

MEMO# 22331

March 13, 2008

Frequently Asked Questions About Closed-End Funds

[22331]

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TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 7-08
SEC RULES COMMITTEE No. 21-08 RE: FREQUENTLY ASKED QUESTIONS ABOUT CLOSED-END FUNDS

The Investment Company Institute recently posted on its website a discussion of closed-end funds that included general information about closed-end funds as well as closed-end funds' use of auction rate preferred securities, the causes and implications of failed auctions, and the responsibilities of closed-end funds in the event of a failed auction. That has now been updated to include a discussion of the responsibilities of closed-end fund directors to common and preferred shareholders. [\[1\]](#)

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[\[1\]](#) That discussion can be found at http://www.ici.org/home/faqs_closed_end.html.