritrade does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services.

Advisor's participation in the TD Ameritrade Institutional Coaching Program raises potential conflicts of interest. Advisor will encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Coaching Program, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Advisor's participation in the TD Ameritrade Institutional Coaching Program does not diminish its duty to seek best execution of trades for client accounts.

**Schedule G of FORM ADV
Balance Sheet**

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(Answers in Response to Form ADV Part II, Item 14.)
NOT REQUIRED OF APPLICANT

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: CLOSED END FUND ADVISORS.INC.	IRS Empl. Ident. No.: 77-0212293
<p style="text-align: center;">Instructions</p> <p>1. The balance sheet must be:</p> <ul style="list-style-type: none">A. Prepared in accordance with generally accepted accounting principlesB. Audited by an independent public accountantC. Accompanied by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity. <p>2. Securities included at cost should show their market or fair value parenthetically.</p> <p>3. Qualifications and any accompanying independent accountant's report must conform to Article 2 of Regulation S-X (17 CFR 210.2-01 et. Seq.).</p> <p>4. Sole proprietor investment advisors:</p> <ul style="list-style-type: none">A. Must show investment advisory business assets and liabilities separate from other business and personal assets and liabilities.B. May aggregate other business and personal asset and liabilities unless there is an asset deficiency in the total financial position.	

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(for sponsors of wrap fee programs)

APPLICANT IS NOT A SPONSOR OR PARTICIPANT OF A WRAP FEE PROGRAM

Name wrap fee program or programs described in attached brochure:

1. **Applicability of Schedule.** This Schedule must be completed by applicants that are compensated under a wrap fee program for sponsoring, organizing, or administering the program, or for selecting, or providing advice to clients regarding the selection of, other investment advisers in the program ("sponsors"). A wrap fee program is any program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.
2. **Use of Schedule.** This Schedule sets forth the information the sponsor must include in the wrap fee brochure it is required to deliver or offer to deliver to clients and prospective clients of its wrap fee programs under Rule 204-3 under the federal Advisers Act and similar rules of jurisdictions. The wrap fee brochure prepared in response to this Schedule must be filed with the Commission and the jurisdictions as part of Form ADV by completing the identifying information on this Schedule and attaching the brochure. Brochures should be prepared separately, not on copies of this Schedule. Any wrap fee brochure filed with the Commission as part of an amendment to Form ADV shall contain in the upper right corner of the cover page the sponsors' registration number (801-).
3. **General Contents of Brochure.** Unlike Parts I and II of this form, this Schedule is not organized in "check-the-box" format. These instructions, including the requests for information in Item 7 below, should not be repeated in the brochure. Rather, this Schedule describes minimum disclosures that must be made in the brochure to satisfy the sponsor's duty to disclose all material facts about the sponsor and its wrap fee programs. **Nothing in this Schedule relieves the sponsor from any obligation under any provision of the federal Advisers Act or rules thereunder, or other federal or state law to disclose information to its advisory clients or prospective advisory clients not specifically required by this Schedule.**
4. **Multiple Sponsors.** If two or more persons fall within the definition of "sponsor" in Item 1 above for a single wrap fee program, only one such sponsor need complete the Schedule. The sponsors may choose among themselves the sponsor that will complete the Schedule.
5. **Omission of Inapplicable Information.** Any information not specifically required by this Schedule that is included in the brochure should be applicable to clients and prospective clients of the sponsor's wrap fee programs. If the sponsor is required to complete this Schedule with respect to more than one wrap fee program, the sponsor may omit from the brochure furnished to clients and prospective clients of any wrap fee program or programs information required by this Schedule that is not applicable to clients or prospective clients of that wrap fee program or programs. If a sponsor of more than one wrap fee program prepares separate wrap fee brochures for clients of different programs, each brochure must be filed with the Commission and the jurisdictions attached to a separate copy of this Schedule. Each such brochure must state that the sponsor sponsors other wrap fee programs and state how brochures for those programs may be obtained.
6. **Updating.** Sponsors are required to file an amendment to the brochure promptly after any information in the brochure becomes materially inaccurate. Amendments may be made by use of a "sticker", *i.e.*, a supplement affixed to the brochure that indicates what information is being added or updated and states the new or revised information, as long as the resulting brochure is readable. Stickers should be dated and should be incorporated into the text of the brochure when the brochure itself is revised.
7. **Contents of Brochure.** Include in the brochure prepared in response to this Schedule:
 - (a) on the cover page, the sponsor's name, address, telephone number, and the following legend in bold type or some other prominent fashion:
This brochure provides clients with information about [name of sponsor] and the [name of program or programs] that should be considered before becoming a client of the [name of program or programs]. This information has not been approved or verified by any governmental authority.
 - (b) a table of contents reflecting the subject headings in the sponsor's brochure.
 - (c) the amount of the wrap fee charged for each program or, if fees vary according to a schedule established by the sponsor, a table setting forth the fee schedule, whether such fees are negotiable, the portion of the total fee (or the range of such amounts) paid to persons providing advice to clients regarding the purchase or sale of specific securities under the program ("portfolio managers"), and the services provided under each program (including the types of portfolio management services);

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- (d) statement that the program may cost the client more or less than purchasing such services separately and a statement of the factors that bear upon the relative cost of the program (e.g., the cost of the services if provided separately and the trading activity in the client's account);
- (e) if applicable, a statement that the person recommending the program to the client receives compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services;
- (f) description of the nature of any fees that the client may pay in addition to the wrap fee and the circumstances under which these fees may be paid (including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers from whom securities were obtained by the wrap fee broker);
- (g) how the program's portfolio managers are selected and reviewed, the basis upon which portfolio managers are recommended or chosen for particular clients, and the circumstances under which the sponsor will replace or recommend the replacement of the portfolio manager;
- (h) (1) if applicable, a statement to the effect that portfolio manager performance information is not reviewed by the sponsor or a third party and/or that performance information is not calculated on a uniform and consistent basis,
(2) if performance information is reviewed to determine its accuracy, the name of the party who reviews the information and a brief description of the nature of the review,
(3) a reference to any standards (i.e., industry standards or standards used solely by the sponsor) under which performance information may be calculated;
- (i) a description of the information about the client that is communicated by the sponsor to the client's portfolio manager, and how often or under what circumstances the sponsor provides updated information about the client to the portfolio manager;
- (j) any restrictions on the ability of clients to contact and consult with portfolio managers;
- (k) in narrative text, the information required by Items 7 and 8 of Part II of this form and, as applicable to clients of the wrap fee program, the information required by Items 2, 5, 6, 9A and C, 10, 11, 13 and 14 of Part II;
- (l) if any practice or relationship disclosed in response to Item 7, 8, 9A, 9C and 13 of Part II presents a conflict between the interests of the sponsor and those of its clients, explain the nature of any such conflict of interest; and
- (m) if the sponsor or its divisions or employees covered under the same investment adviser registration as the sponsor act as portfolio managers for a wrap fee program described in the brochure, a brief, general description of the investments and investment strategies utilized by those portfolio managers.

- 8. Organization and Cross References.** Except for the cover page requirements in Item 7(a) above, information contained in the brochure need not follow the order of the items listed in Item 7. However, the brochure should not be organized in such a manner that important information called by the form is obscured.

Set forth below the page(s) of the brochure on which the various disclosures required by Item 7 are provided.

<u>Item</u>	<u>Page(s)</u>	<u>Item</u>	<u>Page(s)</u>	<u>Item</u>	<u>Page(s)</u>
7(a)	Cover	7(f)		7(j)	
7(b)		7(g)		7(k)	
7(c)		7(h)		7(l)	
7(d)		7(i)		7(m)	
7(e)					