2021 AICA Interval Fund Winter Manager Spotlight Day 1 Panel #1; "Non-Listed CEF Credit Roundtable"

Wednesday, December 8, 2021

Chuck Jaffe, Host of Moneylife, moderates the opening panel of day 1 of the 2021 AICA Interval Fund Winter Manager Spotlight; "Non-Listed CEF Credit Roundtable". Read the transcript below to hear the discussion among Mr. Jaffe and panelists Parth Doshi from Nuveen and Greg Margolies from Ares Management Corporation.


Chuck Jaffe


Parth Doshi


Greg Margolies

To view the rest of the conference events and panels go to:
https://aicalliance.org/aica-event/intervalwintermanagerspotlight2021/

Chuck Jaffe: Thank you, John. I am Chuck Jaffe. Hopefully everything technologically is working here because well, I'm something of a luddite, so if the technology doesn't work we could spend minutes just losing all of our days and our minds to that. Beyond that however, I'm the bearded guy who is not John Cole Scott who is moderating a session here today. And I'm very pleased to be joined for the Non-Listed Closed-End Fund Credit Roundtable. And I am joined by Parth Doshi, he is vice president of global products for Nuveen. And Gregory Margolies. Greg is partner at Ares Capital.

I want to point out that as John pointed out earlier, I host *The NAVigator* podcast, which is both a segment on my show *Money Life with Chuck Jaffe*, and it is a standalone that is something you can find at the AICAlliance.org website or on your favorite podcast app. And Parth was our most recent guest, so if you want more information of he and I talking, that's where you're going to go.

Gentleman, thanks so much for joining me. We are going to be talking about interval funds here, that's basically the whole role of the day. So Greg, I'm going to start with you because we've seen a lot of expansion, John was talking about it moments ago, in terms of activity in interval funds. And anybody who's worked, or in my case observed this industry, understands that two things happen in this industry. One is that imitation occurs whether it's successful or not, and two, everybody wants to try everything. So we're seeing a lot of expansion in interval funds, but A, is this something that we expect to continue? And B, what are the benefits of the interval fund structure that has the creators of interval funds wanting to do it and of course the investors wanting to match up with new creators?

Greg Margolies: Absolutely. Thanks Chuck, and thanks for having me on the show. Now that I know you have a podcast, I will go check it out. But similar to you I will have to have someone teach me how to actually use a podcast. But that's a whole other question.

You're right, there have been a lot of imitators. And I think anytime you see something that is a successful product, by definition it's an efficient market. Keep attracting new entrants until it saturates the market, that's just been time in memorial in the financial services sector. But the reason why it is successful from an investor perspective, it's an opportunity to get access to illiquid assets but still get access to liquidity and to get the ability to come in and out at NAV, not at a multiple or a discount to book. So there's predictability on the liquidity and actual access to liquidity, but still getting access to illiquid assets.

And from a manager's perspective it allows us to reach a whole new audience of investors. It allows us to be really efficient with how we build a portfolio, so that you can in, our instance and each one's different, but in our instance be able to go across a bunch of different asset classes and rotate across asset classes. But with a predominance of those asset classes being illiquid self-originated assets. And you can do that only within an interval structure such that you can offer liquidity but not too much liquidity so you can still take advantage of the illiquidity in the market place.

Chuck Jaffe: Let me turn this over to Parth for a moment. Because Parth, when you were on The NAVigator podcast, we were talking mostly about a new interval fund that Nuveen has that is really only the second interval fund in the muni space. And since you are somebody's who's looking at products and developing products, I'm curious where the demand is coming from. Is this a case where the companies like a Nuveen are looking and going, "Hey, we can create a new product and create demand"? Or are you also getting investors going, "Hey, have you thought out what you can put into the interval fund structure? We'd love to have the benefits that Greg was talking about. We'd love to have that on this type of asset or that type of asset"? Who's driving this?

Parth Doshi: Yeah, I think at Nuveen we try to be client-driven in terms of our product development, and we're hearing a lot of demand for tax-free income. And so our fund, the Nuveen Enhanced Municipal Bond Fund is designed to deliver attractive high levels of tax-free income to shareholders. We have a lot of experience, they're our listed closed-end fund business of leveraging credit and enhancing income levels paid to clients.

One of the things we've heard from investors is some really like our listed closed-end funds, some value the ability to transact at NAV through the interval fund wrapper. And the interval fund wrapper also just gives us access to a different base of investors that may not look at listed closed-end funds. So generally I would say we're hearing quite a bit of client demand for tax-free income and we think we have a rather attractive solution to meet that need.

Chuck Jaffe: But will we also see Nuveen offering more products into different sleeves of the investment world likely in an interval structure? Or is it going to pretty finite because interval really only works in a pretty narrow subset?

Parth Doshi: Yeah, so I certainly doubt we will have as many interval funds as we have open-end funds and closed-end funds. We really want to be thoughtful about what asset classes, what investment capabilities we're putting in this wrapper because it really has to harness the value of it. Why would an investor want to buy an interval fund when there's a tremendous amount of liquidity and there's no illiquidity premium they can harness through this wrapper?

I would expect that Nuveen will in the future launch maybe another interval fund or two, or a few. But I think we'll be very thoughtful about what sorts of capabilities we put in there to make sure that the types of investments and the liquidity profile of those align with the wrapper, and investors can kind of make sense of some of the tradeoffs that come with this wrapper versus others.

Chuck Jaffe: In that answer you asked a question, or you asked a question that could best be answered by another expert. I happen to have another expert here. Greg, one of the things he said was, "Why would someone buy certain assets," in his case we were talking equities which are so liquid, "In an interval fund wrapper?" Maybe equities is not the right thing because they are so liquid, but let's talk about the benefits of illiquid directly originated assets. Separate from maybe the asset class, why we want to go to illiquid? Why that adds something that's going to make somebody say, "Yep, that structure, and then let's get the assets."

Greg Margolies: And in today's world it is by far the question because everyone's searching for yield on a global basis. You can't find yield in the liquid asset classes, whether it's investment grade or non-investment grade, it's so challenging. And the way you can generate excess yield is via illiquid assets. Because you're getting paid for that illiquidity, you're getting a premium for that. You're getting paid because of the ability to originate a complex, illiquid asset. You're structuring it, you're pricing it. You're also building a unique portfolio that you can't replicate somewhere else because they're all specific, bespoke assets that you're creating. And you're getting paid not only an origination fee that goes into the fund and goes to investors, but you're also getting a premium on spread.

So between better covenants, better structures, increased spread, and upfront fees, that's why in today's market, especially where risk-free rates are nearing zero or below zero in some parts of the world, that's why in today's market going the illiquidity route is so critical. Because it's one of the only ways you can actually both generate real yield premiums but also get better structures and covenants.

Chuck Jaffe: At the same time there are those folks who are going to be new to interval funds or new to illiquid assets, and illiquid sounds inherently dangerous. So what's the danger spectrum as you're looking at that? Because there's always a tradeoff, there's always a risk-reward tradeoff. I can see the benefits of it but how big and how broad are the dangers of illiquidity?

Greg Margolies: So there's no question, there's always tradeoffs to everything. And I'll say that the two issues with illiquidity, one is, by definition if something goes wrong you own that credit. It's not a liquid asset in a liquid market where if you see something goes wrong, in your diligence you can sell the asset. You own it. And so you have to be able to hopefully not make the mistake up front, but if you do, work it out on the backend to make sure you're getting your principal back.

And then the second is where are those marks? Because you're not going into the market and getting third-party verified marks, do you trust the manager that you're getting the proper marks? Here I'll give you the same answer to both of those risks in a way. A, we use third-party providers to mark all of our illiquid assets in addition to self-marking, but we always use third-party. But most importantly, if you are working with firms like an Ares or like a Nuveen where you have very large institutions that are very established, who have the infrastructure in place to properly source, originate, diligence, and then manage illiquid assets. Our collective firms have to have the ability to be really selective to find the best assets. Versus the real risk is when you're dealing with much smaller firms who don't have an infrastructure in place. They're kind of forced takers of all the assets that we've all turned down. And it kind of dribbles down to the bottom and therefore [inaudible].

Those typically are the assets that are self-selected to be worse, and they don't have the infrastructure necessary to work them out. So increasingly what you're going to see as this illiquid market develops, that it's going to bifurcate in a really big way between the haves and have-nots. With the bigger firms like a Nuveen or like an Ares and some of our bigger competitors, who will have materially better performance because of our ability to leverage the infrastructures, than the have-nots who really are going to struggle by picking bad credits and then not being able to get out of them.

Chuck Jaffe: Well, that would also seem to indicate that consumers, advisors who are using them, are going to maybe want track record. They're going to want to see a little bit more in this. I should point out to our audience, folks, if you want to get involved in the discussion, the benefit of being here live is that you can. So please use the chat function, reach out and we'd love to add your questions into this.

But I'm going to turn this back to Parth for a second. Parth, so we were just talking about the liquidity side of things. And because you work on products and you do the traditional closed-end funds, you do open-end funds and the works, normally people are thinking about asset allocation. But how much in this part of the world should they be thinking about asset location? In other words, you're going to have an allocation in your portfolio to fixed income. I want to have a certain amount of it in traditional open-end funds, in closed-end funds, in interval funds. How much do I want to vary structure every bit as much as I want to vary the assets that I'm buying for a portfolio?

Parth Doshi: You know, that's a really good question, Chuck. I think investors and advisors should really think about aligning – and I think I kind of maybe mentioned this a little bit earlier – aligning the investment capability with the wrapper. If there is a strategy or an investment type that is trying to capture liquidity premiums, it probably makes a lot of sense to put that in a limited liquidity vehicle like an interval fund.

In our case with the municipal bond strategy we're managing, one of the things we've observed in the market is that when there are selloffs in the high-yield municipal markets, they're swift and [inaudible]. And so we find a lot of value in having a patient base of capital that [inaudible] investors and deliver a lot of value during selloffs. So that was kind of one of the rationales for putting this particular capability in an interval fund. I think across an investor's portfolio they should think about how have different types of investments performed, hat is the liquidity profile of them. And is one wrapper, whether it's due to the limited liquidity profile or the ability to deploy leverage, does it make more sense in one wrapper versus the other?

Chuck Jaffe: Speaking of what makes sense in a wrapper versus the other, we've talked about illiquidity or liquidity risk, etcetera. But as you pointed out in your new interval fund, well, you guys are also using leverage. So what are the benefits of not only taking on the liquidity risk but then adding leverage on top of it? And what are also possibility the considerations or the drawbacks that people should think about?

Parth Doshi: Yeah, that's a really good question. So we've used leverage in our closed-end fund business, the listed and interval fund side. On the listed side for a number of years, and we're obviously rather new to the interval fund market, but we see a lot of value to using leverage prudently in a product. Over the long term, we see a persistent spread between the short-term rates at which a 40 Act fund is able to borrow, and the long-term rates at which we invest in. So by employing leverage in our funds we're able to capture that spread and then deliver even more tax-free income to our investors.

And ultimately in certain environments this might be very helpful and also improve total of returns, so your capital appreciation. In certain environments it may result in some losses. So leverage will amplify the overall performance of the fund, it's a double-edge sword. But over the long periods of time what we've found is we're able to really add additional income and pay that out on a regular basis to shareholders by prudently employing leverage in these funds.

Chuck Jaffe: Greg, I see you nodding your head. I always try when I run a panel not to have too much of, "Hey, what the other guy said." But I'm wondering if you've got a little something to add there in terms of that leverage on top of illiquidity risk.

Greg Margolies: I agree with Parth completely. I think the only nuance, and it's just slightly different because of the asset mix is a little bit different, is we really keep leverage against senior secured assets that have lower volatility and can better withstand leverage. So I completely agree, it's got to be prudent leverage because it amplifies in both directions. But in addition to that, at least for the assets that we do, we also keep it really only senior secured assets. Which also have significantly less volatility to them.

Chuck Jaffe: Taking a question we got from an audience member. Didn't tell us who they're from, but anonymous. We know that anonymous can only be so many people, it's not like they're just wandering in off the street to ask us these questions. And it was simply, "Do you guys pay monthly or quarterly dividends?" Parth, we'll start with you.

Parth Doshi: Yeah, so our fund pays monthly dividends to shareholders.

Greg Margolies: Same.

Chuck Jaffe: That's not a surprise to me. Now let's move to the fun part. Because we've talked about the structure and all those other sorts of things which we can all geek out on. But what we know everybody really wants is a little bit of a take on, okay, where are things going?

So Greg, we've got really interesting market conditions right now for everybody. But when you starting talking, "Oh, I'm going to get a little illiquid, I'm going to add maybe a little bit of leverage, and I'm going to go with parts of the fixed-income world." Where inflation, you can't even use the transitory word because they decided that transitory means whatever you think it means but not what you used to think it means. So inflation is no longer transitory, it is whatever. And then we got interest rates on top of it. What is that doing to what you're doing and how you're positioning the portfolio for next year?

Greg Margolies: Sure. We do live in interesting times. And you can pick where your risk are, whether they're domestic, they're self-inflicted oftentimes or they're federally mandated or Fed mandated or overseas. But there's two things that we're doing. One is our strategy and one is how we protect. The way we protect for both against inflation, which we do agree is not transitory, we are seeing that throughout the portfolio, especially in wage inflation. And also the potential downturn even though we don't see an increase in defaults in the near term, call it the next 12 months. The way we're protecting against both is having a very heavily senior secured portfolio and a very heavy floating rate portfolio.

So we are 90% + floating rate, therefore no duration risk in that 90%. So we are very hedged against inflation fears. We're also senior secured in defensive industries, so that if we're wrong on the cycle and it comes faster than we were expecting, we're in that defensive end of both the industries and where you're on the [inaudible].

But one of the things that we love about these markets right now is the volatility. Because yes, we are heavily invested in illiquid assets, but we have the ability to do everything across all of our credit assets. So whether it's direct lending, or it's alternative credit, or it's structured credit, or it's distressed, or syndicated loans and high-yield bonds, we move where there's inefficiency. So if a part of a market really trades off like CLOs did in the middle of last year, we can jump all over that and be able to capture the inefficiency and create alpha by asset rotation to take advantage of those dislocations in the marketplace, while still having that base of illiquid assets that generate that consistent return. So I hate to say it but we're kind of looking forward to more volatility because we can outperform in those markets.

Chuck Jaffe: I need to ask because you threw out the number 90% on your allocation towards senior loans. How out of the ordinary is that for you? Is that fairly close to standard? Or if we look at a different point in time before we had some of these concerns, would we have seen a different allocation mix?

Greg Margolies: Fairly close to standard. The only difference is we have ratcheted up our high-yield exposure in March-April of last year when, because of the pandemic, high-yields really sold off. We took advantage of that, we bought a bunch. And brought it from 5% of the portfolio to 19% of the portfolio. We're back down to 6% of the portfolio. So we have that ability to accordion the portfolio where we find value. Today it happens to be senior secured assets more than unsecured assets, but we have the ability to change that over time.

Chuck Jaffe: Parth, let's bring this over to you. I know that you're more on the development side then you are the guy who's trying to make the interest rate calls. But you can't have discussions these days without what's going on with inflation and how it's affecting the product. So what are the expectations and how's it changing anything that you guys are doing from a management standpoint?

Parth Doshi: Yeah, that's a good question. So in terms of how we manage municipal bonds and our high-yield municipal bond capability, we're not necessarily looking to [inaudible] there. We want to get deep down into the fundamentals, the technicals of the credit, and we want to own that risk. And so ultimately this portfolio is much more credit sensitive. It's designed to be more concentrated and invest in our best municipal ideas.

Our investment objective is to deliver high tax-free income and we don't necessarily want to completely re-augment the portfolio based on an interest rate call. Because that would mean maybe de-levering and then re-levering. That would mean potentially dramatically changing the credits owned in the portfolio, and it wouldn't really be consistent with our primary objective of delivering tax-free income. If we de-lever the portfolio we're going to have to reduce dividends paid to shareholders, and ultimately we believe the reason they're looking to own high-yield municipal bonds is for the high tax-free income. So maybe a slightly different take on why you would look at high-yield municipal bonds and the inflation considerations there.

Chuck Jaffe: Thank you, Parth. And again I'm going to remind the audience, you guys can get involved in the conversation. Hit the Q&A stuff and send it into us, now would be your time.

And I'm going to offer this question up to the two of you. I don't know for sure that you're going to be comfortable answering it but you never know if you don't ask it. And this question comes from Trevor in the audience who wrote, "How do you view Apollo's acquisition of Griffin Capital? Is it a welcome vote of confidence for interval funds? Or is the space starting to feel crowded?" And we talked about the development of funds but this is a different aspect of it. Either of you want to take that on?

Greg Margolies: Happy to because Apollo is a direct competitor of ours. I view it as positive. To me it's another vote of confidence in the structure. The Apollo folks, and we know them very, very well, they're very sophisticated, they're very good investors. And to me they're looking at what folks like us are doing and seeing the value of that. We chat with them all the time and I think it's just a further vote of confidence of larger, sophisticated investment houses like a Nuveen or an Ares, now like an Apollo, realizing that it's a very productive structure that can help them bring assets to a different group of investors.

Parth Doshi: Yeah, I completely agree with that sentiment. And I might add on, I think in the earlier presentation you heard about how many interval funds are in the market and how big the broader asset management industry is. Interval funds are a small, smart part of the asset management industry. You might not even say they're a market yet, there's only so many of them. I wouldn't be surprised if we continue to see more asset managers, whether it's kind of the traditional or alternative asset managers enter this space. And ultimately I think it's a positive development because we certainly are seeing investor demand for interval funds.

Chuck Jaffe: And Trevor, these guys are the experts, not me, but I'll add my opinion here as a journalist who watches and follows the industry. Which is simply I thought it was a business decision. To me it looked like any other fund merger, which I think is actually a sign of maturation. I think Apollo is certainly big enough that they didn't need to buy anybody to get into this space. This was just a better way for them to get into the space was what it looked like to me. Now again, I did not talk to anybody at Apollo about this. I didn't cover the deal, I was just reading it. But that was my intuition as I was watching. I thought, ah, that's an interesting play. But in any space in the industry, once you get a little bit of critical mass, you get folks who want to get in or change what they're doing or add to it, and acquisitions are fairly common so I thought it was in keeping with that.

So we're almost out of time here, or we're almost out of questions if not out of time here. So again, folks, if you're out there and you want to ask us, now would be a good time. So I'm going to do an old interviewer's trick. Which is functionally I'm going to ask each of you the same question, which is you guys wound up preparing for this and we had an idea of what we were going to talk about, but what haven't we covered? What was maybe one point you most wanted to make that either I haven't asked you about or you just want to hammer it home? And Greg, I'm going to start with you because I started with you earlier today.

Greg Margolies: Fair enough. From our perspective, and I apologize because this is talking our own book, so I'll say that in advance. But one of the interesting things about the way we structure our interval fund, which I truly believe is differentiated, is that it is diversified across everything we do in credit. So it's the one place that you can come to Ares to get exposure to everything we do in credit. And the reason why that's relevant is these markets are constantly moving. Gosh, look at how quickly we come back from negative news in the market.

And therefore your ability to take your assets out of one strategy and put them into another strategy to catch that inefficiency or to catch the dislocation is extraordinarily difficult. And this is the one fund that we have that goes across everything so that we can take advantage of those market movements and still get access to what we are known for and what we do so well, which is originate, structure, own, and drive illiquid credit assets. So it's kind of the best of both worlds for us. And so again, talking your own book but I just think it's a very novel approach to go across a ton of different assets in different geographies with different strategies.

Chuck Jaffe: And Parth, you're welcome to talk the book, you're also welcome to go wherever you want. But I just want to make sure that if there's something that you planned to bring out of the quiver today, that we don't leave any arrows unfired.

Parth Doshi: Maybe I would echo a similar sentiment in terms of our Nuveen Enhanced High-Yield Municipal Bond Fund. We offer our high-yield municipal bond capabilities across a variety of wrappers, but I think what makes this particularly interesting and appealing is our ability to countercyclically invest. So when there are significant outflows in the high-yield municipal bond market, we'll have a patient base of capital to take advantage of those dislocations.

We're able to take advantage of our long standing expertise levering closed-end funds. We have over $20 billion of leverage across our closed-end fund business that's actively managed where we're seeking to get the most attractive financing available at the best rates. And we're able to consistently deliver high levels of tax-free income and able to make concentrated investments on our best ideas just due to the liquidity profile of this wrapper. So we think it makes a lot of sense. We're excited to be a new entrant in this market and look forward to being part of more of these discussions in the future.

Chuck Jaffe: Well, I thought we were going to have that as the last question but John Cole Scott has come in with a question as well. So let's take a look at that. John's question is, "How should we look at [inaudible] versus-- actually, can we bring John in and just have him ask his question? That's going to be a lot better than me reading it.

John Cole Scott: Happy to do it. I know when I created this panel obviously I had some thoughts. And so I know as we look at the different funds each of your firms offer, you covered it in your portfolio. But looking at ARDC, which is a listed closed-end fund. Again for the people that don't know you as well, and it's not just-- obviously the listed versus non-listed is a piece. But the other features, and functions, and flavor of those two portfolios, you may not be as involved in it but I know you're at Ares and you guys are all pretty close. And the same thing for Parth, did you consider when you built the interval fund, I think the one that feels closest is kind of a blend of NBCO and NMZ. What are the guts? Give us some more granular details [inaudible] dug in and you go, "Ah!" How are the NAVs different, is my question to each of you in simple terms.

Greg Margolies: Great question. I am very familiar, I'm on the investment committee for ARDC and helped launch it actually. I remember being on the floor of the exchange back, when you could, when we launched that. There is two fundamental differences. It doesn't make either one better or worse, they're just different. One is the investments that we do. So in CADEX, like I said, we go across everything, liquid, illiquid, performing, distressed, real estate, corporate, alternative. ARDC is much more focused on liquid assets being loans, syndicated loans, bonds, and the mezzanine of CLOs. So the asset mix is very different.

The second fundamental difference is as a closed-end fund, ARDC, when you access your liquidity or you purchase into the fund, you're buying it at that prevailing price, where it's traded. That could be at a premium to NAV, it could be at a discount to NAV. But you can get full liquidity immediately assuming you like the price. But you can get access to liquidity at a price.

CADEX on the other hand, the NAV, you come in and out of the fund at NAV, not a premium or discount to NAV but at NAV. We have an ability to offer 5% of the fund's NAV in liquidity quarterly, so up to 20% annually. We've never come close to the 5%, so that if anyone who's put in for their full liquidity has gotten it back immediately. However theoretically if we did have more than 5%, as for liquidity, you could be capped out and get just your pro rata portion of your liquidity back.

So that's the fundamental difference between an ARDC, a true closed-end fund, versus CADEX which is an interval fund. Asset mix difference and come in and out at NAV versus coming in and out at a trading level. Having guaranteed access to liquidity at a price, versus usually full access to liquidity at NAV but there's a possibility of not.

Chuck Jaffe: That's fair. Do you any different perspective, Parth, the way Nuveen looks at their cousin funds?

Parth Doshi: Yeah, so I think structurally Greg hit the nail on the head. I won't reiterate that. But in terms of kind of how the interval fund is different than our two high-yield listed closed-end fund offerings. So NMCO kind of takes the most credit risk between NMZ and NMCO.

John Cole Scott: Oh, okay.

Parth Doshi: So I would say kind of I would compare NMCO to this particular interval fund.

John Cole Scott: That was a typo on my end, sorry.

Parth Doshi: No worries at all. So as John Cole Scott mentioned earlier, the listed closed-end fund market trades heavily on high distributions. So NMCO, while it allocates across our best high-yield ideas, it's primarily allocating to performing debt. We need that income in order to pay the distribution. Whereas in the enhanced high-yield municipal bond fund, were also looking for more total return opportunities when they present themselves. So it'll have greater allocations to defaulted, stressed, or distressed issuers as well as to private placements. And then secondly the interval fund generally takes kind of a more concentrated position in our best ideas, whereas NMCO is maybe slightly more diversified.

John Cole Scott: Yeah, it's interesting, I noticed when I was reviewing the Covid pullback, you guys didn't have a fund in. But we even looked at the NAV performance of the cousins, PIMCO, and Ares, and BlackRock, an GSO. And how the NAV performance, it went less down for the interval funds than the NAV of the closed-end funds really across the board. It was interesting how less volatile NAVs in that use. And part of it was less leverage, because obviously is the good and bad of all levered investments. You either love it or hate it, depends on where you used it.

But definitely thinking about that piece, and then knowing sometimes for our clients, I have a higher income client and I want to use interval fund because discounts are a little narrow. But we have a dollar defined goal for a lot of our clients who go, "I've got to use ARDC because I need that higher yield." And because when I talked to them, the yield is probably going to be lower in most environments for that fund because of the asset mix and because you both have cushions on both sides of the NAVs in my experience. But it's just a different mix doing different things, and I think that's the important feature.

On both sides, because we haven't bought your interval fund yet, it's rather new as you know, Parth. But we use a lot of each of your funds, which we build our portfolios and decide where to do it. I'm thinking as an advisor, okay, liquidity, volatility, yield profile. We can maybe, as discounts stay narrow, rotate from a premium muni fund into your interval fund and go, "Well, that was easy." As long as my clients have a long-term focus for income from the manager and from the sector. That's how we think of it. Is that the feedback that you guys get through your reach out to advisors?

Parth Doshi: Yeah, I think that that's absolutely right. I completely agree.

John Cole Scott: Well, good, great discussion. I think very different NAVs, that's why I built this panel. I thought that'd be fun to have taxable versus a tax-free credit. But at the end of the day as you know, this is the interesting credit ops Nuveen look at the market, much different than just your AMT-free exposure to munis. Which all is important for different buckets and for different portfolios, so thank you guys so much. We are ending a little bit early, but unless there's another question?

Chuck Jaffe: Well John, I'll close it out from here. Not that I'm kicking you off your own stage, but I will do just a little bit of that. John Cole Scott, he'll be back shortly, he'll be the other bearded moderator. But guys, I do want to thank you for what you've done here, you've given us a nice look underneath. And again, I want to remind everybody, Parth Doshi is with Nuveen and Greg Margolies is with Ares. There's plenty of information on them at the AICAlliance.org website where you got the information about this seminar, etcetera.

And for Greg and anybody else who's out there who wants to find *The NAVigator* podcast, that is available at AICAlliance.org. And if you want to learn more, you want to get way broader because that's one short side and you want to find out about my show, it's called *Money Life* and it's online at MoneyLifeShow.com. I am Chuck Jaffe, thanks so much for joining us everybody. A little bit longer break than perhaps expected, but the show will be back with John Cole Scott in just a few moments.

Recorded on December 8, 2021.

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

https://AICalliance.org/

Disclosure: *The opinions of the speakers / presenters are their own opinions and may not be the opinions of AICA. 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 but rather on a quarterly or semi-annual basis, often on a small percentage of share. CEFs often use leverage, which can increases 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.*