

## INTERVAL AND TENDER OFFER FUNDS

*Managers can now offer greater exposure to illiquid and non-correlated strategies to new investors in a registered product*

Interval and tender offer funds provide traditional and alternative managers with a flexible wrapper to deliver distinct investment solutions to the marketplace. Interest in these structures has increased rapidly in recent years as investors demand access to new asset classes and managers look to differentiate their product mix while facing cost pressures and limiting regulations.

### ALTERNATIVE AND TRADITIONAL ASSET MANAGERS ARE CONVERGING

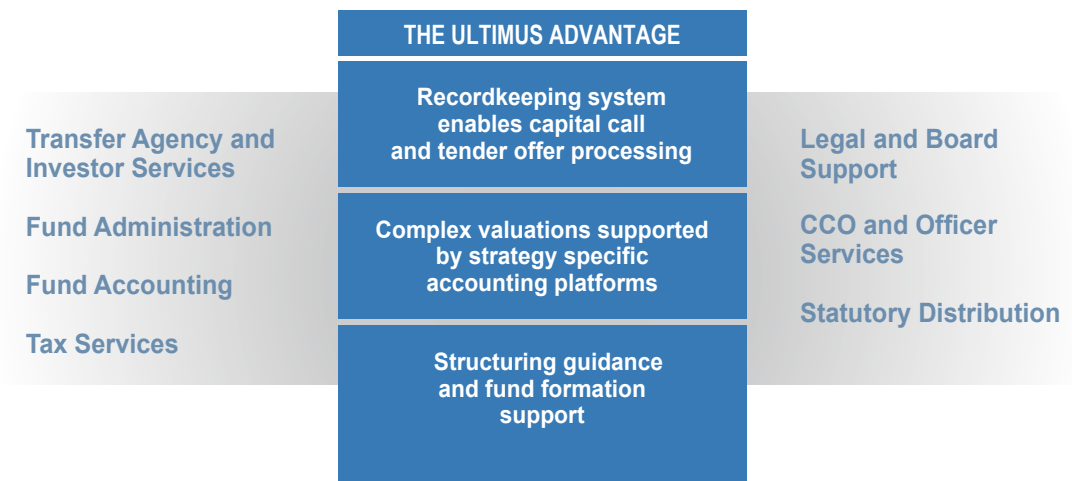
#### Advisers Rationale

- Investment flexibility to hold non-liquid assets
- Access to unlimited investors
- Captive asset base and fund/board defined liquidity periods
- Asset classes command higher management fee
- Product mix diversification
- Access to traditional and new distribution channels

#### Investors Rationale

- SEC regulated investment structure
- 1099 tax reporting
- May offer the ability to access strategies that are typically only in reach for HNWI investors – real estate, private equity, credit, hedge
- High-yielding, non-correlated asset classes provide portfolio diversification
- Availability through advisers and platforms
- Lower investment minimums

Comprehensive Fund Administration support for Interval and Tender Offer Fund Sponsors:





## Ultimus' Shareholder and Distribution Support

As interval and tender offer funds have risen in popularity in recent years, so too has adviser education and intermediary/platform receptivity to these structures. We will assist you in navigating the intermediary landscape and meeting requirements for these structures across your syndicate. We offer robust technology and processing tools to streamline sensitive transfer agent touchpoints, including:

- Investor purchase commitment and fulfillment
- DTCC AIP trading & commitment fulfillment
- Capital call support
- Repurchase and tender offer processing
- Time weighted fund and investor performance calculations
- Expense processing
- Shareholder and adviser web access
- Integrated correspondence
- FundServ access (NSCC participant code)
- Literature and advertising review
- Rep Licensing and ongoing education

## STRUCTURE COMPARISONS

	Mutual Fund	Closed-End Fund	Interval Fund	Tender Offer Fund	Hedge Fund
<b>Investor Limitations</b>	None	None	None	Depends on underlying investments	Accredited investors 3(c)(1) – 100 investors 3(c)(7) – unlimited qualified purchasers
<b>Tax Treatment</b>	1099	1099	1099	1099	K-1
<b>NAV Calculation</b>	Daily	Daily – Exchange Listed	Weekly/Daily	Flexible (Monthly/Quarterly)	Monthly
<b>Redemption</b>	Daily	Daily	3, 6 or 12 months	Discretionary: 3, 6 or 12 months	Periodic and Flexible
<b>Liquidity Restrictions</b>	Illiquid securities limited to 15% of net assets	None	Flexible; must maintain liquid assets sufficient to meet repurchase offers during repurchase offer period	None	None
<b>Liquidity Structure</b>	Must meet daily redemptions	• Intraday trading on secondary market • Primary market create/redeem activity daily	Repurchase offers required at interval chosen by fund (quarterly, semi-annually or annually) Approx. 180 days	Frequency and amount of tender offers at discretion of the Board	Manager discretion
<b>Launch Timeline</b>	Approx. 120 days or less if joining a series trust. SEC registration is 75 days to effectiveness	Approx. 180 days (SEC registration is 3 months or more)	Approx. 180 days (SEC registration is 3 months or more)	Approx. 180 days (SEC registration is 3 months or more FINRA 5110 Review)	Approx. 60 days

\*Exempt from certain aspects of a liquidity risk program; do not need to classify portfolio investments under, or comply with, the highly-liquid investment minimum requirements

At Ultimus, we understand that each investment manager has unique business circumstances. Therefore, we provide customized solutions to meet your specific business needs and fund strategy requirements.

We look forward to speaking with you.

Please contact us today at [inquiry@ultimusfundsolutions.com](mailto:inquiry@ultimusfundsolutions.com) or 800.813.1421

Ultimus Fund Solutions, LLC provides fund distribution services through its affiliated broker-dealers: Ultimus Fund Distributors, LLC, and Northern Lights Distributors, LLC. Each of which is a registered broker-dealer and member of FINRA.

Investments in interval and tender offer funds involve significant risk and are not suitable for all investors. Investments in these types of funds are illiquid and are not suitable for shareholders who need access to the money they invest. Because investors cannot readily sell their shares, they will not be able to reduce their investment exposure during market downturns.

REGISTERED FUNDS | PRIVATE FUNDS | MIDDLE OFFICE | PUBLIC PLANS

Cincinnati, New York, Chicago, Denver, Philadelphia, Minneapolis, Boston, Columbus, Omaha



[www.ultimusfundsolutions.com](http://www.ultimusfundsolutions.com)