

IQ-EQ France

Our Run-off Management Services 3 minutes

Within the private assets ecosystem, IQ-EQ is a leading international investor services group, with over 5,800 employees across 25 countries, and assets under administration (AUA) exceeding US\$750 billion. Supported by the dynamics of our group and committed to creating added value for our clients, IQ-EQ supports entrepreneurs, alternative investment professionals and managers by offering them a range of services across the entire investment value chain.

Aligned with this approach, our run-off management services are designed to enable you to **accelerate the liquidation of your alternative investment funds.**

Our liquidation company, IQ EQ Infnitis, offers to acquire distressed or collectively owned companies held within your investment portfolio for a nominal sum of one euro.

The divestment of "non-performing assets" caters to a critical need for asset management companies:

- Meeting the urgent demand for exit solutions for funds nearing or surpassing their regulatory lifespan (in accordance with AMF directives to ensure that the life expectancy of funds is respected). As of 31 December 2021, among the 562 private equity funds open to non-professional clients, the AMF identified that 239 had exceeded their lifespan, with an average overrun of 36 months (a 20% increase from the previous year)
- Addressing the objective of putting an end to fixed costs (such as depositary and audit fees) generated by these lines with low residual value (e.g. situations of irrecoverability, litigation).

In practice, there are two possible divestment scenarios:

- **Undertaking a permanent transfer of ownership stake to a third-party company** (IQ EQ Infnitis), for a value established by one or more independent experts ;
- **Transferring ownership to a subsidiary of the fund's asset management company** (mandatory inclusion of a better fortunes clause to offset the risk of a conflict of interest such as retaining the shareholder register of the fund).

This streamlined, efficient solution facilitates fund liquidation within regulatory timelines and puts an end to fixed expenses.

Our team of seasoned experts will assist you every step of the way, providing you with the quality of service you need and 360-degree support.

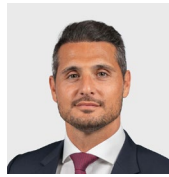
Proposed Procedure

- 1. Thorough due diligence:** Our legal team conducts a comprehensive analysis (including shareholder agreements, articles of association, ongoing litigations, company registration documents, etc.) to ensure a transparent and compliant transaction.
- 2. Review by executive committee:** Each transaction undergoes a meticulous review by our executive committee to ensure an informed and strategic decision-making process.
- 3. Transparent contract:** We establish a clear and transparent fee agreement to define the terms of our collaboration.
- 4. Execution of transfer:** Once all preliminary steps are completed, we proceed with the transfer of assets between your fund and IQ EQ Infnitis, ensuring a seamless and smooth transition.

Our dedicated team



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