

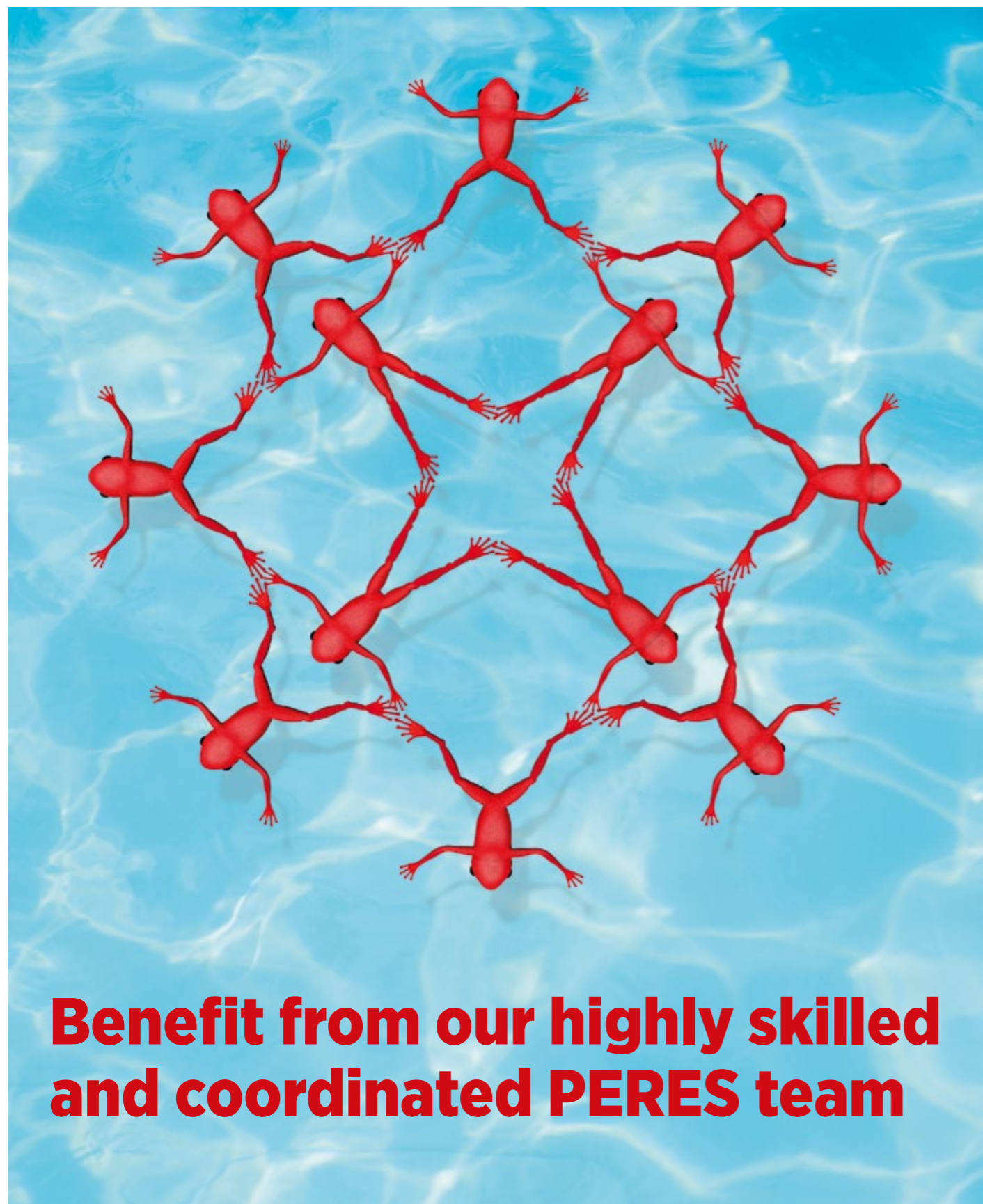
Hybrid funds in 2024

Major industry survey gauges
the state of planning for hybrid
funds across Europe

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Caceis and Funds Europe survey

Caceis has a long history of providing insight and thought leadership to help our clients and the industry navigate changing market dynamics. This is our fifth annual survey in partnership with Funds Europe and this year, we are focusing on the topic of hybrid funds.

With the growing appetite for private equity funds to build more diversified portfolios and diversified sources of return, the demand for hybrid funds has grown. Hybrid funds are an innovative development in the cross-border funds industry that are intended to allow a wider range of investors to access private markets.

Caceis has been at the forefront of working with asset managers on hybrid funds and today we service alternative regulated open ended funds with €8.5 billion in assets under custody. This

reflects our leading position in asset servicing for private market funds.

Nearly ten years ago, Caceis' dedicated business line, PERES (Private Equity, Real Estate Solutions), was established with a singular focus on servicing private asset funds. Today, our diversified pool of 750+ professionals within PERES currently oversees over €633bn in assets under custody and €310bn in assets under administration for private market funds.

Our goal with this survey is to provide the market with insight into the role of hybrid funds, collate feedback into some of the challenges faced by asset managers in servicing this asset class and take a brief look at other areas, such as fund structures.

Olivia Zitouni
Group head of PERES
coverage & client management

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Hybrid funds in 2024

Hybrid funds are an innovative development in the cross-border funds industry that are intended to allow a wider range of investors to access private markets – which, particularly since the global financial crisis of 2008/9 but also over the last three decades generally, have experienced higher returns compared to traditional public markets.

Although no standard definition exists, generally, a hybrid fund will have at least one of two features.

First, they invest in illiquid private assets but can also put a portion of their capital into liquid public markets securities.

Secondly, hybrid funds offer more frequent redemption periods (or ‘liquidity windows’) to investors than private capital funds have historically offered. This blends the closed-ended structure of private markets funds with the open-ended structure of traditional, public markets funds. This liquidity is the reason for a proportion of the assets being invested in public markets so that redemptions (and subscriptions) can be managed.

The best-known iterations of hybrid funds in recent years are the European Long-Term Investment Fund (ELTIF)

launched in the European Union in 2015 and the Long-Term Assets Fund (LTAF), launched in the UK in 2023.

Following feedback from the industry, the EU relaxed many of its regulations around ELTIFs in 2024 to allow more flexibility with regard to minimum investment levels and borrowing. The revamped so-called ELTIF 2.0 is widely expected to attract more investor cash as, unlike the original version launched in 2015, the revised ELTIF can be sold to retail as well as professional investors and can be structured as an open- or closed-ended fund. This means more liquidity for investors who will no longer have to wait until a portfolio investment is realised to obtain returned capital.

Designed as part of the European Union’s Capital Markets Union push to boost growth by generating more non-bank funding in the bloc’s real economy, the ELTIF can be sold as an Alternative Investment Fund (AIF) throughout the European Economic Area.

As traditional fund managers continue to build their private-markets businesses (driven by demand from ‘traditional’ investors who wish to diversify their investments and gain from the ‘illiquidity premium’ that is offered by holding illiquid assets) it is

anticipated that more hybrid funds will come to market.

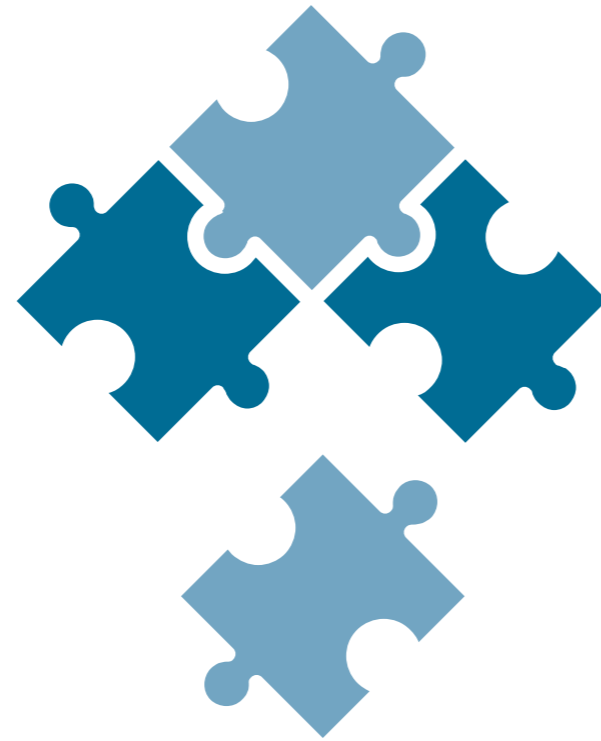
Hybrid funds have an important role to play not only in allowing a wider range of investors (e.g. smaller defined contribution (DC) pension funds and less sophisticated wealthy individual investors) to access private markets, but also in providing finance to ‘grassroots’ companies in the EU and UK and, therefore, boosting economies.

But do fund managers consider these structures too complex? How do firms feel about the risk of misaligning liquidity risks? Will investors expect a deeper level of transparency than private capital has traditionally offered and can fund managers provide it? How do they view the challenge of valuing these funds? And is there a role for hybrid funds in ESG portfolios?

In this survey *Funds Europe*, in partnership with fund administrator Caceis, seeks to identify how successful these funds will be at financing the UK and European economies by gaining insight into the appetite among fund managers for creating and distributing hybrid funds. [fe](#)

Mark Latham
Deputy editor, *Funds Europe*

“As traditional fund managers continue to build their private-markets businesses it is anticipated that more hybrid funds will come to market”



Who are the players?

Of the 124 anonymised asset management firms around Europe who responded to our survey, over half (71) described themselves as predominantly a traditional investment manager, such as a provider of mutual funds.

Under a third of firms described themselves as predominantly an alternative investor. Sixteen were providers of third-party management company services, such as ManCos, SuperManCos, or Alternative Investment Fund Managers (AIFMs).¹

Of the total of 124 firms surveyed, 109 said they currently offer, or plan to offer, at least one hybrid fund. Of the 124 firms, fifteen said they neither offered nor planned to offer at least one hybrid fund.²

Out of the firms that currently offer hybrid funds 65 said they had between two to five hybrid funds in their product range, while 34 firms offer a single hybrid fund. Only one of the firms surveyed offers more than five hybrid funds.

Geographically, just over a quarter of responding firms were based in the UK, with 30 based in Germany, 28 in the Netherlands, 26 in France and eight self-designated as 'other'.³

Robert Munday, director of products & client solutions for private equity & real estate solutions at Caceis,

believes that the UK is widely seen as a preferred domicile for hybrid funds, which should be reflected in the coming years with the accelerated launch of more LTAFs in the UK.

"Just over half the respondents believe that the current lack of standardised reporting for hybrid funds will create difficulties for institutional investors," Munday says. "The enhanced digital offer of Caceis and our extensive client base will allow us to align our clients' expectations with our existing and planned digital solutions."

When asked about the extent to which hybrid funds offer an opportunity to outperform funds that invest in public markets, almost half of the firms surveyed (61) said "significantly". Just over a quarter (32) selected "moderately", while 18 chose "very significantly" and nine opted for "very limited". Just three said "don't know" while one said "not at all".⁴

A similar but not identical spread of responses was observed when firms were asked to rank their perception of the extent to which hybrid funds offer investors reduced volatility compared to public market funds. Of the 124 respondents, over a third (44) answered "significantly" and just under a third (39) said "moderately".

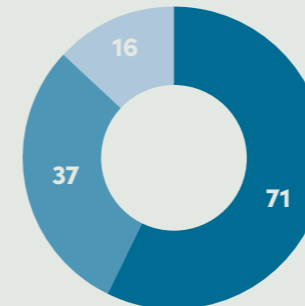
Nineteen firms said "very significantly", 14 said "very limited" and just four apiece said either "not at all" or "don't know".⁵

Asked to rank the importance of the ability of hybrid funds to target specific investment outcomes, such as income generation or capital appreciation, almost half of the 124 firms surveyed said "significantly important", with 33 firms regarding this as "very important", and 24 as "moderately important". Only seven firms described this ability as "not very important", none as "not at all important" with two "don't knows".⁶

“Just over half the respondents believe that the current lack of standardised reporting for hybrid funds will create difficulties for institutional investors”

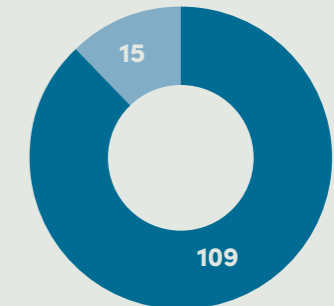
Robert Munday, director of products & client solutions for private equity & real estate solutions, Caceis

1/ Which best describes your firm?



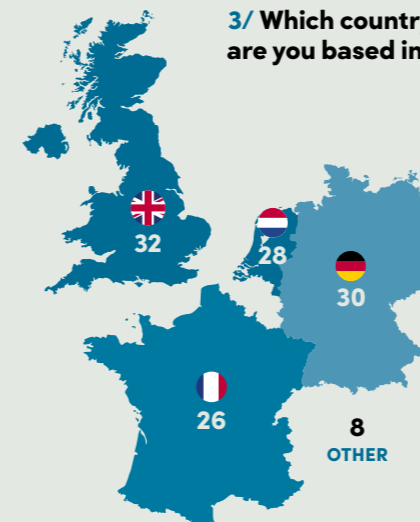
- We are predominantly a traditional investment manager (eg, provider of UCITS funds)
- We are predominantly an alternative investor
- A Provider of third-party management company services (ManCo, AIFM and/or 'Supermanco')

2/ Do you currently offer, or plan to offer, at least one hybrid fund?

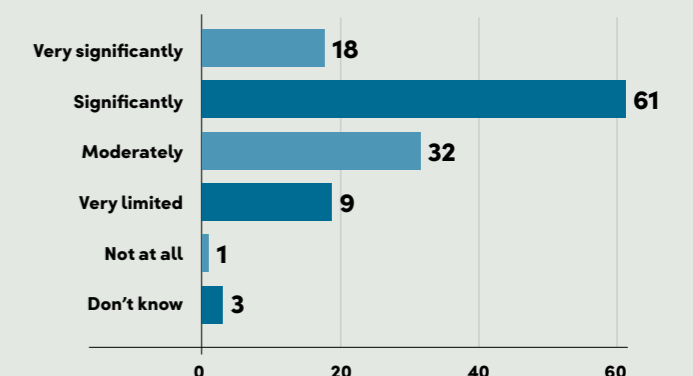


- Yes
- No

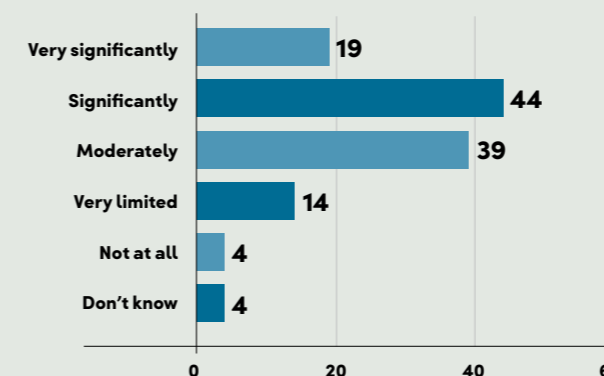
3/ Which country are you based in?



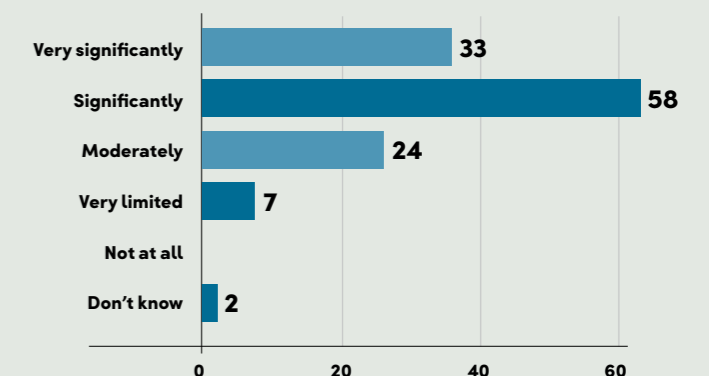
4/ To what extent do you believe hybrid funds offer an opportunity to outperform funds that invest in public markets?



5/ To what extent do you believe that hybrid funds offer investors reduced volatility compared to public market funds?



6/ How important is the ability of hybrid funds to target specific investment outcomes for your portfolio needs? (e.g. income generation, capital appreciation)





Performance fees

Asked about performance fees should be calculated, under a half of respondents (49) said that the carried interest model, which is more typical of private market closed-ended funds was the most appropriate for hybrid funds.

Thirty-nine respondents said that the payment of an incentive fee – paid after an agreed return was reached and which is more typical of open-ended funds – was the most appropriate way of calculating the performance fees of hybrid funds.

Thirty-four firms said that a mixture of incentive fee and carried interest would be most appropriate for hybrid funds. Just two firms said that neither an incentive fee nor carried interest were

appropriate ways of calculating the performance fees of hybrid funds.¹

Carried interest, often referred to simply as “carry”, is a share of the overall profits of a private equity fund paid out to the fund’s investment managers.

The future of what some regard as an unfair tax “loophole”, which enables such profits in the UK to be taxed at 28% as a capital gain than the higher marginal rate of income tax at 45%, is currently a matter of controversy and political debate in the UK and the US.

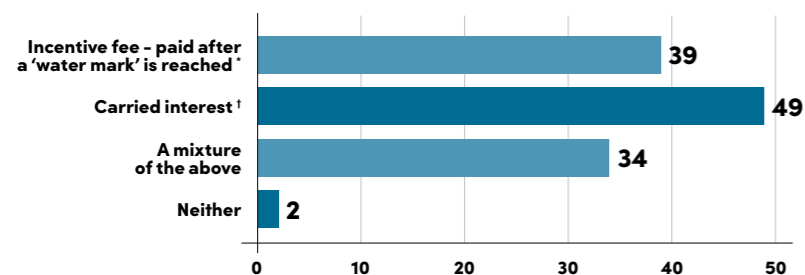
There are also carried interest regimes in France, Germany, Italy and Spain, many of which date from the creation of the private equity industry

in the 1980s.

Of the 15 firms surveyed who said they neither offer nor plan to offer at least one hybrid fund over the next 12 months, only two firms said they had considered launching a hybrid fund but had decided not to.²

Reasons for not launching hybrid funds cited by such firms included the complexity of the product, a perception that there was no client demand or a belief that they already had enough funds.

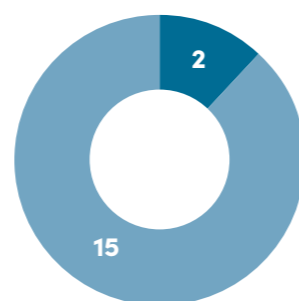
1/ Which typical model of performance fee do you feel is appropriate for hybrid funds?



* More typical in open-ended funds. † More typical in closed-ended funds

2/ Have you considered launching a hybrid fund and decided not to?

Please give your reason why



● Yes (We were not market ready)
 ● No (Complexity; no client demand; we have given it thought, but not launched as of yet; already have enough funds)

INTERVIEW



Tim Boole
 Head of product management private equity,
 Schroders Capital

The challenges of creating hybrid funds – a view from an asset manager which has launched several

Tim Boole, head of product management private equity at Schroders Capital, believes that it has been challenging for some in the asset management industry, more used to more conventional investment products, to fully embrace the opportunities of hybrid funds.

Schroders Capital has in recent years launched around half a dozen “hybrid-type” funds which have a strong (80% to 90%) allocation to private assets and a relatively small allocation to listed assets. Although the total AuM of all of these funds is currently less than £500m, that is because most are still in the “ramp-up phase”.

One of these was a closed-ended ELTIF launched in March last year, based on the original 2015 ELTIF 1.0 rules. “Occupying the middle ground is probably the hardest thing to do because you place yourself in a situation where you are neither one thing nor the other,” says Boole.

“When you speak to people who are dealing with private bankers and wealth managers you get quite mixed messages in terms of the appetite for hybrid funds because of different buying centres and how they treat the structure of a client’s portfolio.

“Most wealth managers look at a client’s portfolio and think about how much of that should be in equities, how much should be in fixed income, and what are the overall longer-term plans around this client, and so forth. When you’ve got a product which combines quite different sorts of characteristics, it makes it harder for them to put it into the bucket it should belong in.”

Boole welcomes the increased flexibility of the recently revised version of ELTIF. “If the whole purpose of the ELTIF rules was to allow private investors to access private markets, forcing them to only access that through a vehicle which had a 40% allocation to listed securities [the initial proposal in December 2023]

didn’t seem to be very much aligned with the ultimate objective,” he says.

“I think the ELTIF 2.0 rules will encourage the creation of more hybrid funds, but I suspect it will still be a case of how much do we need to keep in listed securities to satisfy the regulation and to satisfy the liquidity requirements?”

On the subject of how management fees should be calculated for hybrid funds, Boole says that for many institutional investors the carried interest model traditionally charged in private markets is an important part of ensuring that investment teams are fully incentivized.

Asked about the political debate in the US and UK about whether carried interest should be charged at a higher rate, Boole says: “I think people have their own personal opinions as to whether carried interest should be treated as income or as capital gain but I don’t expect to see a change in terms of the use of carried interest in terms of fund structures.”

“Occupying the middle ground is probably the hardest thing to do because you place yourself in a situation where you are neither one thing nor the other”

Structuring hybrid funds

Of the 109 surveyed firms that offer at least one hybrid fund or plan to launch one within a year, over half (58) indicated an anticipated fund size of between €200 million to €500 million. Thirty-one expect a fund size of between €100 million to €200 million, and 11 anticipate a fund size of over 500 million.¹

Just under half of firms with hybrid funds (43) expect a percentage proportion between retail and institutional investors of 70/30 in terms of total commitment. A third (33) said the split should be 75/25 with 16 stating 60/40 and just four each for a split of either 80/20 or 50/50.²

A clear majority of firms surveyed (62) said that their anticipated volume of retail and institutional investors in terms of numbers would be between 2,000 and 5,000. The second largest cohort, 29, expect numbers of between 5,000 to 10,000. Just six expect investor numbers of no more than

2,000, while three said they expect over 10,000 investors.³

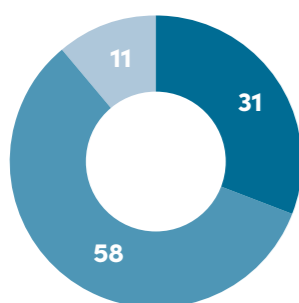
Oliva Zitouni, Caceis Group head of Private Equity Real Estate Infrastructure Clients (PERES), says it is noteworthy that a majority of respondents to the survey target retail investors rather than institutional.

“They plan between 2,000 up to 5,000 high-net-worth individuals or retail investors, therefore a majority

of general partners (GPs) have chosen vehicles domiciled in the country of distribution to retail,” she says.

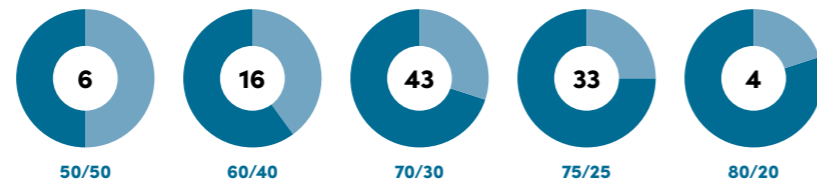
On the thorny subject of the ratio of illiquid to liquid asset allocations of hybrid funds, just under a half of respondents to this question (44 out of 100) aim for a 70/30 allocation. The second largest cohort, 31, target a ratio of 77/25 with single-digit responses to 80/20 (8), 60/40 (9), and 50/50 (8).⁴

1/ What is the anticipated fund size?

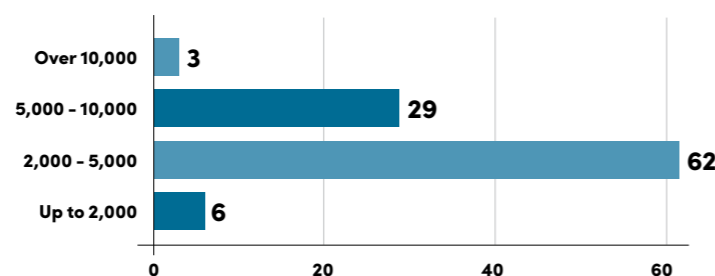


- €100-200m
- €200-500m
- €500m+

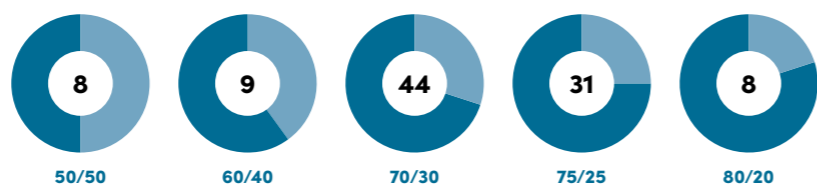
2/ What is the percentage split between retail and institutional investors in terms of total commitment?



3/ What is your anticipated volume of retail and institutional investors in terms of numbers?



4/ Which ratio of illiquid to liquid assets allocations do you target for your hybrid funds?



Hybrid funds: a lawyer's take

INTERVIEW



Silke Bernard
Luxembourg partner and global head of investment funds, Linklaters

Silke Bernard, a Luxembourg partner at London-based law firm Linklaters and global head of investment funds, has seen growing interest in and demand for hybrid funds as a result of the ELTIF 2.0 reforms, particularly from the private wealth sector.

“Interest in multi-asset, multi-strategy platforms combining liquids and illiquids will continue growing,” she says. “It is already baked into the regulation with ELTIF that if you allow redemption windows, you will have a hybrid structure by nature.”

Bernard believes the revisions to ELTIF introduced by the European Union this

year will, by allowing for more flexibility and giving more discretion to the fund manager, make hybrid funds more attractive to investors.

“I think we need to make sure that we are not taking a one size fits all approach though,” she warns.

“We need to make sure that managers can structure the funds in a semi open-ended way that matches the portfolio, the liquidity of the portfolio, the income generation, leverage, regional focus and so on.”

While closed-ended funds are often fine for most institutional investors, to be attractive to family offices and the mass affluent, a certain

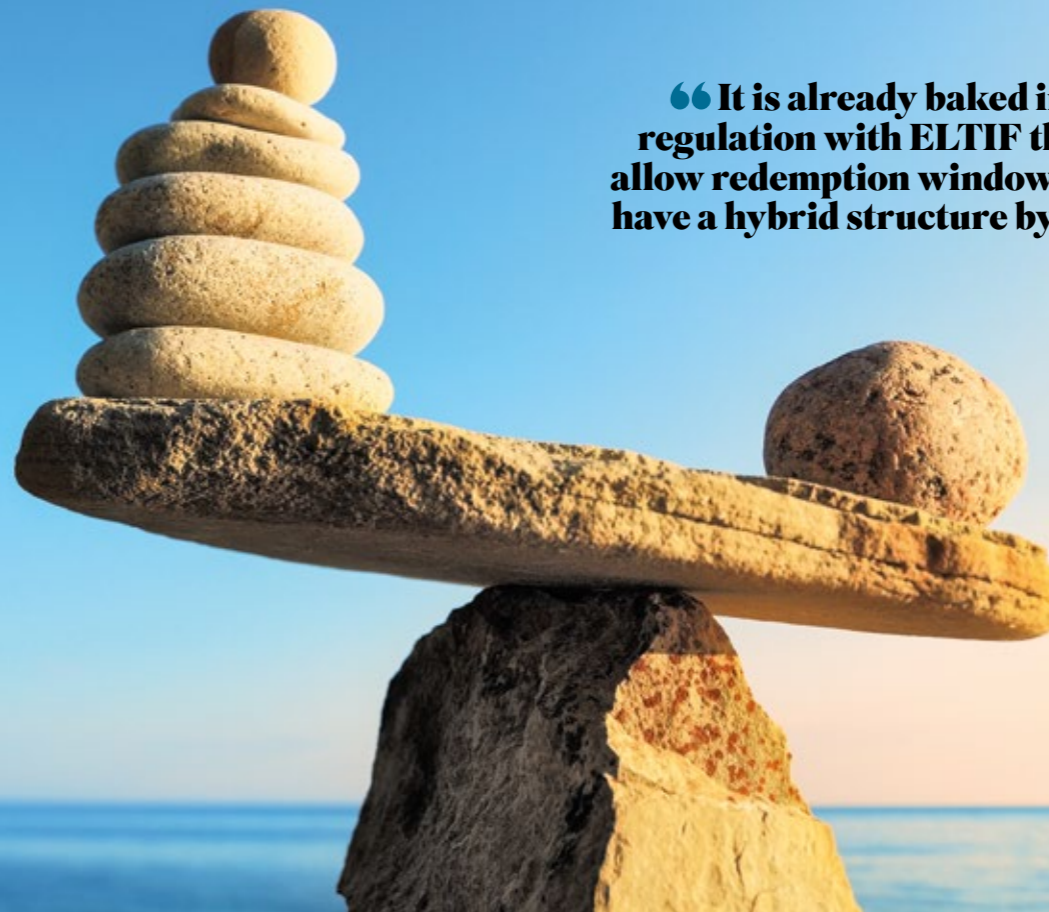
level of liquidity is needed.

“Certain investors cannot go into closed-ended funds and that is why there’s really a big push on semi-open ended or open-ended structures,” says Bernard.

On the issue of compensation model, Bernard says it is likely that many sponsors from a private markets background would choose to use their own typical carry model, while those from a mutual funds background would be more likely to go for the incentive fee model.

“I’m not that surprised to see that here is no clear trend, but the market seems to be split to some extent on compensation,” she says.

“It is already baked into the regulation with ELTIF that if you allow redemption windows, you will have a hybrid structure by nature”



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P rivate debt was by far the most popular choice when firms were asked to rank their priorities illiquid assets in their hybrid funds.¹

In the research for this survey just under half of firms surveyed (48 of 100) put private debt at the top of their list as being the most important illiquid asset.

Just under a fifth (19) of firms put private equity as their top priority with single-digit responses to real estate private debt (9), real estate (9), venture capital (7), and four each for infrastructure debt and infrastructure.

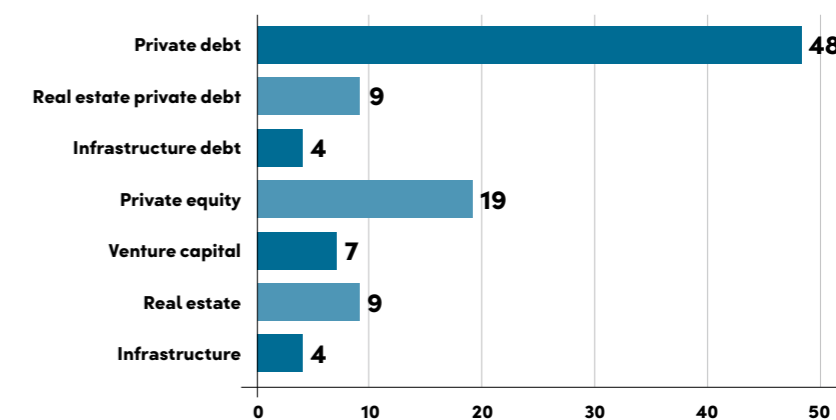
Of the responses to this question debt-related asset classes (private debt 48, real estate private debt (9) and infrastructure debt (4)) were cumulatively the top choice of illiquid assets for 61 firms.

This remained the case when firms were asked to rank their second most important illiquid asset, with debt-related classes (real estate private debt (25), infrastructure debt (22) and private debt generally (9)) accounting for over half (55) of respondents.

Asked about distribution methods, with respondents free to choose as many as are applicable to them, 57 out of 171 responses said family offices, with institutional investors a close »

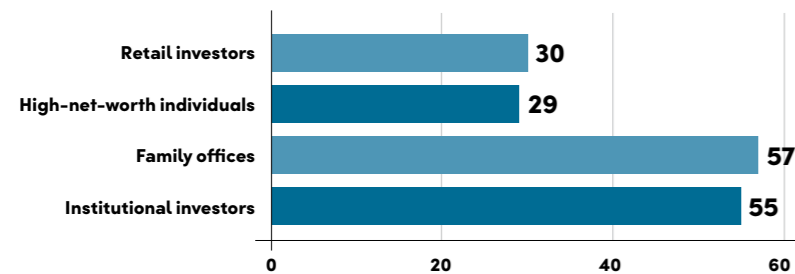
Prioritising illiquid assets

1/ Please rank the following illiquid assets by priority for your hybrid fund (top priority shown)



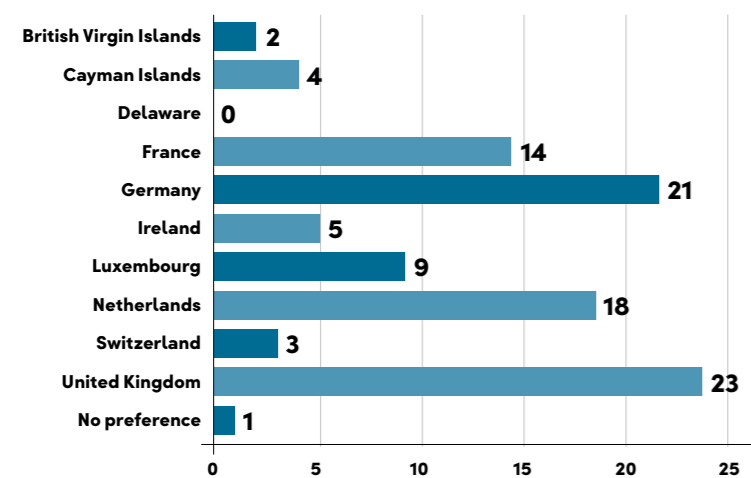
2/ To whom will you distribute hybrid funds?

(choose all that apply)

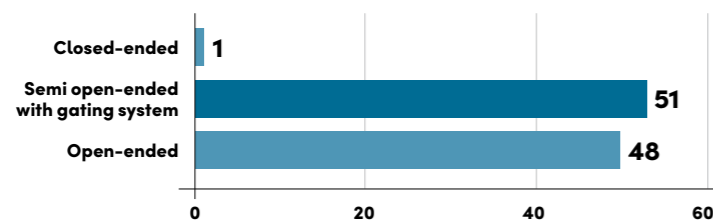


3/ What would be your preferred fund domicile for a hybrid fund?

(Please select one)



4/ Which fund structure have you adopted for your hybrid fund?



second with 55 responses.

Thirty respondents said they would target retail investors, and 29 said high-net-worth individuals.²

Asked to name their preferred fund domicile, the UK was in the top slot with 23 out of 100 responses. In second place was Germany at 21, with 18 stating Netherlands and 14 France.

All the other nominations were in single digits, including traditional fund centres such as Luxembourg (9)

and Ireland (5).

Other responses were Switzerland (3) and offshore financial centres Cayman (4) and British Virgin Islands (2).³

On a question about preference for fund structure, just over a half of respondents (51 out of 100) said that a semi-open-ended structure with a gating system is preferable. Just under a half (48) elected open-ended and just one respondent opted for closed-ended.⁴

INTERVIEW



Mark Meiklejon
Head of real asset global investment specialists,
Aviva Investors

Mark Meiklejon, head of real asset investment specialists at London-based asset manager Aviva Investors, says that at a semantic level, “the definition of hybrid funds can mean different things to different people in different markets”.

At its most basic level, many investors will interpret hybrid funds as the investing of liquid assets alongside illiquid assets and the co-mingling of listed alongside private assets within a semi open-ended or semi closed-ended structure, while trying to harness the illiquidity premium of private markets on a long-term basis.

“The challenge is that the illiquidity premium, is illiquidity,” Meiklejon says. “The concept of trying to solve the negative connotation that investors see around illiquid allocations is not a new one: it’s been around for a long time. The fundamental issue that hybrid funds are trying to solve is providing a more liquid exposure to a blend of illiquid assets.”

Investors such as a sovereign wealth fund, an endowment or an immature defined contribution pension fund with a 20/30/40-year investment horizon are happy to lock up capital and typically



A view on hybrid funds from an asset management firm that currently has no hybrid funds – but sees the attractions

do not need to pay for the cost of liquidity, which they have little need for. “Liquidity comes at a cost for investors and typically that’s greater volatility,” says Meiklejon.

With cash paying 5% in most markets since the Covid pandemic, the attractions of private markets have dimmed over the past couple of years, but Meiklejon expects prospects for the asset class to improve as interest rates are, as widely expected, cut over coming months.

Looking at the survey findings that form the basis of this research, Meiklejon said the high level of interest in launching hybrid funds was “fascinating”, as was the interest in targeting “relatively small” funds of less than €500m which would seem

to suggest that firms are targeting retail investors.

On the target audience, Meiklejon said he had expected a higher proportion to target retail, family offices or high net worth individuals and that the institutional investor number was higher than he

expected, given the fact that institutional investors have less need of liquidity and hence hybrid funds generally.

Meiklejon adds that the preferred target asset class shown by the survey, with a heavy dominance of private debt, concurs with Aviva Investors’ view that private debt is the most mispriced asset class relative to private equity and, compared to more traditional private markets, is currently particularly attractive.

“The fundamental issue that hybrid funds are trying to solve is providing a more liquid exposure to a blend of illiquid assets”



Staffing and organisational issues

One of the notable outcomes of the survey is the extent to which companies expect to hire staff and experts to launch and then manage hybrid funds

With well over half (57%) of the 124 respondents to the survey describing themselves as

“predominantly traditional” investment managers, it is perhaps not surprising that companies will need to bring in expertise and experience of alternative asset classes in order to launch and subsequently manage funds with a significant component of non-traditional asset classes.

Of the 100 survey respondents who have already launched a hybrid fund, over half (56) said they planned to hire staff in order to meet the needs of managing a hybrid fund.

In a question where firms could choose all options that applied to them, almost half (45) said they planned to hire experts to help manage hybrid funds.¹

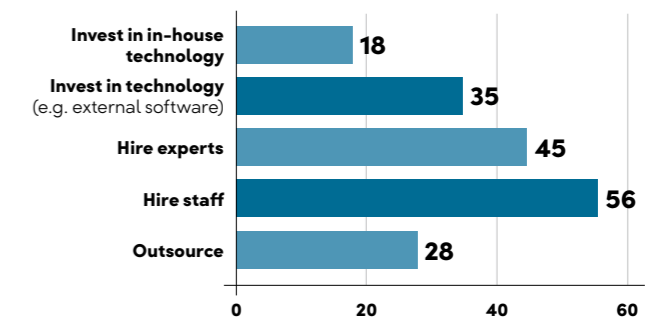
Interestingly, of the 17 firms who said that they had considered launching a hybrid fund but decided not to, two said they were not market ready. The remaining 15 firms mentioned a number of reasons why they had decided not to, including, product complexity, a perception that there was little to no client demand or that they already had enough funds. Meanwhile other firms said that, while they had considered launching a hybrid fund they had not done so as yet.

Just over a third of firms surveyed (35) said they would need, to operate hybrid funds, to invest in technology such as the introduction of external software, while just under a fifth (18) said they would invest in in-house technology. Just over a quarter of respondents (28) said they planned to outsource some or all of the work involved in managing hybrid funds.

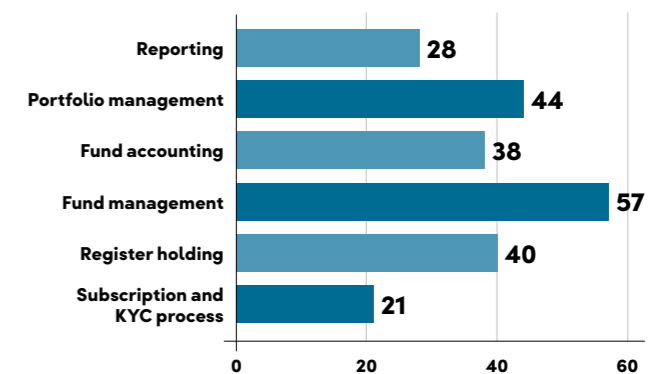
In another question where respondents were free to choose all options that applied to them, asked which areas would be key for digitisation for running hybrid funds, 57 firms put fund management at the top of their list. In second place was portfolio management (44) and in third place was register holding (44).²

However, adding the 21 who said subscription and know-your-client (KYC) processing to the 40 who cited register holding, it could also be said

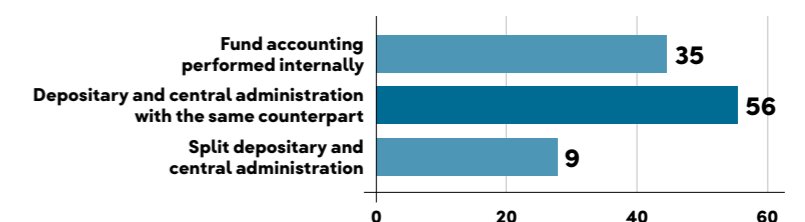
1/ In order to meet hybrid fund management needs, do you plan to undertake any of the following tasks?
(choose all that apply)



2/ In which area would digitisation be key for hybrid funds?
(choose all that apply)



3/ What model have you adopted for fund accounting?
(choose all that apply)



that transfer agency is the area most ripe for digitisation for hybrid funds, as 61 firms nominated these combined areas.

Meanwhile, 38 of firms surveyed said that they would digitise fund accounting for hybrid funds and 28 said they would digitise reporting.

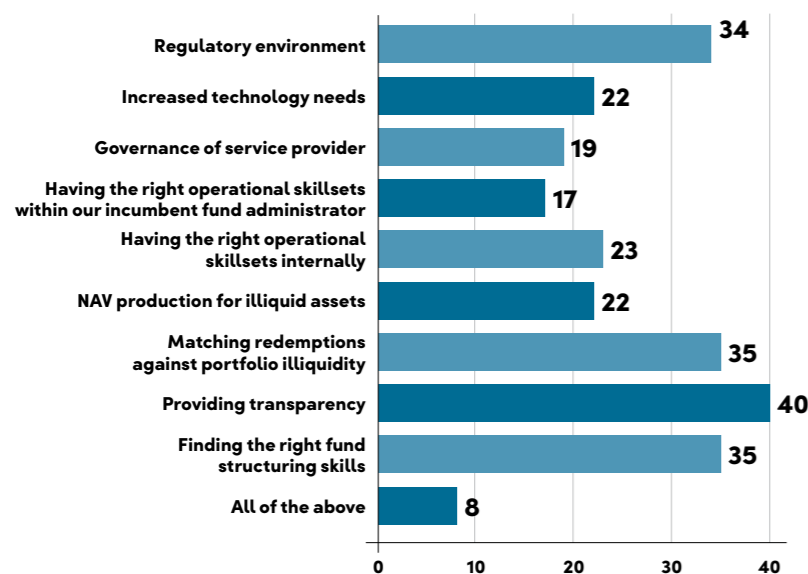
On a question about which model of fund accounting has been adopted to companies that have already launched

hybrid funds, over half (56) of the 100 respondents said they had adopted depository and central administration with the same counterpart. Thirty-five firms perform their fund accounting internally, while just nine have opted for the model of splitting depository and central administration.³

Asked to outline the challenges of launching and then managing hybrid »



4/ Below are some of the common challenges associated with the creation of (and ongoing management of) hybrid funds
(Please select the ones that you agree with)



funds, 40 of 255 responses said that providing transparency would be an issue.

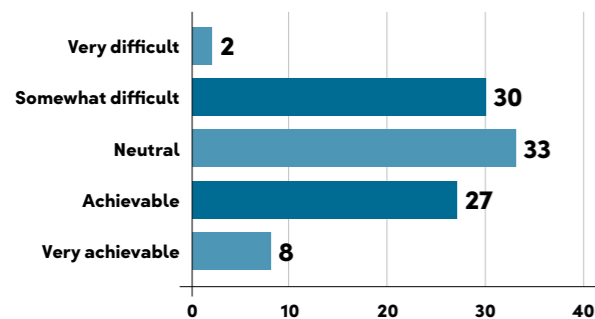
Thirty-five respondents said that finding the right fund structuring skills and matching redemptions against portfolio illiquidity would be key challenges.

Almost as many respondents, 34, regarded the regulatory environment as a challenge for the creation and ongoing management of hybrid funds while 23 cited the importance of having the right operational skillsets.

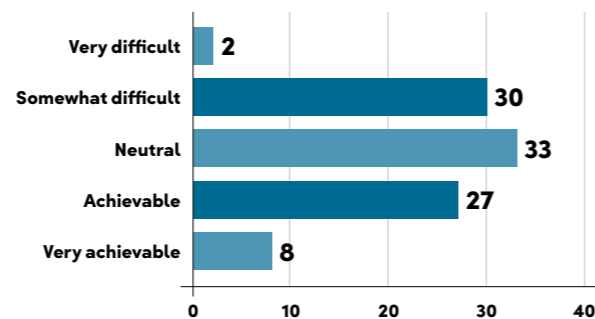
Twenty-two firms apiece cited NAV production for illiquid assets and increased technology needs as challenging.

Nineteen respondents said that the governance of service providers was a challenge and 17 feared that their incumbent fund administrators having the right operational skillsets could be problematic.

5/ How would you best describe the ability to achieve the expected level of transparency that investors will require of hybrid funds?



6/ How would you best describe the ability to achieve the expected level of transparency that investors will require of hybrid funds?



Eight firms said that all of the above concerns were challenging for the creation and ongoing management of hybrid funds.⁴

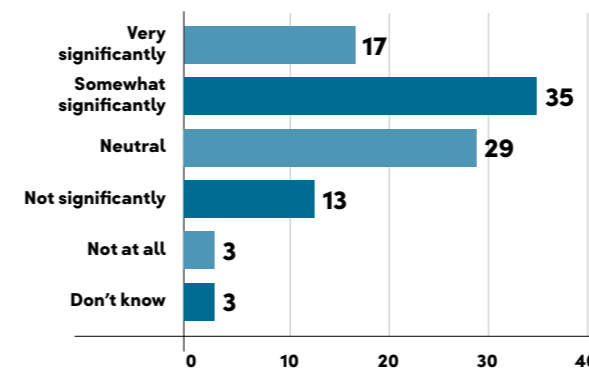
Asked how firms would best describe the ability to achieve the expected level of transparency that investors will require of hybrid funds, one third (33) were neutral on the subject, while 30 firms described the ability as “somewhat difficult”. Twenty-seven said that the ability was “achievable”. Only two said that achieving transparency would be very difficult while eight regarded it as “very achievable”.⁵

Given the illiquidity of the underlying asset classes, almost half of firms surveyed who have already launched a hybrid fund or plan to (49 out of 100), said that it would be “somewhat challenging” to evaluate the performance of funds. Just over a third (35) said the task was “somewhat easy” while seven voted for “very challenging”, six for “not challenging at all” and three were neutral.⁶

In response to a question about the extent to which a lack of standardised reporting for hybrid funds creates difficulties for institutional investors, over a third (35) out of 100 responses to this question described this as “somewhat significantly”, while 29 were neutral on the subject.

Less than a fifth of respondents (17) said “very significantly”, 13 said “not significantly”, and just three each said “not at all” or “don’t know.”⁷

7/ To what extent do you believe a lack of standardised reporting for hybrid funds creates difficulties for institutional investors?



INTERVIEW



Christoph Gisler
Head of infrastructure, Swiss Life Asset Managers

A view on hybrid funds from an infrastructure specialist

Christoph Gisler, head of infrastructure equity at Zurich-based Swiss Life Asset Managers, said that the firm operates two hybrid funds that invest in private markets infrastructure equity: an ELTIF launched earlier this year and a semi-open-ended semi-liquid fund for Swiss pension funds only launched in 2000.

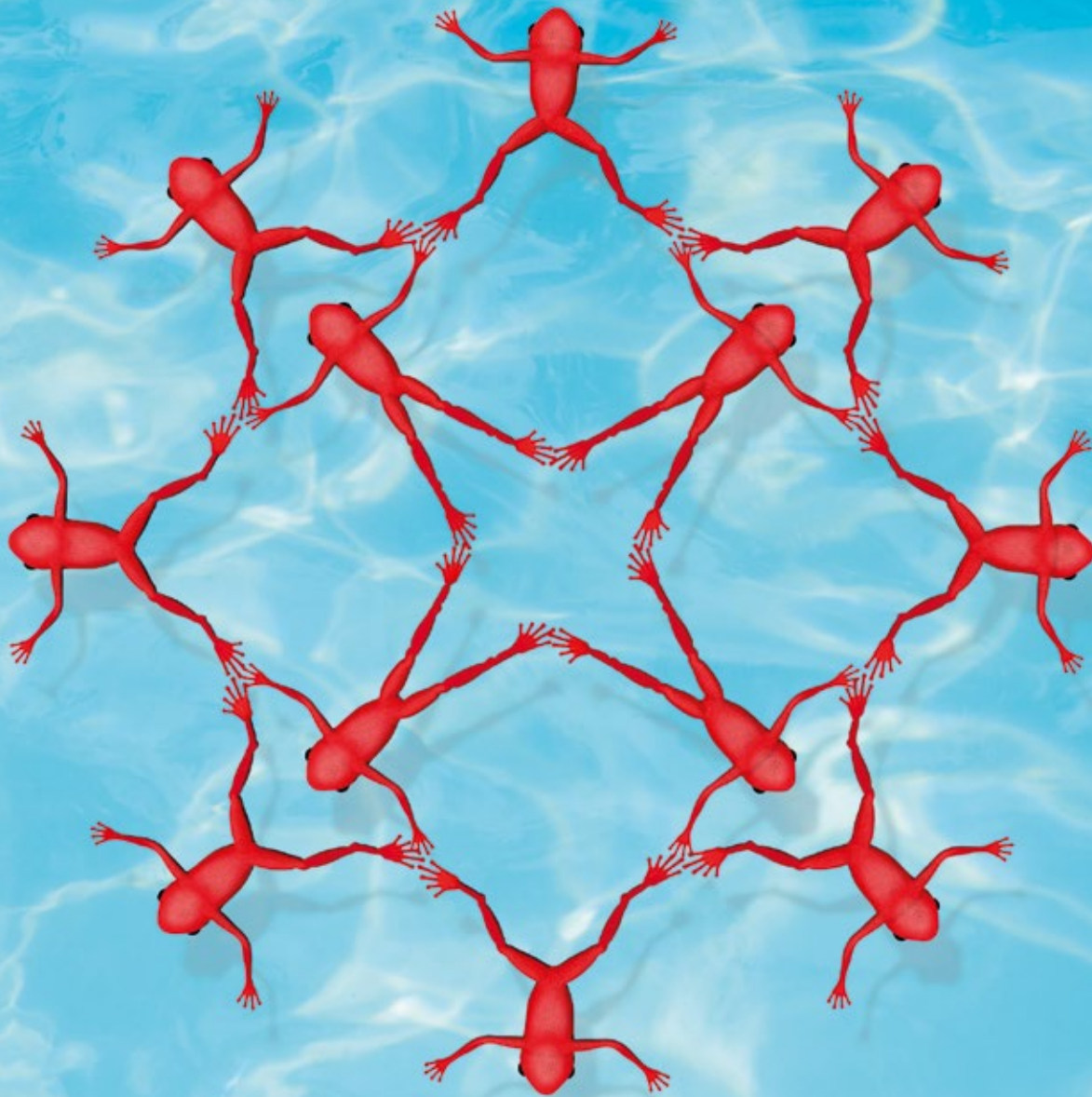
“Our basic idea was, as we can’t make the product more liquid than the sum of the single elements within the fund, we wanted to give liquidity windows to some investors with certain gates,” Gisler says. “This allows investors, from time to time, to provide liquidity to their liabilities.”

The first iteration of ELTIF, created in 2015, did not have the flexibility that Swiss Life Asset Managers felt was necessary, but the company revisited the idea of launching an ELTIF with the recent

changes to fund requirements. “When we saw that the ELTIF 2.0 regulation has all the ingredients required to meet the targets in a way that we felt comfortable with and that we could explain to investors, we decided to go into that market,” Gisler says.

At launch in January this year, Swiss Life Asset Managers became among the first three providers of an ELTIF 2.0 fund that received approval on the same date. The fund has currently attracted €23 million (with an additional €50m in pre-commitments) – though Gisler expects the fund to exceed €500m over time. He describes the fund as being semi-open ended with a gating system.

Swiss Life AM also expects investors – principally wealth managers and individuals – to invest in the ELTIF over the long-term, which Gisler defines as at least a 10 to 12 year investment horizon.



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