



## Vadim Avdeychik talks about interval funds with Gregg Greenberg at the November 6, 2019 AICA Bootcamp and Round Table

Wednesday, November 6, 2019

Financial reporter Gregg Greenberg interviewed Vadim Avdeychik, counsel at Paul Hastings, at the AICA Boot Camp and Round Table held on November 6th in New York City. Read the transcript from the interview below.



Vadim Avdeychik

To view the rest of the conference events and panels go to: <https://aicalliance.org/NYC2019Event/>

**Gregg Greenberg:** Vadim, how do you think the AICA is going to benefit the closed-end fund industry?

**Vadim Avdeychik:** I think that's a great question. I think the AICA can work with the sponsors of closed-end funds, and work together with them to make sure that both the investor community and the regulators understand the product. What the product is meant to achieve, and how it's meant to achieve investor goals in terms of returns.

**Gregg Greenberg:** What are the biggest issues on a regulatory front right now?

**Vadim Avdeychik:** Right now, I think we're seeing a lot of interest from both the regulators and the investor community in terms of expanding the product. To be able to give access to retail investors, especially to strategies such as closed-end fund to funds. We are seeing some movement in that side and we're curious to see how far that goes.

**Gregg Greenberg:** One of the big things that's been talked about at the conference is interval funds. Can you talk a little bit about their growing popularity?

**Vadim Avdeychik:** Sure, so interval funds have in the last four or five years experienced tremendous growth. I think a lot of that has been due to the fact that closed-end fund managers have not been able to tap the IPO market for various reasons, but they still want to raise assets. The interval fund wrapper provides liquidity to investors, but at the same time does not trade an exchange, so there isn't that issue of a discount. Which a lot of times investors have an issue with, and the managers have to deal with.

**Gregg Greenberg:** Are advisors explaining that to retail investors? Do they understand the product?

**Vadim Avdeychik:** I think they're doing a better job. I think as the time goes, I think it's up to the manager to educate the advisor, and I think the advisors are then educating the retail clients. It's a symbiotic relationship that really both sides have to work on in order to get it to the peak level.

**Gregg Greenberg:** Any other trends in the closed-end fund world that you've been hearing about here at the conference?

**Vadim Avdeychik:** Yeah, I think some of the earlier panels touched upon the new structure for the listed closed-end fund, where the manager picks up most of the cost. I think it will be

interesting to see how 2020 plays out for that, and that's one of the biggest trends we saw in 2019.

**Gregg Greenberg:** 2020, it's almost here. Thanks for talking about it.

**Vadim Avdeychik:** Thank you.

*Recorded on November 6, 2019*

Click the link below to go to the home page of Active Investment Company Alliance to learn more:

<https://AICalliance.org/>

**Disclosure:** *Listed closed-end funds and business development companies trade on exchanges at prices that may be above or below their NAVs. There is no guarantee that an investor can sell shares at a price greater than or equal to the purchase price, or that a CEF's discount will narrow or be eliminated. Nonlisted closed-end funds and business development companies do not offer investors daily liquidity: often on a small percentage of share on a quarterly or semi-annual basis. CEFs often use leverage, which can increase a fund's risk or volatility. The actual amount of distributions may vary with fund performance and other conditions. Past performance is no guarantee for future results.*