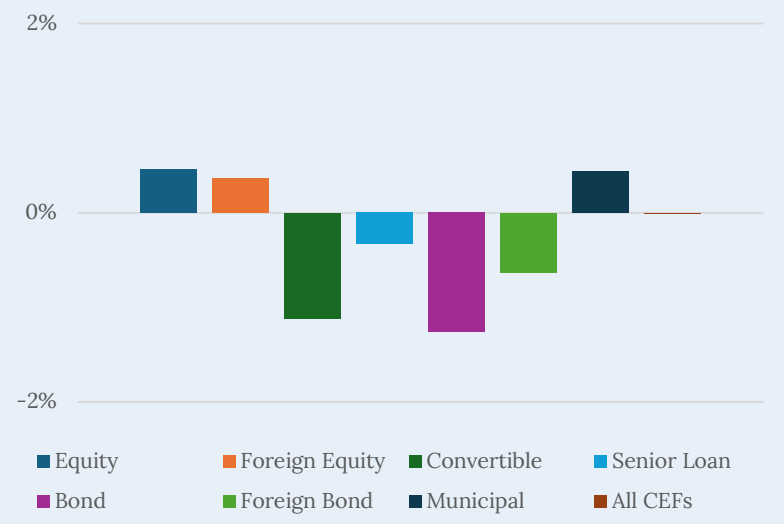


About Us

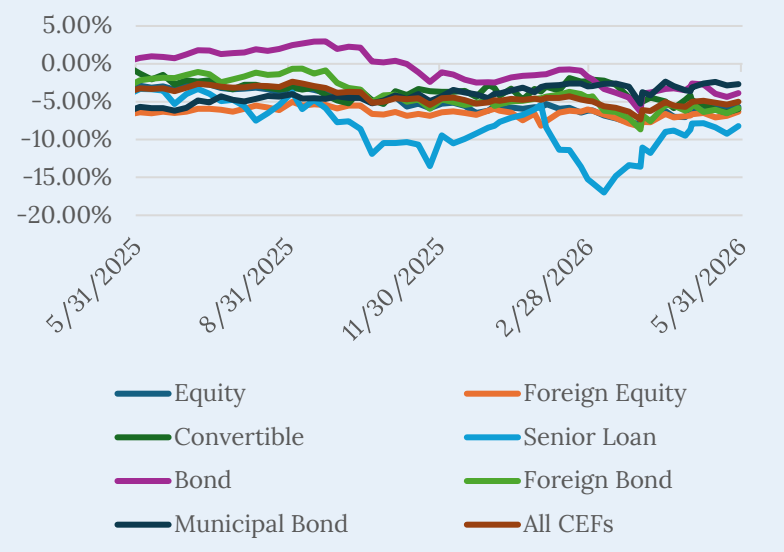
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Change in Premium/Discount Month over Month



Source: Bloomberg

Average Premium/Discount



Source: Bloomberg

Current CEF Trends

- May was influenced by strong Q1 earnings results, easing Iran-related tensions, improving sentiment tied to ceasefire negotiations and the potential reopening of the Strait of Hormuz. Despite ongoing rate uncertainty and elevated Treasury yields, average closed-end fund discounts remained relatively unchanged, widening ~1bp, while yields compressed by ~3bps month-over-month.
- Bond CEFs, which includes BAB, credit, corporates, ESG, high yield, limited duration, preferreds, multi-sector, mortgages, and TIPs bond closed-end funds experienced the largest discount widening, with discounts moving from -2.60% to -3.86%, and yields rising 20bps. The widening reflects a reversal of prior discount tightening amid heightened geopolitical and rate uncertainty, rather than a deterioration in underlying fundamentals.
- Equity CEFs recorded the largest discount tightening, improving from -6.16% to -5.70% while yields compressed 8bps. Strong earnings and continued demand for equity exposure helped support the sector.
- Across the broader closed-end fund universe, sector performance was mixed throughout May. Equity and Municipal Bond funds experienced discount tightening, while Bond, Foreign Bond, Convertible, and Senior Loan funds, saw discounts widen. Overall, average CEF discounts remained near -5.0% while yields declined modestly with performance varying across sectors.

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