

XA Investments Non-Listed CEF Q3 2025 Market Update

Kimberly Flynn, CFA
President

Ben McCulloch
Managing Director, GC, CCO

Jared Hagen
Vice President

Luke Gaskill
Senior Analyst

Luke Becker
Analyst

Lauren Hering
Analyst

Tetyana Babii
Analyst

Contact XA Investments:

info@xainvestments.com | (888) 903-3358

Notes: Non-listed Closed-end Funds ("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, net flows, and performance are delayed up to 90 days after quarter-end and are not available for all funds. All data in the report is the most current available. 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.

September 30, 2025

Executive Summary

What's New This Quarter?

- Alternatives in Retirement Accounts: Overview of recent Democratizing Access to Alternative Assets for 401(k) Investors Executive Order.
- Interval Fund Category Spotlight: Hedge Fund category profile and trends summary.
- Fund Profiles: Coatue, Adams Street, and Blue Owl enter the interval and tender offer fund market (see pages 19 and 20 for more information).
- Morningstar Medalist Ratings: Learn about how the ratings are being applied to interval / tender offer funds.
- Funds Over \$1bn: Overview of funds reaching significant AUM milestones.

Market Maturation

A growing number of non-listed closed-end funds (“CEFs”) celebrated their 3, 5, and 10-year anniversaries this quarter. 47% of the market is comprised of newer funds that have yet to develop a 3-year track record. XAI observes that longer fund-specific track records may be necessary for key RIA and wirehouse platform admission.

Market Breakdown

The growth of interval funds in the market has accelerated compared to tender offer funds, in part due to financial advisor preferences for electronic ticketing. The number of interval funds (158 funds) has now overtaken the number of tender offer funds (146 funds), with interval funds having \$145.9bn in total managed assets and tender offer funds having \$105.7bn in total managed assets. See page 48 for more details.

Market Growth

- **AUM and Net Flows:** Market-wide AUM levels continue to grow, and overall net flows remain strong.
- **Net Asset Growth:** The 10-year CAGR increased from 16.18% in Q2 2025 to 17.28% in Q3 2025.
- **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.
- **Future Growth:** The non-listed CEF market is expected to grow, 13 new funds filed in Q3, setting the backlog of funds in the SEC registration process at 41 funds. These funds are anticipated to launch in the next 6-8 months.
- **New Entrants:** Many asset managers are poised to enter the interval fund market. 64% of all fund launches in 2025 year-to-date came from new entrants, while the other 36% were sponsored by existing managers.
- **Top 20 Credit Funds:** Among the top 20 credit funds by total managed assets, 14 employ leverage with an average leverage ratio of 18.85%, and an average distribution rate of 8.91%.

New Fund Launches

20 funds launched in Q3 2025 bringing the overall fund count to 304.

Shareholder Liquidity

Proration has **not** been a marketwide issue for non-listed CEFs as of Q2 2025.¹ Net flows have supported liquidity demands.

Industry Improvement Idea

XAI Investments advises income-oriented fund sponsors to post their current distribution rates on their websites and factsheets. With the high demand for alternative income, increased transparency can help build trust with investors and set your fund apart from others. This is a customary practice in the listed CEF marketplace to inform advisors and investors about a key fund attribute and may help investors better understand the value of these funds' illiquidity premium.

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 6/30/2025 and represents the latest publicly available data.

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Industry Highlights, News and Trends

Section Summary

- Market leadership is currently in the hands of first movers including Cliffwater, Partners Group, Alkeon, and Stepstone.
 - More recent entrants, like Coatue, Adam Street, and Blue Owl, have had success scaling their funds out of the gate.
- 20 new funds launched in Q3 2025, bringing the overall fund count in the market to 304.
- The top 20 largest funds have a combined 58% market share by total managed assets and account for 38% of marketwide Q2 2025 net flows.¹
- Wirehouse platforms continued to expand access to non-listed CEFs by onboarding new funds (Morgan Stanley has the most with 31 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 wirehouse platforms.
- In Q3 2025, XAI observed the following interesting developments in the market:
 - Alternative investment managers are broadening access by shifting from accredited investor suitability to no suitability restrictions at the fund level.
 - Credit continues to be a popular asset class, with 11 of the 20 funds launched in Q3 2025 focusing on credit strategies.
 - Asset-Backed Lending had the most growth out of any credit sub-category, increasing from 20 funds in Q2 2025 to 25 funds in Q3 2025 (a 25% increase). There was also sub-category asset growth of \$2.8bn from \$14.0bn in Q2 2025 to \$16.8bn in Q3 2025.
 - Net flows decreased slightly quarter-over-quarter due to macro market uncertainty.
 - Specialty Structures are increasing in popularity; there were four new Specialty Structure launches in Q3 2025 bringing the total to 17 in the market with more anticipated to launch later this year. Specialty Structure Funds are continuously offered evergreen funds that offer periodic liquidity and are designed to be sold into the private wealth marketplace.²

Notes:

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 6/30/2025 and represents the latest publicly available data.
2. See page 25 for more information on Specialty Structures which include Operating Companies and Retail 3(c)(7) funds.

\$215

Billion in Net Assets



304

Total Funds



53%

of the Market
3 Year+ Track Record



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

Market Expansion

61% of Funds in SEC
Registration are New Entrants



**158 Interval
Funds**

Represent 58% of Total
Managed Assets

**146 Tender
Offer Funds**

Represent 42% of Total
Managed Assets

\$13.20

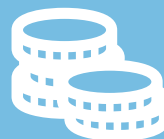
Billion

in Q2 2025 Net Flows¹



1.23%

Average
Management
Fee²



157 Unique Sponsors

41 Funds
in SEC Registration

20 Funds
Launched in Q3 2025

Sources: XA Investments; CEFDData.com; SEC Filings. Note: Data is as of 9/30/2025 or latest publicly available.

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 6/30/2025 and represents the latest publicly available data.
2. Does not include additional distribution/operating expenses or potential incentive fees which 27% of total funds charge in addition to base management fees.

KPIs	Interval / Tender Offer Fund Market Key Performance Indicators			
Funds	304 Funds	+57 Funds Entered Market YTD -10 Funds Exited Market YTD ¹	18.3% Change YTD 	310 - 350 Funds XAI 2025 Forecast
Net Assets	\$215bn Net Assets	+\$43bn Net Asset Growth YTD	25.1% Change YTD 	\$205 - \$230bn XAI 2025 Net Assets Forecast
Market Share by Fund AUM ²	5 Largest Funds 31% Market Share	10 Largest Funds 43% Market Share	20 Largest Funds 58% Market Share	30 Largest Funds 67% Market Share
Market Share by Sponsor	 CLIFFWATER \$48.9bn AUM ² 19.46% Market Share	 PARTNERS GROUP \$18.4bn AUM ² 7.30% Market Share	 ALKEON CAPITAL MANAGEMENT \$14.5bn AUM ² 5.75% Market Share	 STEPSTONE \$9.1bn AUM ² 3.62% Market Share
Wirehouse Availability	Morgan Stanley 31 Funds on Platform	 UBS 16 Funds on Platform	 Merrill Lynch Bank of America Corporation 15 Funds on Platform	 WELLS FARGO 11 Funds on Platform

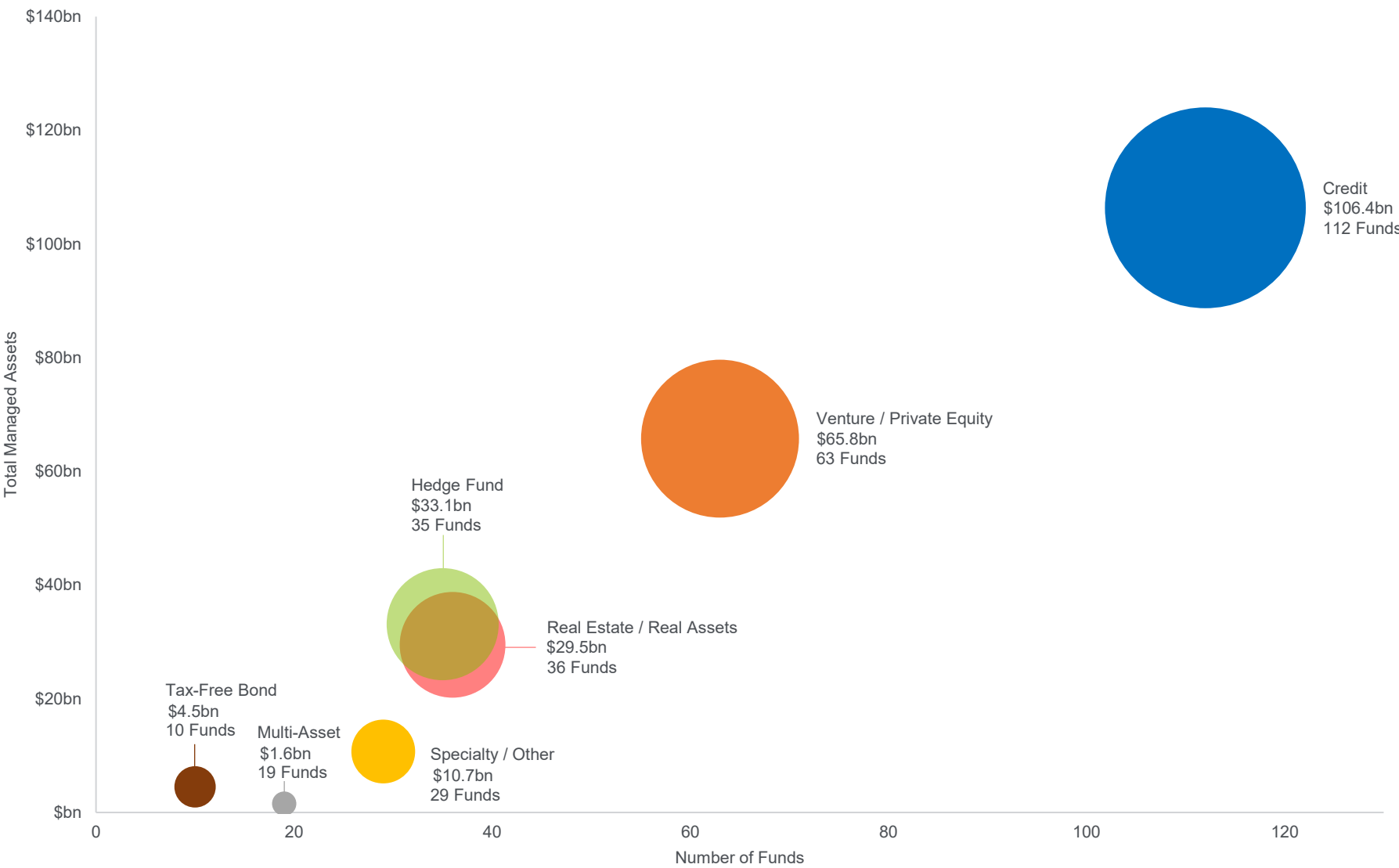
Sources: XA Investments; CEFDData.com. Notes: All figures are the latest publicly available as of 9/30/2025.

1. Fund closures for 2025 YTD include the CPG Cooper Square International Equity, LLC, the Cross Shore Discovery Fund, the Stone Ridge Post-Even Reinsurance Fund, the NB Private Markets Fund III (TI) LLC, the NB Private Markets Fund III (TE) LLC, Morgan Creek Global Equity Long/Short Institutional Fund, Hatteras Core Alternatives TEI Institutional Fund, L.P., Hatteras Core Alternatives TEI Fund, L.P., Hatteras Core Alternatives Institutional Fund, L.P., and the Hatteras Core Alternatives Fund, L.P.

2. AUM represents total managed assets and is inclusive of leverage.

Overview of Non-listed CEF Market by Asset Class

Non-listed CEF Market by Total Managed Assets and Number of Funds



Sources: XA Investments; CEFDData.com; SEC Filings.
Note: Data reflects most recent publicly available data as of 9/30/2025.

Non-listed CEF Market Overview

Q3 2025 Observations

	Market Size	\$252bn in total managed assets (\$215bn in net assets) across 304 interval and tender offer funds, which is a net increase of 16 funds and \$25bn in total managed assets quarter-over-quarter • \$145.9bn in total managed assets (\$117.2bn in net assets) across 158 interval funds • \$105.7bn in total managed assets (\$98.0bn in net assets) across 146 tender offer funds
	New SEC Filings	41 non-listed CEFs are currently in the SEC registration process
	Market Leaders – Net Flows	The top 20 largest funds by total managed assets represent 38% of combined net flows in Q2 2025¹ Credit and Venture / Private Equity funds continue to attract strong positive net flows, drawing approximately \$6.0bn and \$4.6bn, respectively, in Q2 2025¹
	1st Movers	14 of the top 20 funds (ranked by AUM²) were launched prior to 2020 and have 5+ year track records
	New Fund Launches	20 funds launched in Q3 2025
	Time in SEC registration	Funds launched in Q3 2025 spent an average of 222 days (7.4 months) in the SEC registration process prior to going effective, compared to an average of 188 days (6.3 months) in Q2 2025. Due to the Federal government shutdown and increasing SEC backlog, time to market for new interval funds is expected to lengthen by 1-2 months for the foreseeable future
	Market Scale	• 3 funds have over \$10bn in AUM² • 9 funds have over \$5bn in AUM² • 27 funds have over \$2bn in AUM² • 49 funds have over \$1bn in AUM² • 79 funds have over \$500mm in AUM² • 184 funds have over \$100mm in AUM²
	Market Entrants	Currently, there are 157 unique sponsors and 57 fund sponsors with two or more funds • 7 new fund sponsors entered market in Q3 2025 (e.g. Blue Owl, Pursuit, and Lincoln Financial) • 13 existing fund sponsors launched additional funds in Q3 2025 (e.g. Carlyle, Privacore, and Stepstone) • 16 existing fund sponsors and 25 new fund sponsors are currently in the SEC registration process
	Performance Fees	• 83 funds (27% of total funds) charge an income incentive fee or performance fee • 11 of the 20 funds launched in Q3 2025 charge an income incentive fee or performance fee

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

Notes: Data as of 9/30/2025 or latest publicly available. Quarter-over-quarter represents change from 6/30/2025 to 9/30/2025.

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 6/30/2025 and represents the latest publicly available data.
2. AUM represents total managed assets and is inclusive of leverage.

69% of Non-listed CEF Assets are in Funds Managed by Alternative Asset Managers

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

Non-listed CEF Marketplace by Adviser Type



Adviser Type	AUM (\$mm) (6/30/2025)	AUM (\$mm) (9/30/2025)	AUM %Δ	% of AUM (9/30/2025)	Number of Funds (9/30/2025)	% of Funds (9/30/2025)
Alternative Asset Managers	155,510	172,408	10.9%	68.5%	169	55.6%
Traditional Asset Managers	47,512	53,212	12.0%	21.2%	98	32.2%
Other: RIAs, Distributors, Wires	23,679	25,913	9.4%	10.3%	37	12.2%
Total	226,710	251,533	10.9%	100%	304	100%

Sources: XA Investments; CEFDData.com; SEC Filings. Notes: Data reflects most recent publicly available as of 9/30/2025. AUM represents total managed assets and is inclusive of leverage.

Marketwide AUM Grew 11% Quarter-Over-Quarter

Overall Non-listed CEF Market

	6/30/2025	9/30/2025	% Change
Number of Funds	288	304	5.56%
Assets Under Management (\$mm)	226,701	251,533	10.95%
AUM of the top 20 (\$mm)	138,521	151,532	9.39%
Funds with \$1bn+ AUM (# of funds)	50	49	-2.00%

Non-listed CEFs Available on Wirehouse Platforms

	6/30/2025	9/30/2025	% Change
Merrill Lynch	14	15	7%
Morgan Stanley	27	31	15%
UBS	15	16	7%
Wells Fargo	10	11	10%
Total Unique Funds	39	46	18%

Non-listed CEFs by Asset Type

Asset Type	6/30/2025		9/30/2025	
	#	AUM (\$mm)	#	AUM (\$mm)
Credit	101	96,515	112	106,370
Venture / Private Equity	58	57,879	63	65,762
Real Estate / Real Asset	36	28,837	36	29,492
Hedge Fund	33	29,452	35	33,123
Specialty / Other	32	8,304	29	10,726
Multi-Asset	18	1,414	19	1,555
Tax-Free Bond	10	4,300	10	4,506
Total	288	226,701	304	251,533

20 Non-listed CEFs Launched in Q3 2025

Fund Name	Structure	Asset Class	Initial Filing	1933 Act	Effective Date ¹	Months in Registration
Franklin BSP Lending Fund	Interval Fund	Credit	4/7/2025	Yes	9/30/2025	5.9
Lincoln Partners Group Royalty Fund	Tender Offer	Specialty / Other	3/19/2025	Yes	9/24/2025	6.3
Pursuit Asset-Based Income Fund	Interval Fund	Credit	2/5/2025	Yes	9/23/2025	7.7
Sardis Credit Opportunities Fund	Interval Fund	Credit	4/30/2024	Yes	9/22/2025	17.0
Carlyle Alpinvest Private Markets Secondaries Fund	Tender Offer	Venture / Private Equity	2/28/2025	Yes	9/19/2025	6.8
Calamos Aksia Hedged Strategies Fund	Interval Fund	Hedge Fund	4/2/2025	Yes	9/16/2025	5.6
Jetstream Venture Fund	Interval Fund	Venture / Private Equity	10/22/2024	Yes	9/12/2025	10.8
Lincoln Bain Capital Total Credit Fund	Interval Fund	Credit	3/19/2025	Yes	9/9/2025	5.8
Privacore VPC Asset Backed Credit Fund	Interval Fund	Credit	5/2/2025	Yes	9/4/2025	4.2
Blue Owl Alternative Credit Fund	Interval Fund	Credit	3/7/2025	Yes	8/28/2025	5.8
iDirect Multi-Strategy Fund, LLC	Tender Offer	Hedge Fund	2/3/2025	Yes	8/20/2025	6.6
NB Asset-Based Credit Fund	Interval Fund	Credit	12/20/2024	Yes	8/19/2025	8.1
StepStone Private Equity Strategies Fund	Interval Fund	Venture / Private Equity	5/5/2025	Yes	8/18/2025	3.5
Callodine Specialty Income Fund	Interval Fund	Credit	7/16/2024	Yes	8/14/2025	13.1
TPG Private Markets Fund	Tender Offer	Venture / Private Equity	3/18/2025	Yes	8/8/2025	4.8
Oaktree Asset-Backed Income Fund Inc.	Interval Fund	Credit	2/3/2025	Yes	8/1/2025	6.0
Prospect Enhanced Yield Fund	Interval Fund	Credit	7/23/2024	Yes	8/1/2025	12.5
iDirect Private Credit Fund, L.P.	Interval Fund	Credit	12/4/2024	Yes	7/10/2025	7.3
Adams Street Private Equity Navigator Fund LLC	Tender Offer	Venture / Private Equity	4/1/2025	Yes	7/1/2025	3.0
RoboStrategy, Inc.	Tender Offer	Venture / Private Equity	9/9/2025	No	N/A ²	N/A ²
Average						7.4

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

Notes: Data reflects most recent publicly available as of 9/30/2025. AUM represents total managed assets.

1. Funds listed from newest to oldest by effective date.

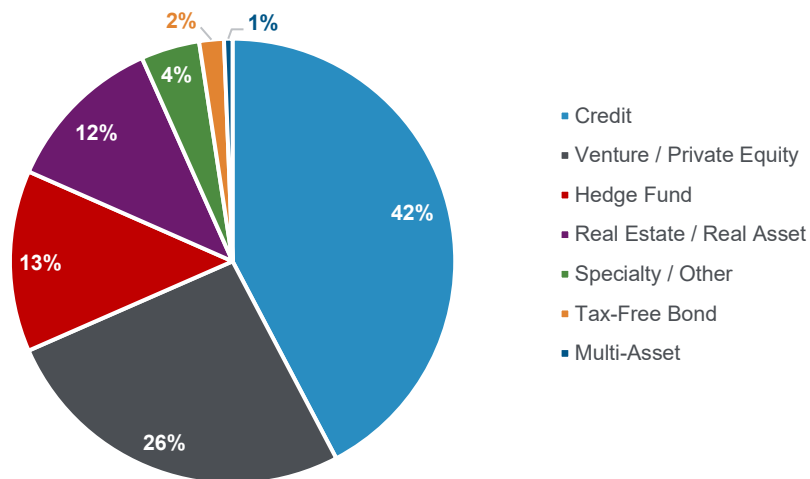
2. 1940 Act Funds not filed under the 1933 Act are considered automatically effective with the SEC.

Historical Interval and Tender Offer Fund Market Overview

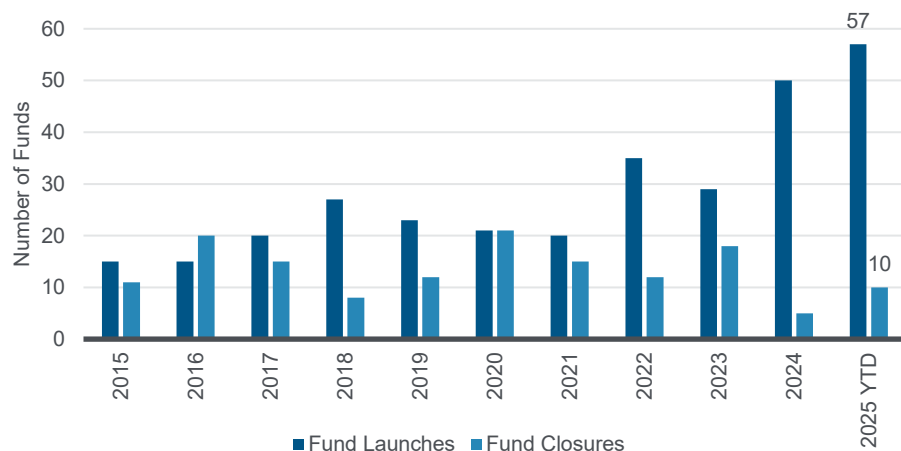
Interval and Tender Offer Funds by Asset Type

Asset Type	Funds	Total Managed Assets (\$mm) ¹	Net Assets (\$mm)
Credit	112	106,370	84,672
Venture / Private Equity	63	65,762	62,259
Real Estate / Real Asset	36	29,492	27,311
Hedge Fund	35	33,123	25,866
Specialty / Other	29	10,726	10,372
Multi-Asset	19	1,555	1,428
Tax-Free Bond	10	4,506	3,303
Total	304	251,533	215,212

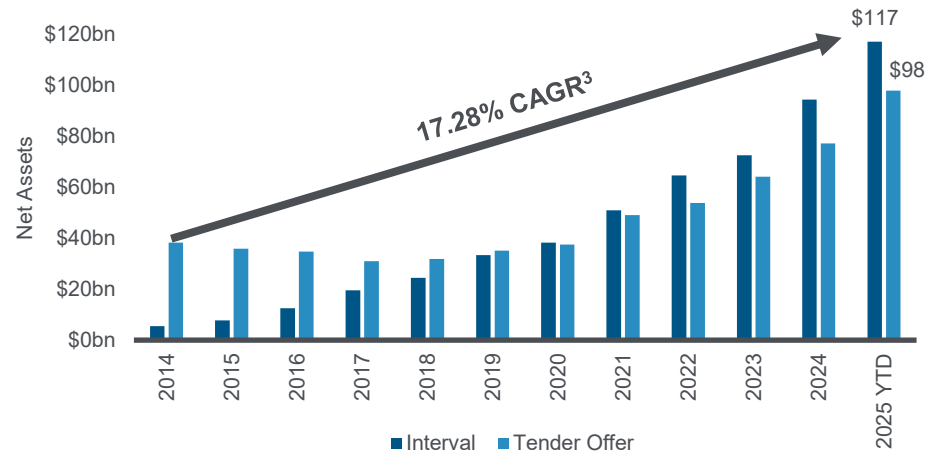
Asset Classes by Total Managed Assets¹



Fund Launches and Closures²



10 Year Net Asset Growth



Sources: XA Investments; CEFDData.com.

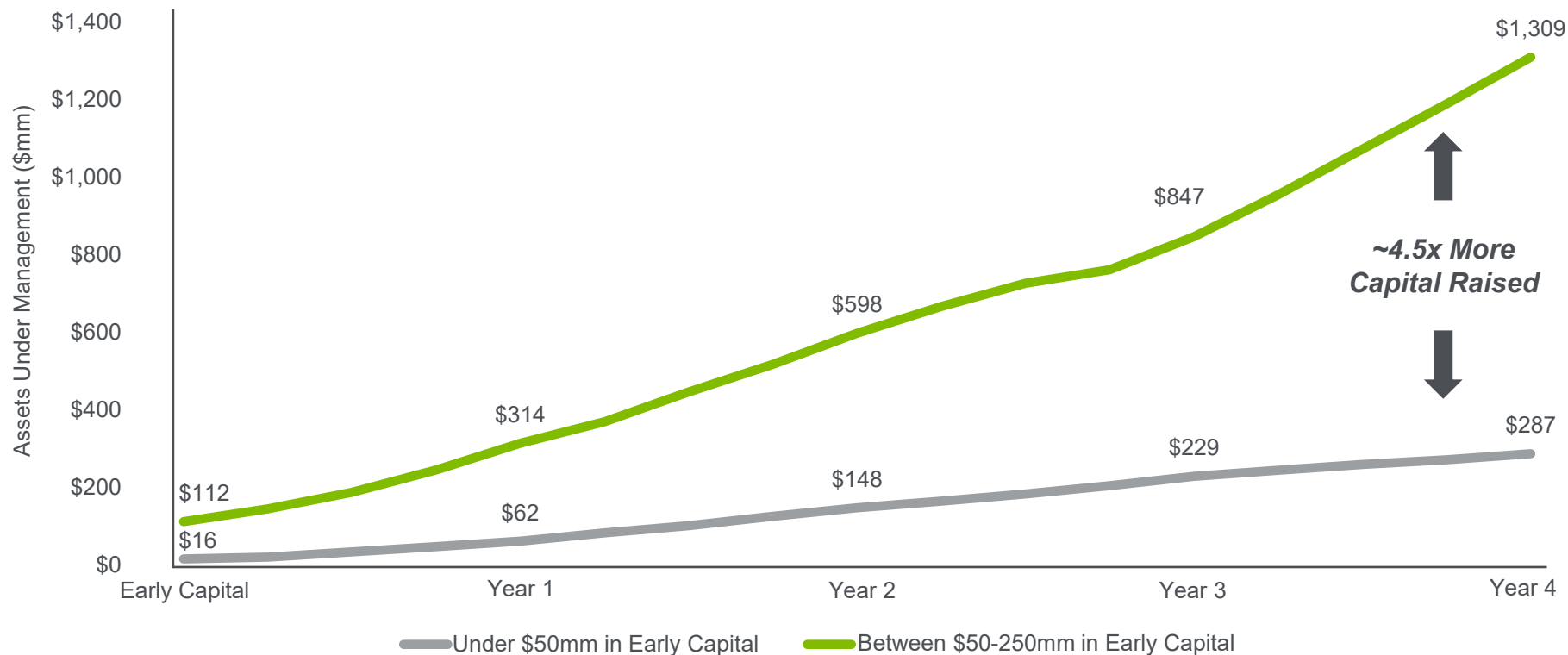
Notes: Data as of 9/30/2025 or latest publicly available.

1. Total managed assets is inclusive of leverage.
2. Fund closures for 2025 YTD include the CPG Cooper Square International Equity, LLC, the Cross Shore Discovery Fund, the Stone Ridge Post-Even Reinsurance Fund, the NB Private Markets Fund III (TI) LLC, the NB Private Markets Fund III (TE) LLC, Morgan Creek Global Equity Long/Short Institutional Fund, Hatteras Core Alternatives TEI Institutional Fund, L.P., Hatteras Core Alternatives TEI Fund, L.P., Hatteras Core Alternatives Institutional Fund, L.P., and the Hatteras Core Alternatives Fund, L.P.
3. Represents the 10-year compound annual growth rate of net assets for interval and tender offer funds, as of 9/30/2025. Marketwide net assets for 9/30/2015 were interpolated and may not reflect actual values.

Early Capital Accelerates Interval Fund Scale

Funds with early capital were 4.5x larger on average by the end of year 4 compared to funds without early capital.

Growth Trends: Early Capital in Interval Funds^{1,2}



Looking for guidance on raising seed capital for your interval fund?

Contact us at info@xainvestments.com to learn how to successfully launch and scale your fund.



Sources: XA Investments; SEC Filings.

1. Based on a sample of 27 funds: 14 with under \$50 million in early capital and 13 with \$50-250 million.
2. 'Early Capital' is defined as the initial capital invested in an interval fund at launch.

Top 20: Market Leading Funds Have at Least \$2.8bn+ 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	-	38,575	29,654	3.19%
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	17,971	16,545	3.20%
3	3/1/2010	ACAP Strategic Fund	Interval	Hedge Fund	SilverBay Capital	N/A	Qualified Clients	ML, MS, UBS, WF	14,465	9,800	3.44%
4	1/26/2017	CION Ares Diversified Credit Fund	Interval	Credit	CION Investments	Ares	No Restrictions	MS, UBS, WF	7,527	4,855	6.92%
5	7/1/2021	Cliffwater Enhanced Lending Fund	Interval	Credit	Cliffwater	N/A	No Restrictions	-	6,630	5,966	2.11%
6	6/4/2018	Carlyle Tactical Private Credit Fund	Interval	Credit	Carlyle	N/A	No Restrictions	MS	6,214	4,428	5.49%
7	10/27/2015	AMG Pantheon Fund, LLC	Tender Offer	Venture / Private Equity	Pantheon	N/A	No Restrictions	MS	5,805	5,622	0.86%
8	1/1/2011	Ironwood Institutional Multi-Strategy Fund LLC ²	Tender Offer	Hedge Fund	Ironwood Capital Management	N/A	Qualified Clients	ML, MS, WF	5,789	5,719	1.39%
9	2/22/2017	PIMCO Flexible Credit Income Fund	Interval	Credit	PIMCO	N/A	No Restrictions	ML, MS, UBS, WF	5,677	3,597	5.12%
10	10/1/2020	StepStone Private Markets	Tender Offer	Venture / Private Equity	StepStone	StepStone	No Restrictions	MS, WF	4,933	4,872	1.88%
11	5/4/1999	Advantage Advisers Xanthus Fund, L.L.C.	Tender Offer	Hedge Fund	Advantage Advisers	Alkeon	Qualified Clients	-	4,533	2,891	3.70%
12	1/4/2021	Hamilton Lane Private Assets Fund	Tender Offer	Venture / Private Equity	Hamilton Lane	N/A	Qualified Clients	ML, MS	4,523	4,229	2.93%
13	11/1/2023	Brookfield Infrastructure Income Fund Inc.	Tender Offer	Real Estate / Real Asset	Brookfield	N/A	No Restrictions	MS	4,464	4,136	2.29%
14	10/22/2012	Bluerock Total Income (plus) Real Estate Fund ³	Interval	Real Estate / Real Asset	Bluerock	Mercer; RREEF	No Restrictions	MS, UBS	4,421	3,679	3.28%
15	6/30/2014	Apollo Diversified Real Estate Fund	Interval	Real Estate / Real Asset	Apollo	Aon/CenterSquare	No Restrictions	MS, UBS	3,904	3,855	1.90%
16	1/7/2022	Cascade Private Capital Fund	Interval	Venture / Private Equity	Cliffwater	N/A	No Restrictions	-	3,738	3,365	0.41%
17	4/1/2022	Ares Private Markets Fund	Tender Offer	Venture / Private Equity	Ares	N/A	Qualified Clients	-	3,611	3,147	4.74%
18	2/22/2019	Lord Abbett Credit Opportunities Fund	Interval	Credit	Lord Abbett	N/A	No Restrictions	ML, UBS	3,043	2,935	1.37%
19	6/12/2017	First Trust Alternative Opportunities Fund ⁴	Interval	Specialty / Other	First Trust	Palmer Square; RiverNorth Capital Management	No Restrictions	-	2,875	2,802	1.45%
20	10/2/2017	Variant Alternative Income Fund	Interval	Credit	Variant Investments	N/A	No Restrictions	-	2,835	2,702	1.71%

Sources: XA Investments; CEFDData.com; sponsor websites and prospectuses.

Notes: Data as of 9/30/2025 or latest publicly available. Data is listed in order of total managed assets, highest to lowest. No Restrictions indicates funds with no fund-level investor suitability restrictions.

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 is a master fund.

3. The Bluerock Total Income (plus) Real Estate Fund intends to convert to a listed CEF upon shareholder approval in 2025. See page 21 for more details.

4. Denotes a new addition to the top 20 funds list (compared to 288 Q2 2025 end).

Top 20: Credit Funds Have at Least \$850mm+ in Total Managed Assets

#	Inception Date	Fund Name	Fund Structure	Asset Class Sub-category	Total Managed Assets (\$mm) ¹	Net Assets (\$mm) ¹	Leverage (%)	Source	Date of Source	Distribution Rate ²	Source	Date of Source
1	6/5/2019	Cliffwater Corporate Lending Fund	Interval	Direct Lending	38,575	29,654	19.38%	Shareholder Report	3/31/2025	10.00%	Factsheet	8/31/2025
2	1/26/2017	CION Ares Diversified Credit Fund	Interval	Direct Lending	7,527	4,855	32.69%	Factsheet	8/31/2025	8.38%	Factsheet	8/31/2025
3	7/1/2021	Cliffwater Enhanced Lending Fund	Interval	Asset-Backed Lending	6,630	5,966	4.45%	Shareholder Report	3/31/2025	11.00%	Factsheet	8/31/2025
4	6/4/2018	Carlyle Tactical Private Credit Fund	Interval	Multi-Strategy Credit	6,214	4,428	25.00%	Factsheet	7/30/2025	9.63%	Factsheet	7/30/2025
5	2/22/2017	PIMCO Flexible Credit Income Fund	Interval	Multi-Strategy Credit	5,677	3,597	32.42%	Website	8/31/2025	9.98%	Website	8/31/2025
6	2/22/2019	Lord Abbett Credit Opportunities Fund	Interval	Multi-Strategy Credit	3,043	2,935	-	Website	6/30/2025	9.27%	Website	9/30/2025
7	10/2/2017	Variant Alternative Income Fund	Interval	Asset-Backed Lending	2,835	2,702	4.78%	Factsheet	8/31/2025	9.75%	Factsheet	8/31/2025
8	6/1/2016	Stone Ridge Alternative Lending Risk Premium Fund	Interval	Loans / Bonds / Structured Credit	2,457	1,699	29.90%	Shareholder Report	2/28/2025	3.95%	Shareholder Report	2/28/2025
9	7/1/2020	Keystone Private Income Fund	Tender Offer	Asset-Backed Lending	1,906	1,643	9.29%	Shareholder Report	3/31/2025	11.16%	Shareholder Report	3/31/2025
10	8/1/2007	SEI Structured Credit Fund, LP	Tender Offer	Loans / Bonds / Structured Credit	1,871	1,637	-	Shareholder Report	6/30/2025	-.3	Shareholder Report	6/30/2025
11	4/3/2017	Apollo Diversified Credit Fund	Interval	Direct Lending	1,828	1,428	22.20%	Monthly Report	8/31/2025	7.74%	Monthly Report	8/31/2025
12	10/1/2018	AIP Alternative Lending Fund A	Tender Offer	Loans / Bonds / Structured Credit	1,526	1,226	17.49%	Shareholder Report	3/31/2025	7.00%	Factsheet	7/31/2025
13	10/12/2023	KKR US Direct Lending Fund-U Inc.	Tender Offer	Direct Lending	1,424	1,329	5.59%	Shareholder Report	6/30/2025	10.72%	Shareholder Report	6/30/2024
14	6/3/2024	StepStone Private Credit Income Fund	Interval	Direct Lending	1,111	899	18.61%	Shareholder Report	6/30/2025	8.92%	Bloomberg	9/30/2025
15	9/15/2020	First Eagle Credit Opportunities Fund	Interval	Loans / Bonds / Structured Credit	1,071	816	11.84%	Shareholder Report	6/30/2025	8.76%	Website	9/30/2025
16	3/4/2019	1WS Credit Income Fund	Interval	Asset-Backed Lending	989	725	-	Shareholder Report	4/30/2025	8.37%	Factsheet	8/31/2025
17	2/28/2020	KKR Credit Opportunities Portfolio	Interval	Multi-Strategy Credit	952	593	30.30%	Factsheet	7/31/2025	9.20%	Factsheet	7/31/2025
18	5/12/2025	Blue Owl Alternative Credit Fund	Interval	Asset-Backed Lending	946	946	-	Shareholder Report	6/30/2025	10.74%	Shareholder Report	6/30/2025
19	2/1/2017	Federated Hermes Project & Trade Finance Tender Fund	Tender Offer	Asset-Backed Lending	936	919	-	Shareholder Report	3/31/2025	7.00%	Website	9/30/2025
20	11/19/2020	John Hancock GA Senior Loan Trust	Tender Offer	Loans / Bonds / Structured Credit	893	872	-	Shareholder Report	6/30/2025	7.79%	Shareholder Report	6/30/2025

Sources: XA Investments; CEFDData.com; sponsor websites and prospectuses.

Notes: Data as of 9/30/2025 or latest publicly available. Data is listed in order of total managed assets, highest to lowest.

1. Total Managed Assets and Net Assets are based on the most recent publicly available information.

2. Represents the most recently published, highest distribution across share classes for each fund.

3. Source: Semi-annual shareholder report. No cash distributions were declared or paid by SEI Structured Credit Fund, LP for the six-month period ended June 30, 2025.

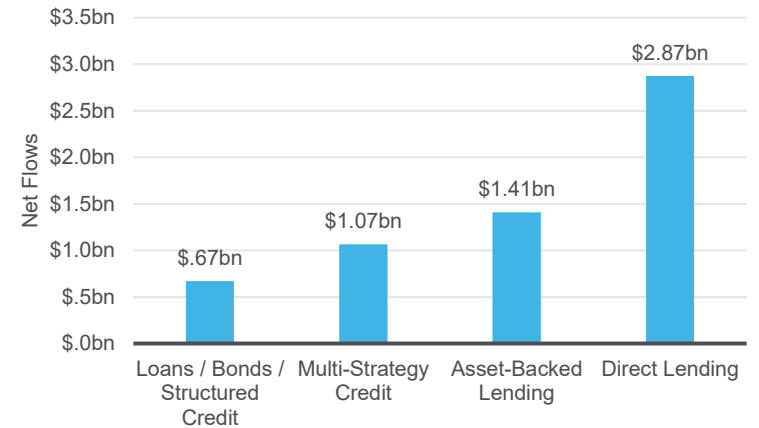
In Q3 2025, Private Credit Expanded Over 10% in Both Number of Funds and Total Managed Assets

Asset-Backed Lending funds have grown the most of any credit sub-category, in part due to their recent popularity in the market.

Credit Non-listed CEFs¹

Number of Funds				Total Managed Assets (\$mm)		
Sub-Category	6/30/2025	9/30/2025	% Change	6/30/2025	9/30/2025	% Change
Multi-Strategy Credit	31	34	9.68%	19,100	20,807	8.94%
Loans / Bonds / Structured Credit	38	39	2.63%	15,275	15,708	2.83%
Asset-Backed Lending	20	25	25.00%	14,018	16,850	20.20%
Direct Lending	12	14	16.67%	48,122	53,005	10.15%
Total	101	112	10.89%	96,515	106,370	10.21%

Q2 2025 Net Flows By Credit Sub-Category²



11 Credit Non-listed CEFs Launched in Q3 2025

Fund Name	Structure	Sub-Category	Initial Filing	1940 Act / 1933 Act	Effective Date ³	Months in Registration
Franklin BSP Lending Fund	Interval	Direct Lending	4/7/2025	Yes	9/30/2025	5.9
Pursuit Asset-Based Income Fund	Interval	Asset-Backed Lending	2/5/2025	Yes	9/23/2025	7.7
Sardis Credit Opportunities Fund	Interval	Loans / Bonds / Structured Credit	4/30/2024	Yes	9/22/2025	17.0
Lincoln Bain Capital Total Credit Fund	Interval	Multi-Strategy Credit	3/19/2025	Yes	9/9/2025	5.8
Privacore VPC Asset Backed Credit Fund	Interval	Asset-Backed Lending	5/2/2025	Yes	9/4/2025	4.2
Blue Owl Alternative Credit Fund	Interval	Asset-Backed Lending	3/7/2025	Yes	8/28/2025	5.8
NB Asset-Based Credit Fund	Interval	Asset-Backed Lending	12/20/2024	Yes	8/19/2025	8.1
Callodine Specialty Income Fund	Interval	Multi-Strategy Credit	7/16/2024	Yes	8/14/2025	13.1
Oaktree Asset-Backed Income Fund Inc.	Interval	Asset-Backed Lending	2/3/2025	Yes	8/1/2025	6.0
Prospect Enhanced Yield Fund	Interval	Multi-Strategy Credit	7/23/2024	Yes	8/1/2025	12.5
iDirect Private Credit Fund, L.P.	Interval	Direct Lending	12/4/2024	Yes	7/10/2025	7.3

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

Notes: Data reflects most recent publicly available as of 9/30/2025.

1. This quarter, the XAI research team recategorized several credit funds to reflect changes in portfolio holdings / fund strategy.

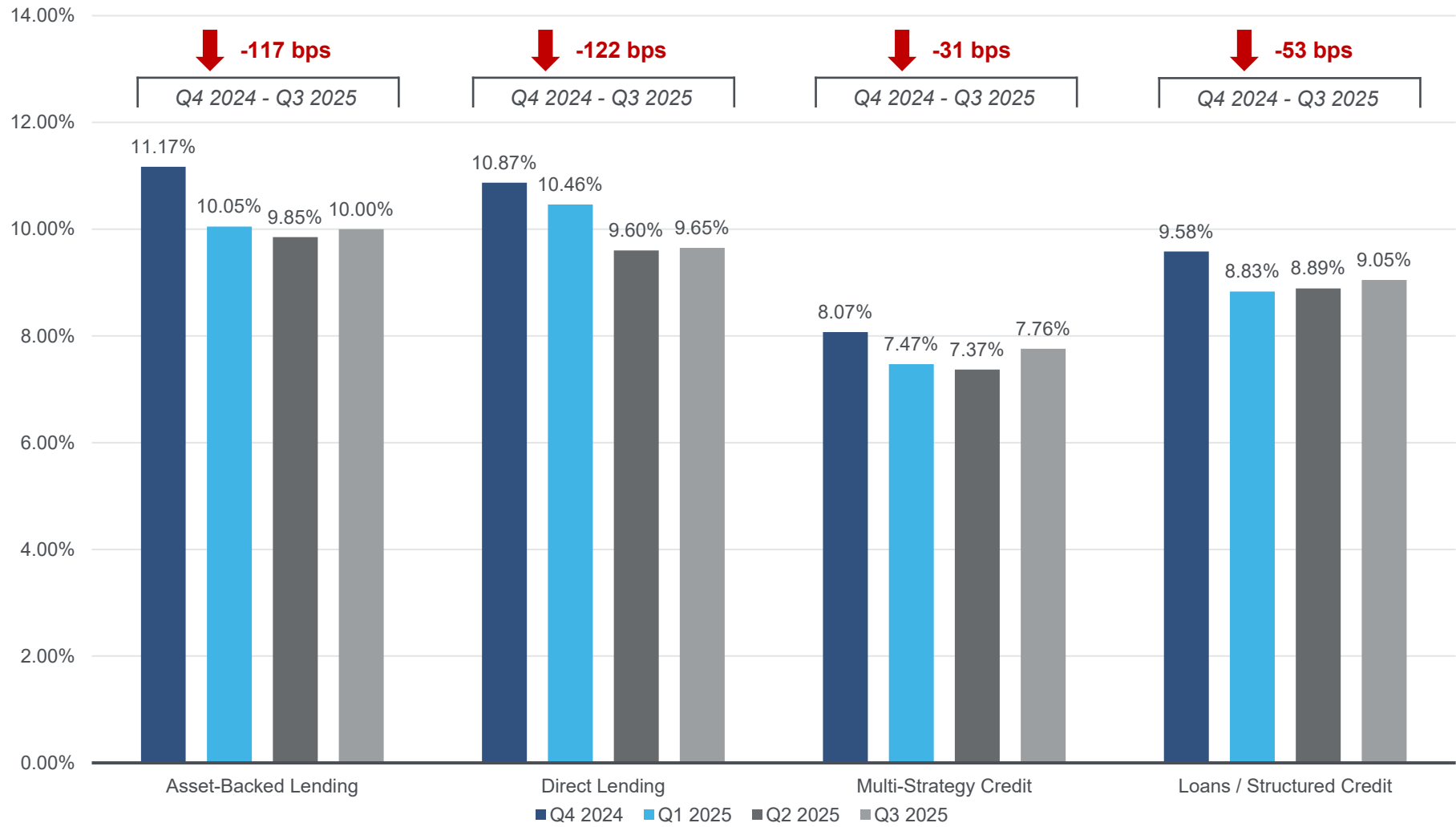
2. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data above are as of 6/30/2025 and represents the latest publicly available data. Chart represents credit fund net flows from 4/1/2025 to 6/30/2025.

3. Funds are listed from newest to oldest by Effective Date.

Credit Funds Have Experienced Declines in Yields

Over the past year, Asset-Backed Lending funds consistently offered the highest indicated yield, followed by Direct Lending.

Weighted Average Indicated Yields by Credit Sub-Class^{1,2,3}



Sources: XA Investments; CEFDData.com; Bloomberg; Fund Websites. Notes: Data as of 9/30/2025.
1. Weightings reflect the total managed assets of underlying funds within each sub-category.
2. Indicated yield is calculated by dividing the most recently declared distribution by the fund's NAV per share.
3. Indicated yields were available for only 68 of 112 Credit funds due to limited public disclosures and data availability.

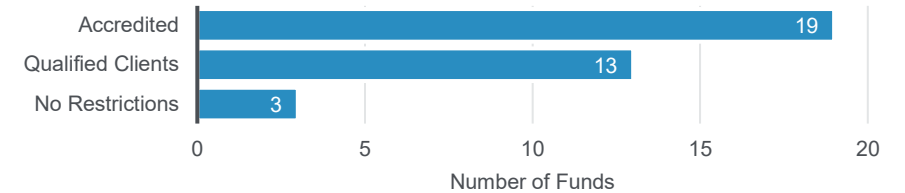
Hedge Fund Focused Interval and Tender Offer Funds Face Headwinds

Hedge funds in the interval and tender offer fund market have shown varied results. In recent years, many hedge funds, such as the ACAP Strategic Fund, have experienced outflows and increased demand for liquidity, although some newer managers have reported positive developments. On the other hand, performance has been quite good with 4 of the 15 top performers coming from within the category.¹

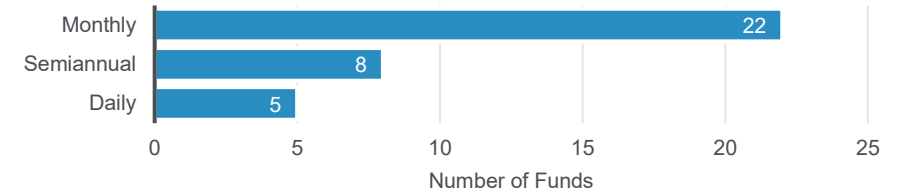
Hedge Fund Category of Interval Funds: Overview

- The Hedge Fund category includes 35 funds with \$33bn in total managed assets representing 13% of the market.
- 83% (29 out of 35) of these funds launched prior to 2020 and performance and net flows have varied widely across funds.
- 86% are structured as tender offer funds (30 out of 35).
- Interval / tender offer funds that are classified in the Hedge Fund category predominately pursue the following strategies:
 - Multi-Strategy
 - Long / Short Equity
 - Hedge Funds (Fund of Funds)
 - Long / Short Equity
 - Opportunistic
 - Distressed
 - Global Macro
 - Quantitative
- There have been several new launches this year with new notable hedge fund managers entering the space including Select Equity Group and Wellington.

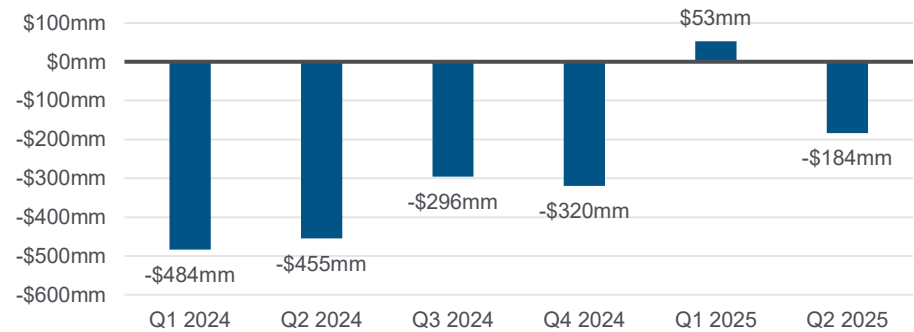
Fund Suitability Restrictions



Fund Valuation Frequency



Hedge Fund Net Flows²



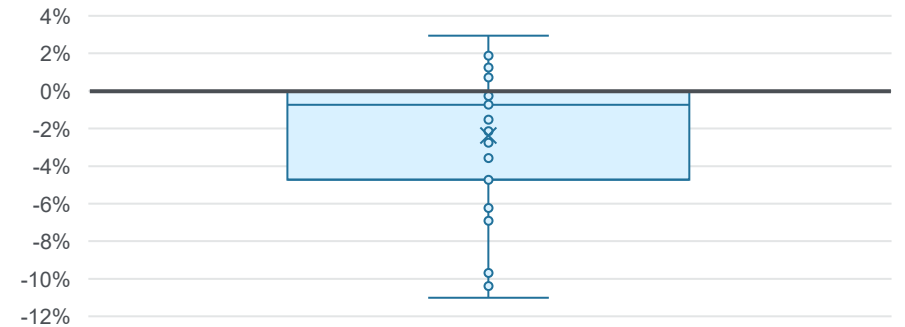
Sources: CEFData.com; XA Investments. Flow data sourced from SEC NPORT filings.

Notes:

- See page 81 for more information.
- 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 6/30/2025 and represents the latest publicly available data.
- Represents the ratios of net flows to average net assets across the hedge fund category. Note a fund must have filed at least two NPORTs to calculate net assets over the period. 31 interval and tender offer funds out of the 35 met this requirement and are included in the analysis. The data above reflects data from the latest NPORTs available for the reporting period ending 6/30/2025. See page 71 for more information.
- The line inside the interquartile range represents the median ratio of net flows to average net assets and the "X" represents the average ratio of net flows to average net assets.

Important Note: A negative ratio does not mean a fund is in proration. The ratio reflects the relationship of a fund's net flows to net assets and is meant to be used as an indicator.

Proration Monitor^{2,3,4}



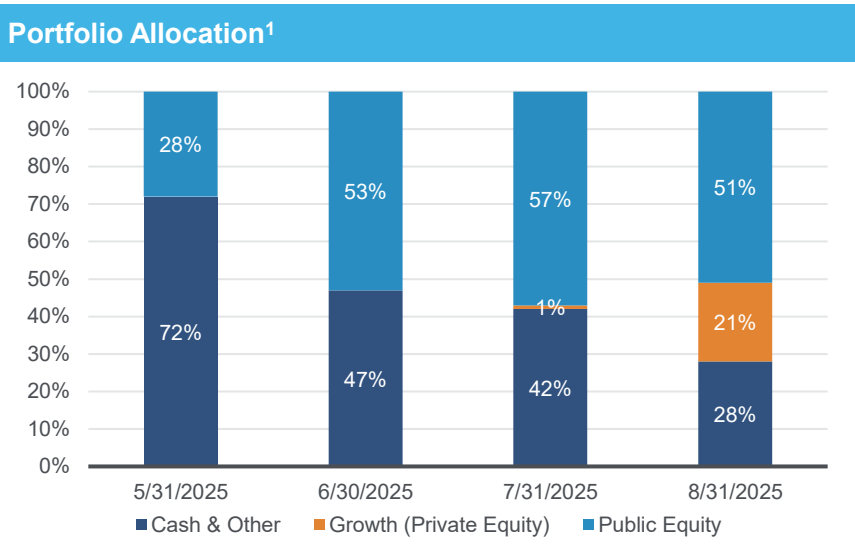
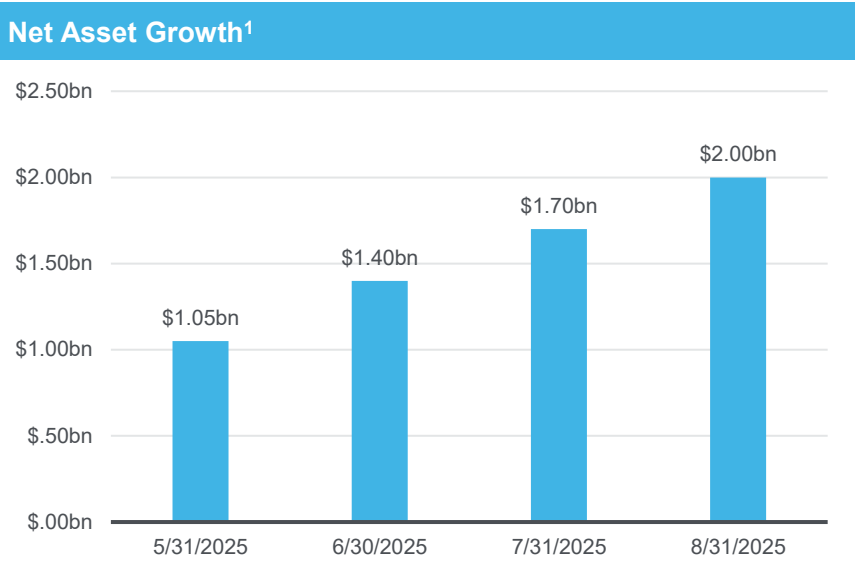
Fund Profile: Coatue Innovative Strategies Fund (CTEK)

Why featured? Launched on UBS platform and \$1bn in seed capital from the family offices of Jeff Bezos and Michael Dell.

COATUE

Summary Terms	
Adviser	Coatue Management, LLC
Net Assets	\$2bn
Inception Date	5/5/2025
Structure	Tender Offer Fund
Asset Class	Public/Private Equity
Suitability Restrictions	Qualified Clients
Minimum Investments	Initial Investment: \$1,000,000 (Class I); \$50,000 (Class S, Class D) Subsequent Investment: \$250,000 (Class I); \$5,000 (Class S, Class D)
Investment Objective	The Fund's investment objective is to seek to generate long-term capital appreciation.
Strategy	The Fund seeks to achieve its investment objective by investing in "Innovation Companies." For these purposes, "Innovation Companies" include companies operating and investing in the technology, media and telecommunications sectors and/or other sectors disrupted by innovation, including, but not limited to the energy, healthcare, life science, consumer and retail, mobile internet, digital entertainment and ecommerce, cloud computing, machine learning, artificial intelligence, transportation, semiconductors, robotics, logistics and infrastructure (including electric vehicles and related technologies), defense, mobile gaming and financial services sectors. The Fund generally intends to allocate approximately 50-80% of its assets to Public Assets and 20-50% of its assets to Private Assets.
Management Fee	1.25% of Net Assets
Total Return Fee	12.5% subject to a 5.0% hurdle and a high-water mark with a 100% catch-up
NAV Frequency	Monthly
Redemption Frequency	Quarterly 0-5%

Seed Capital and Distribution	
- The fund was seeded with a combined \$1 billion in initial anchor capital commitments from Bezos Expeditions and DFO Management, LLC, the family investment offices of Jeff Bezos and Michael Dell, respectively. - In addition to \$1bn in seed, Philippe Laffont (Coatue's Founder) and internal Coatue employees announced plans to invest a minimum of \$150 million into CTEK by 6/1/2025 according to a company press release from 5/6/2025. - Notably, the fund launched on the UBS platform and was made available to wealth management clients through their advisors according to The Wall Street Journal.²	



Sources: XA Investments; WSJ; Company website, press releases and SEC filings. Data latest publicly available as of 9/30/2025.
Notes: 1. Sourced from monthly fund factsheets. 2. Angel Au-Yeung, "New Tech Fund Backed by Jeff Bezos Courts Individual Investors," The Wall Street Journal, 5/6/2025.

Fund Profiles: Adams Street and Blue Owl Enter Interval Fund Market

Global alts managers Adams Street and Blue Owl entered the interval / tender offer fund market with private equity / credit funds and have scaled quickly.

	 Adams Street	 BLUE OWL
Fund	Adams Street Private Equity Navigator Fund LLC (ASPJX)	Blue Owl Alternative Credit Fund (OWLCX)
Inception Date	4/1/2025	5/12/2025 ¹
Structure	Tender Offer	Interval
Contributed Capital	\$402mm ²	\$2mm ³
AUM	\$406mm	\$946mm ⁴
1940 Act	Yes	Yes
1933 Act	Yes	Yes
Asset Class	Venture / Private Equity	Credit
Asset Sub-Class	Private Equity	Asset-Backed Lending
Investment Objective	To seek long-term capital appreciation.	Current income and, to a lesser extent, capital appreciation.
Strategy	Invests in diversified private equity investments across geographies, strategies, and sub-asset classes. The fund may allocate to private credit investments to enhance liquidity and portfolio flexibility.	Allocates assets across a range of alternative credit assets and strategies, including asset-based finance investments. To a lesser extent, investments in other credit investments, with a focus on private investments.
Suitability	Qualified Clients	No Restrictions
Minimum Investment	\$25,000 (Class D, Class S, Class M), \$1,000,000 (Class I) initial investment; \$10,000 (Class D, Class S, Class M, Class I) subsequent investment	\$25,000 (Class S, U), \$1,000,000 (Class I) initial investment; \$5,000 subsequent minimum investment
Management Fee	1.00% on Net Assets	0.75% on Total Managed Assets
Incentive/ Total Return Fee	Total return performance fee equal to 10% of net profits	10.00% on Pre-Incentive Fee Net Investment Income (6.00% Hurdle / 6.67% Catch Up)
Redemptions	Quarterly 0% - 5%	Quarterly 5% - 25%

Significance of Adams Street's Market Entry

- Adams Street has decades of experience creating, managing, and distributing “fund-of-fund” evergreen strategies across its private wealth channels, positioning it well to meet the type of clientele that invests in interval / tender offer funds.⁵
- ASPJX builds on the success of its predecessor private fund, which delivered 17.88% annualized returns since inception (February 2021) and grew to over \$400 million in net assets.² Benchmarking its annualized returns against Venture / Private Equity interval & tender offer funds in the market shows the Fund would have been among the highest-returning funds over the past four years.

Significance of Blue Owl's Market Entry

- \$250bn in firmwide AUM and strong deal flow (~\$24bn across 950 deals) give Blue Owl an edge in sourcing attractive private credit opportunities across many industries.
- Established presence in major wirehouses may streamline product onboarding relative to smaller competitors.
- Strong distribution capabilities enhance scalability and investor appeal compared to subscale managers.
- Onboarded at Morgan Stanley in Q3 2025.

Sources: XA Investments; Company websites; press releases and SEC filings. AUM represents total managed assets. Data as of 9/30/2025.

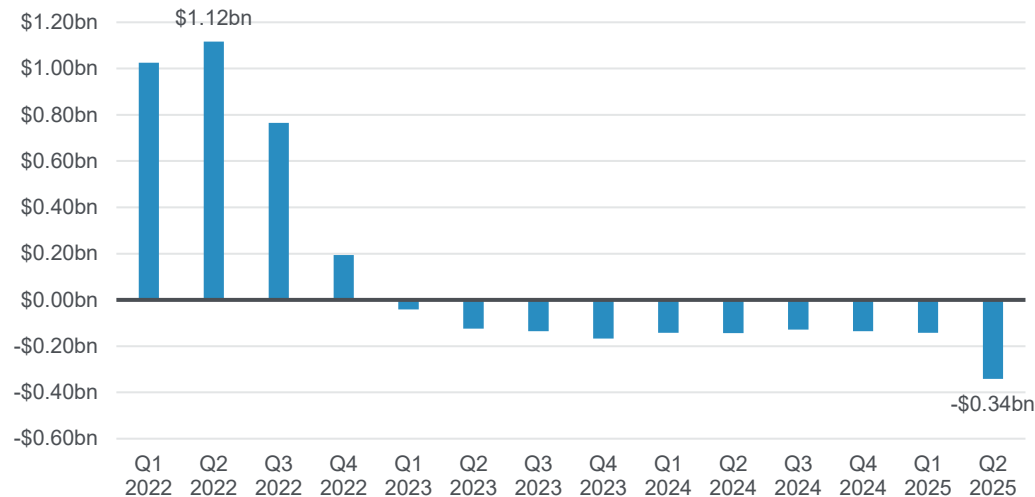
Notes:

- Represents the commencement of a private offering. The Blue Owl Alternative Credit Fund went effective as an interval fund on 8/28/2025.
- The Adams Street Global Private Markets Fund converted its assets and strategy into the Adams Street Private Equity Navigator Fund LLC.
- The Blue Owl Alternative Credit Fund had \$2mm in capital due from adviser and prepaid expenses before its launch.
- Blue Owl pre-sold the fund and secured \$850mm of capital from the private wealth channel before the fund launched.
- Adams Street manages over \$2bn in evergreen assets across four product lines.

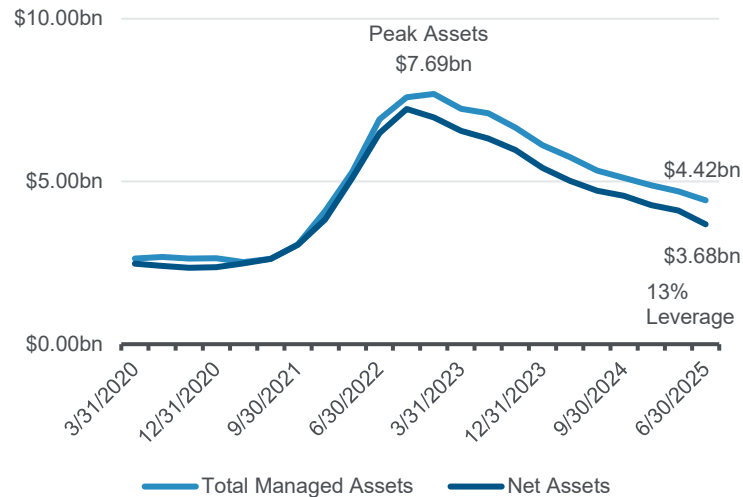
Bluerock Total Income+ Real Estate Fund is Seeking to Convert to a NYSE Listed CEF

On September 25th, Bluerock announced shareholder approval to list the Bluerock Total Income+ Real Estate Fund. Bluerock expects the Fund to begin trading on the NYSE in mid-December 2025.

Net Flows¹



Asset Growth and Subsequent Decline²



Bluerock Total Income+ Real Estate Fund Overview

	Current Structure	After Listing
Inception Date / Target Listing Date	10/22/2012	Q4 2025
Structure	Interval Fund	NYSE Listed CEF
Total Managed Assets ²	\$4.42bn as of 6/30/2025	TBD
Suitability	No Restrictions	No Restrictions (Exchange Listed)
Adviser	Bluerock	Bluerock
Objective	Generate current income while secondarily seeking long-term capital appreciation.	
Strategy	Comprehensive multi-strategy, multi-manager, multi-sector approach, primarily investing in a strategic combination of what the Fund's advisor believes are global 'best in class' institutional private real estate funds and public real estate securities.	
Liquidity	Quarterly (5%)	Intraday Liquidity on Exchange

Transaction Timeline

- July 2, 2025:** Board approved and recommended a plan to convert the fund to a listed closed-end fund.
- July 3, 2025:** Filed proxy statement and prospectus with the SEC. Temporary suspension of the fund's offering for duration of proxy proposal approval process.
- July 13, 2025:** Commence shareholder proxy solicitation following SEC review period through September 2, 2025.
- September 3, 2025:** Shareholder meeting to review results of proxy vote.
- September 25, 2025:** Announced shareholder approval of listing.
- December 2025:** Bluerock expects the Fund to begin trading on the NYSE in mid-December 2025.

Sources: XA Investments; Bloomberg; Company websites; press releases and SEC filings. AUM represents total managed assets. Data as of 9/30/2025.
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 above is as of 6/30/2025 and represents the latest publicly available data. 2. Sourced from NPORT filings.

Notable New Interval Fund Filings in Q3 2025

Fund Filing ¹	Market Significance
 <u>ProShares Private Equity Access Fund</u> • Structure: Interval Fund • Initial Filing Date: September 25, 2025 • Strategy: The Fund intends to invest at least 80% of its net assets in private equity through Secondary and Early Secondary investments, with additional allocations to Primary Investments, Direct Investments, and Index-Related Investments. Its portfolio will span a broad range of private equity strategies and vintages, while Index-Related Investments seek to replicate diversified private equity exposure through publicly traded assets such as equities, ETFs, options, and futures.	ProShares, an investment manager with \$95 billion in AUM as of September 2025, filed for its first interval fund. The filing represents an uncommon expansion for an ETF-focused firm into the interval fund market, with most exposure expected to be through direct private equity investments rather than ETFs.
 <u>CAZ GP Stakes Fund</u> • Structure: Interval Fund • Initial Filing Date: August 8, 2025 • Strategy: The Fund intends to invest at least 80% of its net assets in GP Stake Investments, primarily through secondary, primary, and direct investments in institutional alternative asset managers. The strategy seeks diversification across vintages and sectors such as private equity, private credit, real estate, and real assets.	CAZ Investments, an alternative manager with approximately \$10.3 billion in AUM, introduced the first GP Stakes strategy to enter the interval fund market, marking the firm's expansion beyond its existing tender offer fund and reflecting growing investor interest in GP stakes exposure through registered products.
 <u>Capital Group KKR U.S. Equity+</u> • Structure: Interval Fund • Initial Filing Date: July 29, 2025 • Strategy: The Fund intends to invest at least 80% of its net assets in U.S. equity securities, with an allocation of roughly 60% to publicly traded equities and 40% to private equity. Private equity exposure will be gained primarily through investments in KKR Private Equity Conglomerate LLC (approximately 30%) and co-investments alongside KKR vehicles (up to 10%).	Capital Group, a global asset manager with over \$3 trillion in AUM as of June 2025, has partnered with KKR² on its third interval fund. The collaboration underscores growing demand for hybrid public-private equity strategies in registered products, signaling broader institutional adoption of the interval fund structure.
 <u>Loomis Sayles Credit Income Opportunities Fund</u> • Structure: Interval Fund • Initial Filing Date: July 25, 2025 • Strategy: The Fund intends to invest at least 80% of its net assets in credit-focused investments across public and private markets, with allocations spanning liquid credit, direct lending, opportunistic credit, structured credit, asset-backed finance, and real assets credit.	Loomis Sayles, an investment manager with \$413 billion in AUM as of June 2025 and an affiliate of Natixis Investment Managers, has filed for its first interval fund. The move adds one of the industry's largest credit managers to the list of firms adopting the interval fund structure.

Sources: XA Investments; SEC Filings.

Notes: Data as of 9/30/2025 or latest publicly available.

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

2. KKR does not serve as the sub-adviser of the fund.

Legal & Regulatory Insights

In Q3 2025, the Trump administration issued an executive order prompting regulators to revisit rules on alternative assets in 401(k) plans.

July: Supreme Court to Weigh Private Right of Action Under Section 47(b)

The US Supreme Court on Monday, June 30, agreed to hear a case regarding the whether Section 47(b) of Investment Company Act of 1940 (the “1940 Act”) creates a private right of action for shareholders to bring lawsuits for alleged violations of the 1940 Act. In 2019, the Second Circuit Court of Appeal recognized a private right of action in Section 47(b), which upended years of precedent and created a Circuit Courts of Appeal split on the matter; [the Supreme Court will look to resolve the split](#). The impact of this case will have wide-ranging impact on the registered funds industry, and perhaps more immediate impact for listed closed-end funds.

Recently, the Second Circuit’s 2019 decision has empowered “activist” investors to use Section 47(b) as a tool to challenge listed closed-end fund by-laws, which in most cases conform to regulations in the states such funds are formed. Beyond the arbitrage “activist” strategy supported by the Second Circuit’s read of Section 47(b), [the Investment Company Institute \(ICI\)](#) and [Securities Industry and Financial Markets Association \(SIFMA\)](#) have argued that allowing a private right of action doctrine could empower shareholders challenges of many day-to-day decisions fund advisers make in their advisory capacity, potentially undermining much of the consistent legal framework the registered funds industry has relied upon.

August: Brian Daly’s First Remarks as SEC IM Director Spotlight Alternatives, Tokenization, and Governance

On July 29, 2025, the new Director of the Division of Investment Management, Brian Daly, spoke at the ICI on a number of timely matters for the investment management industry. Daly addressed the SEC’s review of cross trading, noting that the Staff is cognizant of the current 17a-7 framework’s bar for credit securities cross trades. Noting they are “fully aware of the issue and the magnitude.” Additionally, Daly touched on the matter of closed-end fund’s being required to hold annual shareholder meetings. He noted that the Staff is looking at the whole of the proxy system and encouraged the ICI and the industry to communicate with the Staff on those matters. Mr. Daly also spoke to the SEC and Chair Atkins’s agenda regarding alternative assets, tokenization, and expanding access to alternatives and crypto assets for retail investors.

September: Executive Order Seeks to Expand 401(k) Access to Private Markets

On August 7, 2025, the Trump administration issued [Executive Order \(“EO”\) “Democratizing Access to Alternative Assets for 401\(k\) Investors.”](#) The EO seeks to encourage 401(k) plan fiduciaries to include private market investments in 401(k) and other defined contribution plans. While the EO does not explicitly make changes to the way 401(k) plan fiduciaries and sponsors operate, it did spur the Department of Labor (“DOL”) to withdraw a 2021 statement discouraging the use of private equity in 401(k) plans. Perhaps just as important, the EO directs the DOL to, within 180 days, reevaluate the DOL’s prior statements on private assets in 401(k) and other defined contribution plans, clarify the fiduciary responsibilities regarding alternative assets in such plans, and coordinate with the Department of Treasury and the Securities and Exchange Commission, among other agencies, to assess any needed regulatory changes to allow for private and alternative asset investment in the plans. The EO also directs the SEC to assist the DOL in facilitating the EO.

Sources: XA Investments; SEC publications.

Implications of the U.S. Federal Government Shutdown on the Interval Fund Marketplace

The SEC has been impacted by the recent shutdown in the U.S. government, announcing they will not review any registration statements, issue interpretative guidance or exemptive relief, or issue notices of effectiveness.

Impact on SEC Registration Process

- If the shutdown is prolonged, the impact on the interval fund market will be significant for both existing and new interval and tender offer fund sponsors.
- 41 new interval and tender offer funds are currently in the SEC registration process. To put this in context, 50 new interval and tender offer funds came to market in 2024. 57 new interval / tender offer funds have launched in 2025 as of 9/30/2025, XA Investments' research group projects that there will be 75 or more new funds by year-end.
- The SEC staff faced significant reductions in the spring of 2025 due to Department of Government Efficiency ("DOGE") related cuts lengthening review times for new interval funds.
- Now, with a federal government shutdown, some new interval fund sponsors are in limbo waiting on the SEC to declare new funds effective so they can be marketed to retail investors. Interval funds that were getting close to the finish line include the Cantor Fitzgerald Energy Fund, the Virtus Global Credit Opportunities Fund, the FundRise Real Estate Interval Fund II, the Megacorn Fund and the Origin Real Estate Credit Fund. These funds sponsors are now having to put sales and marketing plans on hold before they can commence their retail sales process.
- The average time spent by interval funds in the SEC registration is 6-7 months with 3-4 different amended prospectus filings. If the shutdown does not end soon, the average wait time will move closer to 8-9 months. This will impact firms such as Capital Group that recently filed their 3rd fund in a series of private markets interval funds - the Capital Group KKR U.S. Equity+ on July 29, 2025. Capital Group is going to face a longer than expected SEC registration process.

Impact on Co-Investment Relief Applications

- Co-investment relief is often sought out by interval fund sponsors, with 100+ firms anticipated to be in the process of seeking or planning to seek co-investment relief from the SEC.
- As the volume of requests is higher than the SEC anticipated, the co-investment relief process will be significantly slowed and firms without exemptive relief will be limited in how their interval funds can invest.
- For fund sponsors looking to file a new co-investment relief application, getting SEC EDGAR codes will be a challenge as EDGAR codes are required for every entity that will be listed in a co-investment application.
- For existing funds, fund sponsors can continue to make SEC filings, but they will be unreviewed in the SEC's inbox waiting for the Federal government to reopen.
- The 4th quarter tends to be a busy time for fund sponsors making new fund filings. On top of that, the SEC just recently started doing sweep exams on interval fund sponsors related to valuation. The shutdown leaves those funds sponsors in limbo waiting to finish up the sweep exam.

Source: XA Investments.

Understanding Specialty Structure Evergreen Funds

The evergreen fund market for private wealth investors has expanded to include a variety of new fund structures that are exempt from the 1940 Act, continuously offered and compete indirectly with interval and tender offer funds.

What are Specialty Structures?

Specialty Structure Funds are continuously offered, semi-liquid private funds - though not a formally recognized fund structure - designed for accredited investors and qualified purchasers. They are exempt from the Investment Company Act of 1940 (the “1940 Act”), but still governed by federal securities laws. These evergreen funds provide access to alternative strategies while offering limited liquidity and reduced reporting obligations compared to 1940 Act registered funds.

Why These Funds?

As demand grows for private market exposure through retail-aligned platforms, Specialty Structure Funds offer managers a flexible alternative to registered fund formats. Their design enables the delivery of complex, less-liquid strategies in a semi-liquid wrapper without many of the regulations and reporting of a 1940 Act registered fund. The structure also allows managers to offer certain investors preferential terms and enables the fund to take control positions in companies.

Why We’re Watching This Space?

The continued rise of Specialty Structures reflects evolving product design to meet investor demand for private market access. Their flexibility is reshaping how alternatives are delivered through wealth management channels, with the structure becoming increasingly popular with large alternative managers seeking evergreen funds. Many of these funds have been structured to directly compete against interval and tender offer funds.

Key Characteristics of Specialty Structures

Fund Structure and Regulatory Status

- Private funds exempt from 1940 Act registration
- Continuously offered with consistent closings
- Limited liquidity via periodic repurchase windows
- Allows managers to seek control stake acquisitions and ease of co-investment and allocations across a manager’s fund platform

Investor Eligibility and Distribution

- Offered exclusively to investors who satisfy accredited investor or qualified purchaser criteria
- Positioned for use within wirehouse platforms that serve clients seeking private market exposure with some liquidity
- Currently distributed largely through wirehouse channels, with growing activity in other channels

Market Positioning

- Suitable for strategies that may otherwise not be feasible in registered fund vehicles
- Often used alongside interval and tender offer funds as part of broader platform offerings
- Increasingly common among large alternatives managers looking to plant a flag in the semi-liquid evergreen product boom

Sources: XA Investments; SEC Filings.

Interval / Tender Offer Funds Compared to Specialty Structures

Fund structures differ in how they handle liquidity, investor eligibility, reporting obligations, and tax treatment. Understanding these structures helps managers better align product design with strategy and audience, which is increasingly critical in a growing and competitive market.

Key Distinctions Across Fund Types		
Category	Interval / Tender Offer Funds	Specialty Structures
Regulatory Status	Registered as an investment company under the Investment Company Act of 1940.	Exempt from registration under the Investment Company Act. 1934 Act private funds.
Investor Eligibility ¹	Majority of Funds in the market have no suitability restrictions but can also be restricted to Accredited Investors or Qualified Clients. Subscription documents are often not needed.	Limited to sophisticated investors, typically Accredited Investors or Qualified Purchasers only. Subscription documents are required.
Liquidity / Redemptions	Redemptions occur periodically through scheduled repurchases or discretionary tender offers. Interval Funds must always offer their repurchase on a set schedule.	Repurchases typically occur quarterly, but the manager is not required to offer a repurchase. Able to impose a “soft lock” on assets.
Disclosure and Reporting	Subject to 1940 Act regulations and reporting. Must publicly disclose holdings, financials, and regulatory filings.	Disclosures are not required and are typically made privately to investors; they are not subject to the same public reporting or oversight as a 1940 Act fund. Subject to 10-Q; 10-K, and SOX.
Tax Treatment	Generally taxed as regulated investment companies and issue 1099 tax forms.	Typically taxed as partnerships and issue simplified K-1 tax forms; ² tax structure may vary.
Fee Structure	Management and Performance Fees (if applicable) must be the same across all share classes as prescribed under the 1940 Act.	Ability to charge investors different management and performance fees depending on share class.
Fund Term / Structure	No investor cap; structured as continuously offered evergreen vehicles. No drawdowns. Unable to conduct control stake acquisitions and assets. Many seek co-investment exemption relief. ³	No investor cap; structured as a continuously offered, evergreen private fund. No drawdowns. Co-investments and allocations across a manager's platform and conduct control stake acquisitions are permitted.
Primary Use Case	Used to provide retail access to alternative investment strategies within a regulated, semi-liquid format. Typically distributed via RIAs, end investors are typically mass affluent or HNW investors.	Most commonly used by large alternatives managers strong wirehouse relationships. End investors are typically HNW or UHNW investors.
Valuation	Often valued daily or monthly. Ability for the manager to internally value assets, but many managers will use a third-party valuation agent.	Most frequently valued internally on a monthly or quarterly basis using internal processes. Third-party valuation is uncommon.
Asset Classes	Wide range of asset classes and strategies. Including Credit, Hedge Funds, Private Equity, Real Estate/Real Assets and more.	Majority of existing strategies are focused on Private Equity and Infrastructure.

Source: XA Investments.

1. For descriptions of various suitability restrictions, please see page 52.

2. A simplified K-1 is prepared and mailed to tax preparers with enough time to incorporate the K-1 data into clients' tax returns by April 15.

Specialty Structures are Growing in Popularity

The current landscape of Specialty Structure Funds is dominated by large private equity and infrastructure firms.

Universe of Specialty Structure Funds											
Fund Name ¹	Ticker	Fund Sponsor	Fund Structure	Asset Class ¹	Registration Statement Date	Valuation Frequency	Repurchase Frequency & Amount	Management Fee Range ²	Performance Fee Range ²	Suitability	Total Managed Assets (\$mm) ³
Apollo Asset Backed Credit Co LLC	ABC	Apollo Global Management	Operating Company	Credit	12/13/2023	Monthly	Quarterly (0 - 5%)	0.00% - 1.00%	0.00% - 10.00%	Accredited	865
PIMCO Asset-Based Lending LLC*	PALCO	PIMCO	Operating Company	Credit	7/21/2025	Monthly	Quarterly (0 - 5%)	0.50% - 1.25%	5.00% - 12.50%	Accredited	5
Apollo Infrastructure Co LLC	AIC	Apollo Global Management	Operating Company	Infrastructure	6/15/2023	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	0.00% - 12.50%	Accredited	1,377
Blackstone Infrastructure Strategies L.P.	BXINFRA	Blackstone	Retail 3(c)(7)	Infrastructure	8/2/2024	Monthly	Quarterly (0 - 3%)	1.25%	12.50%	Qualified Purchasers	2,078
EQT Infrastructure Co LLC	EQIC	EQT Group	Operating Company	Infrastructure	9/20/2024	Monthly	Quarterly (0 - 5%)	1.25%	12.50%	Accredited	8
ISQ Open Infrastructure Co LLC	-	I Squared Capital	Operating Company	Infrastructure	4/14/2025	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	12.50%	Accredited	4
KKR Infrastructure Conglomerate LLC	K-INFRA	KKR	Operating Company	Infrastructure	9/30/2022	Monthly	Monthly (0 - 2%) ⁴	0.00% - 1.25%	12.50%	Accredited	4,918
Macquarie Infrastructure Fund, L.P.*	-	Macquarie Asset Management	Retail 3(c)(7)	Infrastructure	8/6/2025	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	12.50%	Qualified Purchasers	1
Stonepeak-Plus Infrastructure Fund L.P.	SP+INFRA	Stonepeak	Retail 3(c)(7)	Infrastructure	12/3/2024	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	12.50%	Qualified Purchasers	320
Blackstone Private Equity Strategies Fund L.P.	BXPE	Blackstone	Retail 3(c)(7)	Private Equity	5/23/2022	Monthly	Quarterly (0 - 5%)	1.25%	12.50%	Qualified Purchasers	7,184
Brookfield Private Equity Fund L.P.*	-	Brookfield Asset Management Ltd.	Retail 3(c)(7)	Private Equity	7/1/2025	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	12.50%	Qualified Purchasers	<1
Carlyle Private Equity Partners Fund, L.P.	CPEP	Carlyle Group	Retail 3(c)(7)	Private Equity	5/2/2025	Monthly	Quarterly (0 - 3%)	0.00% - 1.25%	12.50%	Qualified Purchasers	<1
EQT Private Equity Co LLC	EQPE	EQT Group	Operating Company	Private Equity	8/30/2024	Monthly	Quarterly (0 - 5%)	1.25%	15.00%	Accredited	12
KKR Private Equity Conglomerate LLC	K-PEC	KKR	Operating Company	Private Equity	4/14/2023	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	15.00%	Accredited	7,283
TPG Private Equity Opportunities, L.P.	T-POP	TPG	Retail 3(c)(7)	Private Equity	12/30/2024	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	12.50%	Qualified Purchasers	340
VistaOne, L.P.	VistaOne	Vista Equity Partners	Retail 3(c)(7)	Private Equity	12/9/2024	Monthly	Quarterly (0 - 5%)	0.75% - 1.25%	15.00%	Qualified Purchasers	567
Warburg Pincus Access Fund, L.P.*	WPACE	Warburg Pincus LLC	Retail 3(c)(7)	Private Equity	8/29/2025	Monthly	Quarterly (0 - 5%)	0.00% - 1.25%	15.00%	Qualified Purchasers	- ⁵

Sources: XA Investments; SEC Filings. If you learn of other specialty structure funds, please let us know, and we will update our matrix. Thank you in advance.

Notes: Data as of 9/30/2025 or latest publicly available. *Represents new addition in Q3 2025.

1. Funds are first listed by asset class and then listed alphabetically by fund name within each asset class.
2. Management and performance fees are presented as a range when multiple share classes carry different fee levels. If only a single percentage is shown, the same fee applies uniformly across all share classes.
3. Total managed assets data obtained from the Fund's most recent Form 10-K or 10-Q.
4. KKR Infrastructure Conglomerate LLC offers monthly repurchases at 2% but caps quarterly at 5%.
5. No total managed asset information available for Warburg Pincus Access Fund L.P. as of 9/30/2025, based on its most recent Form 10-12G filing.

XAI Predicted Interval Fund Market Trends

XAI’s market intelligence indicates that the following trends are likely to emerge as the non-listed CEF market expands.

		Status
	Evergreen Product Boom: There has been strong demand to onboard at leading distribution platforms.	On Trend
	First Mover Advantage: Market will coalesce around market leaders in certain asset categories.	On Trend
	Going Global: To meet demand globally, gatekeepers encourage alts leaders to launch their US and non-US products in sync for a global, unified launch.	Slow Trend
	Product Proliferation: Too many choices in many alt categories will make it more challenging for gatekeepers and advisors to select the best alternatives for investor portfolios.	On Trend
	Partnerships and Acquisitions: More public/private partnerships expected to be announced. Acquisition spree continues to gain access to private market capabilities.	On Trend
	Alts Availability: Alternative investments everywhere in all accounts. Combination products coming. Models being developed.	On Trend
	Technology and Investment for Ease of Use: Process changes required to make alternatives access easier and solve for obstacles to encourage adoption.	Slow Trend
	Capacity Constraints: More dialogue regarding alt manager and alt strategy capacity constraints due to concerns regarding returns diminishing with increased size.	On Trend
	Private Equity Access Points: Innovation in PE away from tender offer evergreen structures.	On Trend
	Model Portfolios: Managers will utilize non-listed CEFs as components of model portfolios, which are a collection of funds created by a financial advisor to meet a client's goals.	On Trend

Source: XA Investments.

Upcoming Industry Conferences and Events: Alternatives and Interval Funds Will Be in Focus

IPA AltsGlobal 2025

Host: Institute for Portfolio Alternatives

Date: November 10-12, 2025

Location: London, UK

- This event will bring together top leaders in the alternative investments industry to explore innovations and strategies for reaching investors and expanding business opportunities across borders.
- To register or to learn more, click [here](#).



Private Assets Retreat 2025

Host: Citywire

Date: November 13-14, 2025

Location: Fort Lauderdale, FL

- This event will bring together senior research professionals and fund managers across the alternatives landscape to exchange insights on product innovation, due diligence practices, and evolving investor demand within private markets.
- To register or to learn more, click [here](#).



AICA 2025 Fall Roundtable

Host: Active Investment Company Alliance

Date: November 19, 2025

Location: New York, NY

- 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](#).



2025 ICI Retail Alternatives and Closed-End Funds Conference

Host: Investment Company Institute

Date: November 20, 2025

Location: New York, NY

- The 2025 Investment Company Institute (ICI) Retail Alternatives and Closed-End Funds 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](#).



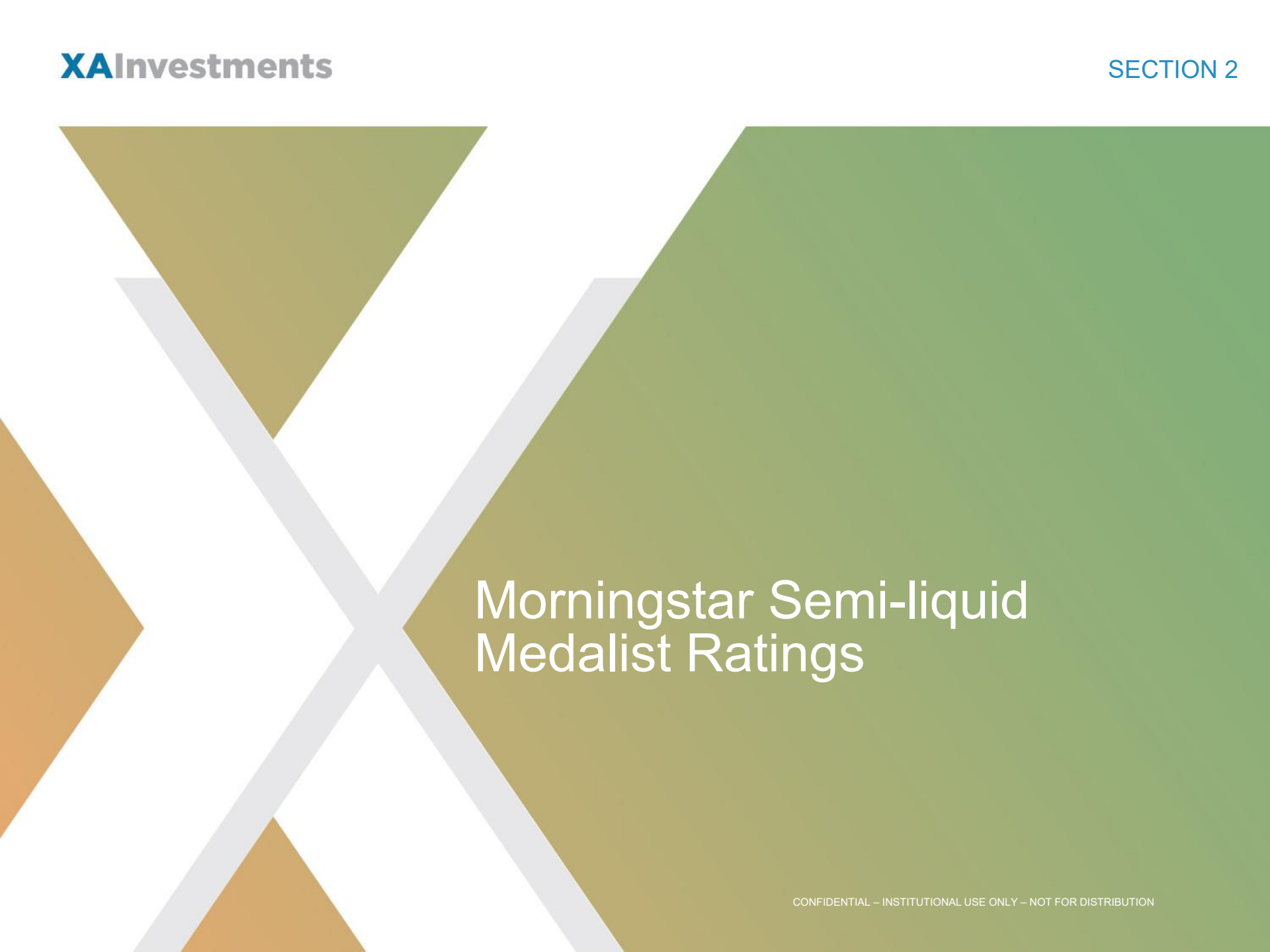
XA Investments Interval Fund Office Hours - Hosted Monthly

When: Join us at our next session on October 21st from 1-2pm CDT and check out XAI's [LinkedIn](#) for future office hours updates!

Location: XAI hosted Zoom Webinar

- Office Hours are a space for research subscribers to ask interval / tender offer fund focused questions and gain a deeper understanding of the research conducted by XAI.
- To register for office hours, click [here](#).





Morningstar Semi-liquid Medalist Ratings

Morningstar Medalist Ratings Expand to Semi-liquid Funds¹

Morningstar is extending its ratings to semi-liquid funds, but the application of a traditional methodology may not fully capture the dynamics of complex alternative assets.

What's happening?	Implications for Asset Managers	XAI's Perspective
• Morningstar is introducing Medalist Ratings to semi-liquid funds. • Ratings are analyst-driven evaluations (not algorithmic). • Few products are currently rated, but coverage is expected to broaden in the coming quarters. • Medalist Ratings are distinct from performance rankings. Medalist ratings are forward-looking opinions on a fund's potential for outperformance. • Initial focus has been on large, traditional managers (PIMCO, Capital Group/KKR).	• Managers should expect increased scrutiny on disclosure, governance, and transparency. • Morningstar may rate funds without manager cooperation. Ratings emphasize: – Fees and cost discipline – PM continuity and repeatable process • Funds with clear investor communications and strong alignment between structure and underlying assets may fare better in analyst evaluations. • Low-cost traditional products likely favored initially.	• Morningstar's expansion supports category growth and awareness, but methodology may not capture nuances of private market investing. • Boutique managers may be disadvantaged, as Morningstar's framework typically favors scale, low fees, and established platforms over innovation. • Analyst subjectivity and limited private markets expertise may lead to inconsistency, though engagement with Morningstar analysts could help ensure fairer evaluation. • Advisors generally place limited weight on Morningstar's Medalist Ratings, reducing their practical impact.

Bottom Line

- Morningstar's expansion could help bring awareness and understanding to semi-liquid funds.
- Analyst subjectivity and limited private markets expertise could result in uneven application across funds.
- Transparency and liquidity alignment are likely to emerge as standard due diligence focus areas.
- Differentiation between private-market expertise and traditional fund management may become a key narrative.
- XAI is taking a wait-and-see approach as more ratings are published and the consistency of Morningstar's methodology can be better evaluated.

Sources: XA Investments.

Note:

1. Initial semi-liquid fund ratings were made available in Q3 2025 via Morningstar.com and the Morningstar Direct platform. Initial coverage includes both U.S.-domiciled funds including Interval and Tender Offer Funds, BDC's, and Non-Traded REITS. Morningstar will also cover select European/Australian equivalents. Structures such as evergreen limited partnerships are excluded from Morningstar's methodology and coverage universe.

Executive Summary

- Morningstar's new Medalist Ratings initiative seeks to enhance transparency around semi-liquid evergreen funds. The rating framework references elements commonly used in evaluating mutual funds, such as fees and transparency. As these methodologies are applied to private market strategies, ongoing discussions explore how well they capture the unique features and long-term goals of semi-liquid products. Research coverage is expected to eventually include interval funds, tender-offer funds, nontraded BDCs, nontraded REITs, European long-term investment funds (ELTIFs), UK long-term asset funds (LTAFs), and selected Australian managed investment schemes.
- On September 3, 2025, Morningstar published their first round of Medalist ratings for six interval funds. Morningstar notes that they selected the initial group to give investors a cross-section of different types of strategies and approaches from previously rated asset managers (i.e. mutual fund sponsors). In the next round of ratings, most funds will come from firms that primarily manage private assets (not previously rated firms). PIMCO earned a silver overall rating for its taxable credit interval fund and a bronze overall rating its muni interval fund. The two new Capital Group KKR credit interval funds and the new TCW private asset income fund received neutral overall ratings due to a lack of track record and other factors sighted. Despite being well regarded by financial advisers for its diversification, the First Trust Alternative Opportunities was assigned a negative overall rating for high fees (likely due to acquired fund fees) and a lack of “meaningful edge”.
- In the last year, Morningstar has shown increasing attention to interval and tender offer funds, but much of its coverage remains overly cautious and negatively skewed. The firm repeatedly highlights concerns around fees, leverage, valuation opacity, and liquidity.
- Despite their criticisms, Morningstar's own reporting confirms the rising demand and growing institutional adoption of semi-liquid strategies, especially within model portfolios and retirement accounts. This market momentum reflects investor appetite for access to private credit and equity, assets traditionally limited to large institutions.
- Several Morningstar articles examine evergreen funds through the lens of performance dispersion and limited liquidity. These discussions often highlight structural features such as quarterly redemptions and portfolio-level gating, which are designed to balance investor access with long-term fund objectives. Morningstar coverage also touches on factors like manager incentives and fee structures as important considerations in fund evaluation and design.
- Public commentary by Morningstar professionals - including Laura Lutton, Jeffrey Ptak, Brian Moriarty, and Ben Johnson - reveals varying sentiment on semi-liquid funds, from skeptical and critical to cautiously supportive. Most supportive voices focus on the structural innovation and practical utility of interval funds for expanding retail access to private assets.
- Across Morningstar's research and LinkedIn commentary, a recurring theme emerges, semi-liquid structures are gaining momentum, but Morningstar urges thorough due diligence and fee awareness.

Source: XA Investments.

Morningstar Medalist Ratings For Semi-liquid Funds Overview

What Are Morningstar Medalist Ratings?

- A forward-looking, qualitative rating system representing Morningstar's conviction in a fund's potential to outperform its peers on a risk-adjusted basis over the long term (typically 5+ years).
- Rated on a five-tier scale: Gold, Silver, Bronze, Neutral, and Negative, where Gold/Silver/Bronze indicate likely long-term outperformance compared to peer funds.
- Ratings reflect Morningstar's conviction on future performance, not simply historical performance.

Key Pillars of Evaluation

- Morningstar assesses strategies based on three core pillars:
 1. People: manager experience, continuity, and alignment with investors.
 2. Process: investment discipline, repeatability, and risk oversight.
 3. Parent: organizational strength, culture, and fund stewardship.
- Ratings are not static and may change with new information or performance trends.

How the Rating Is Derived

- Morningstar analysts estimate a fund's potential alpha before fees, then project how much of that alpha the fund can realistically capture.
- Fees are subtracted to calculate net-of-fee alpha.
- Based on performance expectations, funds are mapped into Gold/Silver/Bronze/Neutral/Negative - with Gold awarded to the top 15% of expected net alpha performers.

Implementation Mechanics

- Pillar ratings are assigned directly by analysts, via algorithm (random forest models), or a hybrid (inheritance rules).
- Inheritance logic applies ratings to new share classes or similar strategy vehicles based on strategy or manager performance.

Current and Future Coverage

- Morningstar analysts published initial ratings on September 3, 2025, rating 6 interval and tender offer funds from 4 unique fund sponsors.
- Morningstar plans to rate 5-7 more funds in Q4 2025 and select Blackstone and Cliffwater funds will be rated next year.
- Global funds (ELTIF and LTAF) are expected to start being rated in 2026.

Morningstar's Medalist Rating Approach and Methodology for Semi-liquid Funds

Overview of Medalist Ratings for Semi-liquid Funds¹

- In 2025, Morningstar announced that it will extend its Medalist Rating methodology to cover semi-liquid structures:
 - Interval Funds
 - Non-Traded Real Estate Investment Trusts (REITs)
 - Tender Offer Funds
 - Business Development Companies (BDCs)

Key Features of Semi-liquid Funds

- Semi-liquid funds have operational features distinct from traditional mutual funds or ETFs. These include:
 - Scheduled redemption windows (quarterly repurchases or tender offers).
 - Greater allocations to illiquid/private assets.
 - Complex valuation processes.
 - Multi-layered fee arrangements with varied disclosure.
 - Evergreen fund structures with no termination date.

Morningstar's Adapted Evaluation Framework

- The Medalist Rating continues to use the People, Process, and Parent framework, but with modified weightings:
 - Process - 50% weight: Assess ability to manage illiquid holdings, redemptions, valuation, and risk controls.
 - Parent - 25% weight: Review firm's resources, governance, sourcing of investments, and transparency.
 - People - 25% weight: Evaluate team's experience with private/illiquid structures and limited-liquidity investing.

Comparative and Peer Analysis Approach

- Morningstar's evaluation uses benchmarks and peer sets tailored to the underlying asset exposure of each vehicle.
 - Compare funds to appropriate private-market or hybrid indexes, such as private credit or real estate.
 - Peer groups are adjusted for structural similarities.
 - Evaluate whether the fund's strategy aligns with liquidity profile and delivers risk-adjusted return potential.

Transparency, Valuation, and Cost Assessment

- Valuation methodologies for non-traded assets receive close attention due to their subjectivity and the potential for pricing delays.
- Fee transparency and cost discipline are not a formal pillar but directly influence final Medalist outcomes.
 - High-cost funds may be downgraded relative to peers with comparable structure and strategy.
 - Analysts consider whether a fund's fees reflect the value delivered, particularly when portfolios hold liquid assets but apply pricing similar to private investments.

Rating Outcome Methodology

- Rating aims to assess whether a semi-liquid fund may outperform relevant public-market equivalents and peers.
- Ratings incorporate analyst-driven research and interviews, rather than relying solely on past performance or models.
- Funds are not rated based on past performance or backward-looking metrics, and are not expected to outperform public indexes universally, but rather risk-adjusted benchmarks and peer groups.

Source: XA Investments, Morningstar.com.

Note:

1. Initial semi-liquid fund ratings were made available in Q3 2025 via Morningstar.com and the Morningstar Direct platform. Initial coverage includes both U.S.- domiciled funds and selected European/Australian equivalents. Structures such as evergreen limited partnerships are excluded from Morningstar's methodology and coverage universe.

Section Summary

- The XAI research team is closely monitoring reporting and social media accounts of the new Morningstar Medalist ratings and the potential impact to the interval / tender offer fund marketplace.
- While Morningstar announced their plans to rate interval funds and other semi-liquid funds in May 2025, XAI expects that Morningstar will be slow to roll out coverage since they do not have parent ratings for most alternative asset managers.
- According to XAI research, alternative asset managers represent 56% of interval/tender offer fund AUM with traditional asset managers representing 32% and other managers representing 12%.
- Morningstar coverage of the interval fund market is currently focused on daily NAV credit interval funds and is lacking with respect to the tender offer funds (which represents 50% of funds in the marketplace).



Source: XA Investments.

Summary of Morningstar Research Reports (Page 1 of 2)

Date / Author(s) ¹	Headline	Synopsis
October 7, 2025 (Amy C. Arnott, CFA)	<u>How to Use Semiliquid Funds in Your Portfolio</u>	The article explains how semi-liquid funds like interval and tender offer funds offer access to private markets but limit investor liquidity, noting that "interval funds typically allow redemptions of up to 5% to 10% of assets on a monthly or quarterly schedule," while "tender-offer funds... don't have a preset schedule." The article also highlights that SEC guidance issued in May 2025 now allows funds with over 15% in private assets to be accessible to non-accredited investors, broadening their appeal and driving assets to nearly \$450 billion as of June 2025.
September 25, 2025 (Jason Kephart, CFA)	<u>Investors Flock to Semi-liquid Funds for Income</u>	The article examines the surge of investor demand for semi-liquid products and highlights the rapid growth of interval and tender-offer funds, which have "reached \$94 billion, up 18%, followed by interval funds, up 16% to \$118 billion." It notes that these structures "offer periodic redemptions of typically 5%-10% of assets each quarter," enabling exposure to illiquid private credit and equity strategies for nonqualified purchasers. While performance has been strong, helped by leverage and secondary discounts, the article cautions that investors "should be wary of high early returns for secondary-focused funds" within this expanding segment of the semi-liquid universe.
September 3, 2025 (Bryan Armour, CFA)	<u>2 Funds Star in Debut of Morningstar Medalist Ratings for Semiliquid Funds</u>	The article introduces Morningstar's first Medalist Ratings for semi-liquid funds, awarding Silver to Pimco Flexible Credit Income and Bronze to Pimco Flexible Municipal Income. While praising Pimco's use of the interval structure and experienced management, it contrasts it with peers that "lacked the pronounced edge necessary" for higher ratings. It also notes that strategies from firms like First Trust and Capital Group face challenges including "complexity, limited liquidity, and opaque pricing," while others remain unproven or too conservative. The article frames the ratings as a tool to "take the guesswork out" for investors navigating this complex and growing market segment.
August 28, 2025 (Larry Swedroe) ²	<u>How Private Equity Funds Understate the Risk in Their Investments</u>	The article critiques how private equity funds "launder" volatility by reporting artificially smooth returns, masking the true risk. It highlights that quarterly valuations based on models, not market pricing, create "lower systematic risk estimates" and "inflated alpha," misleading investors about diversification benefits and manager skill. The author urges skepticism, quoting Cliff Asness: "The preference for illiquid, infrequently priced assets that don't smash you in the face with their volatility... could easily mean paying a higher price and accepting a somewhat lower return to obtain it."
August 11, 2025 (Jeffrey Ptak, CFA)	<u>75% of Alternative Mutual Funds Have Died. There Are Lessons in That for Would-Be Private Market Investors</u>	The article draws lessons from the 75% failure rate of alternative mutual funds to caution investors about today's surge in semi-liquid products like interval and tender offer funds. It critiques the current "frenzy" of launches, warning that "you're seeing shades of the same thing" as in the past, but with vehicles that "limit how much [investors] can withdraw," removing their ability to escape poor outcomes. While these funds may not liquidate like their predecessors, the author stresses that illiquidity and opaque valuations increase the need for investor skepticism and deep due diligence.
July 29, 2025 (Jeffrey Ptak, CFA)	<u>Look Before You Leap When Investing in Private Funds</u>	The article warns that the wide range in private fund returns reflects both high dispersion and limited accessibility, noting that "the big gap in returns between the haves and have-nots of private equity and venture capital tells you something." The author emphasizes that poorly performing funds linger due to long fund lives, which "yields a wider range of outcomes... than is typical in universes like mutual funds." Ultimately, the author urges caution for newcomers, explaining that evergreen structures like interval and tender-offer funds may "trim the tails of the distribution," making top-quartile returns less likely for the average investor.
June 30, 2025 (Zane Carmean, CFA, CAIA)	<u>The Return of Evergreen Funds³</u>	The article highlights the rapid rise of evergreen structures, especially interval and tender offer funds, which exceed \$110 billion in assets in 2025, but warns that "many evergreen funds are largely untested." The author notes that while these funds promise simplified access to private markets, return dispersion is wide and performance can be front-loaded, with some strategies relying on "near-term gains back up to the GPs' NAV - artificially inflating early returns." Ultimately, the author cautions that these vehicles may "leave investors trapped when liquidity terms collide with market stress and poor performance," underscoring the risks tied to "fund flows, and the durability of structural protections in semi-liquid fund design."

Sources: XA Investments; Morningstar.com.

Notes: Research Reports are hyperlinked to their respective source publications.

1. Authors of the referenced LinkedIn posts, reports, and articles are listed on page 42, which provides their titles and tenure with Morningstar.

2. Larry Swedroe is not listed on page 42, as he is not a Morningstar employee. He contributed to the article cited but does not hold a formal role at the firm.

3. The report was published by PitchBook Data, Inc., a subsidiary of Morningstar, Inc. Morningstar acquired PitchBook in 2016 to expand its reach into private capital markets and enhance its offerings across public and private asset classes.

Summary of Morningstar Research Reports (Page 2 of 2)

Date / Author(s) ¹	Headline	Synopsis
June 24, 2025 (Brian Moriarty / Jason Kephart, CFA / Jack Shannon / Karen Zaya, Ph.D.) ²	A Closer Look at Semi-liquid Funds	The article examines the explosive growth of semi-liquid vehicles (like interval funds and tender-offer funds) and warns that their rising popularity masks significant structural downsides. The authors highlights that fees are a core problem, stating plainly: "Costs are semi-liquid funds' Achilles' heel," with average expense ratios soaring to 3.16%, often including incentive fees that "funds always - barring extreme losses - earn." The authors also caution that many funds rely heavily on leverage to generate returns, creating a fee-driven conflict where "the fee structure itself is an incentive to leverage up funds."
June 11, 2025 (Jack Shannon)	How Attractive Is Private Equity?	The article scrutinizes the common sales pitch that private equity offers better returns with less volatility, calling the stability illusion "volatility laundering." It warns investors that private equity returns are often overstated through IRRs, which "shouldn't be compared with actual annualized returns," and that most private equity interval and tender offer funds have "not presented a strong case to investors." Ultimately, the author stresses that selecting a top-performing private fund is difficult, and that "there is little reason to assume a randomly selected private equity portfolio should outperform a public equity one."
May 13, 2025 (Brian Moriarty / Alec Lucas)	The Unappreciated Costs and Risks of Interval Funds	The article dissects how certain interval funds embed complex income-based incentive fees that shift rewards toward managers, explaining that such structures can "encourage interval fund managers to take additional risks that disproportionately benefit them rather than investors." The authors criticize how some funds apply asset-based management fees "to total assets, including borrowed money," which "can encourage managers to leverage their portfolios even if the borrowing costs are high and the expected returns... are low." It concludes that although some firms may offer higher returns, "it seems more likely that asset managers with lofty fee structures tied to leverage will be prone to borrow capital regardless of their ability to earn excess returns with that capital."
May 6, 2025 (Karen Zaya, Ph.D.) ²	Introducing the Morningstar Medalist Rating Methodology for Semiliquid Funds	The article introduces Morningstar's new Medalist Rating for semi-liquid funds, aiming to help investors navigate what it calls a "new, wild frontier." It highlights the growing popularity of complex vehicles like interval and tender-offer funds, which promise access to private markets but come with "more costly, less liquid, and more opaque strategies." By emphasizing due diligence and transparency, the author warns that while these funds may offer potential benefits, investors must ask "whether these offerings are really a solution or if they just present new problems."
March 28, 2025 (Brian Moriarty)	New Private Credit Funds Want Your Money. Here's Why You Should Be Cautious	The article outlines how firms are racing to package private credit for retail investors but warns that product structures differ in safety and transparency, especially between ETFs, interval funds, and 33 Act products. The author flags that some offerings come with "no fiduciary duty to act in shareholders' best interests" and "less frequent disclosure," calling attention to regulatory gaps. The author closes with a skeptical reminder that "in a gold rush, the ones selling the picks and shovels... are often the ones who get rich," urging investors to think critically about access, cost, as well as manager alignment.
June 24, 2024 (Brian Moriarty)	Interval Funds: Are They Worth What You Give Up?	The article outlines the mechanics and growth of interval funds, emphasizing how they offer access to private market strategies like credit and equity. However, it warns that interval funds come with high fees ("the current average... is 2.49%") and serious liquidity limitations that investors often underestimate ("they should also be considered illiquid themselves"). The piece concludes skeptically, stating that "most investors... can succeed in achieving their financial goals without recourse to this investment vehicle, its attractive features notwithstanding."

Sources: XA Investments; Morningstar.com.
Notes: Research Reports are hyperlinked to their respective source publications.
1. Authors of the referenced LinkedIn posts, reports, and articles are listed on page 42, which provides their titles and tenure with Morningstar.
2. Karen Zaya, Ph.D left Morningstar in August 2025.

Summary of Jeffrey Ptak’s¹ Substack Articles

Date	Headline	Synopsis
August 10, 2025	<u>It's So Simple</u>	This article presents analysis showing that registered fund fees have been a strong predictor of future relative performance. By sorting U.S. open-end funds and ETFs into cost buckets from 2010–2025, he finds an “almost perfect staircase from the cheapest funds to the priciest,” with lower-cost funds consistently outperforming. As Ptak puts it, “It’s always refreshing to see something so simple - pinching pennies and beating the higher-cost competition - work so well.”
May 2, 2025	<u>What New Sorcery Is This?</u>	This article investigates the Redwood Private Real Estate Debt interval fund, which has reported only three daily losses since its 2023 inception and boasts an unusually stable, upward-sloping NAV. Ptak questions how a fund holding hard-to-value, leveraged private real estate loans could post a 7.2% annual return with just 0.5% volatility - comparing it to cash-like risk and high-yield-like reward. He raises concerns about valuation practices, noting that despite leverage and illiquid assets, the fund and several peers appear “weird at best,” delivering implausibly smooth returns that may obscure underlying risk.
January 15, 2025	<u>A Closer Look at Capital Group/KKR's Forthcoming Public/Private Collab</u>	This article examines Capital Group and KKR’s upcoming interval fund collaboration as a case study in public-private market convergence. Ptak details the funds’ structure - 60% public debt managed by Capital Group and 40% private credit sourced from a third-party “warehouse” - and flags concerns about valuation uncertainty, noting the funds “may pay more or less than the current market value” and even purchase assets “in default.” While acknowledging the structure’s innovation, he questions the lack of disclosed terms and warns that “the warehouse is one-way,” meaning the funds can’t offload illiquid assets back if liquidity issues arise.

Source: Substack.com
Notes: Substack Articles are hyperlinked to their respective source publications.
1. Authors of the referenced LinkedIn posts, reports, and articles are listed on page 42, which provides their titles and tenure with Morningstar.

Summary of Morningstar Leaders LinkedIn Commentary

Author / Sentiment ¹	Post	Post Excerpt	Commentary
Jeffrey Ptak, CFA (Skeptical/Negative)	LinkedIn Post (August 2025)	"On Jan. 1, 2015, there were 1,345 alternative mutual funds in existence... Guess how many of those alternative funds still exist? 341. The other 1,000 or so have been liquidated or merged away, a 75% mortality rate... As fund companies race to bring fee-rich private equity and debt strategies to the masses, I think the binge-purge pattern we've seen with liquid alternative funds holds three key lessons for investors."	Jeffrey Ptak draws a cautionary parallel between the rise and collapse of alternative mutual funds and the current surge in private equity and debt products aimed at retail investors. By highlighting the "75% mortality rate" of alt funds, he urges skepticism toward today's "fee-rich" private strategies, warning that hype cycles can lead to mass disappointment.
Jeffrey Ptak, CFA (Skeptical/Negative)	LinkedIn Post (July 2025)	"That big gap in returns between the haves and have-nots of private equity and venture capital tells you something... I take a shot at laying out that story, walking through the opportunities and perils that go along with investing in such funds, as seen from the perspective of investors who might be approaching this space for the first time, wide eyed."	Jeffrey Ptak emphasizes the wide dispersion in private equity returns, cautioning first-time investors about the risks of locking up capital in hard-to-access funds with uncertain future performance.
Jeffrey Ptak, CFA (Skeptical/Negative)	LinkedIn Post (May 2025)	"I stumbled across a fund that... seemingly can't lose? ... On the other 460 days, the fund's value was either unchanged... or it notched a gain... It's also had almost no volatility. Thus, its Sharpe Ratio surpasses that of virtually all other open- and closed-end funds."	Jeffrey Ptak flags an interval fund's smooth returns, questioning the matter and urging readers to understand valuation methods.
Brian Moriarty (Neutral/Promotional)	LinkedIn Post (September 2025)	"As flows become a smaller % of assets, this effect will dissipate. Same if availability of secondaries dries up and new dollars can't be invested. Of course, this all only applies for funds that can take in money regularly - continuously offered vehicles like interval funds and tender offer funds - but that's what's hot right now."	Brian Moriarty highlights a structural performance distortion within interval and tender offer funds that invest in secondary markets. He explains that these funds can appear to outperform by marking new inflows, used to buy discounted LP interests up to NAV, creating returns that are mechanical rather than skill-based. By noting that "the fund with more inflows 'wins,'" he calls attention to how fund structure, not manager ability, may be driving reported performance in this increasingly popular space.
Brian Moriarty (Critical/Cautious)	LinkedIn Post (Posted by Paul Olmsted) (May 2025)	"My colleagues Alec Lucas and Brian Moriarty teamed up to unravel the not-so-transparent costs of owning interval funds. Are these high, sometimes incentive-laden fee structures, just the ante for access to private investments? Investors should understand the fine print to see if it's worth it for them."	Olmsted (a Morningstar Senior Analyst) shares research by Lucas and Moriarty, calling attention to opaque and potentially hefty fee structures in interval funds, and urging investors to read the fine print to determine if these vehicles genuinely offer value.
Ben Johnson, CFA (Positive/Promotional)	LinkedIn Post (September 2025)	"Morningstar's Manager Research team has just published its first-ever Morningstar Medalist Ratings for semi-liquid funds. These ratings take the guesswork out of understanding semi-liquid funds and give investors a clear signal to inform their selection process."	Ben Johnson positions the new Medalist Ratings as a tool to simplify and legitimize semi-liquid funds. His post signals Morningstar's intent to bring clarity and structure to a rapidly expanding space.
Ben Johnson, CFA (Positive/Optimistic)	LinkedIn Post (July 2025)	"There have been more interval funds launched in the past 5 years than the preceding 27, and 2025 is already a record year for new launches. Born in 1993 (just like U.S. ETFs!), the wrapper lends itself well to packaging private assets for a broader audience."	Ben Johnson underscores the sharp acceleration in interval fund launches, noting that 2025 has already hit record levels. His post highlights the structural benefits of the wrapper for retail access to private assets, suggesting growing industry momentum.
Ben Johnson, CFA (Positive/Supportive)	LinkedIn Post (July 2025)	"Interval funds are effectively the middle bowl of porridge in the Goldilocks scenario. Not as illiquid and cumbersome as traditional drawdown funds, not so liquid as to need to be massively watered down as an ETF... They offer a good balance of episodic liquidity and significant exposure to private assets."	Ben Johnson positions interval funds as a balanced investment solution - striking a middle ground between the illiquidity of private drawdown funds and the overly liquid nature of ETFs. He underscores their ability to combine meaningful private market access with controlled liquidity, which may resonate with investors seeking both flexibility and yield.

Source: XA Investments.

Notes: LinkedIn Posts are hyperlinked directly to the original posts.

1. Authors of the referenced LinkedIn posts, reports, and articles are listed on page 42, which provides their titles and tenure with Morningstar.

Summary of Morningstar Leaders LinkedIn Commentary

Author / Sentiment ¹	Post	Post Excerpt	Commentary
Ben Johnson, CFA (Neutral/Mildly Positive)	LinkedIn Post (June 2025)	"I believe that the fastest flowing current in private markets will be pre-baked allocations to private assets (increasingly in evergreen vehicles like interval funds) in diversified multi-asset solutions from model portfolios to CITs, and that's where more firms are placing their bets each day."	Johnson highlights the growing institutional momentum toward integrating private assets - especially through evergreen structures like interval funds - within mainstream portfolios. While not directly endorsing interval funds, he acknowledges their rising role in asset allocation.
Ben Johnson, CFA (Neutral/Promotional)	LinkedIn Post (September 2024)	"Great overview of the fast-growing interval funds space from Brian Moriarty and the Morningstar fixed-income manager research team."	Johnson is amplifying key research by Morningstar, celebrating its clarity on interval fund mechanics. While the post is neutral in tone, sharing a report titled "Interval Funds: Are They Worth What You Give Up?" subtly signals caution by highlighting the trade-offs involved - suggesting that investors need to weigh potential benefits against downsides like illiquidity and fees.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (September 2025)	"The semi-liquid funds that Morningstar recently rated are better suited to hold private assets because they're not subject to daily purchases and redemptions."	Lutton expresses clear skepticism toward Robinhood's daily-traded private equity strategy, while contrasting it favorably with semi-liquid structures like interval and tender offer funds. She positions semi-liquid vehicles as more appropriate for holding private assets due to their structural protections and experienced managers.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (September 2025)	"As vehicles like interval funds gain momentum with investors, our research team has stepped up with independent analysis that cuts through the complexity of this evolving market. Our new ratings provide a clear, digestible framework to help investors assess whether these funds make sense in a portfolio."	Laura Lutton highlights the growing traction of semi-liquid funds and positions Morningstar's new ratings as a key tool to simplify investor decision-making. Her post emphasizes accessibility, transparency, and continued research expansion, signaling strong support for the category's evolution.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (August 2025)	"Just because you can invest in private funds, doesn't mean you should... Estimating private securities' value on the fly while managing ongoing retail flows will be expensive - and could erode the 'illiquidity premium' that makes these investments valuable. The big challenge? An information gap."	Lutton highlights ongoing concerns around the retail expansion of private markets, echoing Sheila Bair's focus on valuation pressure and liquidity expectations. She notes that frequent redemption demands could complicate pricing and potentially compress returns. Morningstar emphasizes the need for better transparency, positioning its upcoming research and ratings as tools to help investors navigate these evolving fund structures.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (August 2025)	"Like retirement-plan investments, private investments are meant to be held for decades - so their inclusion in retirement plans is a logical match, even as key details still need to be worked out. As we continue to caution, however, private market exposure comes with notable complexity and cost. Plans incorporating these strategies must be mindful of fees, manager resourcing, and long-term track records. Our upcoming Medalist Ratings for semi-liquid funds aim to provide the transparency investors need to make informed decisions in this space."	Lutton's post acknowledges the regulatory push to expand private market access via retirement plans but also issues a direct warning about the risks tied to semi-liquid fund structures like interval and tender offer funds. She stresses that these vehicles carry "notable complexity and cost," and urges caution around "fees, manager resourcing, and long-term track records." This aligns with Morningstar's broader critique that semi-liquid funds often lack transparency and investor-friendly pricing. The upcoming Medalist Ratings aim to fill that gap by offering clearer insights into the opaque world of private market offerings.

Source: XA Investments.
Notes: LinkedIn Posts are hyperlinked directly to the original posts.
1. Authors of the referenced LinkedIn posts, reports, and articles are listed on page 42, which provides their titles and tenure with Morningstar.

Summary of Morningstar Leaders LinkedIn Commentary

Author / Sentiment ¹	Post	Post Excerpt	Commentary
Laura Lutton (Mixed/Promotional)	LinkedIn Post (July 2025)	"With the growing convergence of public and private markets, I'm excited to highlight how Morningstar is helping investors navigate this new environment. We're bringing increased transparency and smarter tools - including our new ratings methodology."	Lutton positions Morningstar as a guide through the increasingly blurred lines between public and private markets. While the tone is forward-looking, the reference to "increased transparency" and "new ratings methodology" signals Morningstar's intention to shine a light on semi-liquid vehicles, including interval and tender offer funds. This reflects the firm's broader initiative to evaluate these products more critically, particularly in areas like fee opacity and risk clarity.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (July 2025)	"As our analysts unpacked in our State of Semi-liquid Funds report, the fees on semi-liquid vehicles often run 3x higher than traditional mutual funds and ETFs. Vanguard's move into private markets could change that. It'll be interesting to see if they can bring the same fee compression to interval funds that they've delivered in index funds for decades. More competition = lower costs = investor win. But for advisors to get on board, it'll take 🎓 education, 💰 fees."	Lutton points out the high fees associated with semi-liquid funds like interval and tender offer funds, viewing them as a barrier to advisor adoption. While optimistic about Vanguard's potential to introduce fee pressure, she emphasizes that widespread use depends on better education and significantly lower costs, highlighting skepticism about current structures.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (May 2025)	"Today we introduced the Morningstar Medalist Rating for Semi-liquid Funds, a meaningful step toward helping investors navigate a growing but often opaque area of the market... we're bringing structure and transparency to a space where that hasn't been the norm."	Lutton emphasizes the lack of transparency in the semi-liquid fund space, including interval and tender offer funds. While she presents Morningstar's new rating initiative positively, her post implicitly critiques the current state of these funds as complex and insufficiently clear for investors.
Laura Lutton (Mixed/Promotional)	LinkedIn Post (March 2025)	"But as traditional portfolios incorporate more alternative assets - many of which currently lack transparency and basic data - robust due diligence is more important than ever... Let's collectively raise the bar on private market due diligence and give investors the tools they need to assess risk and return with confidence!"	Lutton points to a critical gap in transparency and data within alternative assets, including semi-liquid structures. While optimistic about future improvements, she stresses the current need for deeper evaluation and better tools to assess risks in private markets.

Source: XA Investments.

Notes: LinkedIn Posts are hyperlinked directly to the original posts.

1. Authors of the referenced LinkedIn posts, reports, and articles are listed on page 42, which provides their titles and tenure with Morningstar.

People Cited - Titles and Tenure at Morningstar

Name	Title at Morningstar	Years with Morningstar
Alec Lucas	Director, Fixed Income Strategies	August 2013 - Present (12 years, 3 months)
Amy C. Arnott, CFA	Portfolio Strategist	- Total: 24 years, 7 months - September 2019 - Present (6 years, 2 months) - May 1999 - September 2019 (18 years, 5 months)
Ben Johnson, CFA	Head of Client Solutions, Asset Management	July 2006 - Present (19 years, 3 months)
Brian Armour, CFA	Director of ETF & Passive Strategies Research	August 2021 - Present (4 years, 3 months)
Brian Moriarty	Principal, Fixed Income Strategies	January 2013 - Present (12 years, 10 months)
Jack Shannon	Principal, Equity Strategies	February 2020 - Present (5 years, 9 months)
Jason Kephart, CFA	Senior Principal, Multi-Asset Strategy Ratings	January 2014 - Present (11 years, 10 months)
Jeffrey Ptak, CFA	Managing Director for Morningstar Research Services LLC	- Total: 22 years, 7 months - May 2006 - Present (19 years, 6 months) - June 2002 - June 2005 (3 years, 1 month)
Karen Zaya, Ph.D.	Associate Director, Multi-Asset and Alternative Strategies	- March 2021 - August 2025 (4 years, 6 months) - Left Morningstar in August 2025 for a Northwestern Mutual role
Laura Lutton	Global Head of Manager Research	- Total: 23 years, 7 months - July 2024 - Present (1 year, 3 months) - September 1999 - January 2022 (22 years, 4 months)
Zane Carmean, CFA, CAIA ¹	Director, Quantitative Research (Pitchbook)	June 2019 - Present (6 years, 5 months)

Source: XA Investments.

Notes:

1. Zane Carmean, CFA, CAIA is employed by PitchBook Data, Inc., a subsidiary of Morningstar, Inc. Morningstar acquired PitchBook in 2016 to expand its reach into private capital markets and enhance its offerings across public and private asset classes.

Market Overview

Section Summary

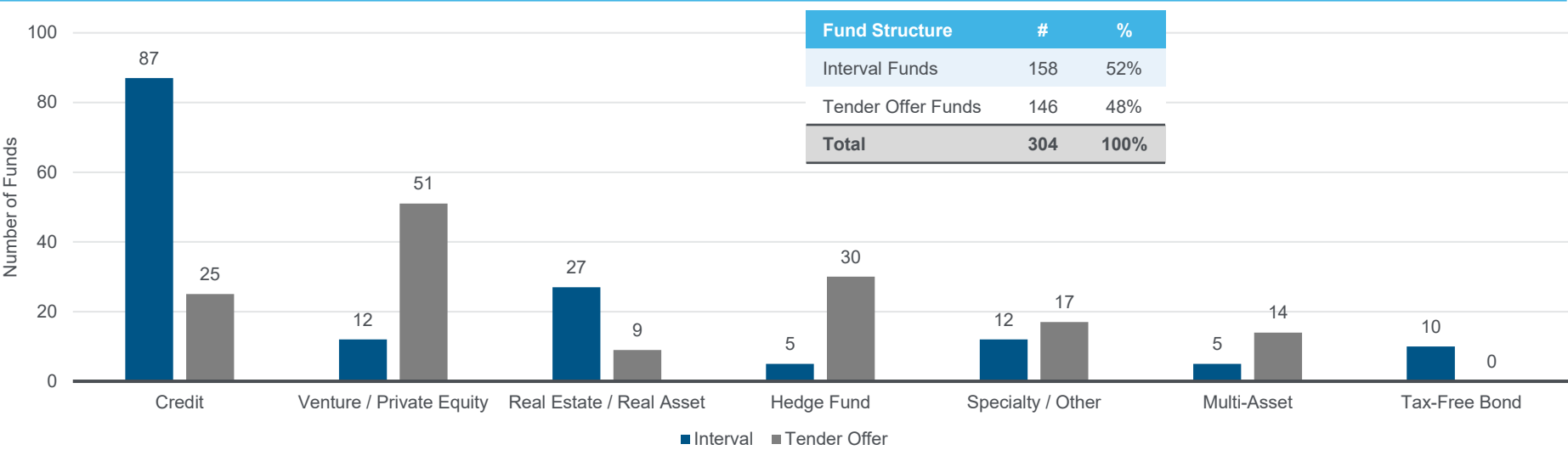
- Interval and tender offer fund structures continue to be popular vehicles for capital raising, with 20 funds launching in Q3 2025.
- 4 of the 7 asset classes increased in terms of fund count. Notably, Credit grew by 11% (+11 funds) and Venture / Private Equity grew by 9% (+5 funds).
- The top 20 largest funds continue gaining scale each with \$2.8bn+ in total managed assets.
- Fund sponsors are establishing interval fund platforms; 55 fund sponsors now have two or more funds in the market, with 16 existing fund sponsors in the process of launching another fund.
- Funds without suitability restrictions continue to lead the market by number of funds and total managed assets.
- The pace of interval / tender offer fund onboarding in the wires has picked up in Q3 2025 and is expected to accelerate as wires focus more on expanding their alternatives offerings.¹
- By year-end 2025, XAI forecasts that the non-listed CEF market will grow to between \$205 - \$230bn in net assets and 310 - 350 total funds.



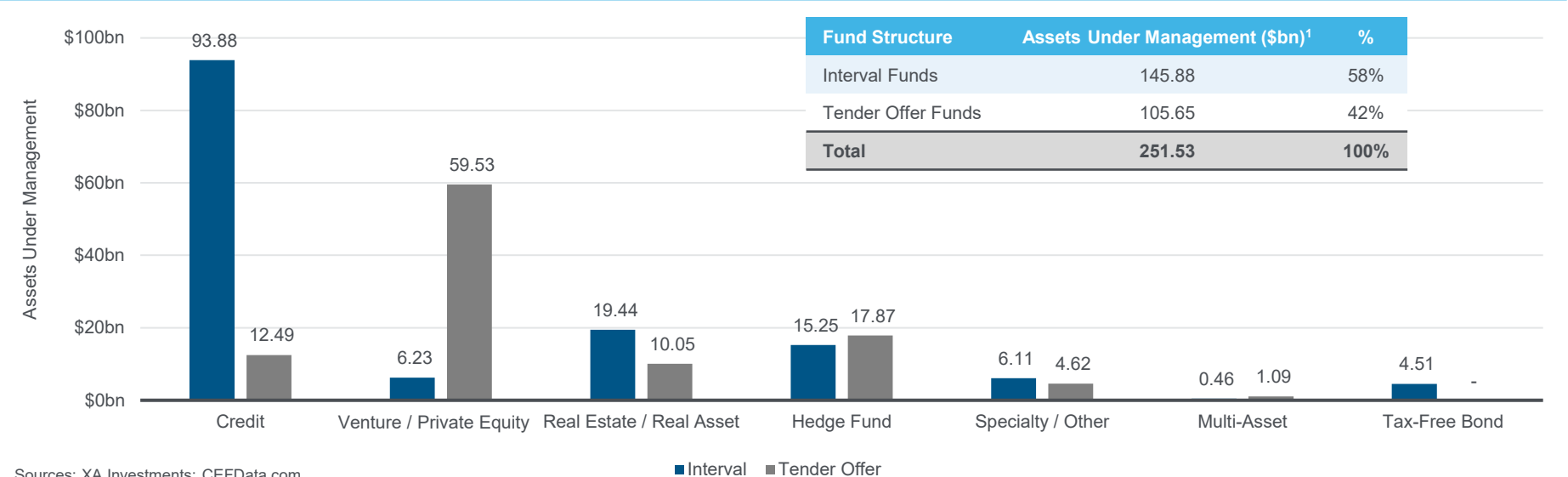
Note: 1. Some wires are backlogged into early 2026.

Interval Funds Have the Majority of Assets Under Management Among Non-listed CEFs

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



Interval vs. Tender Offer Funds Asset Class Breakdown: Assets Under Management¹

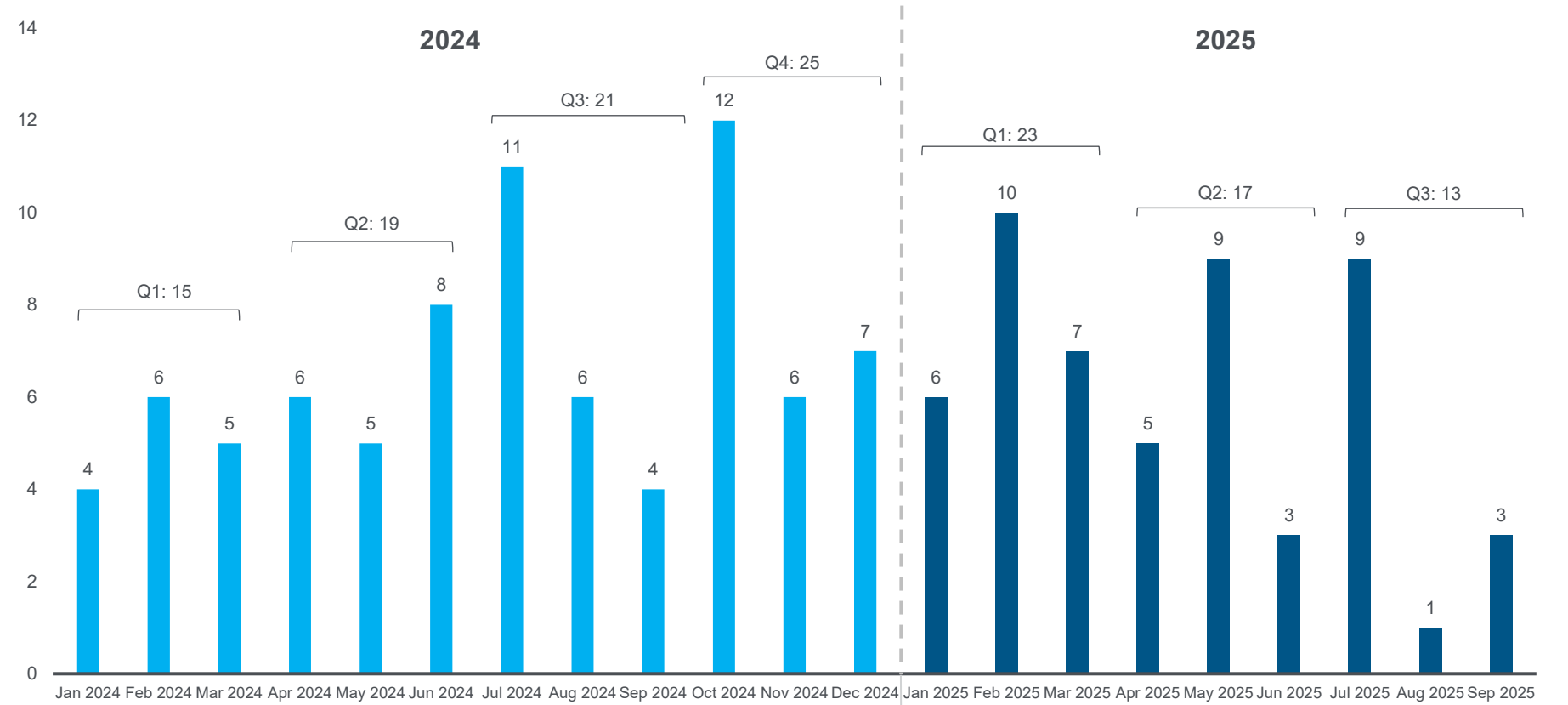


Sources: XA Investments; CEFData.com.
Notes: Data as of 9/30/2025 or latest publicly available.
1. AUM represents total managed assets.

Fund Filings Decreased in Q3 2025 Relative to Both Q2 2025 and the Prior Year Period in Q3 2024

XAI observed 13 initial registration statements¹ in Q3 2025, compared with 21 in Q3 2024.

Initial Registration Statements¹ For New Interval / Tender Offer Funds Filed Since January 2024

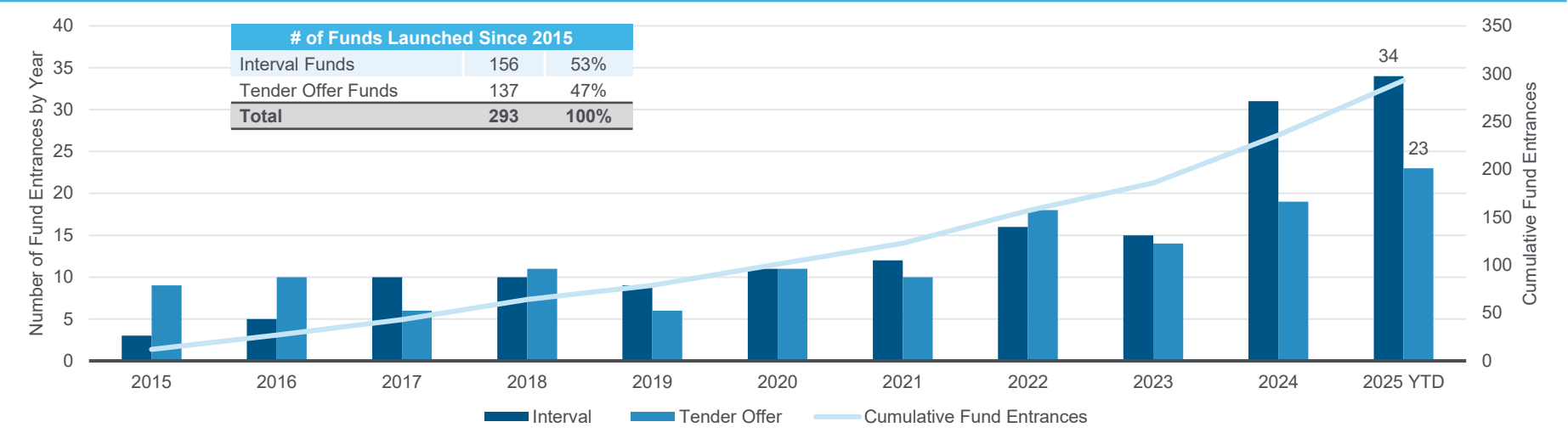


Initial Registration Statements ¹ by Month													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024	4	6	5	6	5	8	11	6	4	12	6	7	80
2025	6	10	7	5	9	3	9	1	3	-	-	-	53 (YTD)
Change	+2	+4	+2	-1	+4	-5	-2	-5	-1	-	-	-	-

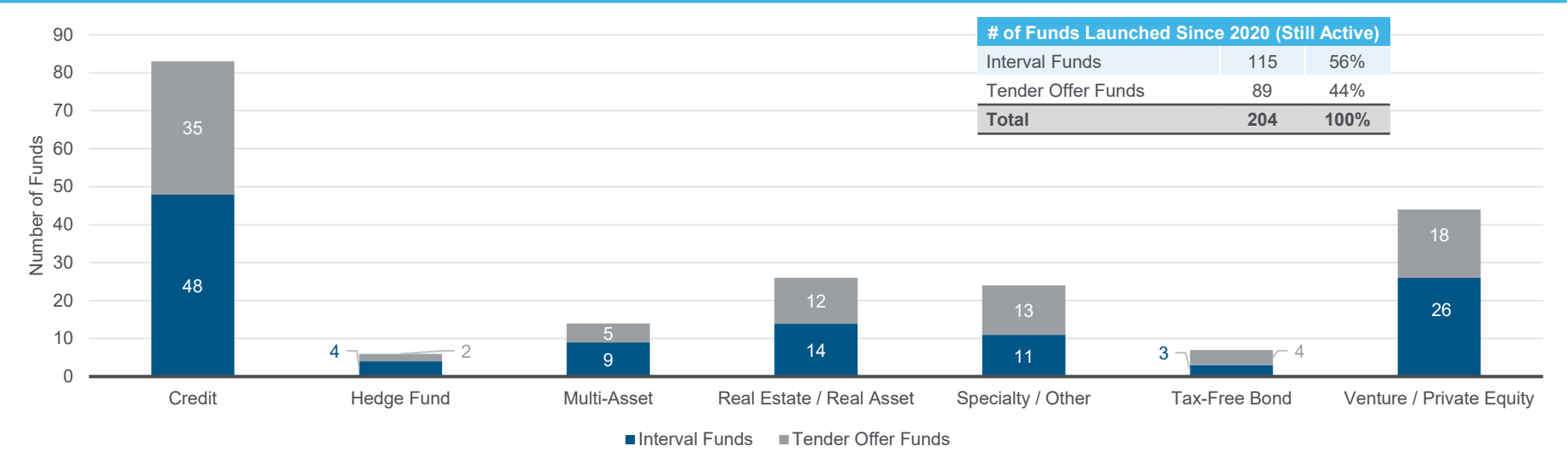
Sources: XA Investments; SEC filings.
Notes: Data as of 9/30/2025.
1. Represents initial form N-2 filings.

Growth in the Market Driven by Credit Funds with 11 Launching in Q3 2025 (24 Credit Funds YTD)

Interval vs. Tender Offer Funds: Market Entrants Launches by Fund Structure (Since 2015)



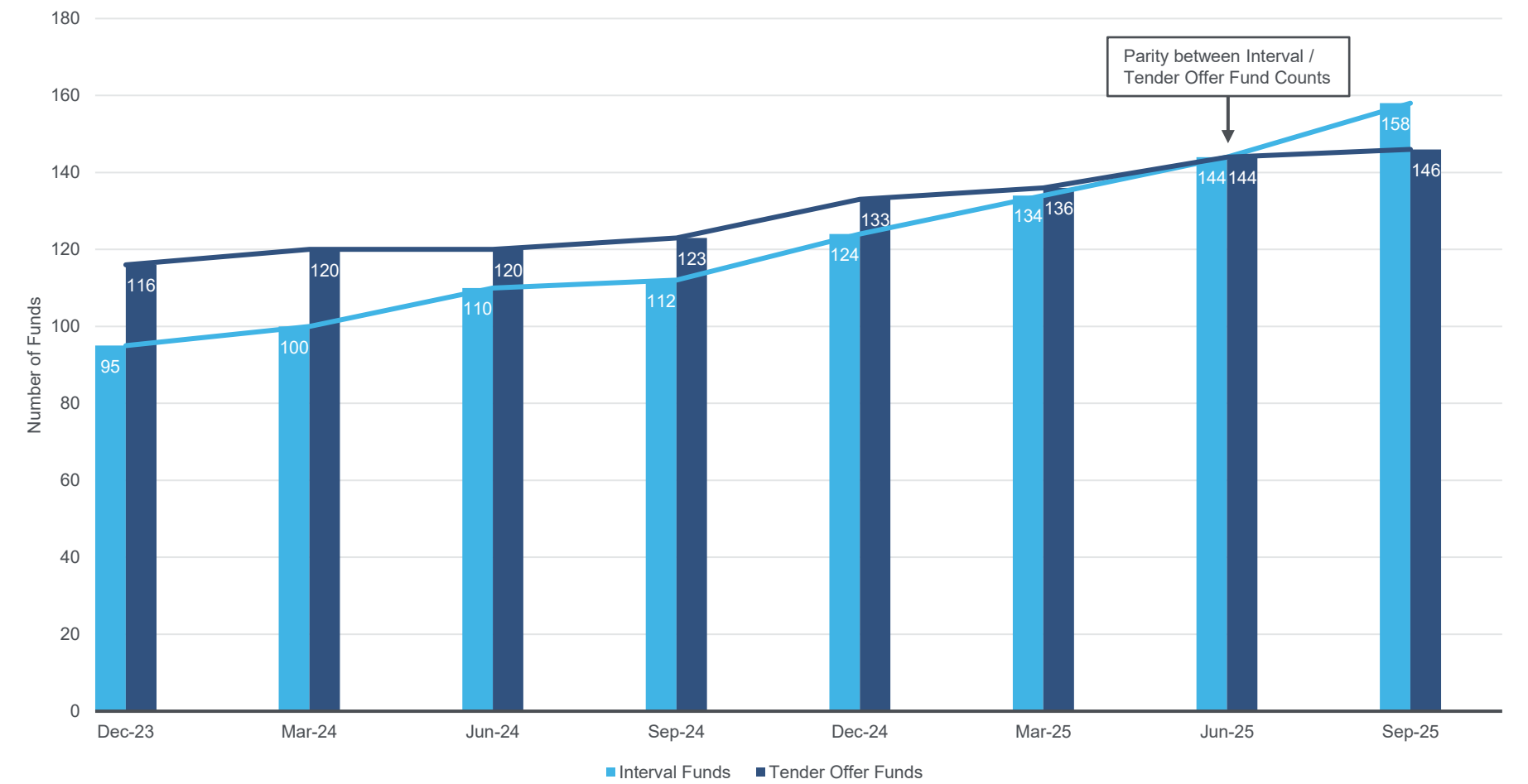
Non-listed CEFs¹ Launched Since 2020 (Still Active)



Sources: XA Investments; CEFData.com.
Notes: Data as of 9/30/2025 or latest publicly available.
1. Active non-listed CEFs refer to interval and tender offer funds that are open and available for new sales in the market.

Interval Funds Surpass Tender Offer Funds by Fund Count

Interval vs. Tender Offer Counts: Total Number of Funds in the Market



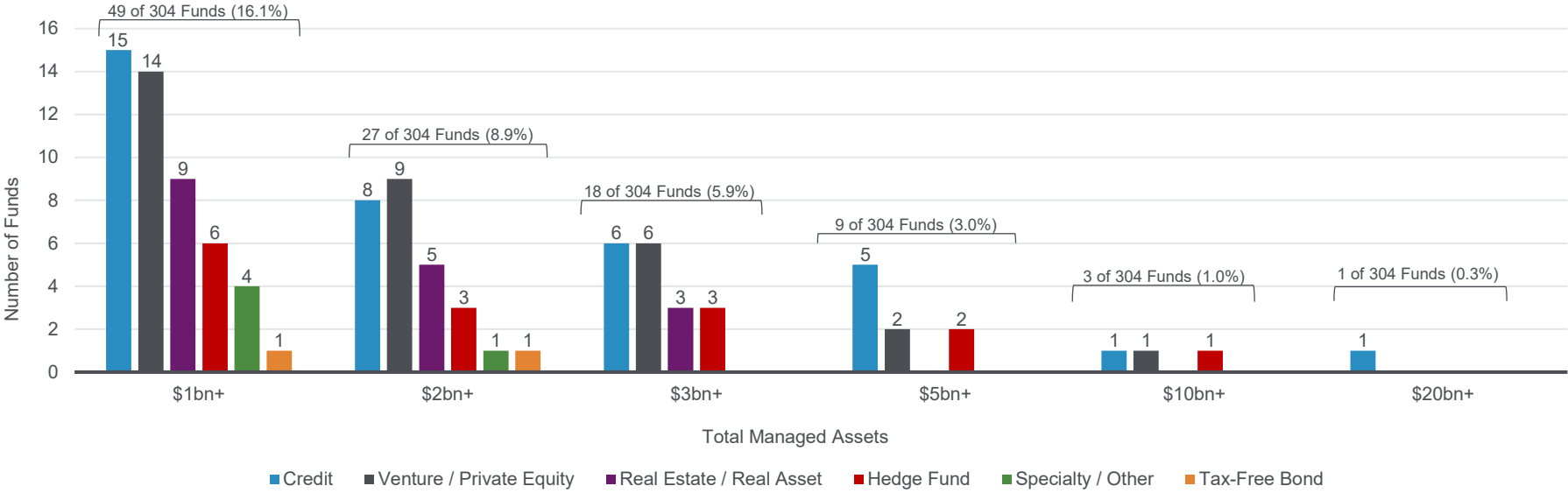
Interval vs. Tender Offer Funds Quarter-over-Quarter % Change								
Structure / Quarter End	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025
Interval Funds	-	5%	10%	2%	11%	8%	7%	10%
Tender Offer Funds	-	3%	0%	2%	8%	2%	6%	1%

Sources: XA Investments; CEFData.com.
Notes: Data as of 9/30/2025 or latest publicly available.

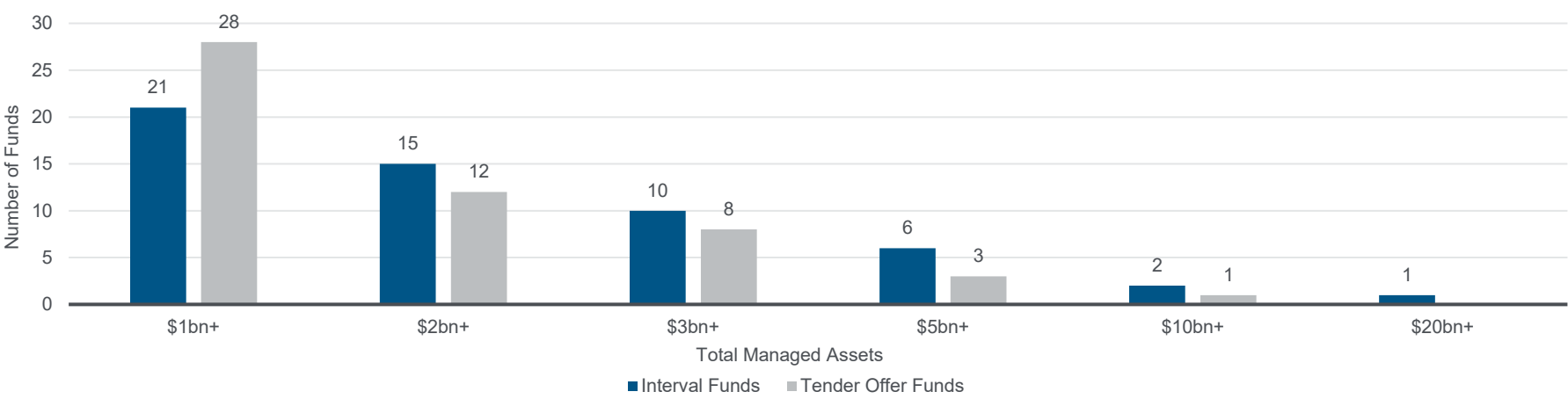
Composition of Interval and Tender Offer Funds Over \$1bn in Assets

Credit funds are consistently present across all tiers and dominate the upper end.

Non-Listed CEFs by Total Managed Assets Over \$1bn



Fund Structures by Total Managed Assets Over \$1bn



Sources: XA Investments; CEFData.com; SEC Filings.
Notes: Data as of 9/30/2025 or latest publicly available.

Credit Funds Lead the Number of Funds Available on Wirehouse Platforms (Page 1 of 2)

GoldenTree added at Merrill Lynch, Blue Owl, Capital Group KKR and JPMorgan added at Morgan Stanley, AMG Pantheon added at Wells Fargo, and Coatue added at UBS in Q3 2025.

#	Fund Name	Inception Date	Fund Structure	Asset Class	Total Managed Assets (\$mm) ¹	Merrill Lynch	Morgan Stanley	UBS	Wells Fargo
1	Partners Group Private Equity (Master Fund), LLC	7/1/2009	Tender Offer	Venture / Private Equity	\$17,971	X	X	X	X
2	ACAP Strategic Fund	3/1/2010	Interval	Hedge Fund	\$14,465	X	X	X	X
3	CION Ares Diversified Credit Fund	1/26/2017	Interval	Credit	\$7,527		X	X	X
4	Carlyle Tactical Private Credit Fund	6/4/2018	Interval	Credit	\$6,214		X		
5	AMG Pantheon Fund, LLC	10/27/2015	Tender Offer	Venture / Private Equity	\$5,805		X		
6	Ironwood Institutional Multi-Strategy Fund LLC	1/1/2011	Tender Offer	Hedge Fund	\$5,789	X	X		X
7	PIMCO Flexible Credit Income Fund	2/22/2017	Interval	Credit	\$5,677	X	X	X	X
8	StepStone Private Markets	10/1/2020	Tender Offer	Venture / Private Equity	\$4,933		X		X
9	Hamilton Lane Private Assets Fund	1/4/2021	Tender Offer	Venture / Private Equity	\$4,523	X	X		
10	Brookfield Infrastructure Income Fund Inc.	11/1/2023	Tender Offer	Real Estate / Real Asset	\$4,464		X		
11	Bluerock Total Income (plus) Real Estate Fund	10/22/2012	Interval	Real Estate / Real Asset	\$4,421		X	*	
12	Apollo Diversified Real Estate Fund	6/30/2014	Interval	Real Estate / Real Asset	\$3,904		X	*	
13	Lord Abbett Credit Opportunities Fund	2/22/2019	Interval	Credit	\$3,043	X		X	
14	Carlyle AlpInvest Private Markets Fund	1/3/2023	Tender Offer	Venture / Private Equity	\$2,581				X
15	StepStone Private Venture & Growth Fund	11/1/2022	Tender Offer	Venture / Private Equity	\$2,423				X
16	PIMCO Flexible Municipal Income Fund	3/15/2019	Interval	Tax-Free Bond	\$2,419	X	X	X	X
17	Pomona Investment Fund	5/7/2015	Tender Offer	Venture / Private Equity	\$2,046		X		
18	Coatue Innovative Strategies Fund	5/5/2025	Tender Offer	Specialty / Other	\$2,000			X ²	
19	Franklin Lexington Private Markets Fund	8/13/2024	Tender Offer	Venture / Private Equity	\$1,520		X		
20	KKR Real Estate Select Trust Inc.	7/2/2020	Tender Offer	Real Estate / Real Asset	\$1,300		X		
21	FS MVP Private Markets Fund	1/3/2022	Tender Offer	Venture / Private Equity	\$1,264		X		
22	JPMorgan Private Markets Fund	7/12/2023	Tender Offer	Venture / Private Equity	\$1,236		X ²		
23	Clarion Partners Real Estate Income Fund Inc.	9/27/2019	Tender Offer	Real Estate / Real Asset	\$1,047		X		
24	1WS Credit Income Fund	3/4/2019	Interval	Credit	\$989	X		X	
25	Nuveen Enhanced High Yield Municipal Bond Fund	6/30/2021	Interval	Tax-Free Bond	\$981	X		X	
26	KKR Credit Opportunities Portfolio	2/28/2020	Interval	Credit	\$952	X	X	X	
27	Blue Owl Alternative Credit Fund	5/12/2025	Interval	Credit	\$946		X ²		
28	Coller Secondaries Private Equity Opportunities Fund	4/1/2024	Tender Offer	Venture / Private Equity	\$812		X		

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 9/30/2025 or latest publicly available. *Funds are not eligible for purchase (hold only).

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

2. Represents a new addition in Q3 2025.

Credit Funds Lead the Number of Funds Available on Wirehouse Platforms (Page 2 of 2)

GoldenTree added at Merrill Lynch, Blue Owl, Capital Group KKR and JPMorgan added at Morgan Stanley, AMG Pantheon added at Wells Fargo, and Coatue added at UBS in Q3 2025.

Non-listed CEFs Available in the Wires ¹									
#	Fund Name	Inception Date	Fund Structure	Asset Class	Total Managed Assets (\$mm) ¹	Merrill Lynch	Morgan Stanley	UBS	Wells Fargo
29	AMG Pantheon Credit Solutions Fund	4/30/2024	Interval	Credit	\$795				X ²
30	FS Credit Income Fund	11/1/2017	Interval	Credit	\$688		X	*	
31	BlackRock Credit Strategies Fund	2/28/2019	Interval	Credit	\$677		X	X	
32	AIP Alternative Lending Fund P	10/1/2018	Tender Offer	Credit	\$492		X		
33	BlackRock Municipal Credit Alpha Portfolio, Inc.	8/1/2003	Interval	Tax-Free Bond	\$461		X		
34	PIMCO Flexible Real Estate Income Fund	11/17/2022	Interval	Real Estate / Real Asset	\$426		X		
35	Invesco Senior Loan Fund	2/18/2005	Interval	Credit	\$410			X	
36	Capital Group KKR Multi-Sector+	4/29/2025	Interval	Credit	\$250		X ²		
37	SEG Partners Long/Short Equity Fund	4/1/2025	Tender Offer	Hedge Fund	\$229	X			
38	Blackstone Private Multi-Asset Credit & Income Fund	5/1/2025	Interval	Credit	\$214		X		
39	Capital Group KKR Core Plus+	4/29/2025	Interval	Credit	\$195		X ²		
40	North Haven Private Assets Fund	12/31/2024	Tender Offer	Venture / Private Equity	\$195		X		
41	PIMCO California Flexible Municipal Income Fund	6/27/2022	Interval	Tax-Free Bond	\$140	X			
42	Voya Credit Income Fund	4/2/2001	Interval	Credit	\$126			X	
43	NYLI MacKay Muni Income Opportunities Fund	3/25/2024	Interval	Tax-Free Bond	\$120	X			
44	John Hancock CQS Asset Backed Securities Fund	1/21/2025	Interval	Credit	\$97	X			
45	Octagon XAI CLO Income Fund	11/4/2024	Interval	Credit	\$48				X
46	GoldenTree Opportunistic Credit Fund	7/16/2025	Interval	Credit	- ³	X ²			
Total						15	31	13 / 3*	11
Credit						6	11	9	4
Hedge Fund						3	2	1	2
Specialty / Other						0	0	1	0
Real Estate / Real Asset						0	6	2	0
Tax-Free Bond						4	2	2	1
Venture / Private Equity						2	10	1	4

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 9/30/2025 or latest publicly available. *Funds are not eligible for purchase (hold only).

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

2. Represents a new addition in Q3 2025.

3. The GoldenTree Opportunistic Credit Fund has yet to publish asset figures.

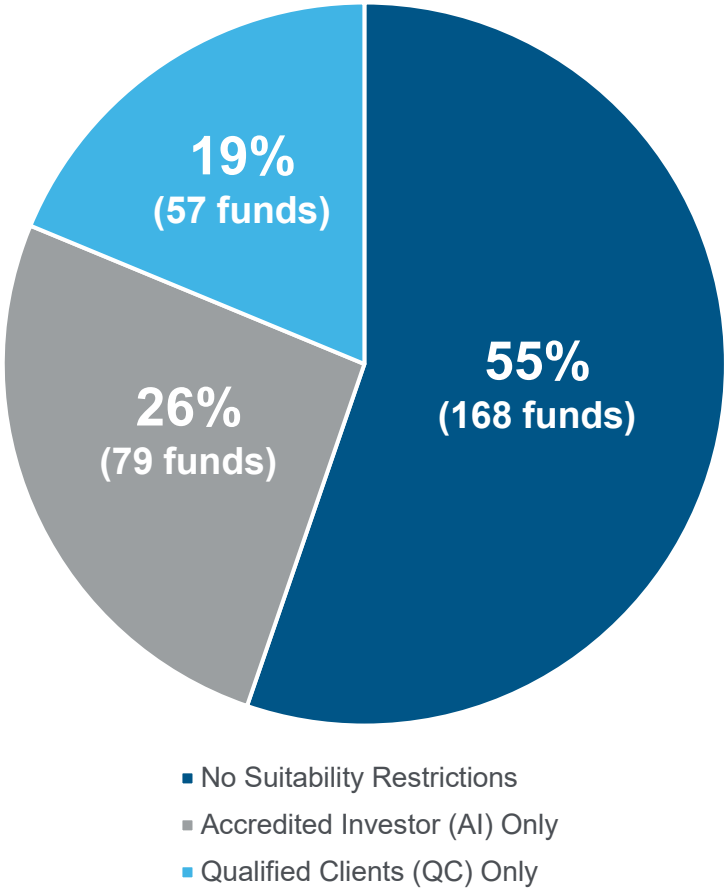
Interval / Tender Offer Fund Suitability Standards

Funds with no suitability restrictions continued to increase in Q3 2025 due to changes in SEC Staff positions¹ and recent fund filings removing accredited investor limitations.

Fund Suitability	Explanation	Example
No Suitability Restrictions ²	• Directly invested • Total return-based performance fees are not permitted³ • Income incentive fees are permitted	Cliffwater Corporate Lending Fund \$38.6bn in AUM ⁴
Accredited Investors (AI) Only	• Now largely a self-imposed suitability restriction since the change in SEC Staff position regarding investments in private funds¹	John Hancock GA Mortgage Trust \$2.5bn in AUM ⁴
Qualified Clients (QC) Only	• Funds that charge total return-based performance fees are restricted by the SEC in sale to QC only	Partners Group Private Equity, LLC \$17.9bn in AUM ⁴

Definitions	
Accredited Investors (AI): Individual or business that is allowed to invest in private security offerings that are not registered with the SEC; requires one of the following: • Sustained income of at least \$200,000 (or \$300,000 with a spouse/partner) • Knowledgeable employee with a Series 7, 65, or 82 license • Net worth of at least \$1,000,000; excluding primary residence • Directors, officers, or executives of the issuer	Qualified Clients (QC): Investors exempt from the provision of the 1940 Act that prohibits private funds from charging performance-based fees; requires one of the following: • \$2.2 million net worth • \$1.1 million in AUM with an advisor • Meet the definition of a qualified purchaser • Be an executive, director, trustee, general partner, or the advisor

Suitability Breakdown
(% of funds)



Sources: XA Investments; CEFDData.com.
Notes: The data above reflects the latest publicly available as of 9/30/2025.
1. See page 53 for more information.
2. Represents funds that have no suitability restrictions imposed at the fund level. Investment platforms may impose additional suitability restrictions.
3. The SEC permits funds that charge total-return based performance fees to be sold only to qualified clients.
4. AUM represents total managed assets.

16 Interval and Tender Offer Funds Have Removed Accredited Investor Limitations

Changes to SEC Staff positions have led to a reduction in suitability requirements in the interval fund market.

Accredited Investor Removals

- On May 19, 2025, SEC Chairman Paul Atkins spoke at Practising Law Institutes' annual SEC Speaks conference and discussed the longstanding limitations placed on registered closed-end funds that invest in 3(c)(1) and 3(c)(7) exempt private funds.
- Since 2002, the SEC staff had taken a position (effectively an unwritten rule) preventing closed-end funds from investing more than 15% of their assets in private funds unless they restrict sales to accredited investors and impose a minimum initial investment of \$25,000.
- Following Chair Atkins' statements, Division of Investment Management Director Natasha Vij Greiner, at the same SEC Speaks conference, noted that the SEC Staff will no longer provide comments barring funds from making such private investments.
- Following this conference and change in SEC position, 17% of interval and tender offer funds that had accredited investor requirements filed prospectus supplements removing those requirements as of 9/30/2025.
- In Q3 2025, 58% of non-listed funds filing N-2s reported no suitability restrictions, while only 42% included accredited investor restrictions, reflecting a continued reduction in the use of accredited suitability requirements.

Sponsor	Fund Name	Asset Class	Structure	Date of Removal ¹	AUM (\$mm) ²
 CLIFFWATER	Cascade Private Capital Fund	Venture / Private Equity	Interval	5/30/2025	\$3,738
 CLIFFWATER	Cliffwater Enhanced Lending Fund	Credit	Interval	5/30/2025	\$6,630
 STEPSTONE	StepStone Private Markets	Venture / Private Equity	Tender Offer	5/30/2025	\$4,933
 NOMURA	Nomura Alternative Income Fund	Credit	Interval	6/4/2025	\$248
 PC	Privacore PCAAM Alternative Growth Fund	Venture / Private Equity	Tender Offer	6/4/2025	\$44
 CAZ	CAZ Strategic Opportunities Fund	Venture / Private Equity	Tender Offer	6/5/2025	\$334
 AFA	AFA Asset Based Lending Fund	Credit	Interval	6/6/2025	\$271
 SKYPPOINT	Felicitas Private Markets Fund	Multi-Asset	Tender Offer	6/6/2025	\$119
 Wilshire	Wilshire Private Assets Fund	Multi-Asset	Tender Offer	6/6/2025	\$72
 First Trust	First Trust Hedged Strategies Fund	Hedge Fund	Interval	6/11/2025	\$40
 BlackRock	BlackRock Alpha Strategies Fund	Hedge Fund	Tender Offer	6/16/2025	\$144
 BlackRock	BlackRock Private Investments Fund	Venture / Private Equity	Tender Offer	6/16/2025	\$382
 ASPIRIANT	Aspiriant Risk-Managed Capital Appreciation Fund	Specialty / Other	Tender Offer	6/18/2025	\$138
 ASPIRIANT	Aspiriant Real Assets Fund	Real Estate / Real Asset	Tender Offer	6/18/2025	\$183
 APOLLO	Apollo S3 Private Markets Fund	Multi-Asset	Tender Offer	7/2/2025	\$274
 HARTFORDFUNDS	Hartford Schroders Private Opportunities Fund	Venture / Private Equity	Tender Offer	9/25/2025	\$33

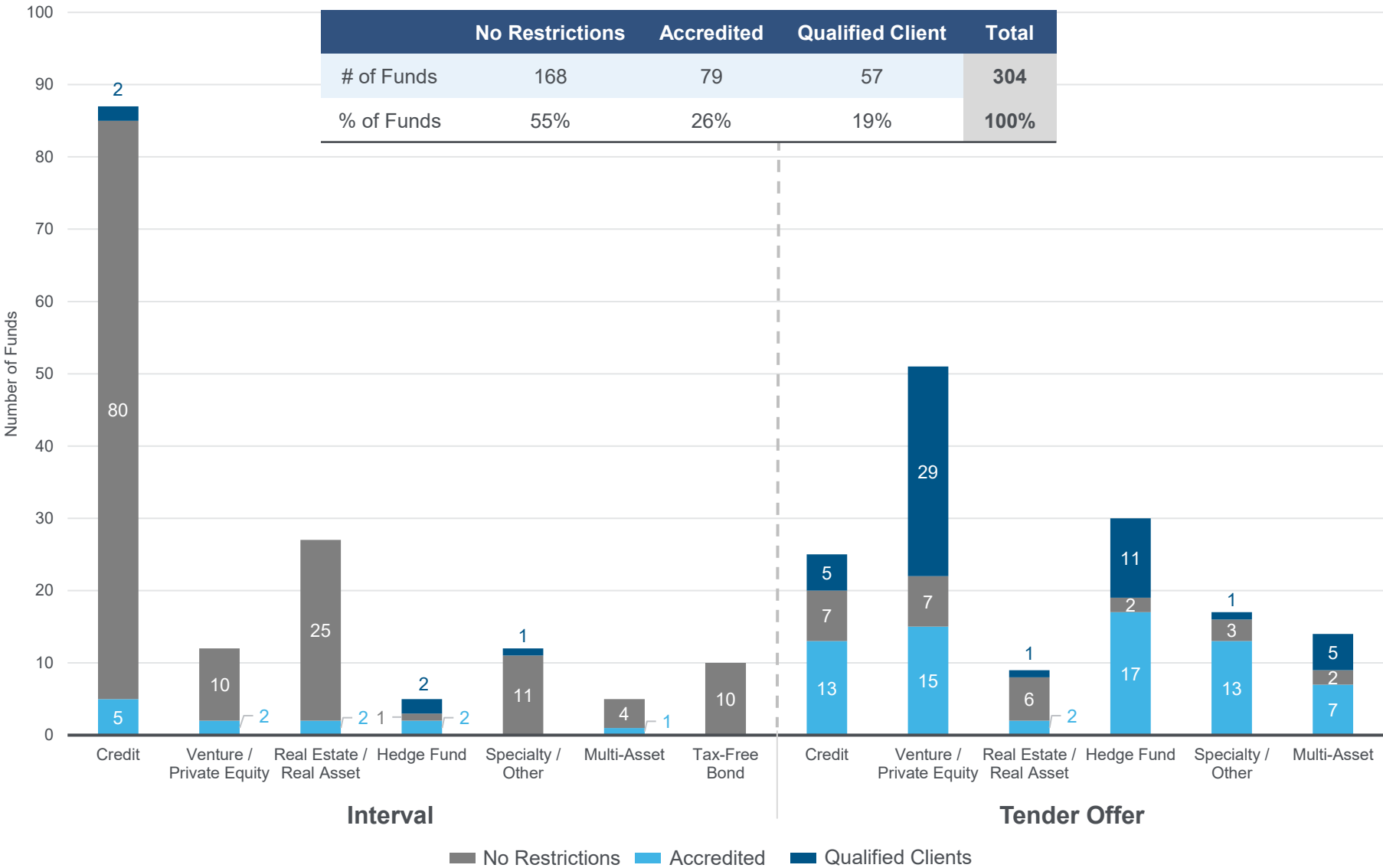
Sources: XA Investments; SEC Filings; CEFDData.com.

Notes: Data as of 9/30/2025 or latest publicly available.

- Funds are listed in ascending order by accredited suitability restriction removal date, with the earliest removal appearing at the top and the most recent removal at the bottom.
- AUM represents total managed assets and is inclusive of leverage.

Funds Without Suitability Restrictions Lead the Market by Number of Funds

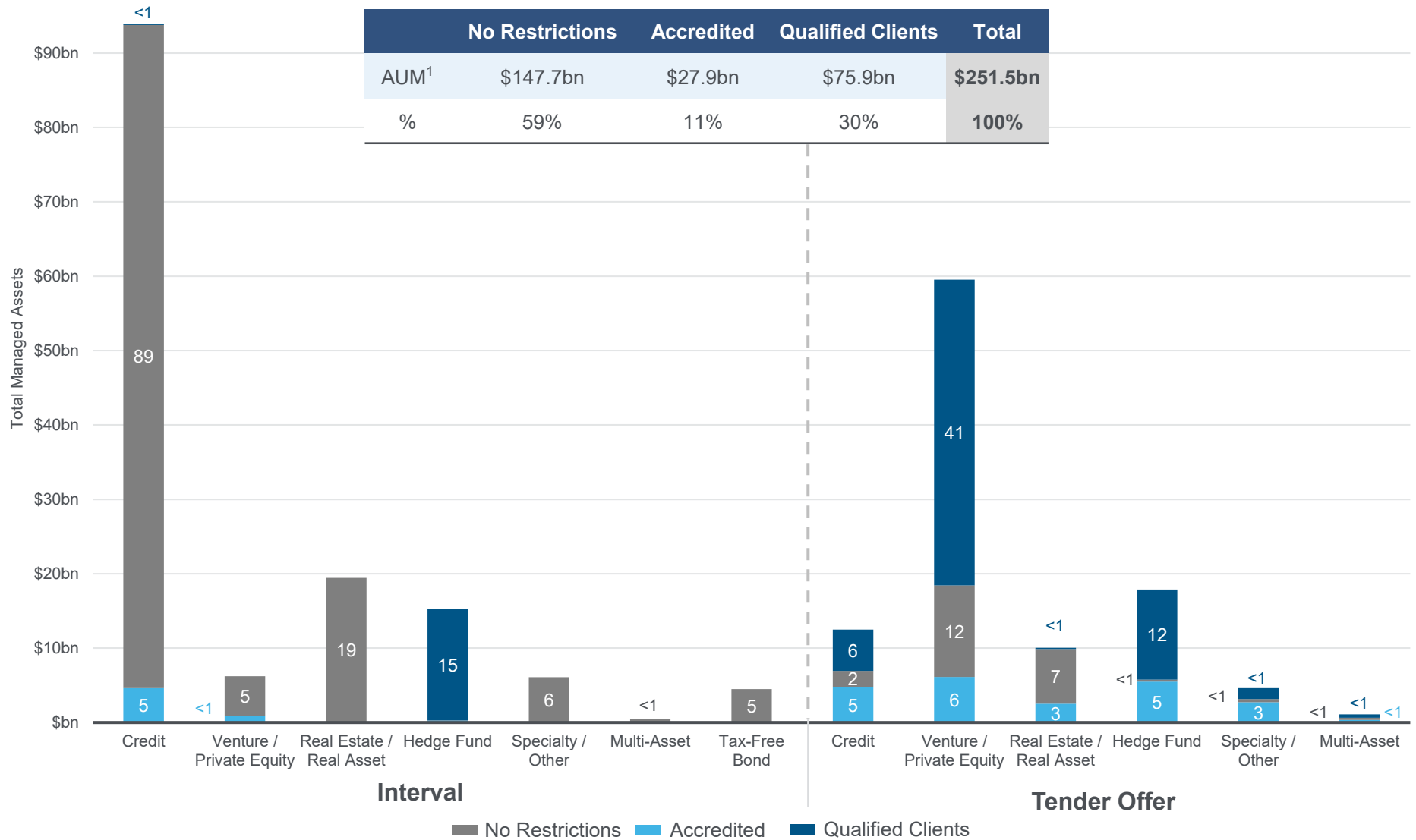
Interval vs. Tender Offer Funds Suitability Breakdown: Number of Funds



Sources: XA Investments; CEFDData.com. Data as of 9/30/2025 or latest publicly available.
Notes: No restrictions represents funds that have no suitability restrictions imposed at the fund level. See page 52 for more information on suitability standards.

Funds Without Suitability Restrictions Lead the Market by Total Managed Assets

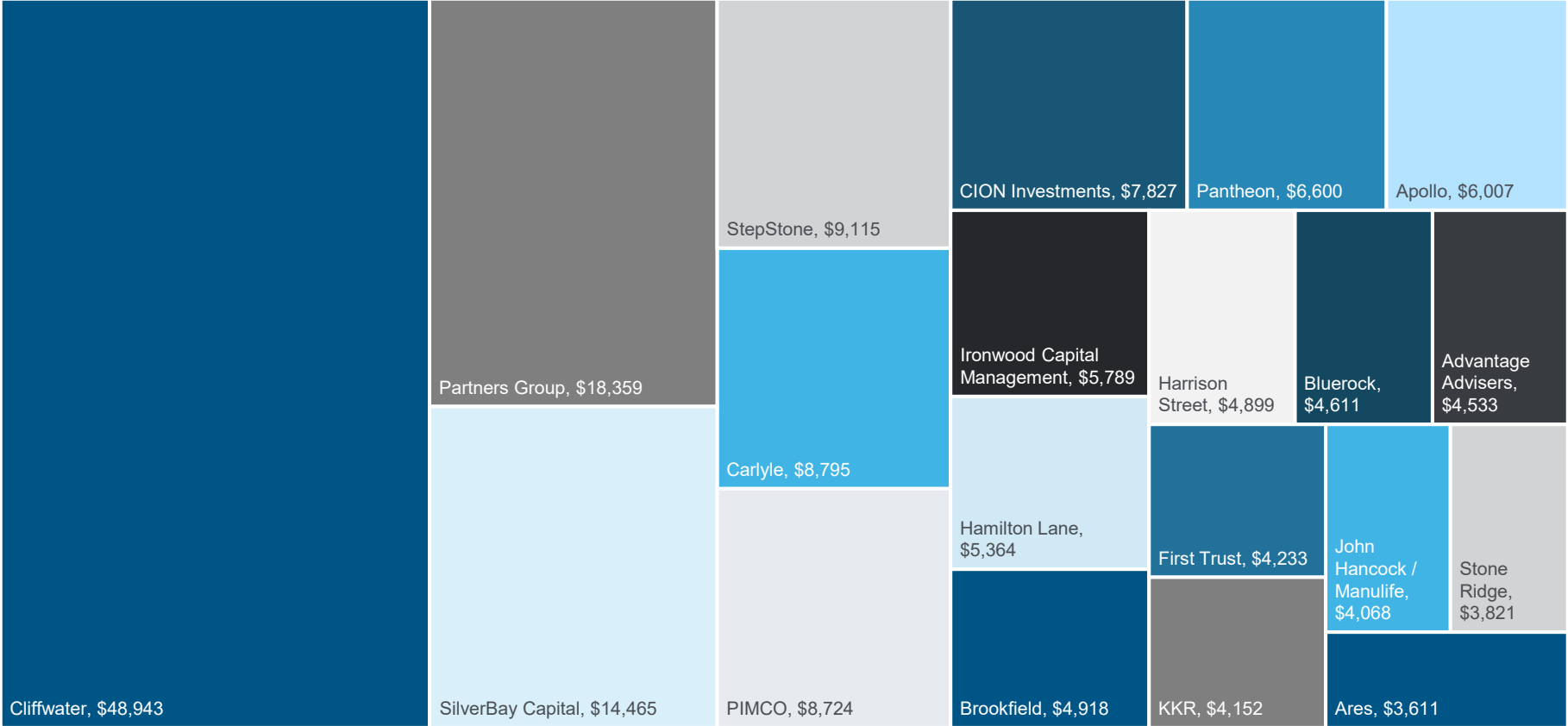
Interval vs. Tender Offer Funds Suitability Breakdown: Total Managed Assets



Sources: XA Investments; CEFDData.com. Data as of 9/30/2025 or latest publicly available.
Notes: No restrictions represents funds that have no suitability restrictions imposed at the fund level. See page 52 for more information on suitability standards.
1. AUM represents Total Managed Assets and is inclusive of leverage.

Leading Sponsors Double Down: 57 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) ^{1,2}
All Fund Sponsors	157	304	\$251
Fund Sponsors with 2+ Interval or Tender Offer Funds	57	204	\$202
Fund Sponsors with 2 Interval or Tender Offer Funds in the Top 20 ³	1	3	\$49

Sources: XA Investments; CEFDData.com.
Notes: Data as of 9/30/2025 or latest publicly available.
1. Master feeder funds are included in calculations. However, when calculating total managed assets, only master funds are included to avoid double counting.
2. Data represents active funds and does not include funds in SEC registration.
3. "Top 20" refers to the 20 largest funds in XAI's records based on total managed assets.

57 Fund Sponsors Have Two or More Interval / Tender Offer Funds in the Market

#	Sponsor	Number of Funds ¹	Total Managed Assets (\$mm) ²
1	Cliffwater	3	48,943
2	Partners Group	3	18,359
3	StepStone	6	9,115
4	Carlyle	2	8,795
5	PIMCO	5	8,724
6	CION Investments	3	7,827
7	Pantheon	3	6,600
8	Apollo	3	6,007
9	Ironwood Capital Management	2	5,789
10	Hamilton Lane	5	5,364
11	Brookfield	4	4,918
12	Harrison Street	3	4,899
13	Bluerock	2	4,611
14	First Trust	18	4,233
15	KKR	4	4,152
16	John Hancock / Manulife	6	4,068
17	Stone Ridge	3	3,821
18	Central Park Advisers	10	3,610
19	Lord Abbett	5	3,480
20	Neuberger Berman	12	3,273
21	Variant Investments	3	2,997
22	Franklin Templeton	4	2,827
23	Morgan Stanley	9	2,301
24	Voya	3	2,199
25	Fundrise	3	2,153
26	Nuveen	3	2,020
27	SEI Investments	2	1,915
28	SkyBridge Capital	2	1,669
29	BlackRock	4	1,664

#	Sponsor	Number of Funds ¹	Total Managed Assets (\$mm) ²
30	J.P. Morgan	3	1,531
31	Flat Rock Global	3	1,462
32	Alliance Bernstein	2	1,419
33	iCapital	4	1,385
34	First Eagle Investments	3	1,106
35	Jackson National	2	902
36	Coller Capital	2	812
37	Calamos	3	746
38	Invesco	2	730
39	Prospect	2	597
40	UBS	3	571
41	City National Rochdale	2	513
42	Eagle Point	3	484
43	Capital Group	2	445
44	Prudential	2	420
45	Aetos	3	409
46	TCW Group	2	365
47	Aspiriant	2	321
48	Grosvenor	3	298
49	Principal	2	254
50	Liquid Strategies	2	219
51	Princeton	2	187
52	Cypress Creek Partners	3	150
53	Lincoln Financial	2	148
54	Privacore Capital Advisors	3	106
55	Wilshire	3	61
56	Sweater	2	16
57	Axxes Capital	2	.. ³
Total		204	201,990

Sources: XA Investments; CEFDData.com.

Notes: Data as of 9/30/2025 or latest publicly available. Does not include funds in SEC registration.

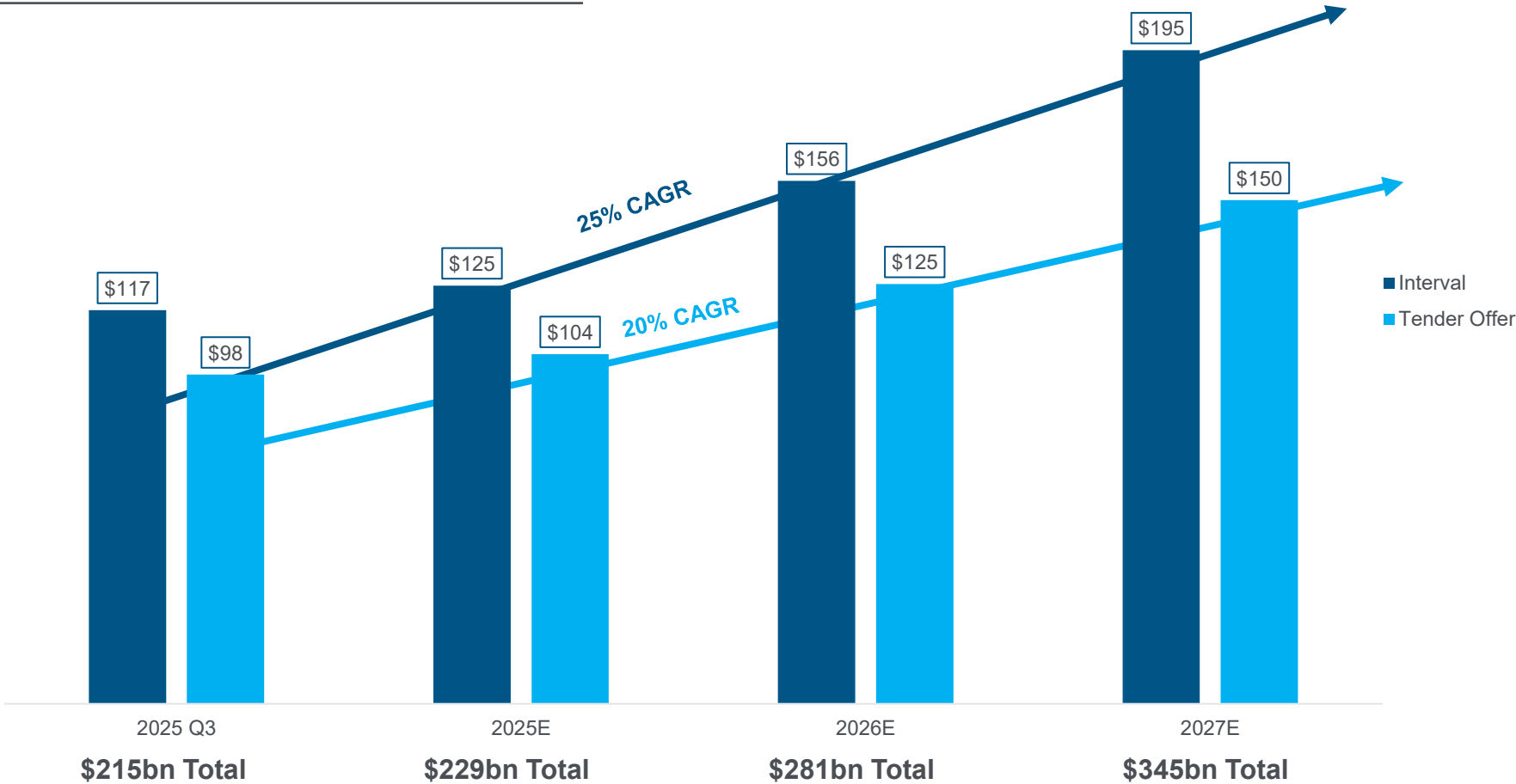
1. Fund count includes master and feeder funds.

2. Funds are listed in descending order by total managed assets.

3. Axxes Capital has not yet reported assets for its funds.

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

Period	Net Assets ¹ (\$bn)	# of Funds
Q3 2025	\$215	304
2025 YE Forecast	\$205 - \$230	310 - 350
2026 YE Forecast	\$260 - \$285	380 - 420
2027 YE Forecast	\$330 - \$355	450 - 500



E = Estimated

Source: XA Investments.
Notes: 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. Q3 2025 actual figures are latest publicly available as of 9/30/2025.

XAI Future Predictions on New Market Entrants

157

Unique Fund Sponsors
Currently in the Market

19

New Fund Sponsors
Entered the Market
2025 YTD

5-7

More New Fund
Sponsors Expected to
Enter Market in Q4 2025

XAI’s Research Team Observes Key Factors Driving New Market Entrants to Launch a First Interval / Tender Offer Fund

Accelerant	Explanation
M&A Activity	Shrinking institutional capital pools, margin compression in mutual funds and other macro factors have driven the acquisition of alternative asset managers by firms seeking to expand their private market capabilities.
GP Stake Investing	To accelerate growth and to provide a liquidity event for founding partners, more alternative investment managers have sold minority stakes in their businesses.
Public Alts Managers Arsenal	The largest public alternative investment firms have big balance sheets and the ability to raise capital for expansion.
Fear of Missing Out (FOMO)	The world’s largest traditional asset managers (many without private market capabilities) do not want to miss out on the interval fund tidal wave. Leading institutional consultants observe the success of Cliffwater and StepStone in the private wealth market and wonder what they might be missing out on. Specialist alternative investment managers want to plant a flag before the largest alternative investment managers (i.e. Blackstone, KKR, Apollo, Brookfield) get too much of a head start.

Source: XA Investments. Data latest publicly available as of 9/30/2025.

Net Flows and Proration Analysis

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 6/30/2025 and represents the latest publicly available data.

Section Summary

- Q2 2025 marketwide net flows totaled \$13.2bn, representing a 3% decrease quarter-over-quarter. (Q2 2025 vs. Q1 2025)
- Credit funds dominated capital raising in Q2 2025, bringing in over \$6.02bn in net flows.
- 63% of funds had positive net flows in Q2 2025.¹
- The majority of net flows in Q2 2025 (58%) went into funds without suitability restrictions.
- There was a notable increase in net flows for funds with monthly valuations. Monthly NAV funds accounted for 49% of net flows in Q2 2025 compared to 37% in Q1 2025.
- The top 20 largest interval / tender offer funds experienced a 31% decrease in net flows quarter-over-quarter. (Q2 2025 vs. Q1 2025)
- Proration has not been a marketwide issue. Interval and tender offer funds have been able to support liquidity demands with 94% of funds having a ratio of net flows to average net assets above -5%² for the period ended Q2 2025. See page 72 for more information.



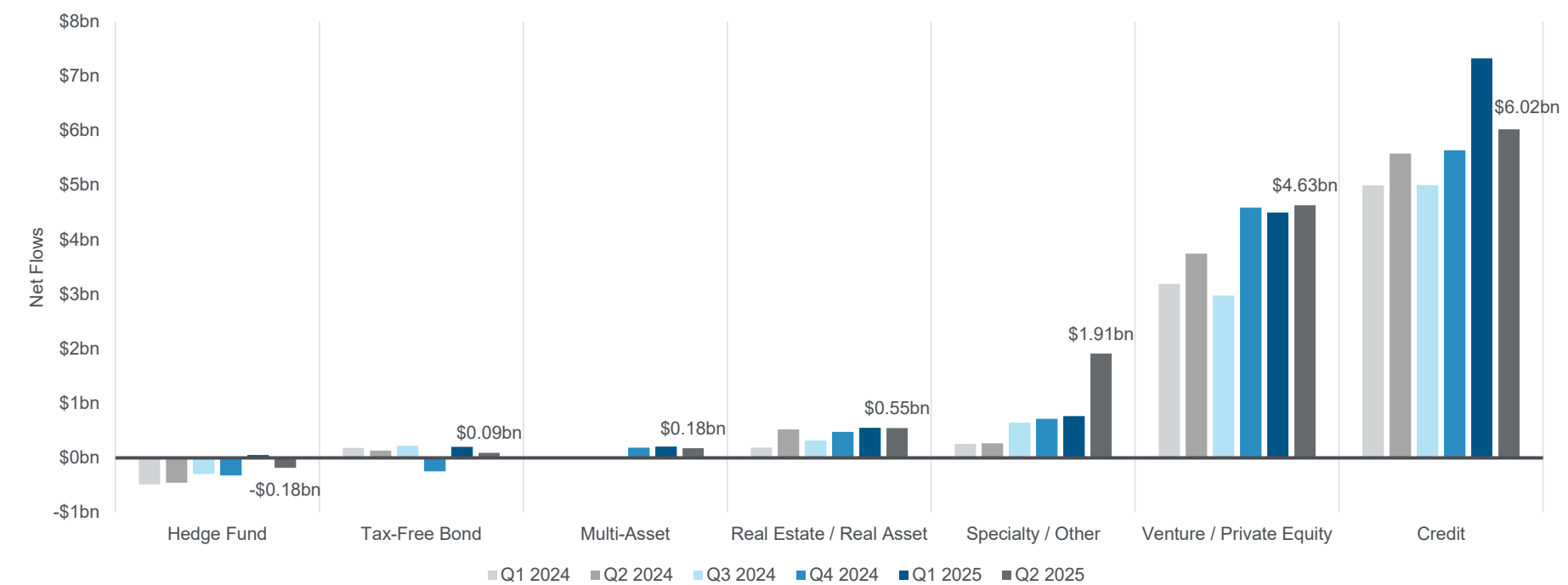
Notes: Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 6/30/2025 and represents the latest publicly available data. Fund count totals in this section do not equal 304. 37 funds were excluded for not filing an NPORT this quarter.

1. Figure refers only to funds that filed an NPORT.

2. Quarterly redemptions of 5% per quarter is the mode in the interval / tender offer fund market.

Net Flows Remained Strong in the Second Quarter of 2025

Quarter-over-Quarter Net Flows Comparison^{1,2}



Net Flows by Quarter ¹ (\$bn)						
Asset Class	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Hedge Fund	-0.48	-0.46	-0.30	-0.32	0.05	-0.18
Tax-Free Bond	0.18	0.13	0.22	-0.25	0.20	0.09
Multi-Asset	0.00	0.00	0.00	0.19	0.21	0.18
Real Estate / Real Asset	0.19	0.52	0.32	0.48	0.55	0.55
Specialty / Other	0.26	0.27	0.64	0.71	0.77	1.91
Venture / Private Equity	3.19	3.75	2.97	4.58	4.50	4.63
Credit	4.99	5.58	5.00	5.64	7.32	6.02
Total	8.33	9.79	8.87	11.04	13.60	13.20

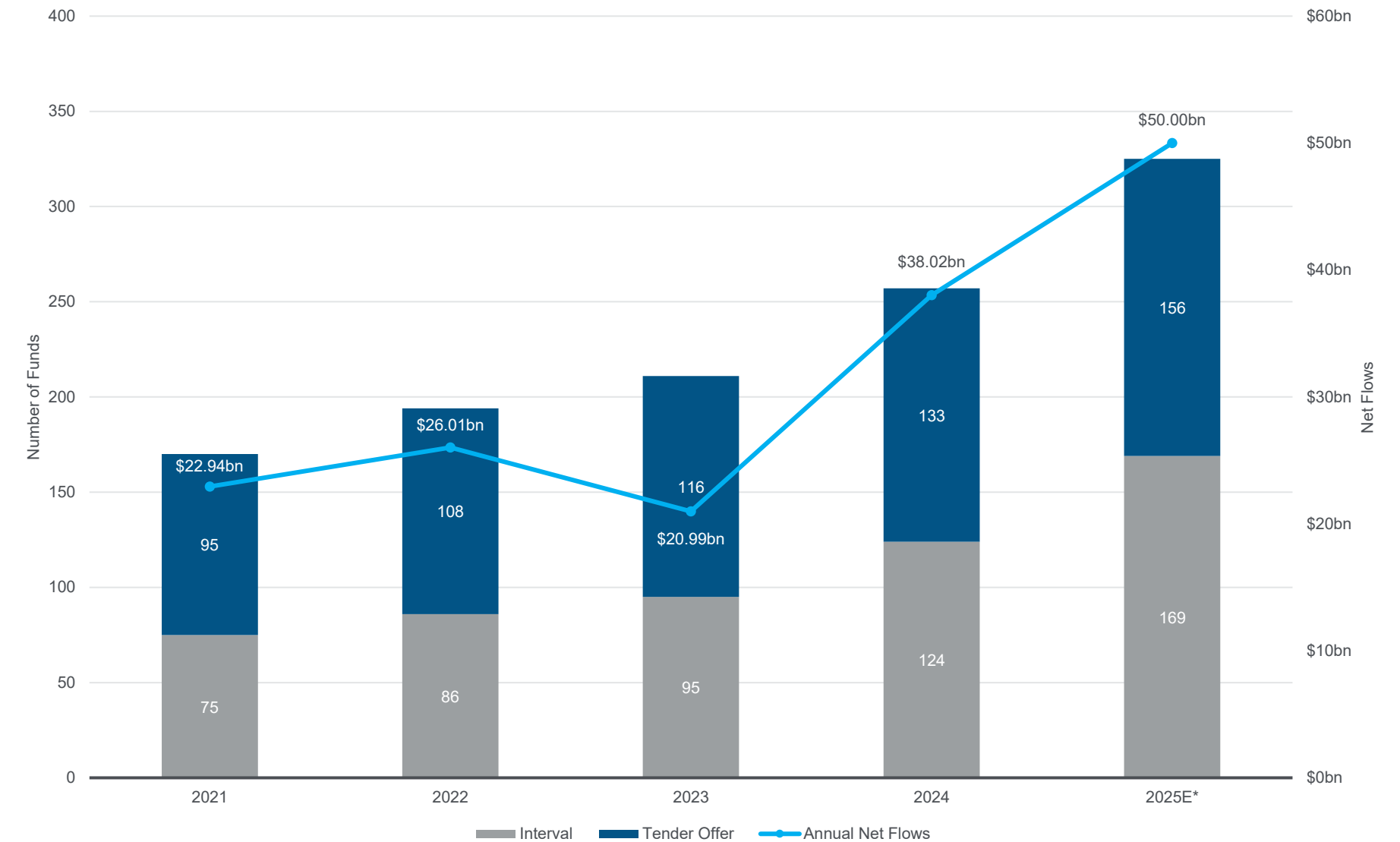
Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.

Notes:

- 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 6/30/2025 and represents the latest publicly available data.
- Data labels represent Q2 2025 net flows for each asset class.

The Interval Fund Market has Attracted Significant Capital

Net Flows and Fund Counts by Year¹

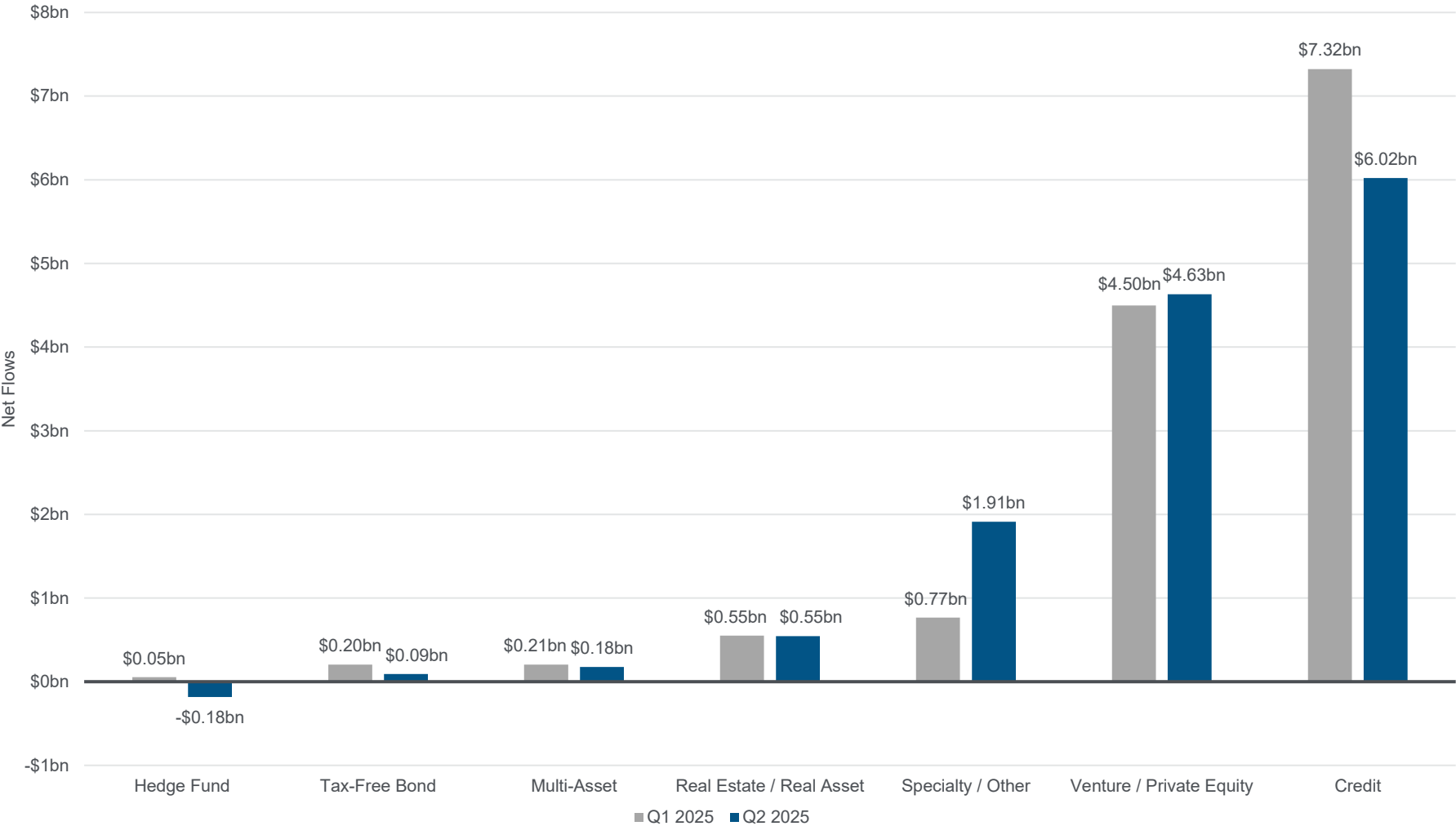


Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Notes: *Represents XAI's year-end estimate for 2025. XAI estimates there to be 325 total funds and \$50bn in net flows by year-end.
1. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 6/30/2025 and represents the latest publicly available data. Fund counts are as of 9/30/2025.

Credit Funds Experience Reduced Flows Amid Economic Uncertainty in the First Half of 2025

All interval fund market asset classes apart from hedge funds reported positive net flows in Q2 2025, reflecting sustained investor interest across the semi-liquid fund landscape.

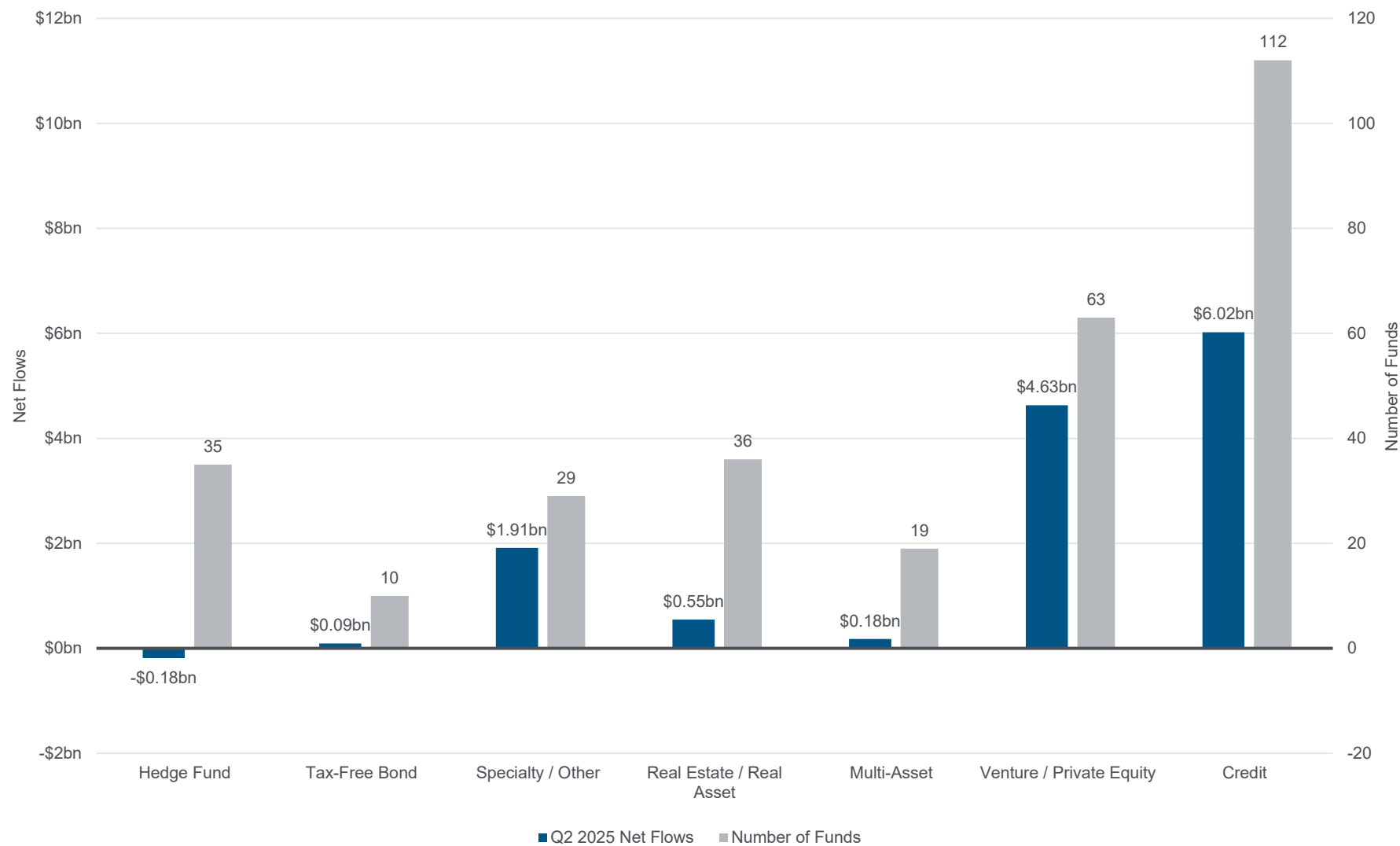
Quarter-over-Quarter Net Flows Comparison¹



Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.
Notes: 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 6/30/2025 and represents the latest publicly available data.

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

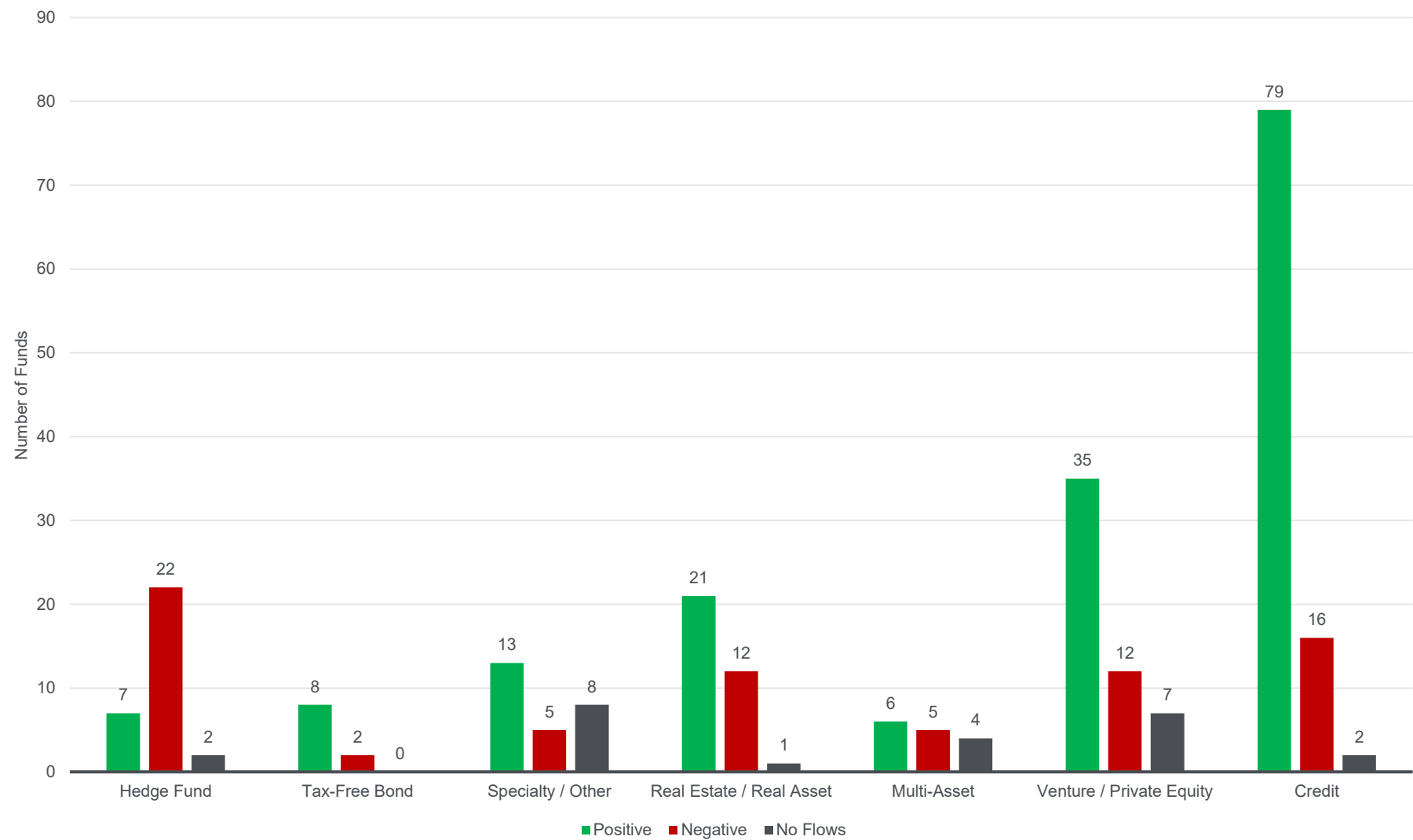
Q2 2025 Net Flows by Asset Class¹



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 6/30/2025 and represents the latest publicly available data.

63% of All Funds Had Positive Net Flows in Q2 2025

Positive vs. Negative Net Flows by Asset Class^{1,2}



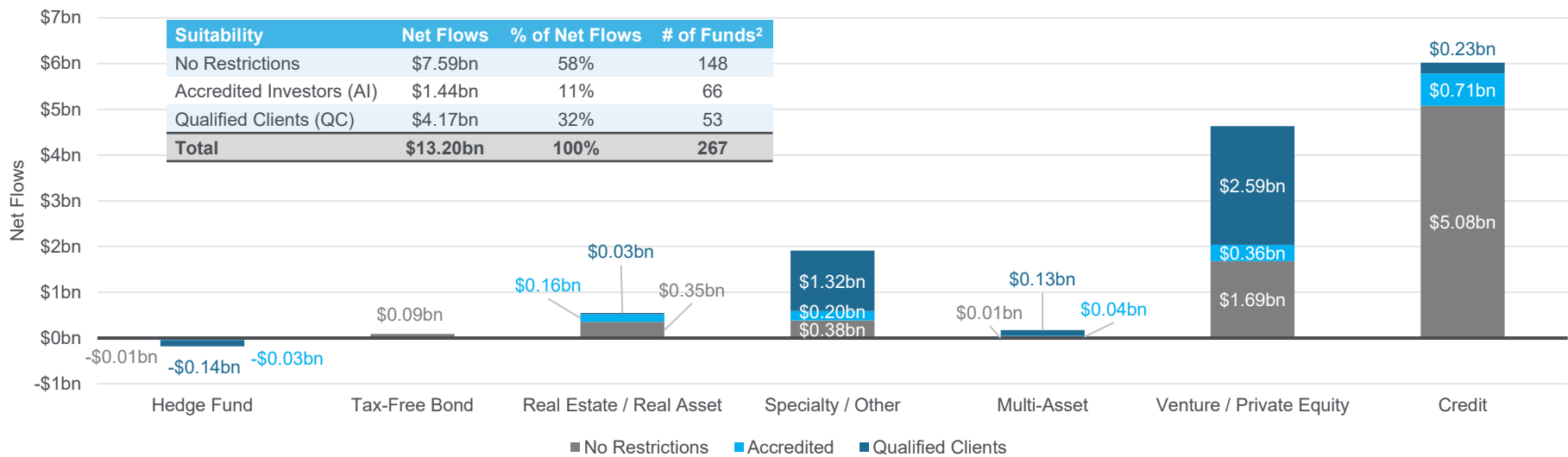
Sources: XA Investments; CEFDData.com. Flow data sourced from SEC filings.

Notes:
1. Fund count totals do not equal 304. 37 funds were excluded from analysis for not filing an NPORT this quarter.

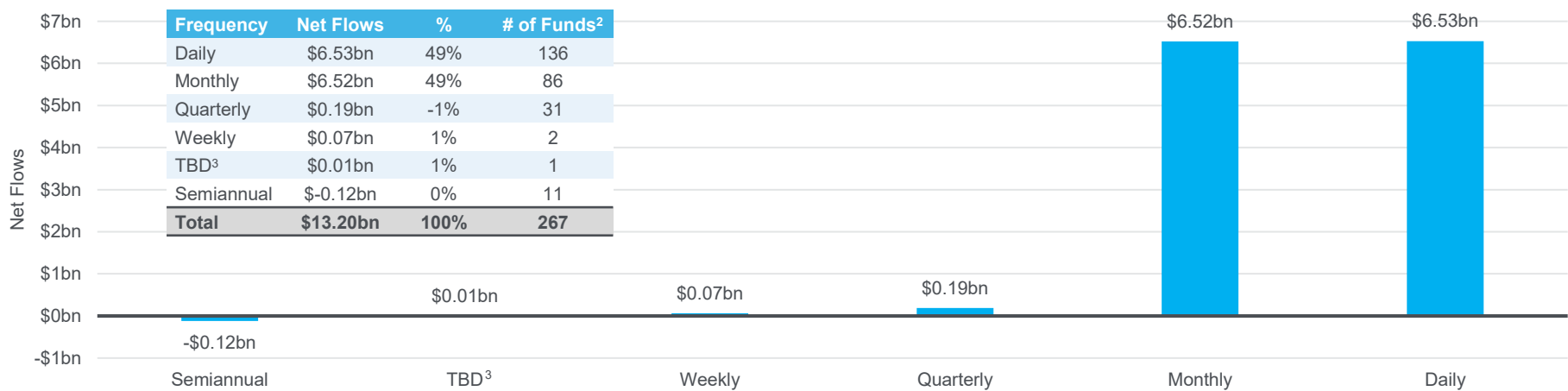
2. Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 6/30/2025 and represents the latest publicly available data.

58% of Q2 2025 Net Flows Went to Funds Without Suitability Restrictions

Q2 2025 Net Flows by Investor Suitability¹



Q2 2025 Net Flows by Valuation Frequency¹



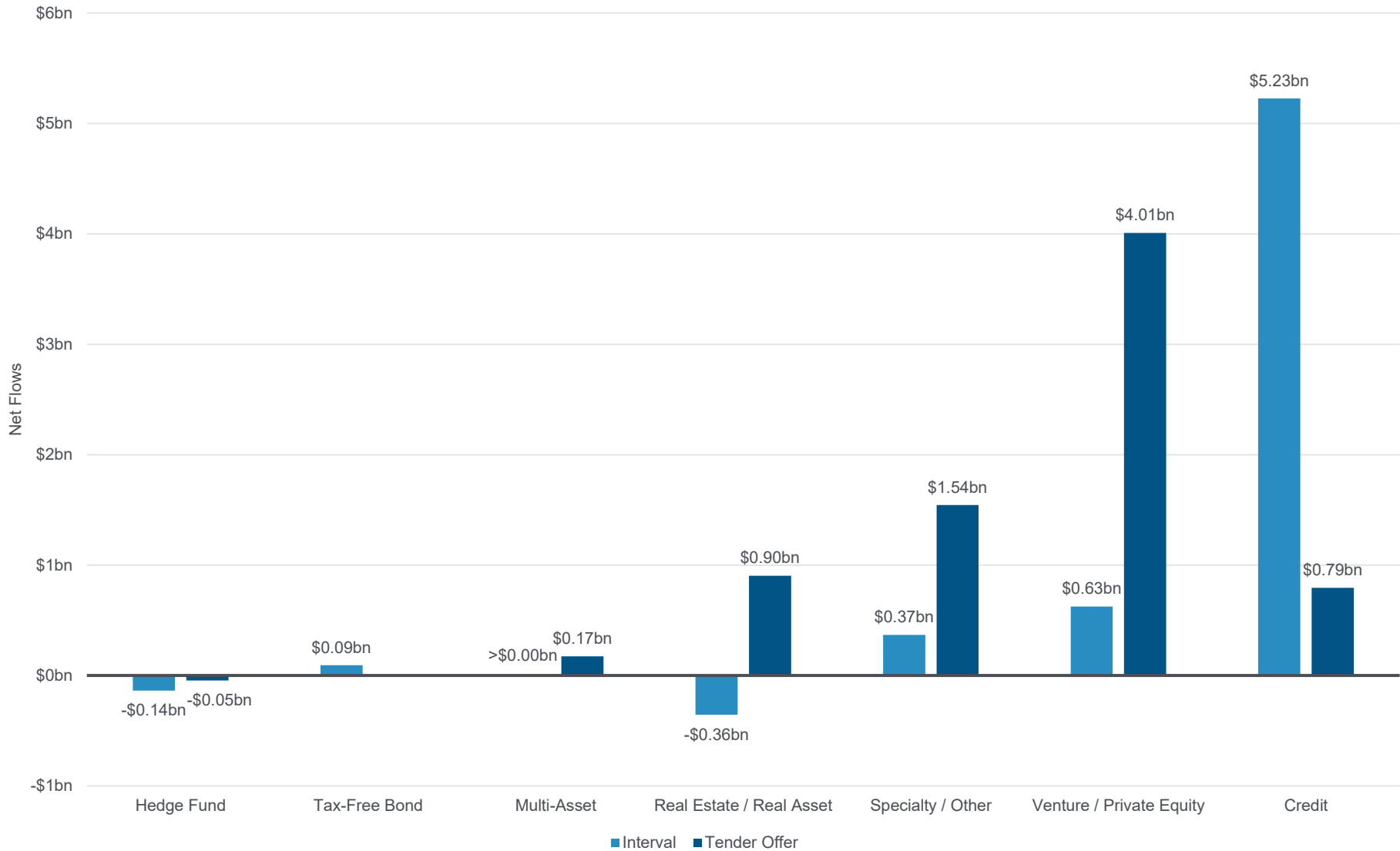
Sources: XA Investments; CEFData.com. Flow data sourced from SEC filings.

Notes:

- 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 6/30/2025 and represents the latest publicly available data.
- Fund count totals do not equal 304. 37 funds were excluded from analysis for not filing an NPORT this quarter.
- The TCW Spirit Direct Lending LLC has not publicly disclosed its valuation frequency in its prospectus.

Credit Dominates Net Flows by Asset Class Over the Last Quarter

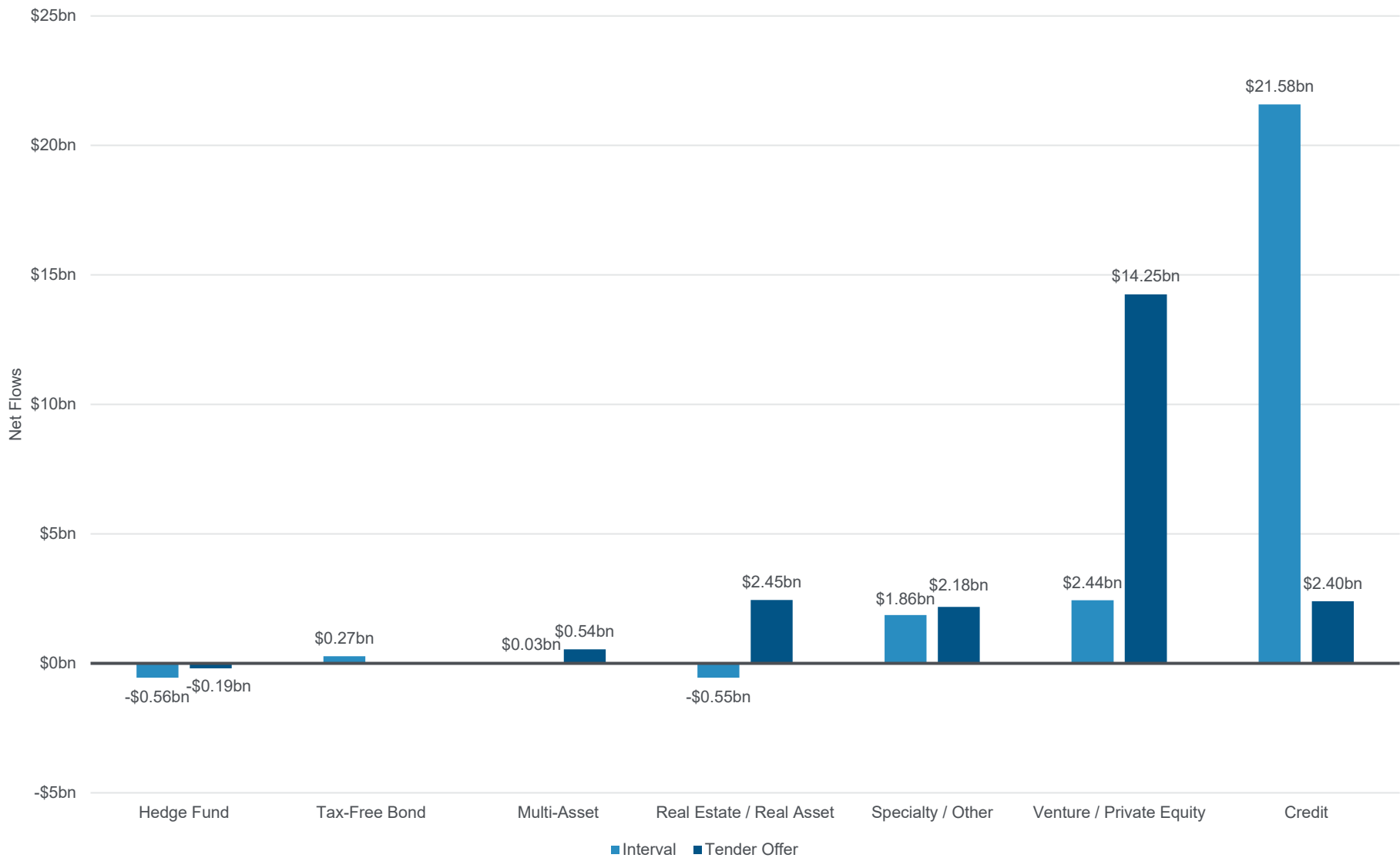
\$13.20bn in Total Market Net Flows (Three Months Ended 6/30/2025)¹



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 6/30/2025 and represents the latest publicly available data.

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

\$46.70bn in Total Market Net Flows (Twelve Months Ended 6/30/2025)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 6/30/2025 and represents the latest publicly available data.

Most Market Leaders Experienced a 31% Decrease in Q2 2025 Net Flows

The top 20 funds accounted for 38% of total net flows in Q2 2025.

Net Flows for Top 20 Largest Funds Ranked by AUM ^{1,2}								
Rank ¹	Inception Date	Name	Structure	Asset Class	Total Managed Assets (\$mm)	Q1 2025 Net Flows (\$mm)	Q2 2025 Net Flows (\$mm)	% Change
1	6/5/2019	Cliffwater Corporate Lending Fund	Interval	Credit	38,575	2,727	1,850	-32% 
2	7/1/2009	Partners Group Private Equity (Master Fund), LLC	Tender Offer	Venture / Private Equity	17,971	165	-222	-234% 
3	3/1/2010	ACAP Strategic Fund	Interval	Hedge Fund	14,465	-107	-137	-28% 
4	1/26/2017	CION Ares Diversified Credit Fund	Interval	Credit	7,527	231	281	22% 
5	7/1/2021	Cliffwater Enhanced Lending Fund	Interval	Credit	6,630	619	631	2% 
6	6/4/2018	Carlyle Tactical Private Credit Fund	Interval	Credit	6,214	381	117	-69% 
7	10/27/2015	AMG Pantheon Fund, LLC	Tender Offer	Venture / Private Equity	5,805	391	435	11% 
8	1/1/2011	Ironwood Institutional Multi-Strategy Fund LLC ³	Tender Offer	Hedge Fund	5,789	82	2	-98% 
9	2/22/2017	PIMCO Flexible Credit Income Fund	Interval	Credit	5,677	184	210	15% 
10	10/1/2020	StepStone Private Markets	Tender Offer	Venture / Private Equity	4,933	479	409	-15% 
11	5/4/1999	Advantage Advisers Xanthus Fund, L.L.C.	Tender Offer	Hedge Fund	4,533	7	-94	-1,474% 
12	1/4/2021	Hamilton Lane Private Assets Fund	Tender Offer	Venture / Private Equity	4,523	395	344	-13% 
13	11/1/2023	Brookfield Infrastructure Income Fund Inc.	Tender Offer	Real Estate / Real Asset	4,464	417	493	18% 
14	10/22/2012	Bluerock Total Income (plus) Real Estate Fund	Interval	Real Estate / Real Asset	4,421	-143	-341	-139% 
15	6/30/2014	Apollo Diversified Real Estate Fund	Interval	Real Estate / Real Asset	3,904	-137	-153	-12% 
16	1/7/2022	Cascade Private Capital Fund	Interval	Venture / Private Equity	3,738	617	509	-18% 
17	4/1/2022	Ares Private Markets Fund	Tender Offer	Venture / Private Equity	3,611	402	331	-18% 
18	2/22/2019	Lord Abbett Credit Opportunities Fund	Interval	Credit	3,043	245	103	-58% 
19	6/12/2017	First Trust Alternative Opportunities Fund	Interval	Specialty / Other	2,875	322	235	-27% 
20	10/2/2017	Variant Alternative Income Fund	Interval	Credit	2,835	-33	-34	-5% 
				Total	151,533	7,245	4,969	-31% 

Sources: CEFData.com; XA Investments.

1.

Funds ranked in descending order by total managed assets.

2.

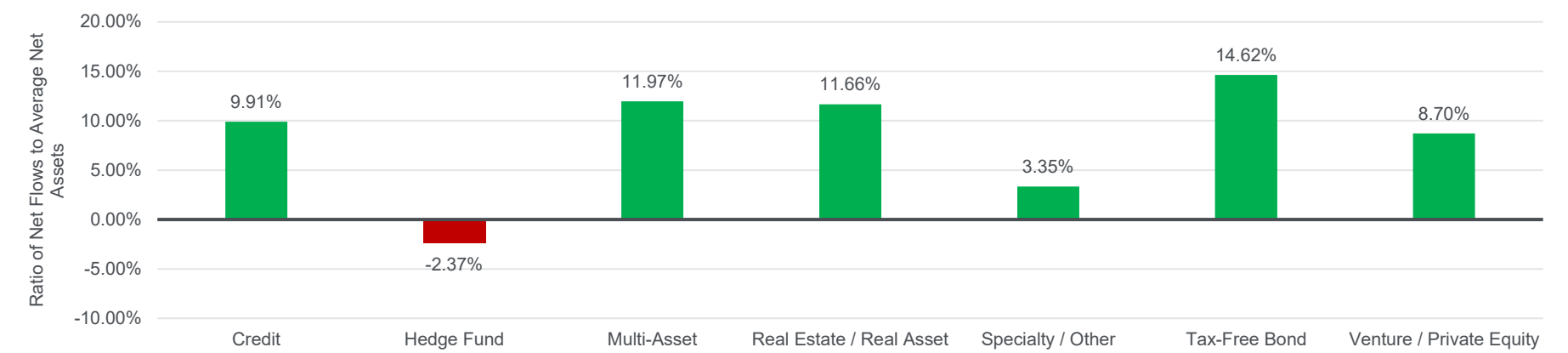
Net flows are reported in Form NPORT-P ("NPORTs"), which are filed quarterly with the SEC. NPORT filings are typically lagged 60 days from the end of the reporting period. The net flows data in this section is as of 6/30/2025 and represents the latest publicly available data.

3.

The Ironwood Institutional Multi-Strategy Fund LLC is a master fund. The flows reflected above are flows into the feeder.

Interval and Tender Offer Funds Have Been Able to Meet Liquidity Demands

Average Ratio of Net Flows to Average Net Assets by Asset Class (3/31/2025 - 6/30/2025)^{1,2,3}



Analyzing Proration in the Interval / Tender Offer Fund Market^{1,2,3}

- Interval and tender offer funds provide investors limited liquidity, although the amounts and frequencies may differ between funds, typically 5% of net assets are offered on a quarterly basis.
- If requested redemptions exceed the amount of liquidity being offered by a fund, the redemption requests will be prorated. Investors may receive less liquidity than requested depending on demand for liquidity.
- XAI uses NPORT data to calculate the following ratio for each fund to serve as a proxy to determine the risk/degree of proration in the interval and tender offer fund market:

$$\frac{\text{Net Flows for the Quarter}}{\text{Average Net Assets for the Quarter}}$$

- Positive ratios indicate positive net flows and indicate the fund can provide liquidity when requested.
- Negative ratios indicate negative net flows. The more negative the ratio the greater the likelihood the fund will experience proration.
- Since most funds offer 5% quarterly liquidity, a -5% ratio could indicate that investors are redeeming the entire amount of liquidity offered. XAI uses this as a baseline to gauge a fund's probability of proration.

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

Notes:

- 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 6/30/2025 and represents the latest publicly available data.
- A fund must have filed at least two NPORTs to calculate net assets over the period. 250 interval and tender offer funds out of the 304 met this requirement and are included in the analysis. The data above reflects data from the latest NPORTs available for the reporting period ending 6/30/2025.
- Zeros are included if a fund did not have any net flows during the quarter.

Important Note: A negative ratio does not mean a fund is in proration. The ratio reflects the relationship of a fund's net flows to net assets and is meant to be used as an indicator.

Positive Net Flows Supported Investor Access to Liquidity

94% of interval and tender offer funds have ratios of net flows over average net assets greater than -5%.

Percent of Net Flows to Average Net Asset Ratios by Asset Class (3/31/2025 - 6/30/2025) ^{1,2,3} (# of Funds)								
Ratio Percentage	All Funds	Credit	Hedge Fund	Real Estate / Real Asset	Specialty / Other	Multi-Asset	Venture / Private Equity	Tax-Free Bond
10%+	26% (65)	30% (27)	-	31.25% (10)	17.39% (4)	21.43% (3)	35.29% (18)	33.33% (3)
5% - 10%	15.2% (38)	20% (18)	-	18.75% (6)	13.04% (3)	-	17.65% (9)	22.22% (2)
0% - 5%	19.2% (48)	27.78% (25)	19.35% (6)	9.38% (3)	17.39% (4)	14.29% (2)	9.8% (5)	33.33% (3)
0% ³	10.8% (27)	4.44% (4)	9.68% (3)	3.13% (1)	34.78% (8)	28.57% (4)	13.73% (7)	-
0% - -3%	17.2% (43)	12.22% (11)	41.94% (13)	9.38% (3)	13.04% (3)	21.43% (3)	17.65% (9)	11.11% (1)
-3% - -5%	5.2% (13)	3.33% (3)	6.45% (2)	15.63% (5)	-	7.14% (1)	3.92% (2)	-
-5% - -10%	4.8% (12)	2.22% (2)	16.13% (5)	12.5% (4)	4.35% (1)	-	-	-
-10%+	1.6% (4)	-	6.45% (2)	-	-	7.14% (1)	1.96% (1)	-
Fund Count ²	100% (250)	100% (90)	100% (31)	100% (32)	100% (23)	100% (14)	100% (51)	100% (9)

Average Net Flows to Net Asset Ratios by Net Assets (3/31/2025 - 6/30/2025) ^{1,2,3} (# of Funds)								
Fund Size (Net Assets)	All Funds	Credit	Hedge Fund	Real Estate / Real Asset	Specialty / Other	Multi-Asset	Venture / Private Equity	Tax-Free Bond
\$10bn+	2.53% (2)	6.43% (1)	-	-	-	-	-1.37% (1)	-
\$5bn - \$10bn	6.01% (3)	11.18% (1)	-1.53% (1)	-	-	-	8.38% (1)	-
\$3bn - \$5bn	6.1% (10)	4.94% (3)	-	0.03% (3)	-	-	11.52% (4)	-
\$1bn - \$3bn	4.76% (29)	3.93% (7)	-1.02% (4)	1.82% (6)	3.3% (3)	-	11.66% (8)	0.41% (1)
\$500mm - \$1bn	8.05% (25)	8.62% (14)	-5.91% (1)	15.23% (2)	10.58% (2)	-	6.15% (5)	4.19% (1)
\$200mm - \$500mm	7.04% (52)	6.65% (19)	-2.98% (6)	8.89% (8)	7.2% (3)	23.21% (3)	7.9% (12)	0.41% (1)
\$100mm - \$200mm	5.96% (40)	9.88% (15)	-3.02% (7)	2.83% (4)	3.29% (3)	0.32% (2)	7.61% (7)	18.08% (2)
<\$100mm	11.05% (89)	14.56% (30)	-1.92% (12)	27.69% (9)	1.21% (12)	10.81% (9)	9.12% (13)	22.61% (4)
Asset Class Average	8.05% (250)	9.91% (90)	-2.37% (31)	11.66% (32)	3.35% (23)	11.97% (14)	8.7% (51)	14.62% (9)

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

Notes:

- 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 6/30/2025 and represents the latest publicly available data.
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- Zeros are included if a fund did not have any net flows during the quarter.

Important Note: A negative ratio does not mean a fund is in proration. The ratio reflects the relationship of a fund's net flows to net assets and is meant to be used as an indicator.

New Market Entrants and SEC Registration Overview

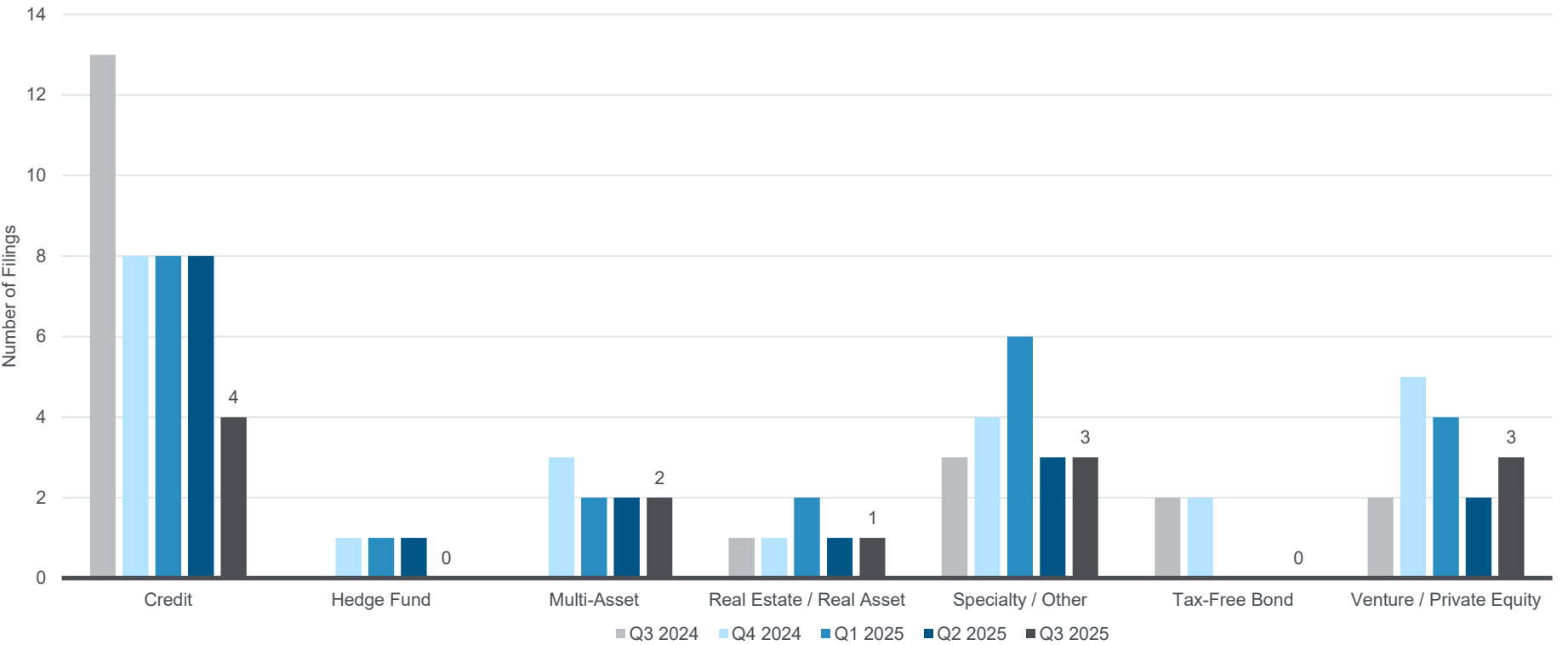
Section Summary

- Currently, there are 41 funds in the SEC registration process, a decrease of 10 funds from Q2 2025, due to funds launched in Q3 2025 and slowing registration.
- In Q3 2025, newly launched non-listed CEFs filed an average of four N-2 / N-2A filings and spent 222 days or seven months in the SEC registration process.
- 13 funds filed initial registration statements in Q3 2025, a slight decrease from 17 in Q2 2025 and from the same period last year with 21 filings in Q3 2024.
- Of the 57 funds launched in the past 12 months, 33% (19 funds) have been new entrants and 67% (38 funds) have been existing fund sponsors.
- 20 funds launched in Q3 2025. New fund sponsors include Blue Owl, Pursuit, and Lincoln Financial.
- Due to the government shutdown, the SEC has scaled back its operations and will not review N-2 filings or issue Statements of Effectiveness, leading to a longer time in the review process and increasing an already lengthy backlog. New funds cannot secure EDGAR codes and therefore must wait to file with the SEC.

Source: XA Investments.

New Fund Filings Declined in Q3 2025, With Eight Fewer Filings Than Q3 2024

Non-listed CEF Initial Registration Statements¹



Initial Registration Statements by Quarter

Asset Class	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Credit	13	8	8	8	4
Hedge Fund	0	1	1	1	0
Multi-Asset	0	3	2	2	2
Real Estate / Real Asset	1	1	2	1	1
Specialty / Other	3	4	6	3	3
Tax-Free Bond	2	2	0	0	0
Venture / Private Equity	2	5	4	2	3
Total	21	24	23	17	13

Sources: XA Investments; SEC filings.
Notes: Data as of 9/30/2025.
1. Represents initial form N-2 filings.

SEC Registration Process Averaged Seven Months for Funds Launched in Q3 2025¹ (Page 1 of 2)

1940/1933 Act Funds ¹ : Notice of Effectiveness Filed in Q3 2025							
Fund Name	Structure	Asset Class	New Entrant ²	Effective Date ³	Number of N-2 Filings	Days in Registration	Fund Legal Counsel
Franklin BSP Lending Fund	Interval	Credit	No	9/30/2025	4	176	Simpson Thacher & Bartlett LLP
Lincoln Partners Group Royalty Fund	Tender Offer	Specialty / Other	Yes	9/24/2025	3	189	Dechert LLP
Pursuit Asset-Based Income Fund	Interval	Credit	Yes	9/23/2025	4	230	Faegre Drinker Biddle & Reath LLP
Sardis Credit Opportunities Fund	Interval	Credit	Yes	9/22/2025	4	510	DLA Piper LLP
Carlyle AlpInvest Private Markets Secondaries Fund	Tender Offer	Venture / Private Equity	No	9/19/2025	5	203	Ropes & Gray LLP
Calamos Aksia Hedged Strategies Fund	Interval	Hedge Fund	No	9/16/2025	5	167	Faegre Drinker Biddle & Reath LLP
Jetstream Venture Fund	Interval	Venture / Private Equity	No	9/12/2025	4	325	JVD Consulting, LLC
Lincoln Bain Capital Total Credit Fund	Interval	Credit	No	9/9/2025	4	174	Dechert LLP
Privacore VPC Asset Backed Credit Fund	Interval	Credit	No	9/4/2025	3	125	Kirkland & Ellis LLP
Blue Owl Alternative Credit Fund	Interval	Credit	Yes	8/28/2025	5	174	Kirkland & Ellis LLP
iDirect Multi-Strategy Fund, LLC	Tender Offer	Hedge Fund	No	8/20/2025	4	198	Dechert LLP
NB Asset-Based Credit Fund	Interval	Credit	No	8/19/2025	5	242	Kirkland & Ellis LLP
StepStone Private Equity Strategies Fund	Interval	Venture / Private Equity	No	8/18/2025	3	105	Simpson Thacher & Bartlett LLP
Callodine Specialty Income Fund	Interval	Credit	Yes	8/14/2025	4	394	Faegre Drinker Biddle & Reath LLP
TPG Private Markets Fund	Tender Offer	Venture / Private Equity	No	8/8/2025	4	143	Dechert LLP
Oaktree Asset-Backed Income Fund Inc.	Interval	Credit	No	8/1/2025	4	179	Paul Hastings LLP
Prospect Enhanced Yield Fund	Interval	Credit	No	8/1/2025	5	374	Eversheds Sutherland (US) LLP
iDirect Private Credit Fund, L.P.	Interval	Credit	No	7/10/2025	4	218	Dechert LLP
Adams Street Private Equity Navigator Fund LLC	Tender Offer	Venture / Private Equity	Yes	7/1/2025	4	91	Kirkland & Ellis LLP
					Average^{1,4}	4	222
					Minimum^{1,4}	3	91
					Maximum^{1,4}	5	510
					Median^{1,4}	4	189

1940 Act Only Funds ¹ : Funds Considered Active in Q3 2025 ³					
Fund Name	Structure	Asset Class	New Entrant ²	Initial N-2 Filing	Fund Legal Counsel
RoboStrategy, Inc.	Tender Offer	Venture / Private Equity	Yes	9/9/2025	Eversheds Sutherland (US) LLP

Sources: XA Investments; SEC Filings.

- Includes all funds that received a Notice of Effectiveness in Q3 2025. Only funds registered under the 1933 Act receive a Notice of Effectiveness. Funds analyzed had a Notice of Effectiveness received between 7/1/2025 and 9/30/2025. For questions about the registration process, please contact info@xainvestments.com.
- New entrants represent funds launched by fund sponsors with no existing interval or tender offer funds.
- Funds are sorted from newest to oldest by Effective Date.
- 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. 1940 Act only funds cannot be broadly marketed or advertised. XAI considers 1940 Act funds active when they have a clean N-2 filing and a 40-17G filing.

SEC Registration Process Averaged Seven Months for Funds Launched in Q3 2025¹ (Page 2 of 2)

19 funds registered under the 1933 Act received a Notice of Effectiveness in Q3 2025. One fund registered solely under the 1940 Act was excluded from the statistics, as such funds do not receive a Notice of Effectiveness.

1940 Act / 1933 Act Funds Launched by Structure¹

Fund Structure	Number of Funds	Percentage	Average Days in Registration ¹
Interval	14	73.7%	242
Tender Offer	5	26.3%	165
Total	19	100%	222

1940 Act / 1933 Act Funds Launched by Manager Experience^{1,2}

New Entrants	Number of Funds	Percentage	Average Days in Registration ¹
Yes	6	31.6%	202
No	13	68.4%	265
Total	19	100%	222

1940 Act / 1933 Act Funds Launched by Asset Class¹

Asset Class	Number of Funds	Percentage	Average Days in Registration ¹
Credit	11	57.9%	254
Venture / Private Equity	5	26.3%	173
Real Estate / Real Asset ³	-	-	-
Tax-Free Bond ³	-	-	-
Multi-Asset ³	-	-	-
Specialty / Other	1	5.3%	189
Hedge Fund	2	10.5%	183
Total	19	100%	222

1940 Act / 1933 Act Funds Launched by Fund Legal Counsel¹

Law Firm	Number of Funds	Average Days in Registration ¹
Dechert LLP	5	184
Kirkland & Ellis LLP	4	158
Faegre Drinker Biddle & Reath LLP	3	264
Simpson Thacher & Bartlett LLP	2	141
Ropes & Gray LLP	1	203
Paul Hastings LLP	1	179
JVD Consulting, LLC	1	325
Eversheds Sutherland (US) LLP	1	374
DLA Piper LLP	1	510
Total	19	222

Sources: XA Investments; SEC Filings.

1. Includes all funds that received a Notice of Effectiveness in Q3 2025. 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 7/1/2025 and 9/30/2025. For questions about the registration process, please contact XAI to discuss.

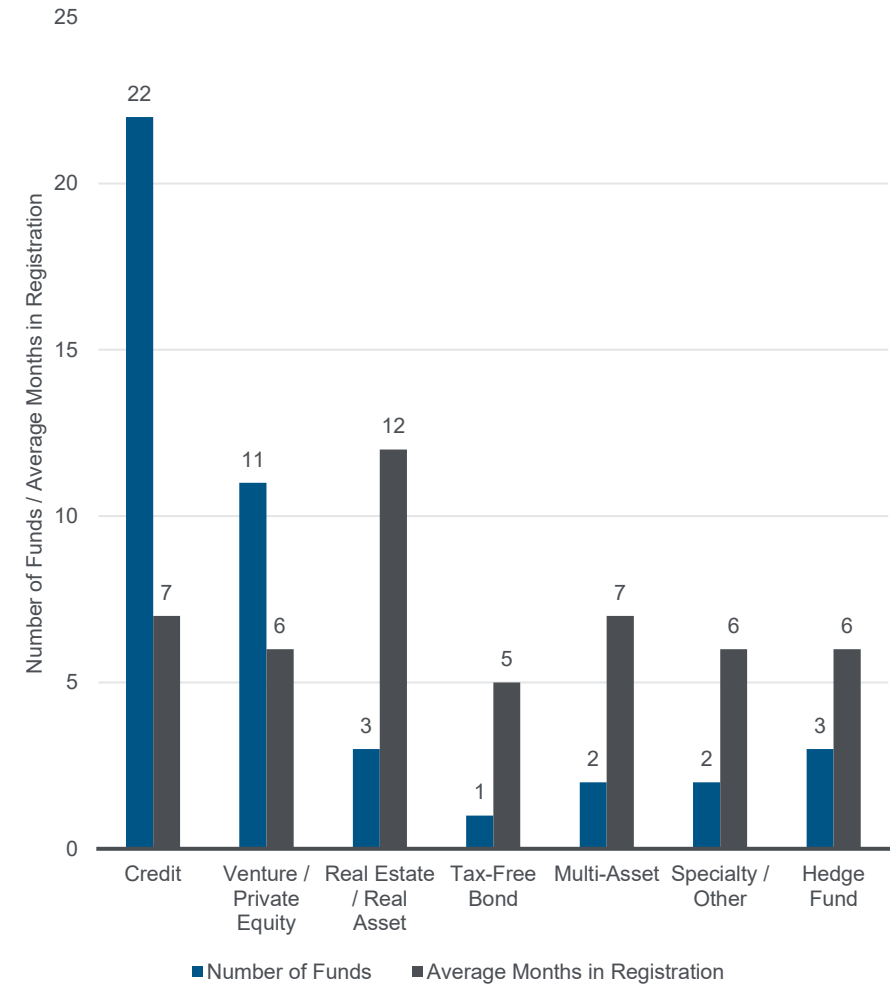
2. Manager experience in the interval / tender offer fund market delineates between a first-time entrant or repeat sponsor. New entrants represent funds launched by fund sponsors with no existing interval or tender offer funds.

3. In Q3 2025, none of the funds receiving a Notice of Effectiveness were classified as Real Estate / Real Asset, Tax-Free Bond, or Multi-Asset.

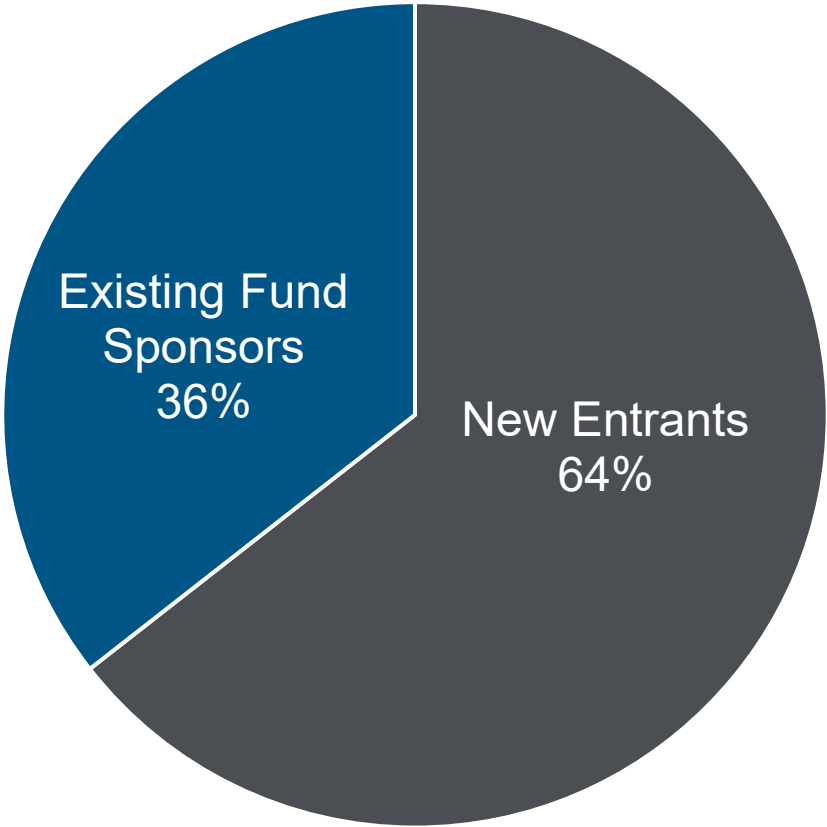
Registration Timelines Average Seven Months as New Entrants Lead Fund Launch Activity¹

New entrants have accounted for a greater proportion of fund launches year-to-date, with registration timelines averaging seven months across asset classes.

Funds are Averaging Seven Months in SEC Registration¹



Ratio of New Entrants vs. Existing Sponsors for Funds Launched YTD¹



Source: XA Investments.
Notes: Data as of 9/30/2025 or latest publicly available. Represents funds launched year-to-date (1/1/2025 - 9/30/2025).
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 analysis. Months in registration represents all funds that have gone effective in the year-to-date as of 9/30/2025.

The background of the slide features several large, overlapping geometric shapes in shades of green and blue. A prominent white 'X' shape is formed by two intersecting diagonal bands. The title 'Performance and Fee Analysis' is centered within the right-hand blue band of this 'X'.

Performance and Fee Analysis

Important Note: 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 in the following section is as of 6/30/2025 and represents the latest publicly available data.

Section Summary

- Hedge Fund & Venture / Private Equity categories excelled in Q2 2025, representing 9 of the top 15 performing funds.
- The top performing fund as of 6/30/2025 was the Hamilton Lane Private Infrastructure Fund with a 27.36% one-year return, followed by the Cascade Private Capital Fund at 24.96%, and the Skybridge Opportunity Fund at 24.59%.
- Most funds have management fees in the range of 1.00% to 1.50% with an average of 1.23%.¹
- Net expense ratios average 2.43%, including other expenses such as operating expense, leverage expense, and performance fees.
- 12% of funds in the market charge a base management fee plus a total return or net profit-based performance fee, despite suitability restrictions limiting sales only to Qualified Clients (QC).² The average total return based performance fee is 13.00%
- 16% of funds charge a base management fee plus income incentive fees, and the average income incentive fee is 14.27%.



Source: XA Investments.

Notes: 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 6/30/2025 and represents the latest publicly available data. Fund count totals in this section do not equal 304. 37 funds were excluded for not filing an NPORT this quarter.

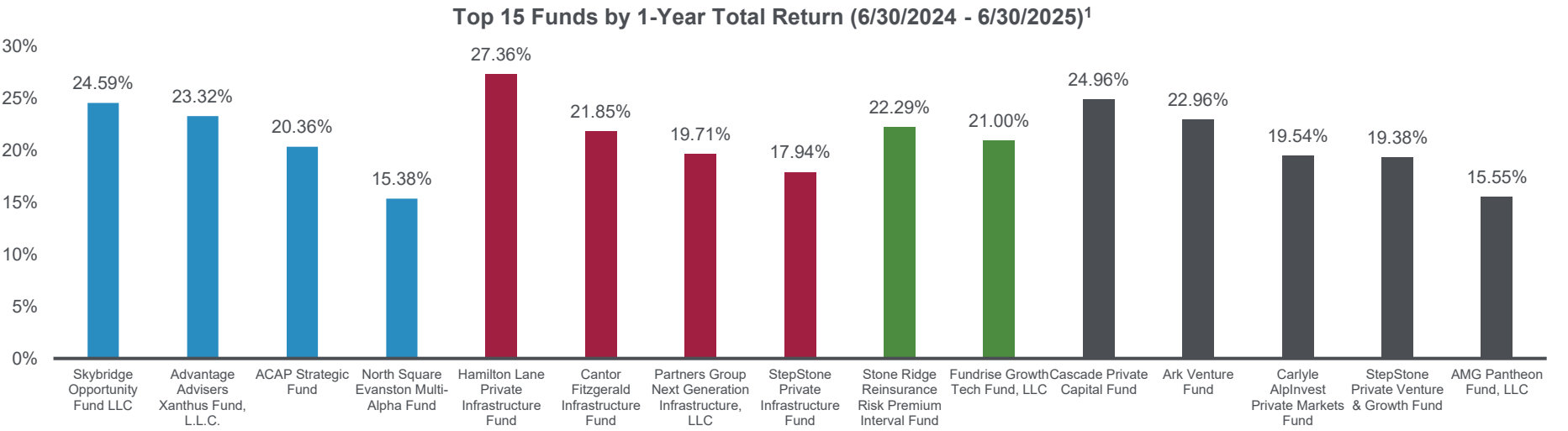
1. Management fees may be charged on total managed assets or net assets. Funds may charge additional income incentive or total return fees on top of their existing management fees.

2. Percentage of the total number of interval and tender offer funds (304 funds).

Top Performing Non-listed CEFs by Asset Class

Hedge Funds and Specialty / Other funds led average total returns over the past year while Tax-Free Bond and Multi-Asset Funds lagged.

Hedge Fund	Real Estate / Real Asset	Specialty / Other	Venture / Private Equity
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Average Total Return by Asset Class (# of Funds) ^{1,2,3}								
Period	Credit	Hedge Fund	Multi-Asset	Real Estate / Real Asset	Specialty / Other	Tax-Free Bond	Venture / Private Equity	All Funds
1-Year TR	6.91% (58)	11.32% (23)	4.61% (7)	8.40% (26)	10.72% (13)	0.00% (7)	8.76% (38)	8.05% (172)
2-Year TR	10.22% (42)	12.01% (23)	3.81% (6)	3.47% (18)	12.23% (10)	2.94% (6)	8.57% (35)	8.79% (140)
3-Year TR	9.39% (36)	9.36% (23)	2.87% (6)	-0.06% (15)	11.36% (8)	3.15% (6)	5.63% (29)	6.85% (123)

Median Total Return by Asset Class (# of Funds) ^{1,2,3}								
Period	Credit	Hedge Fund	Multi-Asset	Real Estate / Real Asset	Specialty / Other	Tax-Free Bond	Venture / Private Equity	All Funds
1-Year TR	8.69% (58)	10.06% (23)	4.89% (7)	7.58% (26)	9.3% (13)	-0.04% (7)	8.51% (38)	8.35% (172)
2-Year TR	11.06% (42)	10.85% (23)	3.74% (6)	4.78% (18)	10.53% (10)	3.45% (6)	7.12% (35)	9.32% (140)
3-Year TR	9.93% (36)	8.19% (23)	2.11% (6)	-1.16% (15)	8.95% (8)	3.6% (6)	5.01% (29)	8.1% (123)

Sources: CEFData.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 6/30/2025 and represents the latest publicly available data.

1. Funds shown have at least one year of performance history and \$50mm in total managed assets.

2. The number of funds for each return period varies.

3. 1-Year total returns are cumulative. 2-Year and 3-Year total returns are annualized.

Top Performing Non-listed CEFs by Asset Class

Hedge Funds and Specialty / Other funds led average total returns over the past year while Tax-Free Bond and Multi-Asset Funds lagged.

Top 5 Total Return Performers by Asset Class ^{1,2}				
Fund Name	Asset Class	1-Year TR	2-Year TR	3-Year TR
PIMCO Flexible Credit Income Fund	Credit	14.10%	13.89%	9.27%
AMG Pantheon Credit Solutions Fund	Credit	13.91%	-	-
Apollo Diversified Credit Fund	Credit	14.00%	14.02%	13.76%
PIMCO Flexible Emerging Markets Income Fund	Credit	13.07%	12.14%	10.46%
Franklin BSP Private Credit Fund	Credit	12.70%	12.46%	-
Skybridge Opportunity Fund LLC	Hedge Fund	24.59%	28.81%	13.99%
Advantage Advisers Xanthus Fund, L.L.C.	Hedge Fund	23.32%	27.53%	22.68%
ACAP Strategic Fund	Hedge Fund	20.36%	26.27%	22.33%
North Square Evanston Multi-Alpha Fund	Hedge Fund	15.38%	14.26%	10.76%
CPG Focused Access Fund, LLC	Hedge Fund	12.11%	13.73%	10.81%
Yieldstreet Alternative Income Fund Inc.	Multi-Asset	7.61%	7.34%	7.87%
Cypress Creek Private Strategies Registered Fund, L.P.	Multi-Asset	5.51%	3.88%	1.48%
Cypress Creek Private Strategies TEI Fund, L.P.	Multi-Asset	5.31%	3.59%	1.19%
Variant Impact Fund	Multi-Asset	4.89%	8.48%	9.03%
Felicitas Private Markets Fund	Multi-Asset	4.25%	-	-
Hamilton Lane Private Infrastructure Fund	Real Estate / Real Asset	27.36%	-	-
Cantor Fitzgerald Infrastructure Fund	Real Estate / Real Asset	21.85%	17.72%	-
Partners Group Next Generation Infrastructure, LLC	Real Estate / Real Asset	19.71%	-	-
StepStone Private Infrastructure Fund	Real Estate / Real Asset	17.94%	-	-
PGIM Private Real Estate Fund, Inc.	Real Estate / Real Asset	10.97%	-	-
Stone Ridge Reinsurance Risk Premium Interval Fund	Specialty / Other	22.29%	30.55%	25.83%
Fundrise Growth Tech Fund, LLC	Specialty / Other	21.00%	11.43%	6.77%
Pioneer ILS Interval Fund	Specialty / Other	14.70%	16.80%	13.32%
Denali Structured Return Strategy Fund	Specialty / Other	13.86%	-	-
BBR ALO Fund, LLC	Specialty / Other	10.78%	11.04%	13.49%
BlackRock Municipal Credit Alpha Portfolio, Inc.	Tax-Free Bond	2.41%	3.27%	3.91%
Nuveen Enhanced High Yield Municipal Bond Fund	Tax-Free Bond	1.46%	6.52%	5.29%
NYLI MacKay Muni Income Opportunities Fund	Tax-Free Bond	0.47%	-	-
PIMCO California Flexible Municipal Income Fund	Tax-Free Bond	-0.04%	2.92%	3.14%
PIMCO Flexible Municipal Income Fund	Tax-Free Bond	-0.08%	4.07%	4.15%
Cascade Private Capital Fund	Venture / Private Equity	24.96%	26.79%	21.53%
Ark Venture Fund	Venture / Private Equity	22.96%	16.87%	-
Carlyle AlpInvest Private Markets Fund	Venture / Private Equity	19.54%	16.94%	-
StepStone Private Venture & Growth Fund	Venture / Private Equity	19.38%	21.00%	-
AMG Pantheon Fund, LLC	Venture / Private Equity	15.55%	13.68%	13.13%

Sources: CEFData.com; XA Investments.

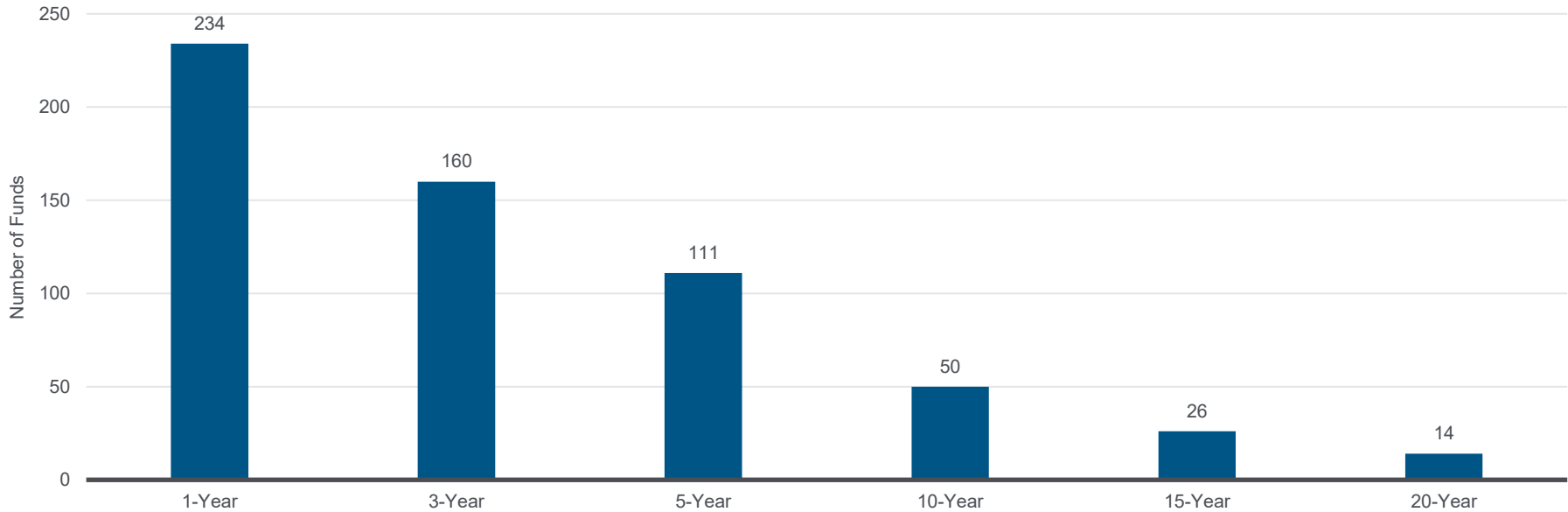
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1. Funds shown have at least one year of performance history and \$50mm in total managed assets.
2. 1-Year total returns are cumulative. 2-Year and 3-Year total returns are annualized.

Non-listed CEF Market Maturation

While earlier success in the market may have been driven by manager brand names and broader historical results, the maturation of the market is now leading to a growing preference for managers with established track records.

Fund Performance Track Record Milestones



Fund Performance Track Record Milestones by Asset Class

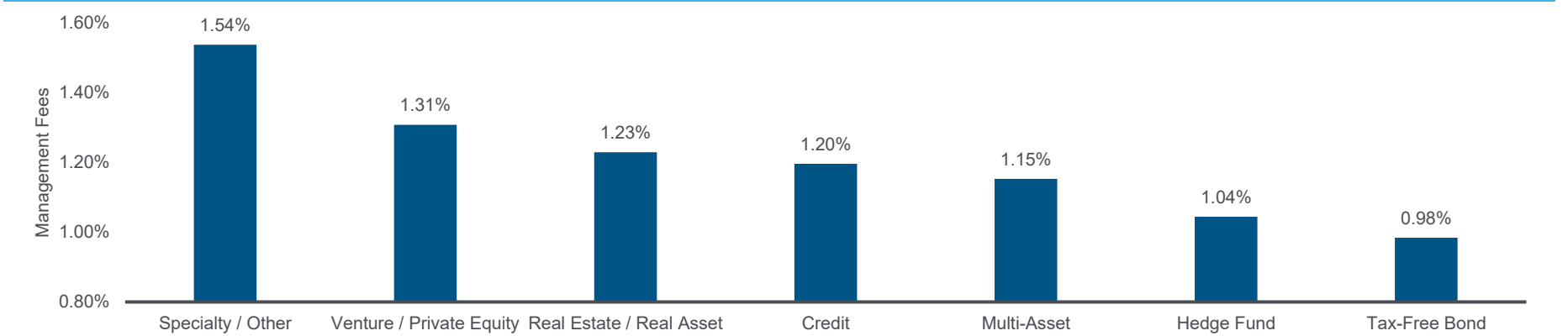
Performance Track Record	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
Credit	82	46	32	7	4	2
Multi-Asset	12	10	7	4	4	2
Hedge Fund	32	30	29	25	16	9
Real Estate / Real Asset	31	20	12	4	0	0
Specialty / Other	19	12	7	3	0	0
Tax-Free Bond	7	6	3	1	1	1
Venture / Private Equity	51	36	21	6	1	0
% of Total Market	234 (77%)	160 (53%)	111 (37%)	50 (16%)	26 (9%)	14 (5%)

Source: XA Investments.
Note: Data as of 9/30/2025 or latest publicly available.

Management Fees and Net Expense Ratios by Asset Class

Management fees across the market are typically between 1.00% and 1.50%. Categories like Credit and Multi-Asset tend to 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 Class



Asset Class	Management Fee (%) ¹				
	# of Funds	Average	Median	Min	Max
Credit	111	1.20%	1.25%	0.00%	2.00%
Venture / Private Equity	63	1.31%	1.25%	0.10%	2.90%
Real Estate / Real Asset	36	1.23%	1.25%	0.22%	1.75%
Hedge Fund	35	1.04%	1.00%	0.55%	1.75%
Specialty / Other	29	1.54%	1.50%	0.05%	2.65%
Multi-Asset	19	1.15%	1.25%	0.40%	1.50%
Tax-Free Bond	10	0.98%	0.95%	0.60%	1.50%
All Funds	303 ¹	1.23%	1.25%	0.00% ²	2.90%

Net Expense Ratio (%) ³				
# of Funds	Average	Median	Min	Max
101	2.72%	1.99%	0.00% ⁴	13.39%
53	2.27%	2.08%	0.00% ⁴	5.90%
34	2.27%	1.88%	0.25%	9.22%
33	2.24%	1.67%	0.37%	14.34%
27	2.28%	2.63%	0.75%	5.12%
16	2.79%	2.43%	1.63%	5.98%
10	1.48%	1.38%	0.25%	2.96%
274 ³	2.43%	2.00%	0.00% ⁴	14.34%

Sources: XA Investments; CEFDData.com; sponsor websites, prospectuses, and annual/semiannual reports.

Notes: Data reflects most recent data available as of 9/30/2025. Asset classes listed in descending order by number of funds.

1. Management fees may be charged on total managed assets or net assets. The SEI Structured Credit Fund, LP was excluded from this statistic for being an outlier.

2. The HL Scope RIC LLC does not charge a management fee and is expected to be a component of a "model portfolio" or higher order investment component.

3. Net expense ratios are sourced from 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.

4. Net expense ratio values of zero reflect expenses being waived and/or reimbursed by the fund adviser.

27% of Non-listed CEFs Charge an Income Incentive or Performance Fee

Funds that entered the market in Q3 2025 charge incentive fees more frequently than the broader marketplace.

Most funds (221 out of 304, or 73%) are not subject to an income incentive or performance fee.

83 out of 304 or 27% of funds are subject to income incentive or performance fees.

Credit funds account for 85% of funds charging an income incentive fee.

Hedge Fund and Venture / Private Equity funds account for 71% of funds charging a total return or net profit fee.

Nearly half of Q3 2025 market entrants charged an income incentive fee.

The data below 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	Number of Funds	% of Total Funds
Management Fee Only	79	25.99%
Management Fee + Acquired Fund Fees & Expenses ("AFF&E")	142	46.71%
Management Fee + Income Incentive Fee	30	9.87%
Management Fee + Total Return or Net Profit Fee	7	2.30%
Management Fee + Income Incentive Fee + AFF&E	18	5.92%
Management Fee + Total Return or Net Profit Fee + AFF&E	28	9.21%
Total	304	100.00%

Q3 2025 Non-listed CEF Market Entrants ²		
Combination of Fee Types	Number of Funds	% of Total Funds
Management Fee Only	2	10.00%
Management Fee + AFF&E	7	35.00%
Management Fee + Income Incentive Fee	6	30.00%
Management Fee + Total Return or Net Profit Fee	0	0.00%
Management Fee + Income Incentive Fee + AFF&E	3	15.00%
Management Fee + Total Return or Net Profit Fee + AFF&E	2	10.00%
Total	20	100.00%

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

1. Represents the 304 total CEFs in the non-listed market.

2. Represents the 20 non-listed CEFs that entered the market in Q3 2025.

XAI Offers 15(c) Fee/Expense and Performance Reports for Fund Boards

See page 98 for more information.





XAI Interval Fund Index™ (INTVL)



Index Base Date: January 1, 2023

Index Overview



Purpose

- The XAI Interval Fund Index (INTVL) is the first and only benchmark specifically designed to track the performance of the growing interval and tender offer fund market, creating transparency for a \$120B+ segment of the market.



Benefits for Stakeholders

- INTVL offers investors, advisors, and fund sponsors a powerful tool to monitor and evaluate private market strategies across asset classes such as credit, real estate, private equity, and more.



Methodology

- Features daily pricing and a total-return based methodology, establishing it as a new standard for tracking the interval fund market.



Reconstitutions and Rebalances

- The Index is reconstituted and rebalanced on a quarterly schedule. The rebalanced Index is calculated effective as of the end of day on the last trading day of March, June, September and December each year.



Constituent Coverage

- Covers 93 interval fund constituents representing 63 unique fund sponsors, accounting for approximately 56% of net assets in the interval fund marketplace.



Uses of Index

- Provides a clear comparison of historical and current performance, supporting better market insights.
- Enables benchmarking across public and private markets and supports use cases such as growth forecasting and peer assessment.

Source: XA Investments.



Summary Characteristics

Base Date	1/1/2023	Average Constituent Net Assets	\$1,295,420,338
Base Value	\$100.00	Median Constituent Net Assets	\$341,000,000
Market Capitalization	\$120,474,091,397	Smallest Constituent Net Assets	\$81,021,679
Weighted Average Market Capitalization	\$7,343,387,585	Largest Constituent Net Assets	\$29,653,780,453
Number of Constituents	93	Price	\$122.22
Unique Fund Sponsors	63	Bloomberg Code	INTVL

Performance Statistics

QTD	1.81%
YTD	5.85%
1 Year	7.06%
Since Base Date (Annualized)	7.57%
Since Base Date (Cumulative)	22.22%

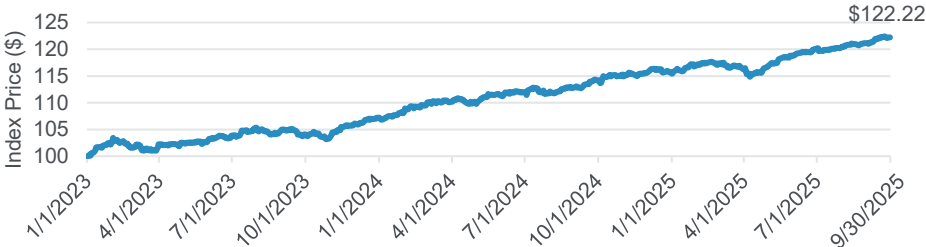
Top 10 Constituents²

Fund Name	Asset Class	Index %
Cliffwater Corporate Lending Fund	Credit	15.00%
ACAP Strategic Fund	Hedge Fund	9.18%
Cliffwater Enhanced Lending Fund	Credit	5.59%
StepStone Private Markets	Venture / Private Equity	4.56%
CION Ares Diversified Credit Fund	Credit	4.55%
Carlyle Tactical Private Credit Fund	Credit	4.15%
Apollo Diversified Real Estate Fund	Real Estate / Real Asset	3.61%
Bluerock Total Income (plus) Real Estate Fund	Real Estate / Real Asset	3.45%
PIMCO Flexible Credit Income Fund	Credit	3.37%
Cascade Private Capital Fund	Venture / Private Equity	3.15%
Total		56.61%

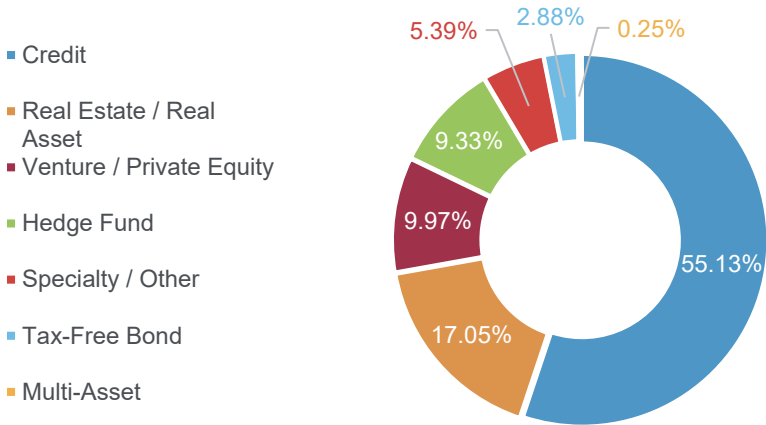
Source: XA Investments.

1. The INTVL Index was launched on April 9, 2025. Performance from the Index base date of January 1, 2023, through April 1, 2025, is back-tested and reflects hypothetical returns calculated using the Index’s current methodology.
2. The Index is weighted based on each constituent fund’s NAV. Any constituent fund with an Index weight greater than 15% will be capped at 15% and the remaining weight of that constituent fund will be redistributed proportionally to the remaining constituent funds in the Index.

Historical Performance¹



Asset Allocation %



INTVL Index Updates



In Q3 2025, INTVL was rebalanced, and 14 new fund constituents were added to the Index.

- In the Q3 2025 INTVL Rebalance, the following constituents were added to the Index:

#	Fund Name	Ticker	Inception Date	Sponsor	XAI Grouping
1	BlackRock Municipal Credit Alpha Portfolio, Inc.	MUNEX	8/1/2003*	BlackRock	Tax-Free Bond
2	TCW Private Asset Income Fund	TPYTX	4/1/2025	TCW Group	Credit
3	CION Grosvenor Infrastructure Master Fund, LLC	CGIQX	1/22/2025	CION Investments	Real Estate / Real Asset
4	Capital Group KKR Multi-Sector+	RMSPX	4/29/2025	Capital Group	Credit
5	Blackstone Private Multi-Asset Credit & Income Fund	BMACX	5/1/2025	Blackstone	Credit
6	Capital Group KKR Core Plus+	RCPPX	4/29/2025	Capital Group	Credit
7	SEG Partners Long/Short Equity Fund	SEGHX	4/1/2025	Select Equity Group	Hedge Fund
8	Blue Owl Alternative Credit Fund	OWLCX	5/12/2025	Blue Owl Private Wealth	Credit
9	Denali Structured Return Strategy Fund	DNLIX	3/12/2024	Liquid Strategies	Specialty / Other
10	Lord Abbett Flexible Income Fund	LLIIX	2/19/2025	Lord Abbett	Credit
11	Niagara Income Opportunities Fund	NAGRX	12/29/2023	Liquid Strategies	Credit
12	iDirect Private Credit Fund	DPCIX	12/2/2024	iCapital	Credit
13	Diamond Hill Securitized Credit Fund	DHCIX	9/30/2024	Diamond Hill	Credit
14	Principal Private Credit Fund I	PPAIX	6/3/2024	Principal	Credit

- Existing Sponsors with a Second Fund Entering in Q3:**
 - BlackRock (BlackRock Municipal Credit Alpha Portfolio, Inc.)
 - CION (CION Grosvenor Infrastructure Master Fund, LLC)
 - Lord Abbett (Lord Abbett Flexible Income Fund)
 - Principal (Principal Private Credit Fund I)
- New Fund Sponsors with Two Funds Entering in Q3:**
 - Capital Group (Capital Group KKR Multi-Sector+ & Capital Group KKR Core Plus+)
 - Liquid Strategies (Denali Structured Return Strategy Fund & Niagara Income Opportunities Fund)
- Changes to the Index's Top 10 Constituents:**
 - This quarter, the Cascade Private Capital Fund entered the Top 10 Constituent List, replacing the Lord Abbett Credit Opportunities Fund, and now comprises 3.16% of the Index

Launching Soon: INTVL-C

The first comprehensive total return index for credit funds in the interval fund market.

Check out XAI's [LinkedIn](#) and INTVL's [website](#) for the latest news!



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

Notes: Data as of 9/30/2025 or latest publicly available. *MUNEX converted to an interval fund in April and was out of universe for not existing as an interval fund for +3 months as of 6/30/2025.

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All information for an index prior to its launch date is hypothetical back-tested, not actual performance, based on the index methodology in effect on the launch date. Backtested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns.

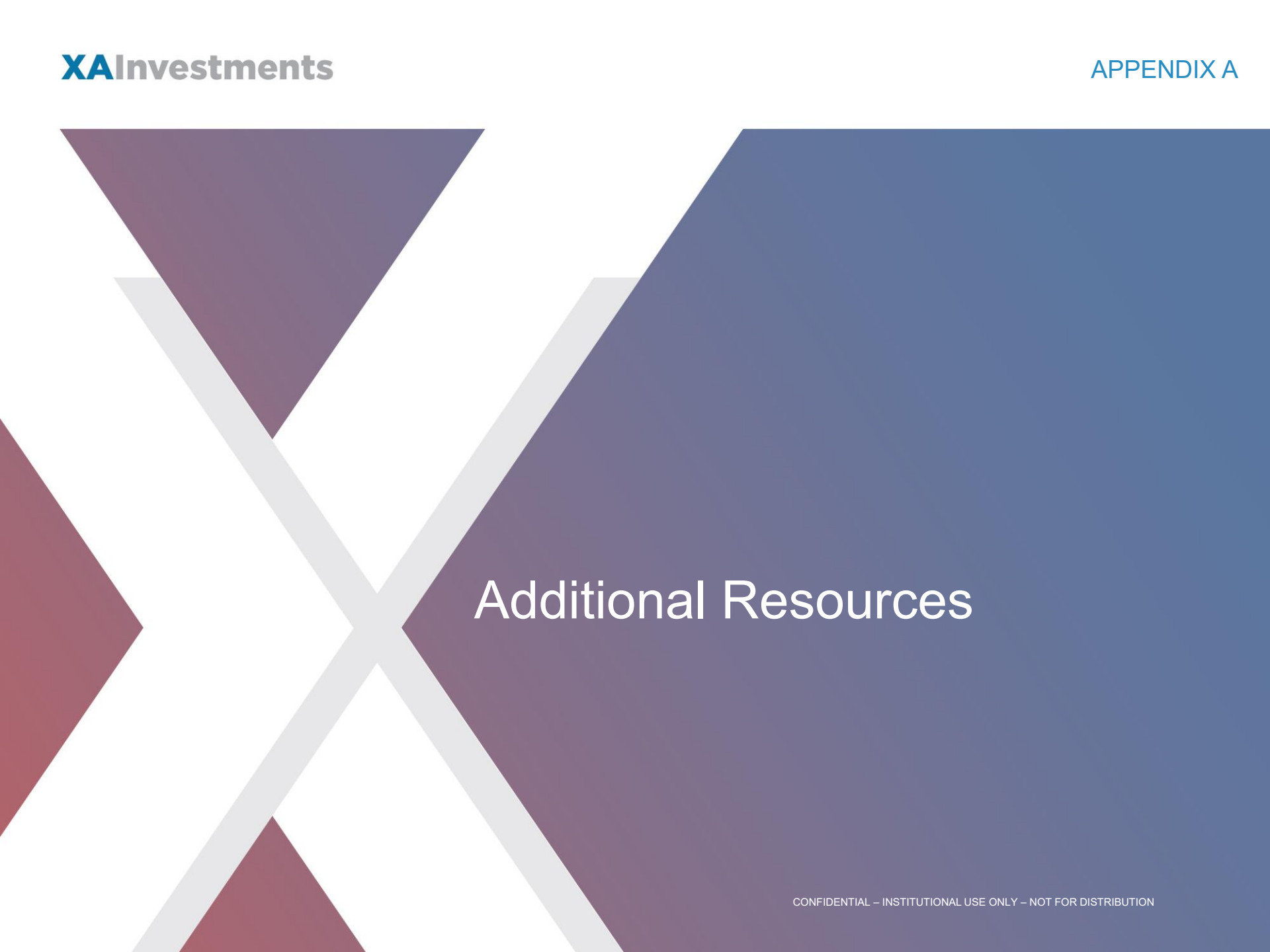
The Index is not directly investable. There are not currently any funds that track the Index.

Past performance is not an indication or guarantee of future results.

A large, stylized, semi-transparent graphic of the letters "INTVL" in a bold, sans-serif font, positioned in the background of the lower half of the slide.

License INTVL

To inquire about licensing the Index or the information presented, email info@xainvestments.com

The background features a large, light gray 'X' shape that spans the width of the page. To the left of the 'X' are several overlapping triangles in shades of purple and maroon. To the right of the 'X' is a large, solid blue rectangle. The text 'Additional Resources' is centered within the blue rectangle.

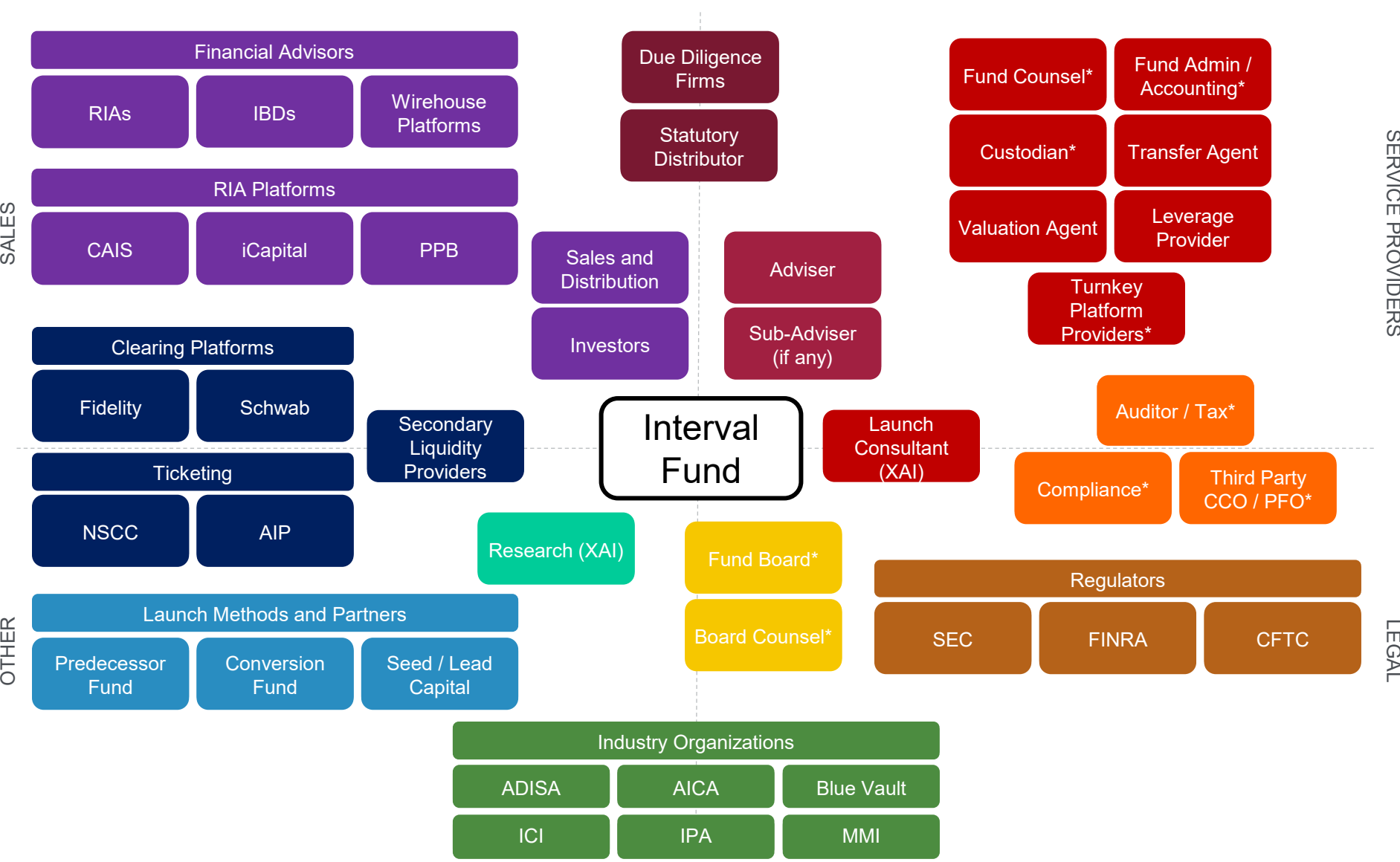
Additional Resources

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

Types of US SEC Registered 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.
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 ("CEFData.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.cefdata.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/
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. Morningstar plans to develop Medalist Ratings for semi-liquid funds, including interval funds, to help investors assess these complex and less transparent strategies using a forward-looking, qualitative framework. https://www.morningstar.com/business/insights/research/guide-to-interval-funds

Non-listed CEF Asset Class Category Definitions

XA Investments groups interval and tender offer funds into distinct asset class categories.

Asset Classes

Credit (112 Funds)

Interval / tender offer funds that are classified in the Credit category predominately invest / pursue strategies in the following but are not limited to:

- Global Credit
- Direct Lending
- Asset-Backed Lending
- RMBS
- CMBS
- Loans
- Bonds
- Structured Credit

Venture / Private Equity (63 Funds)

Interval / tender offer funds that are classified in the Venture / Private Equity category predominately invest / pursue strategies in the following but are not limited to:

- Primaries
- Secondaries
- Co-investments
- Venture Capital

Hedge Fund (35 Funds)

Interval / tender offer funds that are classified in the Hedge Fund category predominately invest / pursue strategies in the following but are not limited to:

- Hedge Funds (Fund of Funds)
- Long / Short Equity
- Merger Arbitrage
- Multi-Strategy
- Opportunistic
- Distressed
- Global Macro
- Quantitative

Real Estate / Real Asset (36 Funds)

Interval / tender offer funds that are classified in the Real Estate / Real Asset category predominately invest / pursue strategies in the following but are not limited to:

- Real Estate Equity
- Real Estate Debt
- REIT Hybrids
- Infrastructure

Specialty / Other (29 Funds)

Interval / tender offer funds that are classified in the Specialty / Other category include the following strategies but are not limited to:

- Endowment Strategies
- Insurance Linked Securities
- Fund of Funds

Multi-Asset (19 Funds)

Interval / tender offer funds that are classified in the Combination Fund category invest / pursue strategies in a combination of at least two or more of the following but are not limited to:

- Private Equity
- Private Credit
- Real Assets
- Real Estate Debt and Equity
- Secondaries
- Co-investments
- Asset-Backed Securities
- Infrastructure

Tax-Free Bond (10 Funds)

Interval / tender offer funds that are classified in the Tax-Free Bond category predominately invest / pursue strategies in but are not limited to:

- Tax Exempt Securities
- Municipal Bonds

Source: XA Investments. Fund counts as of 9/30/2025.

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 ¹	
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>	\$3,000
One-time fee for custom data analysis <i>Per client specifications</i>	\$5,000+

XAI Independent 15(c) Fee/Expense and Performance Reports for Fund Boards	
Fund advisory fees, including fund board processes for assessing and approving advisory fees, have been a key focus for the SEC’s Division of Examinations. Along with our industry-leading closed-end fund research and consulting, XA Investments is able to provide clients with independent 15(c) reports to support fund board approvals and renewals of investment advisory agreements.	\$7,000 ²
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 universes and peer groups in the 15(c) analysis are accurate and well-defined.	
For more information on 15(c) reports for registered closed-end funds, please contact us.	

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Notes:
1. Consulting clients receive XAI research for no additional cost throughout the duration of the engagement.
2. Discounts are available for multiple funds. XAI is happy to expedite production of a 15(c) report. Depending on timing, expedite fees may be incurred.

Two examples of our client updates are shown below:

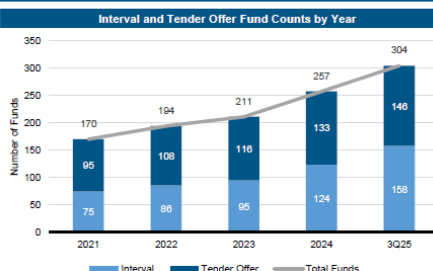
XAI Monthly Update



Interval and Tender Offer Fund Market Crosses 300 Funds

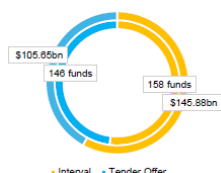
- The interval and tender offer fund market has grown significantly in the past two years reaching 304 total funds as of 9/30/2025.
- These structures continue to attract new sponsors and assets. There are now 157 unique sponsors managing \$252bn in total managed assets as of 9/30/2025.
- To receive full coverage of interval and tender offer fund market, subscribe to XAI Investments' proprietary research. XAI Investments will cover this milestone along with other in-depth market analysis in our Q3 2025 Non-Listed CEF Quarterly Report which will be published on 10/16/2025.
- To subscribe, visit [xainvestments.com](https://www.xainvestments.com) and click on the "Knowledge Bank" and then click "Subscribe" in the upper right-hand corner. Alternatively, to process via invoice, please email info@xainvestments.com.

Source: XAI Investments; CEFData.com; SEC Filings.



Current Non-Listed CEF Total Managed Assets

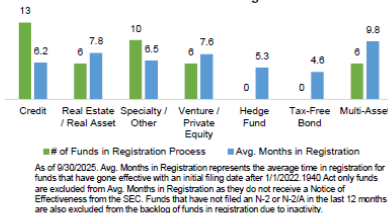
Non-Listed CEF Market: 304 Funds with \$252bn



Features the latest publicly available data as of 9/30/2025. Outer circle represents total managed assets. Inner circle represents number of funds.

Overview of Non-Listed CEF SEC Registrations

41 Total Non-Listed CEFs in Registration Process



Developments in Non-Listed CEF Registrations

Initial Registration Statement Filings	Sponsor	New Entrant	Structure	Asset Class	Filing Date
ProShares Private Equity Access Fund	ProShare Advisors	Yes	Interval Fund	Venture / Private Equity	9/26/2025
Alger Next Gen Growth Fund	Fred Alger Management	Yes	Interval Fund	Venture / Private Equity	9/24/2025
RoboStrategy, Inc.	FP Strategies	Yes	Tender Offer	Venture / Private Equity	9/9/2025
Post-Launch Filings	Sponsor	New Entrant	Structure	Asset Class	Effective Date ¹
Franklin BSP Lending Fund	Franklin Templeton	No	Interval Fund	Credit	9/30/2025
Lincoln Partners Group Royalty Fund	Lincoln Financial	Yes	Tender Offer	Specialty / Other	9/24/2025
Pursuit Asset-Based Income Fund	Pursuit Fund Advisers	Yes	Interval Fund	Credit	9/23/2025
Sandis Credit Opportunities Fund	Venipac Wealth Management	Yes	Interval Fund	Credit	9/22/2025
Carlyle Alpinvest Private Markets Secondary Fund	Alpinvest	No	Tender Offer	Venture / Private Equity	9/19/2025
Calamos Aksia Hedged Strategies Fund	Calamos Aksia Advisors	No	Interval Fund	Hedge Fund	9/16/2025
Jetstream Venture Fund	Sweater Industries	No	Interval Fund	Venture / Private Equity	9/12/2025
Lincoln Bain Capital Total Credit Fund	Lincoln Financial	No	Interval Fund	Credit	9/9/2025
Privacore VPC Asset Backed Credit Fund	Privacore Capital Advisors	No	Interval Fund	Credit	9/4/2025
RoboStrategy, Inc.	FP Strategies	Yes	Tender Offer	Venture / Private Equity	TBD ¹

1. Only funds filed under the 1933 Act have an official effective date.

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

www.xainvestments.com

Interval Fund Filing Alerts

ProShares Private Equity Access Fund



Prospectus Summary

Fund Structure:	Interval Fund
Term:	Perpetual
Suitability Minimum:	No Restrictions
Initial N-2 Filing Date:	9/29/2025
1940 Act Registered:	Yes
1933 Act Registered:	Yes
Adviser:	ProShare Advisors LLC
Sub-Adviser(s):	TBD
Investment Consultant:	None
New Entrant:	Yes
Predecessor Fund/Seed Capital:	Unknown
Asset Class:	Private Equity / Venture Capital

Objective: The Fund's investment objective is to provide investors with long-term capital appreciation.

In pursuing its investment objective, the Fund invests primarily in an actively managed portfolio of private equity assets. The Fund's private equity investments are expected to represent a broad spectrum of types of private equity and vintages. The Fund's investment exposure to private equity investments through these strategies is implemented principally by making investments in secondary investments and early secondaries investments in private equity and other private asset funds and may include a small, if any, allocation to primary investments in Investment Funds. The Fund's private equity investments may also include direct investments in operating companies and Index-Related Investments. Private equity investments also include private investment funds and other securities that seek to replicate the returns of a theoretical investment in a diversified portfolio of private equity investments. Specifically, the Fund's index-related investments seek to replicate the performance of a diversified portfolio of private equity investments by investing in a portfolio of publicly traded assets, which may include equities, options, exchange-traded funds ("ETFs") and futures. Under normal circumstances, the Fund invests at least 80% of its net assets in private equity investments through Secondary Investments, Primary Investments, Direct Investments and Index-Related Investments.

Strategy:

Fund of Funds:	Yes
Invest-up Period:	TBD
Redemptions:	Quarterly 5 - 25%
NAV Frequency:	Daily
Minimum Investment:	\$5,000 (Investor Class and Service Class, with financial professional), \$15,000 (Investor Class and Service Class, self-directed account) minimum initial investment; no minimum subsequent investment; \$250,000 (Institutional Class) minimum initial investment; no minimum subsequent investment
Management Fee:	X% of Total Managed Assets
Acquired Fund Fees and Expenses:	TBD
Income Incentive/Performance Fee:	None
Fee Waiver:	None
Distributor:	TBD
Fund Counsel:	Dechert LLP
Fund Administration:	TBD
Custodians:	TBD

Note: The fund's name contains a hyperlink to its initial N-2 filing.

XAI Investments LLC | 321 North Clark Street Suite 2430 Chicago, IL 60654 | 888.903.3358
[xainvestments.com](https://www.xainvestments.com)

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.

Go-to-Market Plan - During a go-to-market plan, 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



Ted Brombach
Co-CEO



John "Yogi" Spence
Co-CEO



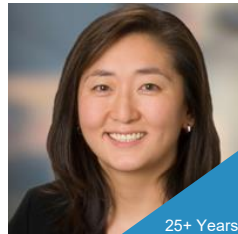
Kimberly Flynn
President



Ben McCulloch
General Counsel,
Managing Director



Kevin Davis
Managing Director,
Head of Sales & Distribution



Lisa Woo
Director of Fund Finance
and Operations



Jared Hagen
Vice President



Jacob Flynn
Senior Associate



Joanna Sowa
Marketing Associate



Luke Gaskill
Senior Analyst



Luke Becker
Analyst



Lauren Hering
Analyst



Tetyana Babii
Analyst

Senior Advisors



David Adler
Economics



Paul Williams
Product Development



Paul Dunn
Product Structuring and
Distribution

XA Investments
321 N Clark, Suite 2430
Chicago, IL 60654

888-903-3358

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.

XAInvestments.com | (888) 903-3358
321 North Clark Street Suite 2430 Chicago, IL 60654

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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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