



Managing Liquidity In PE Allocations

Buyout Replication Funds Provide Liquidity and Flexibility

The Challenge

Investors face a fundamental challenge in structuring their private equity allocations: balancing illiquidity and capital efficiency. Traditional private equity (PE) structures require long-term commitments with uncertain capital calls, creating a need for liquid capital reserves to meet unexpected obligations or take advantage of new opportunities.

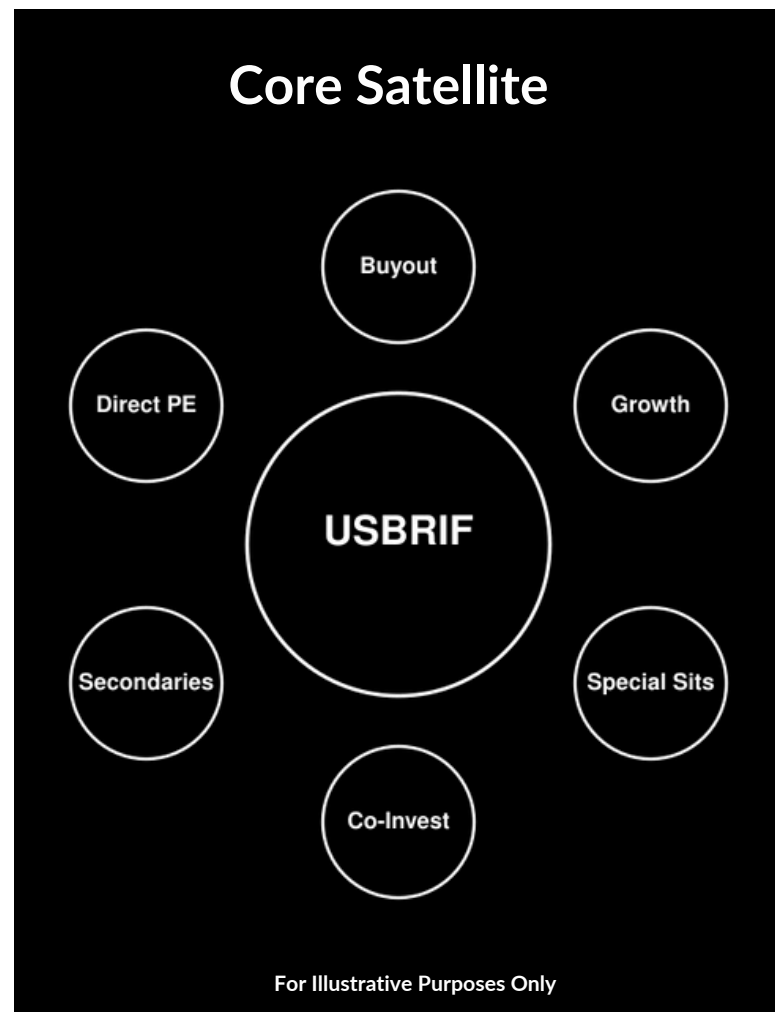
Many institutions rely on cash or public equities as liquidity buffers. However, these solutions fail to replicate the return characteristics of private equity, leading to capital inefficiency. Evergreen private equity funds have emerged as an alternative, but they introduce their own trade-offs—high fees, limited redemption windows, valuation lag, and forced liquidity constraints.

The Solution

The Third Wire / Morningstar PitchBook US Buyout Replication Index Fund (USBRIF) provides a structured approach to private equity allocations. USBRIF seeks to achieve private equity-like performance while maintaining monthly liquidity.

How it Works:

- **Core:** USBRIF serves as the liquid foundation, replicating the return profile of PE buyouts through publicly traded securities via direct investment in the constituents of the Morningstar PitchBook US Buyout Replication Index.*
- **Satellites:** Allocate opportunistically to targeted illiquid PE investments on your schedule.
- **Rebalancing Mechanism:** Ability to adjust USBRIF allocation monthly as needed.





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Key Benefits

- **Eliminate Cash Drag:** Hold USBRIF as a means to avoid parking capital in low-yield cash instruments while waiting for PE capital calls.
- **Enhance Liquidity Without Diluting PE Exposure:** Traditional PE structures require long-term commitments, while USBRIF may offer a return-generating liquidity source to complement illiquid PE funds.
- **Improve Capital Deployment Timing:** Maintaining USBRIF as a core allocation allows for selective capital deployment into high-quality private deals.
- **Avoid Lock-Up & Gate Risks:** Unlike some evergreen PE structures, USBRIF does not impose redemption gates or lock-ups, allowing for greater flexibility.
- **Transparent Pricing & No Performance Fees:** USBRIF provides daily pricing via the underlying index and a defined fee structure (1.5% management fee, no performance fees) compared to traditional PE funds, which typically include 2% management fees and 20% performance carry.

Immediate Exposure

Direct investment in constituents of the Morningstar PitchBook US Buyout Replication Index.*

Simple Fees

1.5% Management Fee and no performance-based fees.

Monthly Liquidity

Supports regular portfolio adjustments to align with evolving market conditions.

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

Important Disclosures and Risk Considerations

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Any offer to invest in the Third Wire / Morningstar PitchBook US Buyout Replication Index Fund (USBRIF) (the "Fund") is made exclusively through the Fund's private placement memorandum or other authorized offering documents. The Fund is a private offering and is not registered under the Investment Company Act of 1940 or the Securities Act of 1933. As such, it is not subject to the same regulatory requirements as registered investment vehicles. The offering is conducted in accordance with Rule 506(c) of Regulation D, and investments in the Fund are limited to verified accredited investors, as defined by the U.S. Securities and Exchange Commission (SEC).

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.

The Fund uses the Morningstar PitchBook US Buyout Replication Index, which is the exclusive property of Morningstar, Inc. Morningstar, Inc., its affiliates and subsidiaries, its direct and indirect information providers, and any other third party involved in, or related to, compiling, computing, or creating any Morningstar Index (collectively, "Morningstar Parties") do not guarantee the accuracy, completeness, and/or timeliness of the Morningstar Index or any data included therein and shall have no liability for any errors, omissions, or interruptions therein. None of the Morningstar Parties make any representation or warranty, express or implied, as to the results to be obtained from the use of the Morningstar Index or any data included therein.

The Index uses advanced AI methodologies, including Long Short-Term Memory (LSTM) neural networks, to guide security selection and leverage adjustments. These methodologies involve complex algorithms and assumptions that may not account for all market factors. Their effectiveness is not guaranteed and is subject to significant risks, including model limitations and unforeseen market conditions.

This document may contain forward-looking statements regarding the Fund's strategy, objectives, or expected performance. These statements are inherently speculative, based on assumptions that may prove to be inaccurate, and are subject to risks and uncertainties that could cause actual results to differ materially. Prospective investors should not rely on forward-looking statements as guarantees of performance.

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