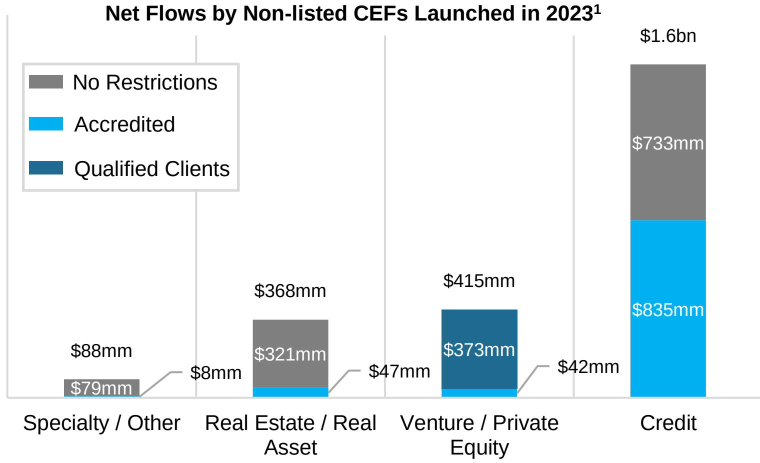
May 2, 2024

XA Investments (XAI) Monthly Update on Interval Fund and Listed CEF Market Developments

Non-listed CEFs Launched in 2023 Accounted for 13% of 2023 Total Net Flows

- For funds launched in 2023, XAI observed a notable shift to higher suitability restrictions with a trend of moving up market to serve higher net worth clients
- In the Credit and Private Equity category, $1.3bn of net flows went to funds with accredited and QC suitability products
- Please note that XAI's analysis is focused on net flows. As such, the contributed capital of several new funds was excluded from the analysis. For example, the new Brookfield infrastructure tender offer fund that launched in 2023 had $1.58bn from a predecessor Lux fund

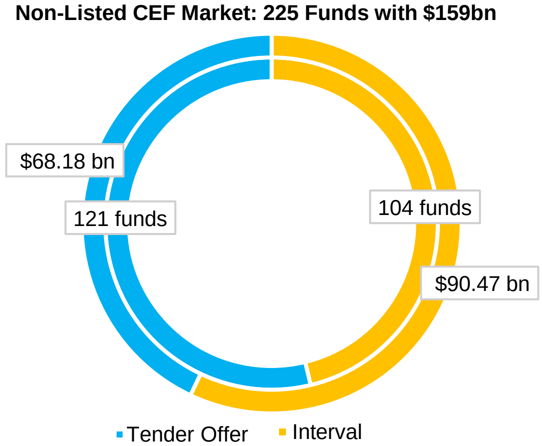
Net Flows by Non-listed CEFs Launched in 2023[1]



1. Net flows from 1/1/23 – 12/31/23, sourced from SEC NPORT filings. Excludes contributed capital of select funds. 13 funds launched in 2023 were excluded, as they have yet to file NPORTs with the SEC.

Current Non-listed CEF Total Managed Assets

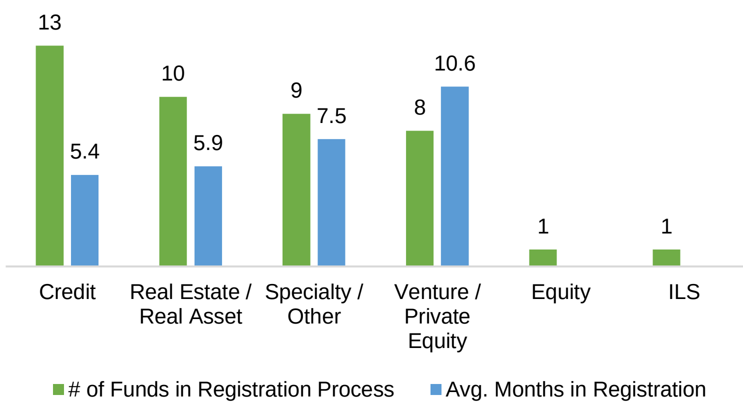
Non-Listed CEF Market: 225 Funds with $159bn



Features the latest publicly available data as of 4/30/2024. Outer circle represents total managed assets. Inner circle represents number of funds.

Overview of Non-Listed CEF SEC Registrations

42 Total Non-Listed CEFs Currently In Registration Process



As of 4/30/2024. 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. 1940 Act only funds are excluded from Avg. Months in Registration as they do not receive a Notice of Effectiveness from the SEC.

Largest Interval / Tender Offer Funds

Fund	Structure	Ticker	Asset Class	Wire Platform	Net Assets ($mm)	As of
Cliffwater Corporate Lending Fund	Interval	CCLFX	Credit	-	17,400	3/31/2024
Partners Group Private Equity Fund	Tender	-	Private Equity	ML, MS, WF, UBS	14,278	12/31/2023
ACAP Strategic Fund	Interval	XCAPX	Equity	ML, MS, UBS, WF	7,274	12/31/2023
Ironwood Institutional Multi-Strategy Fund LLC	Tender	-	Specialty	-	4,858	1/31/2024
Bluerock Total Income + Real Estate Fund	Interval	TIPWX	Real Estate	MS, UBS	4,738	12/31/2023
Apollo Diversified Real Estate Fund	Interval	GRIFX	Real Estate	MS, UBS	4,688	12/31/2023
CION Ares Diversified Credit Fund	Interval	CADUX	Credit	MS, UBS, WF	4,126	3/31/2024
Variant Alternative Income Fund	Interval	NICHX	Credit	-	2,978	3/31/2024
AMG Pantheon Fund, LLC	Tender	XPEIX	Private Equity	MS	2,970	1/31/2024
Versus Capital Real Assets Fund LLC	Interval	VCRRX	Real Estate	-	2,919	3/31/2024

Sources: XA Investments; SEC.gov; CEFData.com; CEFConnect.com; Fund Sponsor Websites

Developments in Non-Listed CEF Registrations			
Initial Registration Statement Filings	**Structure**	**Asset Class**	**Filing Date**
Sphinx Opportunity Fund	Interval	Real Estate / Real Asset	4/5/2024
Principal Private Credit Fund I	Interval	Credit	4/16/2024
OneAscent Private Markets Access Fund	Interval	Specialty / Other	4/23/2024
Privacore PCAAM Alternative Growth Fund	Tender	Specialty / Other	4/25/2024
Privacore PCAAM Alternative Income Fund	Interval	Credit	4/25/2024
Steadfast Structured Growth Fund	Interval	Credit	4/30/2024
Post-Launch Filings			
AMG Pantheon Credit Solutions Fund	Interval	Credit	4/1/2024
Apollo S3 Private Markets Fund	Tender	Specialty / Other	4/12/2024
Axxes Private Markets Fund	Interval	Venture / Private Equity	4/22/2024
Voya Enhanced Securitized Income Fund	Interval	Credit	4/29/2024
Jackson Real Assets Fund	Interval	Real Estate / Real Asset	4/29/2024
Applied for Deregistration, Filed Form N-8F			
LifeX Inflation-Protected Income Trust 1948F	Tender	Credit	4/29/2024

Historical Listed CEF Premium/Discount Averages
(as of 4/30/2024)

Current[1]	-8.13%
3/31/2024[1]	-7.52%
2024 YTD[1]	-8.21%
2023	-8.59%
2022	-5.78%
2021	-3.13%
10 Year Historical	-5.98%
10 Year – Munis	-5.15%
10 Year – Taxable	-6.29%

Top 10 Current Average Listed CEF Premium / Discount			
Equity / Hybrid	**Premium / Discount**	**Fixed Income**	**Premium / Discount**
Commodities	-2.89%	Multi-Sector	-0.03%
Sector Equity	-3.02%	Limited Duration	-0.31%
Real Estate	-5.03%	Investment Grade	-2.21%
MLP	-8.45%	Global Income	-3.29%
Covered-Call Funds	-8.60%	Convertibles	-3.90%
U.S. Equity	-11.83%	Senior Loans	-3.98%
U.S. Allocation	-12.24%	Taxable Muni	-5.00%
Global Allocation	-12.74%	High Yield	-6.28%
Single-Country Equity	-14.53%	Emerging Market Income	-6.86%
Global Equity	-14.84%	Taxable-Preferreds	-7.49%

Forward Listed CEF IPO Calendar (IPO Market Currently Closed)[2]				
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
TBD	Pershing Square	Pershing Square USA, Ltd.	2/7/2024	Equity
TBD	First Eagle	First Eagle Municipal High Income Fund	4/19/2024	Municipal Bonds
TBD	Guggenheim	Guggenheim Income Opportunities Fund	4/23/2024	Taxable Bond

CEF Industry News and Upcoming Events		
Date	**Source**	**Summary**
May 15	XAI	XA Investments and Clifford Chance will discuss the democratization of private funds and the novel ways asset managers can access non-institutional capital in the U.S. and Europe. Please email Nicole Matousek at nmatousek@xainvestments.com to register
May 21 - 23	ICI	The ICI's 2024 Leadership Summit provides asset management executives with two days of dynamic discussions and networking opportunities, covering market opportunities, regulatory priorities, and other industry developments such as active ETFs and tokenization. To register or to learn more click here
June 26 - 27	Morningstar	The Morningstar Investment Conference 2024 will feature insights on navigating financial markets uncertainty, the evolving roles of asset managers and advisors, the impact of artificial intelligence on financial advisory firms, and lessons from history's greatest financial frauds. To register or to learn more click here

CEF Market: Legal & Regulatory Update

On April 3, the SEC settled with an investment adviser for recordkeeping violations regarding off-channel communications, marking the first time a standalone investment adviser without broker-dealer ties faced such action. The $6.5 million settlement also covered penalties for breaches of the firm's code of ethics, notably pre-trade clearance policy violations.

The Division of Enforcement's Director, Gurbir Grewal, recently spoke at the Corporate Compliance and Enforcement Spring Conference 2024 in New York on April 15. During his speech, he noted that CCO and CISO personal liability may be on the table when it comes to artificial intelligence (AI) disclosure failures. Of note, he qualified the statement saying, "folks who operate in good faith and take reasonable steps are unlikely to hear from us." Even still, the statement may be cold comfort and underscores the necessity for CCOs and CISOs to aggressively protect against unsanctioned AI use within their organizations.

On April 23, the Department of Labor released its final amendments to the fiduciary rule, titled the "Retirement Security Rule." The rule will become effective on September 23, 2024, and is likely to be subject to numerous legal challenges prior to that date. The rule changes the current five-part test to determine who is an investment advice fiduciary. In particular, the final rule eliminates the requirement that financial advice be provided subject to an agreement and "on a regular basis", and instead focuses on whether the adviser generally makes investment recommendations on a regular basis as part of their business. Other changes include updates to the definition of a "recommendation" and prohibited class transactions. The full final rule can be read here.

1. Excludes outlier of DXYZ due to recent direct listing and trading dynamics. 2. Subject to market conditions.

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Disclaimers

Non-listed closed-end funds (CEFs) include interval and tender offer funds.

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