Closed-end funds are less known compared to open-end funds to most of investors. Due to their classical discounts, their behavior on the stock markets is less understood by the individual investors. These two statements are true on the mature capital markets, but on the Romanian emerging capital market, the closed-end funds were and still are the individual investors' darlings. The closed-end funds' position on the Romanian capital market can be – mildly – viewed as peculiar.

The present paper would try to answer several questions like: - Why are the Romanian closed-end funds more popular than the open-end funds? - Which was the closed-end funds' contribution to the development of the Bucharest Stock Exchange? - How did the structure of the Romanian closed-end funds' portfolios evolved/ changed over time? - How did the prices and premiums of the Romanian closed-end funds behave since their listing date at Bucharest Stock Exchange?
Contents 1 Overview. 1.1 Advantages of mutual funds. 1.2 Disadvantages of mutual funds.

Closed-end funds generally issue shares to the public only once, when they are created through an initial public offering. Their shares are then listed for trading on a stock exchange. Investors who no longer wish to invest in the fund cannot sell their shares back to the fund (as they can with an open-end fund). Like closed-end funds, ETFs are traded throughout the day on a stock exchange at a price determined by the market. However, as with open-end funds, investors normally receive a price that is close to net asset value. To keep the market price close to net asset value, ETFs issue and redeem large blocks of their shares with institutional investors. Most ETFs are index funds.