



The Financial Conduct Authority (“FCA”) introduced the LTAF as a new category of open-ended authorised fund designed to invest efficiently in long-term assets. The FCA enabled the innovation by creating a new regulatory regime which came into force in 2021.

Working with the Bank of England, the Treasury and broader industry, through the “Productive Finance Working Group”, the FCA has created an environment where investment in longer-term, less liquid assets, by investors who understand the risks, can flourish.

In particular, LTAFs provide access for UK Defined Contribution (DC) Schemes and categories of retail investors (Limited Protection LTAF Investors) to access private market assets. Two channels that are growing at an exponential rate

For many private market managers, it represents a compelling opportunity to access both pension and professional investors in the UK

How can Carne help?

Provision of full-scope AIFM

Only a firm who has been authorised as a full-scope UK AIFM, with permission to manage an authorised UK AIF, is permitted to manage an LTAF. Carne is an FCA authorised Full-Scope UK AIFM

Turnkey fund setup

We provide expertise in product design and fund launch. We partner with you, the Sponsor and/or investment manager, to navigate the operational and regulatory complexities of launching LTAFs

Improved speed to market

Our partners benefit from our LTAF set-up expertise and experience, particularly with DC market participants, such as consultants, platforms and service providers

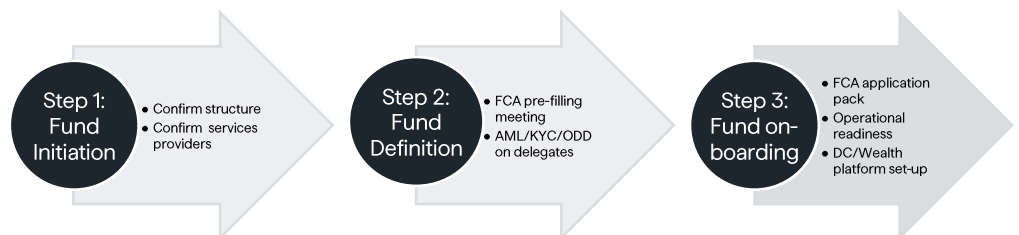
Access to Carne's expertise

Developing and overseeing private market funds in the UK and other domiciles. Which is valuable given the LTAF can be structured as a feeder fund into an offshore vehicle (such as a LUX RAIF)

What does our LTAF solution provide?

- Production & filing of the fund documentation – application with regulator including the generation and legal approval of prospectus & supplement
- FCA reporting liaison, including regulatory filing
- Day-to-day operational and regulatory oversight, including
 - Independent investment, risk, liquidity & borrowing oversight
 - depository monitoring, fund accounting & administration, transfer agent oversight and auditor liaison
- Statutory financial reporting, MLRO & AML services
- Fund design, launch & implementation (Carne takes the lead on sponsor, investor, consultant, DC platform & investment manager collaboration)
- Lead on UK DC life platform connectivity and onboarding
- All service providers can be contracted by Carne, by using the Group's scale, to create cost efficiencies
- Institutional investor reporting can include:
 - Monthly factsheet, QIR, SDR, and TCFD reporting. In addition to any other regional investor regulatory reporting requirements
- Open architecture solution or benefit from our strategic relationships

Allow Carne to guide you through the launch process



Carne: where asset management comes together

Carne makes operations simpler for organisations right across the asset management industry. Expertise in the areas of risk and compliance, due diligence and oversight, distribution and governance come together on a single platform to radically alter the ease and effectiveness with which our clients are able to function. From boutique managers to global financial giants, we offer Unity through simplicity™: everything in one place for total control

Further Information

What is an LTAF?

- The LTAF is an FCA-authorized open-ended fund, designed to allow UK DC schemes and qualifies investors to invest in private market assets. Whilst other investment vehicles exist to facilitate private market investing, such as Investment Trusts, offshore funds, and LPs, the LTAF is unique in its design in aligning the liquidity requirements of investors with the liquidity of the underlying assets
- The UK DC market is growing at an exponential rate and the need to diversify into private market assets is meaningful. In addition, the LTAF has been approved for ISAs, SIPPs and professional investors within the UK Wealth channel
- The LTAF represents a compelling opportunity to access both pension and professional investors but requires full-scope UK AIFM permissions (either in-house or outsourced)

Fund structure of a typical LTAF

- Dealing frequency: Monthly or longer, with the provision of gating, lockups and extended subscriptions and redemptions
- Liquidity: Minimum of 90 days redemption notice period
- Considered a Restricted Mass Market Investment (RMMI)
- Fund structure: ICVC/ OEIC, ACS or AUT
- The LTAF is a conditional permitted link for unit-linked life funds
- The LTAF can operate as a Fund of Fund, feeder into an offshore Master or invest in the assets directly

For more information, get in touch:

UK LTAF

**85 Gresham Street, London, EC2V 7NQ. England
United Kingdom**

Ben van den Tol

ben.vandentol@carnegroup.com

+44 7342 088 639

Jeremy Soutter

jeremy.soutter@carnegroup.com

+44 7798 828567

info@carnegroup.com

carnegroup.com

