May 2, 2023

XAI Monthly Update on Listed CEF and Interval Fund Market Developments

Interval and Tender Offer Fund Education

As the overall non-listed CEF market continues to grow, several top sponsors lead the way in net inflows. The top 10 market leaders accounted for 65% of the total $26.7bn in net flows for the 2022 calendar year. For more interval fund insights, follow XA Investments on LinkedIn.

Market Leaders: Top 10 Non-Listed CEF Sponsors (ranked by complex wide AUM)

Sponsor	Number of Funds	Complex Wide Net Flows	Complex Wide AUM ($mm)
Cliffwater	2	$6,479	$17,318
Bluerock	2	$3,172	$7,776
Apollo	2	$1,151	$6,781
PIMCO	6	$991	$6,497
Versus Capital	2	$585	$5,737
Stone Ridge	5	-$692	$4,207
Central Park	8	$453	$3,279
Variant Investments	2	$829	$2,454
KKR	2	$1,127	$2,412
John Hancock	3	$338	$2,321

*AUM figures as of 4/28/2023 or latest available. Flows data as of 12/31/2022. Includes sponsors with two or more non-listed CEFs.

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
Bluerock Total Income+ Real Estate Fund	Interval	TIPWX	Real Estate	MS, UBS	$7.7	12/31/2022
Apollo Diversified Real Estate Fund	Interval	GRIFX	Real Estate	MS, UBS	$5.9	12/31/2022
PIMCO Flexible Credit Income Fund	Interval	PFLEX	Global Credit	ML, MS, UBS, Wells	$4.7	3/31/2023
Cion Ares Diversified Credit Fund	Interval	CADUX	Loans / Structured Credit	MS, UBS, Wells	$3.7	3/31/2023
AIP Alternative Lending Fund P	Tender	N/A	Marketplace Loans	MS	$3.1	3/31/2023
Versus Capital Real Assets Fund	Interval	VCRRX	Real Assets	-	$3.0	3/31/2023
Versus Capital Real Estate Income Fund	Interval	VCMIX	Real Estate	-	$2.7	3/31/2023

*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
Ironwood Multi-Strategy Fund	Tender	N/A	Fund of Funds	ML	$2,347	1/31/2023
AMG Pantheon Fund	Tender	XPEIX	Private Equity	MS	$1,731	3/31/2023
PIMCO Flexible Municipal Income Fund	Interval	PMFLX	Municipal Bonds	ML, MS, UBS	$1,720	2/28/2023
Lord Abbett Credit Opportunities Fund	Interval	LCRDX	Global Credit	UBS, ML	$1,310	3/31/2023
KKR Credit Opportunities Portfolio	Interval	KCOPX	Global Credit	MS, UBS, ML	$796	3/31/2023
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
Nuveen Enhanced HY Muni. Bond Fund	Interval	NHYEX	Municipal Bonds	ML, UBS	$162	2/28/2023
Voya Credit Income Fund	Interval	XSIIX	Loans / Structured Credit	UBS	$147	2/28/2023

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

Non-listed CEF Market Summary Stats		
Fund Structure	**Total Funds (#)**	**AUM***
Interval Funds	90	$82.2bn
Tender Offer Funds	101	$50.5bn
Total	**191**	**$132.7bn**

*Data reflects most recent available as of 4/28/2023.

Recent CEF N-2 Filings with the SEC			
Filing Date	**Name**	**Asset Class**	**Structure**
4/25/2023	KKR Asset-Based Income Fund	Private Credit	Tender Offer
4/17/2023	PIMCO Flexible Corporate Income Fund	Global Credit	Interval Fund
4/7/2023	List Income Opportunities Fund	Litigation Finance	Interval Fund
4/3/2023	SEI Alternative Income Fund	Structured Credit	Interval Fund
4/3/2023	Polen Credit Opportunities Fund	Global Credit	Interval Fund

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 (FEGL)	Equity / Debt
TBD	DoubleLine	DoubleLine Shiller CAPE Enhanced Income Fund (DUB)	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	-2.53%	Limited Duration	-0.52%
Sector Equity	-3.70%	Taxable Muni	-1.02%
Covered-Call Funds	-5.26%	Multi-Sector	-3.22%
Real Estate	-8.87%	Investment Grade	-4.29%
U.S. Equity	-10.08%	Convertibles	-5.08%
U.S. Allocation	-11.00%	Preferreds	-5.43%
Global Equity	-12.50%	Global Income	-6.51%
Global Allocation	-12.58%	Emerging Market Income	-6.88%
Emerging Market Equity	-14.85%	High Yield	-8.22%
Single-Country Equity	-15.30%	Senior Loans	-8.99%

Historical CEF Listed Premium/Discount Averages (as of 4/30/2023)	
Current	-8.61%
3/31/2023	-8.14%
2023 YTD	-7.44%
2022	-5.78%
2021	-3.13%
2020	-7.36%
10 Year Historical	-5.60%
10 Year – Munis	-4.55%
10 Year – Taxable	-5.99%

CEF Industry News and Upcoming Events		
Date	**Source**	**Summary**
May 19	SEC	The Securities and Exchange Commission's Division of Investment Management will host virtually an inaugural Conference on Emerging Trends in Asset Management on May 19th. The conference will be open to public viewing via live webcast from 10AM to 5PM at www.sec.gov.
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.
June 13-14	IDC	The Independent Directors Council will host its semi-annual Foundations for Fund Directors conference on June 13-14 in Washington, DC. Directors and those interested can register at www.idc.org.
July 25-26	ADISA	ADISA, the Alternative & Direct Investment Securities Association, will hold its 2023 Alts Research & Due Diligence Forum on July 25-26 in Salt Lake City, Utah. Go to www.adisa.org to register.

CEF Market: Legal & Regulatory Update

On April 26, the House Financial Services Committee approved a bill that would direct the SEC to write a rule allowing funds to deliver all their regulatory documents to investors in digital format. The bill, *Improving Disclosure for Investors Act*, H.R. 1807 will now go to the Congress for review, and if passed there it would go to the Senate. Passage of the bill and a rule allowing electronic disclosure for all fund documents could result in meaningful operating expense savings for funds.

The SEC on April 14 reopened the comment period for its proposed amendments to Exchange Act Rule 3b-16. The proposal is noted because it would broaden the definition of an exchange under the Exchange Act to include any systems that trade treasury and other government securities. Of course, those systems and their operations would need to register as national securities exchanges or broker dealers. In the SEC's release announcing the new comment period, Chair Gensler took the opportunity to make clear that the SEC views many current crypto platforms as securities exchanges, "Make no mistake: many crypto trading platforms already come under the current definition of an exchange and thus have an existing duty to comply with the securities laws."

On April 4, ICI CEO Eric Pan issued a timely retort to Treasury Secretary Janet Yellen's recent statement that the funds industry represents a significant risk to the US financial system. In response, Mr. Pan noted that investors have recently flocked to money market funds and away from many US banks. The response is further validated in the wake of the First Republic Bank failure on May 1.

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