

Introduction to Retail Private Markets Funds: Structures to Access Private Equity, Private Credit, Infrastructure and Real Estate Investments

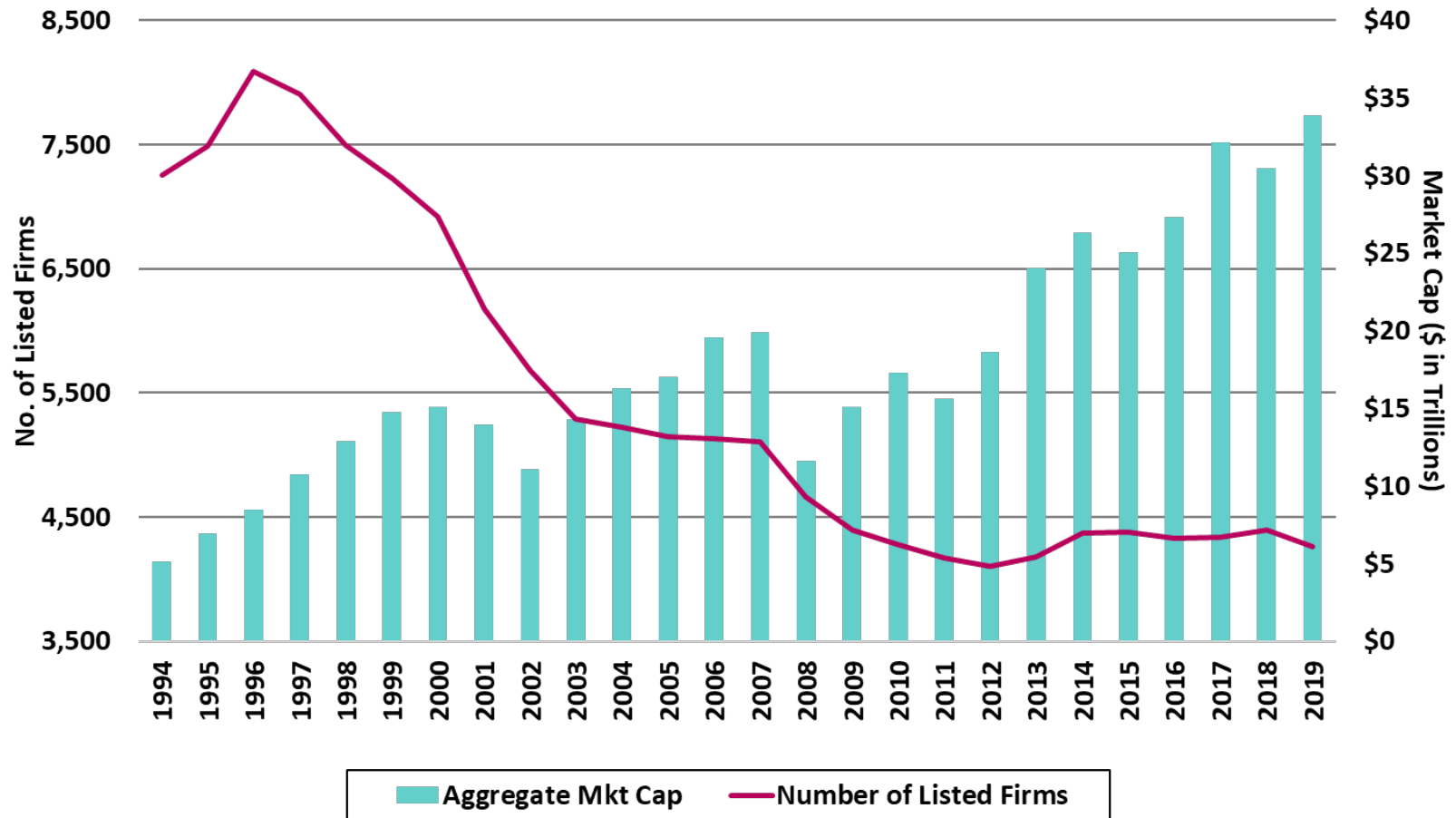
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Decreasing Number of Public Companies has Coincided with Expansion of the Private Markets

Number of listed companies decreased -41% in past 25 years, while market cap increased by 560%



Source: World Bank, as of December 31, 2019. Market capitalization and number of listed companies are for listed domestic companies. Listed domestic companies, including foreign companies which are exclusively listed, are those which have shares listed on an exchange at the end of the year. Investment funds, unit trusts, and companies whose only business goal is to hold shares of other listed companies, such as holding companies and investment companies, regardless of their legal status, are excluded. A company with several classes of shares is counted once. Only companies admitted to listing on the exchange are included.

The Shrinking of U.S. Public Markets

- While regulatory burden is often identified as a factor, the number of public companies has been in decline for over a quarter century
- Legislative and SEC loosening of regulation on the private markets facilitated equity and debt funding of private companies
- Prioritization by emerging companies and founders of control and flexibility discourages IPOs
- Recent movements in interest rates and other related market events have only accelerated the trend and effectively kept the IPO markets closed for over a year until recent signs of a potential rebound
- Even once a rebound in the IPO markets occurs, recent trends in the number of public companies are not expected to reverse
- Given nature of current mix of public companies, investors are increasingly seeking exposure to early stage venture, late stage venture and private equity, along with other private asset classes, for greater diversification and potentially superior returns

Private Markets Asset Classes

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Private Markets Asset Classes

Private Credit

- Invest in loans and other debt securities and/or originate loans to issuers
- Has a track record of being available to retail investors with the rise of BDCs over the past two decades
- Private debt market has grown as banks decreased lending following the enactment of Dodd-Frank, a trend with no signs of abating and possible acceleration in light of recent turmoil in the regional bank sector and related concerns

Private equity

- Control portfolio companies through joint ventures that are either wholly-owned or substantially owned by the by various investment funds and accounts managed by a private equity firm
- Traditionally has been harder to offer exposure to control private equity investments to retail investors due to restrictions under the 1940 Act on principal transactions with affiliates
- Exposure to private equity investments can be provided in a 1940 Act fund indirectly through investments in:
 - “secondaries” (i.e., acquisitions of interests in private equity funds or private equity portfolio companies through secondary market purchases);
 - “co-investments” (i.e., indirect investments in portfolio companies alongside private equity funds via SPVs set up by the private equity firm); and
 - “primary” investments in newly formed private equity funds

Private Markets Asset Classes (*continued*)

Real estate

- Invest in/acquire real estate assets (e.g., residential, industrial, hospitality, data storage)
- May also invest in real estate-related debt investments and traded real estate-related securities
- Longest track record of being available to retail investors through an exception to 1940 Act registration for funds that invest majority stakes in real estate assets coupled with attractive REIT taxation
- More recently, 1940 Act registered closed-end funds taxed as REITs have combined the benefits of REIT taxation in the real estate market with the 1940 Act

Infrastructure

- Control and manage JVs that invest directly or indirectly own majority stakes in portfolio companies, special purpose vehicles and other entities through which infrastructure assets or businesses are held
- Recent federal legislation has increased incentives for private investments in infrastructure
- A fund that makes control investments in infrastructure assets alongside other funds and accounts managed by an investment adviser can be challenging to manage as a 1940 Act fund due to restrictions on principal transactions.
- Similar to private equity, exposure to infrastructure investments can be provided in a 1940 Act fund indirectly through investments in “secondaries”, “co-investments” and “primaries” in infrastructure assets

Overview of Retail Product Design



Retail Product Design

- Attempts to solve for the following challenges:
 - **Portfolio flexibility:** Permits sponsors to manage existing private markets strategies with as few additional constraints as possible
 - **Distribution reach:** Enable offering to as broad an investor base as possible
- Design goals are often in tension; many “imperfect” solutions
 - Example: Existing commitments to limited partners in parallel private funds may be incompatible with 1940 Act exemptive relief needed for negotiated side-by-side investments
- Common types of retail product structures:
 - 1940 Act – registered closed-end (interval and tender offer) funds and BDCs
 - Non-1940 Act – REIT and operating company products

Closed-End Fund Basics

- Listed Closed-End Funds
 - Common stock is listed on a stock exchange such as the NYSE or the NASDAQ
 - Conducts an IPO to list its shares
 - Investors can trade shares on the secondary market at a premium or discount to NAV
 - 1940 Act limits follow-on issuances of common stock
 - Shares registered under the 1933 Act and fund registered under 1940 Act
- Non-Listed Closed-End Funds
 - Distribution channel has grown in recent years
 - Investor liquidity based on repurchase offers from the fund
 - May be registered under the 1933 Act and offered to the general public or limited to private placements to accredited investors
 - Exemptive relief required for multiple share classes
- Insiders of closed-end funds must periodically report their holdings in the funds and report changes in their holdings (1940 Act Section 30(h); 1934 Act Section 16)
- No liquidity risk management program requirement under Rule 22e-4

Non-Listed Closed-End Funds

Tender offer fund

- Express an intent to periodically offer to repurchase shares to provide investors liquidity
- Does not commit to any specific amount or frequency
- Repurchase offers typically capped (e.g., 5% of shares per quarter, 20% per year) and may be granted by board
- Repurchase price typically is equal to net asset value (but may charge up to a 2% redemption fee to cover expenses)
- Subject to 1934 Act tender offer rules

Interval fund

- Interval structure and repurchase frequency must be a fundamental policy of the fund
- Repurchases must be conducted periodically (either every three, six or twelve months under the rule or monthly with exemptive relief)
- Must commit to offer to repurchase between 5% and 25% of shares per offer (under exemptive relief monthly repurchases no less than 5% and 25% cap on rolling 3-month period)
- Repurchase price is equal to net asset value (but may charge up to a 2% redemption fee to cover expenses)
- Must comply with Rule 23c-3 under the 1940 Act

Business Development Company (BDC) Basics

- Must affirmatively elect to be a BDC
- Similar to a registered closed-end fund, but several key differences:
 - Exempt from many of the 1940 Acts’ restrictions (e.g., allowed to charge performance fees on capital gains/appreciation and ability to engage in certain transactions with “remote” affiliates with board approval)
 - Must maintain at least 70% of its assets in “eligible portfolio companies”
 - Must offer to provide significant managerial assistance to companies that fall in the 70% basket
 - Different public reporting regime—BDCs report like a normal public company (e.g., 10-Ks, 10-Qs, 8-Ks, etc.)
- Primarily yield/credit products, although no legal requirement to be so

Types of BDCs

A BDC generally falls into one of three categories, with varying characteristics

	Exchange-Listed BDC	Non-Traded BDC	Private BDC
Registered with the SEC under the Securities Exchange Act of 1934	✓	✓	✓
Registered with the SEC under the Securities Act of 1933	✓	✓	No – Rule 506(b) or (c)
Publicly traded on an exchange (e.g., NYSE or NASDAQ)	✓		
Regulated under the Investment Company Act of 1940 (e.g., leverage and affiliated transactions)	✓	✓	✓
Available only to accredited investors			✓
Available to retail investors	✓	✓	
Continuous offering		✓	✓
Flow-through tax treatment	✓	✓	✓
Periodic tender offers		✓	Not common, but permitted
State securities regulation		✓	

Key Issues Across Asset Classes

Key Issues Across Asset Classes

- Investor eligibility
 - Exempt offerings are limited to accredited investors
 - SEC staff position limits investor eligibility for registered offerings of 1940 Act funds investing more than 15% of their assets in private funds to accredited investors
 - Registered funds that bear incentive fees on capital gains/appreciation are limited to qualified clients (\$2.2 million net worth)
- Ability to earn incentive compensation
 - 1940 Act funds can charge incentive fees on income
 - BDCs can charge incentive fees on realized capital gains and income
 - Other 1940 Act funds can charge incentive fees on capital gains/appreciation only if offering is limited to qualified clients (\$2.2 million net worth)
 - No restrictions on ability of non-1940 Act vehicles (e.g., private REITs and operating companies) to charge incentive fees

Key Issues Across Asset Classes *(continued)*

- Investor liquidity
 - Retail access to private markets is typically offered through registered closed-end funds
 - Increasing acceptance of non-traded, “semi-liquid” structures (e.g., interval and tender offer funds) that make periodic repurchase offers
- Seasoning and capital deployment
 - For many private markets strategies, deployment requires significant lead time
 - Potential for cash drag at launch as appropriate investments are identified and onboarded
 - For private offerings, largely solvable with drawdown structure
 - Can also seed a portfolio of performing investments and merge into registered fund

Key Issues Across Asset Classes *(continued)*

- Leverage

- Registered funds are subject to 300% asset coverage requirement on indebtedness and 200% for preferred stock (150% each for BDCs with board and/or shareholder approval)
 - In certain circumstances, non-recourse property level debt not subject to leverage limit

- Affiliated transactions

- 1940 Act funds are subject to restrictions on principal transactions with and alongside affiliates
- Restrictions on Principal Transactions
 - For example, 1940 Act prohibits registered funds of affiliated private funds
- Restrictions on investing alongside affiliates
 - Increasing popularity of “co-investment” programs (side-by-side investment by regulated and private funds) in reliance on SEC exemptive order for negotiated investments in private placement securities and no-action positions for investments in private placement securities where only price-related terms are negotiated

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A Partner in the Firm's Registered Funds Practice, Ryan Brizek focuses his practice on transactional and regulatory matters involving regulated funds, with a particular focus on making private markets investment strategies accessible to public investors.

Ryan advises clients on the formation and operation of investment funds designed for retail and high net worth investors, including tender offer funds, interval funds, listed closed-end funds, business development companies, mutual funds and exchange-traded funds.

Ryan has deep experience advising closed-end funds and their underwriters on capital markets transactions. Ryan also counsels regulated funds on regulatory and compliance matters, including with respect to side-by-side investments and investment restructurings involving regulated and private funds.

Ryan is recognized as Highly Regarded for Registered Funds by *IFLR1000* and was named a "Rising Star" at the 2019 Mutual Fund Industry Awards.

- Counsel to regulated funds managed by affiliates of Apollo, AQR, Blackstone, Franklin Templeton, JPMorgan and Prudential, among others
- Formation and ongoing advice to retail funds investing in alternative asset classes, such as private equity (including secondaries), private credit, infrastructure and liquid alternatives
- Advises closed-end funds and BDCs on capital markets offerings, ongoing operations, governance, transactional and dissident matters
- Acquisitions, sales and mergers of asset management businesses, including Apollo in its acquisition of Griffin Capital, Legg Mason-managed closed-end funds in connection with the acquisition of Legg Mason by Franklin Templeton, KKR in its acquisition of Global Atlantic and Oaktree in its merger with Brookfield
- Frequently advises firms seeking to rely on exceptions and exemptions from regulation under the 1940 Acts, and represents clients seeking no-action positions, interpretive guidance or exemptive relief from the SEC and its staff.

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Associate

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Debbie Sutter is an Associate in the Firm's Registered Funds Practice, focusing on matters related to registered funds, registered investment advisers and fund boards.

Debbie received her J.D. from William and Mary Law School, *summa cum laude* and Order of the Coif, where she was a Communications Editor for *The William and Mary Law Review*. She received her B.S. from the University of Virginia.

Debbie previously served as a law clerk for the Honorable Glen E. Conrad of the United States District Court for the Western District of Virginia.

- Franklin Templeton/Legg Mason in connection with ongoing matters for its listed closed-end funds – including an IPO, ATM offerings and fund mergers – and non-traded REIT
- Blackstone Credit in connection with ongoing matters for its closed-end funds (both listed and interval) and the launch of its BDC platform
- New Mountain in connection with the launch of three of its private BDCs
- Apollo in connection with its advisory practice and interval closed-end fund
- KKR in connection with the formation of KKR Private Equity Conglomerate LLC

Appendices

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Retail Credit Product Menu

	Private BDC	Public BDC	Listed CEF	Interval Fund	Non-Traded BDC or Tender Offer Fund
Advisory Fees	<ul style="list-style-type: none"> • Base management fee + incentive fees on realized capital gains and income 	<ul style="list-style-type: none"> • Base management fee + incentive fees on realized capital gains and income 	<ul style="list-style-type: none"> • Base management fee + incentive fees on income only (uncommon feature) 	<ul style="list-style-type: none"> • Base management fee + incentive fees on income only¹ 	<ul style="list-style-type: none"> • Base management fee + incentive fees on realized capital gains and income (if CEF, only on income)¹
Offering Process	<ul style="list-style-type: none"> • Continuous private offering • Limited to accredited investors • Drawdown structure is common • Multiple share classes currently not permitted 	<ul style="list-style-type: none"> • IPO or private BDC lists shares on exchange • Follow-on public offerings permitted with effective SEC registration statement • Single class of common stock 	<ul style="list-style-type: none"> • IPO • Follow-on public offerings permitted with effective SEC registration statement • Single class of common stock 	<ul style="list-style-type: none"> • Continuous public offering with effective SEC registration statement • Multiple share classes permitted with exemptive relief • Generally sold through the independent broker-dealer channel and are subject to substantial sales loads (subject to FINRA limits) 	<ul style="list-style-type: none"> • Continuous public offering with effective SEC registration statement • Multiple share classes permitted with exemptive relief • Generally sold through the independent broker-dealer channel and are subject to substantial sales loads (subject to FINRA limits)
Regulatory Considerations	<ul style="list-style-type: none"> • At least 70% of assets must be invested in qualifying assets (primarily private U.S. companies) • 2:1 leverage limit 	<ul style="list-style-type: none"> • At least 70% of assets must be invested in qualifying assets (primarily private U.S. companies) • 2:1 leverage limit 	<ul style="list-style-type: none"> • 1:2 leverage limit for debt / 1:1 leverage limit for preferred stock 	<ul style="list-style-type: none"> • 1:2 leverage limit for debt / 1:1 leverage limit for preferred stock 	<ul style="list-style-type: none"> • See applicable type of fund.
Liquidity	<ul style="list-style-type: none"> • Options include: exchange listing; limited term; and periodic repurchases 	<ul style="list-style-type: none"> • Shares are listed on an exchange 	<ul style="list-style-type: none"> • Shares are listed on an exchange 	<ul style="list-style-type: none"> • Mandatory periodic repurchases at NAV (every three, six or twelve months for 5-25% of outstanding shares) 	<ul style="list-style-type: none"> • Discretionary repurchase offers generally at NAV (or a slight discount to NAV) after an initial ramp period (e.g., 5% of outstanding shares per quarter)
Reporting	<ul style="list-style-type: none"> • Public company (10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> • Public company (10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> • Semi-annual/annual report • Monthly holdings reports to SEC and quarterly disclosure of portfolio holdings made publicly 	<ul style="list-style-type: none"> • Semi-annual/annual report • Monthly holdings reports to SEC and quarterly disclosure of portfolio holdings made publicly 	<ul style="list-style-type: none"> • See applicable type of fund.
Time to Market	<ul style="list-style-type: none"> • 4-6 months (possibly longer if application for co-investment relief is required) 	<ul style="list-style-type: none"> • 6-9 months (possibly longer if application for co-investment relief is required) 	<ul style="list-style-type: none"> • 6-9 months (possibly longer if application for co-investment relief is required) 	<ul style="list-style-type: none"> • 6-9 months (possibly longer if application for co-investment relief is required) 	<ul style="list-style-type: none"> • 6-9 months (possibly longer if application for co-investment relief is required)

1. Incentive fees on capital gains permitted for CEFs if the fund is limited to qualified clients. A “qualified client” is an investor who has net investments of at least \$2.2 million (excluding the value of their primary residence) or at least \$1.1 million in assets under management with the adviser.

Retail Private Equity Product Menu

	Secondaries (Interval or Tender Offer)	Control Stakes (Operating Company)	“Retail” 3(c)(7)	Direct Minority Stakes (BDC)
Strategy	<ul style="list-style-type: none"> • Secondaries, co-investments and primaries (e.g., staples) in and alongside third-party private funds • This structure can also be used to invest in funds sourced by a single unaffiliated sponsor • Structured as 1940 Act registered closed-end interval or tender offer fund 	<ul style="list-style-type: none"> • Control positions in private operating companies • Structured so that the company is not deemed to be an “investment company” for purposes of the 1940 Act 	<ul style="list-style-type: none"> • Direct and secondary investments (primarily in PE); primary commitments to blind pool funds • Structured as a perpetual life Delaware limited partnership 	<ul style="list-style-type: none"> • Direct equity investments in private operating companies • Minority stakes • Structured as non-traded, private or listed BDC
Offering Process	<ul style="list-style-type: none"> • Non-traded: Continuous public offering; SEC staff position limits public offering to accredited investors • Private: “1940 Act-only” continuous private offering; limited to accredited investors 	<ul style="list-style-type: none"> • Private: Continuous private offering; limited to accredited investors • Non-Traded: Continuous public offering with effective SEC registration statement (also requires state registration) • Listed: IPO + follow-on public offerings permitted with effective SEC registration statement 	<ul style="list-style-type: none"> • Private: Continuous private offering through wirehouse and RIA channels to accredited investors that are qualified purchasers 	<ul style="list-style-type: none"> • Non-Traded: Continuous public offering with effective SEC registration statement (also requires state registration) • Private: Continuous private offering; limited to accredited investors • Listed: IPO + follow-on public offerings permitted with effective SEC registration statement
Regulatory Structure	<ul style="list-style-type: none"> • Subject to the 1940 Act (including leverage, governance and affiliate transaction requirements) 	<ul style="list-style-type: none"> • Must structure investments to maintain 1940 Act exemption • At least 60% of portfolio must be assets controlled by the operating company 	<ul style="list-style-type: none"> • Relies on Section 3(c)(7) exclusion from registration under the 1940 Act • Registered under 34 Act if 2,000+ holders 	<ul style="list-style-type: none"> • At least 70% of assets must be invested in qualifying assets (primarily private U.S. companies) • 2:1 leverage limit
Liquidity	<ul style="list-style-type: none"> • Generally offer to repurchase up to 5% of the Fund’s net assets in quarterly tender offers 	<ul style="list-style-type: none"> • Periodic repurchases for continuously offered companies • Secondary market liquidity for listed companies 	<ul style="list-style-type: none"> • Generally, up to 5% of units per quarter in the discretion of the GP 	<ul style="list-style-type: none"> • Periodic repurchases for continuously offered companies • Private BDCs can offer periodic repurchases or may have stated termination dates • Secondary market liquidity for listed companies

Retail Private Equity Product Menu (*continued*)

	Secondaries (Interval or Tender Offer)	Control Stakes (Operating Company)	“Retail” 3(c)(7)	Direct Minority Stakes (BDC)
Advisory Fees	<ul style="list-style-type: none"> Incentive fees on capital gains (realized and unrealized) permitted only if offering is limited to qualified clients (\$2.2 million) (typically this incentive fee is charged on net profits) 	<ul style="list-style-type: none"> No restrictions on compensation structure (can charge incentive fees on realized and unrealized capital gains and income) Special situations investment company risk 	<ul style="list-style-type: none"> Market is management fee (e.g., 1.25%) payable monthly based on NAV Performance allocation (e.g., 12.5% subject to a 5% annual hurdle and high water mark with a 100% catch-up) measured on a calendar year basis 	<ul style="list-style-type: none"> BDC can charge incentive fees on realized capital gains and income
Reporting	<ul style="list-style-type: none"> Semi-annual/annual report Monthly holdings reports to SEC and quarterly public disclosure of portfolio holdings 	<ul style="list-style-type: none"> No required filings until listing or 2,000 holders (and then public company 10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> No required filings until 2,000 holders (and then public company 10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> Public company (10-K, 10-Q, 8-K)
Time to Market	<ul style="list-style-type: none"> 6-9 months 	<ul style="list-style-type: none"> 4-6 months for initial private offering 	<ul style="list-style-type: none"> 4-6 months 	<ul style="list-style-type: none"> 6-9 months
Peer Examples	<ul style="list-style-type: none"> JPMorgan Private Markets Fund CPG Carlyle Commitments Fund 	<ul style="list-style-type: none"> KKR Private Equity Conglomerate Compass Diversified Holdings 	<ul style="list-style-type: none"> Blackstone Private Equity Strategies Fund L.P Apollo Aligned Alternatives, L.P. 	<ul style="list-style-type: none"> N/A

Retail Real Estate Product Menu

	Non-Traded REIT	1940 Act REIT	Private Placement REIT
Advisory Fees	<ul style="list-style-type: none"> Management + total return performance fees Fees can be paid in shares 	<ul style="list-style-type: none"> Management fee + Incentive fee on income only Requires SEC exemptive relief to pay fees in shares 	<ul style="list-style-type: none"> Management + total return performance fees Fees can be paid in shares
Offering Process	<ul style="list-style-type: none"> E-signature permitted but generally sold via a physical subscription with a wet ink signature Multiple share classes permitted Eligibility/concentration requirements mandated by the various states 	<ul style="list-style-type: none"> Eligible to trade via ticker Need exemptive relief to have multiple share classes (though not difficult to obtain) No minimum eligibility 	<ul style="list-style-type: none"> Physical subscription document and wet ink signature required Multiple share classes permitted Can call capital as needed Available only to accredited investors
Leverage	<ul style="list-style-type: none"> Capped at 75% 	<ul style="list-style-type: none"> 1:2 leverage limit for debt / 1:1 leverage limit for preferred stock In certain circumstances, non-recourse property level debt not subject to 1940 Act leverage limits 	<ul style="list-style-type: none"> No statutory/regulatory limit
Liquidity	<ul style="list-style-type: none"> Perpetual REITs generally offer to repurchase 2% monthly/5% quarterly Optionality to list 	<ul style="list-style-type: none"> Generally structured as tender offer funds (e.g., up to 5% of NAV per quarter) and at the discretion of the Board 	<ul style="list-style-type: none"> Perpetual REITs generally offer to repurchase 2% monthly/5% quarterly Optionality to list
Regulatory Structure	<ul style="list-style-type: none"> Must register with the states and comply with state governance requirements Must maintain 1940 Act exemption (most assets have to be real estate that is majority controlled by the REIT) 	<ul style="list-style-type: none"> Subject to the 1940 Act (including leverage, governance and affiliate transaction requirements) Co-investment relief required to share deals with private strategies Must register with the SEC 	<ul style="list-style-type: none"> Not subject to the 1940 Act or state regulation Must maintain 1940 Act exemption (most assets have to be real estate majority controlled by the REIT)
Reporting	<ul style="list-style-type: none"> Public company (10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> Semi-annual/annual report Monthly holdings reports to SEC and quarterly public disclosure of portfolio holdings 	<ul style="list-style-type: none"> No required filings until listing or 2,000 holders (and then public company 10-K, 10-Q, 8-K)
Time to Market	<ul style="list-style-type: none"> 9-12 months 	<ul style="list-style-type: none"> 6-9 months 	<ul style="list-style-type: none"> 4-6 months for initial private offering

Retail Infrastructure Product Menu

	Operating Company (Conglomerate)	BDC	Interval or Tender Offer Fund
Advisory Fees	<ul style="list-style-type: none"> No restrictions Management fee + incentive fees on realized and unrealized capital gains and income 	<ul style="list-style-type: none"> Management fee + incentive fees on realized capital gains and income 	<ul style="list-style-type: none"> Base management fee + incentive fees on income only Incentive fees on capital gains permitted if offering is limited to qualified clients
Offering Process	<ul style="list-style-type: none"> Listed: IPO + follow-on public offerings permitted with effective SEC registration statement Non-Traded: Continuous public offering with effective SEC registration statement (also requires state registration) Private: Continuous private offering; limited to accredited investors 	<ul style="list-style-type: none"> Listed: IPO + follow-on public offerings permitted with effective SEC registration statement Non-Traded: Continuous public offering with effective SEC registration statement (also requires state registration) Private: Continuous private offering; limited to accredited investors 	<ul style="list-style-type: none"> Listed: IPO + follow-on public offerings permitted with effective SEC registration statement Non-Traded: Continuous public offering with effective SEC registration statement (also requires state registration) Private: Continuous private offering; limited to accredited investors
Regulatory Considerations	<ul style="list-style-type: none"> Must structure investments to maintain 1940 Act exemption At least 60% of portfolio must be controlled assets 	<ul style="list-style-type: none"> At least 70% of assets must be invested in qualifying assets (primarily private U.S. companies) Unclear if infra assets are qualifying for BDC status 2:1 leverage limit 	<ul style="list-style-type: none"> Subject to the 1940 Act (including leverage, governance and affiliate transaction requirements) Co-investment relief required to share deals with private strategies Must register with the SEC
Liquidity	<ul style="list-style-type: none"> Listed: Secondary market liquidity for listed companies Non-Traded: Periodic repurchases for continuously offered companies Private: Discretionary repurchase offers after initial ramp period, typically capped (e.g., 5% per quarter, 10% per year) 	<ul style="list-style-type: none"> Listed: Secondary market liquidity for listed companies Non-Traded: Periodic repurchases for continuously offered companies Private: Options include limited term, periodic repurchases, or future exchange listing 	<ul style="list-style-type: none"> Listed: Secondary market liquidity for listed companies Non-Traded: Periodic repurchases for continuously offered companies Private: Options include limited term, periodic repurchases, or future exchange listing
Reporting	<ul style="list-style-type: none"> No required filings until 2,000 holders (and then public company 10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> Public company (10-K, 10-Q, 8-K) 	<ul style="list-style-type: none"> Semi-annual/annual report Monthly holdings reports to SEC and quarterly public disclosure of portfolio holdings
Time to Market	<ul style="list-style-type: none"> 4-6 months 	<ul style="list-style-type: none"> Depends on structure 	<ul style="list-style-type: none"> 4-6 months