



## Guide to Interval Funds

**A CLIENT GUIDE**  
**PRIVATE MARKETS PROGRAM**



## Private Markets Program

Dear Client,

As a healthcare professional, you dedicate your time and expertise to improving the lives of others. We recognize the unique demands on your career and the importance of building a financial strategy that supports your long-term goals.

Our Private Markets Program is designed to give you access to investment opportunities once reserved for large institutions—such as private equity, private credit, real estate, infrastructure, and venture capital. By leveraging interval funds, we make these markets more accessible, offering diversification, professional management, and periodic liquidity in a simplified structure.

Whether you are focused on growing wealth, planning for retirement, or creating lasting financial security for your family, our goal is to provide you with a clear, efficient, and client-friendly path into the world of private markets.

We are excited to partner with you on this journey and look forward to helping you align your investments with your future. If you have questions about our services, fees, or the investment options available to you, please [contact your advisor](#).

With gratitude and commitment,



**Andrew Mulindwa, PhD., CFA, FRM**  
*Managing Principal*  
Cognis Retirement Group



## Guide to Interval Funds for Healthcare Practitioners

**A 2025 Whitepaper for Medical Professionals Seeking Smarter Investment  
Diversification**

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## 1. Executive Summary

Healthcare professionals—physicians, dentists, and other medical specialists—are increasingly exploring new ways to diversify their portfolios and preserve wealth in a complex financial environment. Traditional investments such as stocks, bonds, and real estate have long been the foundation of most portfolios, but in recent years, many practitioners have sought greater stability, income, and diversification through alternative investments.

Healthcare practitioners are increasingly seeking investment vehicles that offer both access to alternative assets and manageable liquidity. **Interval funds**, a hybrid between mutual funds and private investments, have emerged as a compelling solution for those seeking diversification, income, and regulatory transparency.

This whitepaper provides a comprehensive overview of interval funds: their structure, regulatory framework, current market trends, and the practical benefits and risks they present for healthcare professionals.

### Key Takeaways:

- Interval funds offer exposure to private markets with structured liquidity.
- They provide income potential, diversification, and professional management.
- Liquidity and valuation considerations must be carefully evaluated.

## 2. Introduction

Healthcare professionals face unique financial realities—high earnings, significant tax exposure, and limited time for active investment management. Traditional portfolios of public equities and bonds may not always deliver the diversification or resilience necessary to meet long-term goals.

**Interval funds** bridge the gap between public and private markets, offering investors access to illiquid asset classes—such as private credit, real estate, and infrastructure—within a regulated, semi-liquid structure.

For time-constrained practitioners, they offer an efficient way to achieve professional-grade diversification without the operational complexity of private funds.



### 3. Regulatory Environment

Interval funds are governed by the **Investment Company Act of 1940**, ensuring oversight, transparency, and investor protection.

Unlike traditional closed-end funds, interval funds continuously offer shares to investors at net asset value (NAV). However, instead of trading on an exchange, they provide liquidity through scheduled repurchase offers—typically on a quarterly basis—during which investors can redeem a portion of their shares.

#### Key Regulatory Features:

- **SEC Registration:** Interval funds must register with the U.S. Securities and Exchange Commission (SEC).
- **Periodic Liquidity:** Funds must offer to repurchase 5–25% of outstanding shares at set intervals (usually quarterly).
- **Fair Valuation Standards:** Assets are valued under fair value principles, with oversight by independent boards.
- **Mandatory Disclosures:** Funds must provide detailed prospectuses, audited reports, and periodic performance updates.

This regulatory framework gives healthcare practitioners confidence that interval funds operate under strict compliance standards.

### 4. Market Update – 2025

#### The Current Landscape

As of 2025, interval funds have gained significant traction among individual and institutional investors seeking alternative income and diversification.

#### Key Market Highlights:

- **Total AUM:** Over **\$100 billion** in assets under management across U.S. interval funds.
- **Sector Trends:** Private credit, healthcare real estate, and infrastructure remain dominant sectors.
- **Investor Demand:** Rising interest among high-net-worth individuals and professionals seeking yield and inflation protection.
- **Technology Integration:** Digital platforms now streamline access, reporting, and liquidity management.



For healthcare professionals, these developments make interval funds a viable and increasingly mainstream component of a diversified investment strategy.

## 5. Understanding the Interval Fund Structure

Interval funds blend characteristics of open-end and closed-end funds to provide controlled liquidity and access to private markets. An interval fund combines elements of both open-end and closed-end funds. Like an open-end fund, it continuously issues shares to investors at NAV, allowing new capital to flow in.

However, unlike a mutual fund, it does not offer daily liquidity. Instead, it provides periodic redemption opportunities—most commonly on a quarterly basis—during which investors can request to sell a portion of their holdings back to the fund.

Feature	Open-End Fund	Closed-End Fund	Interval Fund
Share Issuance	Continuous	Fixed	Continuous
Liquidity	Daily	Exchange-Traded	Periodic (e.g., quarterly)
Asset Types	Public securities	Public/Private	Primarily Private
Regulation	1940 Act	1940 Act	1940 Act

### Structural Highlights:

- **Subscription:** Investors purchase shares continuously at net asset value (NAV).
- **Redemption:** Funds repurchase a set percentage of shares at scheduled intervals.
- **Portfolio Composition:** Typically includes private loans, real estate, infrastructure, and other alternatives.
- **Distribution:** Income is often paid monthly or quarterly.

Interval funds combine features of open-end and closed-end funds. Like mutual funds, they continuously issue shares at NAV, but unlike mutual funds, they do not offer daily liquidity. Instead, they permit investors to redeem shares at set intervals—most often quarterly—during scheduled repurchase periods.



For healthcare practitioners, this structure provides access to institutional-quality investments while maintaining some liquidity and the comfort of regulatory oversight.

## 6. Benefits of Interval Funds for Healthcare Practitioners

Interval funds offer several advantages that align well with the financial goals of healthcare professionals.

### Key Benefits:

For healthcare practitioners, interval funds offer several strategic advantages:

- 1. Access to Private Markets**  
Gain exposure to institutional-quality investments with lower minimums and shorter lock-ups than private equity.
- 2. Diversification**  
Reduce portfolio volatility through low-correlation assets like private credit or real estate.
- 3. Income Potential**  
Many funds focus on steady, yield-generating assets—ideal for practitioners seeking passive income.
- 4. Professional Management**  
Experienced managers handle asset selection, due diligence, and risk management.
- 5. Regulatory Transparency**  
SEC oversight ensures investor protections, audited reporting, and disclosure requirements.
- 6. Convenience**  
Ideal for busy professionals seeking passive exposure to alternatives without daily management.

In sum, the SEC's regulatory framework ensures transparency, regular reporting, and investor protections, making interval funds a secure entry point into alternative investing.

## 7. Challenges and Risks

Despite their advantages, interval funds are not without challenges. Investors should understand potential limitations:



1. **Limited Liquidity**  
Redemptions occur only at scheduled intervals and may be capped or prorated.
2. **Valuation Complexity**  
Illiquid assets may rely on models or estimates, introducing valuation uncertainty.
3. **Higher Fees**  
Management and performance fees can exceed those of traditional mutual funds.
4. **Market and Credit Risk**  
Alternative assets may still experience losses during economic downturns.
5. **Tax Considerations**  
Distributions may be taxed as ordinary income; professional tax advice is recommended.

Healthcare professionals considering these funds should weigh these factors carefully against their personal liquidity needs, time horizon, and risk tolerance.

## 8. Key Considerations for Healthcare Practitioners

Before investing in an interval fund, healthcare practitioners should assess how the fund aligns with their broader financial objectives. It is essential to evaluate liquidity needs, risk tolerance, and investment horizon, as interval funds are best suited for long-term investors comfortable with limited liquidity.

### Key Considerations

Before investing in an interval fund, healthcare practitioners should review the following:

✔ **Investment Objectives:**

Does the fund align with your long-term goals (income, growth, diversification)?

✔ **Liquidity Needs:**

Can you tolerate limited redemption windows and potential prorations?

✔ **Time Horizon:**

Are you comfortable committing capital for several years?

✔ **Risk Tolerance:**

Do you understand the risks associated with illiquid and alternative assets?



✓ **Fee Structure:**

Have you reviewed management, performance, and operating fees?

✓ **Tax Implications:**

Are you aware of how fund distributions will be taxed?

✓ **Manager Experience:**

Does the fund manager have a strong track record in alternative asset management?

✓ **Transparency and Reporting:**

Does the fund provide regular performance updates and audited financials?

✓ **Portfolio Fit:**

How does this investment complement your existing portfolio?

✓ **Professional Guidance:**

Have you consulted a financial advisor who understands interval funds and healthcare-specific financial planning?

## 9. Advisor Discussion Guide

When meeting with a financial advisor, healthcare professionals should approach the conversation with clear goals and informed questions. Advisors can help clarify the fund's strategy, liquidity terms, and role within a diversified portfolio.

At a minimum, discussions should address the following:

1. **Fund Strategy:**
  - What asset classes does the fund invest in?
  - How does it generate returns?
2. **Liquidity Management:**
  - How often can I redeem shares?
  - What happens if redemption requests exceed limits?
3. **Performance and Risk:**
  - How has the fund performed in different market environments?
  - What are the key risks, and how are they mitigated?
4. **Costs and Fees:**
  - What are the total expenses, including management and performance fees?
  - How do these compare to similar funds?
5. **Tax and Income Planning:**
  - How are distributions taxed?
  - Is this suitable for my retirement or tax-deferred accounts?



## 6. Portfolio Integration:

- How much of my portfolio should be allocated to interval funds?
- What role does this investment play in my overall financial plan?

By engaging in a structured discussion, practitioners can align their investment strategy with their professional and personal financial goals.

## 9. Conclusion

**Interval funds** offer a compelling opportunity for healthcare practitioners to access alternative markets within a regulated, semi-liquid framework. They can enhance diversification, generate income, and provide exposure to institutional-quality assets—all while maintaining transparency and professional management.

However, success with interval funds requires thoughtful planning. Investors must understand the **liquidity constraints, fee structures, and valuation nuances** that accompany these vehicles.

With proper due diligence and guidance from a qualified financial advisor, interval funds can serve as a valuable component of a long-term wealth management strategy for healthcare professionals.

## 10. FAQs

### **Q1: Who can invest in interval funds?**

Most interval funds are open to both accredited and non-accredited investors, though minimums vary.

### **Q2: How often can I redeem my shares?**

Typically quarterly, with redemption limits set by the fund.

### **Q3: Are interval funds suitable for retirement accounts?**

Yes, many can be held within IRAs or other tax-advantaged accounts.

### **Q4: What types of assets do interval funds hold?**

Common holdings include private credit, real estate, infrastructure, and specialty finance.



**Q5: How do interval funds differ from private equity funds?**

Interval funds offer periodic liquidity, lower minimums, and SEC oversight, unlike private equity funds with multi-year lockups.

## 12. Contact Information

For more information or professional guidance on interval fund strategies for healthcare professionals, please contact:

✉ [hello@cognisgrp.com](mailto:hello@cognisgrp.com)

🌐 <https://cognisgrp.com/private-markets/>

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