MUFG Investor Services

Semi-Liquid Funds

Due to semi-liquid funds' complex structure, navigating fee calculations, redemptions, investor allocations and other operational challenges require specialized expertise and technical knowledge.

DEFINING COMPLEX FUNDS

While definitions and structures vary, semi-liquid funds (also referred to as evergreen funds) are neither fully open-ended nor closed-ended and include continued investment and redemption periods. These structures require tailored administration, utilizing trusted technology in combination with fit-for-purpose services and operational processes.

Characteristics

Although each structure is unique, semi-liquid or evergreen funds generally include:

1. No fixed end date
2. Ongoing capital strategy
3. Defined liquidity buffer and management

CORE SERVICES

Fee Calculation Tools for Waterfall, Carried Interest Modeling and Performance Fees

In-Country Experts Strategically Located Globally

Calculation of Net Asset Value and Investor Pricing

Transfer Agency Services Including Complex Redemptions

Payments and Settlements Platform, including Liquidity Matching for Slow Pay and Full Redemption

Automated Connectivity Between Fund Accounting and Transfer Agency Platforms

Digital Onboarding and AML/KYC Services

Customized Reporting Solutions

Complex Allocation Capabilities including Deal- and Investor-level

HOW WE SUPPORT EVERGREEN FUNDS

Market Expertise

- MUFG Investor Services has partnered with asset managers to support semi-liquid funds for nearly a decade.
- Our technology can be optimized to meet the specific needs of evergreen funds.
- Our systems are built to support open- and closed-ended funds at every stage.

Tailored Solutions

- Evergreen structures require personalized solutions backed by teams with deep market experience.
- For example, our fee calculation tool runs waterfall, carried interest modeling, and performance fees per investor and our payments and settlements platform provides solutions for slow pay and full redemption – all unique considerations for semi-liquid funds.

Partnership Model

- We know speed to market is critical. Partnering with a trusted provider who can streamline front-, middle- and back-office services will save time and create efficiencies.
- Our teams enable investment managers and asset owners to manage complex portfolio strategies across asset classes and regions.

OPERATIONAL CHALLENGES OF EVERGREEN FUNDS

Challenges in matching liquidity between investors and investments due to slow pay provisions and lock-in periods

Intensified investor operations including onboarding, AML/KYC and transfer agent activity

Increased redemptions in addition to increased NAV and investment performance calculations

Heightened cash and liquidity management needs due to increased inflows and outflows

Drawdown allocation complexities when calculations are not based on commitments or queue systems

CLIENT STORY: EVERGREEN FUND SERVICING

A $1B+ global investment manager decided to utilize a semi-liquid fund for a multi-faceted private market offering. But without the necessary administrative and operational support, it was not positioned to tackle the challenging, and often nuanced, requirements of an evergreen structure. Our team helped the client overcome operational complexities and provided deep subject-matter market expertise.

Client Need

- Operational efficiency
- Streamlined accounting
- Liquidity management
- Flexible reporting

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Our Expertise

- Evergreen fund structures
- Scalable services
- NAV reporting
- Streamlined pricing and allocations

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Better Outcome

A comprehensive operational model for a new evergreen fund that could fit into the client's existing technology stack and be ready for launch within seven weeks.

THE MUFG ADVANTAGE

Balance Sheet

- Backed by the strength and balance sheet of MUFG Group, with strong investment-grade credit ratings
- Direct participant in global FX markets

Technology

- Solutions include innovative, cloud-based technology providing trusted infrastructure
- Suite of off-the-shelf solutions easily combined to address a range of use cases

Single-Source Provider

- Best-in-class asset servicing offering with integrated banking, treasury, FX, financing, custody, and depositary
- Provides end-to-end support across the value chain

A PARTNERSHIP BUILT AROUND YOU

Offering much more than asset servicing and administration, we orchestrate scalable and flexible solutions across the entire investment value chain, so you can focus on growth.