Frequently Asked Questions

# Launching a Fund or Switching Administrators: What does that look like with KR?

## 1. What to expect?

Whether you are launching a new fund or moving an existing one, work begins long before receiving the first dollar from investors or issuing your first set of reports. For a new fund, selecting the right partners is critical. For a conversion, you want to work with someone who will make the process as painless as possible, and solve those issues you were experiencing with the previous administrator like turnover, inexperienced staff, non-responsiveness, errors, delays, etc. Much of these processes run concurrently, so it helps to know what is coming and to know that your fund administrator has you covered. The roadmap on page 2 illustrates what to expect before and after your Fund Launch or Conversion Date.

## 2. Where do I start?

For a new fund, your offering documents should be your highest priority, and it starts with selecting the right legal counsel for your fund. Once the fund's documents are in near final drafts and seed investors have soft circled, your next call should be with the Fund Administrator. The right Fund Administrator will review the fund's organizational draft and liaise directly with the fund's counsel to iron out anything that may cause confusion years into the future. For a conversion, ensure you understand your current administration agreement and familiarize yourself with notice periods and transition requirements.

## 3. For a New Fund, Once you have selected KR, then what?

Prior to your fund's launch KR will hold your hand at every step, from working with your fund formation attorney, to assisting with opening bank accounts, establishing brokerage relationships, ensuring proper tax structuring, to assisting your investors with completing their subscription documents and completing their AML questionnaires. KR is a full-service fund administrator who believes in adding value to our clients so they can reach their full potential.

## 4. How does a conversion work?

We manage the entire process. At KR we have a dedicated team that has performed hundreds of conversions. We collect your fund's historical information, including investor cash flows, capital activity, balance sheet information and supporting schedules. We load them into our general ledger accounting system which includes portfolio and investor ledgers, then reconcile opening balances to the prior administrator's final close. Conversions are tailored to meet your investor's needs, which in some instances may be a month-end, quarter-end or year-end to ensure a clean cutover with no delays in reporting.

## 5. What will my investors experience?

Investors today are quite discerning when it comes to the funds they select to invest in, along with reporting they receive. Above all, they demand accuracy and service. At KR we see ourselves as an extension of your back office. For a new fund launch most investors expect sophistication and professionalism when interacting with their fund administrator along with a reliable and secure method of receiving their capital account statements and K-1s. For a conversion, investors expect to not be inconvenienced by a change in fund administrator. Therefore, at KR we employ the industry's best professionals with years of experience.

### NEW FUNDS

#### PRIOR LAUNCH DATE

- Choose counsel and draft offering documents
- Choose KR, who will bundle several services. We will also help you choose the auditor and assist with bank, broker and custodian accounts
- Kick off onboarding, and set up automations with banks, brokers and custodians along with building custom reports and deliverables
- Assist investors with the completion of subscription documents and complete investor AML/KYC processes

#### AFTER LAUNCH DATE

- Deploy the capital that was invested
- KR maintains the books and records, and NAV process
- KR issues investor reporting packages and continues to provide advisory services to clients throughout the year
- Prior to the end of the year KR starts planning the audit, tax filings and K-1s

### CONVERSIONS

#### PRIOR CONVERSION DATE

- Review your current administrator agreement and notice terms
- KR manages the entire process for you
- KR collects historical information, inception to date investor cash flows and prior NAV packages
- KR ensures opening balances are properly accounted and supported prior to conversion
- KR can run a parallel NAV reporting period to ensure accuracy and understanding based on fund complexity

#### AFTER CONVERSION DATE

- KR maintains the books and records, and NAV process
- KR issues investor reporting packages and continues to provide advisory services to clients throughout the year
- Prior to the end of the year KR starts planning the audit, tax filings and K-1s