

New fund brings private equity to the accredited masses



Bow River fund bets a Biden administration won't kill the PE market



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Betting on a trend toward expanded access to alternative investment strategies, Denver-based **Bow River Capital** has converted a fund investing primarily in **private equity and private debt** into an interval fund for **accredited investors**.

The Bow River Capital Evergreen Fund (EVERX), which was seeded with \$75 million in May, returned 18.4% net of fees through Nov. 30.

"Our investor base has increasingly been looking for a complementary solution that leverages our private equity expertise in a vehicle with more liquidity and diversification than a typical private equity fund," said Richard Wham, president at Bow River.

Unlike traditional mutual funds that offer daily liquidity, an interval fund offers liquidity on a quarterly basis, and even then might limit how much an investor can redeem.

This fund will apply a fund-level gate that allows quarterly redemptions equal to 5% of total assets.

While some financial advisers might view the redemption restrictions as a deterrent to investing in an interval fund, Bow River managing director Jeremy Held contends that managing redemptions is key to a strategy focused on less liquid private assets.

"It's really important that investors know this is a long-term investment," he said.

By registering the fund in an interval wrapper, the portfolio can hold up to 95% of its assets in private equity and private credit investments, although Held said the fund will keep exposure to private investments between 80% and 85%.

That level of private assets stands in stark contrast to traditional open-end mutual funds, whose allocations to private equity and private credit investments are limited to just 15%.

The Bow River fund is open to only **accredited investors** with a total net worth, including the value of their home, of at least \$1 million.

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The minimum investment is \$50,000, and the management fee is 1.75%. But unlike most private equity investments, there is no performance fee applied on top of the management fee.

While Held said he is hoping to ride the wave of the private equity market's strong long-term track record, the market of potential investors could be shrinking.

Last year the Securities and Exchange Commission [revised the accredited investor definition to include many financial professionals, such as financial advisers.](#)

But turnover at the SEC under a [Biden administration could mean tighter restrictions](#) on investor access to [certain alternative investment strategies.](#)

"The significant interest we have seen to date in the Evergreen Fund confirms our belief that the time is right for this type of investment solution," Wham said. "We believe the fund's combination of access to private equity investments, along with the shareholder-friendly features of a registered fund, will continue to attract interest from investors and the advisers who serve them."

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