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ADVANCED TOPICS IN HEDGE FUND PRACTICES CONFERENCE

Manager and Investor Perspectives

WEBINAR SERIES

SESSION 9 | Wednesday, June 10

UK and Europe Funds Landscape
MENA Funds Landscape
Asia Funds Landscape

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UK AND EUROPE FUNDS LANDSCAPE

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Agenda

1. Governmental and Regulatory Response to Pandemic
2. Brexit Update
3. Developing Regulation of Sustainability/ESG
4. Securities Financing Transactions Regulation
5. New Prudential Regulatory Framework for Most MIFID Investment Firms
6. FCA "Dear CEO" Letters to Alternative Investment Firms (AIFs)
7. Alternative Investment Fund Managers Directive (AIFMD) Review

Governmental and Regulatory Response to Pandemic

- UK government introduced a range of temporary measures to support public services, people, and businesses throughout the disruption caused by COVID-19, including a scheme to support self-employed individuals. European Union (EU) member states have adopted similar measures.
- UK Financial Conduct Authority (FCA) expects firms to continue to record calls, but accepts that this may not be possible. In this case, firms should notify FCA of their inability to record calls and consider what steps they could take to mitigate outstanding risks if they are unable to comply. European Securities and Markets Authority (ESMA) made a similar announcement about its expectations of investment firms EU-wide.
- FCA has allowed UK-listed companies an extra two months to publish their audited annual financial reports. ESMA has recommended that member state regulators exercise similar forbearance on enforcing financial reporting deadlines.
- FCA has published guidance on steps for firms to take to identify their key workers.
- FCA announced it has no intention of taking enforcement action where a firm chooses to cease providing 10% depreciation reports for any professional clients until 1 October 2020.

Governmental and Regulatory Response to Pandemic

- ESMA announced on 31 March that the upcoming EU Markets in Financial Instruments Directive (MIFID) II reports on best execution required soon from execution venues, brokers, and asset managers could be deferred to 30 June and that venues and firms should make records of their internal decision-making on this.
- In March regulators in Austria, Belgium, France, Greece, Italy, and Spain imposed temporary short-selling prohibitions on identified issuers under the EU Short Selling Regulation ("SSR"), based on the impact COVID-19 has had on financial stability and market confidence. After considerable industry pressure the prohibitions were terminated in mid-May.
- On March 16 ESMA, pursuant to its powers to intervene in exceptional circumstances under SSR, decided to reduce the EU-wide threshold for private reporting to local regulator of shorting activity from 0.2% to 0.1% of issued share capital until 16 June 2020. This also applies in the UK.
- On 4 June a senior FCA official announced that where regulated firms want to make mental health counselling services available to advisers in other firms (a non-monetary benefit), it would be reasonable for firms to determine that they can both provide and accept such mental-health counselling services without contravention of FCA MIFID and non-MIFID inducement rules.

Brexit Update

- The UK ceased to be a member of the EU (and EEA) on 31 January 2020.
- Transitional period preserves previous single market arrangements until 31 December 2020.
- EU Withdrawal Agreement allows for transitional period to be extended (by agreement) by up to one two years, but decision must be made before 1 July 2020.
- EU Council Summit scheduled for 19 June; UK government current position is that it will not request an extension
- Current discussions between UK and EU on a 'future relationship' deal are not showing any signs of real progress; increasing risk of a messy no-deal scenario at the end of this year.
- Future relationship discussions are in any event focused on trade and fishing rights, not services.
- Ideally the future relationship agreement would activate existing equivalence provisions in EU single market directives so that EU access for UK financial services firms could continue, along the same lines as currently (although there would be differences). However, currently this outcome seems quite aspirational.
- No 'future deal' on financial services would create barriers for UK fund manager raising capital from EEA investors, but will not change the position for US/other third country managers raising capital from UK investors

Developing Regulation of Sustainability/ESG

- The European Commission has made sustainable finance an express initiative within its overall plans to strengthen capital markets in the European Union:

  "***Re-orienting private capital to more sustainable investments requires a comprehensive rethinking of how our financial system works. This is necessary if the EU is to develop more sustainable economic growth, ensure the stability of the financial system, and foster more transparency and long-termism in the economy***."
- The UK government launched its "Green Finance Strategy" in July 2019 and intends to require the FCA/UK Prudential Regulatory Authority (PRA) to have regard to the Paris Agreement on Climate Change when considering their objectives and in the discharge of their functions. The UK government has committed to match the key objectives of the EU's Sustainable Action Plan, but it is not yet clear if it intends to onshore relevant EU law.
- The Taxonomy Regulation (not yet final) creates an EU classification system that sets out what constitutes an environmentally sustainable economic activity. This should stop fragmented systems from developing whether market-led or country-led and hinder "greenwashing." It requires qualifying public-interest-listed issuers and financial market participants (see below) to disclose how their financial products align with the taxonomy. Requirements will come into effect from 31 December 2021 and 2022.

Developing Regulation of Sustainability/ESG

- To qualify as environmentally sustainable any economic activity must:
  - contribute to one or more of the following six environmental objectives:
    - climate change mitigation
    - climate change adaption
    - sustainable use and protection of water and marine resources
    - transition to a circular economy, waste prevention, and recycling
    - pollution prevention and control
    - protection of healthy ecosystems
  - not significantly harm any of the above objectives
  - comply with social and governance safeguards
  - comply with so-called "technical screening criteria", yet to be developed but which will take into account competition issues, existing green financial products and markets, and liquidity
- Disclosure Regulation (final) imposes transparency and disclosure requirements concerning the integration of sustainability risks in investment decision-making and advisory processes and the provision of relevant sustainability information

Developing Regulation of Sustainability/ESG

- The Disclosure Regulation is built around three main pillars:
  - **Elimination of greenwashing**: i.e. to eliminate unsubstantiated or misleading claims about sustainability characteristics and benefits of an investment product and increase market awareness on sustainability matters
  - **Regulatory neutrality**: the rules introduce a disclosure toolbox to be applied in the same manner by different types of covered firms
  - **Cross-sectoral reach**: applies to Alternative Investment Fund Managers (AIFMs), MIFID portfolio managers, Undertakings for Collective Investment in Transferable Securities (UCITS) managers, EUVECA managers, EUSEF managers, Solvency II insurers making available insurance-based investment products ("IBIPs"), institutions for occupational retirement provision, pension providers (financial market participants); to the provision of investment advice by banks, MIFID investment firms, AIFMS and UCITS managers; and to insurers and insurance intermediaries giving investment advice on IBIPs. Scope of "financial product" includes a portfolio management service, an AIF and a UCITS.

- Covered firms must:
  - maintain written policies on the integration of sustainability risks in their investment decision-making and advisory process and publish them on their websites
  - provide investors/clients with specified pre-contractual disclosures:
    - the procedures and conditions applied for integrating sustainability risks in their investment decisions
    - the extent to which sustainability risks are expected to have a relevant impact on the returns of the financial products made available
    - how their remuneration policies are consistent with the integration of sustainability risks and in line where relevant with the sustainable investment target of the financial product

Developing Regulation of Sustainability/ESG

Additional transparency requirements apply to a firm that offers its investors/clients a sustainable financial product, such as a fund or managed account.

- Requirements will apply mostly from 10 March 2021; periodic reporting to investors from 1 January 2022. ESMA will develop technical standards during 2020.
- On 23 April 2020 the European Supervisory Authorities issued a Joint Consultation Paper on sustainability-related disclosures in the financial services sector with regard to content, methodologies and presentation of information in relation to sustainability indicators and the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, websites and periodic reports
- ***The Taxonomy Regulation in tandem with the Disclosure Regulation will require firms to disclose the degree of environmental sustainability of those financial products that they claim pursue environmental objectives***
- The Low Carbon Benchmark Regulation amends the Benchmark Regulation (BMR) from 10 December 2019 by:
  - introducing two new categories of benchmark, a low carbon one and a positive carbon impact one
  - requiring benchmark administrators that pursue or take into account ESG objectives to provide an explanation of how the key elements of the methodology reflect the ESG factors and to explain in their published "benchmark statement" how ESG factors are reflected
  - setting out the key requirements governing the methodology for the two new benchmarks
  - the Regulation also extends the transition period (under Article 51, BMR) so that pre-existing critical benchmarks can continue to be provided until 31 December 2021 without applying for authorisation or registration under the BMR.

Draft Delegated Regulation Under MIFID

- The European Commission published a draft regulation under MIFID on 4 January 2019 on how portfolio managers and financial advisers should take sustainability issues into account when assessing suitability[1]
- The draft regulation requires firms to identify their clients' ESG preferences so that their advice and investment decision-making reflects the clients' financial objectives and ESG preferences. In addition, firms will be asked to ensure that ESG considerations are properly reflected in their policies and procedures required under MIFID in order that they understand the nature, features, costs, and risks of financial instruments selected for their clients
- There will not be a requirement for existing sustainability assessments to be revisited
- Timetable to commencement not yet set but draft provides for a 12-month transitional period

[1] Suitability has to be assessed against clients' knowledge and experience, financial situation, and investment objectives. However, ESG issues are not normally considered under the current suitability regime. In May 2018 ESMA recommended as good practice that firms should currently consider ESG factors when gathering information on a client's investment objectives, paving the way for investment firms to volunteer to include ESG preferences in their suitability assessments ahead of becoming obliged to do so.

ESMA's Two Final Reports to the European Commission of 30 April 2019

- ESMA's Final Report on integrating sustainability risks and factors in the UCITS Directive and AIFMD sets out its advice on how relevant EU legislation should be modified to address ESG concerns. Sustainability risks in this context are the risks of fluctuation in the value of positions in a fund's portfolio due to ESG factors.
- Under the UCITS Directive, while management companies must have in place certain organisational procedures and well-documented structures and practices, they are not required to take ESG considerations into account or consider conflicts of interest that could arise from sustainability risks. Similarly, under the AIFMD, AIFMs are not expected to take into account ESG considerations.
- ESMA's advice is sufficiently general and broad to allow fund managers to assess how best to take into account ESG considerations.

ESMA recommends changes in the following areas of the UCITS and AIFMD frameworks:

General Organisational Requirements: incorporation of sustainability risks within organisational procedures, systems, and controls to ensure that they are properly taken into account in investment and risk management processes (e.g. decision-making, internal reporting, and monitoring)

Resources: consideration of the required resources and expertise for the integration of sustainability risks

Conflicts of Interest: consideration of the types of conflicts of interest arising in relation to the integration of sustainability risks and factors

Due Diligence Requirements: consideration of sustainability risks when selecting and monitoring investments, designing written policies and procedures on due diligence, and implementing effective arrangements

Risk Management: explicit inclusion of sustainability risks when establishing, implementing, and maintaining an adequate risk management policy

ESMA also issued a Final Report of the same date on integrating sustainability risks and factors into the MIFID framework

Securities Financing Transactions Regulation (SFTR)

- The SFTR aims to create a safer and more transparent financial system by placing additional requirements on counterparties to SFTs. Broadly, the legislation requires:
  - Securities financing transactions (SFTs) to be trade-reported to trade repositories (TRs) – phased commencement, stage one from 14 April 2020
  - Detailed reporting by AIFMs and UCITS managers on investment fund SFT and total return swaps activity in pre-contractual documentation and periodic reports – commenced from 12 January 2016 for funds established after that date and from 13 July 2017 for funds established before 12 January 2016
  - Prior risk disclosure and written consent before counterparties are permitted to re-use or re-hypothecate assets – commenced 13 July 2016
  - Counterparties must keep a record of any SFT they have concluded, modified, or terminated for at least five years following termination – from 12 January 2016

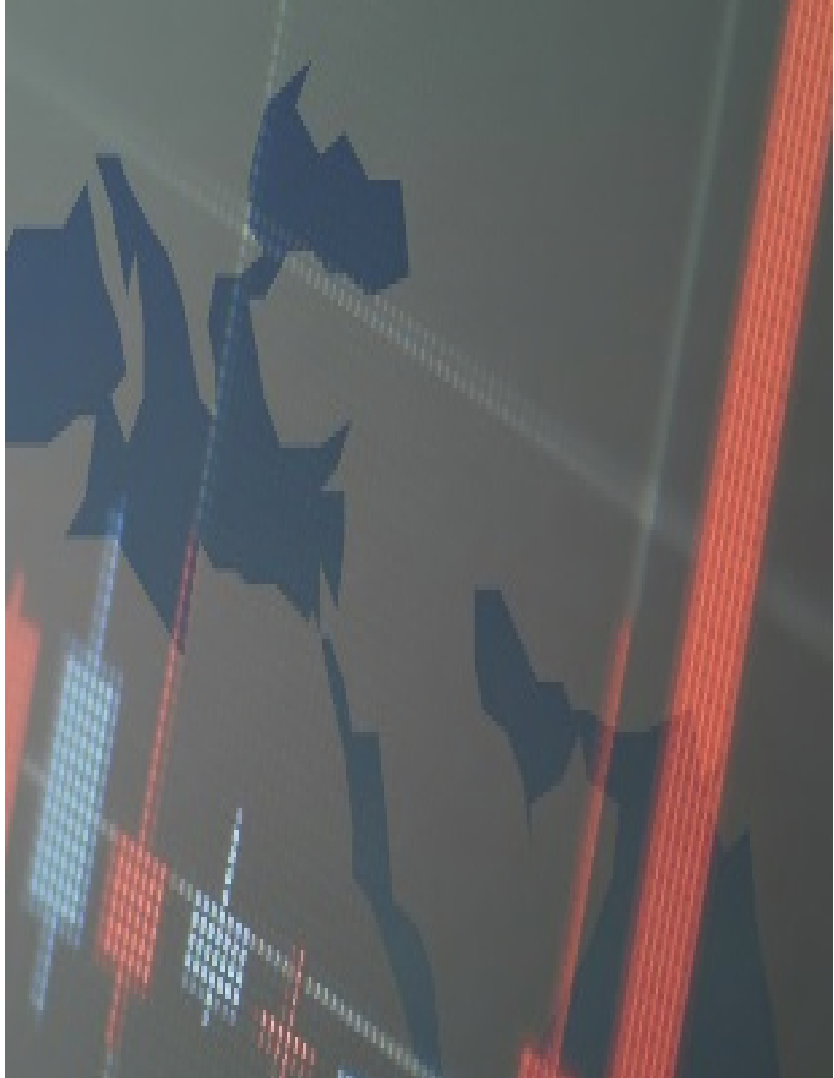
<u>What is an SFT?</u>

- Broadly, SFTs consist of any transaction that uses assets belonging to one counterparty to generate financing means. In practice, this mostly includes lending or borrowing of securities and commodities, repurchase (repo) or reverse repurchase transactions, or buy-sell back or sell-buy back transactions.[2]

[2] SFTs are defined in Article 3(11) of the SFTR.

To Whom Does the SFTR Apply?

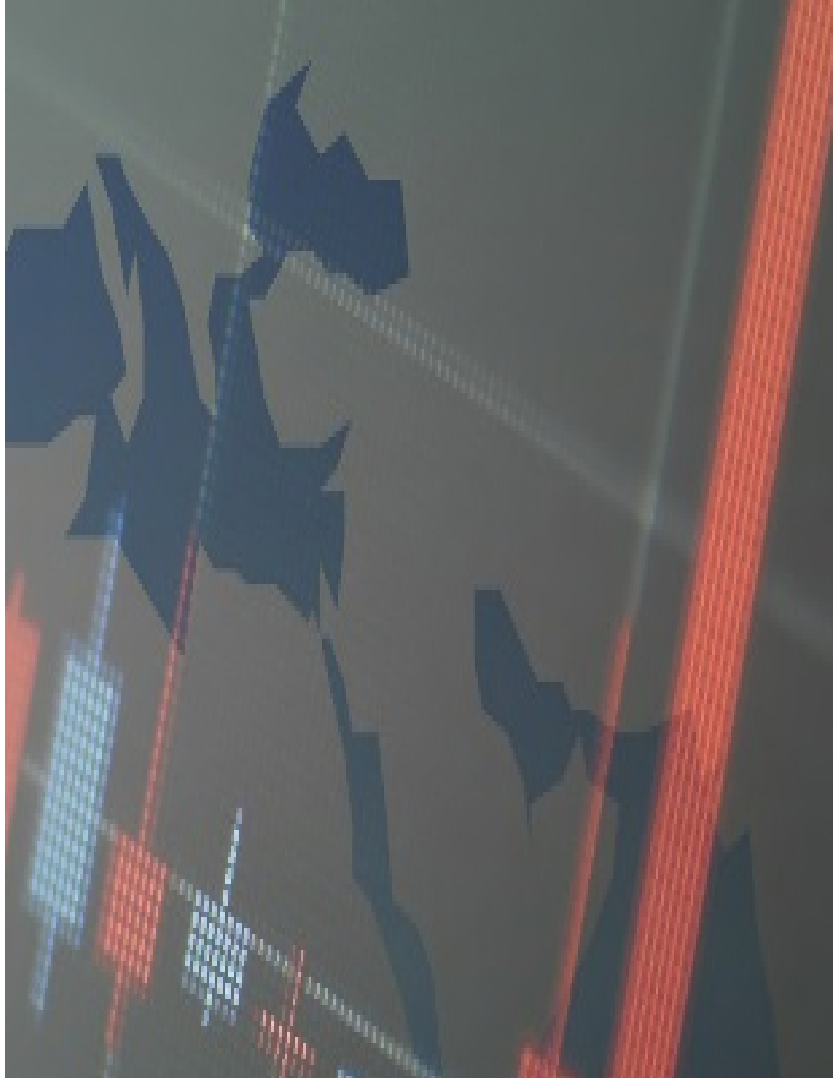
- The SFTR is broad in its application. It applies to all counterparties in SFT markets, UCITS, alternative investment funds (AIFs), and any counterparty engaging in re-hypothecation. Specifically, Article 2 sets out that the SFTR applies to:
  - A counterparty to an SFT that is established:
    - in the European Union, including all its branches irrespective of their location; and
    - in a third country (that is, outside of the European Union), if the SFT is concluded in the course of operations of an EU branch
  - UCITS management companies and UCITS investment companies, by definition EU established
  - AIFMs who are authorised under the AIFMD, by definition currently EU established, in respect of EU AIFs that they manage
- There is no exemption for counterparties who enter into small numbers of SFTs (unlike European Market Infrastructure Regulation (EMIR), where a low volume exemption does exist). There is however a category for small-size non-financial counterparties



Who Has to Report?

- Investment managers, other investment firms, and banks required to report from 14 April 2020
- Authorised AIFMs (i.e. currently, EU AIFMs and their non-EU branches) and UCITS required to report from 12 October 2020
- Covered third country entities required to report from 12 October 2020
- Similar to the EMIR reporting regime, both parties to a trade are required to report details of a transaction to a trade repository on a T+1 basis. However, SFTR specifically provides for the following scenarios:
  - where a financial counterparty concludes an SFT with a non-financial counterparty that is small in size (as defined in Article 3(3) of the Accounting Directive), the financial counterparty reports on behalf of both parties
  - where a UCITS is a counterparty to an SFT, its manager is responsible for reporting that transaction to a trade repository on behalf of the UCITS
  - where an AIF is a counterparty to an SFT, its AIFM is responsible for reporting that transaction to a trade repository on behalf of the AIF

On March 26 2020 ESMA updated its statement on the implementation of SFTR, noting that national regulators are not expected to prioritize supervisory activity towards firms' compliance with SFTR. FCA has confirmed that it will not prioritize supervision of SFTR reporting requirements for firms that had been due to start reporting on April 13, 2020, until at least July 13, 2020.



New Prudential Regulatory Framework for Most MIFID Investment Firms

New/re-shaped requirements regarding own funds, liquidity, group supervision, staff pay, governance, regulatory reporting, and public disclosure

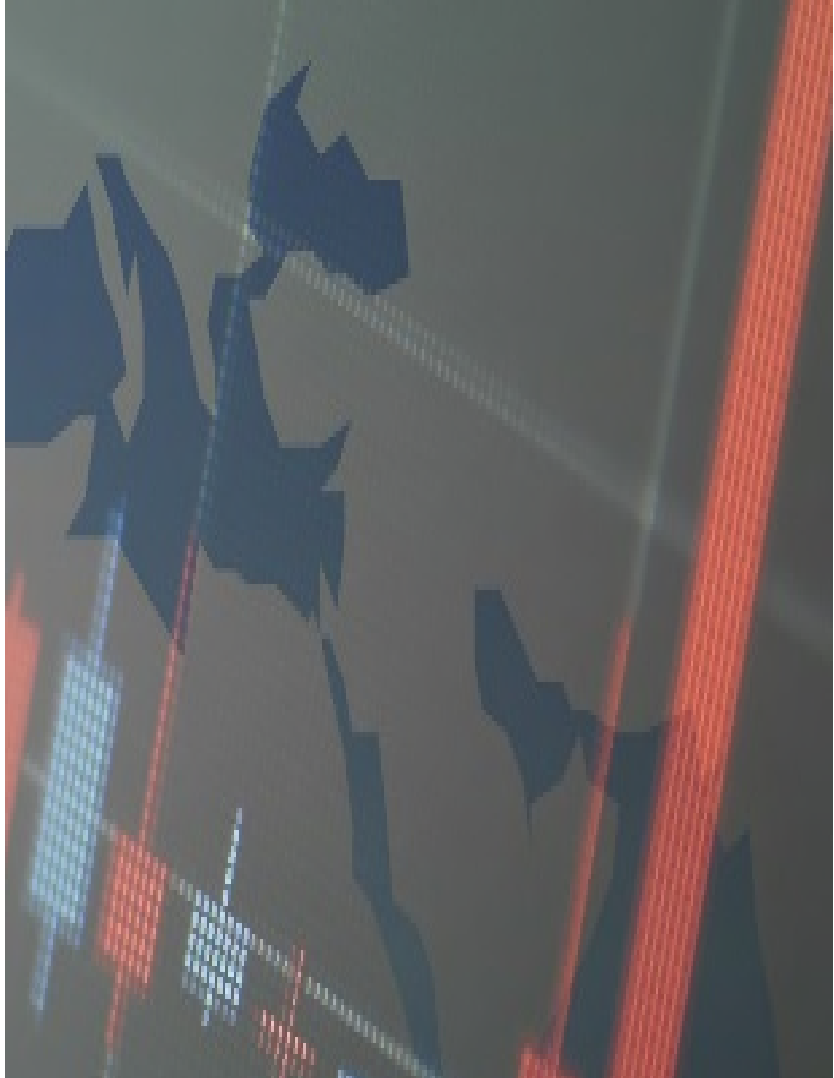
- Investment Firms Regulation (IFR) (applicable from 26 June 2021)
- Investment Firms Directive (IFD) (member states to bring in local legislation applicable from then)
- European Banking Authority preparing some of the detailed regulatory technical standards required to elaborate the IFR/IFD framework, consultations published 4 June
- MIFID investment managers are in scope
- AIFMs, UCITS, and UCITS managers are out of scope and will continue to be subject to prudential (and remuneration) regimes set out in AIFMD and UCITS Directive, respectively.
- New regime maintains requirement that own funds of those provider-types must never be lower than the IFR/IFD fixed overheads requirement
- To be determined whether remuneration referable to the MIFID business of an out-of-scope firm subject to IFR/IFD remuneration regime
- UK government will use forthcoming Financial Services Bill to implement an updated prudential regime for UK investment firms; HMT and FCA consultations expected July 2020

Why Change?

- Currently, investment firms are subject to the CRR/CRDIV prudential regime designed for banks, notwithstanding different business models, risk profiles, and potential impact on financial stability. The categorisation of MIFID investment firms within CRR/CRDIV has turned on what MIFID business they conduct with 11 permutations
- The new regime:
  - categorises investment firms by reference to the size and complexity of the investment firm
  - contains risk-based measures which are relevant to investment firms, not banks, known as "k-factors" which seek to capture the risk the firm can pose to clients, market access/liquidity, and itself
- IFR/IFD divides investment firms into three different classes. Investment managers will fall into Class 2 and be subject to the full IFR/IFD regime unless they qualify as "small and non-interconnected firms"[3] and thereby fall into Class 3, which applies a lighter regime
- Broadly, capital requirements will prove more burdensome with investment managers being required to hold their own funds of a minimum €75,000 and liquid assets equal to at least one month's fixed overheads

[3] See article 12(1) of IFR for the nine criteria a firm must satisfy to qualify as such

- Transitional measures generous in parts
- For five years from 26 June 2021 investment firms:
  - for which new capital requirement more than doubles the old one may limit their new requirement to twice their old one
  - which did not previously have any capital requirement may limit their new requirement to twice their fixed overheads requirement
  - which were only subject to an initial capital requirement may limit their new requirement to twice their old one
- IFR/IFD also features:
  - remuneration: "bank-like" requirements based on CRR/CRDIV (e.g. malus and clawback), proportionality preserved, and pay-out process rules introduced but will not apply to firms with less than €300 million in assets or individuals who are paid €50,000 or less in bonus compensation; there will be no bonus cap for staff in Class 2 or 3
  - governance and reporting requirements including public disclosures i.e. capital, capital requirements, risk management, internal governance, and remuneration
  - third-country access to EU "equivalence" regime in MIFID II which is tightened (as a consequence of Brexit) to ensure that provision of investment services by third country firms to EU clients is conditional upon firms meeting capital requirements equivalent to those in IFR/IFD



FCA "Dear CEO" Letters to AIFs

- On 20 January 2020 FCA sent a letter to the CEOs of AIFs[4] setting out its supervisory priorities. These include: how firms address their product governance and appropriateness and suitability obligations; whether firms' market abuse controls are sufficient to enable them to discharge their obligations under the Market Abuse Regulation; whether firms' risk management controls are sufficient to avoid excessive risk taking and to mitigate the potential for harm or disruption to financial markets, firms' client money and asset controls, firms' systems and controls in respect of financial crime, and firms' preparations for Brexit.
- FCA also sent a separate letter to the wider asset management[5] industry, which sets out priorities including LIBOR transition, internal governance, product governance, and liquidity management.

[4] FCA's "alternatives portfolio" comprises firms that predominantly manage alternative investment vehicles or alternative assets directly, or advise on those types of investments or investment vehicles.
[5] FCA's "asset management portfolio" comprises firms that predominantly directly manage mainstream investment vehicles, or advise on mainstream investments, excluding wealth managers and financial advisers.

AIFMD Review

Full results expected late 2020. Meantime the European Commission's Report on the operation of AIFMD (January 2019) identified the following areas for review:

- some rules are interpreted divergently across Member States by their local regulators, for example the rules concerning depositories and the EU marketing passport regime
- some rules, for example reporting requirements, may overlap with other European disclosure rules
- no hard evidence was available whether and to what extent the AIFMD provisions have enabled more informed investment decisions by AIF investors
- harmonisation of the calculation methodologies for leverage across AIFMD, UCITS, and other relevant legislation
- coherence of the AIFMD remuneration rules with other legislation or guidelines
- requirements related to investments in non-listed companies and enterprises and the extent of notifications to local regulators are viewed as not useful and overly burdensome

MENA FUNDS LANDSCAPE

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Marketing of Securities in MENA; Key Considerations

01

Regional Focus

Focus on the GCC although no passporting regime exists

02

Dual Legal Systems

UAE and Qatar offer onshore and offshore systems

03

Placement Agents

A handful of regulated placement agents with regional reach

04

Islamic Investors

An alternative and sometimes additional pool of investment funds

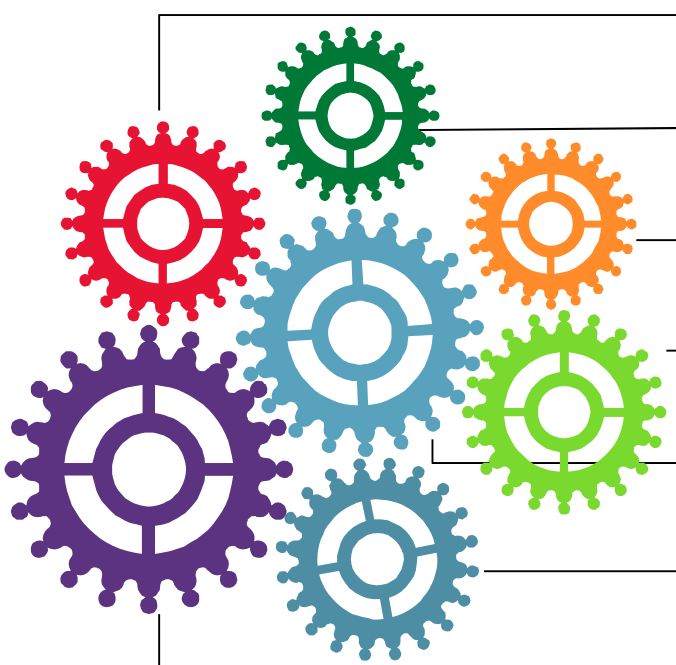
Marketing of Securities in the UAE

1	**First "Point of Call" in the region**	• Ease of Access • Concentration of sovereign wealth funds (SWFs) and asset managers	• Regional Platform for family businesses • Advanced but rapidly evolving securities regulations
2	**Onshore Regulations**	• Securities & Commodities Authority • Private Placement Exemptions: governmental entities; asset managers and international organizations	• Recently enacted regulations applicable to marketing securities to "Qualified Investors"
3	**Offshore Regulations**	• Dubai International Financial Centre • Financial regulator: Dubai Financial Services Authority	• Abu Dhabi Global Markets • Financial regulator: Financial Services Regulatory Authority

Marketing of Securities in Kuwait and Saudi Arabia

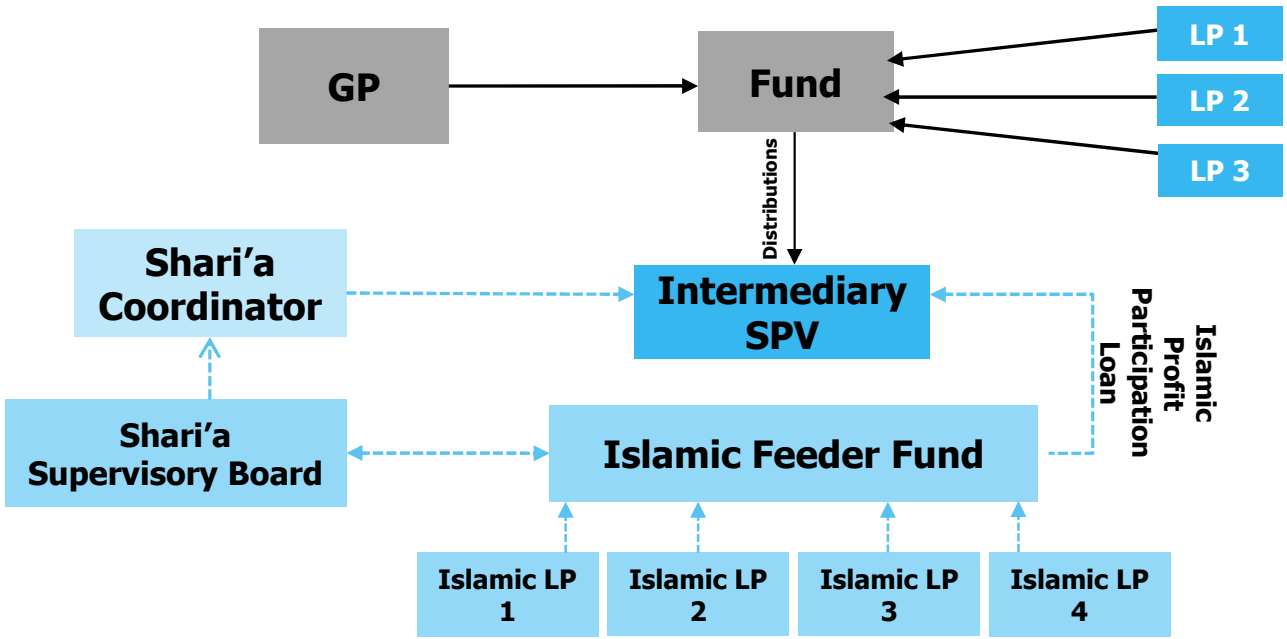
1	**Kuwait**	• Historically, system based on "tolerated practices" • Recent regulations made Kuwait one of the strictest in the GCC	• Use of local banks as placement agents • Limited "informal" exemptions based on sophistication, numbers, and offshore nature of activities
2	**Saudi Arabia**	• Possibly the strictest of all GCC jurisdictions • Local placement agents need to be appointed with feeder funds and accounts established	• Reverse solicitation to high-net-worth individuals and institutional investors who have SAR 50,000,000 in assets • Marketing to governmental entities
3	**Other Markets**	• Bahrain, Oman, and Qatar form the remainder of the GCC • Marketing activities at times extend to Egypt, Jordan, and Lebanon but mostly through offshore family offices	• Important to recognize differences between various countries and to develop a code of conduct for individuals involved in selling securities including fund interests

Marketing of Securities in MENA: Islamic Investors



- $2 trillion asset pool with concentration in GCC
- Not all GCC investors are "Islamic" – Most SWFs are not
- Separate regulations applicable to Islamic banks and asset managers
- Some family offices and high-net-worth individuals "self-regulate" as Islamic investors
- Limitations on investments in the vice, defense, and financial industries
- Limitations on investments in highly leveraged assets or companies
- Role of Shari'a advisory boards

Marketing of Securities in MENA: Islamic Investors



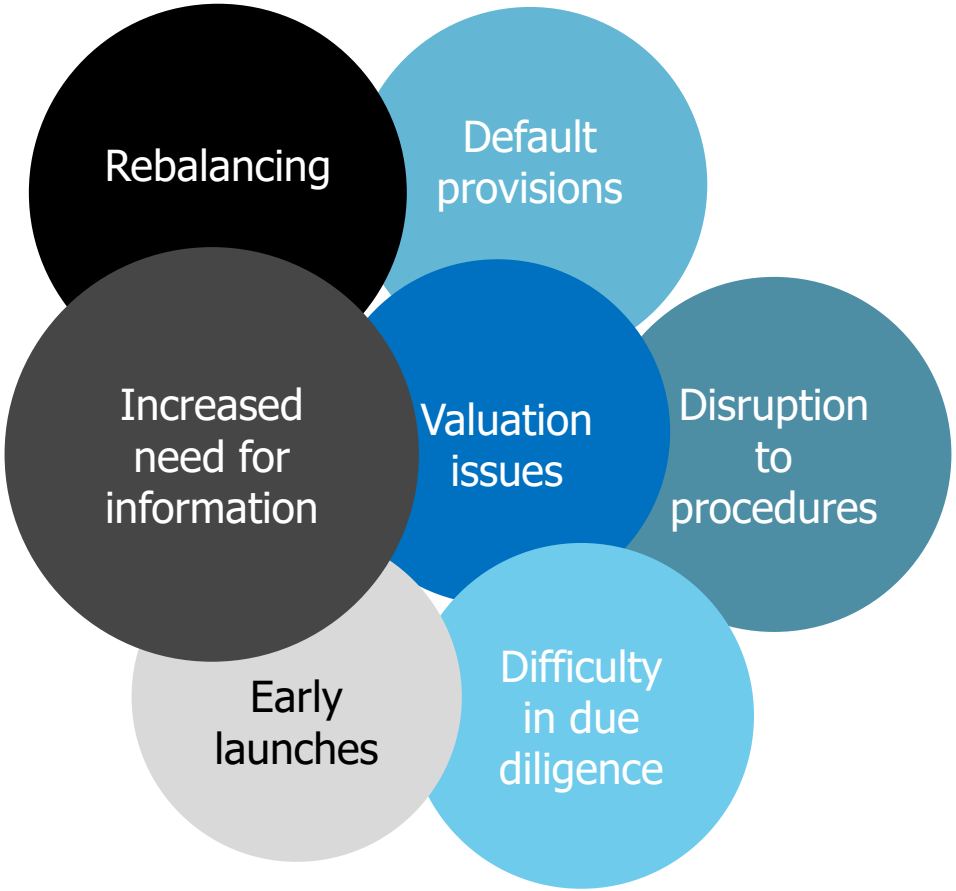
Current Trends: Investors in the Middle East

- Cash Retention
  - Family office investors
  - Sovereign investors subject to governmental withdrawals
- Potential for Buy Opportunities
- Customized Products
  - SMAs
  - Co-investment Arrangements
    - Form
    - Purpose

Current Trends: Investors in the Middle East

- Seed and Stake Arrangements
  - Increased interest in providing initial funding for funds and acquiring interest in the sponsor
  - Key considerations
- Regional Venture Capital
  - Extension of investment in SMEs
  - Hub 71, Catalyst, Abu Dhabi Holding Company
- Impact of Foreign Direct Investment Restrictions

COVID-19 Impact



ASIA FUNDS LANDSCAPE

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SINGAPORE

- **Singapore variable capital company (VCC)**
  - Key features
  - Tax features
  - MAS VCC Grant Scheme

- **Fund entities**
  - Different tax exemption schemes for different types of funds (Sections 13CA, 13H, 13R, and 13X)
- **Fund managers**
  - 10% concessionary tax rate for fund managers under the FSI-FM scheme

- **Further enhancements to make Singapore more attractive as a fund domicile**
  - "VCC 2.0"
  - Singapore limited partnership – ongoing industry consultation

MAINLAND CHINA AND HONG KONG

Trend of Onshorization

- Hong Kong Limited Partnership Fund (LPF)
  - Expected to come into effect August 2020
  - Primarily for private equity/venture capital funds
- Open-ended Fund Company (OFC)
  - Came into effect July 30, 2018
    - Can have redeemable shares and a variable capital structure
    - Can be structured as single funds or umbrella funds (with statutory ring fencing for sub-funds)
    - Must be approved by and established through the Securities and Futures Commission (SFC) (instead of Companies Registry)
  - Based on public disclosures on the website of the SFC, only two private OFCs registered in Hong Kong as of June 2, 2020
    - Proposed amendments to private OFC regime under consideration

Hong Kong Profits Tax Exemption for Funds

- The Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Ordinance 2019 took effect April 1, 2019, extending the Hong Kong profits tax exemption to all privately held funds in the form of collective investment vehicles, irrespective of their place of domicile or central management and control, in respect of qualifying transactions

Hong Kong's Financial Hub Status

- Increasing competition from other jurisdictions (such as Singapore)
- Ongoing geopolitical issues with the United States – China tension
- Time to consider Plan B?

JAPAN

Recent Japan Trends

- Despite COVID-19, the large institutional investors and pension fund investors have continued to be active in Japan
- There have been some opportunistic investors seeking to invest in debt instruments and debt funds
- The pressures to deploy capital among Japan investors are still present and among the larger investors, there continues to be an appetite for alternative investments
- Ecommerce related businesses, including infrastructure related to ecommerce and the life sciences businesses, are attracting investor attention
- Notwithstanding the advanced technology coming from Japan, COVID-19 revealed systemic need to update the Japanese workplace to utilize technology more effectively to allow for more innovative approaches to work
- In Japan, although onshore fund formation is possible, given the tax and language considerations, this is not a practical alternative for foreign fund managers

Japan Developments

- Foreign Exchange and Foreign Trade Act amendments effective on May 8, 2020
  - Requirement of notifications and approvals for foreign direct investments into certain Japanese-designated national-security-related businesses made more stringent
  - Some concern over foreign investors on impact to investing in Japan
- Interest from asset managers to consider Japan as an alternative hub in Asia

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Simon Currie advises clients on securities and financial services regulatory issues in relation to the investment industry, with a particular focus on fund managers and private investment funds.

Simon's work includes counseling on the application of EU single-market directives, the UK Financial Services and Markets Act 2000, and the rules of the Financial Conduct Authority, including authorization applications, conduct of business issues, prudential and capital requirements, organizational controls, conflicts, remuneration requirements, customer documentation, new product development, marketing and financial promotions, changes of control, collective investment schemes, the management of alternative investment funds, and general compliance issues. He has been closely involved in advising on the regulatory regime introduced by the Alternative Investment Fund Managers Directive (AIFMD), both during and following its legislative process and subsequent transposition and implementation.

Simon advises on the structuring, establishment, and operation of segregated accounts and segregated account investment vehicles and other investment funds, including UK domestic and offshore investment funds and separate and investment trusts. He has also advised institutional investors in relation to investment in private equity and other investment funds, including by way of acquiring secondary interests in such funds.

Simon advises a range of financial sector clients, including banks, fund managers, investment funds, investment managers, and investment intermediaries.

Simon is a member of the Law Society's Company Law Committee, a practitioner body that reviews and comments on developments in EU and UK company law and financial services legislation and regulation, and he currently serves as chair of its Financial Services Sub-Committee.

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Alice Huang concentrates her practice on private investment funds, advising registered and unregistered investment advisers based in the United States and in the Asia Pacific region on the formation, structure, and ongoing management of investments in global markets. Alice also represents institutional investors in negotiating operating and side letter agreements for investments in global private funds.

Prior to joining Morgan Lewis, Alice practiced at a top regional law firm, resident in Hong Kong, and before that she worked at other top US law firms focusing on private investment funds and cross-border transactions. From 2012–2014, she served as general counsel for an Asia Pacific private equity fund based in Hong Kong, where she managed the companywide legal, compliance, and tax functions with respect to the company's operations and investments in China, Hong Kong, South Korea, Taiwan, Tokyo, and the United States.

Prior to practicing law, Alice was a senior tax manager with Deloitte Touche Tohmatsu in Los Angeles, where she advised clients on inbound and outbound tax transactions. She also spent a year in Shanghai assisting multinational clients in China with cross-border and China tax and regulatory issues, including mergers and acquisitions, structuring, feasibility studies, transfer pricing and foreign exchange.

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Ethan W. Johnson counsels clients on a variety of regulatory and transactional matters, with a focus on hedge fund and private equity fund formation, and guides investment managers through the legal intricacies of international operations. He also advises clients on establishing offices and operations outside the United States, developing and offering financial products and services sold on a global basis, and building global compliance programs. Ethan's regulatory and transaction practice includes counseling clients on the creation of hedge funds, private equity funds, venture capital funds, real estate funds, Undertakings for Collective Investment in Transferable Securities (UCITS), and US Securities and Exchange Commission (SEC) registered funds. He also advises on the organization and operation of broker-dealers and investment advisers, and on corporate finance projects including public and private offerings of debt and equity securities.

Through Morgan Lewis's US, European, and Asian offices, he advises on the laws of more than 100 non-US jurisdictions, including all major financial centers, most emerging markets, and less-developed nations. He has experience counseling many US-based firms on US and non-US securities and regulatory matters—including joint ventures and investment projects—in Latin America, Europe, and Asia. In cross-border business matters, he helps clients comply with local marketing restrictions, and advises them on local authorizations and exemptive relief. He also works to ensure concurrent compliance with US and local laws.

A frequent author and lecturer, Ethan addresses topics including the regulation of broker-dealers and investment advisers; global distribution of investment funds; private equity real estate funds; investment in emerging markets; and corporate governance. He is an editor of the *Morgan Lewis Hedge Fund Deskbook,* published by Thomson Reuters/West.

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Ayman A. Khaleq, managing partner of Morgan Lewis's Dubai office and co-Leader of the firm's Middle East practice, advises global and regional institutional clients and asset managers on cross-border investment management, capital markets, and structured finance transactions. In particular, Ayman advises on the structuring and documentation of private investment funds and alternative investment platforms; global investments by regional institutional investors, including sovereign wealth funds; and conventional and Shari'a-compliant privately placed debt capital markets, structured finance and restructuring matters. He is admitted to practice in New York and is a Registered Foreign Lawyer with the Law Society of England and Wales.

In addition, Ayman provides regulatory and legal advice to global asset managers and foreign direct investors in relation to the marketing of securities (to conventional and Islamic investors) and doing business in the broader Middle East and North Africa (MENA) region, and in such sectors as healthcare, technology, infrastructure, telecommunications, energy, and education. He also advises on policy reform initiatives in the MENA region and other emerging markets.

Ayman, who is fluent in Arabic and English, is a frequent speaker at international conferences on topics relating to foreign direct investment, investment management, and structured transactions (including Islamic finance). In addition, Ayman taught on transactional Islamic law and international investment law at George Washington University Law School (Washington, DC); Bocconi University (Milan, Italy), and Sorbonne University (Abu Dhabi, UAE). He is also serving a on the firm's Advisory Board, is the chair of the International Bar Association's Arab Regional Forum, and is a member of the Young Presidents Organization (YPO).

Ayman Khaleq was recently invited by the Dubai Islamic Economy Development Centre (DIEDC), Dubai International Financial Centre (DIFC) and Dubai Financial Market (DFM) to join a new focus group that these three entities are forming, with support from the Climate Bonds Imitative (CBI). The focus group will be comprised of relevant experts in capital markets and environmental protection and will be responsible for developing "Sustainable Sukuk Standards".

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Joel Seow advises sponsors throughout Asia on the establishment of private investment funds across various asset classes and jurisdictions, with a focus on private equity, venture capital, real estate, infrastructure, and hedge funds. He also counsels on myriad nontraditional private investment fund setups, including fund platform structures, hybrid funds, club deals, and open-ended illiquid funds, among others. Joel is keenly aware of Singapore's regulatory requirements for fund management and the offer of fund interests, and regularly advises international and local fund managers on their licensing and regulatory obligations, as well as assisting with the submission of fund management license applications to the Monetary Authority of Singapore.

Joel also works with both institutional and non-institutional limited partners (LPs) from Asia, Europe, and the United States, including financial institutions, pension funds, corporations, family offices, and fund of funds, advising on their investments into private funds. In these matters, he has served as LP counsel and across the table as general partner (GP) counsel.

Joel has been recognized in the Investment Funds (Singapore) category in *Chambers Asia-Pacific* since 2017, and was also recognized by *The Legal 500 Asia Pacific* as a next generation lawyer and by *Who's Who Legal* as a leading lawyer in Private Funds (Formation) from 2017 to 2019. In 2017, Joel was also named by *Private Funds Management* to its "30 under 40" global list of top private fund lawyers under age 40.

Before joining Morgan Lewis, Joel was a legal consultant for several Singapore private fund managers and served as counsel in the investment funds practice of another global law firm, resident in Singapore.

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Alishia K. Sullivan advises institutional investors with respect to their global investment activities, focusing primarily on investments in private funds, including leveraged buyout, hedge, infrastructure and real estate funds, and direct investments and co-investments. She assists clients in drafting, reviewing, and negotiating investment documentation, including subscription agreements, limited partnership agreements, side letters, managed account agreements, and other commercial agreements. She also has extensive experience with advising clients on structuring and maintaining their investment subsidiary platforms and negotiating bespoke investment advisory arrangements and operational agreements necessary to support investment activities. Alishia is admitted to practice in the District of Columbia.

Alishia is a former member of the board of directors of two non-profit organizations whose missions focus on the care, empowerment, and education of women and children.

Prior to joining Morgan Lewis, Alishia was a partner at another global law firm. She previously worked as in-house counsel for a state-owned petroleum company in the Middle East and was a member of the global projects group of the Washington, DC, office of an international law firm.

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Carol Tsuchida focuses her practice on investment funds and financial regulatory matters, as well as labor and employment. She helps clients establish, register, and license investment funds in Japan, and she assists with regulatory issues, including those pertaining to Japan's Financial Instruments and Exchange Law. Additionally, Carol counsels investors across many jurisdictions who are investing in infrastructure funds, hedge funds, and private equity funds throughout Asia.

Fluent in Japanese and English, Carol handles transactional and general corporate matters, including securities law compliance, investment funds, mergers and acquisitions, underwritten public offerings, private equity financings, and venture capital transactions.

In the labor and employment area, Carol counsels companies on their employment law obligations in Japan. She advises on the structure of employment contracts and assists employers in developing and implementing workplace policies. Carol helps employers navigate regulations related to overtime.

Prior to joining Morgan Lewis, Carol served as the assistant general counsel for a leading international financial institution that specializes in real estate investment funds.

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William Yonge has more than 20 years' experience advising global clients on regulation and related commercial issues arising in the financial services, investment management, securities, and derivatives sectors. Clients include asset managers across a wide range of asset classes and their funds, broker-dealers, corporate financiers, fintech and payment services firms, institutional investors, and market associations. Prior to entering private practice, he served as an in-house lawyer at the Securities and Investment Board (now the Financial Conduct Authority) and the Investment Management Regulatory Organisation.

William frequently helps clients to navigate UK and European regulatory issues that arise during fund formations, mergers and acquisitions, establishment of regulated investment management firms in the United Kingdom, and advises on customer and service provider documentation. He also counsels managers from the United States, Europe, Middle East, and Asia on structuring their private placements of funds to UK and European investors and establishing themselves in the United Kingdom.

William advises clients on regulatory developments arising in the context of the United Kingdom's exit from the European Union (Brexit) and counsels firms on restructuring in light of Brexit-related regulatory change.

William's work includes advising on operational, regulatory, and compliance matters regarding the UK Financial Services and Markets Act 2000, the rules of the UK Financial Conduct Authority (FCA), and the UK Prudential Regulatory Authority (PRA) such as the perimeter of regulated activities, obtaining authorisation, conduct of business, changes of control, financial promotion, remuneration requirements, product development, anti-money laundering, trading issues, payment for research, market abuse, cross-border business, and EU passporting.

William provides clients with insight into the impact of current and proposed financial services legislation at European level, including the Alternative Investment Fund Managers Directive (AIFMD), Markets in Financial Instruments Directives (MiFID II), European Market Infrastructure Regulation (EMIR), the Investment Firms Prudential Review, and UK/EU Initiatives in ESG and Sustainability.

Addressing topical regulatory issues, William frequently writes articles for key publications including *Complinet*, *Hedge Fund Journal*, *FX-MM*, *Funds Europe*, *Global Risk Regulator*, *Global Funds Europe*, *EuroWatch*, *Lexology*, *Alternative Intelligence Quotient*, and *Private Debt Investor*. He also speaks regularly at hedge fund and private equity conferences and events.

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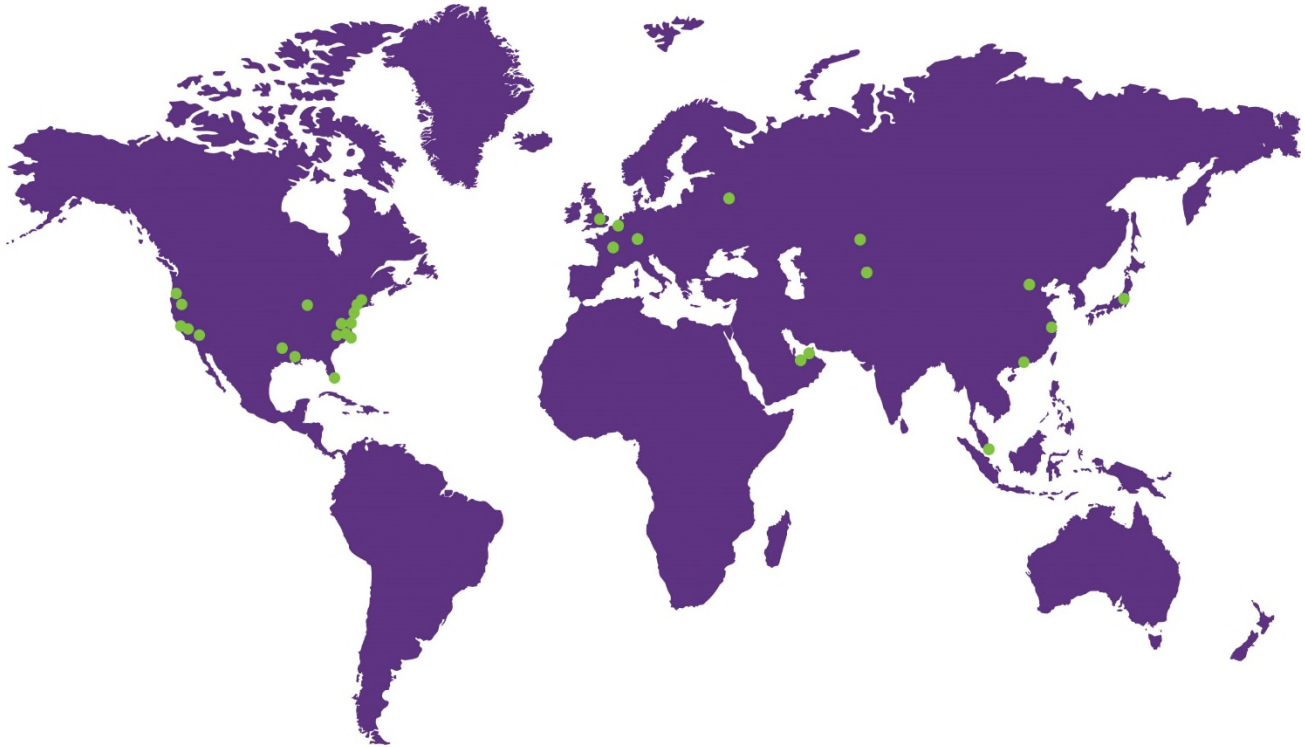

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