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ICI Study: Closed-End Fund Assets Were \$262 Billion at Year-End 2016

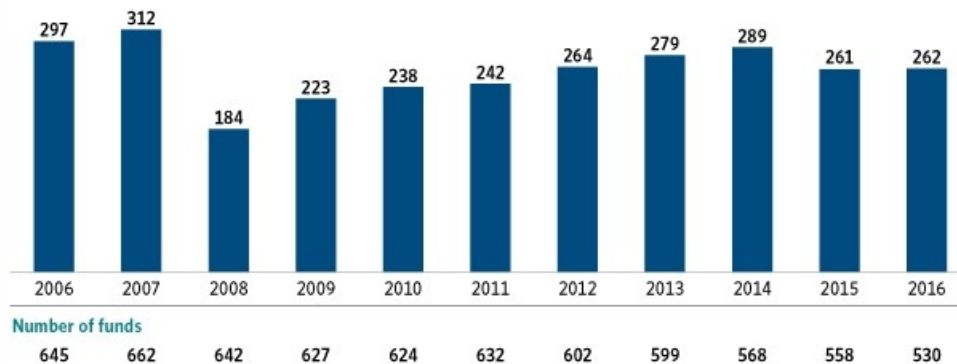
By Shelly Antoniewicz

ICI recently released its annual [report on the closed-end fund market](#), which analyzes data on closed-end funds, a type of registered investment company that issues a fixed number of shares that are traded on a stock exchange in the over-the-counter market.

As the report describes, total closed-end fund assets were \$262 billion at year-end 2016. This amount is little changed from year-end 2015, as losses from falling municipal bond prices were offset by rising domestic stock prices.

Total Assets of Closed-End Funds Were \$262 Billion at Year-End 2016

Billions of dollars; year-end, 2006–2016



Source: Investment Company Institute

The report goes into much more detail on trends in the market, the funds themselves, and the characteristics of their investors, but here are a few key findings:

- **The share of assets in bond closed-end funds was 61 percent of all closed-end fund assets at year-end 2016, up only slightly from 59 percent a decade ago.** This share has remained relatively stable, as demand for bond closed-end funds has outpaced that of equity closed-end funds.
- **Price deviations from net asset values on taxable bond closed-end funds narrowed through most of 2016, reflecting increased investor interest in bonds.** The average discount for domestic taxable bond closed-end funds narrowed to 4.7 percent at year-end 2016 from 8.2 percent at year-end 2015.
- **Closed-end fund investors tended to have above-average household incomes and financial assets.** An estimated 2.8 million US households held closed-end funds in 2016. These households tended to include affluent investors who owned a range of equity and fixed-income investments.

ICI's [Closed-End Fund Resource Center](#) offers this report and more information on closed-end funds—ranging from the basics to the

more complex topics—including [quarterly closed-end fund data](#), [a guide to closed-end funds](#), comment letters, and [FAQs about their use of leverage](#).

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