Lowering Barriers to PE Investing

Expanding Access Responsibly with Buyout Replication

THIRD WIRE
ASSET MANAGEMENT

Barriers to Broader Adoption of Private Equity

Private equity has historically been a favored tool for large institutional investors aiming to enhance returns. Yet, the traditional structure—characterized by high minimums, lengthy lock-ups, and opaque fees—has remained largely inaccessible to smaller investors. While recent innovations like evergreen funds aim to address some of these issues, they fall short of providing the flexibility and cost efficiency today's investors require to align with evolving portfolio objectives.

Why Responsible Adoption of PE Matters

Investors continue to pour into evergreen structures in record numbers, attracted by lowered minimums and some level of liquidity. However, these structures often fail to address critical challenges effectively. High fees, operational inefficiencies, and inadequate flexibility often leave investors stuck in rigid, high-cost structures—shortcomings they may not recognize until it's too late.

High Costs and Complexity: Opaque fee structures and significant costs reduce returns and complicate management.

Operational Inefficiency: Cash drag and reinvestment delays reduce returns and complicate management.

Limited Flexibility: Lock-ups and redemption caps restrict investors' ability to adjust allocations effectively.

How Does our Buyout Replication Index Fund Solve this Problem?

Buyout replication provides a responsible way for investors to gain exposure to a liquid, diversified portfolio of listed equities powered by the Morningstar PitchBook Buyout Replication Index.* Here's how:

Simple Fees

No performance-based fees, helping investors retain more of their potential returns.

Enhanced Efficiency

Streamlined management and cost-efficient leverage aim to reduce inefficiencies and enhance return potential.

Flexibility

Monthly liquidity allows investors to adapt allocations as needed.

*The index is the exclusive property of Morningstar, Inc., which does not sponsor, endorse, or promote this fund.

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The Fund seeks to replicate key investment characteristics of private equity buyout strategies, such as sector exposure, leverage adjustments, and other factors, but there is no guarantee that the Fund will achieve similar performance or outcomes. Past performance is not indicative of future results. All investments involve risk, including the possible loss of principal, and there is no assurance that the Fund will achieve its investment objectives or generate positive returns.

Investments are subject to risks, including market volatility, economic uncertainty, and potential deviations from the Fund's intended strategy. Investments in public equities may involve significant risks, and the Fund's use of certain strategies, including leverage, may amplify losses in adverse market conditions. Fees and expenses associated with the Fund will reduce overall performance and may have a material impact on returns. Prospective investors should carefully review the private placement memorandum for a detailed description of all fees, expenses, and other costs.

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For further information, please refer to the Fund's private placement memorandum or contact a representative of Third Wire Asset Management.

Third Wire Asset Management, LLC
110 North Wacker Drive, Ste 2500,
Chicago, IL 60606

info@thirdwiream.com

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