August 3, 2023

XAI Monthly Update on Listed CEF and Interval Fund Market Developments

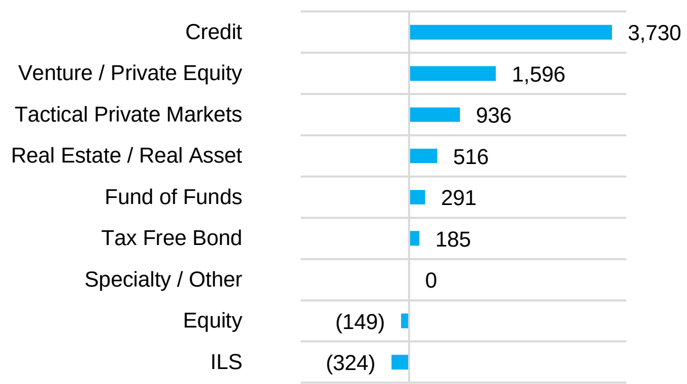
Interval & Tender Offer Fund Flows

Credit remains a popular asset class for the interval fund structure, as evidenced by the over $3.7bn in net flows over the last 6 months. Other asset classes with positive net flows include Venture / Private Equity, Tactical Private Markets, and Real Estate / Real Asset.

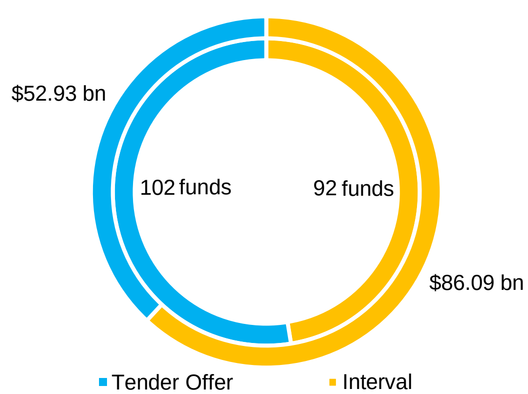
The interval fund structure is well-suited for expanding access to and preserving the illiquid nature of alternative investments, all the while avoiding potential dilution. For help launching a closed-end fund or navigating the registration process, please email info@xainvestments.com.

In partnership with Cerulli, XAI and CEFData.com have begun to aggregate net flow data directly from interval and tender offer fund sponsors. To improve industry visibility and to identify and analyze new trends, we will be collecting data monthly. Please contact Kimberly Flynn with questions.

Non-Listed CEF Last 6-month Flows by Asset Class ($M)[1]

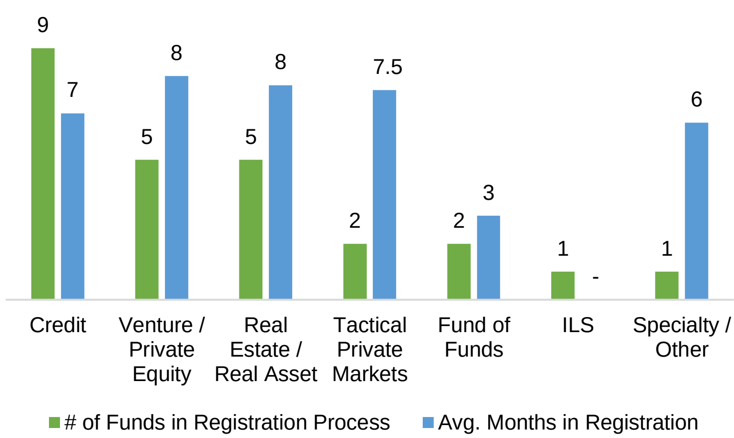


Non-Listed CEF Market Size



Data reflects most recent available as of 7/31/2023.External circle represents AUM, as measured by Total Managed Assets. Inner circle represents number of funds.

25 Non-Listed CEFs Currently in Registration Process



Avg. Months in Registration represents the average time in registration for funds that have gone effective with an initial filing date after 1/1/2022.

Top 10 Interval/Tender Offer Funds by Net Assets

Fund	Type	Ticker	Asset Class	Wire Platform	AUM ($M)[2]	As of
Partners Group Private Equity Fund	Tender	N/A	Private Equity	ML, MS, WF	13,408	3/31/2023
Cliffwater Corporate Lending Fund	Interval	CCLFX	Direct Lending	-	12,000	6/30/2023
ACAP Strategic Fund	Interval	XCAPX	Long / Short Equity	ML, MS, UBS, WF	7,150	3/31/2023
Bluerock Total Income+ Real Estate Fund	Interval	TIPWX	Real Estate	MS, UBS	6,300	7/6/2023
Apollo Diversified Real Estate Fund	Interval	GRIFX	Real Estate	MS, UBS	5,404	6/30/2023
Cion Ares Diversified Credit Fund	Interval	CADUX	Loans / Structured Credit	MS, UBS, WF	3,263	6/30/2023
Versus Capital Real Assets Fund	Interval	VCRRX	Real Assets	-	3,085	6/30/2023
PIMCO Flexible Credit Income Fund	Interval	PFLEX	Global Credit	ML, MS, UBS, WF	2,769	5/31/2023
Variant Alternative Income Fund	Interval	NICHX	Global Equity	-	2,713	6/30/2023
Versus Cap Multi-Manager R.E. Income Fund	Interval	VCMIX	Real Estate	-	2,427	6/30/2023

(1) 6-month flows are derived from the latest available data as of 7/31/23. Some flow data may be delayed due to reporting lags in fund disclosures.
(2) Some data may be delayed due to timing of shareholder reports issued by the respective funds. AUM is measured by net assets.

Developments in CEF Registrations				
Filed Post-Effective Registration Statement	**Listed Status**	**Structure**	**Asset Class**	**Filing Date**
StepStone Private Infrastructure Fund	Non-Listed	Interval	Real Estate / Real Asset	7/13/2023
Filed Initial Registration Statement				
AIR Diversified Alpha Fund	Non-Listed	Interval	ILS	7/14/2023
Jackson Credit Opportunities Fund	Non-Listed	Interval	Credit	7/21/2023
Applied for Deregistration, Filed N-8F				
Emerald Strategic Innovation Interval Fund	Non-Listed	Interval	Tactical Private Markets	6/30/2023
Mammoth Institutional Equity Access Fund	Non-Listed	Interval	Venture / Private Equity	7/11/2023
Mammoth Institutional Credit Access Fund	Non-Listed	Tender	Credit	7/11/2023

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Top 10 Current Average Listed CEF Premium/Discount

Equity / Hybrid	Premium / Discount	Fixed Income	Premium / Discount
Commodities	-2.42%	Limited Duration	1.04%
Sector Equity	-3.05%	Multi-Sector	-0.05%
Covered-Call Funds	-5.92%	Investment Grade	-1.83%
Real Estate	-7.28%	Global Income	-2.27%
U.S. Equity	-9.85%	Taxable Muni	-2.57%
MLP	-11.75%	Emerging Market Income	-5.21%
U.S. Allocation	-12.06%	Convertibles	-5.77%
Global Equity	-12.33%	Senior Loans	-6.15%
Global Allocation	-12.49%	Preferreds	-6.97%
Single-Country Equity	-13.45%	High Yield	-7.27%

Historical Listed CEF Premium/Discount Averages
(as of 7/31/2023)

Current	-7.84%
6/30/2023	-8.55%
2023 YTD	-8.04%
2022	-5.78%
2021	-3.13%
2020	-7.36%
10 Year Historical	-5.74%
10 Year – Munis	-4.76%
10 Year – Taxable	-6.10%

Forward Listed CEF IPO Calendar* (IPO Market Currently Closed)

IPO 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

CEF Industry News and Upcoming Events

Date	Source	Summary
Jun 14	CAIS	On June 14th, CAIS published an article titled, “An introduction to interval funds”. The article provided an overview of the interval fund structure, including a discussion of fund costs and risks, typical investments, and fund operations.
Jun 21	Abrdn	Abrdn announced that its U.S. subsidiary agreed to acquire the healthcare fund management capabilities of Tekla Capital Management. The deal includes four NYSE listed healthcare/biotech closed-end funds totaling £2.6 in AUM. Tekla’s investment team will also be joining Abrdn as part of the deal.
Jul 17	Ultimus	On July 17th, Ultimus Fund Solutions published a report, "Pricing Strategies for Retail Oriented Interval Funds". The report provided an overview of the interval fund market, including a detailed discussion of fund fee structures.
Jul 25	StepStone	On July 25th, StepStone Private Wealth (“SPW”) announced that StepStone Private Markets (“SPRIM™”), SPW’s core private markets evergreen fund, began publishing a daily net asset value (“NAV”), allowing investors to invest on a daily basis effective July 17th.
Jul 25	XAI	On July 25th, XA Investments hosted a panel discussion in New York on new product development trends in sustainable investing in the U.S. and Europe.
Jul 25-26	ADISA	ADISA, the Alternative & Direct Investment Securities Association, held its 2023 Alts Research & Due Diligence Forum on July 25-26 in Salt Lake City.
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.
Oct 11-13	ICI	ICI, the Investment Company Institute, will hold its 2023 Fund Directors Conference on Oct 11-13 in Chicago. Go to ici.org to register.
Oct 16-18	CAIS	The second annual CAIS Alternative Investment Summit will take place October 16-18 in Los Angeles. Go to https://info.caisgroup.com/cais-summit-2023 for more information.

CEF Market: Legal & Regulatory Update

On July 26, the SEC adopted the final cybersecurity rules for public companies, including BDCs but *not* including listed closed-end funds. The rules include a disclosure requirement that companies must file a Form 8-K to disclose material cybersecurity events within 4 business days of determination of the event’s materiality. Additionally, the SEC proposed on July 26 a set of rules regarding the use of artificial intelligence by investment advisers and broker-dealers. The proposed rules have already drawn industry attention, particularly due to their broad definition of the “covered technology” for which the rules would apply, including any, “analytical, technological, or computational function, algorithm, model, correlation matrix, or similar method or process that optimizes for, predicts, guides, forecasts, or directs investment-related behaviors or outcomes.” Shortly after the release, Commissioner Peirce pointed out that the rules would apply to “spreadsheets, commonly used software…statistical tools” and perhaps even Excel worksheets.

*Subject to market conditions

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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.