April 5, 2023

XAI Monthly Update on Listed CEF and Interval Fund Market Developments

Interval and Tender Offer Fund Education

INTERVAL FUND EDUCATION XAI CONSULTING

RIAs have recently entered the interval fund market with proprietary funds. RIAs have a key advantage in the interval fund market when it comes to asset raising given their captive client base and discretionary assets. XAI will continue to track this trend and report on developments. For more interval fund insights, follow XA Investments on LinkedIn.

RIA Sponsored Non-listed Funds

Fund	Inception	Type	Asset Class	Adviser	AUM (mm)*	As of
Alpha Core Strategies Fund	1/21/2005	Tender	Fund of Funds	50 South Capital	$656	12/31/2022
Constitution Capital Access Fund, LLC	9/26/2022	Tender	Global Equity	Constitution	$632	12/31/2022
Aspiriant Risk-Managed Real Asset Fund	4/1/2021	Tender	Fund of Funds	Aspiriant	$181	12/31/2022
Wildermuth Fund	3/14/2016	Interval	Global Equity	Wildermuth	$128	12/31/2022
Aspiriant Risk-Managed Capital Appreciation Fund	4/1/2021	Tender	Fund of Funds	Aspiriant	$126	12/31/2022
Dynamic Alternatives Fund	1/13/2022	Tender	Fund of Funds	Hamilton Capital	$56	12/31/2022
AOG Institutional Diversified Fund	12/31/2021	Tender	Fund of Funds	AOG Wealth Mgmt.	$53	12/31/2022
SKK Access Income Fund LP[1]	TBD[1]	Tender	Structured Credit	SKK	N/A	N/A

*Data may be delayed due to timing of shareholder reports issued by the respective funds.

1) The SKK Access Income Fund LP filed its N-2 on 3/17/2023 and has not yet been made effective by the SEC.

Top 10 Interval/Tender Offer Funds by AUM

Fund	Type	Ticker	Asset Class	Wire Platform	AUM (bn)*	As of
Cliffwater Corporate Lending Fund	Interval	CCLFX	Direct Lending	-	$16.1	12/31/2022
Partners Group Private Equity Fund	Tender	N/A	Private Equity	ML, MS, Wells	$13.3	12/31/2022
ACAP Strategic Fund	Interval	XCAPX	Long / Short Equity	ML, MS, UBS, Wells	$10.0	12/31/2022
Apollo Diversified Real Estate Fund	Interval	GRIFX	Real Estate	MS, UBS	$8.5	12/31/2022
Total Income+ Real Estate Fund	Interval	TIPWX	Real Estate	MS, UBS	$7.7	12/31/2022
PIMCO Flexible Credit Income Fund	Interval	PFLEX	Global Credit	ML, MS, UBS, Wells	$4.7	2/28/2023
Cion Ares Diversified Credit Fund	Interval	CADUX	Loans / Structured Credit	MS, UBS, Wells	$3.6	2/28/2023
AIP Alternative Lending Fund P	Tender	N/A	Marketplace Loans	MS	$3.1	2/28/2023
Versus Capital Real Assets Fund	Interval	VCRRX	Real Asset	-	$3.0	2/28/2023
Versus Capital Real Estate Income Fund	Interval	VCMIX	Real Estate	-	$2.7	2/28/2023

*Data may be delayed due to timing of shareholder reports issued by the respective funds.

Other Interval/Tender Offer Funds on Wirehouse Platforms

Fund	Type	Ticker	Asset Class	Wire Platform	AUM (mm)*	As of
AMG Pantheon Fund	Tender	XPEIX	Private Equity	MS	$1,670	1/31/2023
PIMCO Flexible Municipal Income Fund	Interval	PMFLX	Municipal Bonds	ML, MS, UBS	$1,669	2/28/2023
Lord Abbett Credit Opportunities Fund	Interval	LCRDX	Global Credit	UBS, ML	$1,270	2/28/2023
KKR Credit Opportunities Portfolio	Interval	KCOPX	Global Credit	MS, UBS, ML	$778	2/28/2023
FS Credit Income Fund	Interval	FCRIX	Global Credit	MS, UBS	$569	1/31/2023
Invesco Senior Loan Fund	Interval	VSLAX	Loans / Structured Credit	UBS	$485	12/31/2022
Blackrock Credit Strategies Fund	Interval	CREDX	Global Credit	MS, UBS	$473	2/28/2023
Blackstone / GSO Floating Rate Enh. Inc. Fd	Interval	BGFLX	Loans / Structured Credit	MS, UBS	$353	2/28/2023
Voya Credit Income Fund	Interval	XSIIX	Loans / Structured Credit	UBS	$154	12/31/2022
Nuveen Enhanced HY Muni. Bond Fund	Interval	NHYEX	Municipal Bonds	ML, UBS	$162	2/28/2023

*Data may be delayed due to timing of shareholder reports issued by the respective funds.

Non-listed Fund Market Summary Stats		
Fund Structure	**Total Funds (#)**	**AUM***
Interval Funds	88	$67.1bn
Tender Offer Funds	101	$50.5bn
Total	**189**	**$117.6bn**

*Data reflects most recent available as of 3/31/2023.

Recent CEF N-2 Filings with the SEC			
Filing Date	**Name**	**Asset Class**	**Structure**
3/27/2023	AB CarVal Opportunistic Credit Fund	Global Credit	Interval Fund
3/24/2023	First Trust Hedged Strategies Fund	Fund of Funds	Interval Fund
3/17/2023	SKK Access Income Fund LP	Private Credit	Tender Offer
3/9/2023	Diffractive Real Assets Fund	Real Assets	Interval Fund
1/5/2023	MBC Total Private Markets Access Fund	Private Equity	Tender Offer

Forward Listed CEF IPO Calendar*			
Month	**Sponsor**	**Fund Name**	**Strategy**
TBD	Nuveen	Nuveen Municipal Opportunities Fund	Municipal Bonds
TBD	First Eagle	First Eagle Global Opportunities Fund	Equity / Debt
TBD	DoubleLine	DoubleLine Schiller CAPE Enhanced Income Fund	Equity
[Oct]	PIMCO	PIMCO Municipal Credit Income Fund (PMC)	Municipal Bonds

*Subject to market conditions.

Top 10 Current Average Listed CEF Premium/Discount			
Equity/Hybrid	**Premium / Discount**	**Fixed Income**	**Premium / Discount**
Commodities	-2.04%	Limited Duration	-1.09%
Sector Equity	-2.07%	Taxable Muni	-1.10%
Covered-Call Funds	-4.69%	Multi-Sector	-2.47%
Real Estate	-7.42%	Preferreds	-3.90%
U.S. Equity	-9.36%	Emerging Market Income	-4.23%
U.S. Allocation	-10.82%	Investment Grade	-4.94%
Emerging Market Equity	-11.21%	Convertibles	-6.38%
Global Equity	-11.21%	Global Income	-6.82%
Global Allocation	-11.86%	High Yield	-8.56%
Single-Country Equity	-13.41%	Senior Loans	-8.73%

Historical CEF Listed Premium/Discount Averages (as of 3/31/2023)	
Current	-8.14%
2/28/2023	-6.40%
2023 YTD	-7.09%
2022	-5.78%
2021	-3.13%
2020	-7.36%
10 Year Historical	-5.56%
10 Year – Munis	-4.57%
10 Year – Taxable	-5.94%

CEF Industry News and Upcoming Events		
Date	**Source**	**Summary**
April 13-15	SAA	SAA, the Syndicate Association of America, will hold its 2023 SAA Annual Conference on April 13-15 in Clearwater Beach, FL. Go to www.saaorg.com to register.
April 25-27	Morningstar	The Morningstar Investment Conference will be held on April 25-27 in Chicago, IL. Go to www.morningstar.com to register.
April 26-28	IPA	IPA, the Institute for Portfolio Alternatives, will hold its 2023 IPA Summit on April 26-28 in Washington, DC. Go to www.ipa.com to register.
April 26-28	ADISA	ADISA, the Alternative & Direct Investment Securities Association, will hold its 2023 Spring Conference on April 26-28 in San Diego, California. Go to www.adisa.org to register.
May 24-25	ICI	ICI, the Investment Company Institute, will hold its 2023 Leadership Summit on May 24-25th in Washington, DC. Go to www.ici.org to register.

CEF Market: Legal & Regulatory Update

On March 9, the SEC proposed new rules and amendments to existing rules on cybersecurity risk management, strategy, governance and incident disclosure. The proposed rules would not be applicable to closed-end funds, but would apply to BDCs. Among the proposal, the SEC would require companies to disclose: (i) material cybersecurity incidents via Form 8-K filing; (ii) updates regarding previously disclosed incidents on Forms 10-K and 10-Q; (iii) policies and procedures, as well as the company board's experience and expertise regarding cybersecurity. Additionally, on March 15, the Staff reopened the comment period for its cybersecurity risk management proposal for investment advisers, funds and BDCs. These rules were originally proposed in April 2022. While disclosure regarding cybersecurity incidents is not new, both of these proposals are generally aligned. Of note for both proposals, reporting timelines would be tight—for operating companies and BDCs the proposed 8-K filing would be required within four business days of discovery of an incident, and for advisers and funds, the proposed disclosure filing would be required within 48 hours of discovery of an incident.

The political wars over ESG investment factors continue to rage. On March 20, President Biden vetoed a congressional resolution to rescind the DOL's ESG rule. The rule would allow retirement plan fiduciaries to consider climate change and other ESG factors in selecting investments, voting proxies and exercising other shareholder rights.

The SEC has proposed a 13.5% increase to its annual budget, which would be set to increase from $2.15 billion to $2.44 billion. The SEC collects fees that offset (in some years by a significant amount) the agency's budget. The budget and agency annual report can be found here.

XA Investments

321 North Clark Street, Suite 2430
Chicago, Illinois 60654
888-903-3358
info@xainvestments.com

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Investing in closed-end funds involves risk; principal loss is possible. There is no guarantee a fund’s investment objective will be achieved. Closed-end funds (“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.