

MEMO# 10921

April 21, 1999

FUNDAMENTALS, VOLUME 8, NO. 3 "HOUSEHOLD OWNERSHIP OF CLOSED- END FUNDS IN 1998"

[10921] April 21, 1999 TO: BOARD OF GOVERNORS No. 32-99 CLOSED-END INVESTMENT COMPANY COMMITTEE No. 14-99 DIRECT MARKETING COMMITTEE No. 6-99 INDUSTRY STATISTICS COMMITTEE No. 4-99 PRIMARY CONTACTS - MEMBER COMPLEX No. 45-99 RESEARCH COMMITTEE No. 4-99 SALES FORCE MARKETING COMMITTEE No. 6-99 SHAREHOLDER COMMUNICATIONS COMMITTEE No. 5-99 RE: Fundamentals, Volume 8, No. 3 "Household Ownership of Closed-end Funds in 1998"

Enclosed is the most recent issue of Fundamentals, the topic of which is household ownership of closed- end funds. This is the first time Institute research has identified and described the characteristics of closed-end fund owners. The summary presents results of a 1998 telephone survey with 3000 randomly selected U.S. households. The report describes closed-end fund owners in considerable detail. An estimated 2.3 million, or 2.3 percent, of all U.S. households owned closed-end funds in 1998. The typical closed-end fund owner had \$12,000 invested in two closed-end funds. The two most frequently held closed-end funds were domestic equity funds and high yield bonds. Thirty seven percent of closed-end fund owners bought or received their first closed-end funds before 1990. Eighty-one percent also owned mutual funds. Additional copies of Fundamentals are available at a cost of \$25 each by calling 202/326-5913. Fundamentals is also available on the Institute's website at www.ici.org. Sandra J. West Assistant Vice President and Director, Market and Policy Research Enclosure

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