

Listed CEF Market Monthly Update

Could Pershing Square Reopen the U.S. Listed CEF Market?

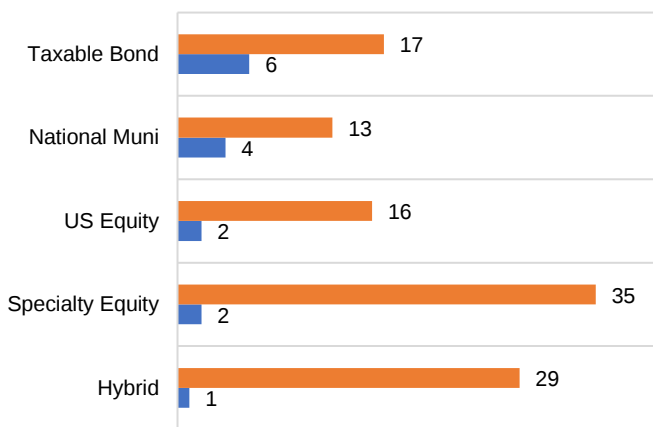
- ❑ Pershing Square is currently in the SEC registration process to launch a US listed closed-end fund, Pershing Square USA, Ltd. (PSUS).
- ❑ PSUS filed its initial registration statement on 2/7/24 and an amended registration statement on 5/1/24.
- ❑ The amended registration statement added Jefferies as an underwriter, signaling further progress towards an IPO.
- ❑ This week, it was reported that founder Bill Ackman sold a 10% stake in Pershing Square for \$1.05 billion. The deal coincides with plans to take Pershing Square public as early as next year.
- ❑ The question remains if PSUS will be the first US listed closed-end fund IPO since BlackRock's 2037 Municipal Target Term Trust (BMN), which completed its IPO on 10/26/2022.

Pershing Square USA, Ltd.

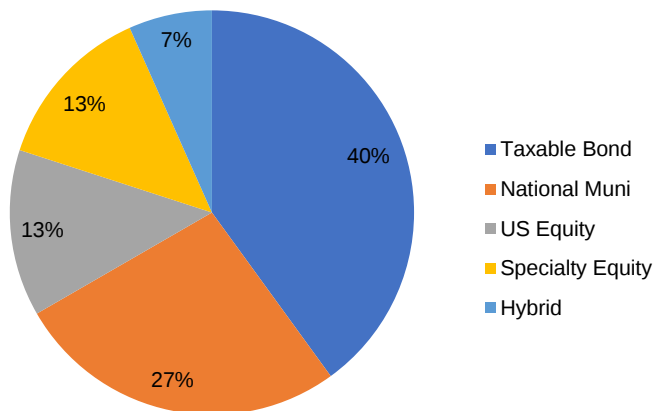
Ticker Symbol	PSUS
Exchange Listed	New York Stock Exchange
Underwriters	Citigroup, UBS, BofA Securities, Jefferies
Management Fee	2.00% ¹
Objective	Preserve capital and long-term capital appreciation
Strategy	Invest principally in common stocks believed to exhibit significant valuation discrepancies between current trading prices and intrinsic business (or net asset) value, often with a catalyst for value recognition.

1. Management Fee will be charged on net assets and waived for the first 12 months.

15 Listed CEFs Currently In SEC Registration Waiting for IPO Window to Open



■ Avg. Months in Registration ■ Number of Funds



■ Taxable Bond
■ National Muni
■ US Equity
■ Specialty Equity
■ Hybrid

Top 10 Current Average Listed CEF Premium / Discount (as of 5/31/2024)

Equity / Hybrid	Premium / Discount	Fixed Income	Premium / Discount
Sector Equity	3.14%	Multi-Sector	0.75%
Commodities	-2.31%	Limited Duration	-0.33%
Real Estate	-6.90%	Global Income	-0.90%
Covered-Call Funds	-8.80%	Investment Grade	-1.64%
MLP	-9.58%	Senior Loans	-2.26%
U.S. Equity	-11.44%	Convertibles	-2.70%
U.S. Allocation	-11.81%	Taxable Muni	-4.13%
Global Allocation	-12.49%	Emerging Market Income	-4.42%
Global Equity	-13.94%	High Yield	-5.58%
Single-Country Equity	-15.66%	Preferreds	-6.52%

1. Excludes outlier of DXYZ due to recent direct listing and trading dynamics.

Historical Listed CEF Premium/Discount Averages (as of 5/31/2024)

Current¹	-7.45%
4/30/2024¹	-8.13%
2024 YTD¹	-8.12%
2023	-8.59%
2022	-5.78%
2021	-3.13%
10 Year Historical	-5.99%
10 Year – Munis	-5.20%
10 Year – Taxable	-6.29%

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Recent Rights Offering

Date	Source	Location	Summary
May 15	The India Fund	Philadelphia	<u>The India Fund, Inc.</u> (NYSE:IFN) announced the successful completion of a transferable rights offering led by UBS at a price determined based on 93% of net asset value. The offering is expected to result in approximately \$110mm in gross proceeds. IFN is managed and advised by Abrdn. This is the third rights offering completed in the listed CEF market in 2024. The other two rights offerings were completed by <u>RiverNorth Capital and Income Fund</u> and <u>Western Asset High Income Fund II</u> .

CEF Industry News and Upcoming Events

Date	Source	Location	Summary
June 26 - 27	Morningstar	Chicago	The Morningstar Investment Conference 2024 will feature insights on navigating financial markets uncertainty, the evolving roles of asset managers and advisors, the impact of artificial intelligence on financial advisory firms, and lessons from history's greatest financial frauds. To register or to learn more click here
Oct. 15 - 17	MMI	Charlotte	The Money Management Institute (MMI) is an organization dedicated to enhancing connections, knowledge, and growth among its members in the financial services industry through professional development and networking opportunities. To register or to learn more about the MMI's Annual Conference click here
Nov. 12	ICI	New York City	The 2024 Closed-End Fund Conference offers attendees fresh perspectives on the CEF industry and the opportunity to earn continuing education credits. To register or to learn more click here
Nov. 13	AICA	New York City	Explore the universe of closed-end funds, interval funds, and business development companies at the sixth annual Active Investment Company Alliance (AICA) Roundtable. To register or to learn more click here

CEF Market Legal & Regulatory Update

On May 16, the SEC's Chair Gary Gensler spoke at the SEC's 2024 Conference on Emerging Trends in Asset Management. During his speech, he noted few concerns in the registered fund industry, while adding thoughts on the interconnectivity of risks and new regulations among registered funds, private funds and separately managed accounts.

On registered funds, Chair Gensler opined on the proliferation of passive investment strategies, noting that the three largest fund complexes manage almost 75% of the \$7 trillion in net assets in passive investment strategies. He also expressed concerns that index providers may hold outsized roles in management, noting the Staff's ongoing consideration of comments it received from its 2022 request regarding whether index providers operate as *de facto* investment advisers. Chair Gensler additionally discussed liquidity of registered fund investments, in particular, for collective investment trust (CIT) assets. He cited the differing rules for CIT asset liquidity, leverage, and reporting, noting that these present regulatory gaps that could lead to risk spreading to registered funds.

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