

XA Investments Non-Listed CEF Q2 2024 Market Update

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Notes: Non-listed CEFs include all interval and tender offer funds. The non-listed CEF market is subject to lags in reporting and limited data availability. Data such as asset levels, flows, and performance are delayed up to 90 days after quarter-end and are not available for all funds. Consequently, some data in this report is as of 3/31/2024. Other data such as the number of funds and funds in registration is current as of 6/30/2024. Please contact our team if you have any questions about the non-listed CEF marketplace. We would be happy to share information and insights. Please notify us with any errors or changes.

June 30, 2024

Executive Summary

What’s New This Quarter?

- Current market trends and commentary
- Growth of infrastructure-focused funds
- Notable new entrants this quarter and increase in backlog of SEC filings

Market Maturation

A growing number of non-listed closed-end funds (CEFs) celebrated their 3-year, 5-year and 10-year anniversaries this quarter. 40% of the market comprises newer funds that have yet to develop a 3-year track record. XAI observes that longer firm-specific track records are necessary for key RIA and wirehouse platform approvals.

Market Growth

- **Fund Counts:** The non-listed CEF market continues to grow with 10 funds launching this past quarter and the accelerating number of new fund filings, expanding the backlog of funds in the SEC registration process to a record 50 funds expected to launch in the next 6-8 months.
- **AUM and Net Flows:** Market-wide AUM levels continue to grow, and overall net flows increased quarter-over-quarter.
- **Types of Fund Sponsors:** The market remains skewed towards alternative fund sponsors, although several insurance affiliates, RIAs and institutional consultants have entered the market recently.

Q2 2024 Product Launches

10 total funds launched in the second quarter; credit continues to dominate with 7 product launches this quarter.

Shareholder Liquidity

Proration has **not** been a market-wide issue for non-listed CEFs so far this year, unlike some non-listed REITs, but certain real estate funds continue to see demand for liquidity.

Industry Improvement Idea

Financial advisors have become more and more familiar with tender offer funds in the last 18 months. Market leaders such as Hamilton Lane and AMG Pantheon have won success by educating advisors and investors on the benefits of the tender offer structure for their private market strategies. XAI observes some interval fund sponsors selling against tender offer funds. In contrast, we encourage fund sponsors to educate and help advocate for the broader non-listed CEF marketplace explaining differences in the structures. It serves the industry well to invest the time and resources in education as some interval fund sponsors may seem themselves launching a tender offer fund down the road.

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Industry Highlights, News, and Trends

**\$150
Billion**



in Total Net Assets

**230
Total Funds**



60%



of the Market
3-Year+ Track Record

**1940 Act
Non-listed
Closed-end
Funds**

Market Expansion

68% of Funds in SEC
Registration are New Entrants



**110 Interval
Funds**

Represent 58% of Total
Managed Assets

**120 Tender
Offer Funds**

Represent 42% of Total
Managed Assets

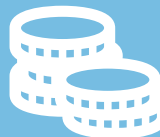
28

Total Funds
on **Major Wires**



1.19%

Average
Management
Fee



130 Unique Sponsors

50 Funds
in SEC Registration

20 Funds
Launched YTD

Section Summary

- Infrastructure continues to expand, as demonstrated by the Versus Capital Infrastructure Income Fund's launch on April 1, 2024, bringing the total to six infrastructure-focused funds. The sub-category is positioned for further growth, with five additional funds currently in the SEC registration process.
- The Top 20 funds have a combined 73% market share and 53% of market-wide Q1 2024 net flows.
- 7 of 10 new funds launched in Q2 2024 were credit funds, bringing the total credit funds to 76.
- Market leadership is currently in the hands of first movers including Cliffwater, Partners Group, Alkeon and PIMCO.
- Wirehouse platforms continued to expand access to non-listed CEFs by onboarding new funds (MS has the most with 22 non-listed CEFs).
 - 4 non-listed CEFs are on all 4 major wirehouse platforms.
 - 3 non-listed CEFs are on 3 of the 4 major wires.
- In Q2 2024, XAI observed the following interesting developments in the market:
 - Growth of the infrastructure sub-category now at 6 funds, with 5 more are in the SEC registration process.
 - The AI trend hits the interval fund marketplace. Two recent N-2 filings have highlighted their investments in artificial intelligence.



Non-listed CEF Market Overview

Q2 2024 Observations

	Market Size	\$174bn in total managed assets (\$150bn in net assets) across 230 interval and tender offer funds, which is a net increase of 10 funds and \$10bn in total managed assets quarter-over-quarter \$101.5bn in total interval fund assets across 110 funds \$72.8bn in total tender offer fund assets across 120 funds
	New SEC Filings	50 non-listed CEFs are currently in the SEC registration process
	Market Leaders – Net Flows	The top 20 largest funds by total managed assets represent 53% of combined net flows in Q1 2024 Credit and Venture / Private Equity continue to attract strong positive net flows, drawing approximately \$4.92bn and \$2.70bn, respectively, in net flows in Q1 2024¹
	1 st Movers	17 of the top 20 funds (ranked by AUM) were launched prior to 2020 and have 3+ year track records
	New Fund Launches	10 funds launched in Q2 2024
	Time in SEC registration	Funds launched in Q2 2024 spent an average of 178 days in the SEC registration process prior to going effective, compared to an average of 172 days Q1 2024
	Market Scale	- Each of the top 20 largest funds has over \$2bn in total managed assets 138 funds with over \$100mm in total managed assets (60% of total funds) 36 funds with over \$1bn in total managed assets (16% of total funds)
	Market Entrants	Currently, there are 130 unique sponsors with 41 sponsors having two or more funds 2 new fund sponsors entered market in Q2 2024 (Axxes, TCW Asset Management) 1 fund sponsor with an existing fund launched two additional funds in Q2 2024 16 fund sponsors are in the SEC registration process to launch a second fund
	Performance Fees	53 funds (23% of total funds) charge an income incentive fee or performance fee at the fund level 5 of the 10 funds launched in Q2 2024 charge an income incentive fee or performance fee at the fund level

Sources: XA Investments; CEFData.com; SEC Filings.

Note: All data as of 6/30/2024 or latest publicly available. Quarter-over-quarter represents change from 3/31/2024 to 6/30/2024

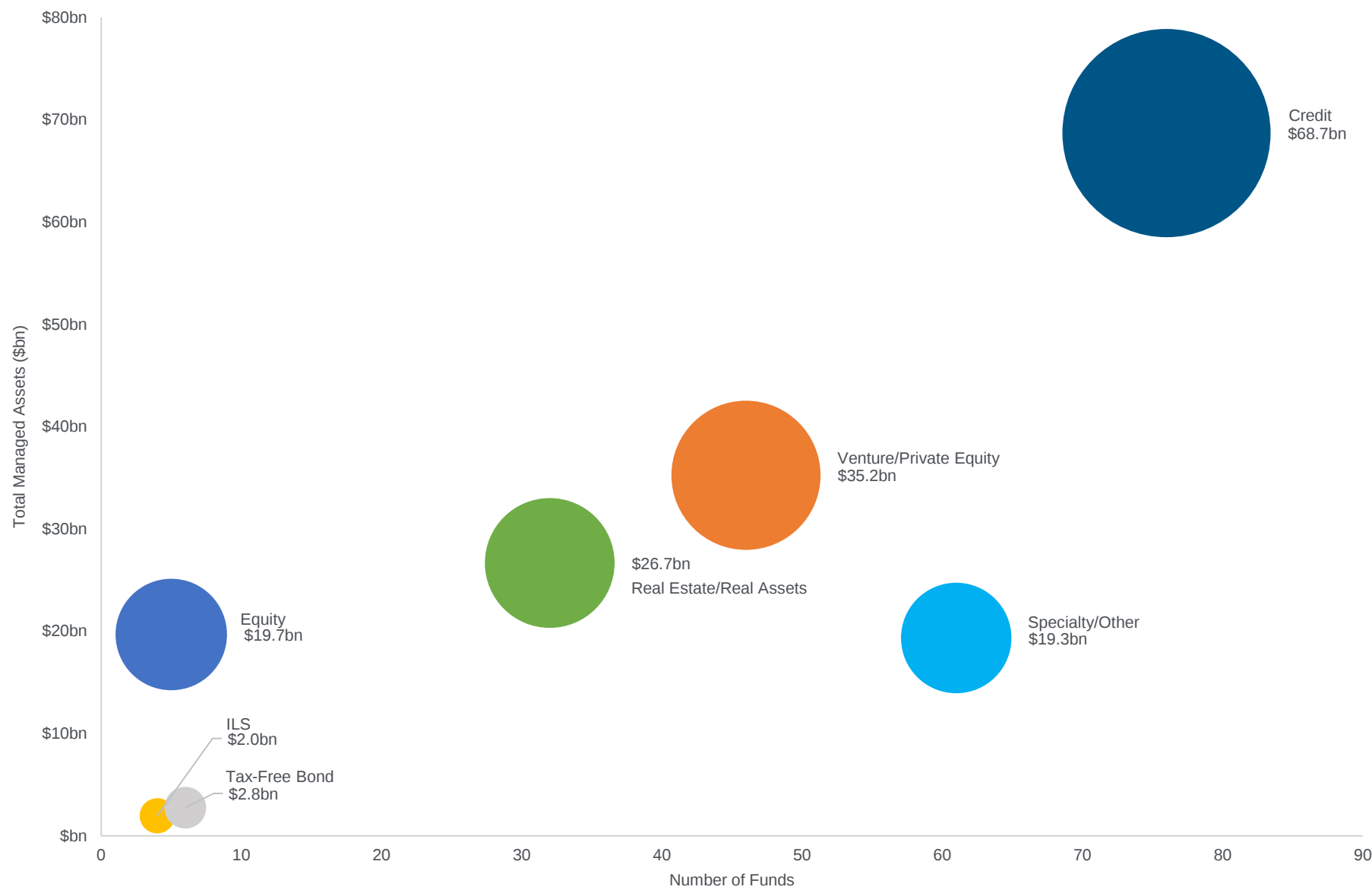
1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this report is as of 3/31/2024 and represents the latest publicly available data.

KPIs	Interval / Tender Offer Fund Market Key Performance Indicators			
Funds	230 Funds ¹	+20 Funds Entered Market YTD -2 Funds Exited Market YTD ¹	8.5% Change YTD 	235 - 255 Funds XAI YE Forecast
Assets	\$150bn Net Assets ²	+\$15bn Net Asset Growth YTD	11.1% Change YTD 	\$160 - \$175bn Net Assets, XAI YE Forecast
Market Share by Fund AUM	5 Largest Funds 40% Market Share	10 Largest Funds 54% Market Share	20 Largest Funds 73% Market Share	30 Largest Funds 84% Market Share
Market Share by Sponsor	 CLIFFWATER \$26.6 bn TMA ³ 15.3% Market Share	 PARTNERS GROUP \$15.5bn TMA ³ 8.9% Market Share	 ALKEON CAPITAL MANAGEMENT \$13.9bn TMA ³ 8.00% Market Share	 PIMCO \$6.9bn TMA ³ 3.96% Market Share
Wirehouse Availability	 UBS 16 Funds on Platform	Morgan Stanley 22 Funds on Platform	 Merrill Lynch Bank of America Corporation 11 Funds on Platform	 WELLS FARGO 7 Funds on Platform

Sources: XA Investments; CEFDData.com. All figures are latest publicly available as of 6/30/2024

1. Fund closures for 2024 YTD include the Pioneer ILS Bridge Fund and the KKR FS Income Trust Select
2. Represents adjusted figure. As part of a research initiative conducted in Q2 2024, and in partnership with CEFDData.com, CEFDData.com identified 11 preexisting tender offer funds that were not included in last quarter's report. These funds have been accounted for in any growth calculations above, both in the number of funds and in asset levels.
3. TMA – Total Managed Assets

Overview of Non-Listed CEF Market by Asset Class¹

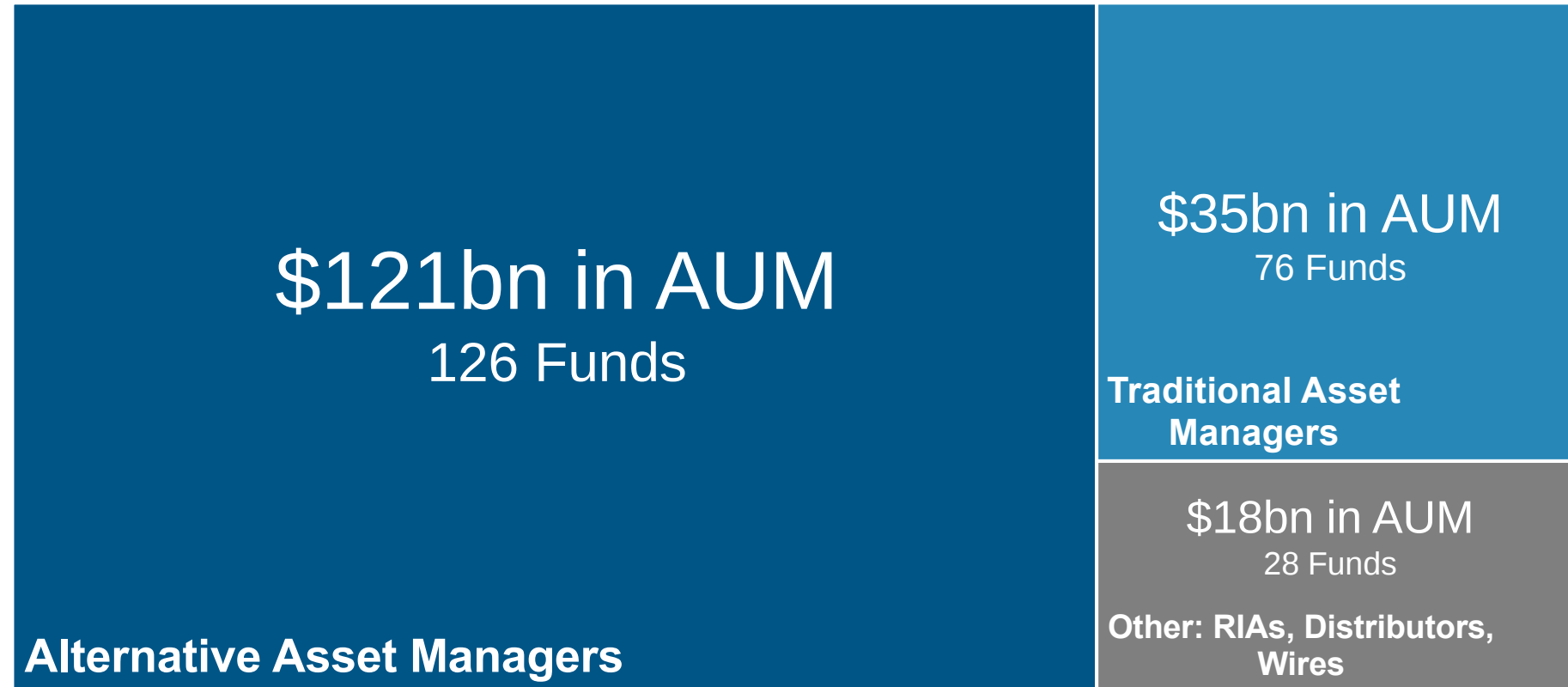


Sources: XA Investments; CEFDData.com; SEC Filings.
Note: Data reflects most recent publicly available as of 6/30/2024.

Majority of Non-listed CEF Assets Are Coming From Alternative Asset Managers

Alternative asset managers dominate the market in AUM and number of funds compared to traditional asset managers and other specialty firms.

Overall Non-listed CEF Marketplace by Advisor Type



Adviser Type	AUM (\$mm)	% of AUM	Number of Funds	% of Funds
Alternative Asset Managers	\$121,328	70%	126	55%
Traditional Asset Managers	\$35,337	20%	76	33%
Other: RIAs, Distributors, Wires	\$17,697	10%	28	12%
Totals	\$174,362	100%	230	100%

Sources: XA Investments; CEFData.com; SEC Filings. Data reflects most recent publicly available as of 6/30/2024. AUM represents total managed assets.

Expansion of the Non-listed CEF Market in Q2 2024

Overall Non-Listed CEF Market			
	3/31/2024	6/30/2024	% Change
Number of Funds	220	230	4.55%
Total Managed Assets (\$mm)	156,403	174,362	11.48%
Total Managed Assets of Top 20 (\$mm)	100,678	112,569	11.81%
Funds with \$1bn+ AUM (# of funds)	35	36	2.86%

Non-Listed CEFs Available on Wirehouse Platforms			
	3/31/2024	6/30/2024	% Change
Merrill Lynch	10	11	10.00%
Morgan Stanley	22	22	-
UBS	16	16	-
Wells Fargo	6	7	16.67%
Total Unique Funds	28	28	-

Non-Listed CEFs by Asset Type				
Asset Type	3/31/2024		6/30/2024	
	#	\$mm	#	\$mm
Credit	70	60,430	76	68,699
Equity	5	16,454	5	19,683
ILS	4	1,941	4	1,962
Real Estate / Real Asset	30	26,060	32	26,676
Specialty / Other	59	18,134	61	19,342
Tax Free Bond	6	2,011	6	2,754
Venture / Private Equity	46	31,373	46	35,247
Totals	220	156,403	230	174,362

10 Non-Listed CEFs Launched in Q2 2024						
Fund Name	Structure	Asset Class	Initial Filing	1933 Act	Effective Date	Months in Registration
Eagle Point Enhanced Income Trust	Tender Offer	Credit	10/13/2023	Yes	6/3/2024	8
John Hancock Multi Asset Credit Fund	Interval Fund	Credit	3/6/2024	Yes	6/3/2024	3
Principal Private Credit Fund I	Interval Fund	Credit	4/16/2024	Yes	6/3/2024	2
StepStone Private Credit Income Fund	Interval Fund	Credit	12/29/2023	Yes	5/31/2024	5
Voya Enhanced Securitized Income Fund	Interval Fund	Credit	10/5/2023	Yes	4/29/2024	7
Jackson Real Assets Fund	Interval Fund	Real Estate / Real Asset	12/15/2023	Yes	4/29/2024	5
Axxes Private Markets Fund	Interval Fund	Specialty / Other	9/1/2023	Yes	4/22/2024	8
Apollo S3 Private Markets Fund	Tender Offer	Specialty / Other	5/26/2023	Yes	4/12/2024	11
AMG Pantheon Credit Solutions Fund	Interval Fund	Credit	10/5/2023	Yes	4/1/2024	6
TCW Spirit Direct Lending LLC	Tender Offer	Credit	5/30/2024	No	N/A ¹	N/A ¹
					Average	6

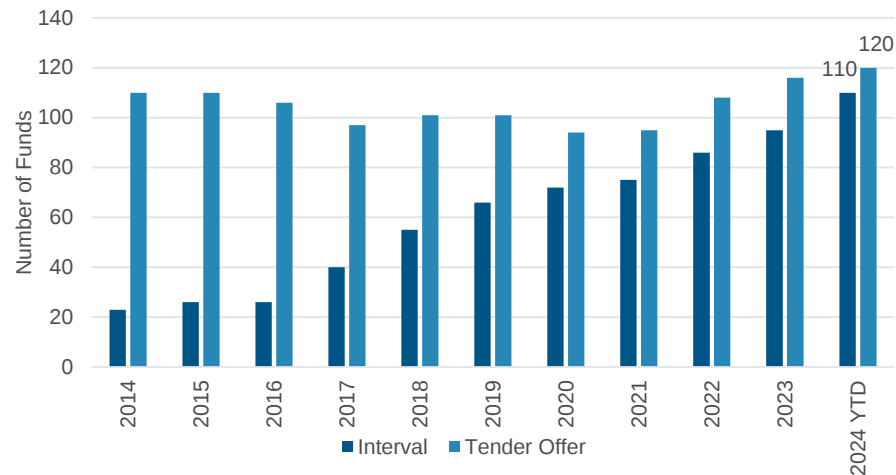
Sources: XA Investments; CEFData.com; SEC Filings.
Note: Data reflects most recent publicly available as of 6/30/2024. Unless otherwise stated, assets represents total managed assets..
1. 1940 Act Funds not filed under the 1933 Act are considered automatically effective.

Historical Interval and Tender Offer Fund Market Overview

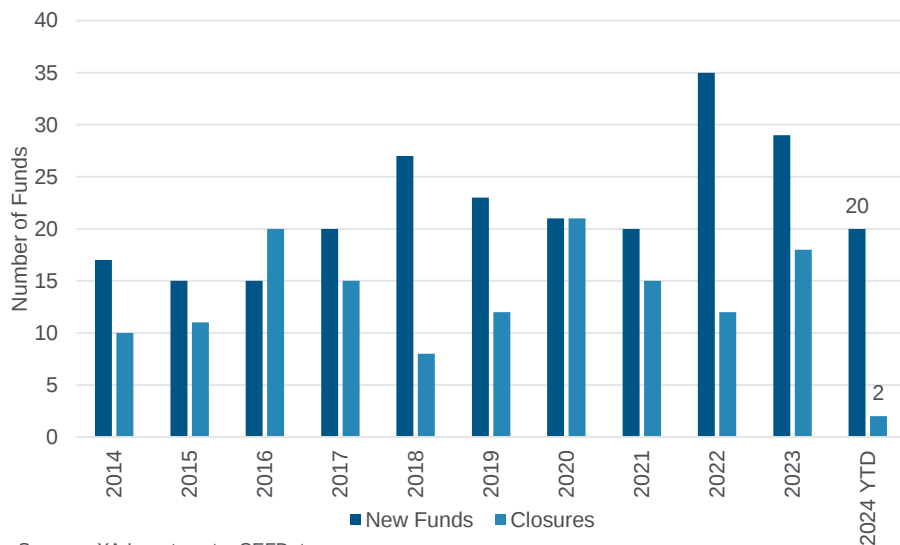
Interval and Tender Offer Funds by Asset Type

Asset Type	#	Total Managed Assets (\$mm) ¹	Net Assets (\$mm)	% of Net Assets
Credit	76	\$68,699	\$55,931	37%
Specialty / Other	61	\$19,342	\$18,541	12%
Venture / Private Equity	46	\$35,247	\$33,757	22%
Real Estate / Real Asset	32	\$26,676	\$25,161	17%
Tax-Free Bond	6	\$2,754	\$2,143	1%
Equity	5	\$19,683	\$12,605	8%
ILS	4	\$1,962	\$1,954	1%
Total	230	\$174,362	\$150,092	100%

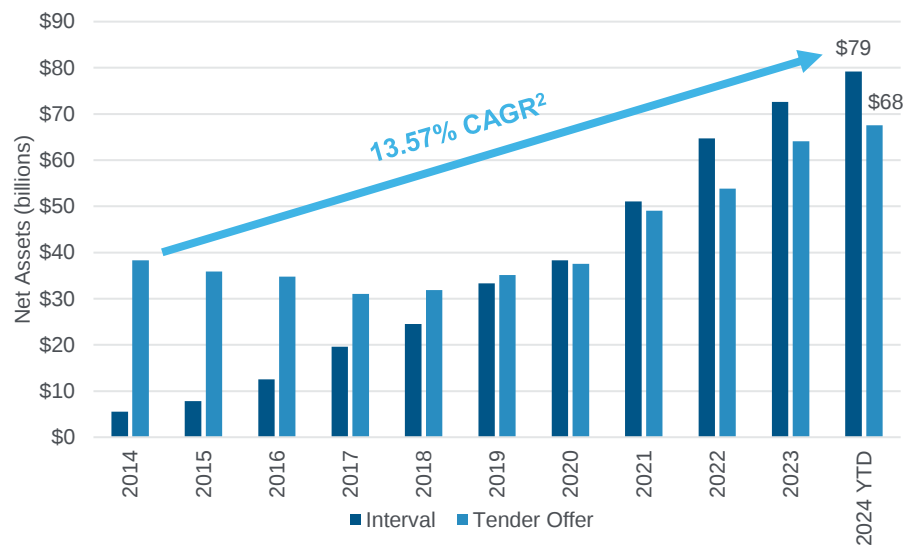
Fund Count by Year



Fund Openings and Closures³



Net Asset Growth



Sources: XA Investments; CEFDData.com

Notes: Data as of 6/30/2024 or latest publicly available. Detailed historical interval and tender offer fund data is limited back to 2014.

1. Total managed assets is inclusive of leverage.

2. Represents the compound annual growth rate of net assets for interval and tender offer funds, from Q4 2014 through Q2 2024.

3. Fund closures for 2024 YTD include the Pioneer ILS Bridge Fund and the KKR FS Income Trust Select.

Infrastructure-focused Funds: New Sub-category of the Real Estate/Real Assets Category

There are six active infrastructure-focused funds, with an additional five in the registration process.

Adviser						
Fund Name	Cantor Fitzgerald Infrastructure Fund	Partners Group Next Generation Infrastructure, LLC	StepStone Private Infrastructure Fund	Brookfield Infrastructure Income Fund Inc.	Meketa Infrastructure Fund	Versus Capital Infrastructure Income Fund
Inception Date	6/30/2022	8/1/2023	9/11/2023	11/1/2023	Effective Date: 1/26/2024	4/1/2024
Structure	Interval	Tender Offer	Interval	Tender Offer	Interval	Interval
Suitability	No suitability restrictions	Qualified Clients	Accredited Investors	No suitability restrictions	No suitability restrictions	No suitability restrictions
Management Fee	1.50% of Net Assets	1.25% of Net Assets	1.60% of Net Assets	1.25% of Net Assets	1.50% of Net Assets	1.00% of Net Assets
Incentive Fee	No	Yes, Net Profit Fee	No	Yes, Income Incentive Fee	No	No
NAV Frequency	Daily	Monthly	Daily	Monthly	Daily	Daily
Liquidity Frequency	Quarterly: 5 - 25%	Quarterly: 0 - 5%	Quarterly: 5 - 25%	Quarterly: 0 - 5%	Quarterly: 5 - 25%	Quarterly: 5 - 25%
Total Managed Assets (\$mm)	\$56	\$65	\$87	\$2,300	\$21	\$55
Current Allocation	67% Public Infrastructure, 14% Private Infrastructure, 19% Short-term investments	78% Infrastructure Private Equity Secondaries, 22% Private Infrastructure Equity	43% Infrastructure Funds 45% Cash 12% Short-term Investments	71% Private Infrastructure Equity 16% Public Securities 10% Private Infrastructure Debt 2% Short-term Investments	89% Common Stock 11% Cash and Cash Equivalents	TBD

Infrastructure Funds in Registration							
Fund Name	Structure	Sponsor	Initial Filing	Latest Filing	Number of N-2 Filings	Months in Registration	New Entrant?
CION Grosvenor Infrastructure Fund	Interval Fund	CION Grosvenor	11/22/2023	3/21/2024	2	8	No
Aether Infrastructure & Natural Resources Fund	Interval Fund	Aether Investment Partners	2/28/2024	5/6/2024	2	5	Yes
Macquarie Energy Transition Infrastructure Fund ¹	Tender Offer	Central Park Advisers	6/17/2024	6/17/2024	1	N/A ²	No
Hamilton Lane Private Infrastructure Fund	Tender Offer	Hamilton Lane	6/6/2024	6/6/2024	1	1	No
Russell Investments New Economy Infrastructure Fund	Interval Fund	Russell Investment Management	6/21/2024	6/21/2024	1	1	Yes

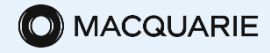
Sources: XA Investments; SEC Filings.

Notes: Data as of 6/30/2024 or latest publicly available.

1. Represents Macquarie's first branded interval/tender offer fund. Affiliate CPG has several existing funds with sub-advisers.

2. 1940 Act only fund. 1940 Act only funds do not receive a Notice of Effectiveness with the SEC, limiting certainty regarding time spent in registration v. 1933 Act funds.

Notable New Market Entrants with Filings in Q2 2024

	Fund Filing ¹	Market Significance
	• Fund Name: Global X Venture Fund • Structure: Interval Fund • Filing Date: July 5, 2024 • Strategy: The Fund will pursue a venture capital investment strategy by investing in companies in emerging sectors including, Artificial Intelligence, B2B Software, Sustainability, EdTech, FinTech, E-Commerce, Gaming, and Web 3.0/Digital Assets.	ETF boutique launches first interval fund with affiliated partner, Mirae, as sub-adviser.
	• Fund Name: T. Rowe Price OHA Flexible Credit Income • Structure: Interval Fund • Filing Date: July 2, 2024 • Strategy: The Fund will invest in a portfolio of private loans, credit facilities, and credit-related investments.	T. Rowe Price acquired OHA on 12/29/21. This retail product offering follows the launch of the OCREDIT BDC on 10/2/23.
	• Fund Name: HarbourVest Private Investments Fund • Structure: Tender Offer • Filing Date: June 21, 2024 • Strategy: The Fund pursue a private markets strategy by investing primarily in buyout and growth equity, and to a lesser extent, venture capital, special situations, infrastructure and other private investments structured as either equity or credit.	HarbourVest is a well-established fund-of-funds manager. Firm has London listed fund (LSE: HVPE).
	• Fund Name: Russell Investments New Economy Infrastructure Fund • Structure: Interval Fund • Filing Date: June 21, 2024 • Strategy: The Fund will primarily invest in infrastructure assets.	Large institutional consultant moves into interval fund market. Follows in footsteps of Cliffwater, Meketa and Stepstone.
	• Fund Name: Macquarie Energy Transition Infrastructure Fund • Structure: Tender Offer • Filing Date: June 17, 2024 • Strategy: The Fund will invest in a global portfolio of businesses and operating assets in the energy transition infrastructure sector with a focus on mature technologies.	Global market leading infrastructure manager debuts new tender offer fund. Catching up with other first movers in the infrastructure category.
	• Fund Name: Wellington Global Multi-Strategy Fund • Structure: Interval Fund • Filing Date: June 14, 2024 • Strategy: The Fund will trade securities opportunistically and taking positions across a broad range of strategies (long/short equity, global macro, credit and market neutral, etc.)	Wellington moves directly into retail market, an uncommon move, for a firm that often partners or sub-advises in the retail market.

Source: XA Investments; CEFDData.com.

Notes: Data as of 6/30/2024 or latest publicly available.

1. Firms are listed in reverse chronological order based on initial N-2 filing.

Interval Funds Seek SEC Exemptive Relief for Monthly Repurchases

Fund sponsors have sought exemption from specific rules under Sections 6(c) and 23(c)(3) of the Investment Company Act of 1940 (the “1940 Act”) to allow for monthly repurchase offers.

Fidelity Floating Rate Opportunities Fund

Initial N-2 Filing Date: January 5, 2024

Date of Application for Exemption: December 6, 2023

Exemption Status: Pending; Amended (July 9, 2024)



The Fidelity Floating Rate Opportunities Fund, which has yet to launch, applied for exemptive relief to allow for monthly repurchases. The SEC has yet to grant the exemption and there have been two additional amended filings since.

Nuveen Enhanced Floating Rate Income Fund

Initial N-2 Filing Date: November 21, 2023

Date of Application for Exemption: November 21, 2023

Exemption Status: Granted (January 17, 2024); Withdrawn (May 14, 2024)



The Nuveen Enhanced Floating Rate Income Fund, which has yet to launch, was granted exemptive relief to conduct monthly repurchases. At Nuveen's request, the SEC approved a withdrawal of the exemptive application.

Oaktree Diversified Income Fund Inc.

Inception Date: November 1, 2021

Date of Application for Exemption: June 2, 2023

Exemption Status: Pending; Amended (December 28, 2023)



The Oaktree Diversified Income Fund Inc. launched in November of 2021 and had \$263mm in net assets as of May 31, 2024. The SEC has not yet granted the exemption, but, if granted, the fund would be the first active interval fund with the ability to execute monthly repurchases. The Fund would require shareholder approval to change its repurchase policy from quarterly to monthly.

Industry Implications

It remains to be seen whether more frequent repurchases will be widely adopted. The change would move the current 21- to 42-day notification requirement (for quarterly repurchases) to a period of seven to fourteen days prior to the repurchase request deadline. In addition, monthly repurchase offers would deviate from the usual three, six, or 12-month repurchase intervals defined by Rule 23(c)(3) and may pose challenges for fund service providers. Notably, the funds would remain subject to Rule 23c-3's limit on repurchase amounts, such that no more than 25% of a fund's outstanding common shares can be repurchased in any three-month period. Given the varied treatment of non-listed CEFs by platforms and gatekeepers, the industry may be slow to adopt such changes, although shareholder demand for more frequent liquidity might speed adoption.

Source: SEC filings.

Legal & Regulatory Insights

In Q2 2024, the SEC addressed several issues pertinent to the non-listed CEF market, including cryptocurrencies, climate-related disclosures, and artificial intelligence.

April: SEC Settlement Against Investment Adviser for Recordkeeping Violations

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](#).

May: SEC Chair Gensler Shows Concerns and Regulatory Gaps in Asset Management Industry

On May 16, the SEC's Chair Gary Gensler spoke at the SEC's 2024 Conference on Emerging Trends in Asset Management. During his speech, he noted some concerns in the registered fund industry, while adding thoughts on the interconnectivity of risks and new regulations among registered funds, private funds and separately managed accounts.

On registered funds, Chair Gensler opined on the proliferation of passive investment strategies, noting that the three largest fund complexes manage almost 75% of the \$7 trillion in net assets in passive investment strategies. He also expressed concerns that index providers may hold outsized roles in management, noting the Staff's ongoing consideration of comments it received from its 2022 request regarding whether index providers operate as *de facto* investment advisers. Chair Gensler additionally discussed liquidity of registered fund investments, in particular, for collective investment trust (CIT) assets. He cited the differing rules for CIT asset liquidity, leverage, and reporting, noting that these present regulatory gaps that could lead to risk spreading to registered funds.

June: Federal Court Vacates Private Fund Rules as Supreme Court Ends Chevron Doctrine

On June 5, the U.S. Court of Appeals for the Fifth Circuit delivered a significant victory for private fund advisers when it vacated, in entirety, the SEC's Private Fund Rules. The Private Fund Rules would have made momentous changes to the operations of private fund advisers. The SEC may appeal the ruling via a rehearing with the entire Fifth Circuit court or the US Supreme Court and hasn't indicated whether it will seek an appeal. More recently, on June 28, the US Supreme Court made a significant decision for the entire asset management industry (and beyond) in *Loper Bright Enterprises v. Raimondo*. In a 6-3 ruling, the Court ended the decades old Chevron doctrine, which granted administrative courts the ability to operate with little judicial oversight. Judicial review of administrative courts required judges to determine whether Congress directly addressed the issue in controversy and end the inquiry if Congress spoke on the matter. In cases that Congress did not provide guidance, Chevron dictated judicial deference to the agency's interpretation of the statute. This two-step deference allowed agencies like the SEC to use their own administrative courts for a significant "home court" advantage, often seeking civil penalties for securities and investment regulation violations that could not be reviewed. While the Loper decision does not impact the SEC's ability to create industry guidance, it limits how binding such guidance may be under judicial review. As a result, the SEC's interpretation of statutes and its policymaking agenda will likely be more constrained to the actual language of statutes and Congressional dictates, and less open to agency interpretation.

Sources: XA Investments; SEC publications.

Percolating Problems That Interval Fund Sponsors Are Facing

XAI conducts extensive research and monitors potential problems and issues that may impact the industry.

Problems & Issues Worth Monitoring	
Good Problems	Why?
Excess dry powder in private equity	Potential return drag
Slow invest-ups with infrastructure	Potential return drag; expectations mismatch
Large and concentrated holdings by early investors in new funds	Proration risk upon exit
Bad Problems	
Marketing interval funds as liquid vehicles	Investor expectation mismatch
Valuation concerns regarding accuracy of NAV (for certain asset classes)	Deters new investment; increased likelihood of proration
Rapid Valuation Mark-downs (in excess of 2% of NAV)	Increases demand for liquidity
Proration over multiple periods	Increases demand for liquidity in future periods
Other Developments	
New fund launches with limited or no track record	Deferred investment slows capital raising efforts

ADISA 2024 Alts Research & Due Diligence Forum

Host: Alternative & Direct Investment Securities Association (ADISA)

Date: July 23 - 24, 2024

Location: Boston, MA

- The conference will bring together the nation's leading alternative investment professionals to learn about the latest industry trends, marketing recommendations and current regulations.
- For more information and to register, please click [here](#)



IPAVision 2024

Host: Institute for Portfolio Alternatives (IPA)

Date: September 23 - 26, 2024

Location: Orlando, FL

- The conference offers to shape the discussion on critical issues and innovative solutions that continue to drive the expansion of the portfolio diversifying investments industry.
- For more information and to register, please click [here](#)



2024 Annual Conference & Trade Show

Host: Alternative & Direct Investment Securities Association (ADISA)

Date: October 7 - 9, 2024

Location: Las Vegas, NV

- The ADISA 2024 Annual Conference & Trade Show will bring together alternative investment professionals to learn about the latest industry trends, marketing recommendations, and current regulations.
- For more information and to register, please click [here](#)



2024 MMI Annual Conference

Host: Money Management Institute (MMI)

Date: October 15 - 17, 2024

Location: Charlotte, NC

- The Money Management Institute (MMI) is an organization dedicated to enhancing connections, knowledge, and growth among its members in the financial services industry through professional development and networking opportunities.
- To register or to learn more about the MMI's Annual Conference click [here](#)



XAI / Dechert: How to Launch an Interval Fund Event

Hosts: XA Investments, Dechert

Date: November 11, 2024

Location: New York, NY

- As the interval fund market rapidly expands, more asset managers and GPs are contemplating the launch of their own proprietary evergreen funds. Join us to hear from the experts at XA Investments and Dechert to understand the process for launching an interval fund. We will focus on methods and examples of clients who have successfully de-risked the product launch and accelerated the process for capital raising. To register please email sbailey@xmcapital.com



2024 Closed-End Fund Conference

Host: Investment Company Institute (ICI)

Date: November 12, 2024

Location: New York, NY

- The event is focused on closed-end funds, offering attendees the chance to delve into the latest insights and trends shaping the industry. Participants can expect to gain fresh perspectives on the industry, stay ahead of developments, and earn Continuing Professional Education (CPE) and Continuing Legal Education (CLE) credits.
- To register or learn more, click [here](#)



AICA 2024 Fall Roundtable

Host: Active Investment Company Alliance (AICA)

Date: November 13, 2024

Location: New York, NY

- Explore the universe of closed-end funds, interval funds, and business development companies at the sixth annual AICA roundtable.
- To register or to learn more, click [here](#)



3rd Annual Central Sub-Advisory Roundtable

Host: Institutional Investor

Date: November 19 - 20, 2024

Location: Chicago, IL

- The Institutional Investor is a private membership organization for buyers of sub-advisory services and manager research selection & oversight executives representing mutual fund companies, OCIOs, insurance firms, retirement platforms, and other asset managers which out-source.
- For more information and to register, please click [here](#)





Market Overview

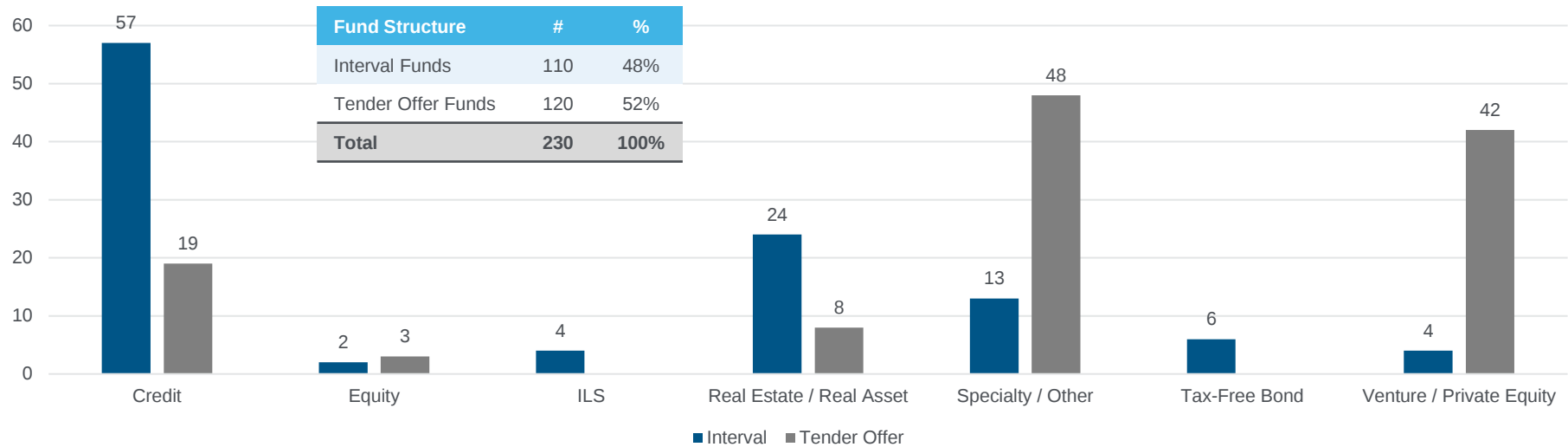
Section Summary

- The interval fund structure continues to be a popular vehicle for capital raising, with 10 funds launched in Q2 2024
- Since 2020, the majority of new funds have launched with Credit or Venture / Private Equity strategies
- The top 20 funds have each scaled beyond \$2bn in total managed assets
- Fund sponsors are establishing interval fund platforms; 41 fund sponsors now have two or more funds in the market
- Funds with no suitability restrictions continue to lead the market in number of funds and total managed assets
- Wirehouse platforms have onboarded a variety of private credit funds and have begun to onboard other less liquid asset classes, such as specialty and private equity funds
- Legacy funds, such as the Partners Group Private Equity Fund and the ACAP Strategic Fund, have a head start in wirehouse capital raising, newer funds, such as AMG Pantheon and Carlyle Tactical Private Credit Fund, are starting to catch up in the wires
- By year-end 2024, XAI forecasts the non-listed CEF market to grow up to \$175bn in net assets and 255 total funds

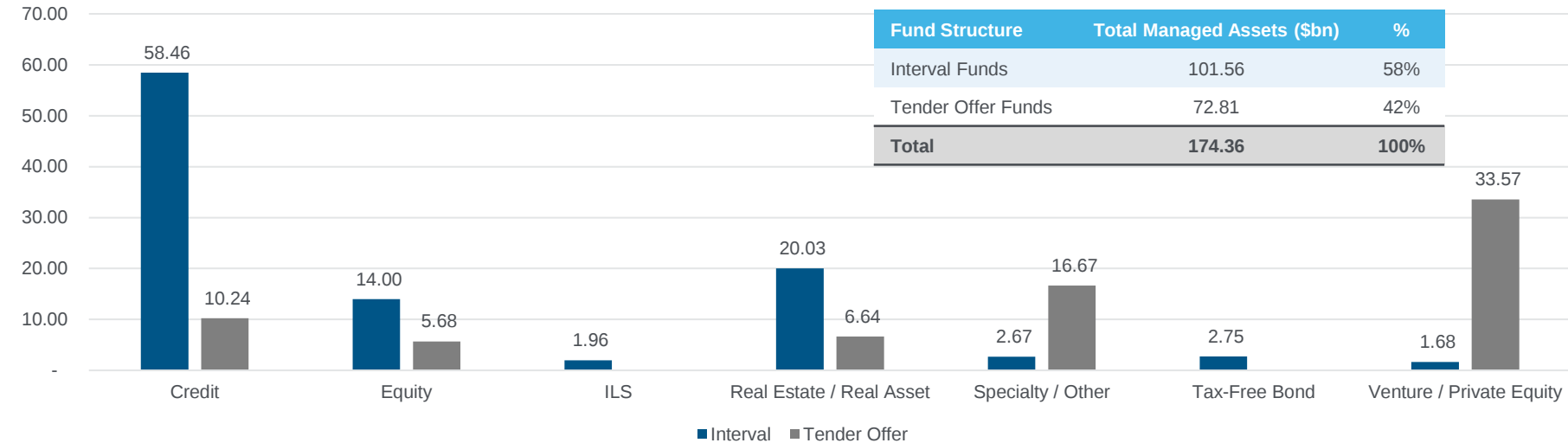


Despite Fewer Funds, Interval Funds Have the Majority of Total Managed Assets

Interval vs Tender Offer Funds Asset Class Breakdown: Total Number of Funds



Interval vs Tender Offer Funds Asset Class Breakdown: Total Assets Under Management



Source: XA Investments; CEFDData.com.
Note: Data as of 6/30/2024 or latest publicly available.

Credit Prevails: 70% of Non-listed CEFs Launched in Q2 2024 Operate in the Credit Space

Funds Launched in Q2 2024



Funds Launched in Q2 2024								
#	Fund Name	Structure	Asset Class	Sponsor	Initial Filing	1933 Act	Effective Date	Months in Registration
1	Eagle Point Enhanced Income Trust	Tender Offer	Credit	Eagle Point	10/13/2023	Yes	6/3/2024	8
2	John Hancock Multi Asset Credit Fund	Interval Fund	Credit	John Hancock	3/6/2024	Yes	6/3/2024	3
3	Principal Private Credit Fund I	Interval Fund	Credit	Principal Global Investors	4/16/2024	Yes	6/3/2024	2
4	StepStone Private Credit Income Fund	Interval Fund	Credit	StepStone	12/29/2023	Yes	5/31/2024	5
5	Voya Enhanced Securitized Income Fund	Interval Fund	Credit	Voya	10/5/2023	Yes	4/29/2024	7
6	Jackson Real Assets Fund	Interval Fund	Real Estate / Real Asset	Jackson National	12/15/2023	Yes	4/29/2024	5
7	Axxes Private Markets Fund ¹	Interval Fund	Specialty / Other	Axxes Advisors LLC	9/1/2023	Yes	4/22/2024	8
8	Apollo S3 Private Markets Fund	Tender Offer	Specialty / Other	Apollo	5/26/2023	Yes	4/12/2024	11
9	AMG Pantheon Credit Solutions Fund	Interval Fund	Credit	Pantheon	10/5/2023	Yes	4/1/2024	6
10	TCW Spirit Direct Lending LLC ¹	Tender Offer	Credit	TCW	5/30/2024	No	N/A ¹	N/A ¹
							Average	6

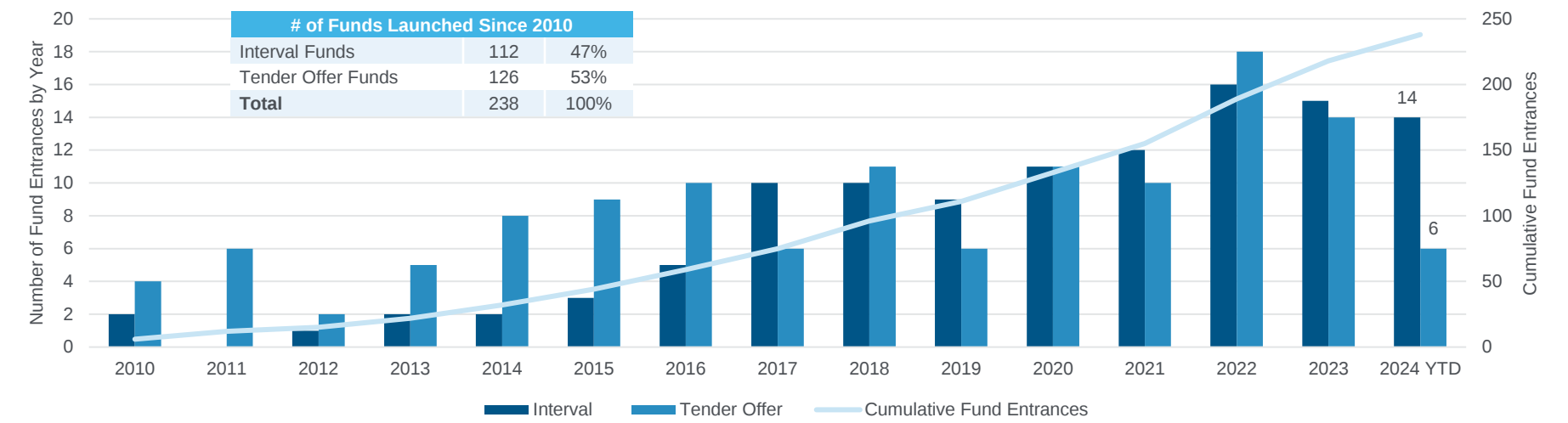
Source: XA Investments; CEFData.com.

Notes: Data as of 6/30/2024 or latest publicly available.

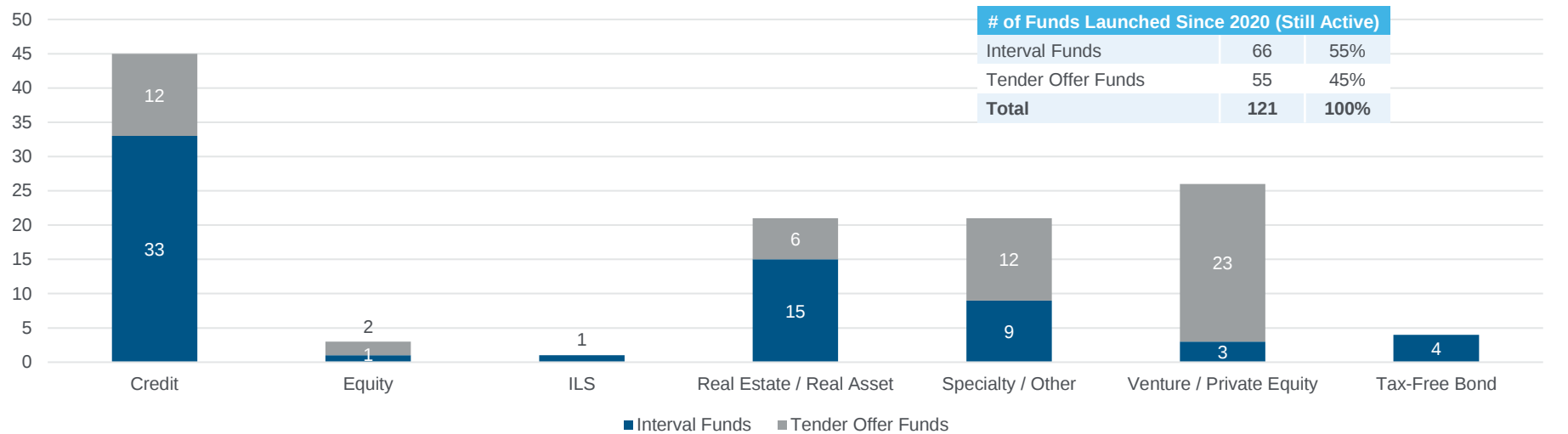
1. 1940 Act Funds not filed under the 1933 Act do not have an effective date and can be considered automatically effective

Growth in the Market Has Been Driven by Credit and Private Equity

Interval vs Tender Offer Funds: Market Entrants Launches by Fund Structure (Since 2010)

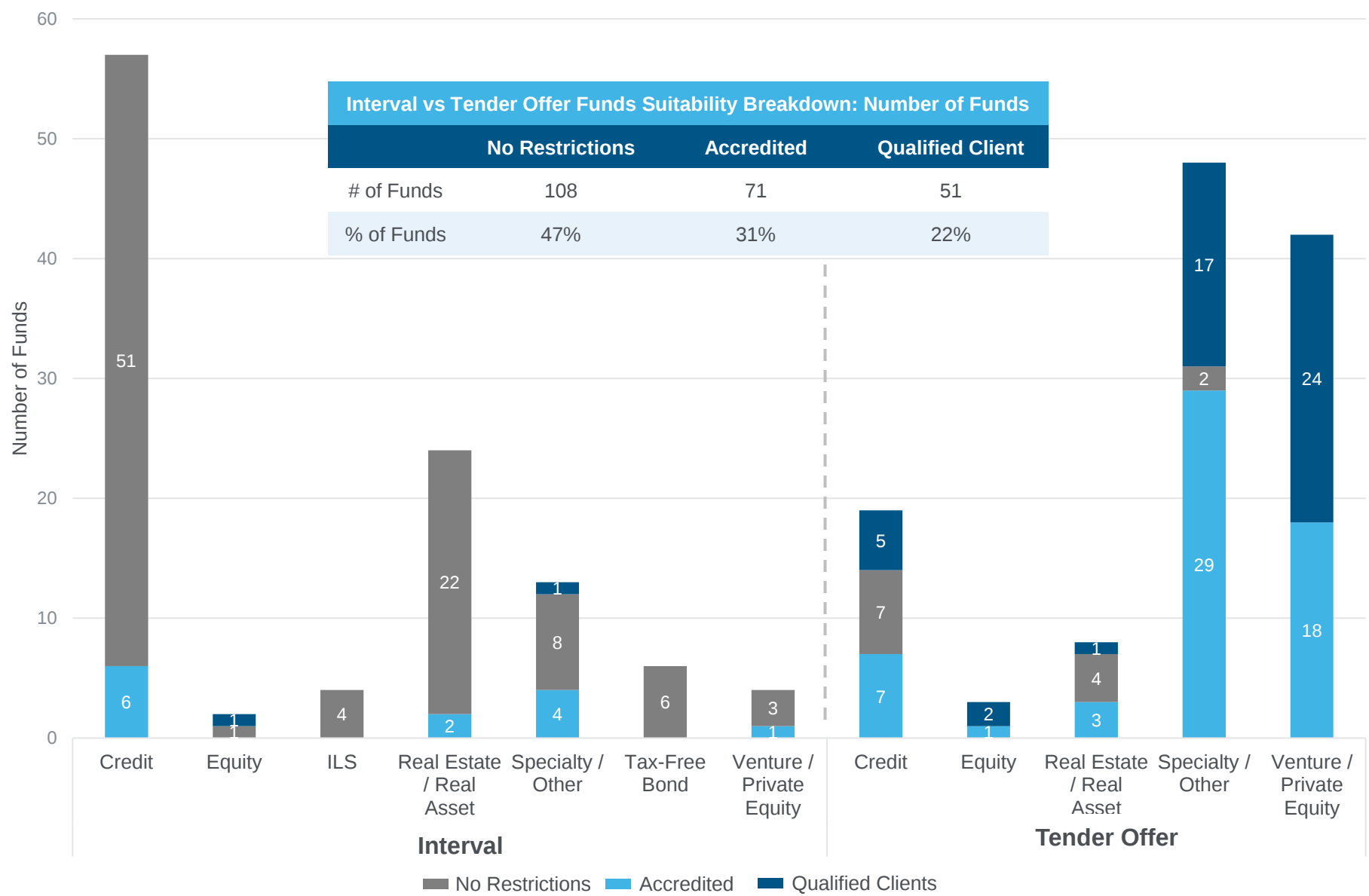


Non-listed CEFs¹ Launched Since 2020 (Still Active)



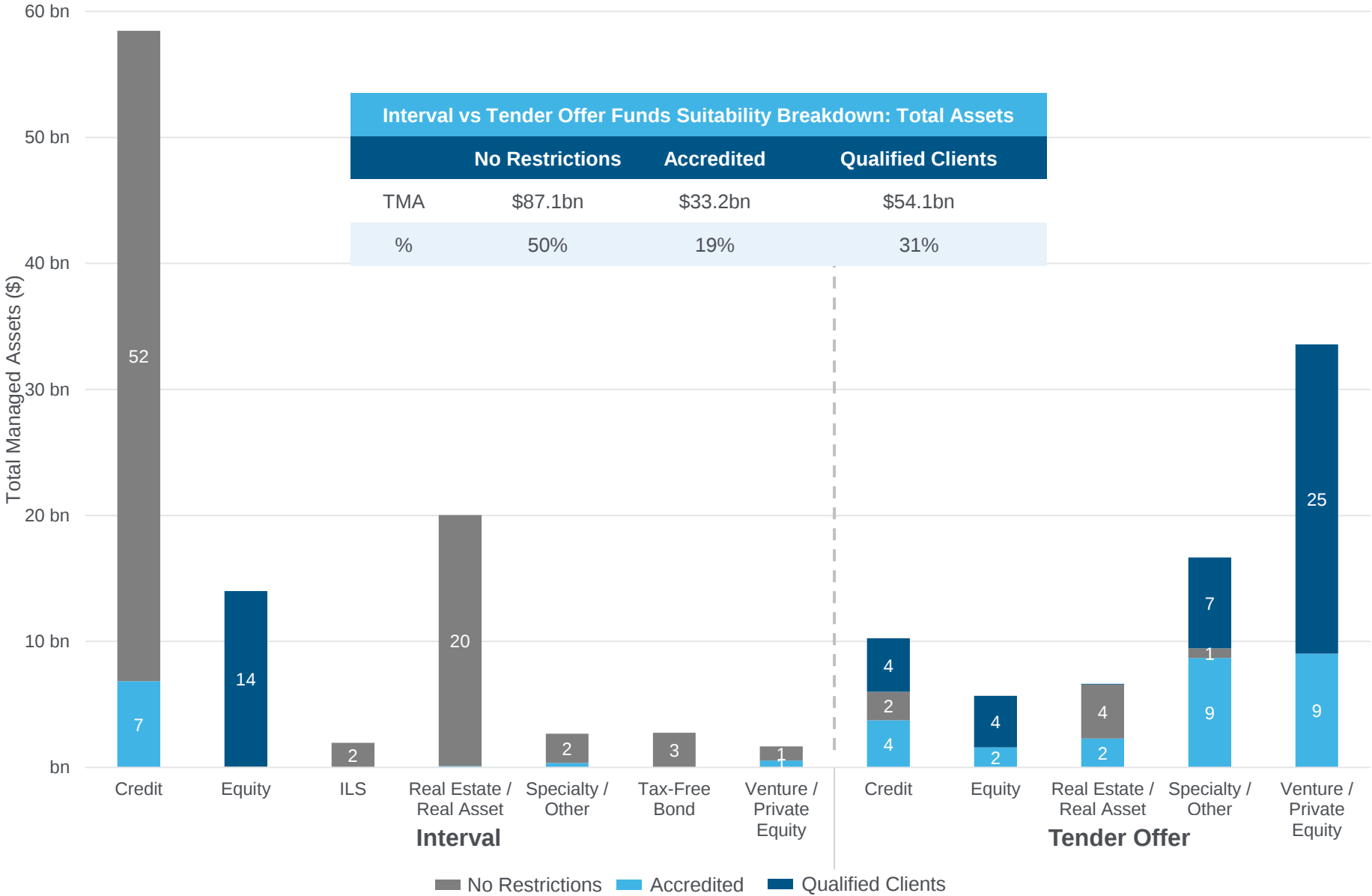
Source: XA Investments; CEFDData.com; Bloomberg.
Notes: Data as of 6/30/2024 or latest publicly available.
1. Active non-listed CEFs refers to interval and tender offer funds that are open and available for new sales in the market and does not account for fund closures.

Funds Without Suitability Restrictions Dominate the Market by Number of Funds



Data as of 6/30/2024 or latest publicly available. Source: XA Investments; CEFDData.com.
Note: No restrictions represents funds that have no suitability restrictions imposed at the fund level.

Funds Without Suitability Restrictions Account for Half of Total Managed Assets in the Market



Data as of 6/30/2024 or latest publicly available. Source: XA Investments; CEFDData.com.
Note: No restrictions represents funds that have no suitability restrictions imposed at the fund level. "TMA" represents total managed assets.

Top 20: Market Leading Funds Have at Least \$2bn+ in Total Managed Assets

#	Inception Date	Fund Name	Fund Structure	Asset Class	Sponsor	Sub-Advisers	Suitability	Wirehouse Platform	Total Managed Assets (\$mm)	Net Assets (\$mm)	Net Expense Ratio (%) ¹
1	6/5/2019	Cliffwater Corporate Lending Fund	Interval	Credit	Cliffwater	N/A	No Restrictions	-	22,839	17,873	3.42%
2	7/1/2009	Partners Group Private Equity (Master Fund), LLC	Tender Offer	Venture / Private Equity	Partners Group	N/A	Qualified Clients	ML, MS, UBS, WF	15,403	14,805	1.88%
3	3/1/2010	ACAP Strategic Fund	Interval	Equity	SilverBay Capital	N/A	Qualified Clients	ML, MS, UBS, WF	13,941	8,445	1.62%
4	10/22/2012	Bluerock Total Income (plus) Real Estate Fund	Interval	Real Estate / Real Asset	Bluerock	Mercer; RREEF	No Restrictions	MS, UBS	5,739	5,016	1.72%
5	1/1/2011	Ironwood Institutional Multi-Strategy Fund LLC ²	Tender Offer	Specialty / Other	Ironwood	N/A	Qualified Clients	ML, MS	5,161	5,102	1.37%
6	1/26/2017	CION Ares Diversified Credit Fund	Interval	Credit	CION Ares Management	Ares	No Restrictions	MS, UBS, WF	5,100	4,426	4.18%
7	6/30/2014	Apollo Diversified Real Estate Fund	Interval	Real Estate / Real Asset	Apollo	Aon CenterSquare	No Restrictions	MS, UBS	5,044	4,636	1.66%
8	2/22/2017	PIMCO Flexible Credit Income Fund	Interval	Credit	PIMCO	N/A	No Restrictions	ML, MS, UBS, WF	4,733	2,812	2.21%
9	6/4/2018	Carlyle Tactical Private Credit Fund	Interval	Credit	Carlyle	N/A	No Restrictions	MS	4,110	3,074	6.22%
10	5/4/1999	Advantage Advisers Xanthus Fund, L.L.C.	Tender Offer	Equity	Advantage Advisers	Alkeon	Qualified Clients	-	4,022	2,533	4.08%
11	7/1/2021	Cliffwater Enhanced Lending Fund	Interval	Credit	Cliffwater	N/A	Accredited	-	3,278	2,926	2.20%
12	10/27/2015	AMG Pantheon Fund, LLC	Tender Offer	Venture / Private Equity	Pantheon	N/A	Accredited	MS	3,276	3,047	0.12%
13	10/2/2017	Variant Alternative Income Fund	Interval	Credit	Variant Investments	N/A	Accredited	-	3,122	3,072	1.67%
14	9/18/2017	Versus Capital Real Assets Fund LLC	Interval	Real Estate / Real Asset	Versus Capital	Brookfield; Lazard	No Restrictions	-	3,063	2,947	1.36%
15	6/1/2016	Stone Ridge Alternative Lending Risk Premium Fund	Interval	Credit	Stone Ridge	N/A	No Restrictions	-	2,579	1,895	6.83%
16	10/1/2020	StepStone Private Markets	Tender Offer	Specialty / Other	StepStone	StepStone	Accredited	MS, WF	2,336	2,324	2.09%
17	10/1/2018	AIP Alternative Lending Fund A ²	Tender Offer	Credit	Morgan Stanley	N/A	Accredited	MS	2,315	1,680	6.03%
18	11/1/2023	Brookfield Infrastructure Income Fund Inc. ³	Tender Offer	Real Estate / Real Asset	Brookfield	Brookfield	No Restrictions	-	2,300	2,300	2.18%
19	7/9/2012	Versus Capital Multi-Manager Real Estate Income Fund LLC	Interval	Real Estate / Real Asset	Versus Capital	Principal Security Capital	No Restrictions	-	2,140	2,131	1.38%
20	1/11/2019	John Hancock GA Mortgage Trust	Tender Offer	Real Estate / Real Asset	John Hancock / Manulife	N/A	Accredited	-	2,068	2,009	0.35%

Sources: XA Investments; CEFData.com; sponsor websites and prospectuses. Data as of 6/30/2024 or latest publicly available.

Notes: Data is listed in order of total managed assets, highest to lowest. No Restrictions indicates funds with no fund-level investor suitability restrictions.

*Denotes whether the fund charges its management fee on net or total managed assets.

+Fund does not publicly report total managed assets at the same frequency as net assets.

^Funds are not eligible for purchase (hold only).

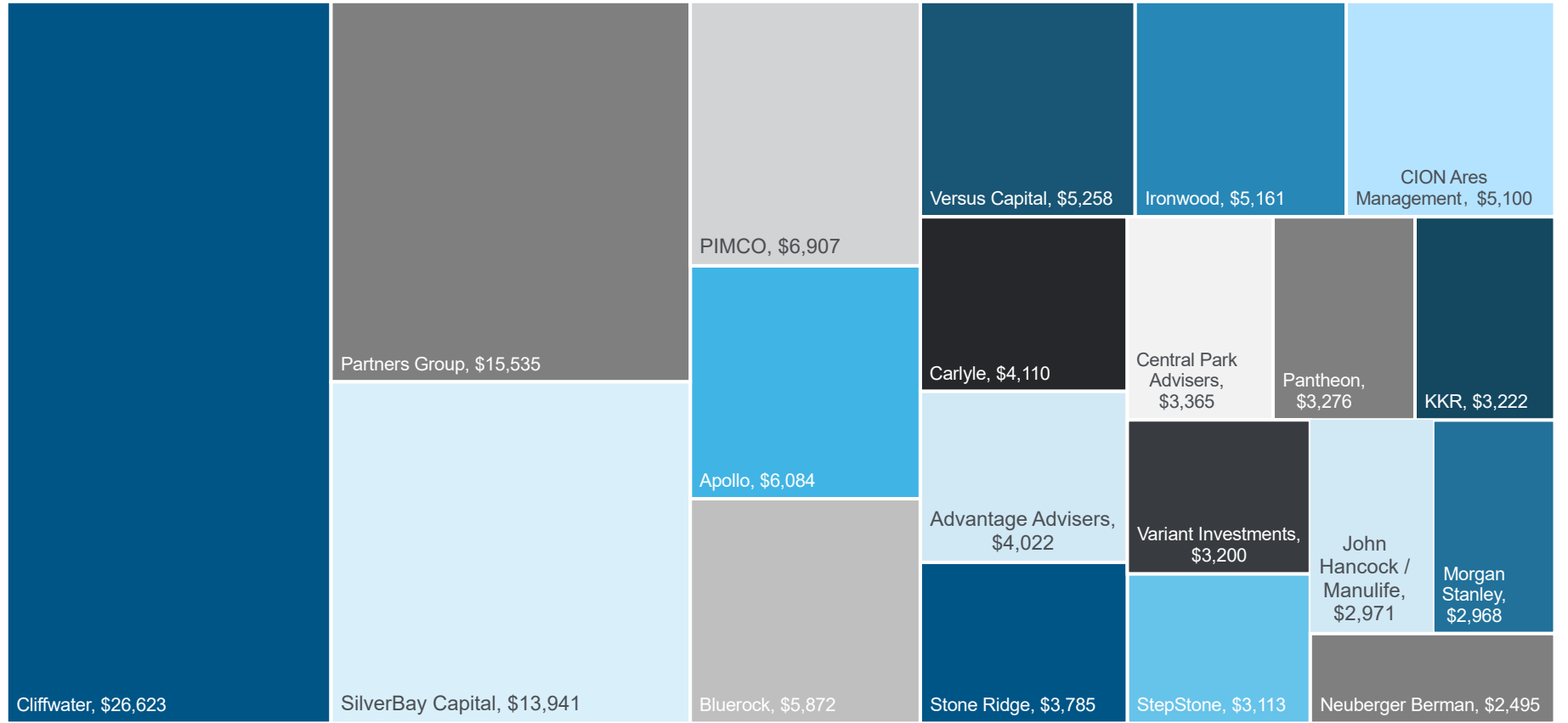
1. Represents the most recently published, lowest net expense ratio across share classes for each fund. May include expense reimbursements and/or fee waivers.

2. The Ironwood Institutional Multi-Strategy Fund LLC and the AIP Alternative Lending Fund A are both master funds.

3. Denotes a new addition to the top 20 funds list (compared to 2023 end).

Leading Sponsors Double Down: 41 Fund Sponsors Have Two or More Funds

Top 20 Sponsors by Total Managed Assets (\$mm)



	Unique Sponsors ^{1,2}	Total Funds ^{1,2}	Total Managed Assets (\$bn) ²
All Fund Sponsors	130	230	\$174
Fund Sponsors with 2+ Interval or Tender Offer Funds	41	141	\$120
Fund Sponsors with 2 Interval or Tender Offer Funds in the Top 20 ³	2	4	\$31

Source: XA Investments; CEFDData.com.
Notes: Data as of 6/30/2024 or latest publicly available.
1. Master feeder funds are included in calculations
2. Data represents only active funds and does not include funds in SEC registration.
3. "Top 20" refers to the 20 largest funds in XA's records based on AUM

Credit Funds Lead the Number of Funds Available on Wirehouse Platforms

Non-listed CEFs Available in the Wires¹

#	Fund Name	Inception Date	Fund Structure	Asset Class	Total Assets (\$mm)	Merrill Lynch	Morgan Stanley	UBS	Wells Fargo
1	Partners Group Private Equity (Master Fund), LLC	7/1/2009	Tender Offer	Venture / Private Equity	15,412	X	X	X	X
2	ACAP Strategic Fund	3/1/2010	Interval	Equity	13,941	X	X	X	X
3	Bluerock Total Income (plus) Real Estate Fund	10/22/2012	Interval	Real Estate / Real Asset	5,739		X	*	
4	Ironwood Institutional Multi-Strategy Fund LLC	1/1/2011	Tender Offer	Specialty / Other	5,161	X	X		X
5	CION Ares Diversified Credit Fund	1/26/2017	Interval	Credit	5,100		X	X	X
6	Apollo Diversified Real Estate Fund ²	6/30/2014	Interval	Real Estate / Real Asset	5,044		X	*	
7	PIMCO Flexible Credit Income Fund	2/22/2017	Interval	Credit	4,830	X	X	X	X
8	Carlyle Tactical Private Credit Fund	6/4/2018	Interval	Credit	4,110		X		
9	AMG Pantheon Fund, LLC	10/27/2015	Tender Offer	Venture / Private Equity	3,276		X		
10	StepStone Private Markets	10/1/2020	Tender Offer	Specialty / Other	2,700		X		X
11	AIP Alternative Lending Fund P	10/1/2018	Tender Offer	Credit	2,313		X		
12	Hamilton Lane Private Assets Fund	1/4/2021	Tender Offer	Venture / Private Equity	2,040	X	X		
13	Lord Abbett Credit Opportunities Fund	2/15/2019	Interval	Credit	1,950	X		X	
14	PIMCO Flexible Municipal Income Fund	3/15/2019	Interval	Tax Free Bond	1,837	X	X	X	X
15	Pomona Investment Fund	5/7/2015	Tender Offer	Venture / Private Equity	1,727		X		
16	KKR Real Estate Select Trust Inc.	7/2/2020	Tender Offer	Real Estate / Real Asset	1,200		X		
17	KKR Credit Opportunities Portfolio	2/28/2020	Interval	Credit	1,003	X	X	X	
18	FS MVP Private Markets Fund	1/3/2022	Tender Offer	Specialty / Other	752		X		
19	FS Credit Income Fund	11/1/2017	Interval	Credit	721		X	*	
20	Clarion Partners Real Estate Income Fund Inc.	9/27/2019	Tender Offer	Real Estate / Real Asset	695		X		
21	Nuveen Enhanced High Yield Municipal Bond Fund	6/30/2021	Interval	Tax Free Bond	572	X		X	
22	BlackRock Credit Strategies Fund	2/28/2019	Interval	Credit	530		X	X	
23	Invesco Senior Loan Fund	2/18/2005	Interval	Credit	453			X	
24	Blackstone Floating Rate Enhanced Income Fund	1/18/2018	Interval	Credit	332		X	X	
25	1WS Credit Income Fund	3/4/2019	Interval	Credit	325	X		X	
26	Voya Credit Income Fund	4/2/2001	Interval	Credit	140			X	
27	PIMCO California Flexible Municipal Income Fund	6/27/2022	Interval	Tax Free Bond	118	X			
28	NB Private Markets Fund III	10/25/2013	Tender Offer	Venture / Private Equity	63		X		
Total						11	22	13 / 3*	7
Credit						4	8	10	2
Real Estate / Real Asset						0	4	2	0
Tax Free Bond						3	1	2	1
Venture / Private Equity						2	5	1	1
Equity						1	1	1	1
Specialty / Other						1	3	0	2

Source: XA Investments. If you learn of platform additions, please let us know, and we will update our matrix. Thank you in advance.

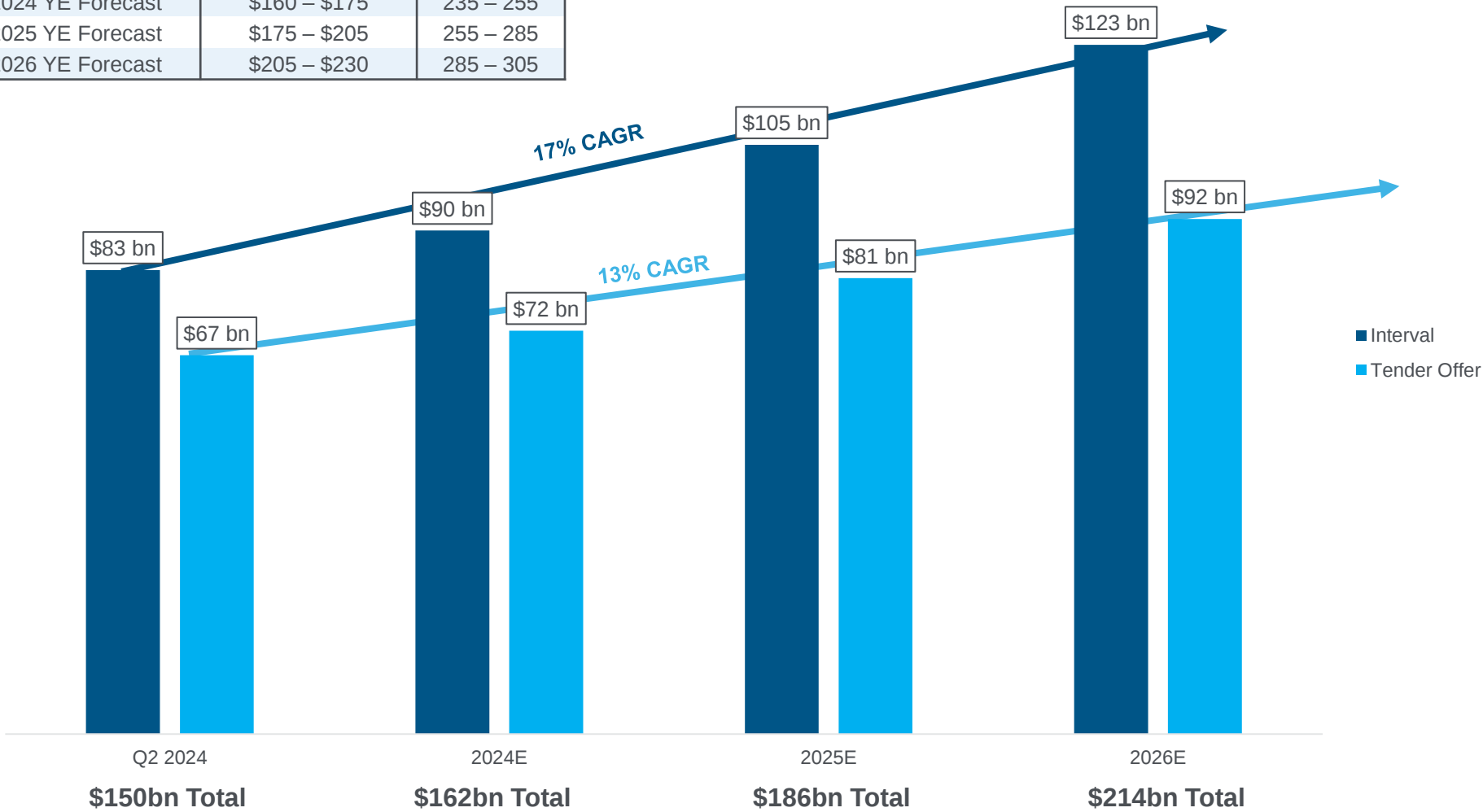
Notes: Data as of 6/30/2024 or latest publicly available. *Funds are not eligible for purchase (hold only).

1. Funds are listed in order of assets. Wires listed in alphabetical order from left to right.

2. Formerly the Griffin Institutional Access Real Estate Fund.

XAI Research Forecast: Interval Fund Growth Outpacing Tender Offer Fund Growth

	Net Assets ¹ (\$bn)	# of Funds
6/30/2024	\$150	230
2024 YE Forecast	\$160 – \$175	235 – 255
2025 YE Forecast	\$175 – \$205	255 – 285
2026 YE Forecast	\$205 – \$230	285 – 305



E = Estimated

Source: XA Investments.
Note: XAI's forecast uses estimates of future net flows, fund launches, and growth in recently launched funds. XAI expects continued growth in interval and tender offer fund net assets.
1. Net assets above represents total managed assets net of any liabilities, including leverage. 2024 actual figures are latest publicly available as of 3/31/2024.

Net Flows

Important Note: Net flows are reported in Form NPORT-P (“NPORTs”), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in the following section is as of 3/31/2024 and represents the latest publicly available data.

Section Summary

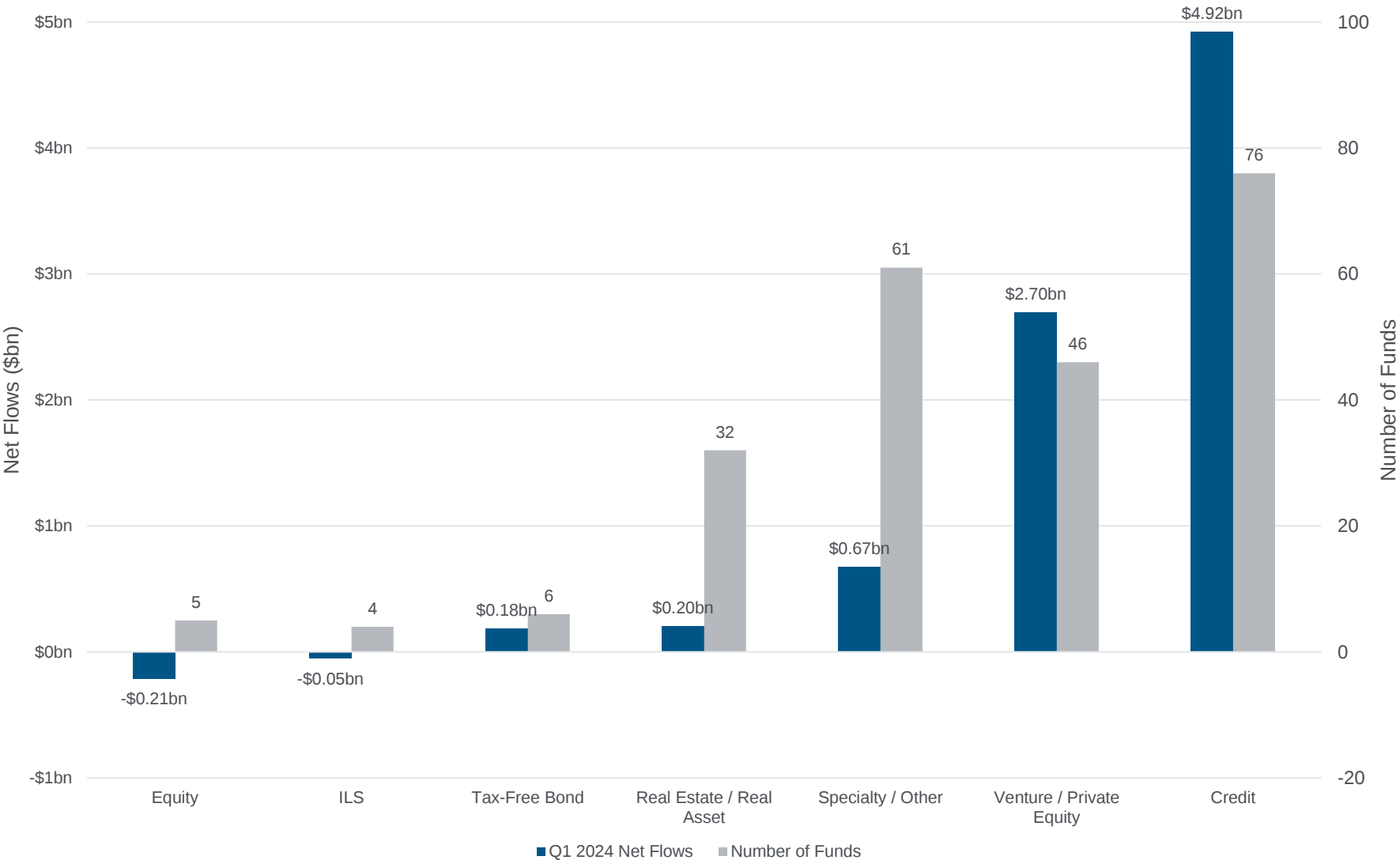
- Credit dominated capital raising in Q1 2024, with Cliffwater leading the category
- Market wide net flows increased quarter-over-quarter
- The majority of net flows in Q1 2024 went into funds that have daily NAVs and no suitability restrictions
- The largest interval / tender offer funds benefitted from quarter-over-quarter growth in net flows
- Thank you to participating interval fund sponsors for submitting net flow data monthly to Cerulli Associates. Cerulli and XAI are working to expand the group of reporting firms. Contact XAI for more information if you wish to self-report net flows. Only firms that self-report are able to access industry data from other self-reporting firms.



Note: Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 3/31/2024 and represents the latest publicly available data.

Well-established Fund Categories Such as Credit and PE Lead in Net Flows and Total Number of Funds

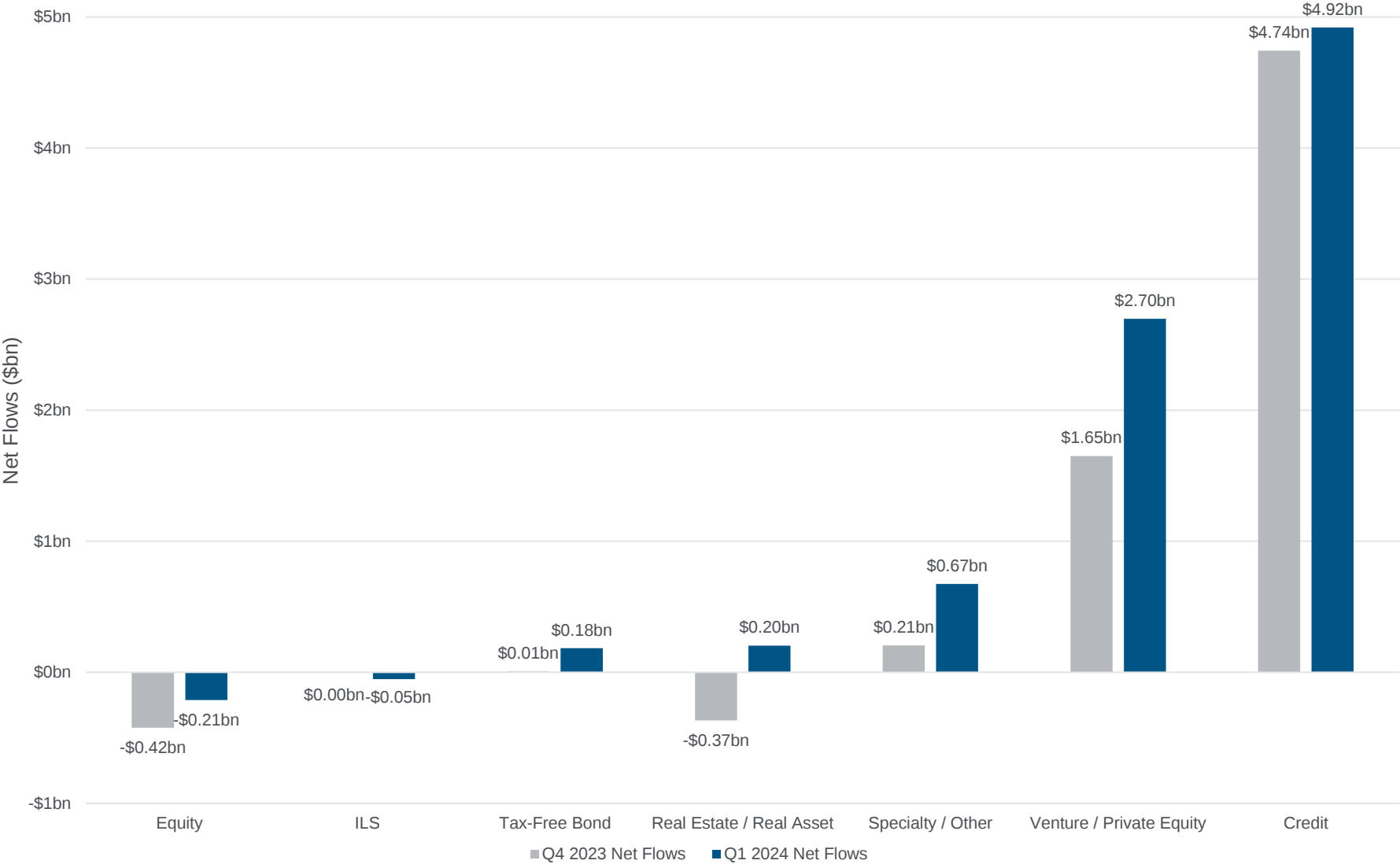
2024 YTD Net Flows by Asset Class¹



Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Note: 1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 3/31/2024 and represents the latest publicly available data.

Net Flows Increased Quarter-Over-Quarter

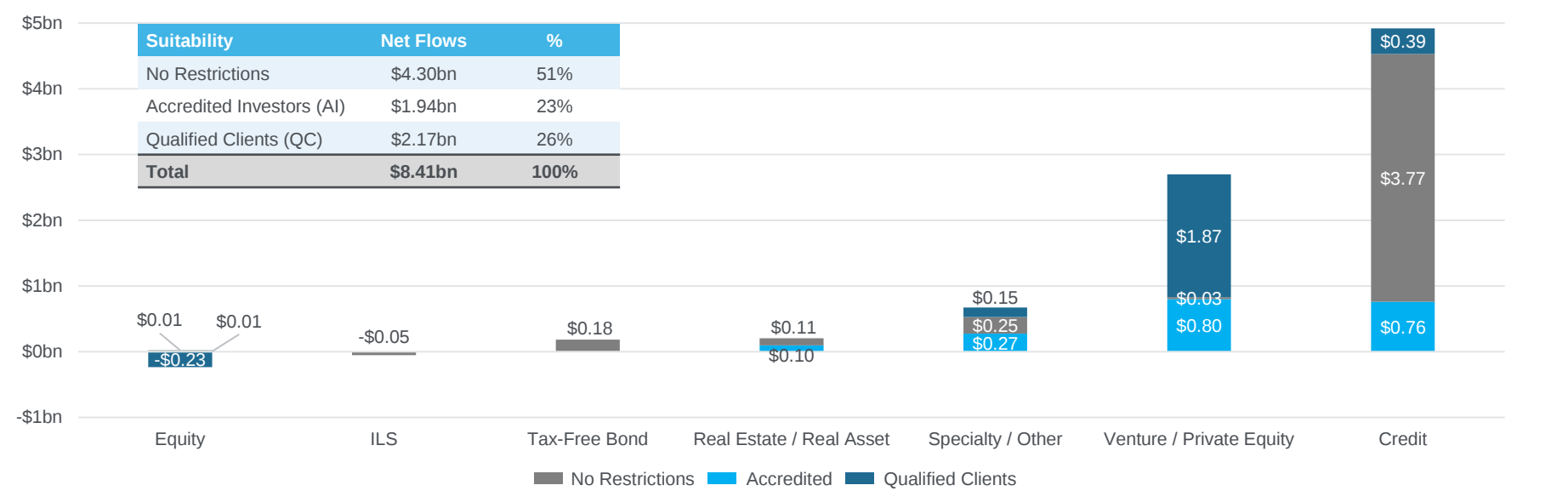
Quarter-Over-Quarter Net Flows Comparison¹



Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Note: 1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 3/31/2024 and represents the latest publicly available data.

51% of the YTD Net Flows Went to Funds Without Suitability Restrictions and Daily Valuations

2024 YTD Net Flows by Investor Suitability¹



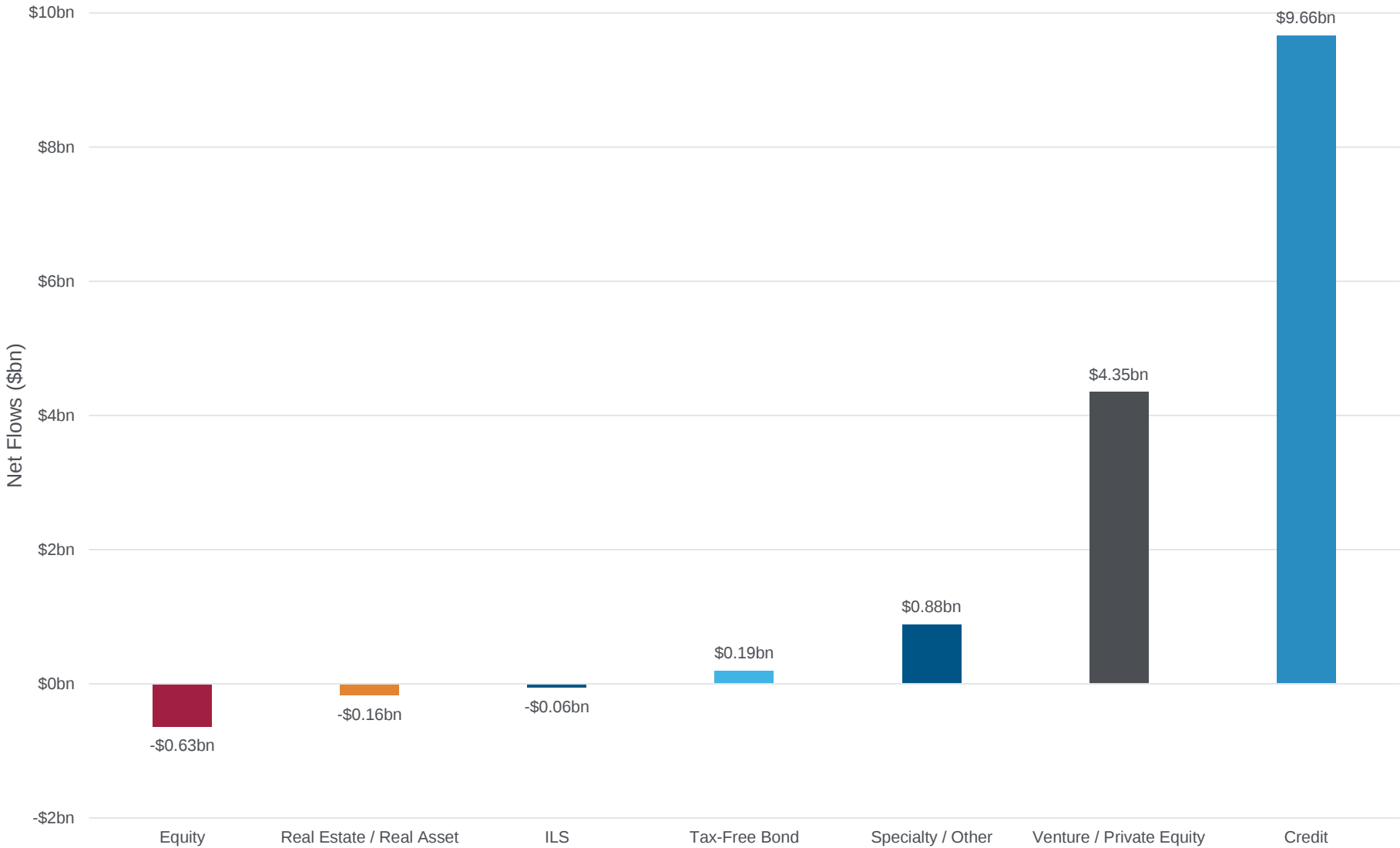
2024 YTD Net Flows by Valuation Frequency¹



Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Note: 1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 3/31/2024 and represents the latest publicly available data.

Credit Dominates Net Flows by Asset Class Over the Last Six Months

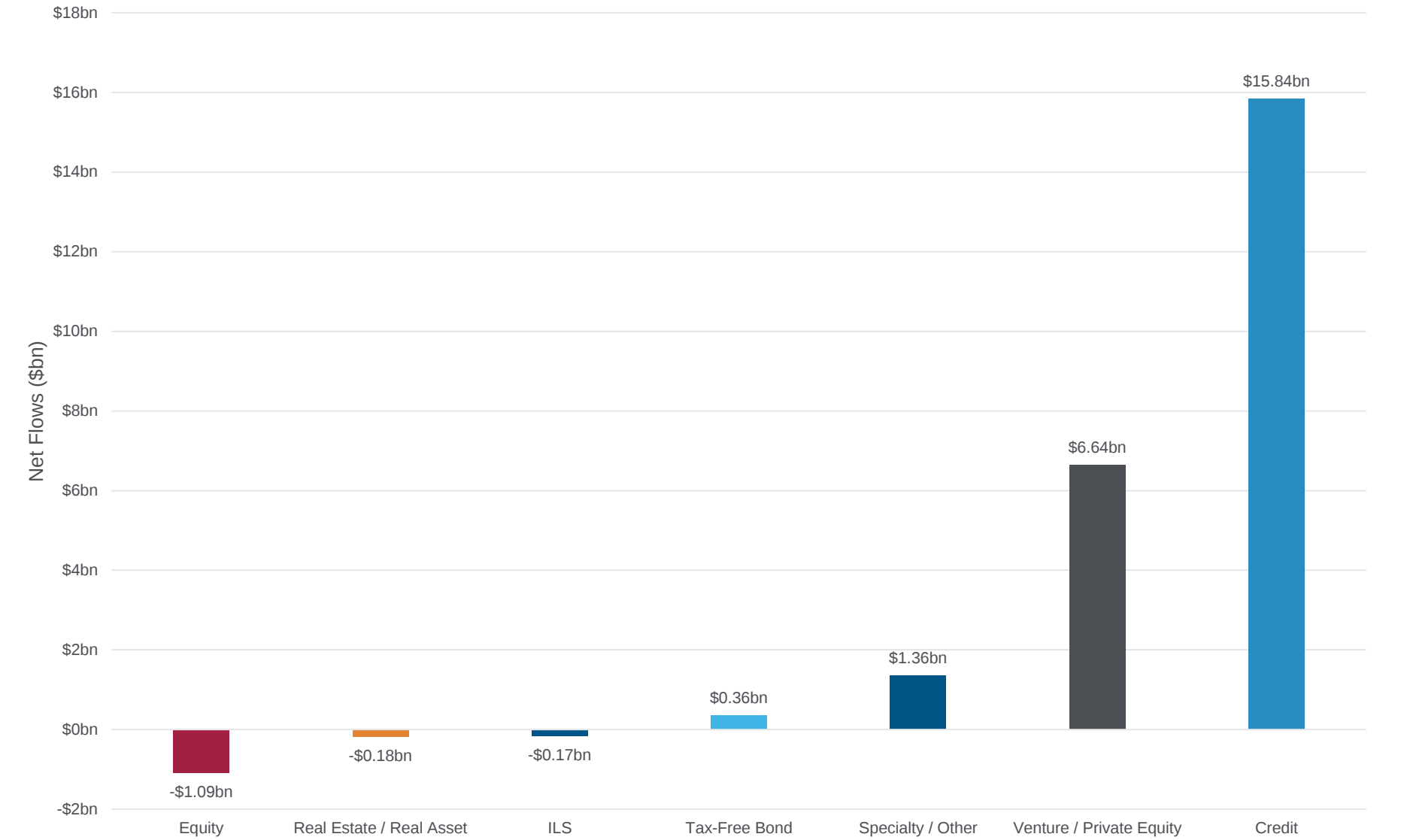
\$14.23bn in Total Market Net Flows (Six Months Ended 3/31/2024)¹



Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Note: 1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 3/31/2024 and represents the latest publicly available data.

Credit Dominates Net Flows by Asset Class Over the Last Twelve Months

\$22.77bn in Total Market Net Flows (Twelve Months Ended 3/31/2024)¹



Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Note: 1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 3/31/2024 and represents the latest publicly available data.

Market Leaders Continue to Grow: Quarter-Over-Quarter Net Flows

Net Flows for Top 20 Funds Ranked by AUM

Rank ¹	Inception Date	Name	Structure	Asset Class	Total Managed Assets (\$mm)	Net Flows Q4 2023 (\$mm)	Net Flows Q1 2024 (\$mm)	% Change	
1	6/5/2019	Cliffwater Corporate Lending Fund	Interval	Credit	17,873	1,999	1,929	-3%	↓
2	7/1/2009	Partners Group Private Equity (Master Fund), LLC	Tender Offer	Venture / Private Equity	14,805	142	695	389%	↑
3	3/1/2010	ACAP Strategic Fund	Interval	Equity	8,445	-297	-234	21%	↑
4	1/1/2011	Ironwood Institutional Multi-Strategy Fund LLC ²	Tender Offer	Specialty / Other	5,102	49	171	246%	↑
5	10/22/2012	Bluerock Total Income (plus) Real Estate Fund	Interval	Real Estate / Real Asset	5,016	-167	-143	15%	↑
6	6/30/2014	Apollo Diversified Real Estate Fund	Interval	Real Estate / Real Asset	4,636	-158	-140	11%	↑
7	1/26/2017	CION Ares Diversified Credit Fund	Interval	Credit	4,426	271	314	16%	↑
8	6/4/2018	Carlyle Tactical Private Credit Fund	Interval	Credit	3,074	492	374	-24%	↓
9	10/2/2017	Variant Alternative Income Fund	Interval	Credit	3,072	85	76	-10%	↓
10	10/27/2015	AMG Pantheon Fund, LLC	Tender Offer	Venture / Private Equity	3,047	281	327	17%	↑
11	9/18/2017	Versus Capital Real Assets Fund LLC	Interval	Real Estate / Real Asset	2,947	-93	-31	67%	↑
12	7/1/2021	Cliffwater Enhanced Lending Fund	Interval	Credit	2,926	345	365	6%	↑
13	2/22/2017	PIMCO Flexible Credit Income Fund	Interval	Credit	2,812	-13	0	97%	↑
14	5/4/1999	Advantage Advisers Xanthus Fund, L.L.C.	Tender Offer	Equity	2,533	-128	4	103%	↑
15	10/1/2020	StepStone Private Markets	Tender Offer	Specialty / Other	2,324	225	388	72%	↑
16	11/1/2023	Brookfield Infrastructure Income Fund Inc. ³	Tender Offer	Real Estate / Real Asset	2,300	-3	426	N/A	
17	7/9/2012	Versus Capital Multi-Manager Real Estate Income Fund LLC	Interval	Real Estate / Real Asset	2,131	-77	-62	20%	↑
18	1/11/2019	John Hancock GA Mortgage Trust	Tender Offer	Real Estate / Real Asset	2,009	20	60	200%	↑
19	6/1/2016	Stone Ridge Alternative Lending Risk Premium Fund ⁴	Interval	Credit	1,895	-4	-4	N/A	
20	10/1/2018	AIP Alternative Lending Fund A	Tender Offer	Credit	1,680	157	-89	-157%	↓
				Total	93,053	3,133	4,430	41%	↑

Sources: CEFData.com; XA Investments. Flow data sourced from SEC NPORT filings.

1. Funds ranked in descending order by net flows from Q1 2024.

2. The Ironwood Institutional Multi-Strategy Fund LLC is a master fund

3. The Brookfield Infrastructure Income Fund Inc. converted a Luxembourg predecessor fund receiving in-kind capital contributions of net assets valued at \$1,548,637,987.

4. The Stone Ridge Alternative Lending Risk Premium Fund net flows were inaccessible at the time of reporting.

Funds With the Highest Net Flows in Each Asset Class¹

	31-Oct	30-Nov	31-Dec	31-Jan	29-Feb	31-Mar	Total
Credit							
Cliffwater Corporate Lending Fund							
Purchases	789.45	676.22	852.62	761.58	808.16	733.60	4621.62
Dividend Reinvestment	112.15	-	45.25	0.03	-	0.07	157.50
Redemptions	-	-476.54	0.00	-	-374.19	-	-850.73
Net Flows	901.60	199.67	897.87	761.61	433.97	733.67	3928.39
Venture / Private Equity							
Partners Group Private Equity (Master Fund), LLC							
Purchases	137.54	120.15	118.91	160.92	157.65	206.38	901.55
Dividend Reinvestment	-	-	-	359.49	-	-	359.49
Redemptions	-223.73	-4.74	-5.94	-184.12	-2.14	-3.48	-424.14
Net Flows	-86.20	115.41	112.97	336.29	155.51	202.91	836.90
Specialty / Other							
StepStone Private Markets							
Purchases	81.38	68.97	91.06	103.12	150.15	148.47	643.16
Dividend Reinvestment	-	3.50	-	-	-	-	3.50
Redemptions	-0.14	-0.30	-19.14	-0.10	-0.17	-13.83	-33.69
Net Flows	81.25	72.17	71.93	103.02	149.98	134.63	612.97
Real Estate / Real Asset							
Brookfield Infrastructure Income Fund Inc.²							
Purchases	-	-	-.2	132.81	139.32	146.60	418.73
Dividend Reinvestment	-	-	-.2	2.21	2.39	2.60	7.20
Redemptions	-	-	-.2	-	-	-	-
Net Flows	-	-	-.2	135.02	141.71	149.20	425.93
Tax-Free Bond							
Nuveen Enhanced High Yield Municipal Bond Fund							
Purchases	11.20	29.78	18.20	14.50	24.15	25.99	123.81
Dividend Reinvestment	0.51	0.56	0.60	0.67	0.70	0.74	3.78
Redemptions	-	-1.07	-	-2.02	-2.87	-	-5.96
Net Flows	11.70	29.27	18.80	13.14	21.99	26.72	121.62
Equity							
Ark Venture Fund							
Purchases	0.84	3.15	5.17	5.62	5.00	4.82	24.60
Dividend Reinvestment	-	-	0.29	-	-	-	0.29
Redemptions	-0.60	-	-	-0.68	-	-	-1.28
Net Flows	0.24	3.15	5.46	4.95	5.00	4.82	23.60
ILS							
Pioneer ILS Interval Fund							
Purchases	0.10	16.07	7.78	0.05	9.37	7.49	40.86
Dividend Reinvestment	-	14.57	-	-	-	-	14.57
Redemptions	-	-4.93	-33.13	-	-	-20.29	-58.34
Net Flows	0.10	25.72	-25.34	0.05	9.37	-12.80	-2.91

Sources: CEFDData.com; XA Investments. Flow data sourced from SEC NPORT filings.

1. Funds selected had the highest net flows in their asset class in the past 6 months ending 3/31/2024. Amounts in \$mm.

2. The Brookfield Infrastructure Income Fund Inc. commenced operations on 11/1/2023 and converted a Luxemburg predecessor fund receiving in-kind capital contributions of net assets valued at \$1,548,637,987.

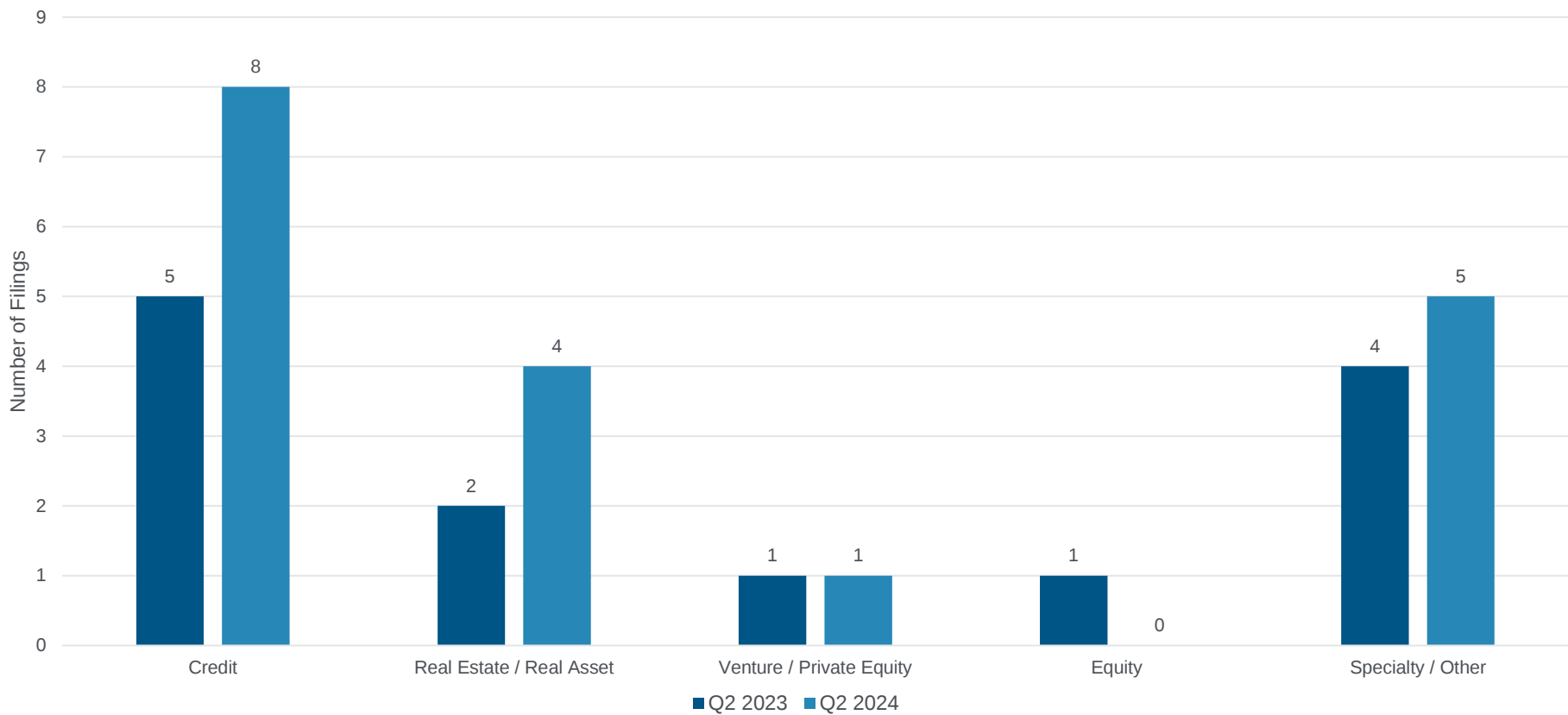
New Market Entrants and SEC Registration Overview

Section Summary

- In Q2 2024, newly launched non-listed CEFs completed an average of 3.5 N-2 / N-2A filings and spent 178 days or ~6 months in the SEC registration process
- Asset class continues to be the main driver of length of SEC review process, with credit and real estate funds being faster to launch compared to specialty funds
- The backlog of funds in the SEC registration process grew quarter-over-quarter from 42 to 50 funds, with more fund filings anticipated to come this year
- 10 funds launched in Q2 2024. Of these funds, TCW Asset Management Company and Axxes were new entrants to the market.

New Fund Filings Up 38% in Q2 2024 as Compared to Q2 2023

Non-Listed CEF Initial Registration Statements¹



Accelerated Pace of New Fund Filings

- The non-listed CEF market has seen an uptick in the number of initial registration statements filed in 2024
- 18 registration statements were filed in Q2 2024 as compared to 13 filings in Q2 2023
- The pace of new fund filings has been driven by both existing fund sponsors and new market entrants
- XA Investments tracks and provides summary alerts for initial fund filings; contact lgaskill@xainvestments.com to receive alerts

Source: XA Investments; SEC filings.
Notes: Data as of 6/30/2024.
1. Represents initial form N-2 filings.

SEC Registration Process Averaged Six Months¹ for Funds Launched in Q2 2024 (Page 1 of 2)

1940/1933 Act Funds¹: Notices of Effectiveness Filed in Q2 2024

Fund Name	Structure	Asset Class	New Entrant ³	Effective Date	Number of N-2 Filings	Days in Registration	Fund Legal Counsel
AMG Pantheon Credit Solutions Fund	Interval Fund	Credit	No	4/1/2024	5	179	Ropes & Gray LLP
Apollo S3 Private Markets Fund	Tender Offer	Specialty / Other	No	4/12/2024	3	322	Simpson Thacher & Bartlett LLP
Axxes Private Markets Fund	Interval Fund	Specialty / Other	Yes	4/22/2024	6	234	Eversheds Sutherland (US) LLP
Voya Enhanced Securitized Income Fund	Interval Fund	Credit	No	4/29/2024	3	207	Ropes & Gray LLP
Jackson Real Assets Fund	Interval Fund	Real Estate / Real Asset	No	4/29/2024	3	136	Ropes & Gray LLP
StepStone Private Credit Income Fund	Interval Fund	Credit	No	5/31/2024	4	154	Dechert LLP
Eagle Point Enhanced Income Trust	Tender Offer	Credit	No	6/3/2024	4	234	Dechert LLP
John Hancock Multi Asset Credit Fund	Interval Fund	Credit	No	6/3/2024	2	89	K&L Gates LLP
Principal Private Credit Fund I	Interval Fund	Credit	No	6/3/2024	2	48	Internal Counsel
				Average¹	3.5	178	
				Minimum¹	2	48	
				Maximum¹	6	322	
				Median¹	3	179	

1940 Act Only Funds²: Initial Registration Statements Filed in Q2 2024

Fund Name	Structure	Asset Class	New Entrant ³	Initial N-2 Filing	Inception Date	Initial Capital	Fund Legal Counsel
Macquarie Energy Transition Infrastructure Fund	Tender Offer	Real Estate / Real Asset	No	6/17/2024	TBD	TBD	Kirkland & Ellis LLP
TCW Spirit Direct Lending LLC	Tender Offer	Credit	Yes	5/30/2024	TBD	TBD	Clifford Chance US LLP
First Trust Enhanced Private Credit Fund	Tender Offer	Credit	No	5/6/2024	TBD	TBD	Faegre Drinker Biddle & Reath LLP
Privacore PCAAM Alternative Growth Fund	Tender Offer	Specialty / Other	Yes	4/25/2024	TBD	TBD	Faegre Drinker Biddle & Reath LLP
Privacore PCAAM Alternative Income Fund	Interval Fund	Credit	Yes	4/25/2024	TBD	TBD	Faegre Drinker Biddle & Reath LLP

Sources: XA Investments; SEC Filings.

1. Includes all funds that received a Notice of Effectiveness in Q2 2024. Only funds registered under the 1933 Act receive a Notice of Effectiveness. Funds analyzed had a Notice of Effectiveness received between 4/1/2024 and 6/30/2024. For questions about the registration process, please contact XAI to discuss.

2. 1940 Act only funds. 1940 Act only funds do not receive a Notice of Effectiveness with the SEC, limiting certainty regarding time spent in registration compared to 1940/1933 Act funds.

3. New entrants represent funds launched by fund sponsors with no existing interval or tender offer funds.

SEC Registration Process Averaged Six Months for Funds Launched in Q2 2024¹ (Page 2 of 2)

Funds Launched by Structure

Fund Structure	Number of Funds	Percentage	Average Days in Registration ¹
Interval Fund	7	78%	150
Tender Offer	2	22%	278
Grand Total	9	100%	178

Funds Launched by Manager Experience²

New Entrants	Number of Funds	Percentage	Average Days in Registration ¹
Yes	1	11%	234
No	8	89%	171
Grand Total	9	100%	178

Funds Launched by Asset Class

Asset Class	Number of Funds	Percentage	Average Days in Registration ¹
Credit	6	67%	152
Specialty / Other	2	22%	278
Real Estate / Real Asset	1	11%	136
Grand Total	9	100%	178

Funds Launched by Fund Legal Counsel

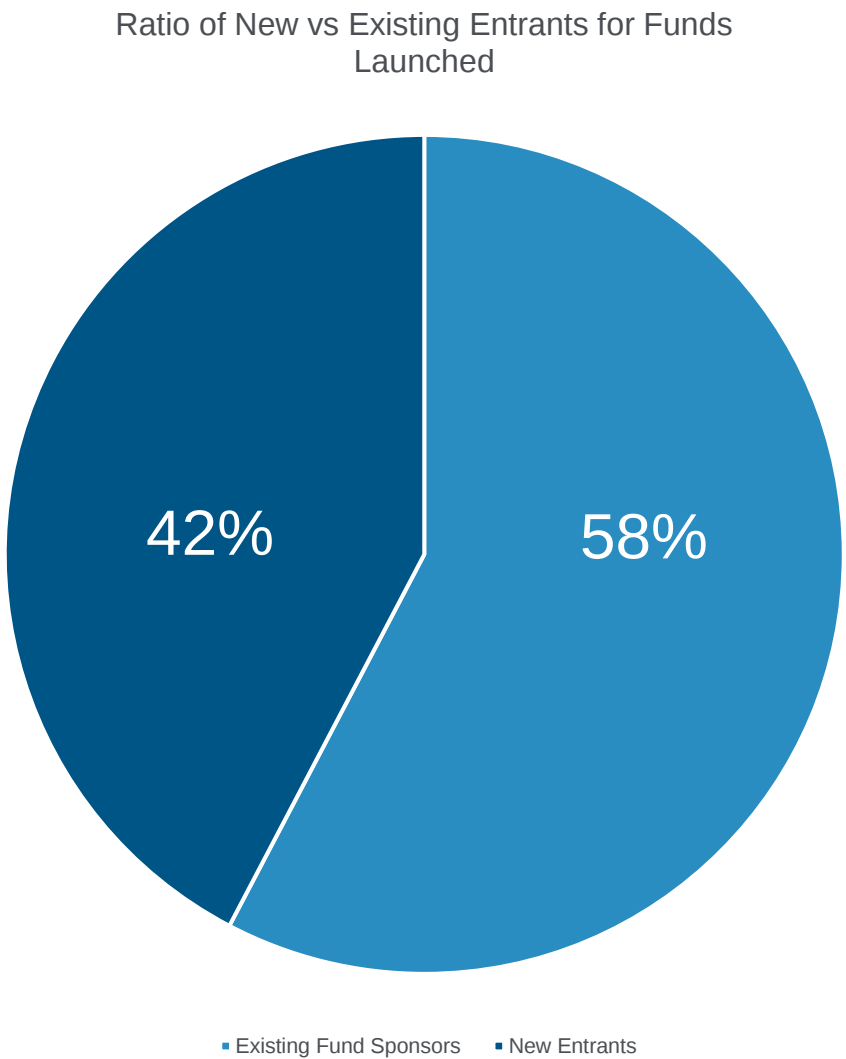
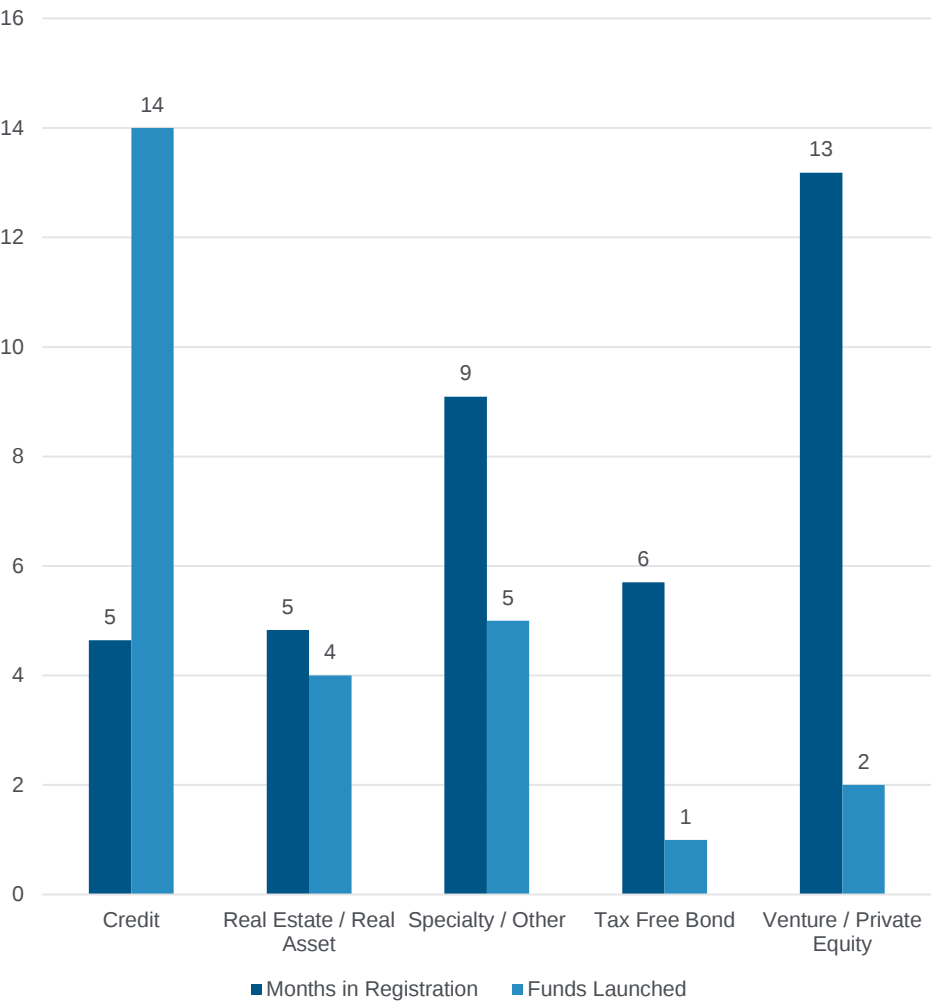
Law Firm	Number of Funds	Average Days in Registration ¹
Ropes & Gray LLP	3	174
Dechert LLP	2	194
Simpson Thacher & Bartlett LLP	1	322
Eversheds Sutherland (US) LLP	1	234
K&L Gates LLP	1	89
Internal Counsel	1	48
Grand Total	9	178

Sources: XA Investments; SEC Filings.

- Includes all funds that received a Notice of Effectiveness in Q2 2024. Only funds registered under the 1933 Act receive a Notice of Effectiveness. As such, 1940 Act only funds have been excluded. Funds analyzed had a Notice of Effectiveness received between 4/1/2024 and 6/30/2024. For questions about the registration process, please contact XAI to discuss.
- Manager experience in the interval / tender offer fund market delineates between a first-time entrant or repeat sponsor. New entrants represent funds launched by fund sponsors with no existing interval or tender offer funds.

Recent Fund Launches: Averaging 6 Months in SEC Registration

Average Months in SEC Registration and Number of Funds Launched by Asset Class^{1,2}



Sources: XA Investments;
Notes: Data as of 6/30/2024 or latest publicly available. Represents funds launched between 6/30/2023 - 6/30/2024.
1. Funds not filed under the 1933 Act do not have an effective date and can be considered automatically effective. Therefore, non-1933 Act funds have been omitted from this data. Months in registration represents all funds that have gone effective in the past year as of 6/30/2023.
2. ALTI Private Equity Access and Commitments Fund and Versus Capital Infrastructure Income Fund were omitted from the data for spending an extraordinary 49 and 46 months in registration, respectively.

Number of Non-listed CEFs in the SEC Registration Process Grows (Page 1 of 2)

Currently, there are 50 funds in the SEC registration process, up from 42 as reported in last quarter’s report.

Fund Name	Sponsor	Asset Class	Structure	Initial Filing	Latest Filing	Number of N-2 Filings	Months in Registration	New Entrant?
Connetic Ventures Fund	Connetic Ventures	Venture / Private Equity	Interval Fund	10/6/2023	6/28/2024	3	9	Yes
Beacon Pointe Multi-Alternative Fund	Beacon Pointe	Specialty / Other	Interval Fund	12/15/2023	6/27/2024	4	7	Yes
Russell Investments New Economy Infrastructure Fund	Russell Investment Management, LLC	Real Estate / Real Asset	Interval Fund	6/21/2024	6/21/2024	1	1	Yes
Sphinx Opportunity Fund II	Sphinx Investments	Specialty / Other	Interval Fund	6/21/2024	6/21/2024	1	1	Yes
HarbourVest Private Investments Fund	HarbourVest	Specialty / Other	Tender Offer	6/21/2024	6/21/2024	1	1	Yes
First Eagle Real Estate Lending Fund	First Eagle	Real Estate / Real Asset	Interval Fund	12/29/2023	6/18/2024	2	6	No
Macquarie Energy Transition Infrastructure Fund	Central Park Advisers	Real Estate / Real Asset	Tender Offer	6/17/2024	6/17/2024	1	N/A ¹	No
Wellington Global Multi-Strategy Fund	Wellington	Specialty / Other	Interval Fund	6/14/2024	6/14/2024	1	1	Yes
The Pop Venture Fund	Pop Venture Advisers LLC	Venture / Private Equity	Interval Fund	3/29/2024	6/10/2024	2	3	Yes
Hamilton Lane Private Infrastructure Fund	Hamilton Lane	Real Estate / Real Asset	Tender Offer	6/6/2024	6/6/2024	1	1	No
StartInvest Venture Fund	StartInvest	Venture / Private Equity	Interval Fund	6/6/2024	6/6/2024	1	1	Yes
Baseline CRE Income Fund	Baseline Partners	Real Estate / Real Asset	Interval Fund	8/4/2023	5/31/2024	3	11	Yes
Booster Income Opportunities Fund	Booster Asset Management	Credit	Interval Fund	5/30/2024	5/30/2024	1	1	Yes
ABL Longevity Growth and Income Fund	ABL Wealth Advisors, LLC	Specialty / Other	Interval Fund	9/7/2023	5/24/2024	6	10	Yes
Lord Abbett Flexible Income Fund	Lord Abbett	Credit	Interval Fund	12/26/2023	5/23/2024	2	7	No
Axxes Opportunistic Credit Fund	Axxes Advisors LLC	Credit	Interval Fund	3/15/2024	5/20/2024	2	4	Yes
Franklin Lexington Private Markets Fund	Franklin Templeton	Specialty / Other	Tender Offer	1/31/2024	5/17/2024	2	5	No
Variant Alternative Lending Fund	Variant	Credit	Tender Offer	5/10/2024	5/10/2024	1	2	No
Diamond Hill Securitized Credit Fund	Diamond Hill	Credit	Interval Fund	5/7/2024	5/7/2024	1	2	Yes
First Trust Enhanced Private Credit Fund	First Trust	Credit	Tender Offer	5/6/2024	5/6/2024	1	N/A ¹	No
Aether Infrastructure & Natural Resources Fund	Aether Investment Partners	Real Estate / Real Asset	Interval Fund	2/28/2024	5/6/2024	2	4	Yes
Steadfast Structured Growth Fund	Veripax Wealth Management	Credit	Interval Fund	4/30/2024	4/30/2024	1	2	Yes
MidBridge Private Markets Fund	Seneca Management and MidOcean	Specialty / Other	Tender Offer	1/5/2023	4/29/2024	5	18	Yes
Privacore PCAAM Alternative Growth Fund	Privacore Capital Advisors	Specialty / Other	Tender Offer	4/25/2024	4/25/2024	1	N/A ¹	Yes
Privacore PCAAM Alternative Income Fund	Privacore Capital Advisors	Credit	Interval Fund	4/25/2024	4/25/2024	1	N/A ¹	Yes

Source: XA Investments; SEC filings. Data as of 6/30/2024.
Note: Funds sorted by initial filing date.
1. 1940 Act only fund. 1940 Act only funds do not receive a Notice of Effectiveness with the SEC, limiting certainty regarding time spent in registration v. 1933 Act funds.

Number of Non-listed CEFs in the SEC Registration Process Grows (Page 2 of 2)

Currently, there are 50 funds in the SEC registration process, up from 42 as reported in last quarter’s report.

Fund Name	Sponsor	Asset Class	Structure	Initial Filing	Latest Filing	Number of N-2 Filings	Months in Registration	New Entrant?
OneAscent Private Markets Access Fund	OneAscent	Specialty / Other	Interval Fund	4/23/2024	4/23/2024	1	3	Yes
Sphinx Opportunity Fund	Sphinx Investments	Real Estate / Real Asset	Interval Fund	4/5/2024	4/5/2024	1	3	Yes
CION Grosvenor Infrastructure Fund	CION Grosvenor	Real Estate / Real Asset	Interval Fund	11/22/2023	3/21/2024	2	8	No
FT Vest Hedged Equity Income Fund: Series A2	First Trust	Equity	Tender Offer	3/11/2024	3/11/2024	1	N/A ¹	No
Accordant Real Estate Growth Fund	Accordant	Real Estate / Real Asset	Interval Fund	3/7/2024	3/7/2024	1	4	No
Gemcorp Commodities Alternative Products Fund	Gemcorp	Specialty / Other	Interval Fund	2/27/2024	2/27/2024	1	N/A ¹	Yes
CPG Vintage Access Fund VII, LLC	Central Park Advisors	Venture / Private Equity	Tender Offer	2/2/2024	2/2/2024	1	N/A ¹	No
Fairway Private Markets Fund	Fairway Capital Management	Specialty / Other	Tender Offer	1/31/2024	1/31/2024	1	5	No
Catalyst Strategic Income Opportunities Fund	Catalyst Capital Advisors	Credit	Interval Fund	1/17/2024	1/17/2024	1	6	Yes
Fidelity Floating Rate Opportunitites Fund	Fidelity	Credit	Interval Fund	1/5/2024	1/5/2024	1	6	No
Nuveen Enhanced Floating Rate Income Fund	Nuveen	Credit	Interval Fund	11/21/2023	11/21/2023	1	8	No
Principal Private Credit Fund	Principal Global Investors	Credit	Interval Fund	8/25/2023	11/14/2023	2	11	Yes
AB CarVal Opportunistic Credit Fund	AB CarVal Investors	Credit	Interval Fund	3/27/2023	10/31/2023	4	16	Yes
Equi Diversified Core Fund	Equilibrium Ventures	Specialty / Other	Tender Offer	5/9/2023	10/18/2023	2	14	Yes
List Income Opportunities Fund	Legalist	Specialty / Other	Interval Fund	4/7/2023	7/26/2023	2	15	Yes
AIR Diversified Alpha Fund	Alternative Investment Resources	ILS	Interval Fund	7/14/2023	7/14/2023	1	12	Yes
MREC2 FUND	MREC Management	Real Estate / Real Asset	Interval Fund	6/27/2023	6/27/2023	1	13	Yes
Emerging Growth & Dividend Reinvestment Fund	Emerging Funds Advisers	Equity	Tender Offer	6/8/2023	6/8/2023	1	N/A ¹	Yes
PIMCO Flexible Corporate Income Fund	PIMCO	Credit	Interval Fund	4/17/2023	4/17/2023	1	15	No
Diffraction Real Assets Fund	F/m Investments	Real Estate / Real Asset	Interval Fund	3/9/2023	3/9/2023	1	16	Yes
Modern Markets Flagship Access Fund	Modern Markets	Venture / Private Equity	Tender Offer	12/9/2022	12/9/2022	1	N/A ¹	Yes
Cadre Horizon Fund	Cadre	Real Estate / Real Asset	Tender Offer	11/10/2022	11/10/2022	1	20	Yes
Hatteras Lower Middle Market Buyouts Fund	Hatteras	Venture / Private Equity	Tender Offer	9/22/2022	9/22/2022	1	22	No
Poolit Horizon Fund I, Inc.	Poolit	Venture / Private Equity	Tender Offer	7/1/2022	7/1/2022	1	N/A ¹	Yes
Poolit Imagine Fund I, Inc.	Poolit	Venture / Private Equity	Tender Offer	7/1/2022	7/1/2022	1	N/A ¹	Yes

Source: XA Investments; SEC filings. Data as of 6/30/2024.
Note: Funds sorted by initial filing date.
1. 1940 Act only fund. 1940 Act only funds do not receive a Notice of Effectiveness with the SEC, limiting certainty regarding time spent in registration v. 1933 Act funds.

Performance and Fee Analysis

Section Summary

- Equity markets continue to perform well; 4 of the top 15 performing funds were equity funds
- The top 3 performing funds for the 1-year period ended 3/31/2024 were the Skybridge Multi-Adviser Hedge Fund Portfolios LLC (46.4%), followed by the Stone Ridge Reinsurance Risk Premium Interval Fund (44.7%) and the Ark Venture Fund (43.7%)
- Most non-listed CEFs have management fees in the range of 1.00 to 1.50% with an average of 1.19%
- Net expense ratios for non-listed CEFs average 2.49% including other expenses such as performance fees and acquired fund fees, if any
- About 12% of the market charges a total return net profit-based performance fee, despite suitability restrictions limiting sales to Qualified Clients (QC) only
- While earlier success in the market may have been driven by manager brand names and broader historical results, the maturation of the market may lead to a growing preference for managers with established track records. See tables below for detailed analysis on market-wide track record length statistics
- Non-listed CEF sponsors continue to strategically use fee waivers to enhance capital raising efforts

Funds Meeting Performance Track Record Milestones

Performance Track Record	Number of Funds	% ¹
1-Year	192	83%
3-Year	139	60%
5-Year	104	45%
10-Year	49	21%

Funds Meeting Performance Track Record Milestones by Asset Class

Performance Track Record	1-Year	3-Year	5-Year	10-Year
Credit	59	38	30	5
Equity	5	4	2	2
ILS	3	3	3	1
Real Estate / Real Asset	26	17	10	4
Specialty / Other	53	45	39	31
Tax Free Bond	5	3	2	0
Venture / Private Equity	41	29	18	6
Total	192	139	104	49

Source: XA Investments

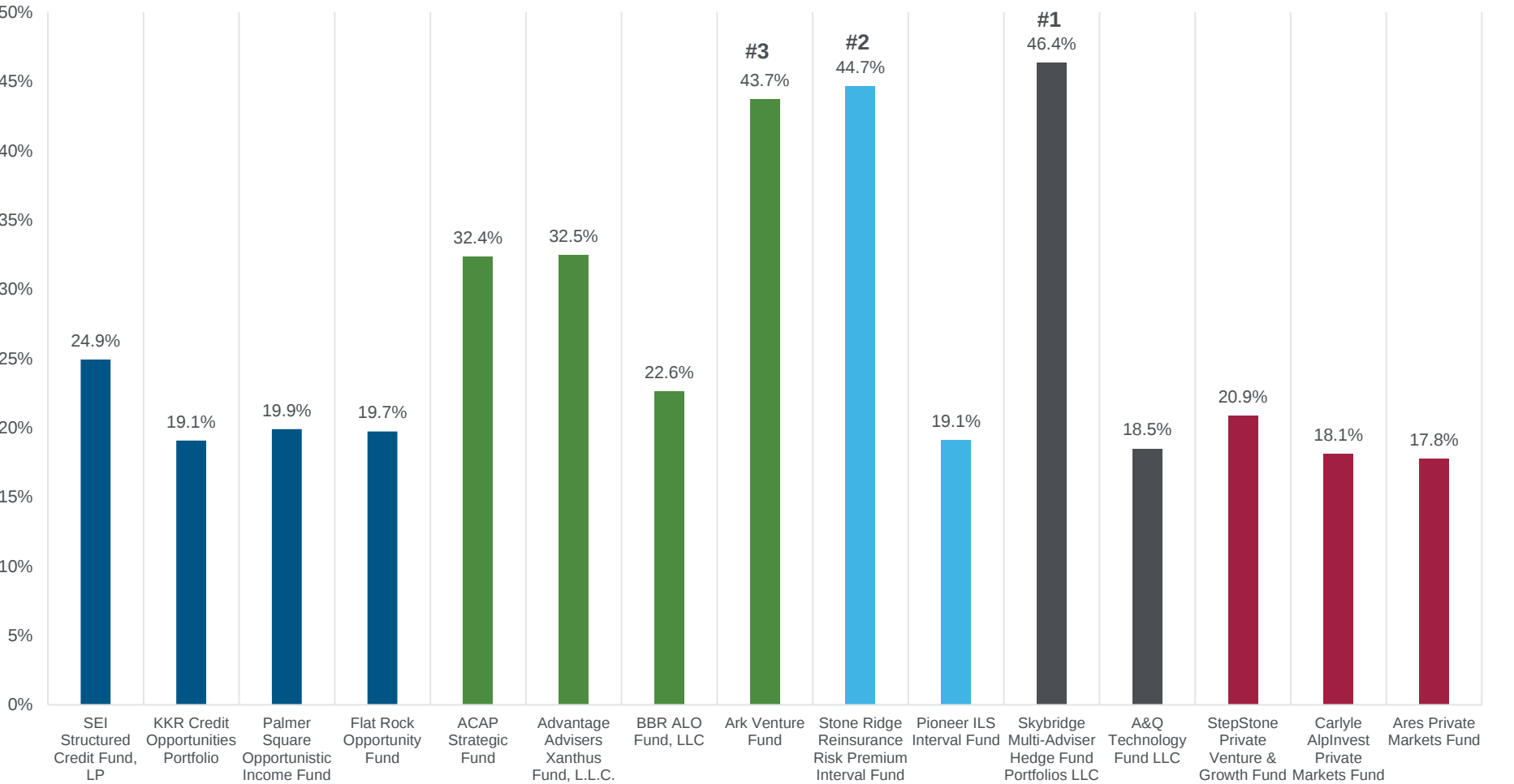
1. Percentage of the total number of interval and tender offer funds (230 funds).

Top Performing Non-listed CEFs

The strong performance of equities can be seen in the interval and tender offer fund market.



Top 15 Funds by 1 Year Total Return (3/31/2023 - 3/31/2024)

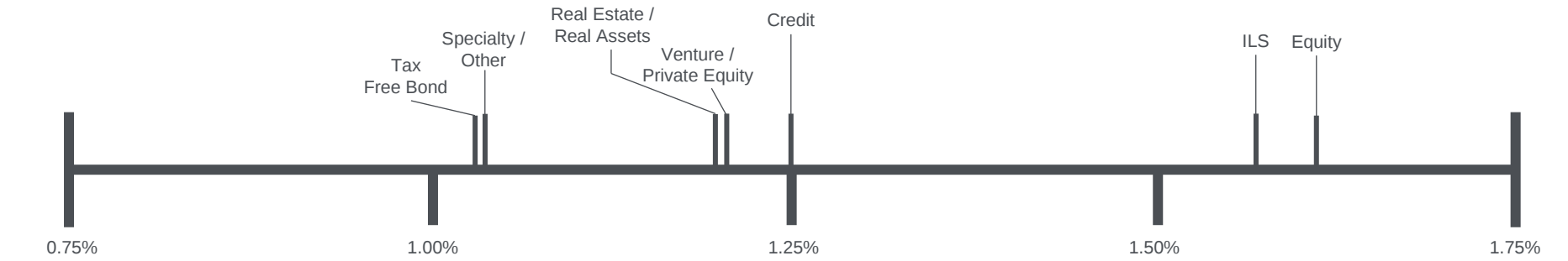


Source: CEFDData.com; XA Investments.
Notes: Performance data is reported in Form NPORT-P (“NPORTs”), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The performance data shown above is as of 3/31/2024 and represents the latest publicly available data. Funds shown have at least \$50mm in total managed assets.

Management Fees and Net Expense Ratios by Assets Class

Management fees across the market are typically found between 1.00% and 1.50%. Categories such as credit and VC/PE will often have higher net expense ratios due to combinations of income incentive fees, performance fees, and underlying fund fees.

Dispersion of Average Management Fee by Asset Class¹



Asset Class	Management Fee (%) ²				
	# of Funds	Average	Median	Min	Max
Credit	75	1.25%	1.25%	0.05%	2.00%
Specialty / Other	61	1.07%	1.00%	0.50%	1.85%
Venture / Private Equity	46	1.19%	1.25%	0.10%	2.50%
Real Estate / Real Asset	32	1.17%	1.25%	0.22%	1.75%
Tax-Free Bond	6	1.04%	1.00%	0.75%	1.50%
Equity	5	1.61%	1.50%	0.80%	2.75%
ILS	4	1.56%	1.88%	0.50%	2.00%
All Funds	229	1.19%	1.25%	0.05%	2.75%

Net Expense Ratio (%) ³				
# of Funds	Average	Median	Min	Max
67	2.80%	2.21%	0.00%	11.94%
55	2.30%	2.12%	0.34%	9.32%
45	2.56%	2.09%	0.00%	6.91%
31	2.26%	1.73%	0.00%	12.71%
6	1.64%	1.39%	0.99%	3.32%
5	2.34%	1.86%	1.26%	4.08%
3	1.76%	1.94%	1.00%	2.34%
212	2.49%	1.91%	0	12.71%

Sources: XA Investments; CEFDData.com; sponsor websites, prospectuses, and annual/semiannual reports.
Notes: Data reflects most recent data available as of 6/30/2024. Asset classes listed in descending order by number of funds.

- Graphic is illustrative. There are funds that charge management fees outside the range of 0.75%-1.75%.
- Management fees are sourced from fund prospectuses and may be charged on total managed assets or net assets. One fund was excluded from the data because it does not pay a management fee to its investment adviser.
- Net expense ratios are from actual annual or semi-annual reports. Newer funds or funds without available data are excluded from the calculations. Outlier funds with net expense ratios greater than 15% were also excluded. Net expense ratio values of zero reflect expenses being waived.

23% of Non-listed CEFs Charge an Income Incentive or Performance Fee

Funds that entered the market in Q2 2024 have had fee structures representative of the broader marketplace.

Most funds (177 out of 230, or 77%) are not subject to an income incentive or performance fee.

53 out of 220 or 23% of funds are subject to income incentive or performance fees.

Credit funds account for 84% of funds charging an income incentive fee.

Specialty and venture / private equity funds account for 79% of funds charging a total return or net profit fee.

Fee combinations from recent entrants are in line with broader market percentages.

The below data lists the number of funds that are subject to various fee types. All funds are assumed to be subject to a management fee as well as other expenses. Categories detail the number of funds subject to the various fee combinations.

Entire Non-listed CEF Universe ¹		
Combination of Fee Types by Fund	Number of Funds	% of Total Funds
Management Fee Only	56	24.35%
Management Fee + Acquired Fund Fees & Expenses ("AFF&E")	121	52.61%
Management Fee + Income Incentive Fee	15	6.52%
Management Fee + Total Return or Net Profit Fee	6	2.61%
Management Fee + Income Incentive Fee + AFF&E	10	4.35%
Management Fee + Total Return or Net Profit Fee + AFF&E	22	9.57%
Total	230	100.00%

Q2 2024 Non-listed CEF Market Entrants ²		
Combination of Fee Types by Fund	Number of Funds	% of Total Funds
Management Fee Only	1	10.00%
Management Fee + AFF&E	4	40.00%
Management Fee + Income Incentive Fee	2	20.00%
Management Fee + Total Return or Net Profit Fee	0	0.00%
Management Fee + Income Incentive Fee + AFF&E	3	30.00%
Management Fee + Total Return or Net Profit Fee + AFF&E	0	0.00%
Total	10	100.00%

Sources: XA Investments; CEFDData.com; SEC filings.

1. Represents the 230 total CEFs in the non-listed market.

2. Represents the 10 non-listed CEFs that entered the market in Q2 2024

Fee Waivers Can Help New Non-Listed CEFs Scale

Interval and Tender Offer Fund sponsors continue to strategically use fee waivers to accelerate capital raising

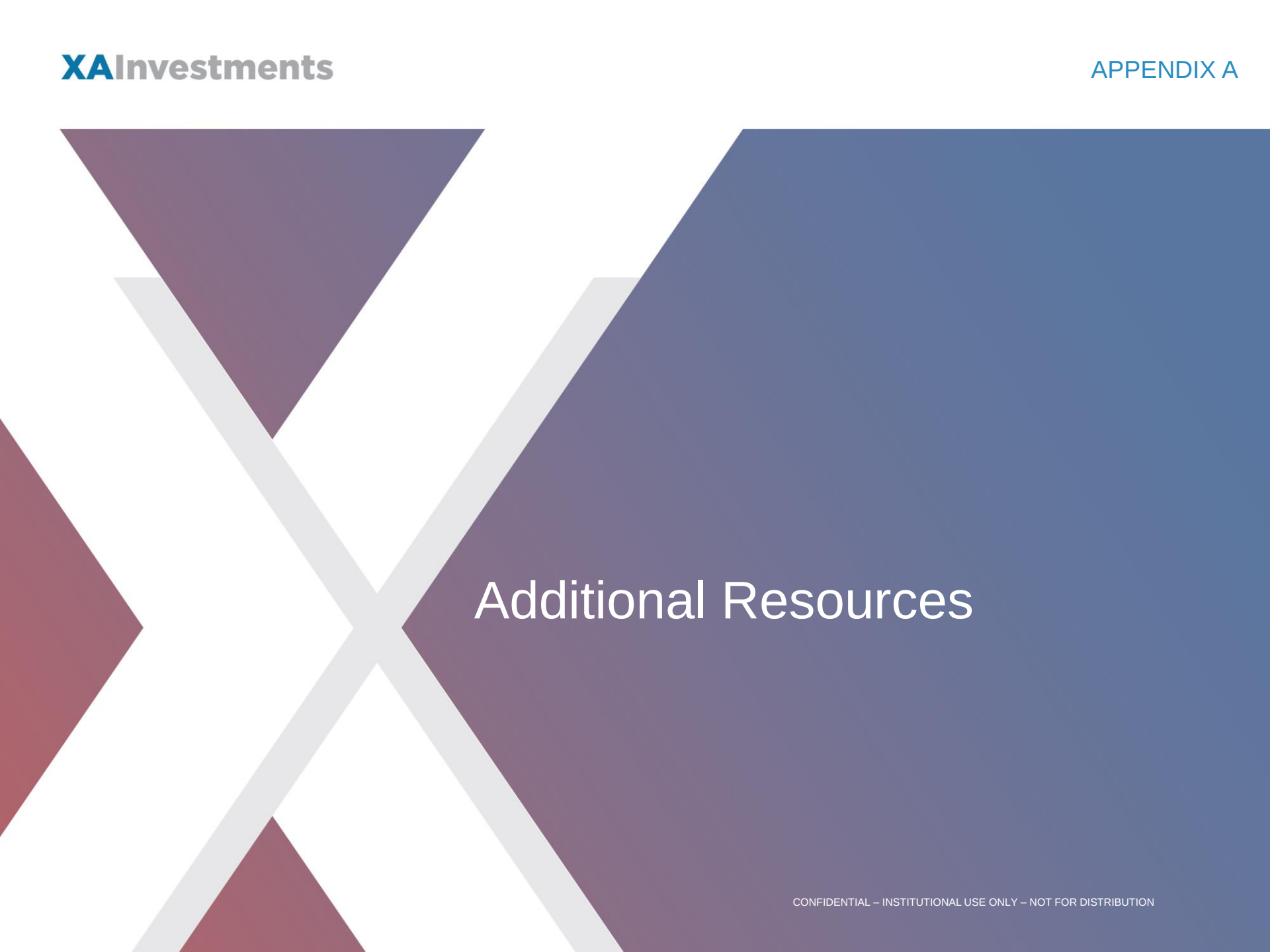
Strategic Use of Fee Waivers

- Using fee waivers can act as an incentive to bring large seed investors into a fund.
- When successful, the use of fee waivers results in increased market acceptance, broader investor uptake, and a larger asset base.
- Strategically employing a fee waiver tends to be more common at large asset managers with various avenues for capital raising, as waiving fees alone is rarely enough to reach the \$100m threshold that is crucial for long-term fund viability.
- For smaller or boutique asset managers, the fee waiver approach may not be enough to increase assets as brand name and distribution capabilities are also factors in gaining scale.

Examples of Recent Fee Waivers

- Franklin Templeton BSP Private Credit Fund instituted a fee waiver in May 2024 for its first private credit interval fund in an attempt to increase AUM. The fund was launched in October 2022 and currently sits at \$65 mm in net assets.
- Fidelity Multi Strategy Credit Fund continues to waive fees. The fund was launched in May 2023 and currently sits at \$35 mm in net assets.
- Constitution Capital Partners Access Fund is waiving their quarterly incentive fee and management fee by 0.25% until June 2025. The fund was launched in September 2022 and currently sits at \$657 mm in net assets.

Sources: XA Investments; CEFDData.com; sponsor websites, prospectuses, and annual/semiannual reports.
Notes: Data reflects most recent data available as of 6/30/2024.



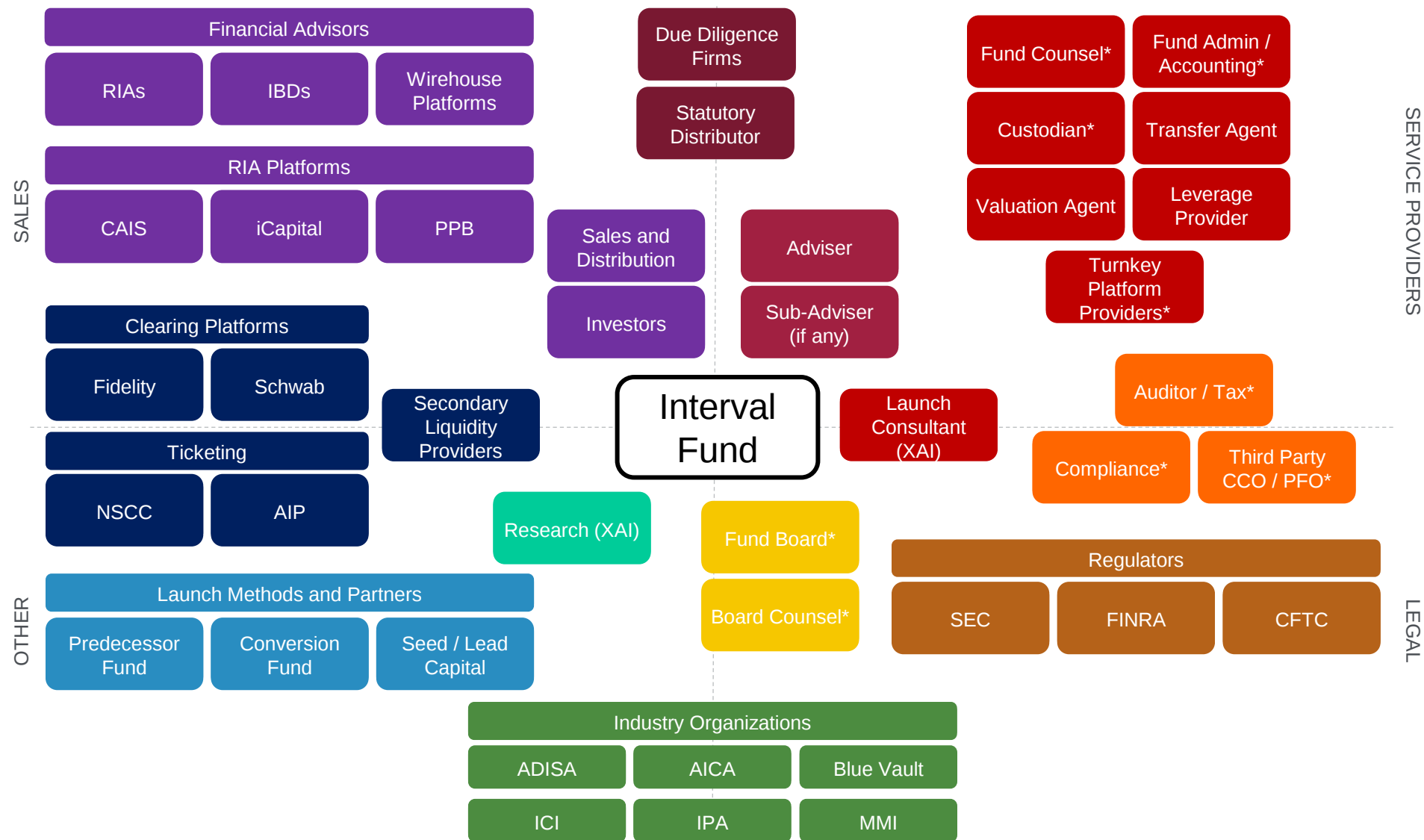
Additional Resources

XAI Consulting: 10 Lessons Learned in Launching Interval and Tender Offer Funds

- 1 Start the Product Development Process with Sales:** The strategy for sales and distribution is often overlooked, and many first-time registered fund sponsors begin drafting the N-2 prospectus before evaluating various sales and marketing considerations, which can impact the terms and structure of the fund.
- 2 Don't Chase the Market Leader:** New fund sponsors should not be concerned with chasing these players. Alternative investment managers can be successful with a small sales team that has strong relationships with RIAs or family offices. Instead, focus on existing institutional client relationships—clients that know and trust the firm.
- 3 New and Different Is Good, but Challenging:** Differentiated strategies can be a competitive advantage, though may present difficulties during the fund's legal organization. The SEC registration process can also be extended by multiple rounds of comments and edits required on new or nuanced fund structures.
- 4 Product Design Matters:** Product design drives the ability to sell the fund and allows the fund to be competitive in the marketplace. Many non-listed CEFs with strong portfolio performance have closed or failed to scale and gain critical mass, which can happen if the product structure is treated as an afterthought.
- 5 Clones Not Welcome Here:** Non-listed CEFs are designed to hold illiquid investments. If an investment strategy or a majority of the anticipated portfolio assets fit in the mutual fund, UCITs or ETF structure, it is likely not a good fit for the non-listed CEF structure.
- 6 Get in Line with Clearing Firms Early:** Adding a new non-listed CEF to a major clearing platform like Schwab, Fidelity or Pershing can take upwards of three to six months. There is a queue, it is typically first come, first served and gathering indications of interest ahead of onboarding is important.
- 7 Liquidity, Liquidity, Liquidity:** Liquidity is a crucial issue for both managing and marketing non-listed CEFs. Non-listed CEFs typically hold illiquid assets and require advanced liquidity planning to be prepared to meet redemption requests.
- 8 Daily NAV Opens Doors:** Non-listed CEFs that generate a daily NAV strike are permitted to join the NSCC Fund/SERV mutual fund electronic ticketing platform, which can significantly impact a fund's ability to gain sales traction. Non-listed CEFs with less frequent NAV calculations must use subscription documents for new investments.
- 9 Avoid the "Valley of Death":** By jump-starting the launch of a fund with seed capital, lead capital or contributed capital (e.g., private fund conversion), managers help de-risk the launch of their fund. No new investor wants to be the first investor into a small, sub-scale fund.
- 10 Consider Saving Time/Money with a Series Partner:** While closed-end funds, including non-listed CEFs, require each trust to be a separate legal trust, several firms have created turnkey platforms with shared fund boards, fund administration and other service providers to help reduce fund costs and speed up the product launch.

Source: XAI Investments.
Click [here](#) to read the XAI whitepaper for more information.

Growth of the Market Has Led to a More Complex and Mature Interval Fund Ecosystem



Source: XA Investments

*Service is included in a turnkey platform bundle offering. Turnkey platform providers include RBB, UMB and Ultimus.

Colors represent each party's role with respect to the four quadrant categories used: Sales, Service Providers, Legal, and Other.

Types of US Closed-End Funds (“CEFs”)

Structure	Description
Listed CEFs	▪ Contingent Term CEFs ▪ Target Term CEFs ▪ Perpetual CEFs ▪ Private Fund or other accounts converted into a listed CEF ▪ Direct Listed CEFs
Interval Funds	Perpetual, continuously offered CEF with periodic share repurchases of between 5% and 25% of shares outstanding. Interval funds are hard-wired to remain in this state and are not typically exchange-listed.
Tender Offer Funds	Similar fund structure to the interval fund. Tender offer funds differ from interval funds in that they permit the Fund Board flexibility to determine the frequency and tender % or amount. Tender offer funds also can add a term provision or may be exchange-listed once they stop their continuous offering.
CEF / REITs	Hybrid fund structure that allows a CEF to invest in real estate, land and other real assets that are not classified as securities for regulated investment company (RIC) purposes. These hybrid funds elect to be treated as Real Estate Investment Trusts (REITs) for tax purposes.

Source: XA Investments.

CEF Resources

Source	Summary and Link
Closed-End Fund Advisors ("CEFDData.com")	- As a Registered Investment Advisory firm, Closed-End Fund Advisors primary business is discretionary asset management. The firm also provides data analysis, aggregation, and third-party reporting on the closed-end fund and BDC universe. https://www.cefddata.com/
Active Investment Company Alliance ("AICA")	- AICA is a trade association committed to educating and engaging investment professionals and investors about closed-end management companies: listed closed-end funds, business development companies, interval funds and tender offer funds. https://aicalliance.org/
Closed-End Fund Association ("CEFA")	- CEFA is a national nonprofit trade association dedicated to educating investors about closed-end funds and providing information on its members and their offerings. https://www.cefa.com
UMB Fund Services	- UMB is a leading registered and alternative investment fund administrator. UMB periodically publishes an interval / tender offer fund market update with good basic information on the product structure and market trends. https://blog.umb.com/institutional-banking-market-outlook-for-interval-and-tender-offer-funds/
Blue Vault Partners	- Blue Vault's mission is to provide the most in-depth and thorough research available on alternative investments, including nontraded REITs, BDCs, interval / tender offer funds, and private offerings to help educate financial advisors and help protect investors. https://bluevaultpartners.com/
Institute for Portfolio Alternatives ("IPA")	- IPA provides national leadership for the Portfolio Diversifying Investments industry. Bringing together the top asset managers, product distribution partners and industry service providers who are dedicated to driving transparency and innovation in the marketplace. https://www.ipa.com/
IntervalFunds.org	- IntervalFunds.org provides independent, authoritative, data-driven insights on interval funds and have developed the platform to increase awareness of and transparency within a rapidly growing investment product. https://intervalfunds.org/
Gapstow Capital Partners	- Gapstow is a registered investment advisor with an exclusive focus on the alternative credit asset class. Gapstow covers trends in the interval / tender offer fund market for credit strategies. https://www.gapstow.com/
Morningstar	- Morningstar is an independent investment research, ratings, and data source. Their paper titled "Morningstar's Guide to Interval Funds" describes the history of the product structure, provides analysis on the current state of the interval fund market, and discusses key considerations investors need to make before investing in these funds. https://www.morningstar.com/lp/guide-to-interval-funds

A large, stylized 'X' graphic composed of several overlapping geometric shapes. The top-left arm of the 'X' is a dark olive green triangle. The bottom-left arm is a light gray triangle. The right arm is a large, solid green trapezoid. The bottom-right arm is a dark olive green triangle. The text 'XAI Services' is centered within the right arm of the 'X'.

XAI Services

XAI Non-listed CEF Market Research Reports and Custom Data Analysis

Annual fee for interval and tender offer fund research <i>Includes: monthly updates, alerts on N-2 filings for competitors, and quarterly in-depth research</i>	\$2,500
One-time fee for custom data analysis <i>Per client specifications</i>	\$5,000

Note: Consulting clients receive XAI research for no additional cost throughout the duration of the engagement.

XAI Custom 15(c) Independent Reports for Fund Boards

The SEC’s Division of Examinations recently issued its 2024 examination priorities, and fund advisory fees, including fund boards’ processes for assessing and approving advisory fees, are highlighted as a key focus for the SEC in 2024. Along with our industry-leading closed-end fund research and consulting, XA Investments is now able to provide clients with independent 15(c) reports to support fund board approvals and renewals of investment advisory agreements.

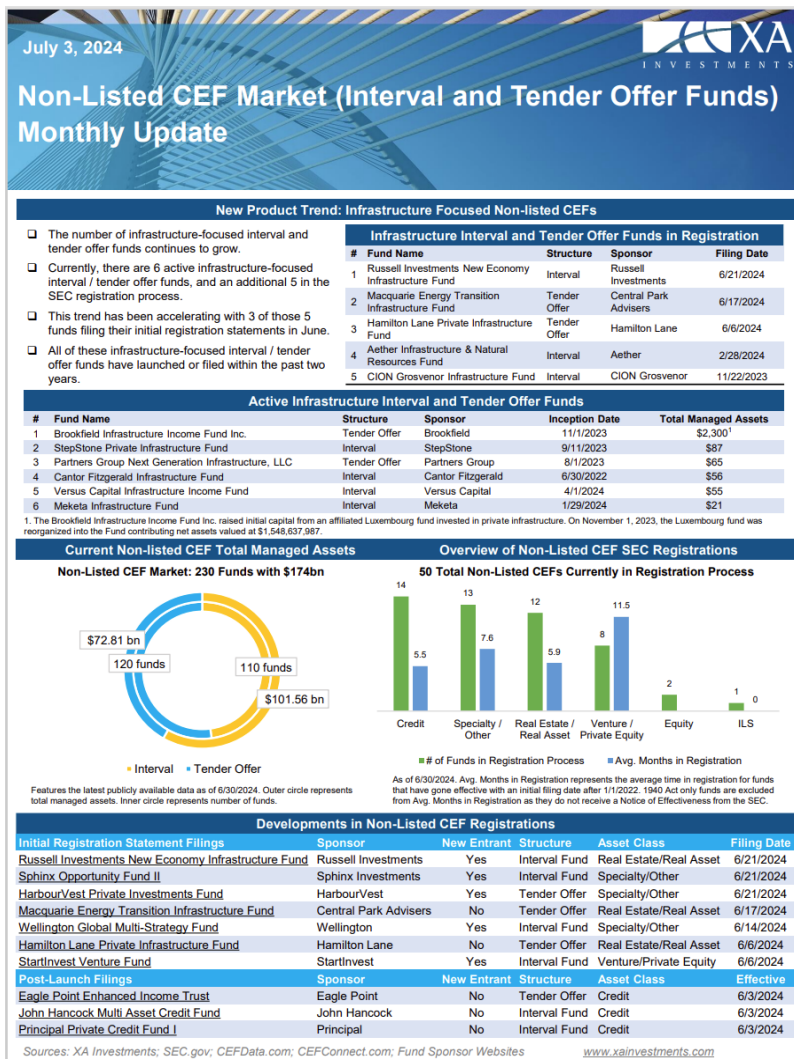
Our reports include detailed advisory fee, performance, and operating expense analysis and comparisons with independently determined peer funds. Our deep knowledge and expertise of the closed-end fund industry, including interval and tender offer funds, ensures that peer groups and the 15(c) analysis are accurate and well-defined.

For more information on custom 15(c) reports for registered closed-end funds, please contact us.

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Two examples of our client updates are shown below:

XAI Monthly Update



Interval Fund Filing Alerts

Global X Venture Fund



Prospectus Summary	
Fund Structure:	Interval Fund
Term:	Perpetual
Suitability Minimum:	No suitability restrictions
Initial N-2 Filing Date:	7/5/2024
1940 Act Registered:	Yes
1933 Act Registered:	Yes
Adviser:	Global X Management Company, LLC
Sub-Adviser(s):	Mirae Asset Global Investments (USA) LLC
Investment Consultant:	None
New Entrant:	Yes
Predecessor Fund/Seed Capital:	Unknown
Asset Class:	Venture / Private Equity
Objective:	The Fund's investment objective is to seek long-term capital appreciation.
Strategy:	The Fund will invest, under normal circumstances, primarily in domestic and foreign equity securities, including common stocks, preferred stocks, partnership interests, business trust shares, securities convertible into or exchangeable for any of the foregoing, other equity investments or ownership interests in business enterprises of early-, medium- and late-stage private companies across multiple emerging sectors that the Advisers believe are poised to experience high growth (collectively, "Portfolio Companies"). The Investment Subadviser seeks to identify long-term investment opportunities and provide capital and support to private companies throughout the entire lifecycle of their business. The Investment Subadviser seeks to identify category leading companies with unique products, consistent innovation, de-risked financials and proven management teams. The Investment Subadviser is stage-agnostic and targets Portfolio Companies with exposure to emerging sectors with potential for accelerated growth, including, but not limited to, Artificial Intelligence Companies, B2B Software Companies, Sustainability Companies, EdTech Companies, FinTech Companies, E-Commerce Companies, Gaming Companies, and Web 3.0/Digital Asset Companies. The fund will invest directly in private companies with a maximum of 15% in other private funds.
Fund of Funds:	No
Invest-up Period:	As soon as practical
Redemptions:	Quarterly: 5% - 25%
NAV Frequency:	Daily
Minimum Investment:	\$2,000 initial investment, \$100 subsequent investment
Management Fee:	X% of Net Assets
Acquired Fund Fees and Expenses:	TBD
Income Incentive/Performance Fee:	None
Fee Waiver:	Expense Limitation and Reimbursement Agreement to be filed by amendment
Distributor:	TBD
Fund Counsel:	Morgan, Lewis & Bockius LLP
Fund Administration:	TBD
Custodian:	TBD

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Contact us at info@xainvestments.com or www.xainvestments.com to register.

XA Investments Consulting Services for Asset Managers

Private label product design, structuring advice, and competitive intelligence on the listed CEF and interval tender offer fund market.

Feasibility Study - During a feasibility study, XAI works closely with senior management on the following matters:	
Discussions	Deliverables
• Assessment of the Proposed Investment Strategy • Economic and Profitability Analysis • Competitor Analysis and Insights on Salability • Key Regulatory Matters for the Proposed Fund • Service Provider Insights and Recommendations • Launch Strategy • Timetable • Review of and Input on Marketing Materials	• Interval Fund / Tender Offer Fund Market Overview • Weekly Q&A with XAI Senior Management • Teach-in with Senior Leaders and Team • Profitability / Financial Model Offering Timetable and Gantt Chart • Fee Comparables • Summary Term Sheet

XA Investments is also ready to provide ‘a la carte’ services as listed below:

Interval Fund Competitor Analysis Data Pack	Listed CEF M&A Services
• Advisers / Sub-advisers / Consultants • Distribution Yield / Distribution Frequency • AUM • Management Fees / Performance Fees • Investment Objective / 80% Test • Performance (Total Return Over Different Time Periods) • Leverage (% and Type) • Suitability (QC / Accredited / Non-Accredited) • Share Repurchase Details (Amount / Frequency) • Valuation / NAV Frequency • Net Flows (Sales and Redemptions) • Service Providers • Minimum Investment	• Fund Target Capitalization Table / Ownership Analysis • Understanding Requirements to Serve as an Adviser or Sub-adviser to a Listed CEF • Fee Structure Analysis • Leverage Analysis • Service Provider Introductions Including Legal, Admin, Audit • Strategic Alternatives – Pros / Cons of Options to Consider • Proposals / Agreement Drafting/Revisions • Model

Contact us at info@xainvestments.com or www.xainvestments.com with questions / for more information

1940 Act Fund Governance Considerations: Let XAI Know if You Are Seeking Quality Fund Board Candidates

Role of the 1940 Act Fund Board

- All closed-end funds must be governed by a fund board of directors. The board has a fiduciary duty to represent the interests of the fund's shareholders.
- The fund board's chief role is to provide oversight for the fund and its shareholders—not to be involved in the fund's day-to-day portfolio management.
- With very few exceptions, 1940 Act registered funds have no employees. As such, the fund board relies on various service providers to manage the fund's operations.
- The primary service provider is the fund's investment adviser. Additional key service providers include legal counsel, fund administrator, accountant, chief compliance officer, and the independent auditor.
- As a fiduciary, the fund board should continually assess the performance of the fund's service providers, their respective fee arrangements, and the conflicts of interest that each service provider may have with the fund and its shareholders.

1940 Act and Fund Board Independence

- The 1940 Act prescribes certain requirements for fund board independence. The 1940 Act requires that at least 40% of directors be "independent" and strictly defines independence. In practice, and following SEC governance suggestions, most fund boards have a majority of independent directors.
- For a director to qualify as "independent," they cannot own equity or stock of the investment adviser (or any sub-adviser) or their parent companies, subsidiaries, etc. Additionally, an independent director should not have currently or during the previous two years a significant business relationship with the fund's adviser (including sub-advisers), distributor/underwriter, or their affiliates.
- A director who is not independent is considered an "interested person" under the 1940 Act.

Key Members and Committees on 1940 Act Fund Board

- A fund board typically has four or five total members with three or four considered "independent" and meets quarterly to assess the performance of the fund's activities.
- Fund board members have equal votes when it comes to decision making, however interested persons are excluded from voting on certain matters.
- Certain board members may fill specific roles including the following:
 - Chair of the Board
 - Chair of the Audit Committee
 - Chair of the Nominating & Governance Committee
 - Chair of *ad hoc* or other committees
- Committees focus on specific subject matters and the most common are:
 - *Audit Committee*. Oversees the accounting and financial review, audit and reporting process, as well as the internal controls over financial reporting.
 - *Nominating & Governance Committee*. Oversees the fund's process and matters related to fund board membership and fund board efficacy, including annual fund board self-evaluation, compensation reviews and recommendations, searches, and nominations of new fund board members.

Best Practices for Fund Board Formation

- *Experience*. The learning curve can be steep for closed-end funds with alternative strategies.
- *Fit Is important*. Group fit is important to helping with critical and complex decision making.
- *Audit Committee Chair*. Identify these candidates early on because it can be difficult to find an audit chair with necessary qualifications, experience and the comfort level to oversee fund audits and the principal financial officer's team.
- *Trustee Counsel*. Speak with the selected fund counsel and ask for recommendations. Trustee counsel and fund counsel must work closely together, so a good working relationship and experience together can be helpful to the fund and drive fee efficiencies.
- *Candidate Availability*. Identify fund board candidates that have time to dedicate to the fund board and that can attend in-person meetings.
- *Geographic Location*. Select candidates in the same time zone to ease scheduling of special and ad hoc meetings-especially for funds that rely on co-investment relief.
- *1940 Act Experience*. Identify candidates with prior board service experience on a 1940 Act fund board or experience serving as an officer of a 1940 Act fund at an asset manager.
- *Prestige Is Not Important*. Because the role of the board for a 1940 Act fund is different from an operating company, there's much less (if any) value in having board members that would be seen as prestigious. Fit and specific experience are more important.

For more information visit the insights section of xainvestments.com or contact us at info@xainvestments.com.

For additional resources visit www.idc.org or www.ici.org.

Source: XA Investments.

XA Investments Team



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William Meyers
*CEF Syndication & Product
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Senior Advisors

Note: Years of investment / finance experience

XA Investments CEF Service Offerings

CEF and Interval Fund Strategy Consulting Services Custom product design and structuring assessment and advice. Competitive intelligence on the CEF marketplace and competitor funds. Provide introductions to leading CEF industry service providers.

Private Label CEF and Interval Fund Design, Structuring and Market Delivery Full-service product launch and deal execution services from start to finish including management of the fund development, regulatory and board approval, distribution planning and offering timetable.

Listed CEF Secondary Market Support Development and execution of a comprehensive marketing plan. Design and development of marketing, media, analyst and investor outreach to drive secondary trading volume and price support.

CEF Sub-Administration, Fund Accounting and Fund Board Services Outsourcing of key fund operational, administrative and service provider management. Optional product management services and fund board oversight and reporting services.

Marketing Services Marketing material content creation, design, development to support product sales and client outreach for registered and private funds.

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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.

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