



FUND STRUCTURE OVERVIEW

INTERVAL FUNDS

Interval funds may work well for long term-investment strategies while providing investors access to the benefits of less-liquid investments.

Interval funds are a type of closed-end fund that offers liquidity at stated intervals—typically quarterly, semiannually or annually—by offering to buy back a portion of its shares from shareholders at a price based on the fund’s net asset value. Interval funds are registered under the Investment Company Act of 1940 and, therefore, are subject to a high degree of regulatory oversight, like mutual funds.

The “illiquidity premium”

As compared to mutual funds, interval funds may invest a larger portion of their portfolios in less liquid and illiquid assets, such as the securities of private companies. The price of illiquid investments may be more volatile than that of more liquid securities, and such investments may be difficult to sell in volatile markets. In exchange for accepting a lower degree of investment liquidity, investors may earn higher returns than those found in the public markets—this is often referred to as the “illiquidity premium.” Therefore, interval funds may work well for investment strategies that require a long-term approach while still allowing investors to sell their shares at defined intervals.

	CLOSED-END FUND ¹	INTERVAL FUND	MUTUAL FUND
Liquidity	Exchange-traded	Periodically (typically quarterly)	Daily
Direct redemption	Not generally	Yes	Yes
Valuation	Daily	Daily	Daily
Pricing	Market	NAV	NAV
Max. illiquid investments	No limit	No limit ²	15%
Taxed	1099	1099	1099

1 Category references closed-end funds that are listed on an exchange.
2 Must have liquid assets to cover repurchase offers, otherwise no limit.



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