

CEF Highlights for May, 2019: Key points from Lipper FundMarket Insight Report

The month in Closed-End Funds, May 2019:

Tom Roseen, Head of Research Services for Lipper, published his May 2019 monthly review of the market for closed-end funds. Highlights from this report included:

- For the first month in five, equity CEFs on average witnessed down-side performance on both a NAV and market basis, declining 3.44% and 4.44%, respectively, for May. Meanwhile, for the fifth consecutive month, their fixed income CEF counterparts posted returns in the black on both a NAV (+0.67%) and market basis (+0.75%).
- For the month, 43% of all CEFs posted NAV-based returns in the black, with only 14% of equity CEFs and 65% of fixed income CEFs chalking up returns in the plus column.
- Real Estate CEFs (+0.10%) posted the only positive returns of all equity CEF classifications for the month.
- The California Municipal Debt CEFs classification (+2.00%) posted the strongest plus-side returns in the fixed income universe for the month.
- For the seventh month in a row, the municipal debt CEFs macro-group posted a plus-side return on average (+1.86%), with all classifications in the group witnessing positive returns for May
- For the month, 43% of all funds' discounts or premiums improved, while 56% worsened. In particular, 42% of equity CEFs and 44% of fixed income CEFs saw their individual discounts narrow, premiums widen, or premiums replace discounts.
- Only 17% of all CEFs traded at a premium to their NAV, with 19% of equity CEFs and 15% of fixed income CEFs trading in premium territory. The single state municipal debt CEFs macro-classification witnessed the largest narrowing of discounts for the month among Lipper's CEF macro-groups—64 basis points (bps) to 9.82%.