October 3, 2024

# Non-Listed CEF Market (Interval and Tender Offer Funds) Monthly Update

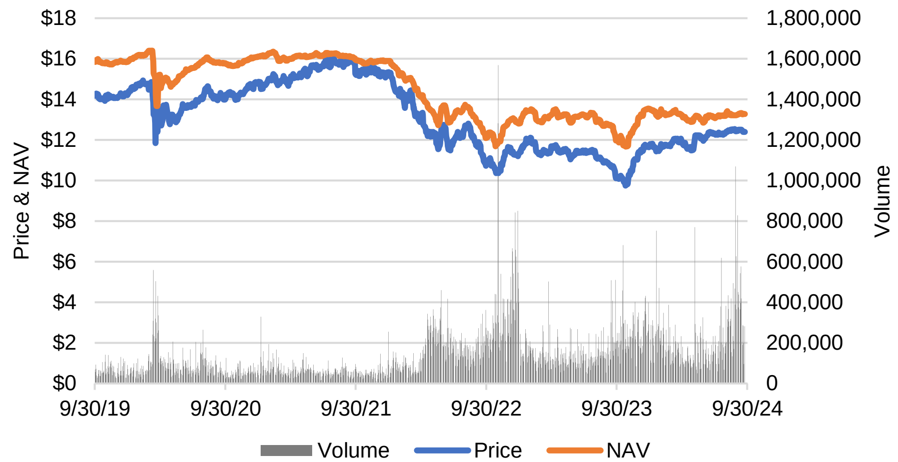
## BlackRock Proposes Conversion of Listed CEF to Interval Fund

- On September 6th, 2024, the BlackRock Municipal Income Fund (NYSE: MUI, $957mm in AUM) filed a proxy proposing that the fund change its structure from a closed-end fund ("CEF") listed on the NYSE to an interval fund. This proposal represents one of few listed CEF to interval fund conversions in recent years.
- MUI currently trades at a -5.41% discount as of 9/30/2024 and has traded at an average discount of -9.26% over the last five years.
- For more information on the conversion, read the Ignites article linked **HERE**.

Sources: XA Investments; Ignites; Bloomberg; SEC Filings.

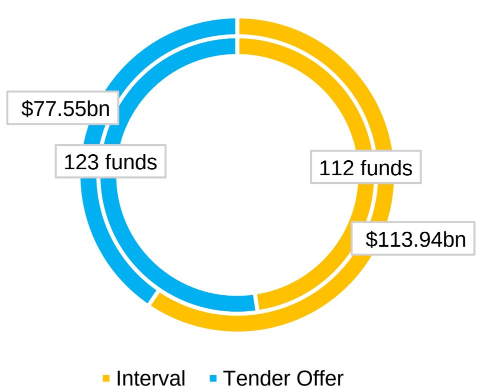
Note: Data as of 9/30/2024.

MUI Historical Trading (Last 5 Years)




## Current Non-listed CEF Total Managed Assets

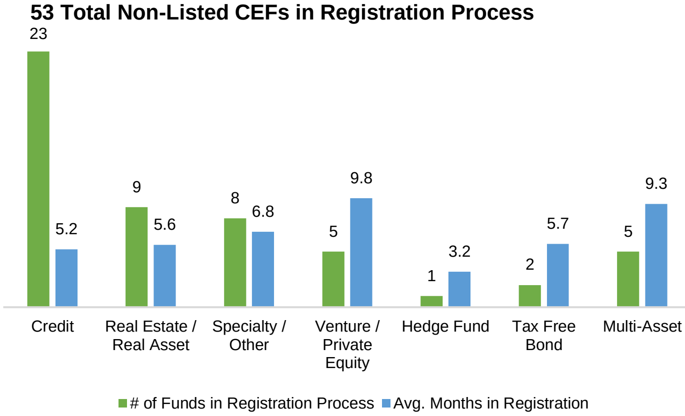
**Non-Listed CEF Market: 235 Funds with $191bn**




Features the latest publicly available data as of 9/30/2024. Outer circle represents total managed assets. Inner circle represents number of funds.

## Overview of Non-Listed CEF SEC Registrations

**53 Total Non-Listed CEFs in Registration Process**




As of 9/30/2024. Avg. Months in Registration represents the average time in registration for funds that have gone effective with an initial filing date after 1/1/2022.1940 Act only funds are excluded from Avg. Months in Registration as they do not receive a Notice of Effectiveness from the SEC. Funds that have not filed an N-2 or N-2/A in the last 12 months are also excluded from the backlog of funds in registration due to inactivity.

## Developments in Non-Listed CEF Registrations

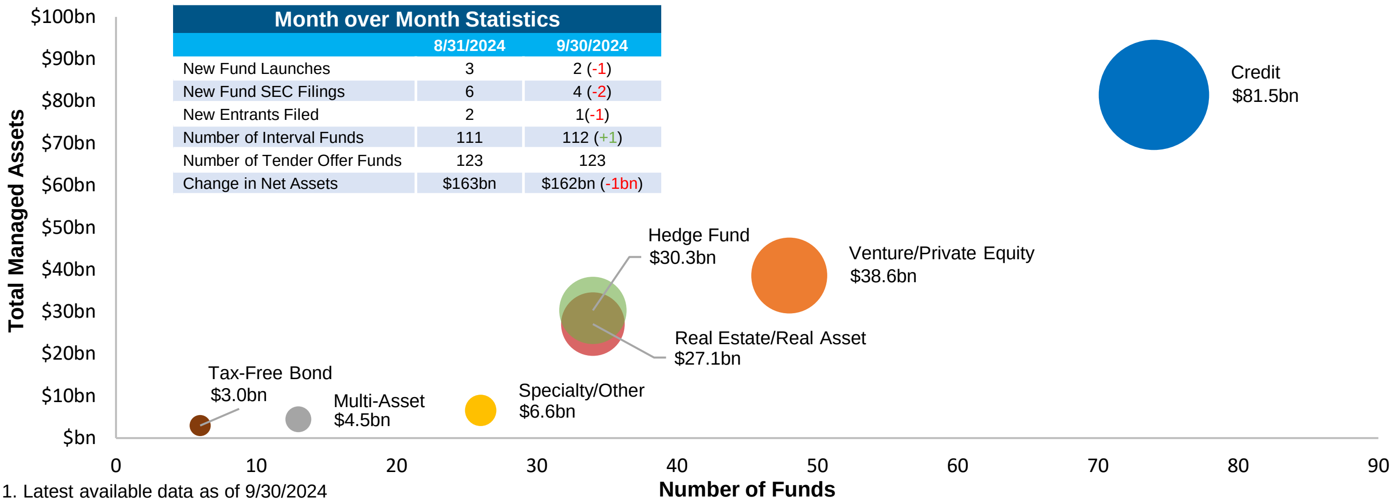
| Initial Registration Statement Filings | Sponsor | New Entrant | Structure | Asset Class | Filing Date |
|---|---|---|---|---|---|
| FT Vest Rising Dividend Achievers Total Return Fund | First Trust | No | Tender Offer | Specialty / Other | 9/20/2024 |
| Coller Private Credit Secondaries | Coller | No | Tender Offer | Credit | 9/18/2024 |
| TCW Private Asset Income Fund | TCW | No | Interval Fund | Credit | 9/16/2024 |
| 83 Investments Group Income Fund | M83 Investment Group, LLC | Yes | Tender Offer | Credit | 9/6/2024 |

| Post-Launch Filings | Sponsor | New Entrant | Structure | Asset Class | Effective Date |
|---|---|---|---|---|---|
| Diamond Hill Securitized Credit Fund | Diamond Hill | Yes | Interval | Credit | 9/30/2024 |
| Hamilton Lane Private Infrastructure Fund | Hamilton Lane | No | Tender Offer | Real Estate / Real Asset | 9/27/2024 |

## Overview of Non-Listed CEF Market by Asset Class[1]

### Month over Month Statistics

| | 8/31/2024 | 9/30/2024 |
|---|---|---|
| New Fund Launches | 3 | 2 (-1) |
| New Fund SEC Filings | 6 | 4 (-2) |
| New Entrants Filed | 2 | 1(-1) |
| Number of Interval Funds | 111 | 112 (+1) |
| Number of Tender Offer Funds | 123 | 123 |
| Change in Net Assets | $163bn | $162bn (-1bn) |




1. Latest available data as of 9/30/2024

## Non-Listed CEF Market Key Performance Indicators (KPIs) - YTD

| | | | | |
|---|---|---|---|---|
| **Funds** | 235 | +27 Funds Entered Market<br>-4 Funds Exited Market | 10.8% Change YTD | 235 - 255 Funds<br>XAI YE Forecast |
| **Net Assets** | $162bn | $22bn YTD Net Asset Growth | 15.7% Change YTD | $160 - $175bn<br>XAI YE Forecast |
| **Market Share by Fund AUM** (as a % of Net Assets) | **5 Largest Funds**<br>34% Market Share | **10 Largest Funds**<br>46% Market Share | **20 Largest Funds**<br>62% Market Share | **30 Largest Funds**<br>72% Market Share |
| **Market Share by Sponsor** (as a % of Net Assets) | Cliffwater<br>16.3% | Partners Group<br>9.7% | SilverBay Capital<br>5.4% | Apollo<br>3.3% |

## CEF Industry News and Upcoming Events

| Date | Source | Location | Summary |
|---|---|---|---|
| Oct. 7-9 | ADISA | Las Vegas | 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. To learn more, click here. |
| Oct. 15-17 | MMI | Charlotte | 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. |
| Nov. 11 | XA Investments & Dechert | New York City | As the interval fund market rapidly expands, more asset managers and GPs are contemplating how best to enter or grow their presence in the market. The event will feature two panels. The first panel will explore organic growth, delving into industry trends and developments. The second panel will focus on inorganic growth, examining fund M&A rationale and emerging opportunities. Our expert panelists will provide a comprehensive recap of 2024, analyze current trends, and offer a forward-looking perspective on what to expect in 2025. To register please email sbailey@xmscapital.com. |
| Nov. 12 | ICI | New York City | The 2024 Investment Company Institute (ICI) Closed-End Fund Conference offers attendees fresh perspectives on the CEF industry and the opportunity to earn continuing education credits. To register or to learn more click here. |
| Nov. 13 | AICA | New York City | Explore the universe of closed-end funds, interval funds, and business development companies at the sixth annual Active Investment Company Alliance (AICA) Roundtable. To register or to learn more click here. |
| Nov. 19-20 | II | Chicago | The Institutional Investor (II) 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. To register or learn more about II's 3rd Annual Sub-Advisory Roundtable, click here. |
| Dec. 9-11 | IPA | Orlando | The Institute for Portfolio Alternatives (IPA) will host IPA Connect 2024. The event will bring together influential leaders and stakeholders to discuss product education, real-time analysis of industry trends, and the latest updates on regulatory and legislative issues. To register or to learn more click here. |
| Feb. 19-21 | IPA | Newport Beach | The Institute for Portfolio Alternatives (IPA) will host IPA Connect Private Markets 2025. This event will be an opportunity for private market leaders to meet and collaborate with other industry professionals. To register or to learn more, click here. |
| Mar. 10-12 | Blue Vault | Frisco, TX | Blue Vault hosts its annual alternatives summit, brining together leading voices in the alternative investments industry. For more information and to register click here. |

## CEF Market: Legal & Regulatory Update

September 9, the SEC charged nine investment adviser firms with various violations of the Advisers Act Rule 206(4)-1 (the "Marketing Rule"). The violations ranged from untrue claims related to a firms' industry organization membership to claims asserting conflict-free advisory services. Additional violations were related to the improper use of testimonials and use of third-party ratings without disclosing dates. The SEC continues to make sweep examinations of firms regarding the Marketing Rule.

On September 19, the SEC charged an investment adviser with violations of both the Investment Advisers Act and the Investment Company Act of 1940. The charges were related to investment practices that were inconsistent with the disclosures in its Form ADV and the registration statements of the nine ETFs the adviser manages. The investment strategy was described as a "rules-based, scientifically rigorous methodology of faith-based ESG analysis." However, the SEC Staff found that application of the strategy was limited to primarily cross-referencing potential investments against publicly available donor and sponsor lists of national organizations the Adviser determined were associated with or promoted prohibited activities.

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## Asset Reclassification

This month, the XAI research team recategorized the ILS and Equity asset classes into either the Specialty/Other asset class or the newly formed Hedge Fund and Multi-Asset asset classes. XAI will continue to evaluate asset classes as the interval and tender offer fund market develops. For more information, please contact **info@xainvestments.com**.

## Disclaimers

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Investing in CEFs involves risk; principal loss is possible. There is no guarantee a fund's investment objective will be achieved. 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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