July 5, 2023

XAI Monthly Update on Listed CEF and Interval Fund Market Developments

Non-Listed CEFs Currently in Registration Process

INTERVAL FUND EDUCATION XAI CONSULTING

As of the end of June, 27 non-listed CEFs are in the SEC registration process. With the strong demand for alternative income, the credit category of interval funds has the most funds with 9 in process. The SEC registration process can take 5-8 months from start to finish with longer times in registration for more complex fund strategies. For more information and assistance navigating the registration process, reach out at info@xainvestments.com.

Asset Class	# of Funds	Average Months in Registration Process[1]
Credit	9	6.2
Real Estate / Real Assets	6	7.7
Private Equity / Venture Capital	6	6.6
Tactical Private Markets	3	7.7
Fund of Funds	2	4.5
Specialty / Other	1	6.5
Tax Free Bond	-	5.5
Equity	-	11.0
	Total: 27	**Average: 6.8[2]**

(1) Average of all non-listed CEFs launched from 1/1/2022 to 6/30/2023.
(2) Excluded from the average calculation are any fund that is not registered under the 1933 Act and the Franklin BSP Private Credit Fund which is considered an outlier.

Top 10 Interval/Tender Offer Funds by Net Assets

Fund	Type	Ticker	Asset Class	Wire Platform	AUM (mm)*	As of
Partners Group Private Equity Fund	Tender	N/A	Private Equity	ML, MS, Wells	$13,408	3/31/2023
Cliffwater Corporate Lending Fund	Interval	CCLFX	Direct Lending	-	$11,500	5/31/2023
ACAP Strategic Fund	Interval	XCAPX	Long / Short Equity	ML, MS, UBS, Wells	$7,150	3/31/2023
Bluerock Total Income+ Real Estate Fund	Interval	TIPWX	Real Estate	MS, UBS	$6,300	6/21/2023
Apollo Diversified Real Estate Fund	Interval	GRIFX	Real Estate	MS, UBS	$5,654	3/31/2023
Versus Capital Real Assets Fund	Interval	VCRRX	Real Assets	-	$3,009	5/31/2023
PIMCO Flexible Credit Income Fund	Interval	PFLEX	Global Credit	ML, MS, UBS, Wells	$2,769	5/31/2023
Variant Alternative Income Fund	Interval	NICHX	Global Equity	-	$2,694	5/31/2023
Cion Ares Diversified Credit Fund	Interval	CADUX	Loans / Structured Credit	MS, UBS, Wells	$2,571	5/31/2023
Versus Cap Multi-Manager R.E. Income Fund	Interval	VCMIX	Real Estate	-	$2,554	5/31/2023

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

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	$2,399	4/30/2023
AMG Pantheon Fund	Tender	XPEIX	Private Equity	MS	$1,940	4/30/2023
Carlyle Tactical Private Credit Fund	Interval	TAKIX	Loans / Structured Credit	MS	$1,806	4/30/2023
Lord Abbett Credit Opportunities Fund	Interval	LCRDX	Global Credit	UBS, ML	$1,350	5/31/2023
PIMCO Flexible Municipal Income Fund	Interval	PMFLX	Tax Free Bond	ML, MS, UBS, Wells	$1,297	5/31/2023
KKR Credit Opportunities Portfolio	Interval	KCOPX	Global Credit	MS, UBS, ML	$586	5/31/2023
FS Credit Income Fund	Interval	FCRIX	Global Credit	MS, UBS	$524	4/30/2023
Blackrock Credit Strategies Fund	Interval	CREDX	Global Credit	MS, UBS	$411	5/31/2023
Invesco Senior Loan Fund	Interval	VSLAX	Loans / Structured Credit	UBS	$382	5/31/2023
Blackstone / GSO Floating Rate Enh. Inc. Fd	Interval	BGFLX	Loans / Structured Credit	MS, UBS	$250	4/30/2023
Nuveen Enhanced HY Muni. Bond Fund	Interval	NHYEX	Municipal Bonds	ML, UBS	$186	5/30/2023
1WS Credit Income Fund	Interval	OWSCX	Loans / Structured Credit	UBS	$133	5/31/2023
Voya Credit Income Fund	Interval	XSIIX	Loans / Structured Credit	UBS	$121	5/31/2023
PIMCO California Flexible Muni Income Fund	Interval	CAFLX	Tax Free Bond	ML	$58	5/31/2023

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

Non-Listed CEF Market Summary Stats				
Fund Structure	**Total Funds (#)**	**% of Total**	**AUM***	**% of Total**
Interval Funds	88	46%	$80.5bn	60%
Tender Offer Funds	102	54%	$52.9bn	40%
Total	**190**		**$133.4bn**	

*Data reflects most recent available as of 6/30/2023. AUM represents managed assets.

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Recent CEF N-2 Filings with the SEC

Filing Date	Name	Asset Class	Structure
6/27/2023	MREC2 Fund	Real Estate	Interval Fund
6/23/2023	BlackRock 2038 Municipal Target Term Trust	Municipal Bonds	Listed CEF
6/12/2023	Brookfield Infrastructure Income Fund Inc.	Infrastructure	Tender Offer
6/9/2023	Sound Point Meridian Capital, LLC	CLOs	Listed CEF
6/8/2023	Emerging Growth & Dividend Reinvestment Fund	Equity	Listed CEF
6/7/2023	KKR FS Income Trust Select	Loans / Structured Credit	Tender Offer

Forward Listed CEF IPO Calendar* (Market Currently Closed)

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 Shiller CAPE Enhanced Income Fund	Equity
TBD	PIMCO	PIMCO Municipal Credit Income Fund	Municipal Bonds
TBD	BlackRock	BlackRock 2038 Municipal Target Term Trust	Municipal Bonds

*Subject to market conditions.

Top 10 Current Average Listed CEF Premium/Discount

Equity / Hybrid	Premium / Discount	Fixed Income	Premium / Discount
Commodities	-1.71%	Limited Duration	-0.59%
Sector Equity	-2.67%	Multi-Sector	-1.34%
Covered-Call Funds	-5.61%	Global Income	-4.06%
Real Estate	-9.51%	Investment Grade	-4.27%
U.S. Equity	-9.83%	Taxable Muni	-4.31%
U.S. Allocation	-12.30%	Convertibles	-5.40%
Global Equity	-12.35%	Preferreds	-6.92%
Global Allocation	-12.52%	Senior Loans	-7.63%
MLP	-12.67%	High Yield	-7.81%
Single-Country Equity	-13.47%	Emerging Market Income	-8.59%

Historical CEF Listed Premium/Discount Averages

(as of 6/30/2023)

Current	-8.55%
5/31/2023	-9.30%
2023 YTD	-8.02%
2022	-5.78%
2021	-3.13%
2020	-7.36%
10 Year Historical	-5.71%
10 Year – Munis	-4.71%
10 Year – Taxable	-6.08%

CEF Industry News and Upcoming Events

Date	Source	Summary
June 14	Blue Vault	Blue Vault held its Alternative Investing with Interval/Tender Offer Funds webinar on June 14. The webinar was moderated by Stacy Chitty of Blue Vault, and included Kim Flynn of XA Investments, Fred Baerenz of AOG Wealth Management, Inc., and Ann Maurer of UMB. For Blue Vault members, the replay is available at www.bluevaultpartners.com/past-webinars.
June 21	FundFire	On June 21, FundFire Alts published the article "Leverage or No Leverage? Split Widens Among Credit Interval Funds". With research and quotes provided by Kim Flynn of XA Investments, the article notes that among private credit-focused interval funds, larger funds are adding leverage, often between 20% to 40% of total assets, while less established funds are unable to lever beyond the 10% to 15% range. Click here for the article summary in the news section of the XA Investments website.
July 25	XAI	XA Investments will host a panel discussion and cocktail hour on new product development trends in sustainable investing in the U.S. and Europe on July 25 in New York. Contact Kim Flynn at KFlynn@XAInvestments.com for more information.
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.
Sept 18-21	IPA	IPA, the Institute for Portfolio Alternatives, will hold its IPAVision 2023 and Due Diligence Symposium on September 18-21 in Dallas. Go to www.ipa.com to register.

CEF Market: Legal & Regulatory Update

On June 29, 16 Maryland Funds and 11 of their trustees were sued in federal court (SDNY Case 23-cv-05568) for opting in to the Maryland Control Share Acquisition Act ("MCSAA"). The suit alleges the MCSAA is unlawful and the funds' adoption of the MCSAA should be rescinded. The suit is also seeking to have the court declare the MCSAA provisions violative of the 1940 Act.

The SEC released its Spring 2023 rulemaking agenda on June 13. The agenda includes 55 rules in final or proposed stages. In particular, the agenda suggests that the rules for enhanced climate and ESG disclosures, along with the Staff's cybersecurity rule will be adopted by October. Additionally, the Commission's much maligned swing pricing rule for open-ended funds is also slated for adoption by October.

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