



# Closed End Fund & ETF Report

Diversity, Efficiency, and Simplicity Using Exchange Traded Funds

September 2011

## Model Portfolio Commentary

### Cheating the Random Walk Portfolios

These portfolios assume the market is random and cannot be predicted. The positions are market neutral, but expected to outperform the market in general, thereby cheating randomness.

### High Variance Portfolio

These closed end funds are chosen by comparing the funds current discount to their average 52-week discount and then choosing those that have the biggest difference from their 52-week average. The higher the absolute number of the variance the further the funds trades from its average discount.

The portfolio is up 4.47% since mid-August, 2010 when it was constructed. The Wells Fargo Advantage Utility & High Income Fund (ERH) started with the eighth highest variance of -7.89, but last month declined to -.88 and it ranked in 95th place among those with the greatest variance from their average discount. It no longer fit the criteria for this portfolio and 3,000 shares were sold at a price of \$11.66. We are replaced it with 5,500 shares of BlackRock Enhanced Equity Dividend Trust (BDJ) at a price of \$7.99. Although the fund dropped in price to \$7.26 this month, the Wells Fargo fund decreased even more to \$10.43. The Eaton Vance Risk-Managed Diversified Equity Income Fund (ETJ) started with a variance of -5.08, unfortunately, the funds variance is widening to its current -13.64 as is its discount to net asset value, which is currently -13.63%. The only saving grace is a dividend payout of more than 11%. The Eaton Vance Enhanced Equity Income Fund II CEF (EOS) had an initial variance of -8.31 and is virtually the same at -8.04. All the funds in this portfolio pay a decent dividend of over 9% and are still worth buying. No portfolio changes this month.

### Deep Discount Portfolio

These funds are chosen from a list with the deepest absolute discounts from net asset value (NAV). The portfolio is up 13.93% from its inception date in mid-July 2010. All but one of the funds has lessened their discounts since inception. The First Financial Fund (FOFI)

started with a discount of -24.24% and now trades at a discount of -24.73%. The MR Asia Pacific Real Estate Fund dropped the most from a discount of -22.56% to its current discount of -14.19%. The Gabelli Global Healthcare & Wellness fund dropped from \$7.73 to its current price of \$6.8, while its discount increased from last month's -14.82% to its current -16.01%. No portfolio changes this month.

### Low Expense Ratio Portfolio

This portfolio is comprised of ETF's with the lowest expense ratios and is broadly diversified. Last month the portfolio was up 25.22% from its June 2010 inception, but this month the gain since inception shrank to 12.73%. This portfolio should follow the indexes more than the others and all but one lost ground during the market melt down. The only winner was the broad precious metals fund, the ETFS Physical Precious Metals Basket Shares (GLTR) that gained \$4.17 to \$106.49. No portfolio changes this month.

### Inflation Portfolio

This is not a market neutral portfolio but instead assumes future inflation.

This portfolio was constructed in December 2009 and is up 36.43% since then. All components of the portfolio dropped this month except gold. Gold increased most from its initial recommendation at \$46.50 to its current price of \$103.38. No portfolio changes this month.

## What's Inside

Volume 7 Issue 9

Ultras .....	2
Sector.....	3
U.S. Market .....	4
International.....	5
CEF Rankings .....	6
ETF Rankings .....	7

### PORTFOLIOS

Inflation Portfolio .....	7
High Variance Portfolio .....	8
Deep Discount Portfolio.....	8
Low Expense Ratio Portfolio.....	8

All pricing as of 8/12/11

# NEWS & UPDATES

## Ultras

All the major indexes were down this month, ranging from a loss of -7.4% to -15.7%. The worst performer was the Russell 2000 followed by the S&P 500. The smallest loss was by the Nasdaq 100. This technology heavy index was only down -7.4%.

### BROAD INDEXES

TICKER	NAME	PRICE \$	1MOCG%	3MCG%	1YRCG%	1YRHGH\$	1YRLOW\$	SHARES OUT
IWM	iShares Russell 2000 Index Fund	69.79	-15.72	-16.43	14.28	86.81	58.80	176,350,000
SPY	SPDR S&P 500 ETF Trust	118.15	-10.32	-11.85	9.12	137.17	104.30	659,782,100
DIA	SPDR Dow Jones Industrial Average	112.80	-9.44	-10.45	9.38	128.63	99.16	79,692,870
QQQ	Nasdaq-100 Index Tracking Stock	53.57	-7.40	-8.29	19.79	59.83	42.97	389,300,000

The best performer was the inverse of the Russell 2000. The iPath Short Extended Russell 2000 was up 99.15% for the month. The fund invests in an inverse subset of the smallest cap segment of the Russell 3000. Three of the iPath Short Extended ETN's made the top ten list of best performers. Besides U.S.

small cap stocks, Russia did poorly with the Direxion Daily Russia Bear 3x (RUSS) up 44.77% and the Direxion Daily Russia Bull 3x (RUSL) down -52.16%. The worst performers were typically the obverse of the best performers with the Direxion Daily Small Cap Bull 3X (TNA) down -45.12%.

### BEST PERFORMERS

TICKER	NAME	PRICE \$	1MOCG%	3MCG%	1YRCG%	1YRHGH\$	1YRLOW\$	SHARES OUT
RTSA	iPath Short Extended Russell 2000	53.79	99.15	104.52	Na	70.00	20.20	200,000
TVIX	VelocityShares Daily 2x VIX Shares	39.74	89.15	72.26	Na	112.35	15.66	4,895,000
ROSA	iPath Short Extended Russell 1000	48.79	67.95	80.30	Na	100.00	25.47	93,000
SFSA	iPath Short Extended S&P 500 Trust	48.81	56.09	66.70	Na	58.30	25.50	242,100
RUSS	Direxion Daily Russia Bear 3x	46.47	44.77	Na	Na	57.25	27.20	100,000
FSG	FactorShs: Gold Bull/S&P 2X	42.55	44.23	65.37	Na	50.25	23.55	400,040
SRTY	ProShs UltraPro Short Russell 3X	24.06	43.90	39.24	-56.56	61.23	15.05	2,100,000
TZA	Direxion Dly Sm Cap Bear 3X	48.77	43.27	38.91	-56.82	124.98	30.58	9,805,980
BXDC	Barclays ETN+short C Leveraged 3X	52.10	42.43	53.91	-23.42	72.75	30.23	57,490
FSA	FactorShs: T Bd Bull/S&P500 2X	37.48	39.65	51.43	Na	42.11	23.29	100,040
SICK	Direxion Daily Healthcare Bear	51.28	38.59	Na	Na	60.27	37.00	100,000
SMDD	ProShs UltraPro Short MidCap 3X	27.13	36.19	38.35	-51.61	61.73	17.88	400,000
ERY	Direxion Energy Bear 3X	18.22	35.77	13.10	-65.20	61.28	12.02	3,229,930

### WORST PERFORMERS

TICKER	NAME	PRICE \$	1MOCG%	3MCG%	1YRCG%	1YRHGH\$	1YRLOW\$	SHARES OUT
RUSL	Direxion Daily Russia Bull 3x	22.59	-52.16	Na	Na	52.14	18.79	150,000
TNA	Direxion Dly Sm Cap Bull 3X	45.01	-45.12	-47.28	26.82	96.20	31.51	23,450,020
URTY	ProShs UltraPro Russel 2000 3X	49.50	-44.87	-46.93	28.12	105.66	34.28	1,150,000
XIV	VelocityShares Daily Inverse V	9.54	-42.08	-43.95	Na	19.35	9.16	48,500,000
FAS	Direxion Dly Financial Bull 3X	14.06	-40.37	-49.32	-29.31	34.28	12.09	113,546,800
UMDD	ProShs UltraPro MidCap 400 3X	57.27	-39.63	-43.43	34.66	109.20	38.00	500,000
RTLA	iPath Long Extended Russell 2000	42.75	-39.09	-40.21	Na	78.12	31.50	60,000
ERX	Direxion Energy Bull 3X	47.89	-38.99	-31.94	67.10	93.26	24.16	8,550,010
MWJ	Direxion Dly Mid Cap Bull 3X	32.75	-38.29	-42.68	29.45	60.86	22.84	1,300,000
MATL	Direxion Daily Basic Materials	27.69	-37.15	Na	Na	48.57	22.50	100,000
EDC	Direxion Dly Emgng Mkt Bull 3X	22.94	-35.62	-36.41	-10.78	44.97	19.32	17,000,000
DRN	Direxion Dly Real Estate Bull 3X	49.91	-34.97	-31.59	21.29	83.89	36.39	2,200,000
LBJ	Direxion Dly Ltn America Bull 3X	20.46	-34.47	-35.21	-22.97	43.81	15.80	1,700,020

## SECTOR PERFORMANCE REVIEW

## BEST PERFORMERS

Ticker	Type	Fund Name	Current Price \$	1 Month % Change	3 Month % Change	1 Year % Change	Current Yield %	Expense Ratio %
TBAR	ETF	RBS Gold Trendpilot ETNs	31.55	9.59	16.66	Na	0.00	1.00
AGOL	ETF	ETFS Asian Gold Trust	173.82	9.56	16.67	Na	0.00	0.39
SGOL	ETF	ETFS Gold Trust	173.30	9.55	16.76	43.16	0.00	0.39
GLD	ETF	SPDR Gold Shares	169.97	9.52	16.71	43.14	0.00	0.40
IAU	ETF	iShares Gold Trust	17.04	9.51	16.79	43.31	0.00	0.25
DGL	ETF	PwShs DB Gold Fund	61.15	9.43	16.70	41.68	0.00	0.75
PHYS	ETF	Sprott Physical Gold Trust	15.17	9.14	18.24	33.83	0.00	0.00

## WORST PERFORMERS

ITB	ETF	iShares DJ US Home Construction Index	9.51	-22.56	-25.99	-12.91	0.84	0.47
FBT	ETF	First Tr AMEX Biotechnology	33.85	-21.48	-24.86	3.89	0.00	0.60
BHH	ETF	B2B Internet HOLDRs Trust	0.96	-21.31	-20.00	68.42	0.00	0.00
SEA	ETF	Guggenheim Shipping ETF	17.09	-21.24	-33.16	-36.30	4.00	0.65
KME	ETF	SPDR KBW Mortgage Finance ETF	30.78	-19.81	-23.49	-19.25	1.48	0.35
SLX	ETF	Mkt Vects Steel Index Fund	54.30	-19.73	-19.86	-6.72	1.89	0.55
BARL	ETF	Morgan Stanley S&P 500 Crude Oil	21.81	-19.65	Na	Na	0.00	0.79

This month's winners were all gold related. Although there are many different types of ETF's that invest in gold, they were all up more than 9% for the month. The RBS Gold Trendpilot ETNs (TBAR) trades in and out of gold and Treasuries and did marginally better than the other gold funds. The main difference between the other gold funds seems to be where the gold is stored. The ETFS Gold Trust (SGOL) stores its gold in Switzerland

while the ETFS Asian Gold Trust (AGOL) stores its gold in Asia. The other top performer tracks gold via futures contracts, the PowerShares DB Gold Fund (DGL), which was up 9.43%. This month's losers were scattered over a number of sectors as diverse as home construction and biotechnology. The iShares Dow Jones US Home Construction (ITB) ETF was down -22.56% while the First Trust AMEX Biotechnology ETF (FBT) was down -21.48%.

## FEATURED SECTOR

The international financial system is looking shaky. Jim Rogers the renowned commodities trader made a simple but compelling statement about commodities. If the world does not slip into recession, commodities will be in demand. On the other hand, if overwhelming debt limits economic growth, governments will start printing money with the results that hard assets like commodities will increase in value. It seems that either way commodities are an interesting play. In addition to the above, they represent a different asset class than bonds or stocks. Most investors rightly avoid futures trading because it's a volatile market. However, we found a fund that uses futures to invest in commodities and trades at a discount.

## RECOMMENDATION

Fund: Nuveen Diversified Commodity Fund

Symbol: CFD

CUSIP: 67074P104

Fund Type: Commodity Pool

Current Price: \$24.71

Net Asset Value: \$25.32

Expense Ratio: 2.00%

Optionable: No

One Month Change: -5.33%

Current Yield: 7.1%

## Top Holdings

Energy	(35.0%)
Industrial Metals	(19.5%)
Precious Metals	(15.2%)
Agriculturals	(14.8%)
Food and Fibers	(8.3%)
Livestock	(7.2%)

The Nuveen Diversified Commodity fund (CFD) is an actively-managed, exchange-traded commodity pool. The fund's shares represent units of fractional undivided beneficial interest in and ownership of the fund. However, it is not a traditional closed end fund or a mutual fund. The fund aims to outperform passively managed commodity indexes. The fund writes options to produce income on its positions and yields 7.1%. The fund currently trades at \$24.71, giving it a -2.39% discount to its net asset value of \$25.32. The fund tax reporting uses a schedule K-1, so it avoids complicated tax reporting. The fund is best suited to tax deferred accounts or industrious investors. The fund uses a fully collateralized and unleveraged commodity investment strategy. The fund is diversified 35% energy, 19.5% in industrial metals and 15.2% in precious metals.

# U.S. MARKET

## U.S. MARKET PERFORMANCE REVIEW

### BEST PERFORMERS

Ticker Type	Fund Name	Current Price \$	1 Month % Change	3 Month % Change	1 Year % Change	Current Yield %	Expense Ratio %
CVOL ETF	C-Tracks ETN Volatility Index	43.50	49.90	35.30	Na	0.00	1.15
VXX ETN	iPATH S&P 500 VIX Short-Term Futures	34.09	47.19	44.27	-64.16	0.00	0.89
VIIX ETF	VelocityShares VIX Short Term	73.88	46.79	44.58	Na	0.00	0.89
EDV ETF	Vanguard Extended Duration Treasury	96.92	15.91	15.13	3.40	3.67	0.14
ZROZ ETF	PIMCO 25+ Year Zero Coupon US	83.19	15.61	15.32	1.58	3.97	0.15
DLBL ETF	iPath US Trsy Long Bd Bull	59.96	14.17	20.38	15.78	0.00	0.75
VXZ ETN	iPATH S&P 500 VIX Mid-Term Fut	56.38	12.09	7.90	-37.01	0.00	0.89

### WORST PERFORMERS

SHBT ETF	Russell 2000 High Beta ETF	39.25	-23.20	Na	Na	0.02	0.69
SHVY ETF	Russell 2000 High Volatility ETF	39.75	-20.96	Na	Na	0.00	0.69
WXSP ETF	Wilshire 4500 Completion ETF	25.30	-20.02	-21.89	2.68	1.32	0.18
SOR CEF	Source Capital	46.01	-19.08	-19.52	6.66	6.52	0.98
CNTR ETF	Russell Contrarian ETF	38.94	-18.76	Na	Na	0.67	0.37
CRF CEF	Cornerstone Total Return Fund	7.78	-18.19	-18.96	-14.58	17.15	2.33
PZI ETF	PwShs Zacks Micro Cap Po	9.67	-18.12	-19.35	5.57	1.31	0.70

This month volatility was king. At least the last month earned the distinction with a wildly gyrating market making 400-point moves routinely and sometimes doing double that within a single trading session. Volatility, also known as the fear index claimed the three best performers slots each gaining more than 40%. These funds compute implied volatility by using option premiums, high premiums of puts and calls increases calculated volatility. The best performer was the C-Tracks ETN Volatility Index (CVOL) gaining 49.90% for the month. Accompanying the fear index should be a flight to safety and sure enough, U.S. Treasuries were the next

best performers. A counterintuitive fact is that the downgrade of U.S. debt caused nervous investors to buy U.S. debt. The best performing Treasury fund was the Vanguard Extended Duration Treasury ETF (EDV) up 15.91%. The worst performers were those funds designed to move more than the average market, so called high beta funds. The worst performer was the Russell 2000 High Beta ETF (SHBT), which was down -23.20%. Its sister fund, the Russell 2000 High Volatility ET ETF (SHVY) was down a similar-20.96%. This fund is made up of high volatility stocks that also move more than the market averages.

## FEATURED U.S. MARKET

Volatility is currently at a peak. The way the index is constructed is by looking at option premiums in relation to the underlying stock. When premiums are rich, it implies that investors anticipate volatility, meaning that underlying stocks will exceed strike prices with a greater probability. The rich option premiums are good for funds that write covered calls. These high option valuations should help improve the returns on funds that use this strategy. We have recommended several buy-write funds in the past, particularly Eaton Vance funds. They remain unpopular because earlier in the year, they reduced their dividends, but their yields have continued to increase because of the decline in share price.

## RECOMMENDATION

Fund: Eaton Vance Enhanced Equity Income Fund II

Symbol: EOS

CUSIP: 278277108

Fund Type: CEF

Current Price: \$10.44

Net Asset Value: \$11.74

Expense Ratio: 1.14%

Current Discount: -10.99%

One Year Average Discount: -2.95%

One Month Change: 2.56%

Three Month Change: -0.38%

One Year Change: -10.91%

Current Yield: 10.59%

P/E Ratio: 16.71

Top Holdings

Apple, Inc	(5.53%)
IBM	(4.31%)
Exxon Mobil Corp.	(3.52%)
Qualcomm	(3.01%)
Coca Cola	(2.48%)

The Eaton Vance Enhanced Equity Income II CEF (EOS) still has one the largest divergences from its average 52-week average discount to its current discount and is in our high-variance portfolio. The fund currently trades at \$10.44, a -10.99% discount from its net asset value of \$11.74. Its 52-week average discount is -2.95% giving it a rank of 11 out of 332 closed end fund for having the largest variance from its average discount. This fund has the distinction of being a monthly pay CEF and pays out \$.092 per month giving it a current yield of 10.59%. The fund invests in large to mid-cap stocks and writes options on about 50% of its portfolio with an average duration of 30 days. It invests in the following sectors: Information Technology at 18.82%, Health Care at 14.06%, Financials at 13.09%, Energy at 12.19%, Consumer Discretionary 13.77%, and Consumer Staples 12.41%. It is not leveraged and has an expense ratio of 1.14%.

## INTERNATIONAL PERFORMANCE REVIEW

## BEST PERFORMERS

Ticker	Type	Fund Name	Current Price \$	1 Month % Change	3 Month % Change	1 Year % Change	Current Yield %	Expense Ratio %
GTIP	ETF	iShares Global Inflation-Linked Bond	51.93	2.03	Na	Na	4.55	0.40
BWX	ETF	SPDR Barclays Cptl Intl Trsy Bond	62.50	1.96	2.59	9.78	3.91	0.50
CBND	ETF	SPDR Barclays Capital Issuer Bond	31.44	1.68	1.71	Na	3.49	0.16
IBND	ETF	SPDR Barclays Cptl Intl Corp Bond	34.66	1.43	1.44	9.16	2.63	0.55
ISHG	ETF	iShares S&P/Citigroup 1-3 Year Trsy Bnd	108.36	1.38	0.92	8.89	1.51	0.35
ALD	ETF	WisdTree Asia Local Debt Fund	53.24	1.07	2.90	Na	1.40	N/A
WIP	ETF	SPDR DB International Government	61.74	0.92	0.78	12.60	7.74	0.50

## WORST PERFORMERS

TUR	ETF	iShares MSCI Turkey Index Fund	45.04	-22.55	-27.33	-24.34	4.48	0.61
RSXJ	ETF	Market Vectors Russia Small-Cap	18.39	-22.28	-20.88	Na	0.00	0.67
TKF	CEF	Turkish Investment Fund	12.20	-21.05	-23.36	-18.79	1.62	1.09
CHII	ETF	Global X China Industrials ETF	11.92	-20.23	-25.54	-19.16	1.93	0.65
EPOL	ETF	iShares MSCI Poland Investable	28.40	-18.67	-21.91	2.94	0.85	0.65
PLND	ETF	Mkt Vects Poland ETF	22.68	-18.62	-21.73	-1.22	1.00	0.67
RSX	ETF	Mkt Vects Russia ETF	31.60	-18.26	-14.36	2.86	0.58	0.65

The international market reflected the trends in the U.S. market. That is, a flight to safety but now with international bonds. The most popular was an international inflation linked bond fund. The iShares Global Inflation-Linked Bond ETF (GTIP) was up 2.03% for the month. The fact that the best performing international fund, was only up a bit more than 2% reflects the current turmoil in international markets. The rest of the best performers were international debt funds and were up between

one and two percent. The worst performers were in peripheral Europe with Turkey having the worst of the decline. The iShares MSCI Turkey Index Fund (TUR) was down -22.55%. The Turkish Investment Fund CEF (TKF) wasn't far behind, falling -21.05%. The Global X China Industrials ETF (CHII) was down -20.33%. Russia and Poland were also hard hit, down about 18%.

## FEATURED INTERNATIONAL

It seems the developed countries of the world are the same countries with severe debt problems. Those countries with large and healthy economies were able to borrow a lot more than countries that were small and still emerging. After 50 years of borrowing the developed world is perilously close to a financial debacle. Emerging markets have had much less time to accumulate debt problems and the consequent negative effect on their economies. In many ways, they are reminiscent of the United States in the 1800's. There is an ETF that invests in these countries, the BLDRS Emerging Markets 50 ADR (ADRE). However, we also found a relatively new CEF that invests in the same universe but trades at a discount.

## RECOMMENDATION

Fund: ING Emerging Markets High Dividend Equity Fund  
 Symbol: IHD  
 CUSIP: 45685X104  
 Fund Type: CEF  
 Current Price: \$15.15  
 Net Asset Value: \$16.20  
 Expense Ratio: 1.42%  
 Optionable: No  
 Discount to NAV: -6.48%  
 52-Week Average Discount: 0.59%  
 One Month Change: 2.92%  
 Current Yield: 10.91%  
 Top 10 Holding Account for 21.06% of Fund  
 P/E Ratio: NA  
 Top Holdings

Petroleo Brasileiro SA	(3.42%)
China Mobile Ltd.	(2.51%)
Samsung Electronics Co., Ltd.	(2.34%)
Vale SA	(2.33%)
Gazprom OAO	(2.30%)

The ING Emerging Markets High Dividend Equity Fund CEF (IHD) was launched in April 2011. The fund invests in dividend paying stocks of emerging countries and seeks to reduce volatility of total returns by selling call options on emerging market index ETFs, international, regional or country indices, and/or equity securities. This diversified approach produces a yield of 10.91%. The fund currently trades at \$15.15 a discount of -6.48% from its net asset value of \$16.20. The fund invests 19.79% of its funds in China, followed by Brazil at 17.10% and South Korea at 11.61%. Its largest sectors are financials at 22.39% followed by Energy at 14.81% and Information Technology at 11.36%. The fund is not leveraged and pays dividends quarterly.

## VARIANCE FROM AVERAGE DISCOUNT

This table is designed to highlight short to medium term deviations of CEF discounts from their 52-week average premium/discount relationships. The listings are rank ordered by their variance from their 52-week average premium/discount. A possible trading strategy would be to buy the CEF's that have an unusually large divergence from their 52-week discounts and then sell when the discount comes back into the average range.

Ticker	Name	Current Price \$	NAV \$	Discount/Premium %	52 Wk Avg Disc/Prem %	Variance	Current Yield %
TYT	Tortoise Energy Capital Corp	25.64	24.09	-10.05	5.92	-15.97	6.32
JFP	Nuveen Tax-Adv Floating Rate	2.17	2.46	-13.01	-1.72	-11.28	6.64
BQR	BlackRock EcoSolutions Investm	9.09	9.61	-5.41	5.53	-10.94	10.34
CAF	Morgan Stanley China A Share Fd	24.14	27.45	-12.06	-1.18	-10.88	0.00
FAV	First Trust Active Dividend Income	8.57	9.05	-5.30	5.45	-10.75	10.74
BGT	BlackRock Global Floating Rate	13.05	13.55	-3.69	5.21	-8.90	7.13
MFV	MFS Special Value Trust	6.63	6.68	-0.75	7.60	-8.35	10.93
EFR	EtnVnc Senior Floating-Rate	14.15	14.38	-1.60	6.48	-8.08	6.95
IRR	ING Risk Managed Natural Resou	13.24	13.70	-3.36	4.72	-8.07	10.97
EOS	EtnVnc Enhanced Equity Income II	10.45	11.74	-10.99	-2.95	-8.04	10.59
BDJ	BlackRock Enhncd Dividend Ach Trust	7.26	7.74	-6.20	1.59	-7.79	9.37
PIM	Putnam Master Intermediate Inc	5.24	5.57	-5.92	1.54	-7.46	6.64
MRF	American Income Fund Inc	7.57	8.44	-10.31	-2.94	-7.36	8.32
CII	BlackRock Enhanced Capital & Income	12.45	13.23	-5.90	1.33	-7.23	11.57
EFT	Eaton Vance Floating-Rate Income	14.22	14.76	-3.66	3.54	-7.20	6.75
ETB	EtnVnc Tax-Mgd Buy-Write Income	11.89	13.40	-11.27	-4.11	-7.16	10.90
AGC	Advent Claymore Glb Cv Sec and Income	7.14	7.64	-6.54	0.42	-6.97	11.16

## DEEP DISCOUNT

The deep discount table is a list of CEF's trading at the deepest discount to their net asset value.

Ticker	Name	Current Price \$	NAV \$	Discount/Premium %	52 Wk Avg Disc/Prem %	Variance	Current Yield
EQS	Equus Total Return Inc	2.28	4.10	-44.39	-41.80	-2.59	0.00
FXBY	Foxby Corp	1.13	1.66	-31.93	-33.30	1.37	0.00
FOFI	First Opportunity Fund Inc	6.51	8.65	-24.74	-20.01	-4.73	0.00
BIF	Boulder Gwth & Incm Fund I	5.69	7.10	-20.70	-16.69	-4.02	0.00
GRF	Eagle Capital Growth Fund	6.00	7.44	-19.35	-16.10	-3.25	1.26
RIF	RMR Real Estate Income Fund	28.90	35.53	-18.69	-17.97	-0.72	5.81
RIF	RMR Real Estate Fd	28.90	35.53	-18.69	-17.97	-0.72	5.81
BTF	Boulder Total Return Fund	14.34	17.46	-17.87	-16.77	-1.10	0.00
DNY	Neuberger Berman Reall Estate Income	13.95	16.87	-17.31	-15.52	-1.79	0.00
DHFT	Diamond Hill Financial Trends	8.03	9.58	-16.18	-15.69	-0.49	1.00
TTF	Thai Fund	13.69	16.32	-16.14	-13.64	-2.50	1.78
CET	Central Sec Corp	20.79	24.76	-16.03	-16.39	0.36	1.06
GRX	Gabelli Gbl Healthcare&Wellness	6.80	8.13	-16.02	-16.45	0.43	0.00
RCG	Renaissance Cptl Gwth & Incm III	1.89	2.23	-14.80	-25.24	10.44	0.00
RVT	Royce Value Trust	12.39	14.54	-14.79	-14.07	-0.72	6.13
RMT	Royce Micro-Cap Trust	8.56	10.02	-14.57	-14.61	0.04	6.07
RAP	RMR Asia Pacific Real Estate Fd	16.64	19.31	-14.19	-19.66	5.47	0.00
GAM	General Amer Investors	24.74	28.80	-14.10	-14.36	0.26	0.90

## RANKED BY 3 MONTH PERFORMANCE

Ticker	Name	Current Price \$	1 Month % Change	3 Month % Change	1 Year % Change	52 Wk High \$	52 Wk Low \$	Options
VIIX	VelocityShares VIX Short Term	73.88	46.79	44.58	Na	106.45	43.10	Y
VXX	iPATH S&P 500 VIX Short-Term F	34.09	47.19	44.27	-64.16	96.40	19.89	Y
CVOL	C-Tracks ETN Volatility Index	43.50	49.90	35.30	Na	118.90	22.07	N
SGG	iPath Dow J-AIG Sugar Total Return	93.89	-3.07	35.29	73.91	106.27	52.55	Y
SGAR	iPath Pure Beta Sugar ETN	58.67	-3.71	25.98	Na	66.34	45.09	N
DTYL	iPath US Trsy 10-year Bull	62.56	11.50	22.04	21.78	64.20	43.04	N
DLBL	iPath US Trsy Long Bd Bull	59.96	14.17	20.38	15.78	62.24	42.60	N
PHYS	Sprott Physical Gold Trust	15.17	9.14	18.24	33.83	15.62	11.20	N
UBG	E-TRACS UBS Bloomberg CMCI Gold	46.92	9.78	16.94	43.11	48.45	33.03	N
IAU	iShares Gold Trust	17.04	9.51	16.79	43.31	17.56	11.88	Y
SGOL	ETFs Gold Trust	173.30	9.55	16.76	43.16	178.37	121.01	Y
GLD	SPDR Gold Shares	169.97	9.52	16.71	43.14	175.13	118.71	Y
NUGT	Direxion Daily Gold Miners Bull 2X	34.45	-2.44	16.70	Na	41.69	26.08	Y
DGL	PwShs DB Gold Fund	61.15	9.43	16.70	41.68	62.76	43.17	Y
AGOL	ETFs Asian Gold Trust	173.82	9.56	16.67	NA	178.84	131.06	N
TBAR	RBS Gold Trendpilot ETNs	31.55	9.59	16.66	NA	32.36	25.30	N
JJP	iPath Dow J-AIG Precious Metal	100.30	7.02	15.90	60.07	108.42	62.41	N
DBP	PwShs DB Precious Metals	63.49	7.10	15.35	54.25	65.05	41.04	Y
ZROZ	PIMCO 25+ Year Zero Coupon US	83.19	15.61	15.32	1.58	93.24	63.84	N
EDV	Vanguard Extended Duration Trsy	96.92	15.91	15.13	3.40	105.03	74.13	N
FLAT	iPath US Trsy Flattener ETN	54.37	9.66	14.95	5.53	55.35	44.57	N
FXF	CurrShs Swiss Franc Trust	127.13	4.41	14.61	34.74	139.84	95.11	Y
LTPZ	PIMCO 15+ Year US TIPS Index Fd	63.73	10.11	14.00	16.68	65.90	51.23	N
GLTR	ETFs Physical Precs Metal Basket	106.49	4.08	13.00	NA	112.38	75.32	N
USV	E-TRACS UBS Bloomberg CMCI Silver	55.40	-0.28	12.03	114.15	70.79	25.85	N
CORN	Teucrium Corn Fund	47.13	3.10	11.26	63.19	48.39	28.06	Y
DBS	PwShs DB Silver Fund	68.53	-0.35	11.10	113.82	86.96	31.56	Y
TLT	iShares Barclays 20+ Year Trea	105.57	9.77	11.03	3.21	109.37	88.14	Y
SIVR	ETFs Silver Trust	38.90	-0.28	10.86	115.33	49.28	17.80	Y
SLV	iShares Silver Trust	38.09	-0.42	10.73	114.71	48.35	17.48	Y
VGLT	Vanguard Long-Term Government	67.63	8.99	10.51	4.36	69.39	57.20	N
TLO	SPDR Barclays Cptl Long Term Trsy	62.51	8.89	10.46	3.87	64.22	51.18	N

## Inflation Portfolio

This is not a market neutral portfolio but instead assumes future inflation. It contains funds that should do well in an inflationary environment.

Sym	Name	12/11/09	7/15/11	Current	Change	Shares	Last Mo Tot	Total	Per Share	Dividends
WIA	Western Asset/Claymore U.S.TIPS	\$12.15	12.97	12.87	(\$0.10)	2,000	\$25,940	\$25,740	\$0.07	\$133
GGN	Gabelli Global Gold, Nat Res & Income	\$16.36	18.04	16.88	(\$1.16)	1,000	\$18,040	\$16,880	\$2.38	\$2,380
UGL	ProShares Ultra Gold	\$46.50	86.56	103.38	\$16.82	350	\$30,296	\$36,183		\$0
BCF	BlackRock Real Asset Equity		14.79	12.38	(\$2.41)	1,050	\$15,530	\$12,999	\$1.62	\$1,703
AWP	Alpine Global Premier Property		7.33	6.44	(\$0.89)	5000	\$36,650	\$32,200	\$0.11	\$550
	Inception 12/11/09	\$101,085							Dividends	\$4,766
	Last month	\$135,001							Cash	\$9,147
	This month	\$137,915								
	Percent Change	36.43%								

# CHEATING THE RANDOM WALK PORTFOLIOS

## High Variance Portfolio

This portfolio is made up of closed end funds that trade at a greater than average discount from their 1-year average discount. Buying funds that are at the low range of their discounts compared to their historical average give the investor the chance to profit when the fund returns to its historical average. This can occur without any real change in the funds net asset value.

Sym	Name	Price 8/13/10	Initial Variance 8/13/10	Price 7/15/11	Price Current	Shares	Current Total	Current Variance	Yield	per share Dividends	Dividends
ETJ	Eaton Vance Risk-Managed Diversified Equity Income Fund		-5.08	12.54	11.08	2,500	\$27,700	-13.64	11.53	0.3195	798.75
EOS	Eaton Vance Enhanced Equity Inc Fund II		-8.31	11.83	10.45	4,000	\$41,800	-8.04	10.59	0.09	368.8
ERH	Wells Fargo Utility and High Income Fund	\$11.40	-7.89	Sold at \$11.6	Sold at \$11.6	3000.00	Sold	-3.92	8.63	Sold	Sold
BDJ	BlackRock Enhanced Equity Div Fund	\$7.99	-7.63	7.99	7.26	5,500	\$39,930	-7.79	9.37		
	Inception 8/13/2010	\$106,605								Dividends & Cash	\$1,940.55
	Last month	\$123,388									
	This month	\$111,371									
	Percent Change	4.47%									

## Deep Discount Portfolio

These funds are chosen from a list with the deepest absolute discounts from net asset value (NAV).

Sym	Name	7/19/10	7/15/11	Current	Shares	Current	Initial Discount	Current Disc	1Yr AvgDsc	Dividends	
BTF	Boulder Total Return Fund		16.24	14.34	1200	17,208	-21.77%	-17.87	-16.77%	245	
RAP	MR Asia Pacific Real Estate Fund	\$15.91	19.22	16.64	2,000	33,280	-22.56%	-14.19%	-19.65%	2300	
FOFI	First Financial Fund	\$6.00	7.04	6.51	6,000	39,060	-24.24%	-24.73%	-20.00%		
GRX	Gabelli Gbl Healthcare&Wellness		7.73	6.8	3,000	20,400	-20.74%	-16.01%	-16.45%		
	Inception 7/19/10	\$98,960								Dividends	\$2,545
	Last month	126,157								Cash	\$254
	This month	112,747									
	Percent Change	13.93%									

## Low Expense Ratio Portfolio

This portfolio is highly diversified with broad market index type ETF's that are chosen for their very low expense ratios. All things being equal, these funds should outperform all other ETF's just because of their low expenses.

Sym	Name	6/17/11	Current	Shares	Current Total
VTI	Vanguard Total Stock Market ETF	68.28	60.7	900	\$54,630
SCHF	Schwab International Equity ETF	28.36	25.38	1,400	\$35,532
VXF	Vanguard Extended Market ETF	58.48	50.04	250	\$12,510
GLTR	ETFs Physical Precious Metals Basket Shares	102.32	106.49	100	\$10,649
	Inception 6/11/10		\$101,583		Cash \$1,191
	Last month		\$127,199		
	This month		\$114,512		
	Percent Change		12.73%		

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