

Midland Custody Solutions

A QUALIFIED CUSTODIAN

Custody Services We Offer

Engaging a third-party qualified custodian is seen as “best practice” among more and more private fund managers. Midland’s private fund custody solutions meet the separation requirements of the Custody Rule and deliver the intrinsic value of transparency to your investors.



Full Custody

- » Custody of assets and cash
- » Register all assets in Midland’s name
- » Process all new purchases/liquidations
- » Monitor all incoming and outgoing payments
- » Provide fund-level statements to all investors



Document Custody

- » Physical custody of original documents (i.e., stock certificate)
- » No re-registration of assets
- » No cash custody or payment processing
- » Essentially a “safety deposit box”

Benefits of Custody Examination vs. Financial Statement Audit:

Custody examinations are more limited as they focus on equity activities and investment existence, but not underlying valuations. For this reason, custody examinations tend to be less intrusive and time-consuming and therefore **less expensive** than financial statement audits which require more planning and assessment of risks.



Midland Trust Company opens accounts at the fund level to hold cash and alternative investments such as private equity/debt, VC, and real estate. We process transactions in and out of the fund and report all holdings and activity to the fund and its participants on a quarterly basis. **Midland Trust Company provides a customizable solution and pricing plan** based on each fund's structure and needs.



Frequently Asked Questions

1

We have a fund administrator that reports to our investors, why would we need a custodian?

As custodian, Midland reports all activity at the fund level. A fund administrator reports activity at an investor level. Midland sends the fund and its investors a comprehensive statement of fund activity, including a list of assets held in our custody.

2

What role does Midland play in the day-to-day operations of the fund?

Midland eases the administrative burden on managers—whether an emerging manager launching a new fund or an RIA with several funds. Our cash management, transaction execution and reporting saves time and money for alternative asset managers.

3

How does Midland work with surprise examiners?

Midland stores digital copies of all account and transactions documents and can present them in a moment's notice. If your fund is under a surprise exam, with your authorization Midland will satisfy all inquiries of the examiner in an expedient fashion.

4

Does Full Custody require fund statements to be sent to all of my investors?

While Midland can furnish quarterly fund statements to an investor roster while providing custody of assets, it is not a required service. We are flexible, and our solutions can be customized. If statements do not need to be sent or you only require document custody for a specific investment, we are happy to accommodate.