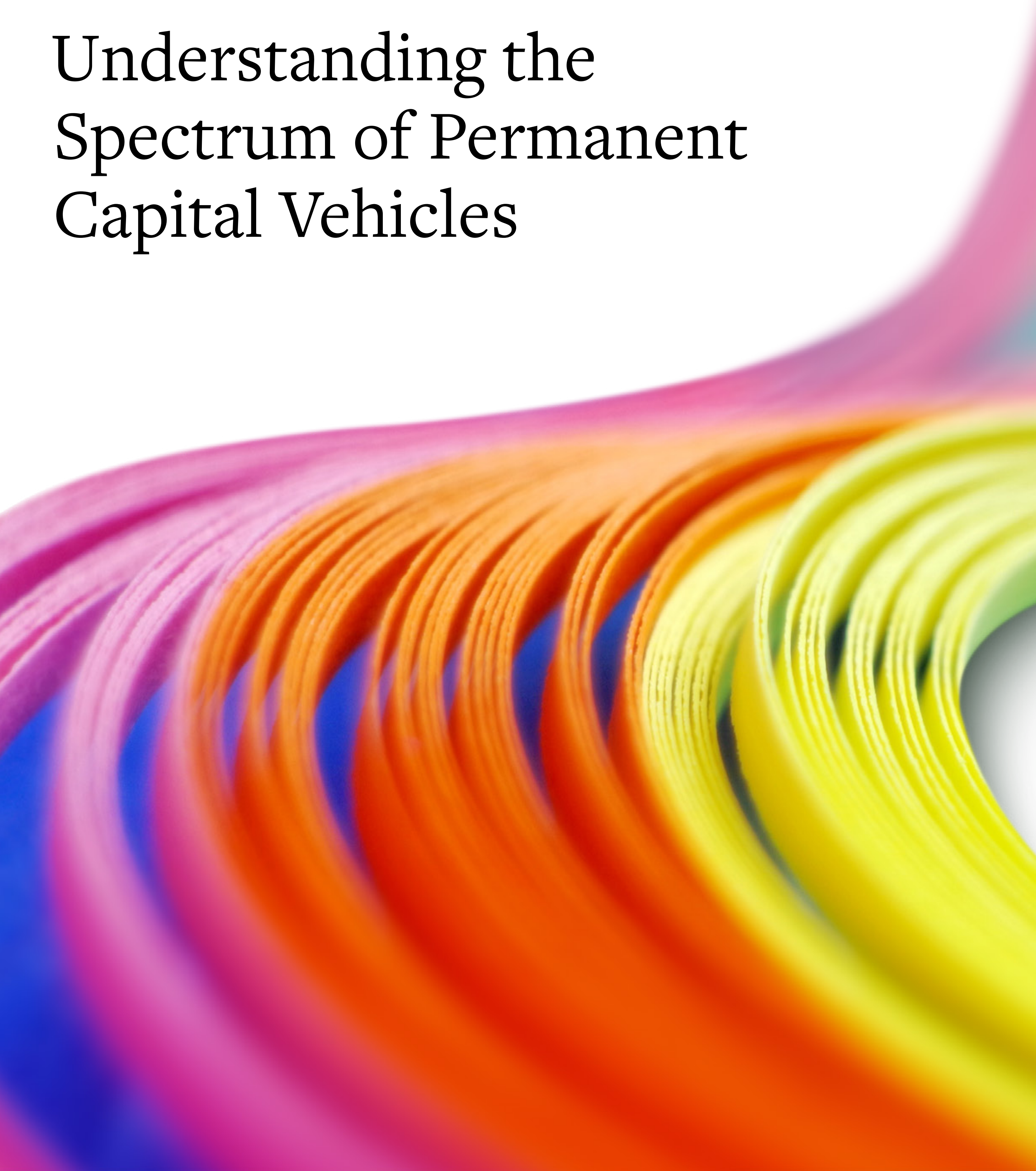
MAYER|BROWN

Understanding the Spectrum of Permanent Capital Vehicles



Contents

Section names use clickable
hyperlinks for easy navigation.

Introduction

Asset management vehicles, especially those regulated under the Investment Company Act of 1940 (the 1940 Act), are frequently painted with a broad brush and described as having the same or virtually indistinguishable characteristics. For a long while, many fund vehicles, like interval funds and tender offer funds, were not popular, barely attracting any attention from mainstream asset managers. Open-end funds, especially mutual funds, and subsequently exchange traded funds, accounted for the majority of U.S. assets under management. Now, with the coalescence of increased interest in alternative assets, including private credit, and the desire to provide retail investors access to private markets through registered securities, these, as well as other fund alternatives, have become increasingly relevant. This makes it important to gain a better understanding of various permanent capital alternatives, which might be said to exist on a spectrum or continuum, with each having distinct features. Once these sometimes fine distinctions are highlighted it becomes possible to structure or match the fund type to the asset mix, the sponsor's desired compensation arrangements, the distribution channel and target audience. But first, a little background is useful.

Closed-end Funds

Closed-end funds raise a fixed amount of capital through an initial public offering and then list their shares on a national exchange. Investors in closed-end funds buy and sell shares in the secondary market, but the number of outstanding fund shares remains constant.

Closed-end funds are not required to redeem shares at net asset value (NAV), which means managers have greater flexibility to invest in illiquid assets. Closed-end fund investors "redeem" their shares differently than open-end (mutual) fund investors. Unlike mutual fund shares, closed-end fund shares are not typically redeemable by the closed-end fund at NAV or otherwise. Resales of closed-end fund shares generally are made through the secondary markets, either on national securities exchanges for listed shares or over the counter. Due to market volatility, closed-end fund shares are often purchased at a significant discount from a closed-end fund's NAV. Because closed-end funds are not required to buy back shares from shareholders, closed-end fund managers do not have the concerns about redemptions experienced by mutual fund managers, and they do not have to manage their funds to account for possible redemptions.

Interval Funds

An interval fund is a closed-end fund that continuously offers shares at NAV and provides regular liquidity through scheduled repurchase offers (typically occurring every three, six, or twelve months). The fund is required to offer to repurchase a set percentage (5-25%) of the fund's total outstanding shares at each interval, but investors are not obligated to participate. Interval funds conduct repurchase offers pursuant to policies adopted by their boards in accordance with Rule 23c-3 promulgated under the Securities Exchange Act (the Exchange Act). The frequency, amount and timing of such repurchases are set pursuant to this rule. The repurchase is priced at the fund's NAV, not at a market price, which can be advantageous because the fund is not subject to market fluctuations during the redemption period. In order to carry out this repurchase offer, an interval fund is required to adopt a policy that is publicly reported in its annual report. Shareholders may hold out for a better price, but they may not exit the fund until the next designated interval.

An interval fund provides an opportunity for investors to access illiquid assets while maintaining some liquidity through periodic share repurchases. Interval funds may be a better vehicle to address investor liquidity needs than open-end funds, because they do not need to accommodate daily liquidity requests. Shareholders are required to give the fund advance notice of their redemptions. Periodic repurchases effectively reduce the spread between the market trading price of a fund's shares and the fund's NAV, which helps to facilitate additional capital raising following the fund's initial fundraising round.

Tender Offer Funds

A tender offer fund is another continuously offered closed-end fund registered under the 1940 Act. A tender offer fund conducts periodic tender offers, most often quarterly, at the discretion of a fund's board pursuant to Rule 13e-4 under the Exchange Act. Tender offer funds have flexibility to value their assets periodically (daily, weekly, or monthly). This discretion allows these funds to provide controlled liquidity to investors. Shares are typically repurchased at or near NAV, and the process allows managers to control liquidity and manage the fund's assets more effectively.

Tender offers provide more flexibility for fund managers in terms of frequency, amount and timing of share repurchases than interval funds, and these funds have no liquidity requirements. One common reason for commencing a tender offer presents itself when the fund's shares are trading at a significant discount to the fund's NAV. The fund can try to reduce the NAV discount by offering to buy back shares and allow investors to earn fair value returns on their shares. These purchases may improve the market price of the fund's shares. Rule 13e-4 of the Exchange Act sets forth the parameters for commencing, terminating, filing, disseminating and generally conducting such a tender offer. At tender offer commencement, the tender offer fund will notify shareholders of the repurchase offer, share the Schedule TO, deliver the Letter of Transmittal, and file all repurchase offer documents with the Securities and Exchange Commission (the SEC). Schedule TO is the tender offer statement of the fund and includes, typically by exhibit, the Offer to Purchase.

Generally, Section 205 of the Investment Advisers Act of 1940 (the Advisers Act) prohibits advisers from charging performance fees. Closed-end funds may charge performance fees if all shareholders of the fund are "qualified clients" under Rule 205-3 of the Advisers Act. Closed-end funds are also permitted to charge a fulcrum fee, which is a performance fee that adjusts up or down based on how the fund performs against a specific benchmark. When interval and tender offer funds follow a fund-of-funds strategy of investing assets in other privately offered investment vehicles, the underlying funds are permitted to charge performance fees.

Learn more about interval and tender offer funds at What's the Deal.

Business Development Companies (BDCs)

BDCs are closed-end investment companies regulated under the 1940 Act, designed to provide capital to small- and mid-sized U.S. companies. BDCs invest primarily in small- and middle-market companies in the United States. As a result of their special status under the 1940 Act, BDCs are exempt from many of the regulatory requirements imposed by the 1940 Act on traditional investment companies and generally benefit from pass-through tax treatment (i.e., the BDC is not taxed, and income and expenses are passed through to the owners of the BDC). Given the limited access to, and availability of, financing from traditional bank lenders, BDCs have played an important role as a source of capital and liquidity for small- and mid-sized companies that otherwise may be unable to obtain financing or do so at attractive rates.

Section 2(a)(48) of the 1940 Act defines a BDC as a domestic closed-end company that operates for the purpose of making investments in the securities specified in Section 55(a) of the 1940 Act and that makes available significant managerial assistance to the issuers of those types of securities. Section 54(a) of the 1940 Act provides that a company may become a BDC by electing to be subject to Sections 55 through 65 of the 1940 Act. The 1940 Act requires that a BDC maintain at least 70% of its investments in eligible assets, before being permitted to invest in non-eligible assets. BDCs are subject to certain other ongoing requirements under the 1940 Act. For example, under Section 56(a) of the 1940 Act, the majority of directors of a BDC must be disinterested persons. Section 57 of the 1940 Act prohibits certain transactions between a BDC and its related persons, absent approval by the SEC or, in some cases, its board of directors. Rule 17j-1 under the 1940 Act requires the adoption of a written code of ethics applicable to fund personnel and outside advisers who are involved in a BDC's investment activities. BDCs are also required to implement compliance procedures under the 1940 Act, which must be approved by a majority of the BDC's board and must include appointment of a chief compliance officer. Section 31 of the 1940 Act sets forth the recordkeeping requirements for a BDC. The 1940 Act imposes a variety of requirements on BDCs. A fair number of these are focused on boards of directors; related party transactions; capital structure requirements; advisory agreements; fidelity bonds; and investment restrictions.

A company electing to be classified as a BDC must register a class of securities under Section 12 of the Exchange Act. Consequently, BDCs are subject to the same periodic reporting requirements as other reporting companies and must file with the SEC annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, as well as proxy statements under Section 14(a) of the Exchange Act. BDCs also are subject to corporate governance requirements under both the Exchange Act and the 1940 Act.

Public BDCs raise capital by selling their securities to the public in offerings registered under the Securities Act of 1933 (the Securities Act), and list a class of their equity securities on a national securities exchange (e.g., the New York Stock Exchange). Other BDCs are privately held, having sold their securities to accredited investors in offerings exempt from registration under the Securities Act. Private BDCs are typically sponsored or formed by private equity firms or financial institutions that have the requisite preexisting relationships with their investors.

Additional materials about BDCs are available here.

Open-end Funds

Open-end funds continuously issue and redeem shares at NAV. Investors buy or sell shares directly from the fund at any time, and the fund's size fluctuates with investor activity. Open-end funds are subject to liquidity requirements, limiting their exposure to illiquid assets (historically capped at 15% of assets), which ensures daily liquidity for investors, but restricts access to certain alternative investments. Open-end funds carry the risk that high demand for redemptions will compel a fund to sell assets to cover that demand, hindering fund performance. These are drawbacks that controlled liquidity funds, such as tender offer funds, do not encounter.

Target Date Funds

A target date fund is a type of open-end fund that automatically adjusts its asset allocation over time, typically shifting from higher-risk assets (like equities) to historically more conservative investments (like bonds) as the target date (often retirement) approaches. These funds offer a "set-it-and-forget-it" approach for investors with specific time horizons. This is in large measure what makes them appealing for those planning for retirement.

Collective Investment Trusts

Collective investment trusts (CITs), or collective trust funds, are not registered funds; however, CITs often serve a similar purpose. A CIT is a pooled investment vehicle, the funds of which are managed pursuant to a specific investment strategy. A CIT may be maintained by a bank or trust company and regulated by a banking agency, which might be the Office of the Comptroller of the Currency or a state bank regulator. The bank acts as a fiduciary and holds legal title to the trust assets. CITs are not regulated by the SEC and are not subject to disclosure or reporting requirements. While the CIT vehicle is not new, dedicating a sleeve of a CIT to alternative assets is a relatively recent development.

Permanent Capital Vehicle Growth

In recent years, permanent capital vehicles have grown in line with the growth of the private markets, particularly the private credit market. The U.S. private credit market was estimated to approach $1.4 trillion by the end of 2025. Permanent capital vehicles are becoming popular as a means of providing exposure to illiquid assets, including private equity and private credit assets. By way of example, interval fund assets have grown from $6.5 billion in 2014 to $107.7 billion as of the first quarter of 2025. Tender offer funds have grown from $27.9 billion to $80.4 billion during this same period. Private equity and venture-focused strategies accounted for the majority of total assets, and fund of funds strategies accounted for the second largest percentage of total assets of tender offer funds. Private credit-focused funds represent the majority of interval funds, with real estate-focused funds accounting for the second most prevalent interval fund investment strategy. Assets under management at BDCs also have grown significantly—from $120 billion in 2020 to about $500 billion in 2025. Most of this recent BDC growth is attributable to evergreen, or non-traded, BDCs.

Several notable trends, all interrelated and reinforcing each other, that are likely to continue to accelerate permanent capital vehicle growth include the following:

The growing significance of private markets and private securities: The private markets have become increasingly important in recent years. This relates to all aspects of the private markets—from the market for the securities of privately held companies, to private equity, to private credit. A recent Prequin report forecasted that global alternative assets would reach $32 trillion in assets under management by 2030. This includes private equity, credit, venture capital, real estate, infrastructure, hedge funds and natural resources. According to the same report, private equity assets under management are projected to approach $11.8 trillion by 2030. It also bears mentioning that, with the advent and growth of continuation vehicles, private securities have an "extended" life and a newfound liquidity. Also, continuation funds are yet another factor contributing (along with evergreen semi-liquid vehicles) to the blurring of the demarcation between private markets and public markets.

Providing retail investors with access to alternative assets: Retail investors are seeking increased access to the private markets. They would like the high returns often associated with an investment in private assets. Some of the permanent capital alternatives mentioned above provide a vehicle that facilitates exposure to illiquid access along with some opportunity for liquidity. Registered funds, which are subject to the comprehensive regulatory framework of the 1940 Act in addition, in many instances, to ongoing Exchange Act reporting requirements, offer important investor protections, while still making private market returns accessible. There are additional permanent capital vehicles, including traded and non-traded REITs, which should be added to the array of alternatives. Regulatory reforms that promote enhanced retail access to alternative assets will, in turn, lead to increased interest in the types of semi-liquid fund alternatives that we describe.

Evergreen funds spring up: Evergreen vehicles, including perpetual interval funds, tender offer funds, and BDCs, continue to grow in number. Some of these are institutional only vehicles, but many are funds that are semi-liquid and popular with retail and high net worth investors. Evergreen private credit strategies have grown significantly; these include direct lending, special situations, opportunistic and distressed lending, and mezzanine loan strategies. A PitchBook report predicts that the number of global evergreen funds could increase from $2.7 trillion today to as much as $5.5 trillion in 2029.

Melding of vehicle types: Interest in permanent capital vehicles has led to innovation and to hybrid products, such as statutory REITs that provide important benefits to their sponsors while offering investors some liquidity, and interval fund BDCs. Continued growth and regulatory reforms are likely to be catalysts for more product innovation.

New entrants in the private credit and asset management markets: New participants are entering the market and sponsoring permanent capital funds, and traditional fund complexes are partnering with alternative capital market funds to sponsor evergreen or semi-liquid funds. The incentives are such that it is likely that many managers will want to approach new categories of investors by offering these products on their own or with partners that are experienced alternative capital providers. Here as well you might say that there is a blurring of lines between traditional fund providers and products and alternative capital products and providers. We do not discuss defined outcome strategies, which often rely on the use of derivatives-based indices or the use of options and derivatives, that provide equity market exposure for retail investors and are further blurring the lines.

Insurance company participation in the market: Sponsor platforms have acquired insurance companies. Often, a part of their strategy includes using the insurance company's assets as a pool of permanent capital that can be allocated to private capital investments. Insurance companies that are not affiliated with private equity or private capital sponsors also have become frequent investors in permanent capital vehicles. Insurance companies have increasingly invested in BDCs or in other permanent capital vehicles, whether through sidecars or through other structures, and this too provides significant additional pools of capital, contributing to the sector's growth.

On the pages that follow, we provide an overview of each of the principal permanent capital vehicles and conclude with a discussion of the regulatory reforms that also are impacting this sector, as well as share a perspective on additional regulatory changes that may be on the horizon.

MAYER | BROWN

01

Closed-End Funds

A closed-end fund is an investment company that raises a fixed amount of capital through an initial public offering (IPO) and typically lists its common stock on a national exchange. After launch, no new money flows in. Instead, investors buy and sell fund shares in the open market.

Key Features

- After the IPO, shares trade on an exchange or over the counter, not directly with the fund.
- The fund has a fixed number of shares outstanding; investors trade among themselves.
- Shares can trade at a premium or a discount to the fund's net asset value (NAV).
- Because the fund does not need to redeem daily, managers are free to invest in illiquid assets.
- Closed-end funds can use leverage more aggressively than mutual funds, increasing both potential returns and risks.

Closed-end funds are increasingly relevant because they allow managers to deploy capital into less liquid, higher-yielding assets like private credit, real estate, and complex debt instruments. They provide investors with exposure to strategies not always accessible in mutual funds, while giving managers stable capital and freedom from daily redemption pressures.

Many managers employ multiple closed-end fund structures to address the needs of different investors (retail vs. institutional), offer different levels of liquidity, and align fund structures with specific asset strategies.

Types of Closed-End Funds

Interval funds
Predictable with periodic liquidity windows.

Tender offer funds
Flexible, with manager-controlled liquidity.

Business Development Companies (BDCs)
Invest directly in U.S. middle-market companies.

Attributes

Structure & Registration

Registered under the Investment Company Act of 1940, as amended (the "1940 Act"); shares typically listed on an exchange.

Time to Market

Six months (possibly longer if application for co-investment relief is required).

Liquidity

- No daily redemptions
- Shares trade on exchange or OTC
- Interval/tender variants offer periodic liquidity

Eligible Investors

- Public closed-end funds: Open to all investors through brokerage accounts.
- Interval and tender offer funds: Available to retail investors, though often with minimums.
- Private BDCs: Limited to institutions, accredited, or qualified purchasers.

Asset Fit

- Private credit/longer duration – Private BDC, interval fund.
- Illiquid real estate assets – Tender offer fund, closed-end fund.
- High-yield/frequently traded assets – Public BDC, listed closed-end fund.
- Institutional niche strategies – Private BDC.

Fees

Base management fees: Generally 1–2% of assets.

- Closed-End Funds (general): Typically 1–1.5% of net assets.
- Interval Funds: Usually ~2% of net assets.
- Tender Offer Funds: Typically 1–1.5%, with total expenses around 2–2.5%.
- BDCs: 1–2% of gross or net assets.

Incentive fees: 12–20% of income and/or gains depending on structure.

- Closed-End Funds: Base management fee plus incentive fees on income only.
- BDCs: Base management fee plus incentive fees on realized capital gains and income above a fixed hurdle.
- Interval Funds: Base management fee (generally ~2% annually) plus incentive fees based on income, typically 12.5–15%.
- Tender Offer Funds: Base management fee (1–1.5%, with total expenses around 2–2.5%) plus incentive fees on realized capital gains and income (if structured as a closed-end fund, then only on income).

Other fees: Redemption or distribution fees up to 2%; broker-sold products subject to FINRA limits.

02

Interval Funds

An interval fund is a registered hybrid type of closed-end fund that engages in continuous offerings of its shares and periodic offers to repurchase its shares from shareholders. Interval funds conduct their repurchase offers pursuant to policies adopted by their boards in accordance with Rule 23c-3 under the 1940 Act, and the frequency, amount, and timing of such repurchases are set pursuant to Rule 23c-3.

Key Features

- Unlike closed-end funds, interval funds must offer to repurchase a portion of their shares (typically 5%–25% of outstanding shares) every three, six, or 12 months, and, in some cases, monthly, after obtaining exemptive relief.

- Shareholders are not required to sell during these windows and may choose to wait for a future repurchase opportunity.

- Interval funds can continuously offer new shares at NAV, which differentiates them from other closed-end structures.

- Interval funds benefit from Rule 486 under the Securities Act of 1933, as amended (the "Securities Act"), which allows post-effective amendments to registration statements to become effective automatically.

- Repurchase offers are generally less expensive to conduct than tender offers, as they avoid SEC filing fees and FINRA filing requirements, though they remain subject to FINRA Rule 2341 limits on sales compensation.

- The structure gives investors access to private credit and other illiquid asset classes, while still providing periodic liquidity.

- Because interval funds do not need to meet daily redemption requests, managers have flexibility to invest in less liquid strategies while aligning repurchase windows with portfolio cash flows.

- Investors must give advance notice of redemptions, allowing managers to plan ahead and protect portfolio stability.

- By offering predictable liquidity windows, interval funds reduce the likelihood of their shares trading at large discounts to NAV, which in turn helps with raising additional capital after the initial offering.

Attributes

Structure & Registration

Continuously offered closed-end fund registered under the 1940 Act.

Time to Market

Six months (possibly longer if application for co-investment relief is required).

Liquidity

Mandatory repurchases of 5–25% outstanding shares at fixed intervals (quarterly; semiannual; annual); advance notice required.

Eligible Investors

Available to retail investors; minimums often ~$1,000 to $50,000 depending on sponsor.

Asset Fit

- Suitable for less liquid credit strategies.
- Works well for real estate or private credit.
- Bridge between daily liquid mutual funds and fully illiquid PE funds.

Fees

Base management fees: 1–1.75% of assets.

Incentive fees: 12.5–15% of income.

Other fees: May include redemption fees up to 2%.

To learn more about the terms, fees, strategies and structures of interval funds in the United States, read our survey.

MAYER | BROWN

03

Tender Offer Funds

A tender offer fund is a type of continuously offered closed-end fund registered under the 1940 Act. Tender offer funds conduct periodic tender offers, most often quarterly, at the discretion of a fund's board pursuant to Rule 13e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Thus, tender offer funds offer investors increased liquidity by allowing them to sell their shares back to the fund at a pre-determined price rather than selling them on the open market.

Key Features

- Tender offer funds provide managers with more flexibility than interval funds in the frequency, amount, and timing of share repurchases, since they have no mandated liquidity requirements.
- Share repurchases are discretionary and can be priced near or at NAV, or sometimes at a negotiated discount.
- Managers may choose to make a tender offer when shares are trading at a steep discount to NAV, in order to reduce the discount and improve secondary market pricing.
- Tender offers give investors an opportunity to exit their position directly with the fund, rather than relying solely on the secondary market.
- Unlike interval funds, tender offer funds are not required to conduct repurchases at regular intervals; instead, the fund's board determines the timing under Rule 13e-4 of the Exchange Act.
- The repurchase process is more formal than interval fund offers: funds must notify shareholders, file a Schedule TO with the SEC, deliver an Offer to Purchase, and provide a Letter of Transmittal.
- Rule 13e-4 is less restrictive than Rule 23c-3 (governing interval funds) because boards can skip tender offers, choose the repurchase size, and are not bound by liquidity or payout deadlines.
- The best-price rule (Rule 14D-10) requires that all shareholders receive equal treatment by ensuring no one receives a better price than another in a tender offer.
- Tender offers are often priced at a premium to the current market price to encourage shareholder participation.
- While tender offers give managers flexibility to protect portfolio stability, investors may face uncertainty if repurchase windows do not align with their liquidity needs.

Attributes

Structure & Registration

- Closed-end fund with discretionary repurchase offers (Rule 13e-4).
- Registered under the 1940 Act.

Time to Market

Six months (possibly longer if application for co-investment relief is required).

Liquidity

Board-determined, typically quarterly;
no mandated schedule.

Eligible Investors

- Qualified/retail investors, depending on structure.
- Minimums often ~$1,000 to $50,000 depending on sponsor.

Asset Fit

- Suitable for less liquid credit strategies.
- Works well for real estate or private credit assets.
- Bridge between daily liquid mutual funds and fully illiquid PE funds.

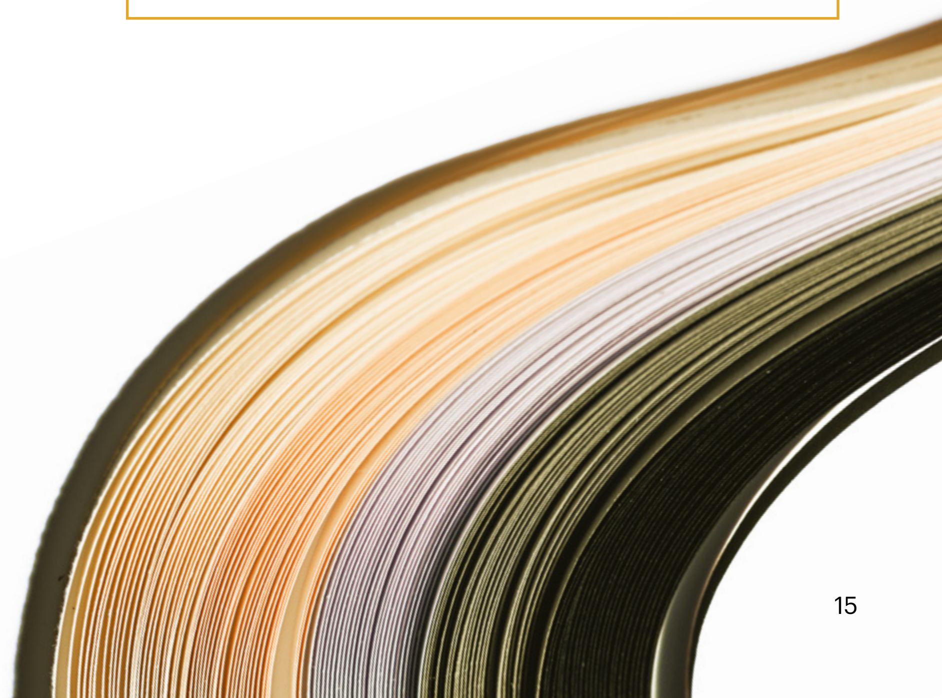
Fees

Base management fees: 1–1.75% of assets.

Incentive fees: 12.5–15% of income.

Other fees: May include redemption fees up to 2%.

To learn more about the terms, fees, strategies and structures of tender offer funds in the United States, read our survey.



04

Business Development Companies

Business Development Companies (BDCs) are closed-end investment management companies that are specially regulated by the 1940 Act. BDCs are primarily designed to invest in small- and middle-market U.S. companies.

Key Features

- BDCs are exempt from many of the 1940 Act's requirements and benefit from pass-through tax treatment.
- BDCs serve as a critical source of capital for small and mid-sized U.S. businesses that often cannot access bank financing.
- All BDCs, whether public or private, must register a class of securities under the Exchange Act and comply with ongoing public reporting obligations.
- Managed either internally (by their own employees) or externally (by an affiliated asset manager under a management contract).

Types of Business Development Companies

Public BDCs

- Public BDCs raise capital through offerings registered under the Securities Act and typically list their shares on national exchanges such as the NYSE or Nasdaq.
- Public BDC shares trade daily, giving investors liquidity similar to that of other exchange-listed securities.
- Public status provides broad retail access but exposes investors to market volatility and trading at discounts or premiums to NAV.
- Public BDCs follow continuous disclosure requirements, offering transparency comparable to that of public operating companies.

Private BDCs

- Private BDCs raise capital through private placements to accredited investors or qualified institutions, rather than through public offerings.
- Private BDCs are often sponsored by private equity firms or financial institutions with established investor networks.
- Private BDCs generally offer limited liquidity, with redemptions negotiated or offered periodically rather than daily.
- While private BDCs avoid the volatility of public markets, they are restricted to sophisticated investors and institutions.

Attributes

Structure & Registration

- Closed-end fund registered under the 1940 Act with special BDC provisions, focused on small and mid-sized U.S. businesses.
- Can be public or private.

Time to Market

- Private BDCs – Four to six months (possibly longer if application for co-investment relief is required).
- Public BDCs – Six months (possibly longer if application for co-investment relief is required).

Liquidity

- Public BDCs: Shares trade on an exchange.
- Non-traded BDCs: Periodic liquidity via tender offers or share repurchase programs.
- Private BDCs: Illiquid; secondary trades limited.

Eligible Investors

- Public BDCs: All investors.
- Non-traded BDCs: Retail-eligible with ~$1,000 to $5,000 minimums.
- Private BDCs: Accredited investors; institutional investors; and qualified purchasers.

Asset Fit

- Lending to private credit borrowers.
- Flexible structure for middle-market financing.
- Retail-friendly alternative to PE credit funds.
- Subject to a 150–200% asset coverage ratio.

Fees

Base management fees: ~1.5–2% of gross assets.

Incentive fees: 15–20% of income/capital gains.

Other fees: Often modeled after private equity-style compensation.

Read our BDC Facts & Stats, which provides a compendium of information regarding BDCs, including BDCs that have increased their use of leverage, the terms of BDC advisory agreements, and more.

05

Open-End Funds

An open-end fund is a type of investment company that continually raises capital by issuing and redeeming shares. Investors can buy and sell shares of an open-end fund (not on an exchange) at any time, and the shares trade at NAV. Consequently, the size of such funds fluctuates based on investor activity, growing as investors invest and shrinking as investors divest.

Key Features

- Open-end funds are subject to Rule 22e-4 of the 1940 Act, which limits them to investing no more than 15% of assets in illiquid securities.

- Rule 22e-4 ensures funds maintain enough liquidity to meet daily redemption requests, but it reduces diversification by restricting access to less liquid asset classes.

- Unlike interval or tender offer funds, there are no restrictions on redemption timing or amount—shareholders may sell as much or as little as they wish.

- Investors can redeem shares at any time directly with the fund, at NAV.

- The flexible redemption process makes open-end funds highly liquid and investor-friendly.

- However, the need to meet daily redemption demands may force managers to sell assets at unfavorable times, potentially hurting fund performance.

- Controlled-liquidity vehicles like interval and tender offer funds avoid this drawback by limiting redemption opportunities.

Attributes

Structure & Registration

- Registered under the 1940 Act.
- Continuously offers shares; diversified portfolio.

Time to Market

Six months, depending on structure.

Liquidity

- Daily NAV.
- Must maintain sufficient liquid assets (Rule 22e-4 limits illiquid holdings to 15%).

Eligible Investors

Open to all investors; widely accessible.

Asset Fit

- Broad exposure to liquid public markets.
- Better for diversification and liquidity than illiquid strategies.
- Not suited for illiquid private credit or real estate assets.

Fees

- Typically lower management fees versus alternatives (0.25–1%).
- Sales loads possible (subject to FINRA limits).
- No incentive fees.

MAYER | BROWN

06

Target Date Funds

Target date funds are a specific type of open-end fund typically composed of relatively risky assets (often high-cap growth stocks) at inception and continuously de-risked over time by gradually modifying the fund's asset composition (for example, selling stocks and buying bonds) until the fund reaches its most conservative point at the target date, whatever that date may be.

Key Features

- Target date funds are typically structured as open-end mutual funds or ETFs that automatically adjust their asset allocation over time.
- The most common structure shifts from a riskier portfolio (higher equity exposure) toward a more conservative mix (bonds, cash equivalents) as the target date approaches.
- While alternative structures exist, such as funds that start conservatively and grow riskier, or those that shift exposure between sectors (e.g., energy to technology), the "risky-to-safe" format dominates the market.
- These funds provide the same general advantages and drawbacks as open-end funds, including daily liquidity and regulatory protections under the 1940 Act.
- The built-in glide path offers a convenient mechanism for investors to pursue a specific goal, most commonly retirement goals, by reducing portfolio risk as withdrawals near.
- Target date funds can be adapted to meet a wide range of objectives beyond retirement, depending on the design and target horizon.
- A key drawback is that once the portfolio becomes conservative, returns may be lower than what could be achieved with a riskier allocation.
- Additionally, the glide path may not align perfectly with an individual investor's preferences or financial situation, limiting flexibility.

Attributes

Structure & Registration

- Registered open-end funds under the 1940 Act.
- ETF or mutual fund; automatically adjusts allocation over time.

Time to Market

Six months, depending on structure.

Liquidity

Daily NAV (ETF); unlisted (mutual fund).

Eligible Investors

Public vehicles: Open to all retail and institutional investors.

Asset Fit

Long-term investors (retirement planning); simple “set and forget” portfolios.

Fees

Similar to open-end mutual funds (0.25–1%). No incentive fees.

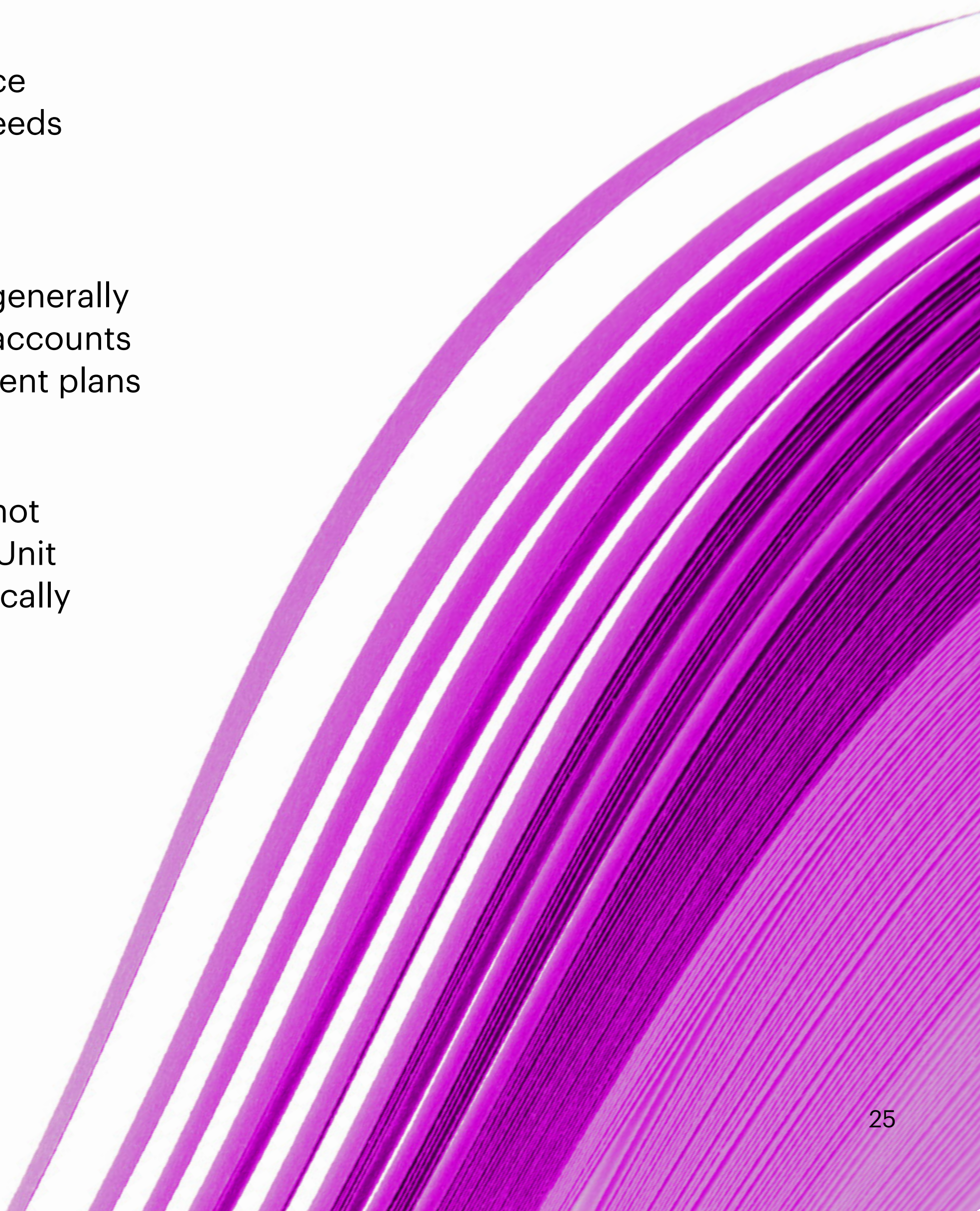
07

Collective Investment Trusts

Collective investment trusts (CITs) are pooled investment vehicles maintained by a bank or trust company, created exclusively for retirement plans, such as 401(k)s and pensions. Unlike mutual funds or closed-end funds, CITs are not registered under the 1940 Act and therefore operate under a lighter regulatory framework.

Key Features

- Sponsored by banks or trust companies to pool retirement plan assets into a single portfolio that is invested with a specific strategy like a mutual fund.
- May invest in stocks, bonds, active or passive investment vehicles as well as in alternative assets.
- Lower costs compared to mutual funds, due to streamlined operations and fewer regulatory expenses.
- Flexible investment mandates, since they can be tailored to meet the needs of retirement plan sponsors and institutional investors.
- Restricted availability, as they are generally not accessible to retail brokerage accounts and are limited to qualified retirement plans and institutional investors.
- Investors hold “units” in the trust, not “shares” such as in a mutual fund. Unit values are updated daily or periodically based on net asset value.
- CITs can offer different unit classes with varying fee structures allowing larger plans to benefit from economies of scale.
- Instead of SEC prospectuses, CITs provide disclosure through participant materials and fact sheets made available to plan sponsors.
- CITs designed for institutional investors may include performance-based fee structures.



Attributes

Structure & Registration

- Exempt from SEC registration under the Securities Act and the 1940 Act; No prospectus or Statement of Additional Information for a CIT.
- Declaration of trust for the CIT will contain the provisions governing its operations, investment strategy, etc.
- Exemption from registration tends to result in lower compliance and administrative costs compared to a mutual fund.
- Generally, either a bank or a trust company will sponsor a CIT and the CIT will be subject to regulation by the sponsor's regulator (i.e., Office of the Comptroller of the Currency or a state banking regulator).

Time to Market

No fixed term.

Liquidity

- Liquidity determined by plan documents (often daily like mutual funds).
- CITs do not trade on any exchange. As a result, CITs are less liquid or transparent compared to interest in mutual funds.

Eligible Investors

- Restricted to retirement plans and qualified institutional investors.
- Not available to retail outside of retirement plans.
- CITs are not available to individual investors and are not advertised to the public.

Fees

- Typically lower than mutual funds.
- No incentive fees.
- CITs can vary how operating and management expenses are charged.
- CITs can have multiple unit classes, each with different fees.

Use Cases/Asset Fit

- Assets invested in CITs generally include plan assets subject to ERISA and overseen by the Department of Labor, including retirement platforms (401(k), pensions).
- Low-cost, institutionally managed alternatives to mutual funds.

08

Investment Vehicle Comparison

Investment Vehicle Comparison

This survey compares in summary form the structure and characteristics of different permanent capital vehicles. This is not intended to be a comprehensive discussion of these topics.

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Overview	Mutual fund that continuously offers securities in order to raise capital to invest in diversified assets.	Fund that may be structured as an exchange-traded fund (ETF) or a mutual fund to automatically adjust asset allocation over time.[i]	Fund that issues a fixed number of shares, often through an IPO, to raise capital for its initial investments into diversified assets.	Investment vehicle that may raise capital through an IPO and continuous offerings or through private placements and financings. BDCs provide capital primarily to small and middle-market companies.	Type of closed-end fund generally focused on private credit investments.	Type of closed-end fund focused on private equity investments that may continuously offer securities.
Listed	Unlisted	ETFs are listed. Mutual funds are unlisted.	Generally listed on an exchange, but may be unlisted.	May be publicly listed.	Unlisted	Unlisted
Offering	May continuously offer securities sold through an independent broker-dealer channel. Senior securities are not permitted.	ETFs may be continuously offered with an effective registration statement. Mutual funds may be continuously offered by mutual fund companies or through brokerage accounts that offer mutual funds.	One-time IPO but may undertake follow-on public offerings with an effective registration statement. Limited to a single class of common stock. Sales load is limited to 8% of a completed offering.	Public BDCs – May continuously offer securities on a national securities exchange with an effective registration statement. Limited to a single class of common stock unless SEC exemptive relief is granted. Non-traded BDCs – May continuously offer with an effective registration statement. Sold through independent broker-dealers. Multiple share classes are permitted. Subject to sales loads and FINRA limits. Private BDCs – Continuous private offerings. Multiple security classes are not permitted unless exemptive relief from the SEC is obtained.	May continuously offer with an effective registration statement. Sold through independent broker-dealers. Multiple security classes are permitted if exemptive relief is granted. Subject to sales load fees and FINRA limits. Sales load fees are at the investor level, based on share price. Separate limits for upfront fees and ongoing fees.	May continuously offer with an effective registration statement. Sold through independent broker-dealers. Multiple share classes are permitted. Subject to sales load fees and FINRA limits.
Time to Market	6 months, depending on structure.	6 months, depending on structure.	6 months (possibly longer if application for co-invesment relief is required).	Private BDCs – 4–6 months (possibly longer if application for co-investment relief is required). Public BDCs – 6 months (possibly longer if application for co-investment relief is required).	6 months (possibly longer if application for co-investment relief is required).	6 months (possibly longer if application for co-investment relief is required).
Price Determination	NAV, determined daily.	NAV, determined daily.	IPO based on NAV then market price, often determined daily, if not, usually weekly.	NAV	NAV, often determined daily, at least weekly.	NAV, determined daily.
Securities Act Registered	Yes	Generally, yes	Generally, yes	Yes for public BDCs	Yes	Yes

Investment Vehicle Comparison (Continued)

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Management Fees	Investors pay the open-end mutual fund's current NAV plus any initial sales load.	Tend to have average expense ratio fees. Average fees may be around 0.32%.	Base management fee and incentive fees on income only.	Base management fee and incentive fees on realized capital gains and income (if CEF, only on income). Base management fee – generally 1.25% annually on net assets. Incentive fees based on income – 12.5% of net investment income, subject to a hurdle rate and catch-up, and 12.5% capital gains fee on realized gains, net of realized and unrealized losses.	Base management fee and incentive fees on income only. Base management fee – generally 2% annually on net assets. Incentive fees based on income – typically 12.5–15%.	Base management fee and incentive fees on realized capital gains and income (if CEF, only on income). Base management fees – 1–1.5% with total expenses 2–2.5%.
Liquidity Events and Fees	Repurchase or private resale.	ETFs may be resold on an exchange. Mutual funds may be resold through a private sale, facilitated by a broker-dealer.	Generally through sales on an exchange.	Public BDCs – Shares are listed on an exchange. Private BDC – Exchange listing; limited term; and periodic repurchases, IPO, or unwinding of the fund. Non-traded BDCs – Often conduct periodic repurchases. Discretionary repurchases, generally 2.5%–5% of outstanding shares.	Periodic repurchase (i.e., quarterly, semiannually or annually) of 5%–25% of outstanding shares at mandated intervals, following a lockup period.[ii] If repurchases are oversubscribed, exceeding the amount authorized, the fund must accept additional tenders on a pro rata basis. May establish a repurchase fee, not to exceed 2% of the proceeds that are reasonably intended to compensate the fund for its expenses.	Periodic repurchase through a tender offer on a discretionary basis. If repurchases are oversubscribed, exceeding the amount authorized, the fund may accept additional tenders on a pro rata basis. An early repurchase fee may be charged as a percentage of the tendered amount.
Investors and Investor Considerations	Offers high liquidity, transparency, and convenience. Vulnerable to fluctuations in the stock market, potentially large and quick outflows that lead to losses for investors, and potential exit load fees.	Offers investors an option to automate the risk balance of their portfolios. ETFs offer high liquidity. Fees associated with these funds have gone down over time. SEC and 1940 Act investor protections.	Offers efficient means of diversification. Potential for attractive distributions. Enhanced returns (via the illiquidity premium and leverage). Intra-day liquidity. Tend to attract IRA investors, depending on fund investments.	Access to private markets. Non-traded BDCs may be available to retail investors. Investor qualifications for private BDCs. High dividend yields and capital appreciation potential. Higher risk investment. Tend to attract IRA investors, depending on fund investments.	Access to private markets, but tend to be sold to qualified investors. No mandated financial suitability requirements. Low minimums. 1099 tax reporting. SEC and 1940 Act investor protections. Higher fees. Limited liquidity. More attractive to IRA investors due to greater liquidity.	Access to private markets, but some only sell to qualified investors. No mandated financial suitability requirements. Low minimums. 1099 tax reporting. SEC and 1940 Act investor protections. Higher fees. Limited liquidity.
Asset Allocation Requirements	Generally may not invest more than 15% of assets in illiquid securities.	Flexibility to allocate assets.[iii]	Broad flexibility to allocate assets.	Public and Private BDCs – At least 70% of assets must be invested in qualifying assets (primarily private U.S. companies).	Interval funds are not subject to the same 15% requirement as mutual funds, but they must hold liquid assets equal to the repurchase offer amount during each repurchase period.	Tender offer funds are not subject to the same 15% requirement as mutual funds, but they must hold liquid assets equal to the repurchase offer amount during each repurchase period.

Investment Vehicle Comparison (Continued)

	Open-End Funds	Target Date Funds	Closed-End Funds	Business Development Companies (BDCs)	Interval Funds	Tender Offer Funds
Leverage Restrictions	Borrowing only permitted from banks (in the absence of exemptive relief, e.g., for interfund lending). Generally limited to a maximum leverage of 33.33% of portfolio value.	Borrowing only permitted from banks (in the absence of exemptive relief, e.g., for interfund lending). Generally limited to a maximum leverage of 33.33% of portfolio value.	May borrow from a bank and have more than one credit facility at a time.[iv] 1:2 leverage limit for debt, 1:1 leverage limit for preferred stock.	1:1 debt-to-equity ratio. May elect to reduce asset coverage to 150%, allowing for a 2:1 debt-to-equity ratio.[v]	Any borrowing, including any borrowings to cover repurchases or any issuance by the fund of senior securities, must meet the asset coverage limitations of 300%, including the amounts borrowed. 1:2 leverage limit for debt; 1:1 leverage limit for preferred stock.	Any borrowing, including any borrowings to cover repurchases or any issuance by the fund of senior securities, must meet the asset coverage limitations of 300%, including the amounts borrowed. 2:1 leverage limit.
Public Reporting	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Open-end funds file annual reports pursuant to Section 15(d) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Closed-end funds file annual reports pursuant to Section 13(a) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.		BDCs register securities with the SEC on Form N-2 and must file public company reports (10-K, 10-Q, 8-K) pursuant to Section 14(a) of the 1934 Act. Must also publicly file quarterly disclosure of investment holdings with the SEC.	Pursuant to Section 30 of the 1940 Act, the fund must file semiannual and annual reports. Closed-end funds file annual reports pursuant to Section 13(a) of the 1934 Act. Must also file monthly investment holdings reports and publicly file quarterly disclosure of investment holdings with the SEC.	
Corporate Governance	Under the 1940 Act, at least 40% of a mutual fund's directors must not be affiliated with the fund, but virtually all funds maintain a board with a majority of independent (disinterested) directors.	Under the 1940 Act, at least 40% of the fund's directors must not be affiliated with the fund, but virtually all funds maintain a board with a majority of independent directors.	Majority independent directors who are not "interested persons," and those directors must select and nominate any other disinterested directors.	Majority independent directors who are not "interested persons." Must maintain and enforce a Code of Ethics for officers and directors.	Majority independent directors who are not "interested persons," and those directors must select and nominate any other disinterested directors.	

[i] Target date funds may also be collective instrument trusts. Collective instrument trusts are not regulated by the SEC and may have different characteristics than the exchange-traded funds or mutual funds described in this table.

[ii] Governing documents specify how often the TO fund will repurchase shares.

[iii] Funds must disclose the asset allocation of the fund in SEC filings, and marketing materials are reviewed by FINRA, but the allocation may be actively managed and adjusted.

[iv] A closed-end fund may have more than one credit facility, because debt of the same priority is considered to be a single class, provided all facilities are unsecured or secured by the same collateral.

[v] The vote required to decrease the asset coverage ratio of a BDC is a majority of directors or general partner with a one-year delay on implementation or a majority of shareholders for immediate effectiveness.

Conclusion

Regulatory Developments

Regulatory reforms have the potential to expand access to private markets and alternative assets, particularly for high net worth investors and also for some retail investors. Since the change in administration, it's true that we already have seen the effect of some of these reforms. However, we anticipate more are on the horizon.

Closed-end Fund Limitation on Investments in Private Securities

The SEC Staff historically required closed-end funds that proposed to invest more than 15% of their net assets in private funds to limit sales of their shares to accredited investors that made an initial investment of at least $25,000. While this policy was not codified in any formal rule or statute, it nevertheless was enforced through the registration statement review process. As a result, retail investors were excluded from private market opportunities through registered closed-end funds. In May 2025, SEC Chair Atkins noted it was time to change this two-decades-old policy. Chair Atkins explained that he would direct the Staff to consider this. The then-Director of the Division of Investment Management confirmed that the SEC Staff would no longer provide comments when retail closed-end funds did not adhere to the 15% limit on private fund investments, and that the SEC Staff would work with filers to address disclosure issues as these products became more widely available to retail investors. In August 2025, the Staff of the Division of Investment Management published guidance to assist registered closed-end funds that invest in private funds by identifying disclosures that should be addressed in their filings. Following this policy change, fund sponsors have launched a variety of closed-end funds targeting private market strategies. This change will continue to enable the introduction of new products, including interval funds and tender offer funds blending private and public assets and offering varying liquidity features.

Multiple-share Class Relief

In March 2025, the SEC issued exemptive relief allowing a private BDC to offer multiple share classes with varying sales loads and distribution fees, even if the shares are not publicly offered.[1] Exemptive relief is generally required for permanent capital vehicles, including interval funds and tender offer funds, to offer multiple share classes. This exemptive relief enables a private BDC sponsor to tailor its capital structure in order to appeal to a broader range of investors, offering different categories of investors a share class with a customized fee structure.

Co-investment Relief

Historically, closed-end funds, BDCs, and their affiliated investment vehicles were subject to restrictive and administratively burdensome co-investment rules. Requirements included frequent, in-depth board approvals by independent directors, restrictions on the types of entities that could participate in co-investment transactions, prohibitions on participation in co-investment transactions based on pre-existing affiliate investments, and extensive reporting requirements. These, some might say onerous, requirements resulted in delaying transactions and often making transactions more costly, and occasionally, rendering them impossible.

In April 2025, the SEC granted exemptive relief resulting in a streamlined co-investment framework for certain closed-end funds, including BDCs.[2] The changes reduce the compliance and governance burdens. The process reduces the board approval requirements for co-investment transactions, clarifies the roles and responsibilities of advisers and boards of directors in these investments, expands the types of investment opportunities in which closed-end funds can engage, and simplifies investment allocation decisions. This relief also allows affiliated joint ventures of BDCs and insurance company separate accounts to participate

[1] See Ares Core Infrastructure Fund, et al., *Investment Company Act Rel. No. 35523* (April 8, 2025), https://www.sec.gov/Archives/edgar/data/2031750/999999999725001786/filename1.pdf. (The final order was issued April 8, 2025 and initial notice was issued March 12, 2025).

[2] See FS Credit Opportunities Corp., et al., *Investment Company Act Rel. No. 35561* (April 29, 2025), https://www.sec.gov/files/rules/ic/2025/ic-35561.pdf. (This relief can be obtained by other closed-end funds on a similar basis).

in co-investment transactions with other affiliated investment vehicles. Given BDCs and other permanent capital vehicles are sponsored by private equity or private credit sponsors that have multiple public and private vehicles, the ability to engage in co-investment and joint exit transactions is important.

Executive Order

In August 2025, the President issued an executive order directing the Secretary of Labor to review and clarify existing Department of Labor guidance concerning fiduciary obligations relating to the inclusion of alternative assets in ERISA-governed defined contribution plans. The order directs the SEC to review and to revise its rules and its guidance in order to improve access to alternative assets for participant-directed retirement plans. The order also calls for interagency coordination among the U.S. Treasury Department, the SEC and other regulators so that they can evaluate the changes needed to facilitate this.

Support for Expanded Retail Access to the Private Markets

In the months since this order, the SEC's Investor Advisory Committee has released a report, Retail Investor Access to Private Market Assets, which observes that retail access may be expanded through registered funds. The report notes a number of investor protection concerns that should be addressed, and also offers recommendations regarding potential rulemaking changes that the SEC should consider. For example, the committee suggested requiring more robust disclosures related to valuation of securities and liquidity opportunities for registered funds that invest in private funds. More recently, in public remarks, SEC Commissioner Uyeda called for regulatory changes in order to expand access for retirement plan participants to private equity, private credit, and other private market strategies.

Proposed Legislation

Also in recent months, a bill was passed in the House of Representatives, known as the INVEST Act, which, if adopted, would modernize the regulation of registered funds, and address some impediments to allowing broader retail access to private capital through registered funds.

The Act would authorize closed-end funds, including BDCs, to invest in private funds and limit the SEC's ability to prohibit this in the future as well as to impose conditions on these investments and on the offer and sale of securities by registered funds that invest in private funds. This measure builds on the actions discussed above by the SEC Staff stepping back from its historic policy of imposing a 15% limitation on the assets invested in private funds. The legislation also ensures that even if there were a change in administration, the Staff policy could not be reinstated.

The Act would address aspects of Sections 3(c)(1) and 3(c)(7) of the 1940 Act in the context of interpreting Section 12(d)(1)(c) of the 1940 Act, which relates to anti-pyramiding. Specifically, it would make clear that the ownership interests in a registered fund held by a hedge fund or other private fund that is under common control would be aggregated for this purpose. This is intended to deter activist funds from targeting listed registered closed-end funds.

The Act would direct the SEC to propose rules permitting electronic delivery of prospectuses and other fund documents that required to be delivered by funds and their advisers to investors.

The Act also would allow registered investment companies to exclude fees and expenses incurred indirectly from investment in a BDC from their calculation of acquired fund fees and expenses (AFFE). These fees and expenses could instead be disclosed in a footnote. If signed into law, this change would correct a disclosure requirement that overstates the cost of a BDC's operating expenses, as they are currently double-counted in the BDC's financials, both under the AFFE rule and in BDCs quarterly NAV reporting. This legislation has the potential to spur increased institutional investment in BDCs and inclusion in indices.

These are all important changes. Of course, there is more to be done. There are aspects of the 1940 Act that have not undergone significant review or revision in decades. Particularly as market participants use the interval fund and tender offer fund structures more frequently, some features of these ought to be reevaluated. For example, these entities could be allowed to function as series companies. Whether or not one is a proponent of democratizing access to private equity, private credit, and other alternative investments through registered funds, modernization of significant portions of the 1940 Act is overdue. As this sector evolves, it's important to stay informed about developments.

Our Permanent Capital Practice

Mayer Brown's leading Capital Markets practice, combined with our deep knowledge of the 1940 Act, the Advisers Act and relevant tax considerations, makes us a trusted adviser to private equity sponsors and others structuring permanent capital vehicles, including closed-end funds, BDCs, interval funds and tender offer funds, as well as to their underwriters and fund advisers.

"Mayer Brown is a major name in capital markets with a dynamic mix of domestic and global equity offerings... financial services and business development companies (BDCs) are key sectors for the team."

—*The Legal 500*

For decades, Mayer Brown has been a leading adviser to issuers and underwriters in connection with initial public offerings. We serve as a key partner to sponsors and issuers transitioning permanent capital vehicles to public ownership.

Working closely with our tax and investment management teams, we assist investment advisers, sponsors, management, and boards in structuring and launching closed-end funds, BDCs, interval funds, tender offer funds and other permanent capital structures. Our team helps clients anticipate accounting, legal, tax, and regulatory challenges; develop financing strategies; structure affiliate relationships; establish joint ventures; structure vehicles in order to facilitate investments from insurance and pension funds; implement compliance policies and procedures; and prepare disclosures. We also advise investment advisers on policies to comply with the Advisers Act and assist with 1940 Act exemptive relief.

"They are extremely responsive, very practical and really able to give you a real-world view of legal issues that can be very technical."

—*Chambers USA* on our work with funds

Our Finance group works with permanent capital vehicles to negotiate and establish credit facilities tailored to their investment strategies. We have extensive experience structuring and negotiating investments in portfolio companies, including first and second lien loans, unitranche and other first out/last out structures, covenant-lite loans, PIK debt, subordinated loans, debtor-in-possession financings, high-yield debt securities, convertible debt, preferred equity and other mezzanine instruments. Our Restructuring group advises permanent capital vehicles and other lenders on distressed investments, including restructurings, out-of-court workouts, foreclosures, and bankruptcy proceedings. We also work closely with our Insurance and ERISA colleagues in structuring target date funds and with our ERISA colleagues in structuring collective investment trusts.

"Accomplished advisers on the tax aspects of major transactions... advises on the tax aspects of capital markets transactions. Offers notable cross-border experience."

—*Chambers USA* on our corporate & finance tax work

Visit our Permanent Capital Vehicles Resources center for more materials relating to various types of permanent capital vehicles.

Additional Resources

FREE WRITINGS + Perspectives

Our blog, Free Writings & Perspectives, provides up-to-the-minute news regarding securities law developments, particularly related to capital formation, as well as commentary regarding developments affecting private placements, late stage private placements, PIPEs, IPOs and the IPO market and new financial products.

freewritings.law

A Deep Dive Into Capital Raising Alternatives

Published by the International Financial Law Review, *A Deep Dive into Capital Raising Alternatives* provides an overview of the Jumpstart Our Business Startups (JOBS) Act, including the IPO on-ramp provisions, Regulation A, Regulation Crowdfunding, the changes to the Securities Exchange Act of 1934 threshold for U.S. Securities and Exchange Commission (SEC) reporting, and the changes eliminating the prohibition against general solicitation in connection with certain exempt offerings. The book provides context on the changes in market structure and market dynamics that led to the enactment of the JOBS Act. Specifically, the trend for many private companies to remain private longer, defer or dispense with traditional IPOs in the United States, and rely on private capital to fund their growth. The book also offers some insights into alternative approaches to becoming a public company, including direct listings and merging into SPACs.

freewritings.law/a-deep-dive-into-capital-raising-alternatives

Corporate Finance and the Securities Laws

Corporate Finance and the Securities Laws is the "go to" resource which explains the mechanics of corporate finance together with the statutes that govern each type of deal. The Seventh Edition covers a wide range of financing techniques – from IPOs to private placements and other exempt offerings, shelf-registered offerings, offshore offerings, stock buybacks, tender and exchange offers, debt restructurings, spin offs, convertible securities, asset backed securities and insurance linked securities. It also addresses liability issues and due diligence, anti-manipulation rules and the capital markets related FINRA rules.

freewritings.law/corporate-finance-and-the-securities-laws/

Writing on the Wall

Writing on the Wall offers explanations and definitions for over 1,000 securities, capital markets, derivatives, structured finance and financial services terms and phrases. Access the glossary at:

writingonthewall.com

About Mayer Brown

Mayer Brown is a global services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England and Wales), Mayer Brown Hong Kong LLP (a Hong Kong limited liability partnership) and Tauil & Chequer Advogados (a Brazilian law partnership) (collectively, the "Mayer Brown Practices"). The Mayer Brown Practices are established in various jurisdictions and may be a legal person or a partnership. PK Wong & Nair LLC ("PKWN") is the constituent Singapore law practice of our licensed joint law venture in Singapore, Mayer Brown PK Wong & Nair Pte. Ltd. Mayer Brown Hong Kong LLP operates in temporary association with Johnson Stock & Master ("JSM"). More information about the individual Mayer Brown Practices, PKWN and the association between Mayer Brown Hong Kong LLP and JSM (including how information may be shared) can be found in the Legal Notices section of our website.

mayerbrown.com