

TOOLKIT REPORT SERIES

US RIA Toolkit²⁰²⁶

Foreword by

**Alois
Pirker**

By Manny Favetta

RIA demand is spurring a record year for the interval fund market

How accelerating interval fund launches, growing sponsor diversity, and rising demand for daily NAV funds are creating momentum in this exciting alternative investment vehicle

By Kimberly Flynn, CFA
President at XA Investments

Registered Investment Advisors (RIAs) are embracing interval funds, and these fast-growing investment vehicles have led the way in the evergreen trend of democratizing alternatives.

We have now reached a new peak in the market in interval and tender offer funds (legally speaking, SEC-registered non-listed closed-end funds, or CEFs), with 308 total funds and a combined US\$234 billion in net assets as of 30 November 2025.

The pace of new fund launches accelerated in the first three quarters of 2025, as 57 brand-new interval funds entered the market. The interval fund market boasts 157 unique fund sponsors, and we observed 19 new fund sponsors, including leading alternative investment firms such as Blue Owl, Coatue and Adams Street Partners.

The increasingly popular daily net asset value (NAV) interval fund structure has surpassed the total number of tender offer funds in the market, with 157 interval funds and 151 tender offer funds as of 30 November 2025. Capital raising success for interval and tender offer funds tends to be driven by ease of use via electronic ticketing for financial advisors who are active interval fund users.

Despite delays owing to the US federal government shutdown that began at the end of the third quarter, new interval funds are coming soon. There are now 46 new interval and tender offer funds in the SEC registration process as of 30 November 2025. Interval funds spend seven months in registration on average, but the time spent in the SEC registration process will likely increase by up to two months due to the backlog created by the government shutdown – during which initial registration statements for new interval funds were not reviewed, and statements of effectiveness were not issued.

We also observed a few established interval fund sponsors file with the SEC to launch additional private markets evergreen funds in the third quarter. There were also nine new fund sponsors filing their initial prospectuses in the third quarter, including ETF manager ProShares, which is looking to launch its first private equity-focused interval fund. In the first two months of Q4 2025, 11 new interval and tender offer funds filed, six of which were from new fund sponsors. Filings are anticipated to pick back up as things normalize now that the federal government has reopened.



How the interval fund market breaks down

Private credit is the largest category of the interval and tender offer fund market, with 112 total funds and US\$85 billion in net assets representing approximately 40 percent of the market at the end of the third quarter.

Within private credit, a growing sub-category is asset-backed lending, with 25 active funds in the market today and two funds in the SEC registration process as of the end of the third quarter. Current leaders in the asset-backed lending category of the interval fund market include Cliffwater, Keystone, Federated Hermes, 1WS and KKR.

The table below shows how the asset-backed lending category stacks up to the other credit sub-categories including multi-strategy credit, loans and direct lending.

Figure 1: Private Credit Categories

Credit Non-listed CEFs						
Number of Funds	Sub-Category	Multi-Strategy Credit	Loans/ Bonds Structured Credit	Asset-Backed Lending	Direct Lending	Total
	12/31/2024	38	31	13	4	86
	9/30/2025	34	39	25	14	112
	% Change	-10.53%	25.81%	92.31%	250.00%	30.32%
	12/31/2024	25,872	12,440	9,913	24,265	72,490
	9/30/2025	20,807	15,708	16,850	53,005	106,370
	% Change	-19.58%	26.27%	69.98%	118.44%	46.74%

Source: XA Investments; CEFDData.com; SEC Filings

With more public equity market volatility this year, it is not surprising to see so many new interval fund sponsors enter the marketplace with asset-backed lending funds. Asset-backed loans are secured by collateral that produce attractive cash flows. Investors appreciate the benefits of asset-backed lending in their portfolios because these investments can serve as a buffer against losses experienced during market downturns. With shorter loan durations, asset-backed lending may offer faster capital returns and greater flexibility than corporate loans.

The second-largest category of the interval and tender offer fund market is venture capital/ private equity, with 63 total funds and US\$62 billion in net assets represented 29 percent of the overall interval/ tender offer fund market at the end of the third quarter. See table below for more information. Current leaders in the private equity space of the interval fund market include Partners Group, Pantheon, StepStone, Cliffwater, Ares, and Hamilton Lane. Notably, the Private Equity sub-category added six new funds and the venture capital sub-category added four funds.

Figure 2: Private Equity Categories

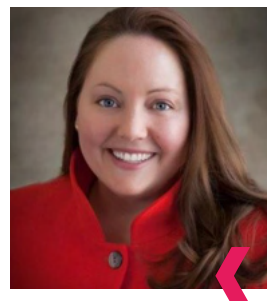
Venture / Private Equity Non-listed CEFs					
	Sub-Category	Fund of Funds	Private Equity	Venture Capital	Total
Number of Funds	12/31/2024	26	23	2	51
	9/30/2025	28	29	6	63
	% Change	7.69%	26.09%	200.00%	23.53%
Total Managed Assets(\$mm)	12/31/2024	12,361	31,644	1,133	45,138
	9/30/2025	18,048	45,198	2,517	65,763
	% Change	46.01%	42.83%	122.15%	45.69%

Source: XA Investments; CEFDData.com; SEC Filings

For the first six months of 2025, 58 percent of net flows in Q2 2025 went into interval funds without suitability restrictions, while 11 percent went into funds limited to accredited investors, and 32 percent went into funds limited to qualified clients. Due to varied reporting schedules, the most recent marketwide net flow information for the interval fund market is for the period ended Q2 2025. In aggregate, the top 20 largest interval/ tender offer funds accounted for 38 percent of total net flows, including many of the market leaders such as the Cliffwater Corporate Lending Fund, Partners Group Private Equity, LLC, and ACAP Strategic Fund. In addition, private equity and private credit funds continued to dominate capital raising in the second quarter of 2025, bringing in over US\$14 billion in net assets and US\$7 billion in net assets respectively.

With significant asset growth in both the credit and venture capital/ private equity categories, XAI believes the interval fund market's trajectory will remain positive, with significant opportunities for expansion in 2026, not only for RIAs but across all of wealth management.

With 20 to 25 percent compounded annual growth rates, we anticipate many new interval fund market entrances by both alternative investment managers and traditional asset managers.



Kimberly Flynn, CFA

President

XA Investments





WWW.THEWEALTHMOSAIC.COM

GET IN TOUCH

www.thewealthmosaic.com
office@thewealthmosaic.com

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