

DINSMORE CAPITAL MANAGEMENT

Long Only Convertible Securities Specialists

Open for Separate Accounts

Dinsmore Capital Management

- **Convertible securities specialists**
- **Manager and investment team with over 60 years combined convertible investment experience**
- **Current Assets Under Management (AUM)**
 - December 31, 2011: \$200mm in two closed-end funds investing in convertibles, equity linked securities and equities
- **Women's Business Enterprise (MWBE) Certified by the State of New Jersey**

DCM is Transparent

- **Registered Investment Advisor**
 - Compliance officer and robust policies and procedures in place
 - Risk management committee
- **Independent Auditors & Custodian**
 - Auditors: Tait Weller & Baker and J.H. Cohn
 - Custodian: Brown Brothers Harriman
- **Independent Pricing Service**
 - Interactive Data Corp.
- **QED Software Systems**
 - Q2/TRAQS Portfolio Management Accounting & Trading
- **GIPS Compliant verified by Ashland Partners (1998-3Q11)**

Why DCM Right Now

- **Significantly outperformed S&P 500 with less volatility for 3, 5, 7 and 10 years ended 12/31/11**
- **Outperformed BAML All Converts Index over the 1, 5, 7, and 10 year periods ended 12/31/11**
- **Consistent repeatable process**
 - DCM's three generation perspective of having successfully managed a convertible securities portfolio for 40 years
 - Unique analytical experience with unrated convertible securities
 - Singular team focus on convertible securities and the underlying equity and credit
- **Nimble asset management company with excess capacity**

DCM Relative Performance

Dec 31, 2011	DCM Composite		BAML VXA0		S&P 500	
	CAGR	SD	CAGR	SD	CAGR	SD
1 year	-4.00%	12.70%	-5.18%	12.08%	2.11%	15.94%
3 year	17.76%	12.54%	18.19%	12.84%	14.11%	18.97%
5 year	2.49%	16.00%	2.09%	16.15%	-0.25%	18.88%
7 year	4.37%	13.95%	3.40%	14.05%	2.63%	16.36%
10 year	5.00%	12.41%	4.88%	12.87%	2.92%	15.92%

- Source – Bloomberg, Bank of America Merrill Lynch
- BAML VXA0 is the Bank of America Merrill Lynch All Convertibles Index
- CAGR is Compound Annual Growth Rate, SD is Annualized Standard Deviation, YTD returns are not annualized
- All Returns are Unleveraged
- DCM Composite are gross returns

- **See GIPS performance in Appendix**

The Investment Team

- **Portfolio Manager**
 - Thomas H. Dinsmore, CFA
- **Assistant Portfolio Managers**
 - Jane O’Keeffe
 - James Dinsmore, CFA
- **Analysts**
 - Thomas H. Dinsmore, CFA - Financials, Industrials, Energy
 - Jane O’Keeffe - Healthcare and Generalist
 - James Dinsmore, CFA - Technology and Telecom
 - Germaine Ortiz - Media and Consumer
- **Assistant Analysts**
 - Tucker Lake - Materials and Trading
 - Joann Venezia - Retail and Generalist

The DCM Investment Process

- **Investment team approach for the decision making process**
 - Open architecture promotes continuous communication among analysts
 - Daily morning meeting
- **Portfolio Manager chairs a twice weekly investment meeting**
 - Analysts discuss earnings calls, company presentations, outside research, news and other relevant information
 - Review portfolio and strategy
- **Convertible securities analysis**
 - Structural nuances allow us to weight portfolio for income, equity sensitivity or total return
 - Du Pont model driven equity analysis methodology
 - Credit analysis

Diversified Portfolio Construction

- **Purchase discipline**
 - **New issues of convertibles**
 - All new issues are vetted at time of issuance
 - **Secondary issues**
 - Existing convertibles are regularly monitored
 - **Equity and fixed income analysis**
 - ROE decomposition
 - Credit analysis: quality, flexibility, cash/refinancing needs, debt distribution
 - Growth prospects
- **Sale discipline**
 - **Convertible analysis**
 - Technical issues: put, maturity, takeover
 - Risk/reward parameters become unattractive
 - **Underlying stock prospects change**
 - Stock reaches upper expectations
 - Growth prospects or credit quality decline

DCM Composite Portfolio Snapshot

Sector Weightings		
	DCM	BAML Index
Consumer Discretionary	6.77%	9.31%
Consumer Staples	2.63%	2.38%
Energy	12.52%	8.91%
Financials	18.67%	23.37%
Healthcare	15.69%	14.85%
Industrials	3.16%	8.32%
Materials	5.90%	4.75%
Media	0.30%	2.77%
Technology	19.70%	18.02%
Telecommunications	12.45%	2.97%
Transportation	0.00%	2.38%
Utilities	2.22%	1.98%

Maturity Distributions	
<1 Year	15.0%
1-2.99 Years	32.7%
3-4.99 Years	31.1%
5-6.99 Years	12.8%
7-9.99 Years	1.4%
>10 Years	7.0%

Market Cap Distribution	
Wtd. Avg Market Cap	\$26.0B
Median Market Cap	\$2.9B
>\$50B	14.0%
\$15-50B	16.4%
\$7.5-15B	12.9%
\$1.5-7.5B	26.1%
\$750-1.5B	18.4%
\$400-750M	6.8%
<\$400M	5.4%

Quality Allocations	
AAA	2.19%
AA	4.38%
A	25.98%
BBB	19.39%
BB	16.31%
B	12.46%
CCC and below	1.59%
Not Rated	17.70%

All Data as of December 31, 2011

*This information is presented as supplemental information to the full disclosure presentation at the end of this presentation
Quality Allocations based on Moody's, S&P, Fitch, or Bloomberg CRAT Ratings

DCM Composite Portfolio Snapshot

12/31/2011 DCM Composite Stats	
Avg. Rating	BBB-
Current Yield	4.42%
Yield to Best	5.87%
Average Maturity	4.88 years
TTM P/E	14.91x
Forward P/E	12.82x
Price to Book	2.13x
Price to Sales	2.13x
Price to Cash Flow	9.29x
Return on Equity	13.12%
# of Holdings	129
Annual Turnover	40%
Wtd Avg Delta	55
Median Premium	35.17%

DCM Representative Holdings (11/30/2011)*
EMC Corp
Intel
Chesapeake
Equinix
Wells Fargo
Verizon
Nuance Communications
Gilead Sciences
SBA Communications
Vale Capital

12/31/2011 DCM Composite Portfolio	
Equity Equivalent	20.23%
Total Return	50.95%
Fixed Income Equivalent	28.82%

*This information is presented as supplemental information to the full disclosure presentation at the end of this presentation

DCM Specializes in Convertible Securities

- **Hybrids of equity and fixed income**
- **Take the form of bonds or preferred shares**
- **Embedded option/conversion feature**
- **Provide investors with growth opportunities linked to the performance of the company's stock, with higher yield, stability and the downside protection of bonds**

Why Convertibles Now

- **Convertibles outperformed the S&P 500 over 3, 5, 7 and 10 years ended 12/31/11 with less volatility**
- **Downside Protection/Upside Participation and Current Yield**
 - Fixed income attributes with an embedded option
- **Broad market exposure with \$210B in market capitalization of 569 issues from every major sector**

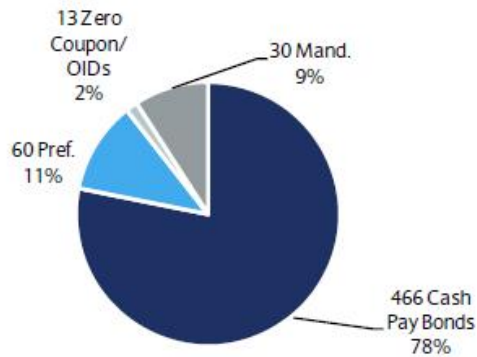
Convertible Market

Index/Sub Index	Mkt Val (\$Bln)	Face Val (\$Bn)	Price	# of Securities	% of Index	2011 YTD Return	2010 Total Return	2009 Total Return	2008 Total Return	2007 Total Return	2006 Total Return	2005 Total Return	2004 Total Return	2003 Total Return
BarCap Convertible Composite	\$209.7	\$203.6	103.0	569	100%	(4.9)	18.1	50.7	(34.6)	5.6	13.3	2.0	9.6	27.7
Type														
Cash Pay Bonds	\$163.7	\$152.2	107.5	466	78%	(3.5)	17.1	47.4	(29.0)	5.3	13.3	1.5	8.4	29.8
Zero Cpn/OID	\$3.1	\$2.3	132.1	13	1%	(8.2)	8.7	21.7	(16.2)	0.9	8.6	0.6	9.2	12.6
Preferreds	\$23.5	\$27.4	85.9	60	11%	0.5	28.1	57.7	(49.7)	6.7	18.9	(0.9)	7.7	46.0
Mandatories	\$19.4	\$21.7	89.6	30	9%	(21.0)	17.1	92.6	(59.1)	12.0	14.9	11.8	17.2	37.2
Profile														
Typical	\$83.0	\$82.2	101.0	227	40%	(2.3)	15.8	39.0	(32.6)	1.6	12.8	(4.2)	6.7	22.1
Equity Sensitive	\$75.4	\$58.2	129.6	153	36%	(6.5)	23.1	36.0	(33.5)	10.0	13.2	7.4	13.6	34.6
Busted	\$46.2	\$50.2	92.0	147	22%	(2.6)	15.3	35.0	(27.7)	(1.7)	11.9	(0.6)	7.9	23.2
Distressed	\$5.2	\$13.0	39.6	42	2%	10.7	52.5	214.1	(53.1)	0.8	29.5	(1.6)	30.3	124.6
Underlying Mkt Cap														
Small Cap	\$71.8	\$77.0	93.3	363	34%	(4.6)	23.1	58.7	(32.1)	5.7	16.1	3.7	12.6	64.1
Mid Cap	\$54.1	\$48.9	110.6	111	26%	(2.9)	18.7	58.4	(34.0)	4.8	12.4	7.9	9.6	51.0
Large Cap	\$83.8	\$77.7	107.9	95	40%	(6.1)	13.7	38.3	(34.6)	5.8	11.9	(1.8)	7.8	25.3
Credit Quality														
Investment Grade	\$56.8	\$50.3	113.0	80	27%	(2.8)	7.8	23.2	(28.1)	6.6	9.1	1.4	5.6	15.6
Intermediate Grade	\$65.6	\$62.3	105.3	163	31%	(0.8)	21.4	74.0	(39.9)	7.8	15.4	3.2	13.6	35.4
Lower Grade	\$11.5	\$15.8	72.8	51	5%	(14.5)	30.1	133.4	(61.7)	(2.1)	29.1	(6.7)	16.1	84.2
Non-Rated	\$75.8	\$75.2	100.8	275	36%	(8.1)	20.7	46.5	(29.3)	4.9	12.6	3.9	9.5	27.0
Credit Quality - Bonds Only														
Bonds Only Investment Grade	\$48.0	\$41.4	116.1	73	23%	(2.9)	7.2	26.8	(13.7)	8.9	7.7	2.9	5.5	9.5
Bonds Only Intermediate Grade	\$54.4	\$49.9	109.0	139	26%	(1.0)	21.6	56.7	(36.3)	6.2	16.3	1.8	11.4	30.7
Bonds Only Lower Grade	\$8.7	\$9.4	92.4	38	4%	(15.2)	27.1	152.0	(60.8)	(7.7)	22.3	(10.7)	15.7	68.7
Bonds Only Non-Rated	\$55.6	\$53.8	103.3	229	27%	(4.5)	19.8	44.8	(28.1)	2.8	12.8	1.3	7.9	26.7
High Yielding														
HY Bonds Only	\$16.4	\$23.5	69.6	91	8%	(20.4)	31.7	82.7	(32.3)	(3.3)	34.2	(11.0)	13.4	51.4
Sector														
Basic Industry	\$15.1	\$13.4	113.0	30	7%	(13.5)	10.5	93.9	(50.1)	45.4	27.4	16.9	10.4	51.9
Cap Goods	\$11.4	\$10.5	108.4	40	5%	(7.3)	20.2	27.2	(27.1)	21.4	10.4	(3.5)	16.7	20.3
Communications	\$10.7	\$11.3	94.7	32	5%	(2.0)	24.8	54.3	(34.2)	(2.9)	15.0	(0.0)	10.1	25.4
Consumer Cyclical	\$16.9	\$16.0	105.3	39	8%	(17.8)	39.8	117.7	(56.7)	(0.7)	24.7	(14.9)	3.8	28.2
Consumer Noncyclical	\$37.0	\$35.7	103.8	100	18%	0.1	10.4	32.5	(16.8)	6.0	7.2	3.9	10.0	17.4
Energy	\$5.1	\$4.9	103.3	10	2%	1.4	6.4	27.4	(28.3)	24.8	14.2	20.1	9.8	5.2
Technology	\$47.9	\$42.5	112.7	106	23%	0.6	17.0	62.8	(34.7)	4.7	11.0	1.0	6.6	44.1
Transport	\$4.4	\$4.2	104.6	20	2%	(15.7)	35.7	57.2	(28.6)	(9.2)	26.7	3.2	0.5	22.9
Industrial Other	\$0.6	\$0.8	73.7	4	0%	(26.1)	10.1	28.8	(26.3)	17.9	11.8	(10.5)	6.6	23.6
Utilities	\$15.9	\$15.0	106.4	44	8%	4.8	18.7	49.7	(43.9)	22.7	11.0	11.1	22.2	36.7
Finance Institutions	\$39.8	\$43.8	90.7	115	19%	(7.5)	18.9	48.7	(39.5)	(5.0)	12.1	5.9	10.8	16.6

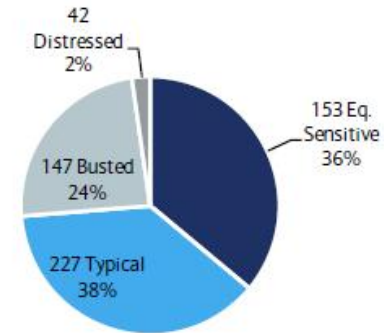
Source: Barclays Capital

Convertible Market

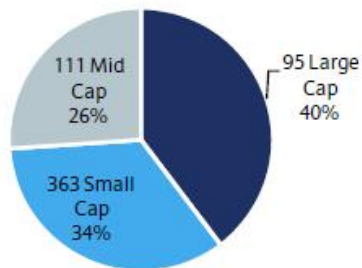
Market Value by Security Type



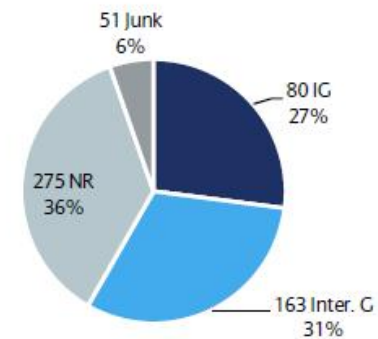
Market Value by Security Profile



Market Value by Underlying Stock Market Cap



Market Value by Credit Quality



Source: Barclays Capital.

DCM

- **Equity performance, income and reduced volatility**
- **Multi generation experience with convertibles**
- **Registered, audited and compliant**
- **Consistent repeatable process**

Appendix

DCM Support Team

- **Gary Levine**
 - CFO and Managing Director of Administration has been with DCM since 1983
- **Mercedes Pierre**
 - VP and Managing Director of Compliance has been with DCM since 1990
- **Judie Dougherty**
 - Assistant Secretary has been with DCM since 2006
- **Peter Finnican**
 - Principal, Marketing Director has been with DCM since 2007

Resumes

- **Portfolio Management Team**

- **Thomas H. Dinsmore, CFA** – Chairman and CEO of Dinsmore Capital Management. CEO and Portfolio Manager of Bancroft Fund Ltd.; CEO, Portfolio Manager and co-founder of Ellsworth Fund Ltd. Before joining DCM in 1983 Tom worked at Morgan Stanley, Prudential Insurance Company and BASF. Tom is a CFA charterholder and has a B.S. in Economics from the Wharton School of Business, and an M.A. in Economics from Fairleigh Dickinson University where he was elected to Delta Mu Delta National Honor Society. He also participates in the CFA Institute continuing education program. Tom is a former President of the Closed-End Fund Association (CEFA), the national trade association representing the closed-end fund industry. He is also a member of the Investment Company Institute Closed-End Fund Subcommittee. Memberships include the CFA Institute and the NY Society of Security Analysts.
- **Jane D. O’Keeffe** - President and Director of Dinsmore Capital Management and of the Funds; Jane has been in the investment business since 1980. She began as an assistant to the portfolio manager of IDS Progressive Fund. From 1983 through March 1986, she had research and portfolio management responsibilities at Soros Fund Management Company. In 1986, Jane was a portfolio manager and research analyst at Simms Capital Management until she joined Fiduciary Trust International in 1988 where she became a Vice President and Portfolio Manager for individuals, endowments and foundations. Jane joined DCM in 1994. Jane has a B.A. from the University of New Hampshire and attended the Lubin Graduate School of Business at Pace University.
- **James Dinsmore, CFA** - Vice President, Director and Assistant Portfolio Manager for Dinsmore Capital Management. Vice President of the Funds. He joined DCM in June 2004. Mr. Dinsmore is a CFA charterholder. He earned his MBA in finance and marketing from Rutgers University where he became a member of the Beta Gamma Sigma International Honor Society. James has a BA in Economics from Cornell University. Memberships include the CFA Institute and the NY Society of Security Analysts.

Resumes

- **Analyst Team**

- **Germaine M. Ortiz** - Vice President of Dinsmore Capital Management and of the Funds. Germaine worked as a research analyst at Univision Network Channel 41 WXTV before joining DCM in 1993. Ms. Ortiz is a 1992 graduate of Seton Hall University with majors in Communications and Spanish. She completed her Certification Program in Securities Analysis at the New York Institute of Finance in the spring of 1995.
- **H. Tucker Lake, Jr.** - Vice President of DCM and of the Funds. Tucker entered the investment business in 1971 joining Kidder Peabody in the Corporate trading Department where he was in charge of the OTC order desk. He then became an equity trader of their bank, savings and loan, financial and insurance stocks. He left the industry in 1984 to enter the real estate business and trade securities for his own account. He joined DCM in September 1993. Tucker has a B.A. from Principia College. He entered the U.S. Navy flight program in 1969 and left the Navy Reserve as Lieutenant in 1976.
- **Joann Venezia** - Assistant Vice President has been with DCM since 1997. Prior she was VP of Development at the Sisters of Charity of Saint Elizabeth.

- **Marketing Director**

- **Peter M. Finnican** - Peter joined Dinsmore Capital Management in 2007. He was a Principal at Morgan Stanley in the Convertible Group for 8 years and was most recently a Managing Director in the UBS Convertible Group for 7 years; in sales and management functions. He has a BA and MA from Manhattanville College.

CHRIS CHRISTIE
Governor

KIM GAUDAGNO
Lt. Governor



ANDREW P. SIDAMON-ERISTOFF
Acting State Treasurer

State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF MINORITY AND WOMEN BUSINESS DEVELOPMENT
P.O. BOX 026
TRENTON, NJ 08625-034
PHONE: 609-292-2146 FAX: 609-292-8764

CERTIFIED

under the

Small Business Set-Aside Act and Minority and Women Certification Program

This certificate acknowledges **DINSMORE CAPITAL MANAGEMENT COMPANY** is a **WBE** owned and controlled company, which has met the criteria established by N.J.A.C. 17:46.

This certification will remain in effect for three years. Annually the business must submit, not more than 20 days prior to the anniversary of the certification approval, an annual verification statement in which it shall attest that there is no change in the ownership, control or any other factor of the business affecting eligibility for certification as a minority or women-owned business.

If the business fails to submit the annual verification statement by the anniversary date, the certification will lapse and the business will be removed from the SAVI that lists certified minority and women-owned business. If the business seeks to be certified again, it will have to reapply and pay the \$100 application fee. In this case, a new application must be submitted prior the expiration date of this certification.




Francis E. Blanco
Director

Certificate Number: 51608-15

Issued: February 1 2010

Expiration: January 31, 2013

Dinsmore Capital Management Composite Annual Disclosure

Year End	Total Firm Assets (millions)	Composite Assets (USD) (Millions)	Number of Accounts	Bank of America Merrill Lynch All Convertible Index	Annual Performance Results Composite		Composite Dispersion *	BAML All Convertible 3 Year Annualized Standard Deviation	DCM Composite 3 Year Annualized Standard Deviation
					Gross	Net			
2011	200	200	2	(5.18%)	(4.00%)	(4.70%)	N.A.	12.84%	12.54%
2010	216	216	2	16.77%	16.66%	15.80%	N.A.	19.33%	19.07%
2009	193	193	2	49.12%	45.81%	44.73%	N.A.	18.57%	18.21%
2008	140	140	2	(35.73%)	(37.26%)	(37.71%)	N.A.	16.04%	16.19%
2007	253	253	2	4.53%	10.38%	9.62%	N.A.	6.76%	6.61%
2006	250	250	2	12.83%	13.68%	12.89%	N.A.	6.45%	6.47%
2005	232	232	2	1.01%	4.96%	4.21%	N.A.	7.09%	6.98%
2004	231	231	2	9.61%	6.36%	5.60%	N.A.	9.69%	7.88%
2003	226	226	2	27.15%	20.28%	19.39%	N.A.	12.53%	9.08%
2002	172	172	2	(8.58%)	(5.65%)	(6.36%)	N.A.	16.41%	11.78%
2001	190	190	2	(4.44%)	(1.42%)	(2.15%)	N.A.	17.93%	11.90%
2000	203	203	2	(10.00%)	4.06%	3.31%	N.A.	17.94%	13.47%

Dinsmore Capital Management Composite Annual Disclosure

- (*) Composite Dispersion is not applicable (N.A.) because the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
- DCM is an independent registered investment adviser and focuses on managing balanced portfolios. The firm maintains a complete list and description of composites, which is available upon request. DCM was formally named Davis Dinsmore Management (DD). All of the assets managed by DD are the same assets managed by DCM and these assets constitute the DCM Composite.
- Dinsmore Capital Management (DCM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). DCM has been independently verified for the period January 1, 1998 through December 31, 2011 by Ashland Partners & Company LLP. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The DCM Composite has been examined for the period January 1, 1998 to December 31, 2011. The verification and performance examination reports are available upon request.
- The Dinsmore Capital Management Composite includes all portfolios with a target allocation of at least 65% convertible securities and no more than 35% non convertible securities. The strategy aims to deliver a total return through a combination of income and capital appreciation with lower volatility than the S&P 500. Currently this consists of Bancroft Fund , Ltd. and Ellsworth Fund Ltd. The benchmark is the Bank of America Merrill Lynch All Convertibles Index (VXA0). The VXA0 is an unbiased proxy for the broad U.S. Convertible Market. It is composed of USD denominated Convertibles over \$50mm market value that are convertible into USD denominated common Stock, ADRs ,or cash equivalent. Index returns are calculated on a monthly basis.
- The Dinsmore Capital Management Composite was created June 1, 2008.
- Valuations are computed and performance expressed in U.S. dollars.
- Gross-of-fee results are presented before management and other account fees but after trading expenses. Net-of-fee results have been reduced by the actual management fee in the standard fee schedule reflecting a return net of trading expenses and management fees only, calculated monthly. Returns are presented gross and net of management fees and include the reinvestment of all income.
- The standard investment management fee schedule for the composite is 0.75% for the first \$100,000,000, 0.50% for any assets over \$100,000,000. Actual investment advisory fees incurred by clients may vary.
- The minimum account size for this composite is \$25 million.
- The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year and is only presented for periods with more than 5 accounts in for the entire year. Additional information regarding the firm's policies and procedures for valuing portfolios, calculating and reporting performance results, and preparing compliant presentations is available upon request.
- In January of 2010 it was determined that the methodology used to determine performance did not adequately account for the dilutive effects caused by the issuance or repurchase of shares at prices different than Net Asset Value for the years 1998 through 2008. We have changed the methodology in this Disclosure to properly account for the dilutive effect. Each of those years (1998 – 2008) Gross and Net have been adjusted upward to reflect this change.
- Past performance is not indicative of future results.