



Case Study:

Enhancing Market Recognition & Investor Interest for a Preferred Securities CEF

Client Overview

A well-established \$2.5B Closed-End Fund focusing on preferred securities and hybrid investments sought to address market understanding challenges, improve trading volume, and expand its institutional investor base. Despite offering attractive income potential and a sophisticated investment approach, the fund faced challenges in effectively communicating its complex strategy and building broader market recognition.

Challenges

- **Complex Strategy Communication:** Investors struggled to understand the fund's sophisticated approach to preferred securities, particularly its fixed-to-floating rate strategy and credit analysis methodology.
- **Limited Market Awareness:** Despite strong fundamentals, the fund had not effectively communicated its differentiated approach to preferred securities investing and total return potential.
- **Trading Volume Constraints:** Below-average daily trading volume limited institutional investor participation and created concerns about position building.
- **Distribution Understanding:** Investors needed better education about the sustainability and sources of the fund's distribution policy.

Our Strategy & Approach

1. Strategic Communications Enhancement

- Developed comprehensive materials explaining preferred securities market dynamics and fund's strategic advantages
- Created detailed analysis of fixed-to-floating rate positioning in various interest rate scenarios
- Implemented monthly portfolio manager commentary focusing on credit research process

2. Institutional Investor Engagement

- Conducted targeted outreach to preferred securities specialists at major institutions
- Created institutional-quality analysis of credit portfolio composition
- Hosted quarterly webinars featuring portfolio management team discussing market opportunities

3. Distribution Channel Optimization

- Enhanced relationships with key wirehouses specializing in preferred securities
- Developed specialized training for financial advisors on hybrid securities
- Created customized marketing materials for different distribution channels

4. Market Education Program

- Launched comprehensive preferred securities education initiative
- Implemented regular market updates focusing on interest rate impacts
- Created detailed materials explaining leverage strategy and risk management

5. Digital Presence Enhancement

- Redesigned fund materials with interactive credit quality breakdown
- Developed regular video updates on preferred market dynamics
- Enhanced reporting on distribution sources and sustainability

Results

- **Trading Volume Growth:**
 - 110% increase in average daily trading volume
 - Significantly improved market liquidity and institutional access
- **Institutional Ownership:**
 - Grew institutional ownership from 25% to 45%
 - Added six major institutional investors
- **Market Recognition:**
 - Secured regular coverage from five leading CEF analysts
 - Featured in major financial media outlets monthly
 - Recognized as preferred securities thought leader
- **Distribution Channel Expansion:**
 - Added fund to four new major broker-dealer platforms
 - Enhanced presence in key wirehouse preferred securities models

Final Analysis

Through strategic communication and targeted education focusing on preferred securities expertise, we successfully enhanced the fund's market position and investor recognition. Our integrated approach led to meaningful improvements in trading volume, institutional ownership, and market understanding, establishing a stronger foundation for long-term success in the preferred securities CEF market.

Want to optimize your preferred securities CEF's market presence and investor engagement? Contact Pristine Advisers to learn about our specialized solutions!

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