

MEMO# 9399

November 7, 1997

ICI LETTER TO SEC ON CALCULATION OF EXPENSE RATIO

1 See Memorandum to Closed-End Fund Committee No. 39-97, dated October 24, 1997.
[9399] November 7, 1997 TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 42-97
RE: ICI LETTER TO SEC ON CALCULATION OF EXPENSE RATIO

_____ The Institute
has sent the Securities and Exchange Commission the attached letter concerning
calculation of expense ratios for closed-end funds that have preferred shares outstanding.
The letter is substantially similar to the draft that we recently circulated to you.¹ The letter
argues that the forthcoming generic comment letter should not require closed-end funds to
deduct the value of preferred shares outstanding from average net assets when calculating
the funds expense ratio to be included in the financial highlights table. We expect the "Dear
CFO" generic comment letter to be issued shortly. We will circulate the letter when it
becomes available. Gregory M. Smith Director - Operations/ Compliance & Fund Accounting
Attachment

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