



# Pristine Advisers Marks Success with Third Annual Closed-End Fund Network Conference

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Investor Spotlight



After decades spent wandering the wilderness in search of an audience closed-end fund professionals may have found a home at last. The third-annual

Closed-End Fund conference looks like it's here to stay – providing this long-neglected and often misunderstood segment of the investment world a major forum of its own.

The latest conference took place in New York on November 6th, at the New York Marriott Marquis Hotel. It was the biggest conference yet, with

over 200 professionals from around the closed-end fund industry in attendance, including fund and asset managers, strategists, institutional investors, high-net worth individuals and family endowments, consultants, financial advisors and brokers and a number of financial media professionals.

The conference is the brainchild of ►

◀ Patricia Baronowski and Pam O'Brien of Pristine Advisers, a well-respected investor relations and PR firm that specializes in the closed-end fund world.

"We started this conference three years ago, because we realized that the closed-end industry was ready to make its own mark and have its own voice in the investment world," Baronowski explains. "While there are some great conferences and events that focus on the mutual fund industry in general, there was really nothing in existence where professionals could get together in front of an expert audience and discuss investment advantages, challenges and issues that are actually unique to the closed-end fund world."

Having identified the problem and the opportunity, Baronowski and her team put together the first Closed-End Network conference two years ago. Each succeeding conference has gotten bigger and bigger, with more and more presenters. This year's conference featured twelve unique presenters, plus a detailed analyst round table discussion and another discussion with fund managers and financial advisors.

The conference itself got rave reviews from a number of participants from around the closed-end fund industry, both from sponsors and those who hosted panels and made presentations as well as those who were just there to soak up knowledge, gather information and cement relationships with colleagues and clients.

"From my perspective, [Pristine Advisers' conference] is a rare gathering of key influencers in the exchange-traded product industry. The ideas that are shared at the conference provide a rare glimpse into the industry for the end users of these products," said Justin M.



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Pfaff, CFA, the managing director of Product Management at Destra Capital Investments.

"A wonderful yet rare opportunity for portfolio managers, analysts, advisors and investors to exchange

ideas about CEFs," adds Mariana Bush, CFA, who heads up closed-end funds and exchange-traded tracking products for Wells Fargo.

"Pristine's CEF Network conference covers the bases of CEF analysis, but also gives attendees an idea on the future of the structure and the future of the capital markets," said John Cole Scott, portfolio and executive vice president with CEF Advisors.

James Pacetti, the director of business development for S-Network Global Indexes, was similarly impressed with the value the conference's organizer's brought to the table: "I find the Pristine Advisers CEF Conference to be



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can issue an unlimited number of shares, the number of shares issued in a closed-end fund is fixed. Once the initial subscription period is complete, investors don't buy and sell shares transacting directly with the fund company, as is the case with open-end funds. Instead, they buy and sell shares with each other, through the stock market. As a result, share prices can and generally do trade higher or lower than the net asset value of the shares that make up the funds' portfolio at any given point in time.

When the market prices shares cheaper than the net asset value, the shares are said to be trading at a discount, which could be an opportunity for value-conscious investors: When a closed-end fund is trading at a 10 percent discount, for example, it's an opportunity for investors to buy assets for 90 cents on the dollar.

"Closed-end funds are the oldest investment company structure, the least understood [and the] most inefficient," says John Cole Scott. "Yet due to their fixed capital structure, in a world where rates will trend up, will allow some of the best and brightest investment strategies for investors and advisors to gain access to for the next market cycle." ■

*Disclosure: Jason Van Steenwyk, the author, owns no positions, long or short, in any securities mentioned in this article.* ■

◀ highly informative on the state of the industry [for] both CEFs and ETFs," Pacetti said in an e-mailed statement. "The presentations are highly informative interactive sessions. The attendance is comprised of advisors and fund decision makers. I recommend industry professionals to attend.

### Outlook

Although there remains just over ten months until the next CEF Conference, Pristine Advisers' team is already working on putting together the next one. With offices in London and Spain as well as in Connecticut, Pristine is well positioned to put

together a conference with a decided international flavor. This suits the CEF industry well, because the capital structure of closed-end funds tends to give them an advantage in narrow investing markets, such as country and region-specific investment strategies.

### About Closed-End Funds

Closed-end funds are a special kind of mutual fund. Like their more well-known open-end mutual fund cousins, they are basically made up of capital pooled by many investors, who have hired a manager to buy and sell securities on their behalf. The difference is, while open-end funds