KROLL

Fund Solutions

Tailored Solutions for End of Fund Life Situations

Our Fund Solutions practice provides advisory and discretionary asset management services to assist general partners and investment managers manage end of fund life challenges in a manner that rationalises cost structures, provides additional runway for divestments and seeks to maximise investor value.

How We Can Help

High-Cost Structures
The cost of maintaining the existing fund structure at the end of its life is often prohibitive.

Kroll acts as Voluntary Liquidator or Liquidating Trustee to wind down end of life funds, generally reducing operating costs by removing audit requirements, regulatory and other administrative fees in certain circumstances

Need for Additional Runway
The investment thesis has taken longer to implement and there is further value to be created.

Kroll assists in seeking to extend the fund life, manage divestment strategies, conduct portfolio sales and implement secondary market sales.

Asset Underperformance
Assets may be underperforming and require restructuring to improve value.

Kroll provides hands-on operational and financial restructuring support with the goal of improving asset values and preparing those assets for sale.

Redemption Pressure
Investors seeking to redeem are putting pressure on expediated/fire sale of assets.

Engaging Kroll to manage the fund at the end of its life alleviates redemption pressure and aims to provide protection to investment managers.

Proactive management of end of fund life issues can help to protect a manager's reputation and can improve the prospects of future fund-raising activities. The end of fund life often presents a timely opportunity to realign priorities and incentives. Engaging independent and experienced professionals such as Kroll to manage the wind down of a fund provides an opportunity to reset incentives for managers, align priorities and establishes a flexible platform to divest the remaining assets of a fund in a cost efficient manner.

Our Services

Through a dedicated asset management platform, Kroll manages assets held for third parties in pooled investment vehicles. These asset management platforms are registered with the U.S. Securities and Exchange Commission (SEC), the Cayman Islands Monetary Authority and the Financial Services Commission of Mauritius.*

Solvent Wind Downs and Liquidating Trusts

Solvent wind down or liquidating trust of funds that are nearing the end of their life, including:

- Extending the fund's life to allow for the divestment over a suitable period of time
- Rationalisation of cost structures and consolidation of service providers to Kroll
- Implementing realisation strategies for substantial underlying investments
- Completion of all statutory and regulatory requirements to close the fund
- Distribution of final assets/realisations to investors

The remaining fund assets are held under a new structure that provides runway for them to be realised over a reasonable period of time in order to seek to maximise value for investors while investment managers act in an advisory capacity overseeing the wind down of the fund.

Fund Management

Advisory and discretionary asset management services for illiquid or distressed investments, including:

- Acting as sub-manager or advisor
- Licensed to act as investment manager*
- Developing and implementing divestment strategies
- Realignment of incentives with investment managers and investors
- Restructuring single investments
- Managing portfolio realisations
- Secondary market transactions
- Transaction opinions
- Valuations

Restructuring

Operational and financial restructuring of portfolio companies, including:

- Acting as Independent Financial Advisor, Chief Restructuring Officer, Director, Monitoring Accountant, Legal Representative or Liquidator to improve control over finance and reporting functions
- Cash and working capital management
- Capital raising and injections
- Streamlining organisation and overhead costs
- Debt advisory services
- Sale of businesses and assets
- Monitoring investments

**We are registered with the SEC as a Registered Investment Advisor for U.S. based entities, the Cayman Islands Monetary Authority as a registered person under the Securities and Investment Business Law (2019 Revision), the Financial Services Commission of Mauritius.*

Credentials

Gottex Group

Fund Wind Down

Investments in Fund: 8
Industries: Natural Resources, Fund of Funds, Finance
AUM: USD 163 million
Regions: Cayman Islands, British Virgin Islands, South America

EFA Dynamic Trade Finance Fund, EFA Dynamic Fund II, LH Asian Trade Finance Fund

Fund Wind Down

Investments in Fund: 7
Industries: Commercial, Real Estate, Agriculture
AUM: USD 35 million
Regions: Asia, Africa, Latin America, Eastern Europe

White Oak

Fund Wind Down

Investments in Fund: 5
Industries: Oil and Gas, Steel Manufacturing
AUM: USD 86 million
Regions: Cayman Islands, U.S.

Scipion African Opportunities Fund

Fund Wind Down

Investments in Fund: 11
Industries: Food and Agriculture, Metals and Mining, Financial
AUM: USD 25 million
Regions: Cayman Islands, UK Europe, Africa

LyonRoss

Fund Wind Down

Investments in Fund: 9
Industries: Fund of Fund Investments, Loan Origination, Arbitration Claim
AUM: USD 60 million
Regions: Cayman Islands, U.S.

Flagship Funds

Replacement General Partner | Investment Manager

Investments in Fund: 7
Industries: Medical Technology, Aquaculture, Fintech, Water Bottling
AUM: USD 100 million
Regions: Cayman Islands, Singapore, People's Republic of China

India Agri Business Fund

Replacement General Partner | Investment Manager

Investments in Fund: 6
Industries: Food and Agribusiness
AUM: USD 150 million
Regions: Mauritius, India

Asia Strategic Capital Fund

Replacement Manager

Investments in Fund: 4
Industries: Industrials
AUM: USD 100 million
Regions: Cayman Islands, Asia Pacific, Australia, India

ARC Capital

Replacement Manager

Investments in Fund: 6
Industries: Pharmaceutical, Education, Retail
AUM: USD 186 million
Regions: People's Republic of China

Our Team

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About Kroll

As the leading independent provider of risk and financial advisory solutions, Kroll leverages our unique insights, data and technology to help clients stay ahead of complex demands. Kroll's global team continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. Our advanced solutions and intelligence provide clients the foresight they need to create an enduring competitive advantage. At Kroll, our values define who we are and how we partner with clients and communities. Learn more at Kroll.com.

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