

MEMO# 32787

September 30, 2020

Consider This: Interval Fund Operational Practices

[32787]

September 30, 2020 TO: ICI Members
Bank, Trust and Retirement Advisory Committee
Broker/Dealer Advisory Committee
Closed-End Investment Company Committee
Operations Committee
Small Funds Committee
Transfer Agent Advisory Committee SUBJECTS: Closed-End Funds
Distribution
Operations
Recordkeeping
Settlement
Transfer Agency RE: Consider This: Interval Fund Operational Practices

We are pleased to announce the publication of a new white paper, [*Consider This: Interval Fund Operational Practices*](#).

Continued growth in interval funds^[1] challenges the industry to efficiently and effectively support interval funds' operating characteristics that often do not fully align with either prevailing technologies or related service models used for closed- or open-end funds. In June 2019, ICI published a white paper^[2] authored by a task force of our Broker/Dealer Advisory Committee (BDAC) that summarized operational challenges in supporting interval funds and provided a call to action for the industry to develop recommended practices for common interval fund operational activities.

[*Consider This: Interval Fund Operational Practices*](#) is the task force's response to this call to action. It discusses seven major interval fund operational areas from both fund and intermediary perspectives and outlines general considerations for interval fund counterparties (e.g., fund managers, intermediaries, and their respective service providers) when supporting interval funds and fund shareholders. The paper includes various recommended practices that provide operational standardization to key activities and highlights how counterparties must work together to achieve optimal efficiencies in interval fund operations.

The white paper may be accessed on the ICI website [here](#).

Questions or comments on the white paper may be directed to the undersigned (jeff.naylor@ici.org; 202-326-5844). We hope the paper will assist the industry as it strives to achieve the best possible outcomes for fund shareholders and other stakeholders when investing in or servicing interval funds.

Jeff Naylor
Director, Operations and Distribution

[Attachment](#)

endnotes

[1] Interval funds are continuously offered closed-end funds that redeem shares by making periodic repurchase offers (“tenders” or “redemptions”) at net asset value (NAV) in compliance with SEC Rule 23c-3 under the 1940 Act, as amended in 1993.

[2] *Interval Funds: Operational Challenges and the Industry’s Way Forward*,
https://www.ici.org/pdf/19_ppr_interval_funds.pdf

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