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The Tipping Point

How the Growth of Private Equity and Private Credit Requires Rethinking Retail Investment Products and the Regulatory Framework

Panels moderated by media partner, 9fin

June 17, 2025

9fin

Recent trends in private credit and a look into the future

Panelists:

Carlos Alvarez (Head of FIG and FinTech ECM Americas, Global Head of Permanent Capital Solutions, UBS)

Michael Burke (Managing Director, Stout)

Anthony Cimino (Head of Policy, Carta)

Andrew (Buddy) J. Donohue (Fund Director; Former Chief of Staff to SEC Chair White, Former Director of the SEC's Investment Management Division)

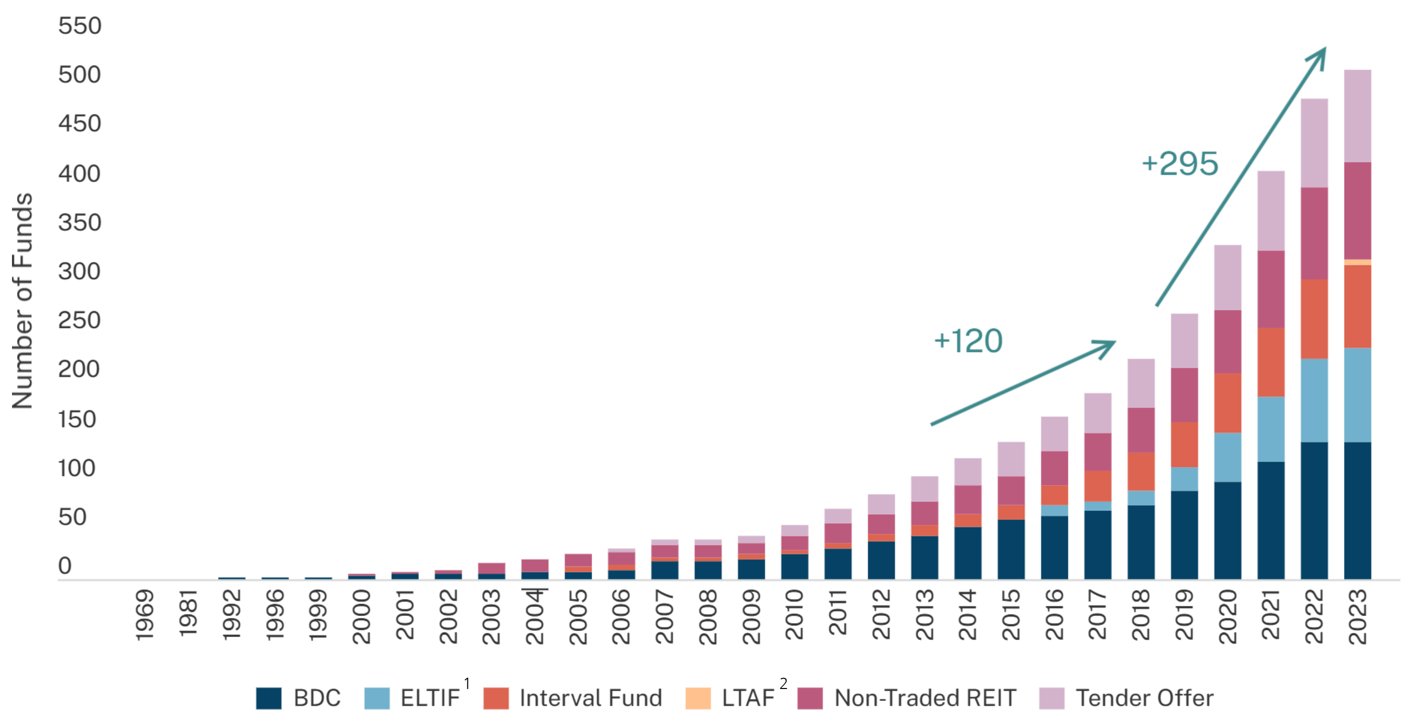
Anna Pinedo (Partner, Mayer Brown LLP)

Moderated by **Shubham Saharan** (Senior Private Credit Reporter, 9fin)

Growth of Evergreen Funds

- The various types of evergreen funds that have exploded over recent years show no signs of slowing down with **415 new funds launched between 2017 and 2023**
- They offer an appealing balance between **access to the types of private markets institutions have long had with more user-friendly structures and some degree of liquidity**
- At present, evergreen funds account for **roughly 5% of the overall private markets.** To put that number into perspective that equates to **$700 billion in assets**
- Notably, **there is room for Evergreen Funds' market share to expand** as the U.S. high-net worth channel has less than 1% allocated to evergreen structures

Evolving Landscape of Investment Convenience
Evergreen Fund Growth Over Time



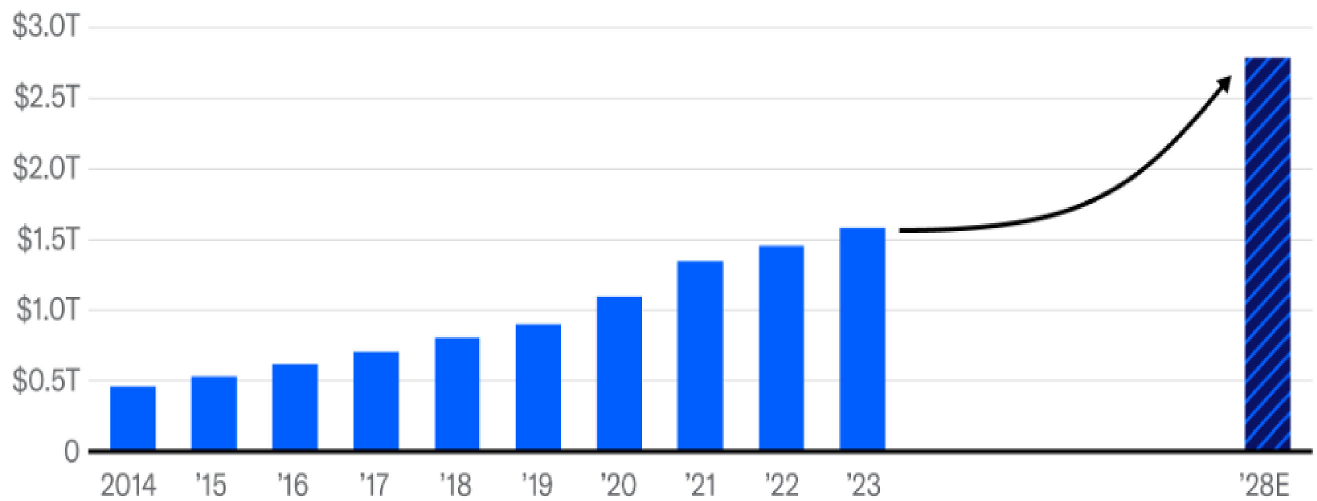
Source: Pitchbook, Hamilton Lane 2025 Market Overview Narrative
1. ELTIF represents European Long-Term Investment Fund
2. LTAF represents Long-Term Asset Fund

Private Credit Growth is Expected to Accelerate

- Competition has hurt returns in direct lending, prompting alts to seek growth opportunities such as the **asset-based finance (ABF) market and IG private credit** as insurance companies search for higher yields.
- While direct lending makes up the biggest share of alt's private credit activity, ABF has gained importance as banks step away from riskier credit exposure
- **Retail private debt AUM has been accelerating** and is growing more quickly than institutional AUM. To access this newer base, managers are coming to market with **evergreen funds and first-ever private credit Exchange Traded Funds (ETFs)**
- Synergies between insurance companies and alternative managers will grow, but it will be essential to monitor credit and asset-liability mismatch risks
- The US regulatory approach toward the space will likely change, as priorities shift to **a focus on capital formation**
- However, **policy uncertainties and opacity risk** will persist and will be factors to look out for

Private Credit Assets Under Management may Hit $3tn by 2028

Global private credit AUM

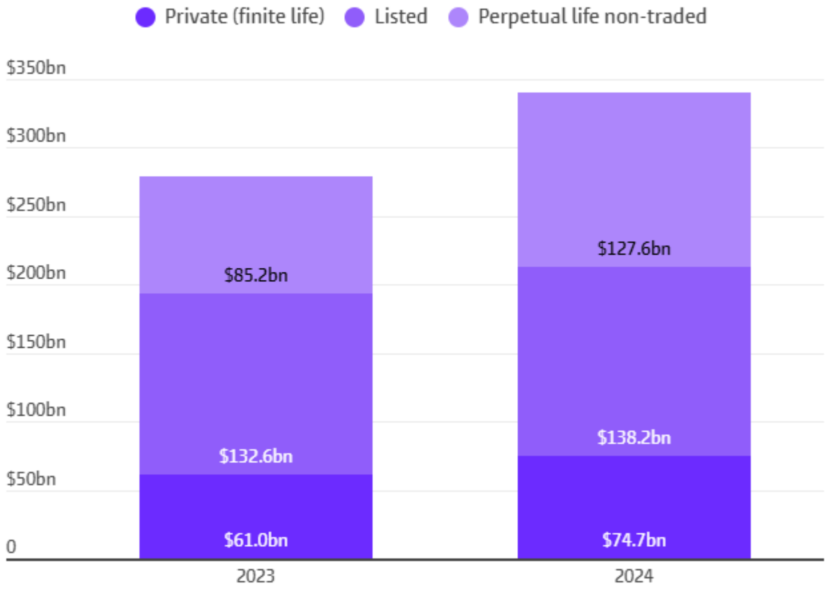


Source: Preqin, Moody's Ratings

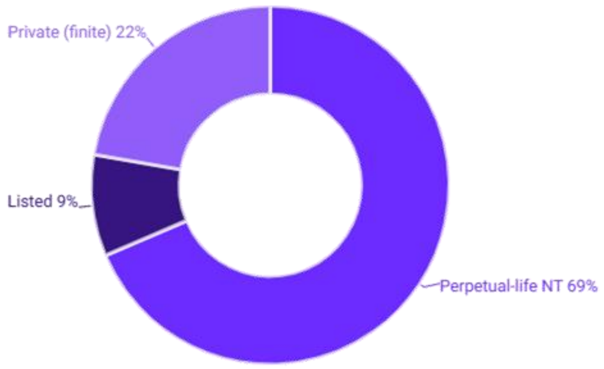
BDCs and Private Wealth

- BDCs have experienced significant growth as they offer attractive returns in the middle market to the ordinary investor
- AUM in BDCs grew 22%+ from $278bn in Q1 2023 to $340bn in Q1 2024, with 2024 finishing with $434bn in AUM across fund types. **Notably, non-listed BDCs have grown 50% YoY**, which accounted for 69% of the overall growth
- **The top 10 managers account for nearly $250bn in AUM across BDCs, interval funds, and tender offer funds**. In the $198bn of private credit fund closes in 2023, over 75% of the money went to managers established before the 2008 Great Financial Crisis
- As traditional markets remain volatile**, private credit will continue to offer a compelling alternative for private wealth clients** with the ability to deliver steady, predictable income

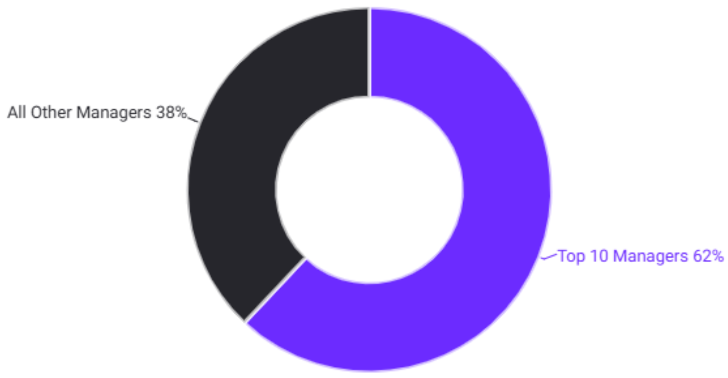
BDC Assets by Fund Type



Perpetual-life Funds Accounted for 68.6% of the Increase in BDC Assets Last Year



Fund Concentration



UBS

Source: With Intelligence, SBIA

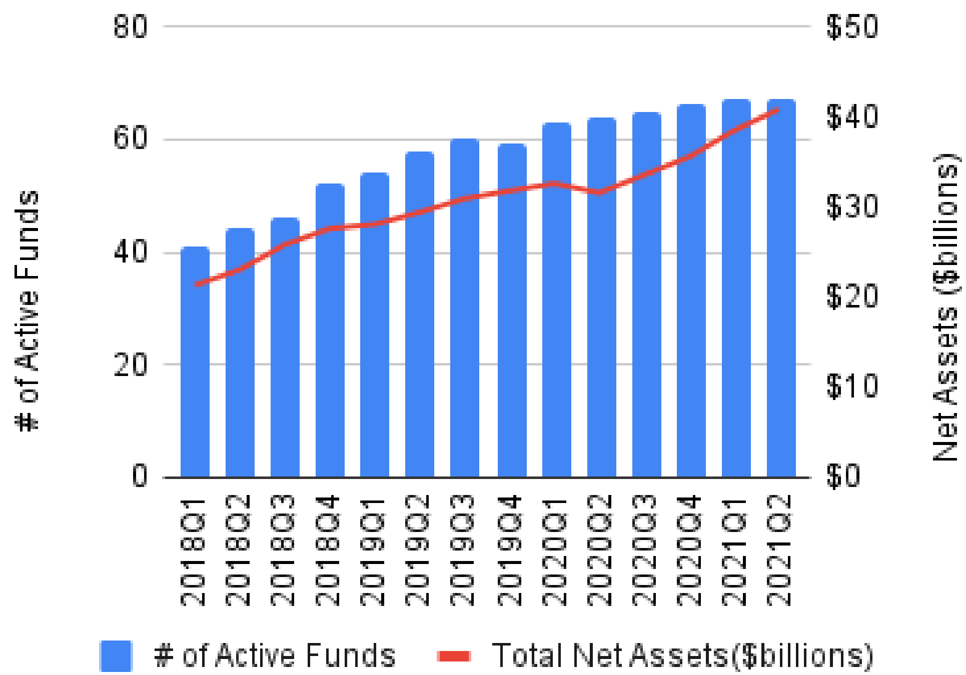
Growth of Interval Funds and their Newfound Adoption Among Advisors

- From 2014 to 2024 AUM for interval funds **surged from $6.5 billion to over $88 billion**. This growth reflects a shift towards alternative investments and the **unique features of interval funds**

Key Factors Contributing to Interval Growth

- **Increased Advisor Adoption:** Advisors are increasingly incorporating interval funds to provide clients exposure to alternative assets
- **Strong Performance:** Leading interval funds have demonstrated strong performance, further encouraging investment
- **Unique Fund Structure:** Interval funds offer a blend of private fund characteristics with the regulatory protections and accessibility of registered funds
- **Liquidity and Accessibility:** Interval funds offer periodic liquidity and potentially higher yields than traditional investments
- **Diversification and Strategic Allocation:** Advisors are using interval funds strategically to diversify client portfolios and meet specific investment goals

Interval Fund Market Growth



Interval fund AUM has more than **quadrupled** in the last five years

The number of interval funds has also **increased significantly**, with new launches continuing to rise

As of 2024, total managed assets, including leverage, for interval and tender-offer funds reached **$208 billion**

The growth in interval fund assets has **provided a timely capital boost for the alternative assets industry**

UBS

Source: Interval Fund Tracker, Morningstar Research, Pitchbook

Interval Funds

What are Interval Funds?

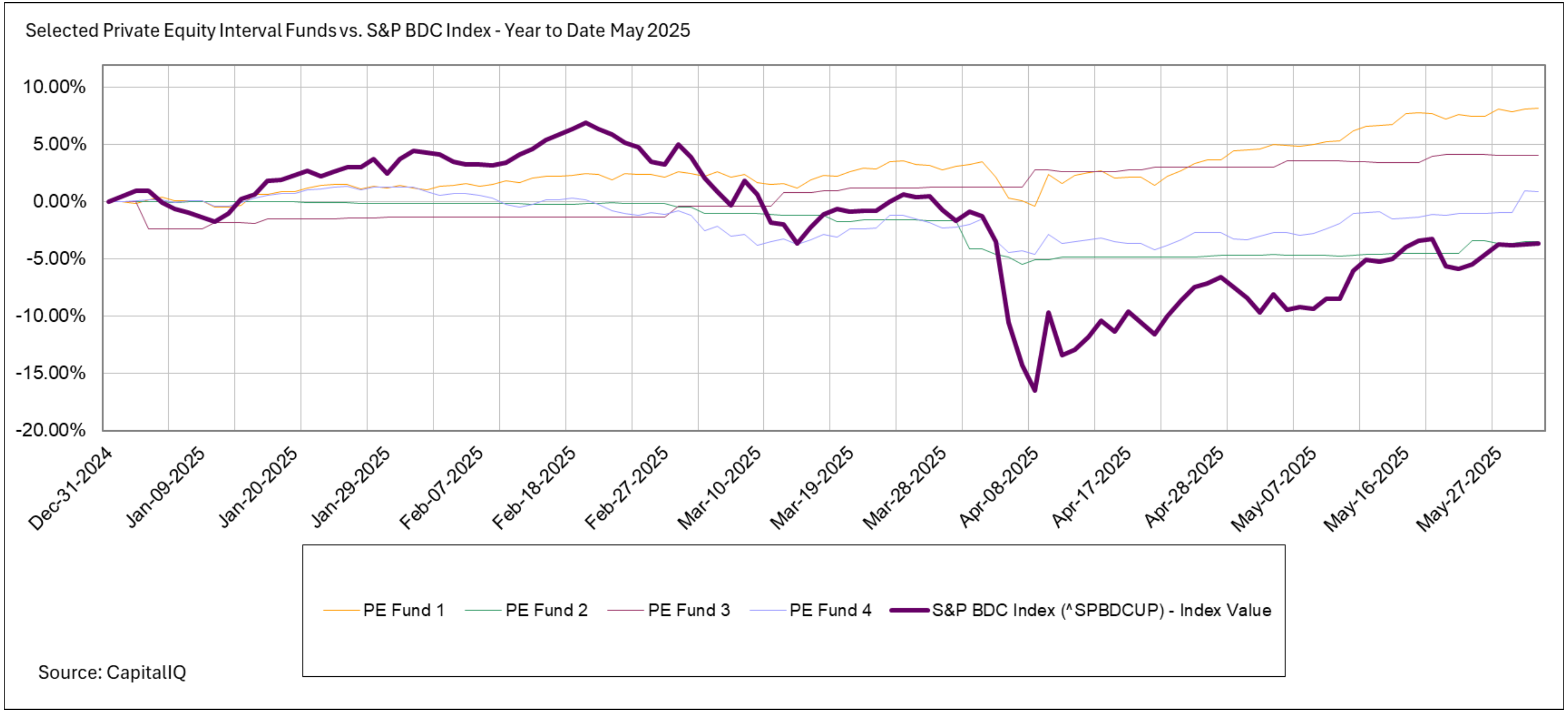
- Registered 40 Act Funds offering shares to investors usually at Net Asset Value (“NAV”)
- Funds will redeem shares at “intervals”, usually monthly or quarterly
  - Limited to a percentage of the fund
- Ability to purchase shares can be more frequent, and often daily
- Similar to Tender Offer Funds where repurchases are less regular
- Evergreen Structure
- Semi-liquid

Why are Interval Funds Popular?

- Roughly $100 billion AUM representing 5x growth in five years
  - Two thirds in credit strategies
- Ability to invest in illiquid asset classes like private equity and private credit
- Lower threshold to invest in private assets
- Ease of purchase
- More liquid than LP structures
- Transparency and governance
  - Disclosures through SEC Filings

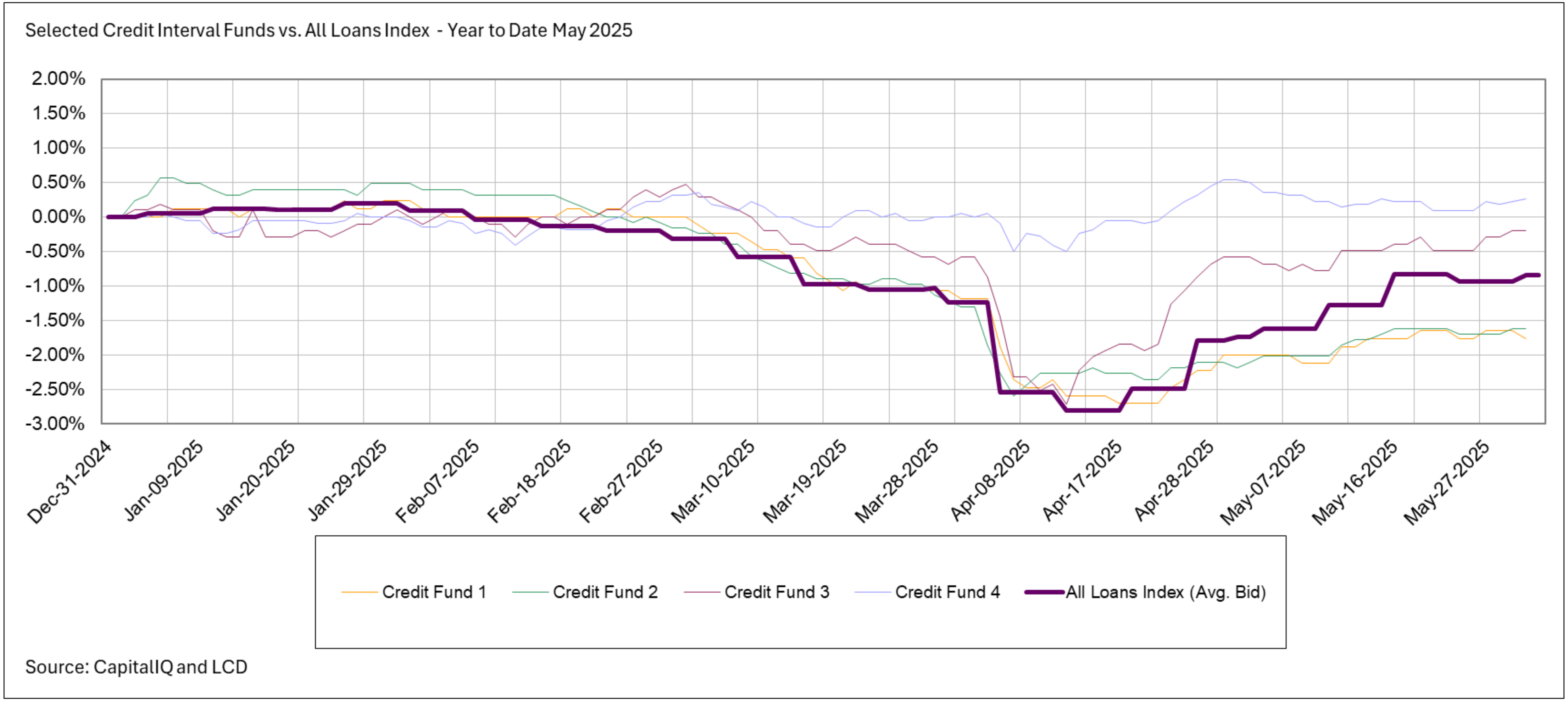
Are Private Assets in Interval Funds Fairly Valued?

- Public Stocks are priced by the market where the traded price can reflect a discount to the reported NAV
- Conversely, interval funds shares are generally offered at NAV
- Many interval fund portfolios are Funds of Funds where the “Practical Expedient” is used to value the fund’s private assets independent of market sentiment



Is Private Credit in Interval Funds Fairly Valued?

- Some managers do a better job than others when actively marking underlying portfolios to incorporate daily market movements



Accelerating retail access to the private markets

Panelists:

Rosalynn Cormier (Associate General Counsel, Head of Retail Brokerage Legal, Vanguard)

Larry Herman (Managing Director, Raymond James & Associates, Inc.)

Brian Hirshberg (Partner, Mayer Brown LLP)

Holli Heiles Pandol (Senior Policy Counsel, Carta)

The Honorable Michael Piwowar (Executive Vice President of Milken Institute of Finance, Milken Institute)

Moderated by **David Brooke** (Private Credit Editor, 9fin)

What has happened in the BDC space since 2014

COMMENTARY

- Given the demand for private credit and the ability to generate fees from a permanent capital base, large asset management platforms have continued to turn towards the BDC space for capital deployment
- There are currently 47 public BDCs with $176 billion assets under management and 58 private BDCs with $279 billion assets under management[1]
- Much of the recent growth of BDCs has been spurred by launches of BDCs that do not trade on a secondary market (such as perpetual, nontraded BDCs), but rather are structured to provide liquidity to investors by allowing quarterly redemptions that are typically capped at 5% of NAV

2014 and before: Ares Capital Corporation; FS KKR; Goldman Sachs BDC, Inc.; Golub Capital; Hercules Capital; Main Street Capital Corporation; MidCap Financial Investment Corporation; New Mountain Finance Corporation; PennantPark; Prospect Capital; Sixth Street Specialty Lending; TCP Capital Corp.

Lots of smaller players

BDCs were removed from the S&P, Russell, and MSCI indices due to changes to the Acquired Fund Fees and Expenses rules

2015: CSWC Capital Southwest

2016: AllianceBernstein

2017: Carlyle Secured Lending

2018: BainCapital

2018
Small Business Credit Availability Act: **1)** Increased leverage 2:1 **2)** Streamlined offering and communication rules **3)** Enhanced disclosure

2019

2020: Stone Point Capital; Crescent

2021: Star Mountain Capital; Onex; HPS; Commonwealth

2022: Man | Varagon; TPG Twin Brook; T. Rowe Price; StepStone; PIMCO; PGIM; Kennedy Lewis; Fidelity; Diameter; Brightwood

2023: Vista Credit Partners; 26N; Silver Point Capital; Jefferies; First Eagle Investments; Antares Capital

2024: Willow Tree Credit Partners; nuveen; Morgan Stanley; Kayne Anderson

2025: Blue Owl Technology Finance Corp.; MSC Income Fund

1) Data as of March 31, 2025. Private BDCs only Include companies with over $750 million of assets

Perpetual and non-traded BDCs continue to grow

NOTABLE PERPETUAL BDCS 2023 VS. 2024 VS. Q1 2025						
COMPANY	EQUITY 2023 ($B)	EQUITY 2024 ($B)	EQUITY Q1 2025 ($B)	ASSETS 2023 ($B)	ASSETS 2024 ($B)	ASSETS Q1 2025 ($B)
Blackstone Private Credit Fund	$28.5	$38.9	$41.8	$53.3	$71.3	$73.8
Blue Owl Credit Income Corp.	$8.9	$14.5	$16.3	$17.3	$28.1	$30.4
Apollo Debt Solutions BDC	$4.1	$9.5	$11.4	$7.2	$15.2	$19.1
HPS Corporate Lending Fund	$5.2	$8.7	$9.6	$9.7	$16.6	$19.2
Ares Strategic Income Fund	$1.8	$5.9	$7.4	$2.7	$12.1	$14.3
Oaktree Strategic Credit Fund	$3.4	$3.4	$3.8	$3.0	$5.6	$6.2
Golub Capital Private Credit Fund	$0.7	$2.0	$2.5	$1.5	$4.2	$5.1
T. Rowe Price OHA Select Private Credit Fund	$0.7	$1.2	$1.3	$1.3	$2.2	$2.3
Fidelity Private Credit Fund	$0.4	$0.8	$0.9	$0.5	$1.4	$1.8

Source: SEC Filings

Shelf space is getting crowded

1) Per Fitch Ratings as of December 31, 2024

- High-net-worth retail market is getting crowded with private perpetual BDCs and interval offerings
- Perpetual BDCs have seen rapid growth with assets increasing to $195 billion[1]
  - Focused on large cap, sponsor-backed transactions
  - Blackstone (BCRED) is over 35% of this market
- Alts managers have invested in distribution after-market support to provide a better investor / financial advisor experience

RAYMOND JAMES

Simplified Co-Investment Exemptive Relief

- In 2025 several BDCs obtained exemptive relief from the SEC to simplify and modernize the co-investment process for regulated funds and affiliated investment vehicles
- This relief significantly streamlines the co-investment process for regulated funds
- The co-investment relief requires that each initial and non-prorated transaction obtain the prior approval of a majority of the independent directors of the regulated fund's board if an affiliate of the fund is already an existing investor
- The regulated fund and its investment adviser are required to adopt and follow approved policies and procedures on investment allocation
- Relief allows affiliated joint ventures to participate in co-investment transactions with other affiliated investment vehicles (including mutual funds)

Multi-Class Exemptive Relief for Private BDCs

- In 2025, the SEC granted exemptive relief to Ares Core Infrastructure Fund (private BDC) allowing it to offer multiple share classes with varying sales loads and distribution fees even if the shares are not publicly offered.
- Allows private BDCs the opportunity to compensate financial intermediaries in connection with their efforts to sell shares of the BDC in a private placement.
- The relief requires that the BDC accept subscriptions for its shares on a continuous basis and at offering prices that are equal to or greater than the net asset value of the relevant share class amongst other conditions.
- The ability to offer multiple share classes should allow private BDCs to attract a broader range of investors with varying and customized fee structures and increase its capital raising opportunities.
- Each other private BDC will need to separately apply for its own multi-class exemptive relief from the SEC in a similar manner.

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Other Reference Materials

- Introduction to Permanent Capital Vehicles
- Permanent Capital Vehicles Comparison (Chart)
- Interval Funds and Tender Offer Funds Survey (Chart)

CLOSED-END FUNDS

A closed-end fund is a type of investment company that raises a fixed amount of capital through an initial public offering and then typically lists its common stock on a national stock exchange. After its initial public offering, the fund's shares are bought and sold in the open market instead of being purchased or redeemed directly by the fund. Therefore, the market price of closed-end fund shares fluctuate like that of other publicly traded companies. Closed-end funds maintain a fixed number of shares, and no new money will flow into the fund.

Traditionally, investors in closed-end funds "redeem" their shares differently than investors in open-end funds, or mutual funds. Unlike mutual fund shares, closed-end fund shares are not typically redeemable by the closed-end fund at net asset value (NAV) or otherwise. Most resales of closed-end fund shares are made through secondary markets, either on national securities exchanges for listed shares or over the counter. The market price of listed closed-end shares may be greater than the shares' NAV, but closed-end shares can often be purchased at a significant discount from a closed-end fund's NAV due to market volatility. Because closed-end funds are not required to buy back shares from shareholders, closed-end fund managers do not have the same concerns about constant redemptions as mutual fund managers, and they do not have to manage their funds to account for the possibility of those redemptions. Furthermore, traditional closed-end funds are not subject to the liquidity requirements that apply to mutual funds. As a result, closed-end fund managers often have more flexibility to invest in more illiquid assets, such as in the securities of private companies, derivatives, or certain debt instruments. Closed-end funds may also use more debt or other leverage as compared to other types of investment companies in order to purchase their investments.

There are many different types of closed-end funds, categorized based on asset class and fund structure. This article explores different types of closed-end funds that diverge in structure: interval funds, tender offer funds, and Business Development Companies (BDCs). Additionally, as a direct contrast to closed-end funds, this article discusses target date funds, which are a type of open-end fund. In the subsequent section, we will discuss in further detail the different characteristics of these funds.

Interval Funds

In 1993, the Securities and Exchange Commission (SEC) adopted Rule 23c-3 under the Investment Company Act of 1940, as amended (the "1940 Act"), providing exemptive relief to allow certain closed-end funds to make periodic repurchases of their shares. Closed-end funds that rely on Rule 23c-3 under the 1940 Act to repurchase shares are known as "interval" funds. An interval fund is a registered hybrid type of closed-end investment company that engages in continuous offerings of its shares and periodic offers to repurchase its shares from shareholders. Interval funds conduct their repurchase offers pursuant to policies adopted by their boards in accordance with Rule 23c-3 under the 1940 Act, and the frequency, amount and timing of such repurchases are set pursuant to Rule 23c-3.

Investors in closed-end funds redeem their shares differently than investors in open-end funds (or mutual funds) in that closed-end funds are not obligated to repurchase their shares from investors. Interval funds, however, must offer to buy back a stated portion of their shares (between 5% and 25% of outstanding shares) from their shareholders every three, six or 12 months (or monthly with exemptive relief). Shareholders, on the other hand, are not required to accept these offers to sell their shares back to the funds. Shareholders are free to hold out for a better price, but they may not exit a fund until the next designated interval described in the fund's prospectus. As opposed to other closed-end funds, interval funds are permitted to (and oftentimes do) continuously offer their shares at a price based on a fund's NAV.

One key advantage of interval funds is that they may use Rule 486 under the Securities Act of 1933, as amended (the "Securities Act"), which provides for automatic effectiveness of post-effective amendments to registration statements. Additionally, repurchase offers are not subject to SEC filing fees and are usually cheaper to conduct than tender offers under Rule 13e-4. They come with no required FINRA filing fees, and they are subject only to FINRA Rule 2341, which imposes varying caps on sales compensation/distribution fee levels.

Interval funds also provide an opportunity for investors to access private credit, which is often a closed-off market, by offering structures that allow for exposure to illiquid investments even while maintaining a degree of liquidity through periodic share repurchases. In fact, interval funds are better positioned to anticipate investors' liquidity needs than open-end funds, because they do not need to accommodate daily liquidity requests. Instead, interval funds have the flexibility to limit the size and timing of repurchase offers, and shareholders are required to give the funds advance notice of their redemptions. Moreover, exposure to private credit, among other asset classes, offers diversification, and periodic repurchases effectively reduce the spread between the market trading price of a fund's shares and the fund's NAV, which helps facilitate additional capital raising following the initial fundraising round.

Tender Offer Funds

Similar to an interval fund, a tender offer fund is a type of continuously offered closed-end fund registered under the 1940 Act. The main difference between these two types of funds is that—as opposed to repurchasing investors' shares at set intervals—tender offer funds conduct periodic tender offers, most often quarterly, at the discretion of a fund's board pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Thus, tender offer funds offer investors increased liquidity by allowing them to sell their shares back to the fund at a predetermined price rather than selling them on the open market. Tender offers also provide more flexibility for fund managers in terms of frequency, amount and timing of share repurchases than do interval funds, and these funds have no liquidity requirements. The price of a given tender offer fund is typically near or at NAV, but it can be set at a negotiated discount. Tender offer funds are able to repurchase at their discretion and even have the flexibility to value their assets periodically (*e.g.*, daily, weekly, monthly). This discretion allows companies to provide controlled liquidity to investors, but the drawback is that investors may not have that desired liquidity when they most want it.

Since tender offers are discretionary, a fund may be inclined to make a tender offer to increase the fund's share price when shares are trading at a significant discount to the fund's NAV. Indeed, a fund can seek to reduce the NAV discount by offering to buy back shares, thereby allowing investors to earn fair value returns on the shares. In turn, these purchases are likely to simultaneously improve the market price of the fund's shares by restricting the market's supply of such shares. Tender offers also provide investors with the opportunity to exit the fund by selling their shares somewhere other than the secondary market.

Tender offer funds also have more flexibility than interval funds in the timing of repurchase offers. While interval funds must conduct periodic repurchase offers every three, six or 12 months (or monthly with exemptive relief), the boards of tender offer funds have discretion to make such offers in accordance with Rule 13e-4 of the 1940 Act, which sets forth the parameters for commencing, terminating, filing, disseminating and generally conducting tender offers. At the commencement of a tender offer, the tender offer fund will notify shareholders of the repurchase offer, complete Schedule TO (the tender offer statement of the fund, which includes, typically by exhibit, the Offer to Purchase), deliver the Letter of Transmittal to shareholders and file all repurchase offer documents with the SEC.

While the process for conducting a tender offer is typically more burdensome than conducting an interval offer, Rule 13e-4 of the 1940 Act is less limiting than Rule 23c-3 of the 1940 Act in a few key respects: (i) the board of directors has the flexibility to skip a tender offer (although commercial considerations may limit its ability to do so), (ii) the amount of the tender offer is not prescribed, (iii) the deadline by which shareholders must receive the proceeds from their tendered shares is not prescribed and (iv) the rule does not prescribe the amount of liquid assets required to be held by the fund in connection with the tender offer.

Tender offer funds have wide latitude in establishing their share repurchase practices. There is no minimum number or frequency of tender offers that must be completed. The predetermined repurchase price for shares is set by Rule 14D-10 (the "best-price rule"). It stipulates that consideration offered to one shareholder must be equal to the highest consideration paid to any other shareholder. The purpose is to provide equal treatment to all shareholders. The fund sets the repurchase price, typically set at a premium to the fund's current market price, in order to incentivize shareholders to sell their shares to the fund.

Business Development Companies

BDCs are closed-end investment management companies that are specially regulated by the 1940 Act. BDCs are primarily designed to invest in small- and middle-market US companies. As a result of their special status under the 1940 Act, BDCs are exempt from many regulatory requirements imposed by the 1940 Act on traditional investment companies. BDCs generally benefit from pass-through tax treatment (*i.e.*, the BDC is not taxed, and income and expenses are passed through to the owners of the BDC).

Given the limited access to, and availability of, financing from traditional bank lenders, BDCs have played an important and increasing role as a crucial source of capital and liquidity for small and mid-sized companies that may not be able to otherwise obtain financing. Most BDCs raise capital by selling their securities to the public in offerings registered under the Securities Act and list a class of their equity securities on a national securities exchange (*e.g.*, the New York Stock Exchange). Many BDCs, though, are privately held after selling their securities to accredited investors in offerings exempt from registration under the Securities Act. Private BDCs are usually sponsored or formed by private equity firms or financial institutions that have the requisite pre-existing relationships with their investors to successfully raise sufficient capital.

All BDCs, whether public or private, must register a class of securities under the Exchange Act, and must generally comply with the Exchange Act reporting requirements applicable to publicly held operating companies.

OPEN-END FUNDS

An open-end fund, in contrast to the different types of closed-end funds discussed above, is a type of investment company that continually raises capital by issuing and redeeming shares. Investors can buy and sell shares of an open-end fund (not on an exchange) at any time, and the shares trade at NAV. As such, the size of such funds fluctuates based on investor activity, growing as investors invest and shrinking as investors divest.

Unlike closed-end funds, open-end funds are subject to liquidity requirements pursuant to Rule 22-e4 of the 1940 Act. Under that rule, open-end funds may not invest more than 15% of their assets in illiquid investments. This benefits shareholders by ensuring that the fund will remain liquid enough to cover any shareholder redemptions, but it has the drawback of reducing potential diversification by limiting the assets to which investors are exposed.

Another advantage to open-end funds, especially as compared to closed-end funds, is how flexible their share redemption process is in all respects. As mentioned above, investors can sell their shares back to the fund at any time at NAV. They do not have to wait for the proper interval to arise or for a tender offer to be issued at the fund's discretion. Moreover, investors are not limited to selling a designated number of shares when the fund buys them back. Rather, open-end fund investors can redeem their shares as they please and in any quantity. However, open-end funds carry the risk that high demand for redemptions will cause a fund to sell assets to cover that demand, thereby hindering the fund's performance. These are drawbacks that controlled liquidity funds, such as tender offer funds, do not encounter.

Target Date Funds

Target date funds are a specific type of open-end fund typically composed of relatively risky assets (often high-cap growth stocks) at inception and continuously de-risked over time by gradually modifying its asset composition (for example, selling stocks and buying bonds) until the fund reaches its most conservative point at the target date, whatever that date may be. Theoretically, a target date fund could also begin at its most conservative point and become riskier over time, or its asset allocation could change in some other way, such as shifting investments from the energy sector to the technology sector over time, but the risky-to-safe format is by far the most common structure.

Target date funds have all of the same general benefits and drawbacks of open-end funds, but they have the added benefit of a built-in mechanism for an investor to reach a goal over time. The conventional example is the retirement date fund: the fund's target date is the year in which the investor wants to retire, and the fund's exposure to risk decreases over time as the investor's retirement date approaches, thereby optimizing the investor's assets for growth in the early years and ensuring that the investor's assets will be safer when it is time to withdraw in retirement. Depending on the fund, this principle could be applied to help almost any manner of investor reach almost any goal. The downside is that, after a fund has decreased its risk exposure, investors may not receive returns as high as they otherwise could from a riskier portfolio or, more generally, that the fund's composition simply doesn't reflect the investor's desires or best interests at a given point in time.

Ultimately, which fund an investor chooses to invest in depends on the specific investor and its goals at a given point in time. Any of the above funds could be appropriate under the right circumstances.

See our comparison of the main characteristics of each type of fund discussed in this article. Visit our Permanent Capital Vehicles Resource page.

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PERMANENT CAPITAL VEHICLES

This survey compares in summary form the structure and characteristics of different permanent capital vehicles.

This is not intended to be a comprehensive discussion of these topics.

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Overview	Mutual fund that continuously offers securities in order to raise capital to invest into diversified assets.	Fund that may be structured as an exchange-traded fund (ETF) or a mutual fund to automatically adjust asset allocation over time.[i]	Fund that issues a fixed number of shares, often through an IPO, to raise capital for its initial investments into diversified assets.	Investment vehicle that may raise capital through an IPO and continuous offerings or through private placements and financings. BDCs provide capital primarily to small and middle-market companies.	Type of closed-end fund generally focused on private credit investments.	Type of closed-end fund focused on private equity investments that may continuously offer securities.
Listed	Unlisted.	ETFs are listed. Mutual funds are unlisted.	Generally listed on an exchange, but may be unlisted.	May be publicly listed.	Unlisted.	Unlisted.
Offering	May continuously offer securities sold through an independent broker-dealer channel. Senior securities are not permitted.	ETFs may be continuously offered with an effective registration statement. Mutual funds may be continuously offered by mutual fund companies or through brokerage accounts that offer mutual funds.	One-time IPO but may undertake follow-on public offerings with an effective registration statement. Limited to a single class of common stock. Sales load is limited to 8% of a completed offering.	Public BDCs – May continuously offer securities on a national securities exchange with an effective registration statement. Limited to a single class of common stock unless SEC exemptive relief is granted. Non-traded BDCs – May continuously offer with an effective registration statement. Sold through independent broker-dealers. Multiple share classes are permitted. Subject to sales loads and FINRA limits. Private BDCs – Continuous private offerings. Multiple security classes are not permitted unless exemptive relief from the SEC is obtained.	May continuously offer with an effective registration statement. Sold through independent broker-dealers. Multiple security classes are permitted if exemptive relief is granted. Subject to sales load fees and FINRA limits. Sales load fees are at the investor level, based on share price. Separate limits for upfront fees and ongoing fees.	May continuously offer with an effective registration statement. Sold through independent broker-dealers. Multiple share classes are permitted. Subject to sales load fees and FINRA limits.
Time to Market	6 months, depending on structure.	6 months, depending on structure.	6 months (possibly longer if application for co-investment relief is required).	Private BDCs – 4-6 months (possibly longer if application for co-investment relief is required). Public BDCs – 6 months (possibly longer if application for co-investment relief is required).	6 months (possibly longer if application for co-investment relief is required).	6 months (possibly longer if application for co-investment relief is required).

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Price Determination	NAV, determined daily.	NAV, determined daily.	IPO based on NAV then market price, often determined daily, if not usually weekly.	NAV.	NAV, often determined daily, at least weekly.	NAV, determined daily.
Securities Act Registered	Yes.	Generally, yes.	Generally, yes.	Yes for public BDCs.	Yes.	Yes.
Management fees	Investors pay the open-end mutual fund's current net asset value plus any initial sales load.	Tend to have average expense ratio fees. Average fees may be around 0.32%.	Base management fee and incentive fees on income only.	Base management fee and incentive fees on realized capital gains and income (if CEF, only on income). Base management fee – generally 1.25% annually on net assets. Incentive fees based on income – 12.5% of net investment income, subject to a hurdle rate and catch-up, and 12.5% capital gains fee on realized gains, net of realized and unrealized losses.	Base management fee and incentive fees on income only. Base management fee – generally 2% annually on net assets. Incentive fees based on income – typically 12.5% - 15%.	Base management fee and incentive fees on realized capital gains and income (if CEF, only on income). Base management fees – 1% - 1.5% with total expenses 2% - 2.5%.
Liquidity Events and Fees	Repurchase or private resale.	ETFs may be resold on an exchange. Mutual funds may be resold through a private sale, facilitated by a broker-dealer.	Generally through sales on an exchange.	Public – Shares are listed on an exchange. Private – Exchange listing; limited term; and periodic repurchases, IPO or unwinding of the fund. Non-traded – often conduct periodic repurchases. Discretionary repurchases, generally 2.5% - 5% of outstanding shares.	Periodic repurchase (i.e., quarterly, semiannually or annually)[ii] of 5% - 25% of outstanding shares at mandated intervals, following a lockup period. If repurchases are oversubscribed, exceeding the amount authorized, the fund must accept additional tenders on a pro rata basis. May establish a repurchase fee, not to exceed 2% of the proceeds that are reasonably intended to compensate the fund for its expenses.	Periodic repurchase through a tender offer on a discretionary basis. If repurchases are oversubscribed, exceeding the amount authorized, the fund may accept additional tenders on a pro rata basis. An early repurchase fee may be charged as a percentage of the tendered amount.

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Investors and Investor Considerations	Offers high liquidity, transparency and convenience. Vulnerable to fluctuations in the stock market, potentially large and quick outflows that lead to losses for investors, and potential exit load fees.	Offers investors an option to automate the risk balance of their portfolios. ETFs offer high liquidity. Fees associated with these funds have gone down over time. SEC and 1940 Act investor protections.	Offers efficient means of diversification. Potential for attractive distributions. Enhanced returns (via the illiquidity premium and leverage). Intra-day liquidity. Tend to attract IRA investors, depending on fund investments.	Access to private markets. Non-traded BDCs may be available to retail investors. Investor qualifications for private BDCs. High dividend yields and capital appreciation potential. Higher risk investment. Tend to attract IRA investors, depending on fund investments.	Access to private markets but tend to be sold to qualified investors. No mandated financial suitability requirements. Low minimums. 1099 tax reporting. SEC and 1940 Act investor protections. Higher fees. Limited liquidity. More attractive to IRA investors due to greater liquidity.	Access to private markets, but some only sell to qualified investors. No mandated financial suitability requirements. Low minimums. 1099 tax reporting. SEC and 1940 Act investor protections. Higher fees. Limited liquidity.
Asset Allocation Requirements	Generally may not invest more than 15% of assets in illiquid securities.	Flexibility to allocate assets.[iii]	Broad flexibility to allocate assets.	Public and Private BDCs – At least 70% of assets must be invested in qualifying assets (primarily private U.S. companies).	Interval funds are not subject to the same 15% requirement as mutual funds, but they must hold liquid assets equal to the repurchase offer amount during each repurchase period.	Tender offer funds are not subject to the same 15% requirement as mutual funds, but they must hold liquid assets equal to the repurchase offer amount during each repurchase period.
Leverage Restrictions	Borrowing only permitted from banks (in the absence of exemptive relief, e.g., for interfund lending). Generally limited to a maximum leverage of 33.33% of portfolio value.	Borrowing only permitted from banks (in the absence of exemptive relief, e.g., for interfund lending). Generally limited to a maximum leverage of 33.33% of portfolio value.	May borrow from a bank and have more than one credit facility at a time.[iv] 1:2 leverage limit for debt, 1:1 leverage limit for preferred stock.	1:1 debt-to-equity ratio. May elect to reduce asset coverage to 150%, allowing for a 2:1 debt-to-equity ratio.[v]	Any borrowing, including any borrowings to cover repurchases or any issuance by the fund of senior securities, must meet the asset coverage limitations of 300%, including the amounts borrowed. 1:2 leverage limit for debt; 1:1 leverage limit for preferred stock.	Any borrowing, including any borrowings to cover repurchases or any issuance by the fund of senior securities, must meet the asset coverage limitations of 300%, including the amounts borrowed. 2:1 leverage limit.

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Public Reporting	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Open-end funds file annual reports pursuant to Section 15(d) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Closed-end funds file annual reports pursuant to Section 13(a) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Closed-end funds file annual reports pursuant to Section 13(a) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.	BDCs register securities with the SEC on Form N-2 and must file public company reports (10-K, 10-Q, 8-K) pursuant to Section 14(a) of the 1934 Act. Must also publicly file quarterly disclosure of investment holdings with the SEC.	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Closed-end funds file annual reports pursuant to Section 13(a) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Closed-end funds file annual reports pursuant to Section 13(a) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.
Corporate Governance	Under the 1940 Act, at least 40% of a mutual fund's directors must not be affiliated with the fund, but virtually all funds maintain a board with a majority of independent (disinterested) directors.	Under the 1940 Act, at least 40% of the fund's directors must not be affiliated with the fund, but virtually all funds maintain a board with a majority of independent directors.	Majority independent directors who are not "interested persons," and those directors must select and nominate any other disinterested directors.	Majority independent directors who are not "interested persons." Must maintain and enforce a Code of Ethics for officers and directors.	Majority independent directors who are not "interested persons," and those directors must select and nominate any other disinterested directors.	Majority independent directors who are not "interested persons," and those directors must select and nominate any other disinterested directors.

[i] Target date funds may also be collective instrument trusts. Collective instrument trusts are not regulated by the SEC and may have different characteristics than the exchange-traded funds or mutual funds described in this table.

[ii] Governing documents specify how often the TO fund will repurchase shares.

[iii] Funds must disclose the asset allocation of the fund in SEC filings, and marketing materials are reviewed by FINRA, but the allocation may be actively managed and adjusted.

[iv] A closed-end fund may have more than one credit facility, because debt of the same priority is considered to be a single class, provided all facilities are unsecured or secured by the same collateral.

[v] The vote required to decrease the asset coverage ratio of a BDC is a majority of directors or general partner with a one-year delay on implementation or a majority of shareholders for immediate effectiveness.

As of March 31, 2025, there were approximately 122 interval funds and 127 tender offer funds currently active in the US. This survey of interval and tender offer funds summarizes and compares the various terms, fees, strategies and structures of the fifteen largest interval funds and fifteen largest tender offer funds in the US.

15 Largest US Interval Funds (as of March 31, 2025)

Fund Name	Fund Type	Primary Strategy/Focus	Minimum Investment	Distribution Yield	Management Fee	Liquidity & Redemption Terms	Asset Allocation	Management Team	Other Key Features
ACAP Strategic Fund	Interval Fund	Private credit, high-yield debt	$5,000	~6-8%	1.25%	Quarterly redemption, lock-up periods may apply	High-yield debt, opportunistic credit strategies	Focus on credit and high-yield investments	Opportunistic credit strategies
Apollo Diversified Real Estate Fund	Interval Fund	Real estate debt and equity	$25,000	~7-9%	1.25%	Quarterly redemption, 1–3 year lock-up	Real estate equity and debt investments	Reputable real estate investment team	Diversified commercial real estate focus
Bluerock Total Income Plus RE Fund	Interval Fund	Real estate investment trust (REIT) focused	$2,500	~6-8%	1.50%	Quarterly redemption, 1-2 year lock-up	Real estate equity and debt investments	Focus on real estate REIT investments	Focus on income generation through real estate
Carlyle Tactical Private Credit Fund	Interval Fund	Private credit with tactical allocations	$10,000	~7-9%	1.50%	Quarterly redemption, lock-up periods apply	Tactical private credit with opportunistic strategy	Carlyle Group expertise in private credit	Tactical allocations for higher returns
Cion Ares Diversified Credit Fund	Interval Fund	Credit investments, distressed debt, loans	$2,500	~6-7%	1.35%	Quarterly redemption, lock-up periods may apply	Diversified credit-focused portfolio	Ares Management expertise in credit	High yield with diversified credit focus
Cliffwater Enhanced Lending Fund	Interval Fund	Senior secured loans, corporate lending	$1,000	~5-7%	1.50%	Quarterly redemptions, limited liquidity	Senior secured loans, corporate debt	Cliffwater expertise in lending	Focus on enhancing returns with senior loans

Fund Name	Fund Type	Primary Strategy/Focus	Minimum Investment	Distribution Yield	Management Fee	Liquidity & Redemption Terms	Asset Allocation	Management Team	Other Key Features
First Trust Alternative Opportunities Fund	Interval Fund	Alternative investments (real estate, private equity)	$2,500	~5-7%	1.50%	Quarterly redemption, lock-up periods may apply	Real estate, private equity, alternative investments	First Trust's focus on alternative assets	Focus on diverse alternative opportunities
Lord Abbett Credit Opportunities Fund	Interval Fund	High-yield credit, distressed debt	$1,000	~5-6%	1.25%	Quarterly redemption, 1–2 year lock-up	High-yield credit and distressed debt	Reputable credit-focused team	High-yield credit and distressed debt focus
PIMCO Flexible Credit Income Fund	Interval Fund	Corporate credit, mortgage-backed securities	$1,000	~5-7%	1.05%	Quarterly redemption, 1–3 year lock-up	Corporate bonds, mortgage-backed securities	Managed by PIMCO, fixed-income experts	Focus on flexible credit strategies
PIMCO Flexible Municipal Income Fund	Interval Fund	Municipal bonds, tax-exempt income	$1,000	~3-4%	1.00%	Quarterly redemption, limited liquidity	Tax-exempt municipal bonds	PIMCO's expertise in fixed income	Focus on municipal bond income
Stone Ridge Trust V	Interval Fund	Real assets, private equity, alternative income	$25,000	~6-8%	1.50%	Annual redemption, 1–2 year lock-up period	Real assets, private equity, alternative income	Experienced in alternative investments	Focus on private equity and real assets
Versus Cap Real Estate LLC	Interval Fund	Real estate equity and debt	$50,000	~7-9%	1.75%	Quarterly redemptions, lock-up period may apply	Real estate equity, debt investments	Versus Capital expertise in real estate	Focus on value-add real estate investments
Versus Capital Real Assets Fund, LLC	Interval Fund	Real estate and natural resources investments	$25,000	~7-9%	1.50%	Quarterly redemption, lock-up period of 1–3 years	Real estate, natural resources investments	Versus Capital's focus on real assets	Focus on real estate and commodities

15 Largest US Tender Offer Funds (as of March 31, 2025)

Fund Name	Fund Type	Primary Strategy/Focus	Minimum Investment	Distribution Yield	Management Fee	Liquidity & Redemption Terms	Asset Allocation	Management Team	Other Key Features
Advantage Advisers Xanthus Fund	Tender Offer Fund	Private equity and alternative investments	$1,000,000	4-6%	1.75%	Quarterly tender offers, significant lock-up period	Private equity, alternative investments	High-net-worth investor focus	Specializes in alternative strategies
AIP Alternative Lending Fund A	Tender Offer Fund	Alternative lending, senior loans	$100,000	6-8%	1.50%	Quarterly redemptions, lock-up of 1-2 years	Alternative lending, senior loans	Alternative lending expertise	Focus on senior secured loans
AMG Pantheon Master Fund, LLC	Tender Offer Fund	Private equity and venture capital investments	$1,000,000	4-6%	1.75%	Annual redemption opportunities, lock-up for several years	Private equity, venture capital	Leading global private equity firm	Focus on venture capital globally
Ares Private Markets Fund	Tender Offer Fund	Private equity, real estate, and private debt	$500,000	5-6%	1.50%	Quarterly redemption options, lock-up periods may apply	Private equity, private debt, real estate	Leading private equity firm	Focus on diversified private market strategies
BBR ALO Fund, LLC	Tender Offer Fund	Alternative investments, credit, real assets	$250,000	6-8%	1.25%	Quarterly tender offers, lock-up periods of 1-3 years	Alternative credit, real assets	Reputable alternative investment firm	Opportunistic lending and credit strategies
Brookfield Infrastructure Income Fund Inc.	Tender Offer Fund	Infrastructure investments (global)	$10,000	6-8%	1.25%	Monthly redemptions, more liquid due to public offering	Infrastructure (energy, utilities, transportation)	Reputable infrastructure investment firm	Focus on income-generating infrastructure
Hamilton Lane Private Assets Fund	Tender Offer Fund	Private equity, private credit, real assets	$250,000	5-7%	1.50%	Annual redemption offers, 1-3 year lock-up	Private equity, credit, real estate	Highly experienced in private assets	Focus on diverse private asset classes

Fund Name	Fund Type	Primary Strategy/Focus	Minimum Investment	Distribution Yield	Management Fee	Liquidity & Redemption Terms	Asset Allocation	Management Team	Other Key Features
Ironwood Institutional Multi-Strategy Fund LLC	Tender Offer Fund	Multi-strategy (private equity, credit, real assets)	$250,000	4-6%	1.25%	Quarterly redemption, lock-up periods may apply	Private equity, credit, real assets	Established firm with diversified strategies	Institutional investors focused
John Hancock GA Mortgage Trust	Tender Offer Fund	Mortgage-backed securities and real estate	$10,000	5-7%	1.25%	Annual redemption, more liquid in nature	Mortgage-backed securities, real estate	Well-known real estate firm	Focus on mortgage-backed securities
Keystone Private Income Fund	Tender Offer Fund	Private debt, real assets, and credit strategies	$500,000	5-7%	1.25%	Annual redemption, lock-up periods may apply	Private credit, real estate, and debt assets	Diversified portfolio with stable income	Focus on income-generating credit assets
Partners Group Private Equity (Master Fund), LLC	Tender Offer Fund	Private equity investments in global markets	$1,000,000	3-5%	1.50%	Annual tender offer with potential lock-up periods	Private equity (global focus)	Experienced private equity team	Focus on global private equity
Pomona Investment Fund	Tender Offer Fund	Private equity, debt, and alternative investments	$250,000	4-6%	1.50%	Quarterly redemptions, lock-up of 1–2 years	Private equity, credit, alternative investments	Focus on credit & alternative assets	Niche alternative investment strategies
SEI Structured Credit Fund	Tender Offer Fund	Structured credit investments	$500,000	5-7%	1.50%	Annual redemption opportunities, 1-2 year lock-up	Structured credit (ABS, MBS, etc.)	Well-established firm with credit expertise	Focus on structured credit investments
SkyBridge Opportunity Fund LLC	Tender Offer Fund	Hedge fund and private equity investments	$250,000	4-6%	1.50%	Quarterly redemption, lock-up periods may apply	Hedge fund strategies, private equity	Experienced hedge fund manager	Focus on hedge fund and private equity strategies
StepStone Private Markets	Tender Offer Fund	Private equity, real assets, private debt	$500,000	5-7%	1.50%	Quarterly tender offers with lock-up of 1–3 years	Private equity, real assets, private debt	Highly reputable in private markets	Global exposure, diversification