



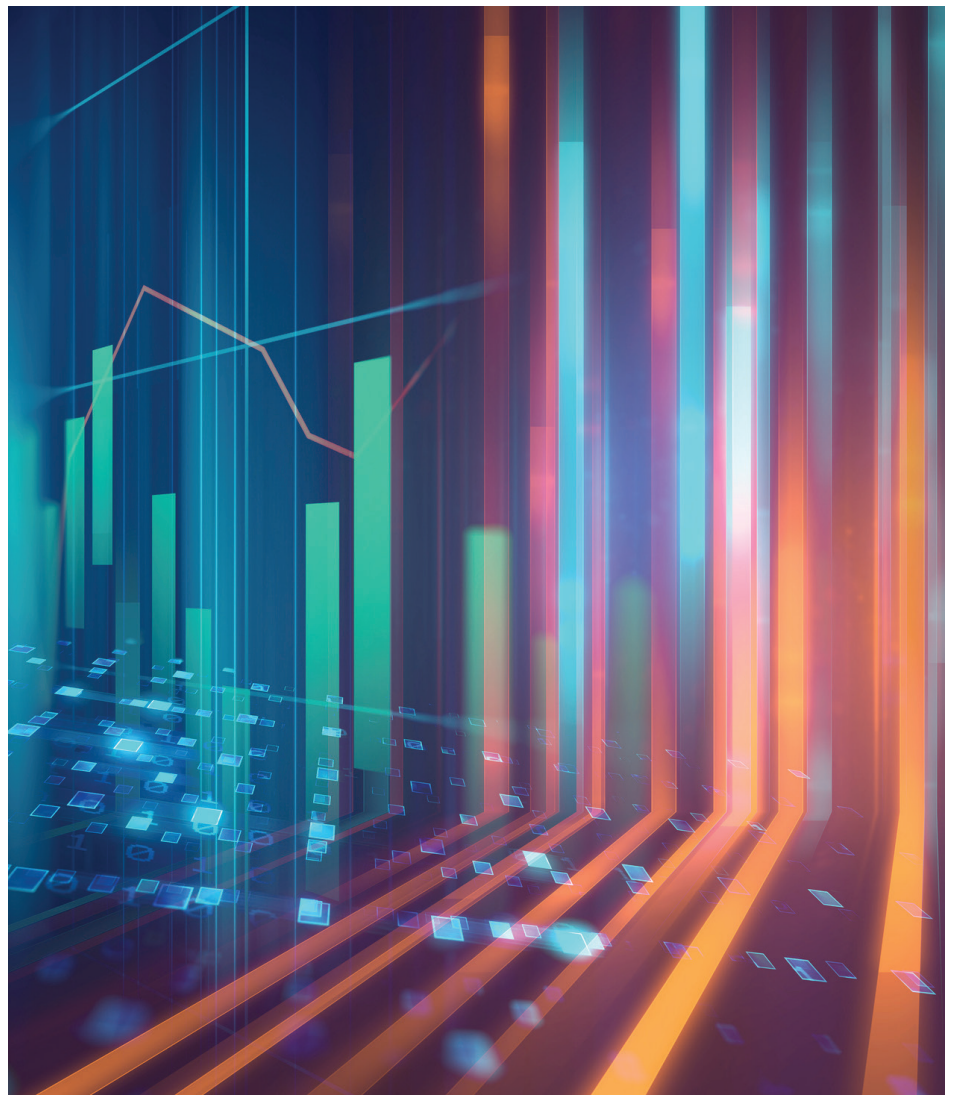
Interval Funds

*Interval
Funds*

STRADLEY
SR
RONON

OUR PRACTICE

Stradley Ronon's investment management group provides legal advice to a variety of closed-end funds, including those structured as "interval funds" that operate pursuant to Rule 23c-3 under the Investment Company Act of 1940 and "tender offer funds" that do not rely on the rule. We have extensive experience with regard to the creation and operation of these types of funds, including with respect to initial structuring decisions, formation and registration, corporate actions such as reorganizations, drafting regulatory filings for periodic tender offers, obtaining exemptive relief for multi-class and distribution fee structures, advising on ongoing compliance and regulatory issues and counseling the boards of trustees that oversee these types of funds.



EXPERIENCE WITH ALTERNATIVE ASSETS

We are experienced in helping funds and boards address the complex liquidity, valuation and custody issues related to the alternative assets in which many interval funds and tender offer funds invest, including energy investments, real estate securities and REITs, frontier markets securities, late-stage private companies, private credit (directly originated loans and senior securities), syndicated debt,

distressed debt, marketplace loan investments, and alternative/harder to access credit investments (including public and private below-investment-grade and nonrated debt, as well as collateralized/structured/asset-backed obligations).

UNIQUELY POSITIONED TO ADD VALUE

By bridging both the private fund and registered fund worlds, Stradley Ronon is uniquely positioned to assist asset

managers who are interested in implementing their alternative strategies in a registered fund vehicle in order to gain access to the retail marketplace. Our significant experience with derivative instruments, including their trading and documentation, has allowed us to assess early in the process any "showstopper" issues, advise on complicated compliance questions and assist management in educating fund boards on these new products. Many of our clients have liquid alternatives funds or funds that employ such strategies.

YOUR ISSUES

Stradley Ronon assists with all legal issues throughout an interval fund's life cycle. We routinely advise on:

- **Initial Structuring Decisions** – Helping clients navigate initial structuring decisions, including weighing the pros and cons of utilizing one particular type of fund structure over another (e.g., the choice between an interval fund vs. a tender offer fund) based on considerations unique to the product and its portfolio.
- **Establishing Fund Policies** – Providing support in the initial launch phase of new products, including with respect to establishing fund policies. For example, in setting the timing for repurchase offers or tender offers, it is important to consider how the fund will manage liquidity and cash flow (particularly if the fund will in turn invest in underlying vehicles with lock-ups).
- **Fund Formation and Initial Registration** – Routinely assisting in the original drafting and/or review of fund formation and registration documents, and navigating the registration process with the SEC, including helping clients to address staff

comments that often include questions about how funds plan to address various Investment Company Act considerations in the alternative asset context.

- **Obtaining Exemptive Relief** – Working with clients to obtain exemptive relief necessary for the operation of their funds, including relief that allows for multi-class and distribution fee structures within closed-end interval funds or tender offer funds, and co-investing relief that is frequently relied upon by credit funds.
- **Establishing Distribution and Shareholder Servicing Arrangements** – Providing legal support to funds and fund sponsors as they navigate the distribution landscape and its unique considerations for interval and tender offer funds. For funds that will be sold through third party platforms, we have extensive experience in reviewing and negotiating platform distribution and/or shareholder servicing arrangements.
- **Advice with regard to Advisory Fee Structures** – Assisting clients in navigating applicable parameters in establishing advisory fee structures for their funds. While these considerations are not unique to interval

funds and tender offer funds, these considerations are frequently brought into focus where alternative assets are introduced in the retail fund structure.

- **Interval Fund Regulatory Compliance** – Helping clients navigate the nuanced applicability of various regulatory requirements in the interval fund context, where funds operate as hybrids between open-end and closed-end funds.
- **Corporate Actions (Reorganizations)** – Providing legal advice on structuring and executing corporate actions such as conversion into an interval fund structure; reorganizations among multiple interval or tender offer funds; and reorganizations from an interval fund into an open-end fund.
- **Drafting Regulatory Filings for Periodic Tender Offers** – Assisting in the preparation of regulatory filings in connection with periodic repurchase offers or periodic tender offers, the latter of which involves more detailed documentation and filings with the Securities and Exchange Commission.

For more information on our Interval Funds practice,
visit www.stradley.com/interval-funds.



CONTACTS

Joel D. Corriero

215.564.8528

jcorriero@stradley.com

Mena Larmour

215.564.8014

mlarmour@stradley.com

Michael D. Mabry

215.564.8011

mmabry@stradley.com

Nicole Simon

212.812.4137

nsimon@stradley.com

ABOUT STRADLEY RONON

For more than 95 years, Stradley Ronon has helped private and public companies – from small businesses to Fortune 500 corporations – achieve their goals. With eight offices and more than 200 attorneys, Stradley Ronon is proud to help companies manage their legal challenges and grow their businesses.

www.stradley.com

LOCATIONS

Philadelphia
Washington, D.C.
Chicago
New York



This communication is provided as a general informational service to clients and friends of Stradley Ronon Stevens & Young, LLP. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this message create an attorney-client relationship. The enclosed materials may have been abridged from other sources. They are provided for educational and informational purposes for the use of clients and others who may be interested in the subject matter. This material may be considered attorney advertising in some states. Please note that the prior results discussed in the material do not guarantee similar outcomes.

© 2023 Stradley Ronon Stevens & Young, LLP