

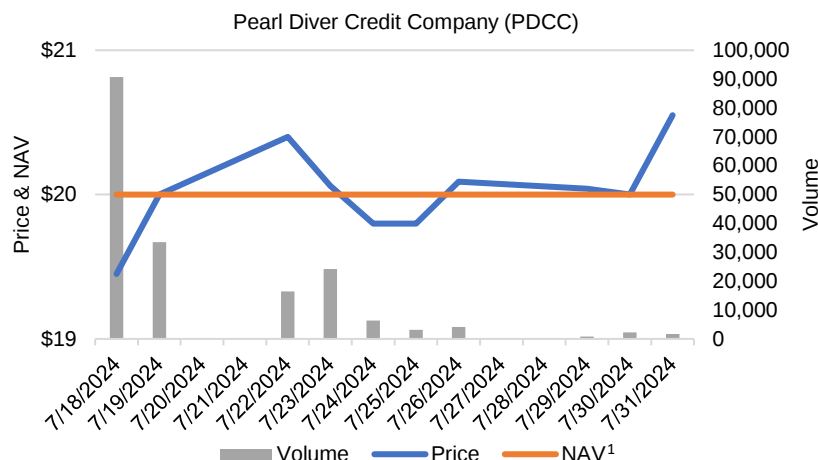
Listed CEF Market Monthly Update

Direct Listing Case Study: Pearl Diver Credit Company (PDCC)

- On July 18, 2024, Pearl Diver Credit Company (PDCC) listed on the NYSE opening at \$20.00 per share and completed its initial public offering (IPO) of 2.2 million shares of common stock with an additional 330,000 shares sold due to overallotment options being fully exercised.
- The total net proceeds were \$50.6 million for the company.
- The initial contributed capital was \$90.2 million as of 12/31/2023.
- PDCC's market capitalization was \$127.95 million and traded at a 2.75% premium as of 7/31/2024.
- Kingswood Capital Partners, LLC served as the sole bookrunner for the IPO.

Sources: XA Investments; Pearl Diver Credit Company Inc. Press Release 7/19/2024.

Note: 1. Represents the IPO price and the NAV as of the prospectus filed on 7/19/2024.



Pershing Square USA, Ltd. (PSUS) Withdraws IPO

- PSUS was expected to be the first US listed closed-end fund to IPO since BlackRock's 2037 Municipal Target Term Trust (BMN), which completed its IPO on 10/26/2022.
- The proposed fund's investment strategy is to invest principally in common stocks believed to exhibit significant valuation discrepancies between current trading prices and intrinsic business value, often with a catalyst for value recognition.
- PSUS filed its initial registration statement on 2/7/24 and continued to file amended registration statements with additional bookrunners and co-managers, signaling an IPO.
- On 6/3/2024 it was announced that Bill Ackman had sold a 10% stake in his management company Pershing Square Capital Management for \$1.05 billion to a group of investors.
- Initially the fund initially had an ambitious goal to raise \$25 billion in early June but was then cut to \$4 billion and then down further to \$2 billion in the weeks leading up to the expected IPO.

Timeline of Key SEC Filings

2/7/2024	Initial registration statement
5/1/2024	First amended registration statement adding Jefferies as a Joint Bookrunner
7/9/2024	Pitch deck is filed detailing the strategy and signalling for an IPO at the end of July
7/9/2024	Third amended registration statement is filed with additional Co-Lead Managers and Co-Managers
7/23/2024	Fidelity bond is filed
7/25/2024	A free writing prospectus was filed containing a letter that was originally sent to institutional and high net worth clients addressing concerns about the IPO
8/1/2024	Registration withdrawal request is filed

Top 10 Current Average Listed CEF Premium / Discount¹ (as of 7/31/2024)

Equity / Hybrid	Premium / Discount	Fixed Income	Premium / Discount
Sector Equity	2.51%	Global Income	2.26%
Real Estate	-1.36%	Multi-Sector	1.81%
Commodities	-2.38%	Investment Grade	0.30%
Covered-Call Funds	-7.13%	Taxable Muni	-0.60%
Global Allocation	-9.72%	Limited Duration	-0.68%
U.S. Allocation	-10.70%	Senior Loans	-0.78%
U.S. Equity	-10.75%	Convertibles	-1.13%
Global Equity	-12.21%	Emerging Market Income	-1.36%
MLP	-12.84%	High Yield	-3.52%
Single Country Equity	-14.29%	Preferreds	-3.77%

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

Historical Listed CEF Premium/Discount Averages (as of 7/31/2024)

Current ¹	-5.88%
6/30/2024 ¹	-6.48%
2024 YTD ¹	-7.73%
2023	-8.59%
2022	-5.78%
2021	-3.13%
10 Year Historical	-5.98%
10 Year – Munis	-5.27%
10 Year – Taxable	-6.25%

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Recent Rights Offering

Date	Ticker	Summary
July 15	NXG	The Fund announced the preliminary results of its transferable rights offering (the "Offer"). The Offer commenced on June 20, 2024, and expired on July 17, 2024 (the "Expiration Date"). The Offer entitled rights holders to subscribe for up to an aggregate of 867,238 of the Fund's common shares of beneficial interest, par value \$0.001 per share ("Common Shares"). The subscription price was \$37.25 per Common Share and was determined based upon a formula equal to 86% of the Fund's net asset value per Common Share at the close of trading on the New York Stock Exchange on the Expiration Date. The Offer was oversubscribed. Common Shares will be issued promptly after completion and receipt of all shareholder payments and the pro-rata allocation of Common Shares in respect of the over subscription privilege.
July 23	GGT	The Fund announced the preliminary results of its transferable rights offering (the "Offer"). The Offer commenced on June 20, 2024, and expired on July 17, 2024 (the "Expiration Date"). The Offer entitled rights holders to subscribe for up to an aggregate of 867,238 of the Fund's common shares of beneficial interest, par value \$0.001 per share ("Common Shares"). The subscription price was \$37.25 per Common Share and was determined based upon a formula equal to 86% of the Fund's net asset value per Common Share at the close of trading on the New York Stock Exchange on the Expiration Date. The Offer was oversubscribed. Common Shares will be issued promptly after completion and receipt of all shareholder payments and the pro-rata allocation of Common Shares in respect of the over subscription privilege.

Note: The "Date" above represents the date of the press release announcing the rights offering.

CEF Industry News and Upcoming Events

Date	Source	Location	Summary
June 18	ACA Group	-	ACA Group recently published a whitepaper titled, "An Overview of Tender Offer Funds," which provides highlights current regulatory framework and operational considerations useful for CEF asset managers. To access the whitepaper, please click here .
June 2024	Morningstar	-	Morningstar recently published a whitepaper titled "Morningstar's Guide to Interval Funds". The white paper describes the history of the product structure, provides analysis on the current state of the interval fund market, and discusses key considerations investors need to make before investing in these funds. To access the whitepaper, please click here .
Sept. 23 – 26	IPA	Orlando	The Institute for Portfolio Alternatives (IPA) will host IPA Vision 2024. The event will bring together influential leaders and stakeholders to discuss product education, real-time analysis of industry trends, and the latest updates on regulatory and legislative issues. To register or to learn more click here .
Oct. 7-9	ADISA	Las Vegas	The ADISA 2024 Annual Conference & Trade Show will bring together alternative investment professionals to learn about the latest industry trends, marketing recommendations, and current regulations. 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. 11	XA Investments & Dechert	New York City	As the interval fund market rapidly expands, more asset managers and GPs are contemplating the launch of their own proprietary evergreen funds. Join us to hear from the experts at XA Investments and Dechert to understand the process for launching an interval fund. We will focus on methods and examples of clients who have successfully de-risked the product launch and accelerated the process for capital raising. To register please email sbailey@xmcapital.com
Nov. 12	ICI	New York City	The 2024 Investment Company Institute (ICI) 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 .
Nov. 19-20	II	Chicago	The Institutional Investor (II) is a private membership organization for buyers of sub-advisory services and manager research selection & oversight executives representing mutual fund companies, OCIOs, insurance firms, retirement platforms, and other asset managers which out-source. To register or learn more about II's 3 rd Annual Sub-Advisory Roundtable, click here .

CEF Market Legal & Regulatory Update

On July 25 a U.S. Federal court put the brakes on the latest iteration of the Department of Labor's fiduciary rule. The U.S. District Court for the Eastern District of [Texas issued an order staying the 2024 Fiduciary Rule](#). The ruling removes the rule's effective date of September 23, 2024 until the district courts can examine the merits of the rule under the current appeal. The Court considered that the plaintiffs were likely to succeed in their appeal of the DOL Rule. Additionally, the court noted that the 2024 Fiduciary Rule "suffers from many of the same problems" as the DOL's 2016 iteration of the rule.

The New York Stock Exchange's (NYSE) recent application with the SEC to amend its listing rules to exempt closed-end funds from the annual meeting requirement was published in the [Federal Register on July 7, 2024](#). If approved, the rule change will allow listed CEFs to avoid hosting annual shareholder meetings, but would not impact whether the funds would be required to hold meetings for issues under the 1940 Act (such as adviser changes of control or amendments to fundamental policies). In its application, the NYSE underscored the "significant statutory protections under the 1940 Act provided to shareholders of CEFs" as a reason why the annual meeting requirement is not necessary. Given that activist investors rely on the annual meeting requirement as a key component of their challenges to CEFs, the industry is closely watching to see whether this rule change is approved.

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Investing in CEFs involves risk; principal loss is possible. There is no guarantee a fund’s investment objective will be achieved. CEFs, interval funds and tender offer funds are designed for long-term investors who can accept the special risks associated with such investments. Interval and tender offer CEFs are not intended to be used as trading vehicles. An investment in an interval or tender offer CEF is not suitable for investors who need access to the money they invest. Unlike open-end mutual funds, which generally permit redemptions on a daily basis, interval and tender offer CEF shares may not be redeemable at the time or in the amount an investor desires. An investment in CEFs involves risks, including loss of principal.

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