

# The Month in Closed-End Funds: July 2021



For the month, 74% of all closed-end funds (CEFs) posted net-asset-value (NAV)-based returns in the black, with 69% of equity CEFs and 78% of fixed income CEFs chalking up returns in the plus column. For the second month in a row, Lipper's mixed-assets CEFs (+0.47%) macro-group outpaced its two equity-based brethren: domestic equity CEFs (+0.37%) and world equity CEFs (-0.62%). The Real Estate CEFs classification (+2.27%) for the first month in 10 outperformed all other equity classifications, followed by Utility CEFs (+2.14%, June's laggard) and Developed Markets CEFs (+1.29%).

For the first month in four, the municipal bond CEFs macro-group posted the strongest returns in the fixed income universe, posting a 1.11% return on average, followed by domestic taxable fixed income

CEFs (+0.33%) and world income CEFs (+0.07%). Fixed income investors became slightly more quality focused during the month. They pushed Corporate Debt BBB-Rated CEFs (Leveraged) (+1.45%) to the top of the domestic taxable fixed income leaderboard for the third month in four, followed by Corporate Debt BBB-Rated CEFs (+1.05%) and U.S. Mortgage CEFs (+1.07%, June's laggard).

For July, the median discount of all CEFs narrowed 44 basis points (bps) to 1.98%—narrower than the 12-month moving average median discount (5.91%).

## Highlights

- For the ninth month in a row, equity CEFs on average posted positive returns, rising 0.18% on a NAV basis for July, while for the fifth month running fixed income CEFs posted plus-side returns (+0.60%).
- Thirty-four percent of all CEFs traded at a premium to their NAV, with 32% of equity CEFs and 35% of fixed income CEFs trading in premium territory. The world equity CEFs macro-classification witnessed the largest widening of discounts for the month among Lipper's CEF macro-groups—58 bps to 9.09%.
- Real Estate CEFs (+2.27%) for the first month in 10 posted the strongest one-month returns of the equity classifications in the CEF universe for July.
- For the third month in four, the Corporate Debt BBB-Rated CEFs (Leveraged) (+1.45%) classification posted the strongest plus-side returns in the domestic taxable fixed income CEF macro-group for July.
- The municipal bond CEF macro-group (+1.11%) posted returns in the black for the fifth consecutive month, with all nine classifications chalking up positive returns.

Download our Closed-End Funds FundMarket Insight Report: The Month in Closed-End Funds: July 2021 [here](#).

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