

CALLODINE



An Introduction to Interval Funds

INVESTOR BROCHURE

INTERVAL FUNDS:

What is an Interval Fund?

Interval Funds are continuously offered unlisted closed-end funds that provide investors with periodic redemptions at set “intervals,” and can invest in a wide range of asset classes across public and private markets.

Starting With The Basics



OPPORTUNITY

Interval Funds may invest in a wide range of public and private asset classes that offer varying levels of liquidity, volatility, diversification, and return characteristics.



ACCESS

Interval Funds tend to have lower investment minimums than traditional private funds and simplified tax reporting (Form 1099), and may offer investors access to alternative investment opportunities.



LIQUIDITY

By nature, Interval Funds have a repurchase requirement, whereby the fund must offer to repurchase between 5-25% of outstanding shares at a set liquidity interval (most often quarterly).



GOVERNANCE

Interval Funds are required to register under the Investment Company Act of 1940 and are typically subject to the Securities Act of 1933 and the Securities Exchange Act of 1934.

Note: This brochure is for educational purposes only, is not fully inclusive of all public and private fund structures and reflects Callodine's subjective views. Registration with the SEC does not guarantee the success of an investment nor provide insurance of any assets.

Interval Fund Landscape Overview

Introduction

Interval Funds come in a variety of styles and flavors largely because of their ability to invest across both publicly listed securities (including public equities and numerous forms of fixed income) as well as private investment strategies consisting of non-listed investments (also known as alternative investments). Interval Funds are not a new concept however, as the fund structure first gained traction in the 1990s and has more recently grown in popularity due to investors' increasing focus on private asset classes and strategies. The most common private investment asset classes in which Interval Funds invest are Private Credit, Real Estate, Private Equity, and Venture Capital.

Increasing Adoption

One of the key benefits that Interval Funds may offer investors is access to a multi-strategy exposure of public and private asset classes and strategies – an asset allocation practice that has historically been adopted by larger institutional investors for decades. Today, the proliferation of Interval Funds has coincided with the broader interest of private asset classes and strategies by individual investors, as well as small and mid-sized institutions.

The structure of an Interval Fund may provide investors with an optimal “turn-key” solution to illiquid private asset classes in a more consumable format. Others hold a similar view, as the interval fund landscape now consists of approximately 150 funds and has grown to over \$125 billion in total assets invested across varying public and private classes and strategies.¹ As illustrated on the next page, interval fund assets have grown at roughly a 20%+ compounded annual growth rate from 2010 year-end to 2025, and continue to gain traction amongst investment managers and investors as demonstrated by the increasing number of fund launches over the past couple years.²

1. Interval Fund Tracker. Total Net Assets as of 12/31/25. Figures calculated by Callodine's Research Team.

2. Interval Fund Tracker. Total Net Assets data from 12/31/10 through 12/31/25. Figures calculated by Callodine's Research Team.

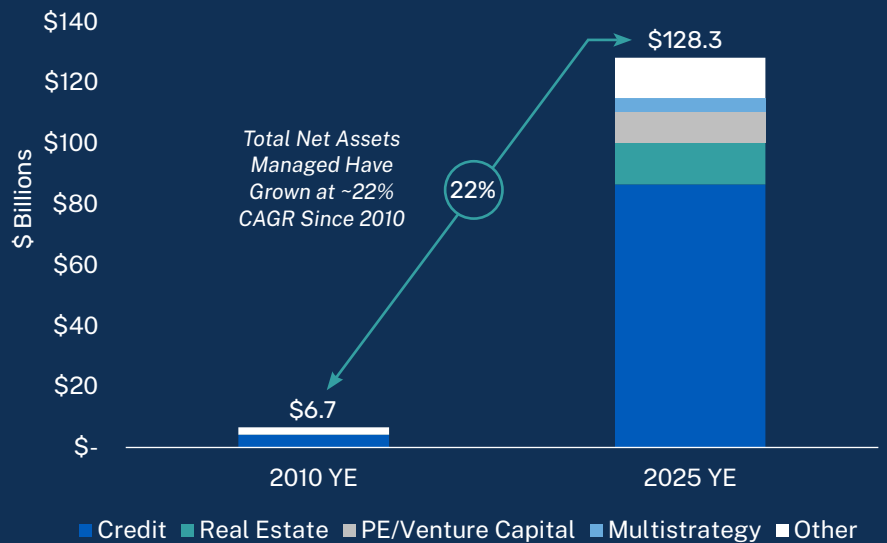
Note: Commentary is intended to be explanatory and reflects Callodine's subjective views based on market observations.

INTERVAL FUNDS:

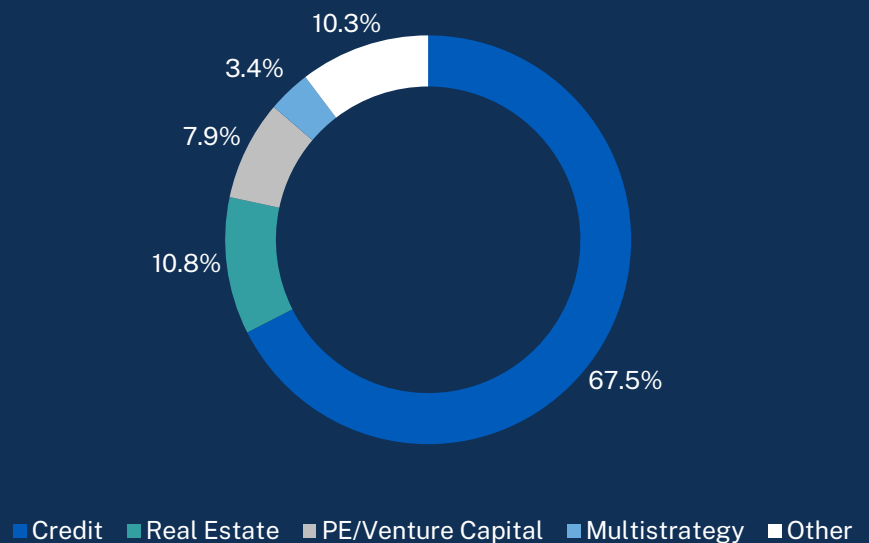
Asset Class Breakdown

Today, yield-oriented investment strategies dominate the Interval Fund market. Credit, largely in the form of private credit strategies, represents over half of the assets managed by Interval Funds, followed by real estate which represents nearly a third of all funds. The majority of the underlying investment strategies across asset classes include private direct lending, specialty finance, asset-based lending, commercial real estate credit, and various publicly traded fixed income strategies. Private credit strategies, including real estate credit, typically target the dual benefit of income generation paired with capital preservation. We believe shorter duration private credit strategies are best suited for these structures, as they may provide a better overall liquidity profile.

INTERVAL FUND TOTAL NET ASSET GROWTH ¹



INTERVAL FUND BY ASSET CLASS (2025 YE) ²



1. Interval Fund Tracker. Total Net Assets data from 12/31/10 through 12/31/25. Figures calculated by Callodine's Research Team.

2. Interval Fund Tracker. Total Net Assets data as of 12/31/25. Figures calculated by Callodine's Research Team. Other category includes Equity, Shares of Beneficial Interest, Derivatives/Insurance linked securities, and other non-classified funds.

Fund Structures

Comparing Public & Private Fund Structures

Interval Funds are a type of “hybrid” investment vehicle that require registration under the Investment Company Act of 1940 like a mutual fund, however they typically offer inferior liquidity to traditional closed-end public funds based on the fact that many interval funds invest in private assets.¹

	PRIVATE FUND STRUCTURES		PUBLIC FUND STRUCTURES		
	Closed-End Private Funds	Evergreen Funds	Interval Funds	Closed-End Public Funds	Open-End Public Funds
Structure	Closed-end General Partner and Limited Partnerships	Open-ended fund structure with no termination date	Closed-end fund, offered continuously	Closed-end fund structure with set number of shares	Open-ended fund structure with no set number of shares
Tradability	Not tradable	Not tradable	Not tradable, redeemable with shares sold back to company at NAV	Tradable at market price (premium / discount to NAV)	Tradable at NAV
Liquidity	6-10 year lock-up period	Typically quarterly	Typically quarterly or monthly	Daily Traded at Market Price (Permanent Capital)	Daily (Overnight Liquidity)
Capital Deployment	Multi-year commitment period via capital calls	Short deployment period via capital calls	Immediate	Immediate	Immediate
Investor Eligibility	Qualified Purchasers	Qualified Purchasers	Accredited Investors or Qualified Clients, sometimes open to all investors	Accredited Investors or Qualified Clients, frequently open to all investors	All investors
Registration	Private	Private	40 Act Fund	40 Act Fund	40 Act Fund
Tax Reporting	K-1	K-1	Form 1099	Form 1099	Form 1099

(-) LIQUIDITY SPECTRUM (+)

1. Interval Funds have limited liquidity. Interval Funds make period share repurchase offers in which each repurchase offer is made at NAV and must consist of 5%-25% of a funds' outstanding shares. It is possible that a repurchase offer may be oversubscribed, in which case Shareholders may only have a portion of their Shares repurchased. Please refer to more comprehensive comparison considerations in the endnotes.

FUND MECHANICS:

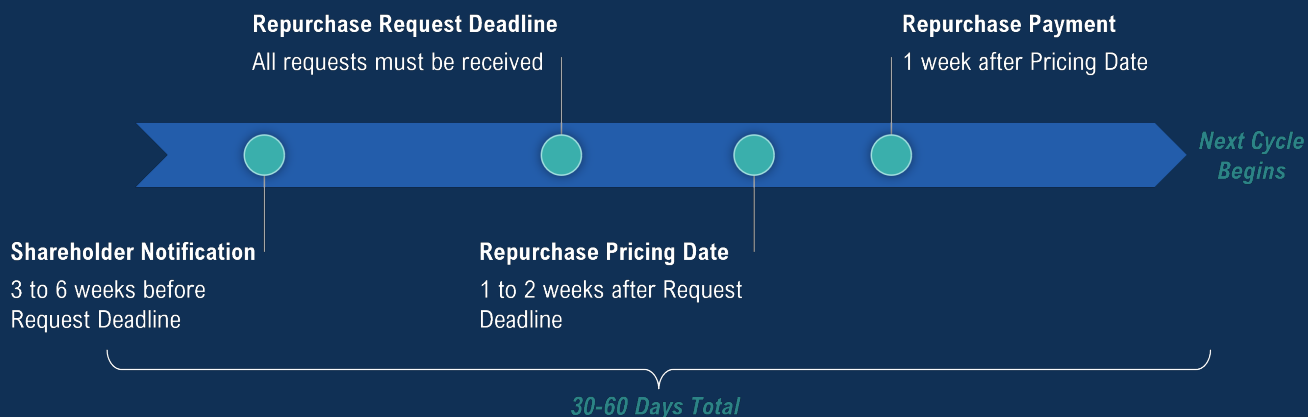
Investment Frequency

Interval Funds are closed-end funds that are registered under the Investment Company Act of 1940 and are typically not listed on an exchange. Interval Fund shares are usually offered for purchase at a fund's net asset value (NAV) and because they are offered continuously, investors can buy shares at their discretion. This is not the case for fund redemptions (known as share repurchases), which are less frequent and are typically offered quarterly. The frequency in which a fund calculates its NAV tends to vary, though for Interval Funds that are marketed predominately to individual investors, there tends to be a daily net asset value per share.

Liquidity & Share Repurchases

Though technically classified as registered closed-end structures, Interval Funds function much like "hybrid funds," consisting of characteristics of both open and closed-end funds. Interval Funds offer less liquidity to investors than open-end funds, but greater liquidity as compared to traditional private funds. Interval Funds make periodic share repurchase offers, in which each repurchase offer is made at NAV and must consist of 5-25% of a fund's outstanding shares. Each fund has its own set schedule associated with the repurchase offers (or "intervals"). Below is an example of a share repurchase timeline beginning with the notification to a shareholder of the upcoming request deadline, and ending with the repurchase payment 30 to 60 days later.

EXAMPLE REPURCHASE TIMELINE



Note: Example is for illustrative purposes only.

Fees and Expenses

Interval Fund fee structures and expenses can vary depending on a fund's investment strategy and the approach the fund manager employs (which we explore further in the next section). A full breakdown of an Interval Fund's annual expenses, inclusive of fees, can be found in a fund's prospectus.

MANAGEMENT FEES

The most common fee type charged by Interval Funds is a management fee, which usually ranges between 0.50% to 2.00% charged on either a fund's managed assets or net assets.

INCENTIVE FEES

Also sometimes referred to as performance fees or carried interest, incentive fees are charged to investors based on a fund manager's performance. Interval Funds that charge an incentive fee typically charge a percentage of net investment income over a hurdle rate. Not all Interval Funds charge an incentive fee, however for those funds that invest in private asset classes and have the direct origination capabilities in house, an incentive fee is often charged. Alternatively, for Interval Funds that rely on external investment managers that invest in private markets, or "fund-of-funds," incentive fees are not usually listed at the fund level but often show up in the form of Acquired Fund Fees and Expenses (AFFEs).

ACQUIRED FUND FEES & EXPENSES

These fees are usually present if the Interval Fund utilizes a "fund-of-funds" approach, and these fees represent the cost that external fund managers charge the interval fund manager, which are then passed through to the investor.

SALES RELATED FEES

Typically dependent on an Interval Fund's share class and can come in a variety of formats. Distribution and servicing fees are generally paid to a selling broker-dealer and its agents. Some funds include share classes that charge a front-end load (or sales charge), which can vary substantially between funds, but is usually less than 5% of the amount invested. Other share classes may include a repurchase fee charged when an investment is withdrawn, or a deferred sales charge to investors that withdraw their investment prior to a set date indicated at the time of purchase. Charging both fees on a single share class is not common.



OPERATING EXPENSES

Include non-advisory costs of operating the fund, and often include expenses related to legal, audit, custody, and other administrative costs.

FEE WAIVER OR CAP FEE

Serve as a waiver the fund sponsor may use to limit the total expenses of the fund.

Interval Fund Manager Approaches

	Single Asset Strategy	Multi-Strategy	Fund-of-Funds
Approach	Investment Manager focused on a single asset class or underlying strategy	Investment Manager creates a multi-strategy portfolio via complementary investment strategies, all managed in-house	Investment Allocator or Consultant that allocates capital to several underlying investment managers or fund strategies
Number of Strategies	One strategy	Typically, three or more strategies	Typically, three or more strategies
Dynamic Capital Allocation	Only can control pace of deployment	Ability to re-allocate based on market conditions	Ability to re-allocate based on market conditions but typically on a lagged basis
Information Flow	No lag, portfolio information flows directly to investment manager	No lag, portfolio information flows directly to investment manager	Information received periodically from investment managers on a lagged basis
Coordinated Risk Management	Oversight by investment team, may be limited depending on asset class	Oversight by portfolio manager(s) and specialized investment teams	Reliant on underlying external investment managers
Liquidity	Managed by fund adviser, may be limited depending on asset class	Managed by fund adviser, with visibility and control over allocations to govern liquidity	Limited based on underlying external fund structures
Fees	Single fee layer (may include management fee and performance fee)	Single fee layer (may include management fee and performance fee)	Layered fees, often in the form of fund management fees + external manager fees
Management Access	Direct access to portfolio manager(s) and specialized investment team	Direct access to portfolio manager(s) and specialized investment teams	Fund adviser serves as “gatekeeper” between investor and external managers
Operational Strength	Higher transparency of infrastructure	Higher transparency of infrastructure	Lower transparency due to multiple external managers

Note: Information is provided for explanatory purposes only and may not accurately represent the approaches taken by investment managers that manage interval funds. Example reflects Callodine’s subjective views. Please refer to more comprehensive comparison considerations in the endnotes.

Structural Benefits & Considerations

Potential Benefits



ACCESS: Interval funds have the ability to invest in private less-liquid or illiquid assets, and are not subject to the same 15% cap limit of mutual funds



LOWER EXPENSE RATIOS: Expense ratios are typically lower compared to private alternative investment vehicles



LOWER ELIGIBILITY REQUIREMENTS: May not be required to be an accredited or qualified investor and usually have lower minimum investment amounts

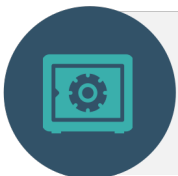


TRANSPARENCY: Funds are required to value their assets and file financial reporting documents with the SEC giving investors a transparent view of their investments

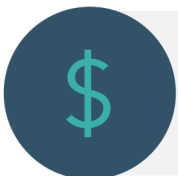


SIMPLIFIED TAX REPORTING: Interval Funds are structured as a Regulated Investment Company (RIC) which “passes through” income to investors-thereby avoiding double taxation

Considerations



LIMITED REDEMPTIONS: Assets are withdrawable through share repurchases that occur on a specified timeline



FEES: Compared to mutual funds or exchange-traded funds, fees are typically higher

CALLODINE

Callodine Group (“Callodine”) is an asset management platform with over \$20 billion in AUM across affiliated advisers. The Firm seeks to pursue predominantly income-oriented investment strategies with high cash yields that offer the potential for equity-like returns. Callodine’s investment platforms have separate and dedicated investment teams that target strategies across private credit, private real estate, public equities and fixed income on behalf of institutional and individual investors.



Expertise in Niche Yield-Oriented Strategies



Dedicated & Specialized Investment Teams



Ability to Invest Across the Capital Structure



Suite of Asset Management Capabilities

Investment Capabilities

PRIVATE MARKET STRATEGIES	
Asset-Based Lending	Aviation Finance
Entertainment Lending	Real Estate Lending
Life Sciences Finance	Direct Lending

PUBLIC MARKET STRATEGIES	
Equity Long/Short	High Yield Debt
Equity Long-Only	Unconstrained Debt
Equity Sector-Focused	Tax Exempt Debt



PROFILE

Founded	2018
Group AUM	\$22.6bn
Group Employees	300+
Dedicated Investment Teams	8
Group Offices	14

Note: Assets under management are unaudited estimates as of 12/31/25 and provided solely for the purpose of this presentation. AUM statistics reflect assets managed by Callodine Capital Management LP, Callodine Credit Management LLC, Thorofare LLC, Manning & Napier Advisors, LLC, Rand Capital Management, and Corrum Capital Management LLC.

Disclosure

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Additional Comparison Considerations: Before making an investment decision, it’s important to check the fund’s prospectus or offering memorandum for factors such as investment objectives, costs and expenses, liquidity, fluctuation of principal or return, and tax features. Investment objectives will vary greatly among all structures and directly impact the volatility of any given fund, however private market funds are generally expected to be more speculative than registered funds due to the differences in regulatory oversight requirements. While open-end public funds are limited in the amount of illiquid and derivative investments they may make, closed-end funds have less limitations, and private funds generally have no restrictions on such holdings. The performance of private market funds is difficult to measure and therefore such measurements may not be as reliable as performance information for other investment products. In addition to the transactional fees and ongoing operating expenses contained within most fund structures, private market funds often include a performance fee applicable to investors.

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