

# THE RELATIVE VALUE FUND



Ticker: **VFLEX**

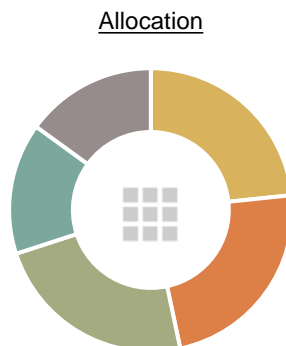
As of Date: September 30, 2020

## Fund Overview

The Relative Value Fund (VFLEX) offers investors access to a diversified portfolio of less-liquid alternative investments with access to unique illiquidity premiums and income characteristics. The interval fund structure of VFLEX provides investors: daily pricing; 1099 tax reporting; and quarterly liquidity subject to limitations. As portfolio managers, the interval fund structure provides the flexibility to invest across alternative asset classes that more closely mirror the full range of investment options presented in the qualified purchaser (QP)-only investment universe – including Private Equity, Real Estate, Alternative Credit and Hedged Strategies. Liquid alternative strategies will also be utilized in separately-managed accounts to manage portfolio liquidity and a nimble portfolio positioning. VFLEX provides these assets classes in a streamlined, cost-efficient vehicle to clients of all sizes, without net worth requirements or restrictive investment minimums.

## Asset Allocation <sup>1</sup>

Asset Classes	Target
Private Equity	15-25%
Real Estate	15-25%
Alternative Credit	15-25%
Hedged Strategies	10-15%
Liquid Alternatives	10-20%



## Fund Terms

Fund Structure .....	Closed-End Interval Fund
Purchase .....	“Point-Click” via Ticker
Qualifications .....	None
Inception .....	June 13, 2017
Subscriptions/NAV.....	Daily
Redemptions .....	Qrtly (5-25% of NAV)
Tax Reporting.....	1099
Share Class .....	Institutional
Ticker .....	VFLEX
Ann. Distribution Rate <sup>2</sup> .....	5.00%
Min. Investment .....	\$1,000
Upcoming Notice Date .....	12/16/2020
Upcoming Repurchase Date .....	12/31/2020

## Implementation Hurdles & VFLEX Efficiencies

Implementation	⊗ Hurdles (without VFLEX)	⊞ Efficiencies (with VFLEX)
Paperwork	Tender offer funds, non-traded REITS and LPs require investor paperwork to enter – making implementation difficult to scale.	There will be no paperwork required. Investors can access a fully diversified portfolio on a daily basis through ticker ‘point, click, and buy’.
Tender Offer Complexities	Every tender offer, interval fund and LP has different mechanisms for meeting quarterly redemptions. Knowing how to track and model these nuances while also working with custodians who lack the technology to aggregate tender requests has created a labor-intensive process for Advisors.	Investors will gain a dynamic exposure through VFLEX, as Vivaldi will manage the internal tender process with each underlying fund; therefore, eliminating the complexities of managing multiple tender offers. Clients of VFLEX will have quarterly liquidity subject to fund tender limits.
Transaction Costs	Platform transaction costs have made it costly to implement a diversified approach, particularly with smaller client accounts.	Transaction costs will be reduced to simply one ticket charge for VFLEX.
Net Worth & Investment Minimums	Tender offer funds, non-traded REITS and LPs have high net worth requirements & minimums.	VFLEX has no net worth requirements & zero investment minimums.
Platform Approvals	The best strategies can have substantial timelines to receive platform approvals across broker-dealers and custodians.	VFLEX is already approved at all the platforms and can purchase new interval and tender offer funds directly.

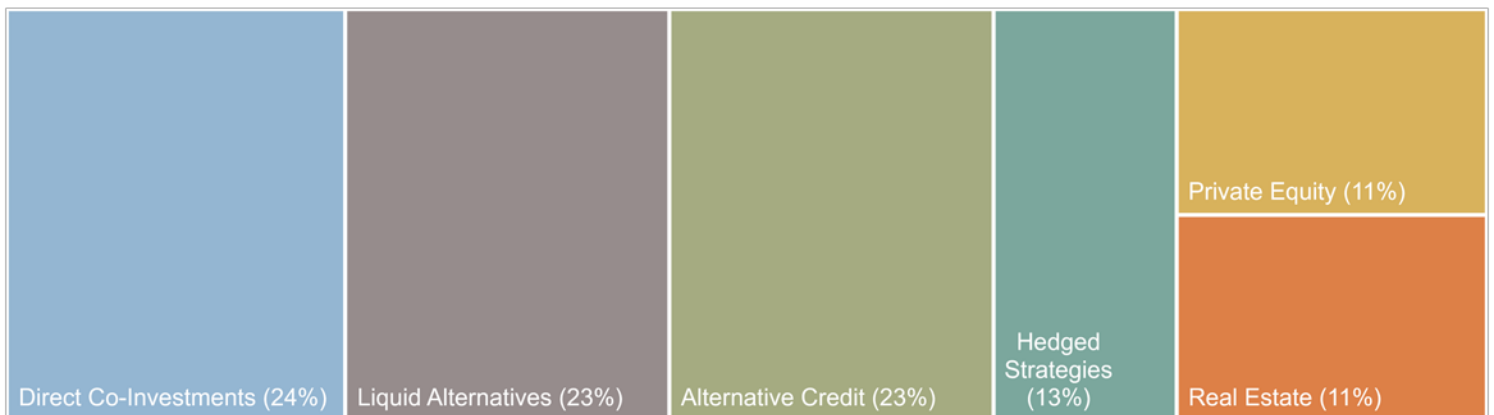
<sup>1</sup> This is only a model portfolio for The Relative Value Fund (“VFLEX”). The model portfolio is a forecast portfolio that represents Vivaldi’s view on what the account’s portfolio may look like under normal market conditions. The portfolio is actively managed and will seek to achieve its investment objective by utilizing a flexible asset allocation strategy across a wide array of asset classes and sectors. Vivaldi may choose to focus on countries or regions, asset classes, industries and sectors to the exclusion of others at any time or from time to time based on market conditions and other factors. Model portfolio allocations should not be relied upon as an indicator of future results or used as the basis for investment decisions.

<sup>2</sup> The Fund has implemented a level distribution policy resulting in monthly distributions of \$0.10371 per share of common stock, representing an ann. distribution rate of 5.0% as of 9.30.2020. Distributions may be paid from sources of income other than ordinary income, such as net realized short-term capital gains, net realized long-term capital gains and return of capital. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund’s investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. If a distribution includes anything other than net investment income, the Fund provides a Section 19(a) notice of the estimate of its distribution sources at that time. These estimates may not match the final tax characterization (for the full year’s distributions) contained in shareholders’ 1099-DIV forms at year-end.

## Portfolio Holdings

Asset Class	Manager	Strategy	Structure	Weight
Private Equity	Pomona Investment Fund	Private Equity	Tender Offer Fund	11%
Real Estate	JLL Income Property Trust	Core Real Estate	Private REIT	4%
Real Estate	Bailard Real Estate Fund	Value-Add Real Estate	Private REIT	5%
Real Estate	Pender Capital Asset-Based Lending	CRE-Backed Bridge Lending	Limited Partnership (LP)	2%
Alternative Credit	PIMCO Flexible Income Fund	Multi-Sector Credit	Interval Fund	6%
Alternative Credit	Palmer Square Income Opportunities Fund	CLOs	Interval Fund	7%
Alternative Credit	Griffin Institutional Access Credit Fund	Private Credit	Interval Fund	6%
Alternative Credit	Cliffwater Corporate Lending Fund	Middle Market Direct Lending	Interval Fund	4%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	3%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	2%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	2%
Direct Co-Investment	Undisclosed Operator	Asset-Backed Bridge Loan	Co-Investment	2%
Direct Co-Investment	Undisclosed Operator	Static CLO Equity Tranche	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Static CLO Equity Tranche	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Static CLO Equity Tranche	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Static CLO Equity Tranche	Co-Investment	1%
Direct Co-Investment	Undisclosed Operator	Static CLO Equity Tranche	Co-Investment	2%
Direct Co-Investment	Undisclosed Operator	Static CLO Equity Tranche	Co-Investment	3%
Direct Co-Investment	Undisclosed Operator	2 <sup>nd</sup> Lien Loan & Equity Warrants	Co-Investment	2%
Hedged Strategies	DSC Meridian Capital	Event Driven Credit	Limited Partnership (LP)	2%
Hedged Strategies	Linden Capital Advisors	Convertible Bonds	Limited Partnership (LP)	2%
Hedged Strategies	Whitebox Asymmetric Fund	Multi-Strategy Credit	Limited Partnership (LP)	2%
Hedged Strategies	Walleye Opportunities Fund	Multi-Strategy Trading	Limited Partnership (LP)	3%
Hedged Strategies	Point72 Capital	Multi-Strategy Platform	Limited Partnership (LP)	2%
Liquid Alternatives	RiverNorth Capital Management	Closed-End Fund Arbitrage	Separately-Managed Acct (SMA)	9%
Liquid Alternatives	Angel Oak Capital Advisors	Structured Credit	Separately-Managed Acct (SMA)	14%

## Strategy Allocations



**MUTUAL FUND INVESTING INVOLVES RISK. PRINCIPAL LOSS IS POSSIBLE. THERE IS NO MARKET FOR THIS FUND, AND NONE IS EXPECTED TO DEVELOP. ALTHOUGH WE ARE REQUIRED TO IMPLEMENT A SHARE REPURCHASE, ONLY A LIMITED NUMBER OF SHARES WILL BE ELIGIBLE FOR REPURCHASE BY US. INVESTMENTS IN COMPANIES THAT ARE SUBJECT OF A PUBLICLY ANNOUNCED TRANSACTION CARRY THE RISK THAT THE PROPOSED OR EXPECTED TRANSACTION MAY NOT BE COMPLETED OR MAY BE COMPLETED ON LESS FAVORABLE TERMS THAN ORIGINALLY EXPECTED, WHICH MAY LOWER THE FUND'S PERFORMANCE. INVESTMENTS IN FOREIGN SECURITIES INVOLVE GREATER VOLATILITY AND POLITICAL, ECONOMIC, AND CURRENCY RISKS AND DIFFERENCE IN ACCOUNTING METHODS. INVESTMENTS IN SMALL AND MEDIUM SIZED COMPANIES INVOLVE ADDITIONAL RISKS SUCH AS LIMITED LIQUIDITY OR GREATER VOLATILITY. DERIVATIVES INVOLVE SPECIAL RISKS INCLUDING CORRELATION, COUNTERPARTY, LIQUIDITY, OPERATIONAL, ACCOUNTING AND TAX RISKS. THESE RISKS, IN CERTAIN CASES, MAY BE GREATER THAN THE RISKS PRESENTED BY MORE TRADITIONAL INVESTMENTS. THE FUND MAY MAKE SHORT SALES OF SECURITIES, WHICH INVOLVES THE RISK THAT LOSSES MAY EXCEED THE ORIGINAL AMOUNT INVESTED, THE FUND MAY USE LEVERAGED WHICH MAY EXAGGERATE THE EFFECT OF ANY SERICITES OR THE NET ASSET VALUE OF THE FUND, AND MONEY BORROWED WILL BE SUBJECTED TO INTEREST COSTS. IN THE CASE OF AN INVESTMENT IN A POTENTIAL ACQUISITION TARGET, IF THE PROPOSED MERGER, EXCHANGE OFFER OR CASH TENDER OFFER APPEARS LIKELY NOT TO BE CONSUMMATED, IN FACT IS NOT CONSUMMATED, OR IS DELAYED, THE MARKET PRICE OF THE SECURITY TO BE TENDERED OR EXCHANGED WILL USUALLY DECLINE SHARPLY, RESULTING IN A LOSS TO THE FUND. IF A PUT OR CALL OPTION PURCHASED BY THE FUND EXPIRES WITHOUT BEING SOLD OR EXERCISED, THE FUND WOULD LOSE THE PREMIUM IT PAID FOR THE OPTION. THE RISK INVOLVED IN WRITING A COVERED CALL OPTION IS THE LACK OF LIQUIDITY FOR THE OPTION. THE FUND IS NON-DIVERSIFIED, MEANING IT MAY CONCENTRATE ITS ASSETS IN FEWER INDIVIDUAL HOLDINGS THAN A DIVERSIFIED FUND. THEREFORE, THE FUND IS MORE EXPOSED TO INDIVIDUAL STOCK VOLATILITY THAN A DIVERSIFIED FUND. FOR A COMPLETE DESCRIPTION OF RISKS PLEASE READ THE PROSPECTUS.**

**THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGE, AND EXPENSE MUST BE CONSIDERED CAREFULLY BEFORE INVESTING. THE SUMMARY OR STATUTORY PROSPECTUS CONTAINS THIS AND OTHER IMPORTANT INFORMATION ABOUT THE INVESTMENT COMPANY, AND IT MAY BE OBTAINED BY CALLING 312.248.8300 OR VISITING VIVALDIFUNDS.COM. READ IT CAREFULLY BEFORE INVESTING. VIVALDI ASSET MANAGEMENT, LLC IS THE ADVISOR TO THE RELATIVE VALUE FUND WHICH IS DISTRIBUTED BY FORESIDE FUND SERVICES, LLC.**