October 3, 2023

XA INVESTMENTS

XAI Monthly Update on Listed CEF and Interval Fund Market Developments

Interval/Tender Offer Fund Investor Suitability Overview

	No Suitability Restrictions	Accredited Investors	Qualified Clients
Summary			
Funds (#)	96	59	40
% of Funds	49%	30%	21%
AUM ($bn) [1]	75.8	27.7	38.3
% of AUM	53%	20%	27%
Asset Class			
Credit	50	8	4
Equity	2	1	2
ILS	5	-	-
Real Estate	25	5	-
Specialty	6	28	11
Tax Free Bond	5	-	-
Venture / PE	3	17	23
Total	**96**	**59**	**40**

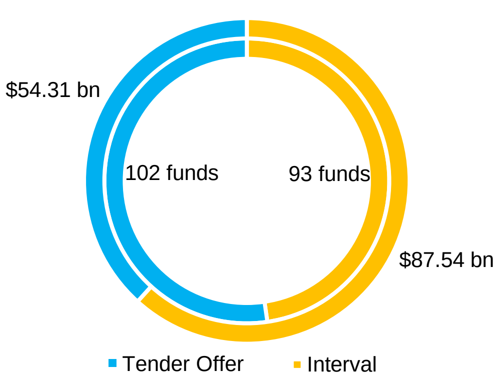
INTERVAL FUND EDUCATION XAI CONSULTING

The SEC first established its definition of accredited investor in 1982. The definition determines who can invest in certain investment products, including private funds and non-listed CEFs.

The original accredited investor definition applied to investors with a $1M net worth and $200K annual income. In 1988, joint annual household income of $300K was added. In 2011, the value of an investor's primary residence was removed from net worth, and in 2020, investors with certain professional certifications became eligible.

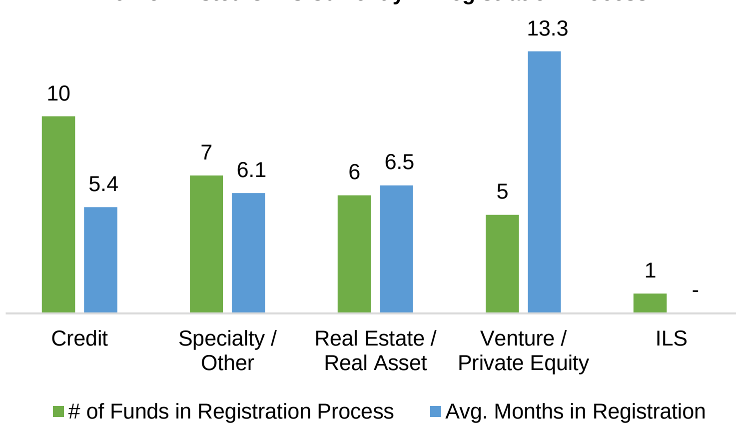
On September 21, 2023, the SEC's Investor Advisory Committee met to discuss the accredited investor definition and Reg D Rule 506 exempt offerings. The Committee heard speeches from three Commissioners, and the broader discussion on the accredited investor definition focused on its current relevance and if it acts as a barrier to wealth generation, entrepreneurship, and capital development. Potential changes discussed included a competency test for potential investors. With record levels of growth in non-listed registered products, and approximately $28bn in accredited investor non-listed CEFs, any material amendments to the definition could entail significant changes to current business plans for investment managers.

Non-Listed CEF Market: 195 Funds with $142bn



Data reflects most recent available as of 9/30/2023. External circle represents total managed assets. Inner circle represents number of funds.

29 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.

Largest Interval/Tender Offer Funds

Fund	Type	Ticker	Asset Class	Wire Platform	Net Assets ($M)[2]	As of
Partners Group Private Equity Fund	Tender	N/A	Venture / Private Equity	ML, MS, WF	14,106	6/30/2023
Cliffwater Corporate Lending Fund	Interval	CCLFX	Credit	-	13,200	8/31/2023
ACAP Strategic Fund	Interval	XCAPX	Equity	ML, MS, UBS, WF	7,346	6/30/2023
Bluerock Total Income + Real Estate Fund	Interval	TIPWX	Real Estate / Real Asset	MS, UBS	6,323	6/30/2023
Apollo Diversified Real Estate Fund	Interval	GRIFX	Real Estate / Real Asset	MS, UBS	5,404	6/30/2023
CION Ares Diversified Credit Fund	Interval	CADUX	Credit	MS, UBS, WF	3,207	7/31/2023
Versus Capital Real Assets Fund	Interval	VCRRX	Real Estate / Real Asset	-	3,020	8/31/2023
Variant Alternative Income Fund	Interval	NICHX	Specialty / Other	-	2,931	8/31/2023
PIMCO Flexible Credit Income Fund	Interval	PFLEX	Credit	ML, MS, UBS, WF	2,743	8/31/2023
Ironwood Multi-Strategy Fund	Tender	N/A	Specialty / Other	ML	2,430	7/31/2023

1. AUM is measured by total managed assets.
2. Net asset data is sourced from regulatory filings and may be delayed due to reporting lags.

Developments in Non-Listed CEF Registrations

Completed Post-Launch Filings	Structure	Asset Class	Filing Date
Eaton Vance Floating-Rate Opportunities Fund	Interval	Credit	9/1/2023
Brookfield Infrastructure Income Fund Inc.	Tender	Real Estate / Real Asset	9/15/2023
KKR Asset-Based Income Fund	Tender	Credit	8/18/2023
Completed Initial Registration Statement Filings			
Abacus Equity Income Fund	Interval	Specialty / Other	9/7/2023
Niagara Income Opportunities Fund	Interval	Credit	9/26/2023

Top 10 Current Average Listed CEF Premium/Discount

Equity / Hybrid	Premium / Discount	Fixed Income	Premium / Discount
Commodities	-2.13%	Limited Duration	0.36%
Sector Equity	-3.51%	Multi-Sector	-2.36%
Covered-Call Funds	-6.90%	Global Income	-3.99%
Real Estate	-8.52%	Investment Grade	-4.15%
U.S. Equity	-10.15%	Taxable Muni	-4.43%
MLP	-12.34%	Convertibles	-6.48%
U.S. Allocation	-12.36%	Emerging Market Income	-6.68%
Global Allocation	-13.56%	Senior Loans	-7.16%
Emerging Market Equity	-14.09%	High Yield	-9.65%
Global Equity	-14.32%	Taxable-Preferreds	-10.12%

Historical Listed CEF Premium/Discount Averages

(as of 9/30/2023)

Current	-9.62%
8/31/2023	-8.50%
2023 YTD	-8.16%
2022	-5.78%
2021	-3.13%
2020	-7.36%
10 Year Historical	-5.78%
10 Year – Munis	-4.88%
10 Year – Taxable	-6.11%

Forward Listed CEF IPO Calendar[1] (IPO Market Currently Closed)

IPO Month	Sponsor	Fund Name	Initial Filing Date	Strategy
TBD	DoubleLine	DoubleLine Shiller CAPE Enhanced Income Fund	6/10/2021	Equity
TBD	First Eagle	First Eagle Global Opportunities Fund	8/4/2021	Equity / Debt
TBD	PIMCO	PIMCO Municipal Credit Income Fund	10/3/2022	Municipal Bonds
TBD	Nuveen	Nuveen Municipal Opportunities Fund	10/4/2022	Municipal Bonds
TBD	BlackRock	BlackRock 2038 Municipal Target Term Trust	6/23/2023	Municipal Bonds

CEF Industry News and Upcoming Events

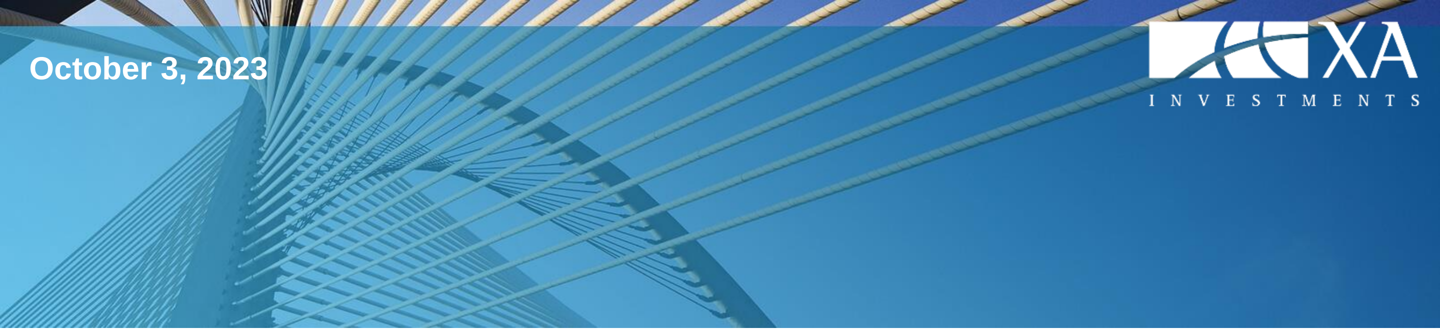
Date	Source	Summary
Oct 4	Blue Vault	Blue Vault will host a one-day virtual educational event focused on the alternative investments market. XA Investments' Ben McCulloch will be moderating a panel on the growth and evolution of interval funds. Go to bluevaultpartners.com to register.
Oct 5	Faegre Drinker	Faegre Drinker and the University of Colorado Law School, along with fund industry experts PINE Advisor Solutions and RSM, will host the Rocky Mountain Fund Adviser Summit to discuss trends and new developments. XA Investments' Ben McCulloch will speak on a panel concerning key considerations for structuring and launching interval funds. Go to faegredrinkerevents.com to register.
Oct 11-13	IDC	IDC, Independent Directors Council, will hold its 2023 Fund Directors Conference on October 11-13 in Chicago. Go to idc.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 info.caisgroup.com/cais-summit-2023 for more information.
Nov 13	XA Investments	XA Investments LLC, PINE Advisor Solutions, US Bank, and Faegre Drinker will host a panel discussion and cocktail hour on Monday, November 13th, at the Harvard Club of New York City. As the interval fund market matures, more fund managers are considering launching an interval fund. Panelists will discuss best practices when launching an interval fund and lessons learned through the interval fund launch process.
Nov 14	ICI	On November 14, the ICI will host its annual Closed-end Fund Conference with a look into the future of closed-end funds and updates on emerging trends. Connect with industry regulators and experts, network with colleagues, and earn CLE/CPE credit. Go to www.ici.org to register.
Nov 15	AICA	AICA, Active Investment Company Alliance, will be holding their fall roundtable in New York on November 15th. Go to www.aicalliance.org to register. Note: the date changed from October 5th to November 15th.

CEF Market: Legal & Regulatory Update

On September 20th, the SEC adopted final amendments to Rule 35d-1 under the 1940 Act—otherwise known as the "Names Rule." The amendments broaden the application of the rule in an number of ways, *namely* the following: (i) in addition to type of investment, the scope of the rule will now include fund names that imply investment characteristics (e.g., value, growth, etc.); (ii) departures from portfolio compliance—the new rule will require quarterly reviews to ensure a fund remains compliant with the rule; (iii) non-listed CEFs and BDCs that desire to change investment strategies subject to the rule will need shareholder approval, otherwise the change must coincide with a repurchase or tender offer that is not oversubscribed; (iv) reporting requirements are also updated, including additional Form N-PORT notations for investments and a fund's 80% allocation in regards to the Names Rule; and (v) additional prospectus disclosure, including definitions of terms subject to the Names Rule. Some additional updates include updated recordkeeping requirements, derivative compliance calculation measures, and electronic disclosure delivery requirements. Perhaps most notable, the final rule did *not* prohibit ESG integration funds (i.e., funds that consider one or more ESG factors equally with non-ESG factors, in the strategy). The Commission indicated that it will consider the approach with its review of the ESG Disclosure and Proposal.

The Commission also continues to closely review hypothetical performance disclosure, announcing in September that it charged nine investment advisors for a lack of adequate disclosures, with fines totaling $850,000. The Commission also charged 10 firms in September for recordkeeping violations related to text messages and off-channel communications, resulting in combined penalties of $79 million.

1. Subject to market conditions.



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