



Know how Know you



Guide to the UK Long-Term Asset Fund (LTAF)

November 2025

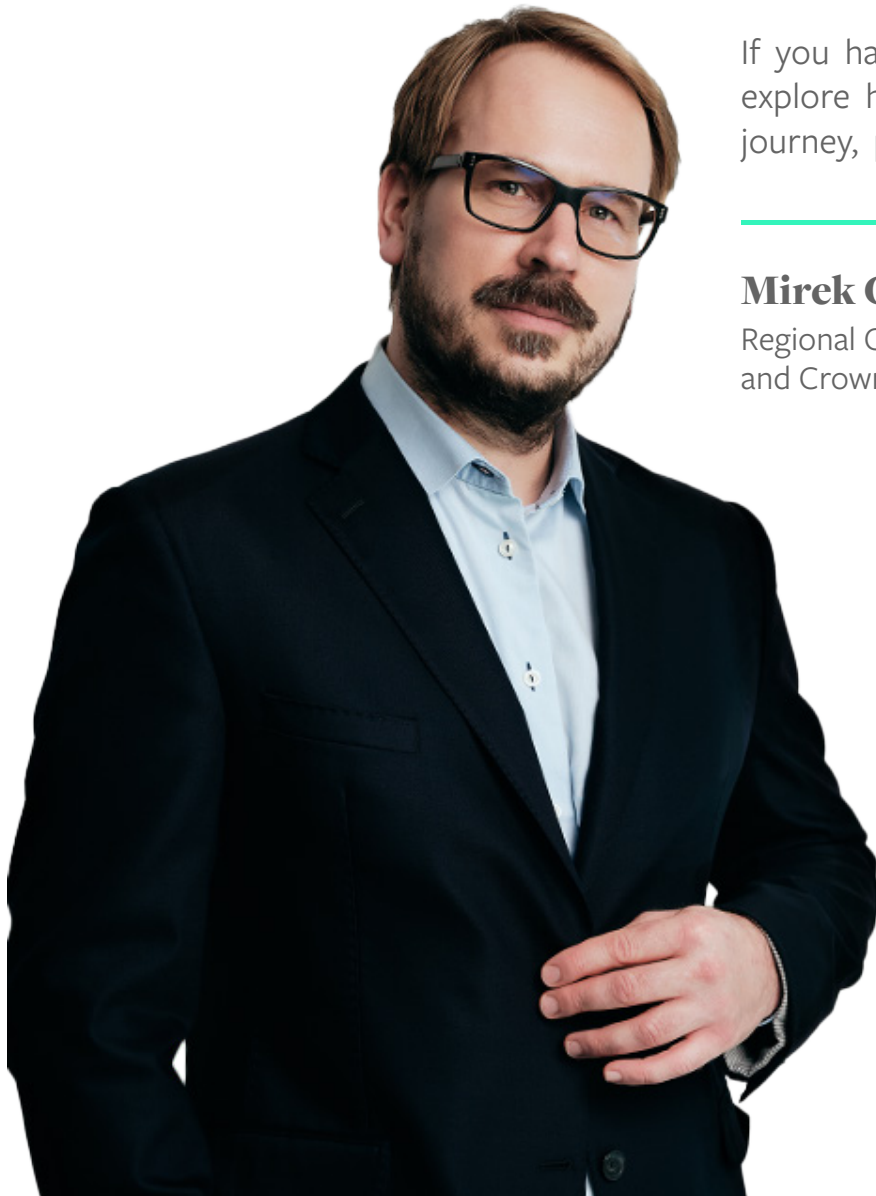
Foreword



The Long-Term Asset Fund (LTAF) marks a significant milestone in the UK's investment environment. Introduced by the Financial Conduct Authority (FCA), the LTAF enables retail investors to participate alongside institutional investors in long-term, illiquid assets such as private equity, infrastructure and real estate. Importantly, it also prioritises strong investor protections to ensure a secure investment experience.

This guide provides an overview of the LTAF framework, including its regulatory foundations, operational requirements and the latest developments in retail access and pension scheme integration. Whether you're a fund manager, investor or industry stakeholder, this resource is designed to help you navigate the opportunities and responsibilities that come with launching or investing in an LTAF.

If you have any questions or would like to explore how IQ-EQ can support your LTAF journey, please don't hesitate to contact us.



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Overview

The Long-Term Asset Fund (LTAF) is a UK-regulated investment vehicle introduced by the Financial Conduct Authority (FCA) in October 2021. It was designed to facilitate access to long-duration, illiquid assets such as infrastructure, private equity, venture capital, private credit and real estate while maintaining robust investor protections. The LTAF aims to support long-term economic growth by channelling capital into productive assets and expanding access beyond institutional investors to include retail participants.

Initial rules came into effect on 15 November 2021, with subsequent updates in 2023 and 2024 to broaden access and improve operational efficiency.

As of September 2025, the FCA has registered approximately [34 authorised sub-funds](#) under the LTAF framework – a number that is anticipated to rise steadily in the coming years.

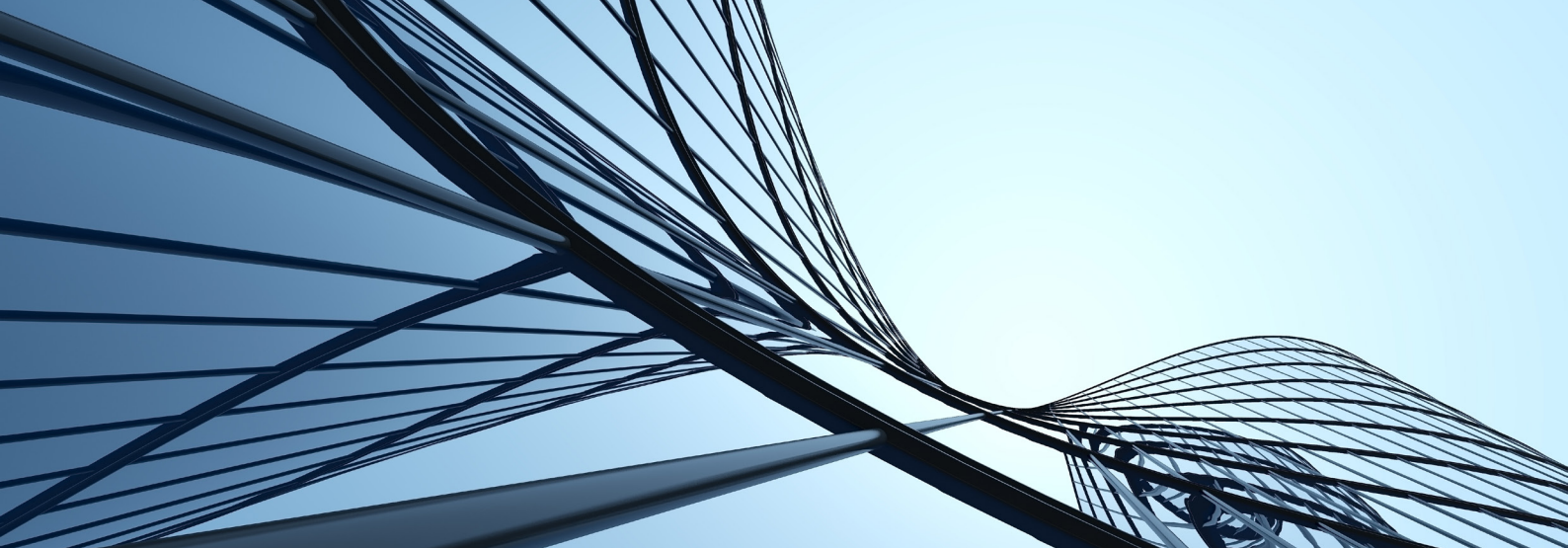
The landscape is currently dominated by major asset management firms, many of which already have a strong foothold in the defined contribution (DC) pension market. These managers are leveraging LTAFs to enhance exposure to illiquid assets within their default pension offerings. Notable participants include Schroders Capital, BlackRock, and Partners Group.

Source: FCA Policy Statement PS23/7 (June 2023)

Core characteristics of LTAFs

Feature	Description
Fund structure	Open-ended, allowing investors to redeem at net asset value (NAV) related prices
Asset allocation	Must invest >50% in unlisted and long-term assets
Eligible assets	Private credit, PE, VC, infrastructure, real estate, loans
Borrowing limit	Up to 30% of NAV
Investor base	Available to professional and retail investors
Redemption rules	Minimum 90-day notice; redemptions no more frequent than monthly
Management requirements	Only full-scope UK alternative investment fund managers (AIFMs) with permissions to “manage an authorised AIF” may manage LTAFs
Fund structures	Investment company with variable capital (ICVC), authorised contractual scheme (ACS) or authorised unit trust (AUT) formats permitted
Stock market	LTAFs will be eligible for inclusion in Stocks and Shares ISAs starting April 2026





Retail access expansion

In June 2023, the FCA reclassified LTAFs from non-mass market investments (NMMIs) to restricted mass market investments (RMMIs), enabling broader retail distribution.

Key changes:

Risk warnings: Refocused on liquidity risks over general investment risks

Retail distribution: Now accessible to mass market investors, self-select DC pension schemes, and self-invested personal pension schemes (SIPPs)

Investor safeguards:

- Unitholder engagement on material fund changes
- Regular investor updates
- Restrictions on payment types and charges
- Maintenance of a unitholder register

Effective from 3 July 2023, with a transitional period until 3 July 2024.

Source: FCA PS23/7

Pension scheme integration

The FCA also revised pension scheme rules to accommodate LTAFs:

- **Non-advised access:** Permitted for non-workplace and non-qualifying workplace schemes
- **Illiquid asset cap removed:** The 35% cap on illiquid assets in default arrangements of qualifying schemes was lifted
- **Retirement notifications:** Investors nearing retirement will be informed of the illiquid nature of their LTAF holdings

NURS distribution enhancements

In September 2024, the FCA proposed further changes to improve access for non-UCITS retail schemes (NURS):

- **CIS investment cap lifted:** LTAFs exempted from the 15% cap on investments in other collective investment schemes (CIS)
- **Exposure guardrails:** While the 20% cap on total LTAF exposure within a NURS portfolio remains, the restriction on investing in a second scheme no longer applies when that scheme is an LTAF
- **Liquidity management:** NURS managers must demonstrate ability to meet redemption obligations

Source: FCA Consultation CP24/18 (September 2024)

Valuation and transparency

Valuation standards

- Allow third-party valuations in line with NURS guidelines
- Conduct monthly valuations, even if not used for dealing
- Ensure valuations reflect fair value and follow good market practice
- Publish unit prices monthly
- Provide valuation estimates upon request

Disclosure requirements

- Quarterly reports on holdings, transactions and material developments

Cost transparency

- Full disclosure of fees and charges, consistent with UCITS and NURS standards

The future of LTAFs

LTAFs represent a significant evolution in UK fund regulation, expanding access to private market investments to a broader investor base. With enhanced investor protections, flexible structures and evolving distribution models, LTAFs are well-positioned to become a cornerstone of long-term investing in the UK. While Financial Services Compensation Scheme (FSCS) protection currently applies to regulated activities involving LTAFs, it remains under regulatory review and may be subject to change in the future.

How we can support

At IQ-EQ, we offer a comprehensive suite of services designed to empower fund managers launching and operating LTAFs. From investor onboarding, to ensuring compliance with the relevant regulations, to fund accounting and investor reporting, IQ-EQ combines deep expertise in private markets with cutting-edge technology to simplify complexity and enhance transparency.

Seamless fund onboarding with MaxComply™

Launching an LTAF requires navigating a maze of regulatory, operational and investor-readiness hurdles. Our proprietary RegTech platform, MaxComply™, streamlines this process by:



Automating AML/KYC checks for retail and institutional investors



Tracking onboarding progress with jurisdiction-specific fund information sheets



Supporting performance equalisation and fee structure set-up



Facilitating regulatory authorisation and approval workflows



Hosting fundraising documentation in a secure repository

This user-friendly platform is designed to enhance the retail investor experience, making it easier for managers to broaden access to private markets while maintaining compliance.





Hybrid fund accounting for illiquid assets

LTAfs often hold complex portfolios that blend liquid and illiquid assets. Our accounting team brings deep capital markets expertise to deliver:



NAV and valuation reviews tailored to illiquid holdings



Performance fee calculations and waterfall modelling



Statutory financial reporting and tax compliance



Bookkeeping and fee accrual management

This hybrid accounting capability ensures accurate fund performance tracking and regulatory alignment across asset classes.

Real-time portfolio intelligence with IQ-EQ Cosmos

IQ-EQ Cosmos is a next-generation portfolio monitoring tool that gives fund managers and investors a dynamic view of their holdings. Built to accommodate both liquid and illiquid investments, Cosmos offers:



Customisable dashboards for fund, deal and portfolio metrics



Integrated accounting records, carry models and management fee data



Investor reporting tools with embedded commentary features



Asset-level data collection and document management



Connectivity to our Snowflake-powered data warehouse for advanced analytics

Whether managing a fund of funds or direct investments, IQ-EQ Cosmos enables smarter decision-making and efficient investor communication.

Key contacts

Contact us today to learn more about our comprehensive services.



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*Correct as of November 2025

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