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Morgan Lewis Hedge Fund University™

EVERYTHING YOU NEED TO KNOW TO LAUNCH A HEDGE FUND

<https://funduniversity.vista.com/87400835#structuring>

Fund Structuring

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Speakers



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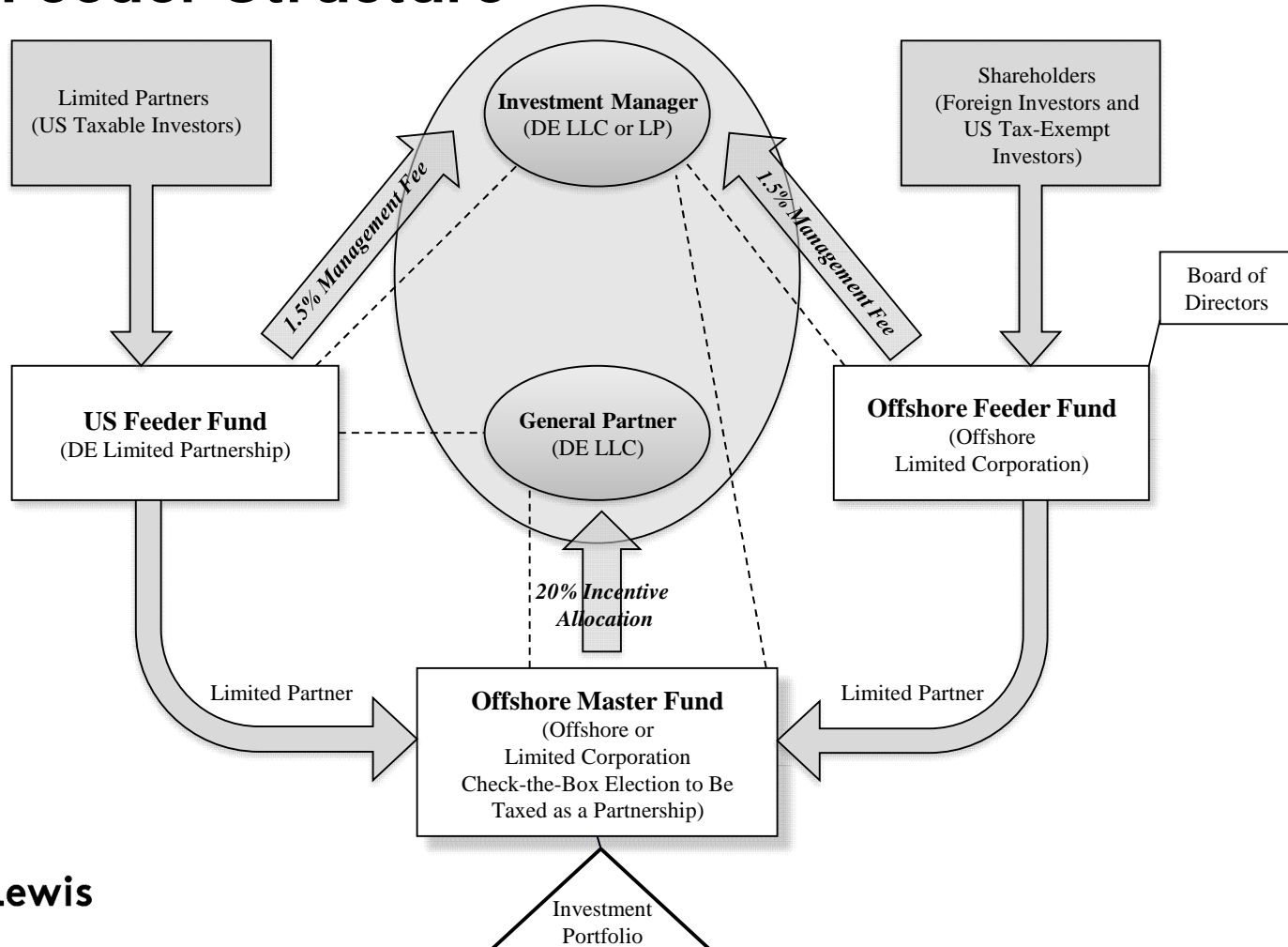
Hedge Fund Structures

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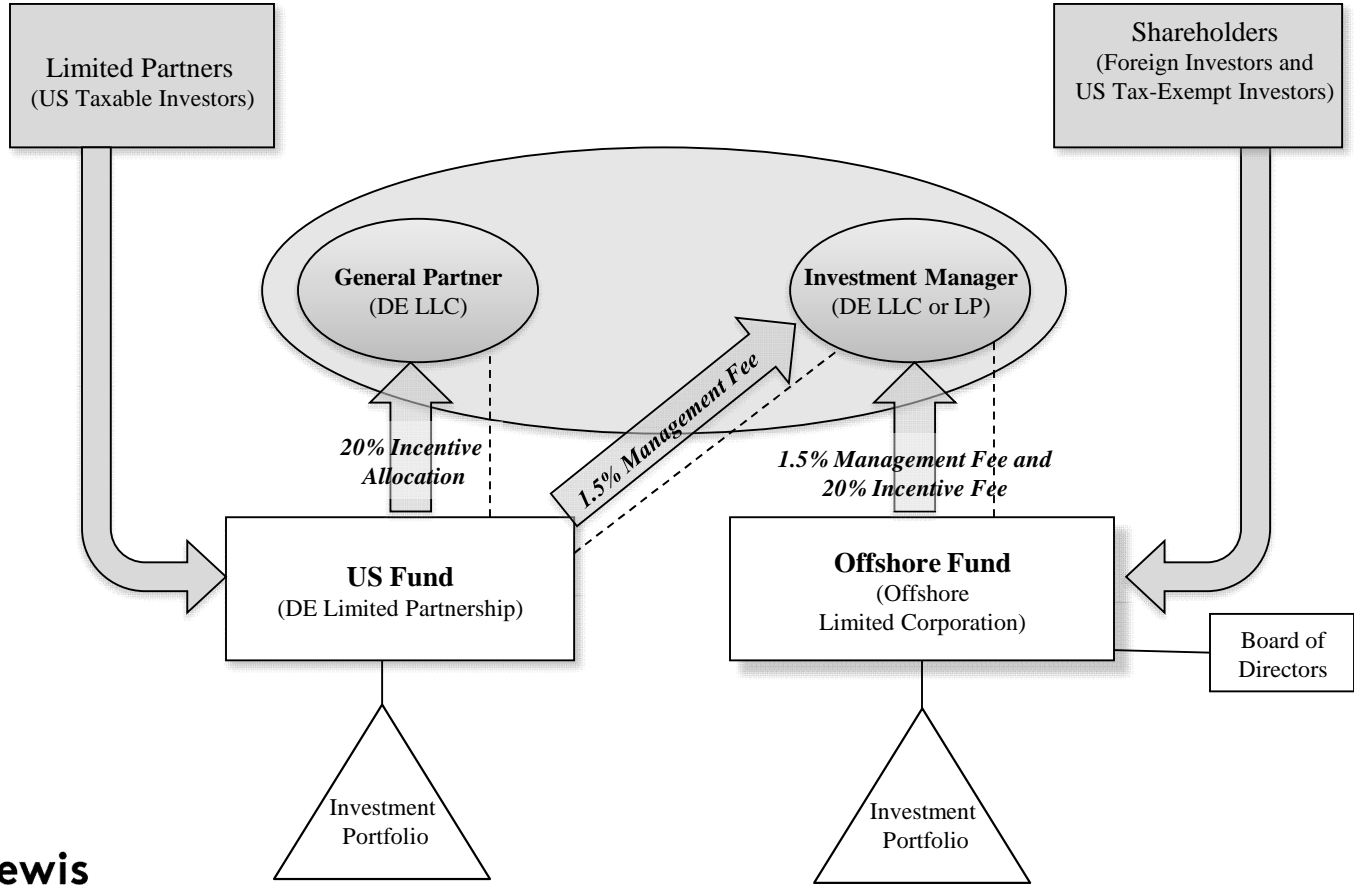
Structuring a Hedge Fund

- **Types of Structures**
 - Master-Feeder
 - Mini-Master
 - Side-by-Side
- **Objectives of Structure Include:**
 - Limiting liability for investors and management
 - Providing certain tax efficiencies for investors and management
 - Providing management with flexibility and authority to manage investments
- **Offshore Jurisdictions for US Tax-Exempts and Non-US Investors**
- **1940 Act Exemption: Section 3(c)(1) vs. 3(c)(7)**

Master-Feeder Structure



Side-by-Side Structure



Master-Feeder vs. Side-by-Side Structure

Advantages of using a Master-Feeder structure include:

1. Ease of portfolio management and operations (one trading entity)
2. Delivers same performance for all feeder funds
3. Allows for numerous feeder funds with different characteristics (e.g., currency), but traded through one vehicle
4. Performance allocation at the Master Fund level

Advantages of Side-by-Side structure:

1. Less expensive
2. Often more tax-efficient and more flexible
3. 3(c)(1) Fund and a 3(c)(7) Fund cannot feed into one Master Fund

Key Fund Terms

Economics

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Management Fees

- Purpose: Current cash flow to maintain operations.
- Paid pursuant to terms of an investment management agreement between the fund and the investment manager.
- Rates generally range from 1.0% - 2.0% of managed net assets for hedge funds.
 - Payment is not dependent on performance of the fund.
 - Alternatives:
 - Reductions when AUM threshold achieved (investor or fund level)
 - Net Assets vs. Leveraged or Gross Assets
- Payable quarterly or monthly, in advance or in arrears.
- Treatment as an expense; computed prior to determination of performance compensation.
- Example language:
 - A monthly management fee (the Management Fee) is paid to the Investment Adviser by the Master Fund in arrears as of the end of each month. The Management Fee equals 0.125% per month (a 1.5% annual rate) of the aggregate month-end Net Asset Value of each Series (prior to reduction for the accrued Management Fee being calculated and any accrued Performance Allocation, but after reduction for all other expenses).

Performance Compensation: General

- Performance-based compensation is a defining characteristic of a hedge fund
- May be structured as a fee or as an allocation of profits.
- Rates range from 15% to 20% of the net realized and unrealized profits generated during each given measurement period, subject to a “high-water mark” as described below
- Typically charged on an annual basis (or less frequently, quarterly)
 - Impact of withdrawals:
 - performance compensation
 - high watermark
- For tax, liability, and compensation planning purposes, typically made to an affiliate of the investment manager that serves as general partner to the Fund

Features of Performance Compensation

- **High Watermarks (HWMs)**

- **Standard HWM:** A performance allocation is charged only against profits that exceed the previous highest value of each investor's account, either on initiation of the account or at the most recent date when a performance fee or allocation was paid.

- **Hurdle Rates**

- Rate may be based on specified index, benchmark, or rate of return.
- If hurdle exceeded:
 - performance allocation on all net profits (soft hurdle)
 - performance allocation on return on net profits in excess of hurdle amount (hard hurdle)

- **Example Language:**

- Generally, at the end of each Fiscal Year (as defined below) (or other accounting period when a calculation of the Performance Fee is required) of the Fund, the Fund will pay the Investment Manager an amount equal to the Performance Fee Percentage (as defined below) of the Net Increase (as defined below) allocated to each Limited Partner's Capital Account for such Fiscal Year (or other accounting period) (subject to the recovery of net losses allocated to the Loss Recovery Sub-Account (as defined below)) (the "Performance Fee"), subject to the "high watermark" provision described below.

Expenses

- Manager Overhead vs. Fund Expenses (investment and operations)
 - Alternatives: Pass Through Model, Expense Caps
- Organization & Offering Expenses (including caps and amortization against Net Asset Value)
- Detailed expense descriptions
- Example:
 - The Fund will bear all costs and expenses related to its investments and its operations, including, without limitation, brokerage and other transaction costs, clearing and settlement charges, Bloomberg services and other market data services and other data associated with the calculation and distribution of the Fund's net asset value, third party valuation expenses, negotiation expenses (including related travel expenses), consulting, legal and other professional fees relating to potential and actual investments whether or not such investments are consummated, interest and commitment fees on debit balances or borrowings, costs of independent appraisals, broken-deal and/or unconsummated expenses associated with an investment (including, for purposes of clarity, any portion of such expenses that could have been borne by any other co-investment vehicle or account unless any such co-investment vehicle or account agrees otherwise to bear such expenses), legal fees and other expenses in connection with initial and ongoing due diligence and negotiating the terms of investments (including investment-related travel expenses incurred with respect to specific potential or existing investments), regardless of whether such investments are consummated, the Fund's and the Master Fund's, fees and expenses for order management systems and risk management reporting, costs of any liability insurance obtained on behalf of the Fund (including, without limitation, directors and officers insurance), custody fees, costs of any litigation or investigation involving Fund activities, indemnification expenses, consulting expenses, fees and expenses of placement agents or selling agents, the fees and expenses of professionals providing services to the Fund, including legal, audit, accounting, tax and administration (including the Administrator (as defined below)), the fees and expenses of the Governance Committee and/or any similar governance committee for any of the Offshore Fund and the Master Fund, including any fees paid to Independent Members (as defined below) of the Governance Committee and/or their respective employers or affiliates, any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes, regulatory costs and expenses (including filing and license fees and preparation and submission of filings and licenses, including without limitation, Section 13 filings, Section 16 filings, Form PF preparation and filing fees, blue sky and corporate filing fees and expenses and fees and expenses for filings in any applicable jurisdiction as required pursuant to applicable law) in connection with specific investments or offering Interests in the Fund, the costs of reporting and providing information to Limited Partners (including updates to offering documents), expenses relating to any amendment to the Partnership Agreements, and any extraordinary expenses.

Liquidity/Gates/ Lockup

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Role of Liquidity

- Liquidity = ability of investors to redeem their interest in a fund
- Driven by investment strategy and liquidity of the underlying assets
 - Publicly traded equities fund might have monthly or even daily liquidity
 - Private credit or distressed assets have less frequent redemptions, such as quarterly, semi-annually or longer
- Key term for both managers and investors
 - Most hedge funds are open-ended
 - Investors realize the value of their investment by redeeming
 - Managers need to be able to satisfy redemptions, without putting assets or remaining investors at risk
- Liquidity terms established by a fund are the tools that managers have for liquidity management

Key Liquidity Tools

- Key liquidity terms include:
 1. The frequency of permitted redemptions
 2. How much notice is required
 3. Minimum amount of time required to be invested (a “lock-up”)
 4. The use of gates restricting the amount that can be redeemed
 5. Side pockets for illiquid investments
 6. Suspension provisions
- Tools that managers have to balance liquidity needs of investors with protecting the fund’s portfolio

Frequency and Notice; Lock-ups

- **Frequency and notice:** how often an investor can redeem and how much notice is required
 - E.g., monthly with 45 days' notice
- **Lock-ups:** Period when an investor cannot redeem from the fund after investing
 - E.g., no redemption permitted for one year following its investment
 - Measured overall or with respect to each contribution
 - Useful for less liquid strategies, or strategies that need some time to fully implement
 - Hard lock-up vs. soft lock-up

Gates; Key Person; Suspensions

- **Gates:** Restrict amount that can be redeemed
 - Often structured as a percentage of assets
 - Imposed at the fund level or the investor level
 - Fund-level gate: Portion of the overall assets of the fund can be redeemed at any one time.
 - Investor-level gate: Limits redemption to percentage of each investor's total investment.
 - Excess amounts redeemed at future redemptions, subject to the gate.
- **Key Person:** Special redemption if key person(s) depart.
- **Suspensions:** In certain circumstances such as extreme market disruption, inability to value assets, mass redemptions, and others, a fund manager is often able to suspend redemptions until the condition has been resolved.

Preferential Treatment and Regulatory Focus

- Liquidity management, and especially preferential treatment for managers continues to be a key area of focus for the SEC
 - New proposed rule by the SEC intended to enhance private fund investor protection focuses on preferential treatment.
- Investors allowed to redeem earlier can adversely impact portfolio and leave the remaining investors stuck with less liquid investments
- Liquidity terms are set out in PPM and governing documents

Other Terms

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Other Terms (General)

Investment objectives, strategies, and restrictions

- Leverage
- Limits on single issuer, industry, geography, etc.
- Consistency between the PPM disclosure and the pitch book

Conflicts of interest

- Management of other funds/accounts, not devote full time
- Trading and allocation of investment opportunities
- Affiliated businesses and transactions

Ability to enter into side letters

Exculpation and indemnification

Risk factors

- Market risks
- Fund risks

Valuation policies and procedures

- Frequency
- Method

Tax, ERISA and other regulatory

- Tax
- ERISA
- Other regulatory

Investor participation, governance and reporting

Terms – Exculpation and Indemnification

Typical carve-outs

- Gross negligence
- Fraud
- Willful misconduct

Limiting applicability in certain scenarios

- Claims by and among indemnified parties
- Claims brought by a majority of fund investors

Notices and investor give back

- Notice of indemnification claims
- Investor give back – often uncapped

Terms – Investor Participation, Governance, and Reporting

- Sponsor generally has “flexibility” to make changes to the governing documents without investor consent including those that are not materially adverse to investors, e.g., share rights may be varied without investors’ consent if such variation does not have a material adverse effect on investors’ rights.
- Even where investors do not have the right to vote and a proposed change is not adverse, managers and boards are consulting investors to obtain buy-in or formal consent before implementing changes to fund terms

Independent directors

- Split boards, i.e., not all independent directors from the same firm
- Start-up managers: no independent directors or less than a majority, cost sensitivities
- Strategy: e.g., cryptocurrency funds tend to be less likely to appoint independent directors than the traditional equity or multi-strategy funds

Reports

- Some managers differentiating themselves based on transparency and best practice governance models: portfolio and/or operational transparency

Operative Agreements

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Operative Documents - Delaware

- For a Stand-alone Fund, Master Fund, or Feeder Fund formed as a Limited Partnership
 - Organizing the Limited Partnership:
 - Certificate of Limited Partnership for the Fund – filed with the Delaware Secretary of State
 - Limited Partnership Agreement – not filed
 - Subscription Agreement and Investor Questionnaire (not typically needed for a Master Fund)
 - The Subscription Agreement and Investor Questionnaire are typically included in the same document and, together with any relevant addenda or supplements, are called the Subscription Documents.
 - Consent of the General Partner to the formation and launch of the Fund and various approvals and appointments
 - Organizing the General Partner (typically formed as a Delaware Limited Liability Company)
 - Certificate of Formation for the General Partner
 - LLC Operating Agreement for the General Partner
 - Consents of Managing Member or Manager approving the formation of the General Partner and various approvals and appointments
- For a Stand-alone Fund, Master Fund or Feeder Fund formed as a Limited Liability Company
 - Certificate of Formation for the Fund – filed with the Delaware Secretary of State
 - LLC Operating Agreement for the Fund – not filed
 - Subscription Agreement and Investor Questionnaire
 - Consent of Managing Member or Manager to the formation and launch of the Fund and various approvals and appointments

Operative Documents – Cayman Islands

- For a Stand-alone Fund, Master Fund, or Feeder Fund formed as an Exempted Company
 - Organizing the Fund:
 - Certificate of Incorporation – filed with the Cayman Islands Registrar of Companies (Registrar)
 - Memorandum of Association – filed with Registrar
 - Articles of Association – filed with Registrar
 - Subscription Agreement and Investor Questionnaire (not typically needed for a Master Fund)
 - Resolutions of the Board of Directors to the formation and launch of the Fund and for making various appointments

What's in the Limited Partnership Agreement?

- Purposes of the Limited Partnership
- Powers of the General Partner
- Issuance and Transfer of Limited Partnership Interests
- Admission and Withdrawal of the Limited Partners
- Establishment of Classes of Limited Partnership Interests
- Allocation of Income and Loss
- Determination and Suspension of Net Asset Valuation
- Amendments
- Liquidation
- Miscellaneous

What's in the Memorandum & Articles?

- Memorandum of Association
 - Authorized Capital
 - Number and Classes of Shares
 - Registered Address in the Cayman Islands
- Articles of Association
 - Purposes of the Fund
 - Appointment and Rights and Duties of the Directors
 - Issuance and Transfer of Shares
 - Admission of Shareholders
 - Redemption of Shares
 - Determination and Suspension of Net Asset Valuation
 - Alteration of Rights
 - Meetings and Votes of Members; Proxies
 - Amendments
 - Liquidation
 - US Tax Articles for Hybrid Fund That Has Elected to Be Treated as a Partnership for US Income Tax Purposes

What's in the Subscription Agreement?

- Name and Address of Subscriber
- Dollar amount to be invested in the Fund
- Class of Shares or Limited Partnership Interests to be acquired
- Transfer Restrictions
- US Person/Non-US Person Certification
- Tax and Regulatory Acknowledgements (e.g., electronic delivery of Schedule K-1 – Delaware only – and IRS W-9/W-8 Forms – typically linked not attached)
- Power of Attorney (Delaware) and Proxy (Cayman)
- Signature of Subscriber (typically not notarized)
- No need for signature of Fund or General Partner, unlike with Private Equity Funds

What's in the Investor Questionnaire?

- Representations and Warranties of the Subscriber
 - Good standing, enforceability, due authorization, no conflicts, investment sophistication, etc.
- Indemnification of the Fund by the Subscriber for Subscriber's misrepresentations
- Regulatory Qualifications of the Subscriber (may only be needed for Delaware Fund or for US Persons investing into Cayman Fund)
 - Accredited Investor
 - Qualified Purchaser
 - Knowledgeable Employee
- Bad Actor Questionnaire
- New Issue/Restricted Person Certification
- ERISA Benefit Plan Questionnaire
- Required Notices Such as Privacy Policies
- CRS and Beneficial Ownership Self-Certification Forms (Cayman Islands only)

Additional Documentation

- Private Placement Memorandum for Marketing the Fund and Disclosing Risks
 - Required in the Cayman Islands and filed with the Cayman Islands Monetary Authority (CIMA)
 - Optional in the US but highly recommended – not filed with regulators
 - Not used for a Master Fund except in a Mini-Master Structure
- Registration of the Cayman Islands Fund with CIMA pursuant to various Cayman forms
- Registration of the Cayman Islands Directors with Registrar
- Appointment and Registration with CIMA of Cayman Islands Money Laundering Responsible Officer
- Investment Management Agreement – typically including both the Master Fund and Feeder Funds
- Form of Redemption Request for Cayman Fund or Withdrawal Request for Delaware Fund
- Form of Additional Subscription Request
- Form SS-4 to Obtain an Employer Identification Number (also called a Tax Identification Number). This is needed to open bank accounts and to make IRS tax elections.
- IRS Tax Elections for a Cayman Fund That Is to Be Treated as Tax Transparent for US Income Tax Purposes
- CFTC Exemption Notice Filing if the Fund Will Be Trading CFTC-regulated Commodity Derivatives and the Manager Qualifies for the Exemption

Side Pockets and Liquidity

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Illiquid Investments: Key Issues

- Adequacy of valuation
- Restrictions on disposition
- Risk management concerns
- Use in investment approach: defensive or opportunistic

Illiquid Investments: Impact

- The ability to appropriately value and manage and dispose of illiquid assets impacts fundamental aspects of fund operations
 - Subscriptions
 - Redemptions
 - Calculation of management fees
 - Calculation of performance allocations and fees (based on unrealized gain)
- Challenge for fund managers: how best to exercise their fiduciary duties when handling illiquid assets

Illiquid Investments: Side Pockets

- What are the fund's side pocket capabilities?
 - Formal side pockets
 - Memorandum account or separate class with mechanics for conversion
 - Cap as to percentage of NAV
 - Broad authority (ability to make investments that are side pocketed upon acquisition) or limited authority (only existing investments may be side pocketed)
 - Circumstantial side pockets – springing or synthetic
- What are the specific terms relevant to side pockets (e.g., how are illiquid investments side pocketed, valued, charged fees, returned to liquid portfolio)?

Illiquid Assets: Opportunistic Strategies

- Investment Objective: Use illiquids to amplify performance
- Investment approach impacts structure and terms
 - Majority of portfolio is liquid, with authority to invest in illiquids
 - Use a standard hedge fund structure, with side pockets
 - Illiquid investments are often subject to a cap and at times upon to investor election
 - Majority of portfolio is illiquid, with authority to invest in illiquids
 - Use of private equity type structures and terms: no performance fees until realization and restricted or no redemption rights, such as rolling lock-up periods
 - Liquid investments can be sizeable and are typically subject to a longer hold period
 - Mix of liquid and illiquid investments
 - Use of side-by-side funds and, increasingly, hybrid funds

Illiquid Investments: Redemptions

- Does underlying portfolio liquidity align with redemption terms?
- Do redemption limitations and restrictions have hard-wired triggers or are they imposed in the manager's discretion?
 - Gates
 - Payment timing
 - Holdbacks and other reserves
 - In-kind distributions
 - Suspensions
- Does the decision to wind down supersede unfulfilled redemption requests?

Illiquid Investments: Economics

1

Side Pockets – Management Fees

- Are side pockets included or excluded in the calculation of management fees?
- If no existing side pockets provision, can side pockets be excluded from the calculation of management fees if manager so desires or if investors so demand?

2

Side Pockets – Performance Fees and Allocations

- Are side pockets included or excluded in the calculation of performance fees?
- If no existing side pockets provision, can side pockets be excluded from the calculation of performance fees if manager so desires or if investors so demand?
- If side pockets are excluded from performance fees, what is the mechanism for calculating performance fee once the side pockets become liquid or are realized?

Illiquid Investments: Economics

3

Suspensions and Wind-downs

- Do the fund documents provide for a management fee step down or waiver?
- If not, will investors demand a step down or waiver?

4

Funds with Performance Issues

- Existing investors may demand fee discounts in lieu of redeeming
- New investors may demand fee discounts
- Managers considering new share classes with longer lock-ups or redemptions with less frequency in exchange for lower fees

Managed Accounts and Funds of One

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Introduction

- Investors interested in greater customization and control of assets through alternative products:
 - Managed Accounts
 - Funds of One
- Key drivers for customization: fees, liquidity, and transparency, and parameters around investing
- Administrative challenges presented by greater customization

Funds of One and Managed Accounts

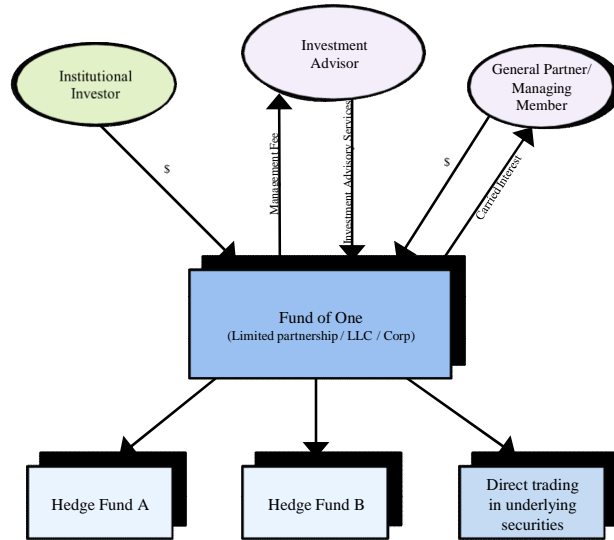
- **Funds of One**

- Often structured as limited partnership with only one limited partner, an LLC with one member or an offshore exempted company with one shareholder
- GP/Managing Member makes investments on behalf of the fund of one and fund of one is typically managed by an Investment Manager
- Fund of one is the owner of record of its investments

- **Managed Accounts**

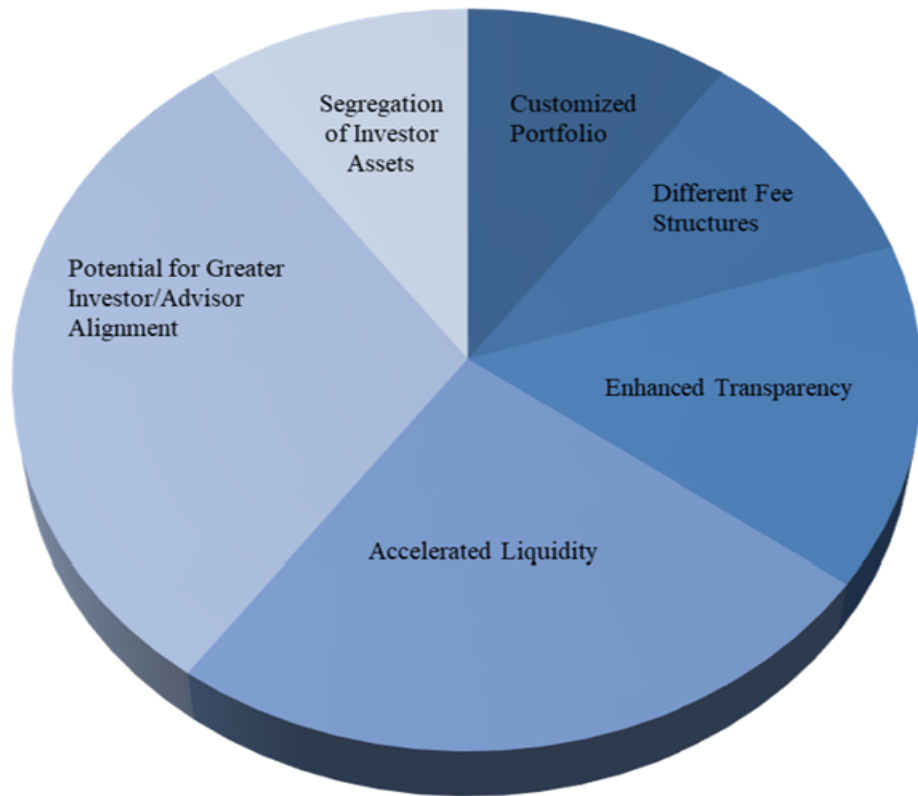
- Client and Investment Manager enter into an investment management agreement pursuant to which client delegates authority to the Investment Manager to trade the assets in the account
- Investments and securities are directly held and owned by the client

Typical Fund of One Structure



¹A small percentage of the total capital investment in the fund of one is often invested by the general partner/managing member in the fund of one for U.S. tax purposes.

Fund of One Attributes



Why Create a Fund of One?

- **Purpose of using these alternative structures (for investors)**
 - Customized investment programs – ease of modification
 - Limited liability for investor/unlimited liability of GP to third parties
 - Lower or different fee and expense structures
 - More favorable indemnification and standard of care terms
 - Greater investor control, transparency, and governance terms
 - Enhanced liquidity rights and exit strategies
 - Additional rights that may be inapplicable to other investors
 - Long-term relationships
 - Leveraging the Investment Manager's infrastructure (e.g., access to sponsor knowledge; may include required training for investor)
 - One governing agreement – side letters and separate subscription documents less prevalent

Why Create a Managed Account?

- **Ownership and greater control**

- Unlike a fund of one, a client of a managed account retains ownership and a certain level of control over the account's assets
- In event of termination of account, client retains ownership of the assets
- By owning the assets, the client is not exposed to the liquidity risks caused by redemptions of other investors (as would be the case with a commingled fund) and often has complete transparency over the portfolio (including position level data)

- **Risk Management**

- Investors in managed accounts are able to effectively manage risks
- Can have access to position-level data

Why Create a Managed Account?

- May be ability to appoint own custodians, administrators and other service providers for the account
- Enables client to monitor the account
- **Liquidity**
 - By owning assets directly, investors in managed accounts are subject generally to the liquidity risks of the underlying investments
 - Enhanced ability to terminate the managed account

Advantages and Disadvantages of Funds of One vs. Managed Accounts

Funds of One

- **Advantages**
 - Liability Protection
 - Operational Efficiencies
 - Tax Treatment of the Performance Compensation
 - Privacy
 - Tax Structuring
- **Disadvantages**
 - Lack of Ownership and Control
 - Expenses

Managed Accounts

- **Advantages**
 - Ownership and Greater Control
 - Risk Management
 - Liquidity
 - Affordability
- **Disadvantages (to Manager)**
 - Counterparty Liability
 - Direct Fiduciary Liability
 - Unfavorable Tax Treatment of the Performance Compensation

Christopher J. Dlutowski



Christopher J. Dlutowski represents institutional investors—including public and private pension plans, family offices, sovereign wealth plans, universities, endowments, and funds of funds—on their investments in private equity, hedge, venture capital, private debt, real estate, infrastructure, hybrid, and other private funds, funds-of-funds, managed accounts, co-investments, and direct investments, and on governance and compliance issues. Christopher also counsels private investment funds—including US domestic and offshore private equity funds, hedge funds, and funds-of-funds—and investment management firms on the formation and structuring of funds, trading and other investment activities, capital raising, registration and other regulatory issues, and ongoing operations.

Christopher has more than 25 years of experience in customized investment products, including strategic partnerships, captive funds, and co-investment funds, in all asset classes.

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Christopher has presented on private investment funds topics at numerous investment management conferences and training programs. Prior to re-joining Morgan Lewis, Christopher was vice president and corporate counsel at Prudential Financial, Inc. where he advised investment management clients on their hedge funds and other alternative investment products, US and foreign institutional investor mandates, trading activities (including securities, derivatives, lending, and financing transactions), marketing efforts, domestic and foreign registration, and other regulatory issues.

Christopher is the chair of the firm's institutional investors working group, a co-leader of the firm's education industry team, and a member of the New York office's recruiting committee.

Richard A. Goldman



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Richard A. Goldman represents US and international hedge funds and funds of funds, advising them on a broad range of issues, including fund formation, product structuring, strategic and seed capital arrangements, management company agreements, and all types of regulatory and compliance issues. Rich also represents private equity managers in the formation of their funds and institutional investors in connection with their investments in private funds.

Rich also regularly advises clients on registration as investment advisers with the SEC, structuring portfolio transactions and establishing separate accounts. Rich advises endowments and other institutional investors in connection with structuring and negotiating their investments in private funds.

He is the founder of the Boston Hedge Fund Group, an organization for chief financial officers, chief operating officers, general counsel and other senior legal, accounting, and compliance professionals involved with hedge funds in the greater Boston area. Rich is also a lecturer at Boston University's Morin Center for Banking and Financial Law, teaching a course on hedge funds in the LL.M. program.

Before joining Morgan Lewis, Rich was a partner in the investment management practice of another international law firm, where he was the co-chair of their global investment management practice. He was also the general counsel and chief operating officer for a hedge fund manager. He has been ranked for several years by *Chambers USA* as a leading attorney in the hedge funds industry in Massachusetts, national, and global business law guides, as well as listed in Legal 500 US.

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Brian Jacobson represents and advises clients in the alternative investment and private fund industries. He counsels institutional investors in connection with the structuring and terms of their investments in private investment funds, co-investments and other alternative investment vehicles. He also advises fund managers with respect to the organization, formation, and operation of private investment funds and other alternative investment products, including with respect to regulatory and compliance matters. He is admitted in Minnesota only, and his practice is supervised by IL Bar members.

Brian represents a range of institutional investors, such as endowments, nonprofit foundations, pension plans, insurance companies, family offices, registered investment advisers, and healthcare systems. He counsels institutional investors in connection with structuring private fund and other alternative investments, including negotiating fund terms and side letter rights. Brian also advises institutional investors as buyer or sellers of private fund interests, preferred equity offerings, and other secondary transactions and restructurings.

Brian counsels private fund sponsors and other investment managers in the structuring and management of private equity funds, venture capital funds, funds of funds, hedge funds, and hybrid funds. His practice includes the organization of other investment vehicles and structures, such as single investor funds, co-investment vehicles, managed accounts, and other special purpose investment vehicles. He also advises on other investment products and services, including managed account agreements, commodity pools, and investment platforms.

Brian advises registered investment advisers on registration and compliance matters under the Investment Advisers Act, federal and state securities laws, commodity and futures regulations, and corporate governance matters. His practice involves counseling investment advisors on compliance policies, advertising materials, advisory contracts, and regulatory developments.

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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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Zeke Johnson advises alternative investment management clients on fund organization and operation, regulatory and compliance matters, and product offerings. Zeke handles legal matters related to the structuring and managing of the full array of investment structures, including private equity funds, hedge funds, funds of hedge funds, commodity pools and futures funds, hybrid committed capital funds, and managed accounts. He also advises institutional investors in negotiating single investor funds, co-investments, investment management agreements, and other private fund investments.

Zeke's work crosses various alternative asset classes, including private equity and private credit, venture capital, hedge fund, and other liquid strategies, as well as impact and other environmental, social, and governance (ESG) investing. His transactional work includes advising on fund launches and restructurings; formation and registration of investment advisers, commodity trading advisers, and commodity pool operators; negotiation of side letters, single-investor funds, and managed account agreements; general partner- and limited partner-led secondary transactions; co-investment vehicle formation; sales and purchases of investment funds and managers; and US product offerings of non-US managers. Zeke also advises US and non-US investment managers on the Investment Advisers Act, the Commodity Exchange Act, Regulation D and Dodd-Frank compliance issues.

Earlier in his career, Zeke served as general counsel at Black River Asset Management LLC, a large alternative asset manager, where he oversaw legal matters related to more than \$7 billion in assets and managed an international team of lawyers.

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Ruoke Liu represents institutional investors (including Chinese insurance companies, US pension funds, and endowments), private equity funds, and hedge funds. She represented China Life Insurance Co. Ltd. in its \$940 million investment in a platform managed by Starwood Capital and formed to acquire a portfolio of 280 select-service hotels in the United States. Ruoke also has experience in mergers and acquisitions. She speaks native Mandarin and is fluent in English.

During law school, Ruoke worked with Judge Richard Posner as his research assistant. She also worked in a major international law firm's Hong Kong office.

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The co-leader of Morgan Lewis's global private funds practice, Courtney Nowell advises global institutional investor clients on the terms of their inbound and outbound investments, including into private equity and other co-mingled open-ended and closed-ended investment funds. She has over 20 years' experience drafting and negotiating the terms of investment agreements and side letters for clients investing into leveraged buyout, venture capital, distressed debt, special opportunity, real estate, hedge, energy, infrastructure, and credit funds. She also represents investors in opportunity and sidecar funds, co-investment funds and with the drafting and negotiating of funds of one and other bespoke strategic private investment partnerships.

Courtney's clients include sovereign wealth funds and major public and private pension funds, as well as foundations, endowments and family offices.

Before joining Morgan Lewis, Courtney was a partner at another global law firm and a member of its global board. She also worked at a national accounting and professional services firm where she advised on tax rulings and tax legislative developments.

Courtney is a former member of the board of directors of a foundation that supports a legal fellowship program that awards fellowships to law students who demonstrate a commitment to public service and public policy.

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Jedd H. Wider focuses on global private investment funds and managed accounts, particularly global hedge, private equity, secondary, and venture capital funds. As co-leader of the global private funds practice, he represents leading financial institutions, fund managers, and institutional investors in their roles as fund sponsors, placement agents, and investment entities. He assists clients through all stages of product development and capital raising as well as customized arrangements, seed and lead investor arrangements, and joint ventures. He specializes in all aspects of secondary transactions, and complex financial structurings. Jedd concentrates on all aspects of bespoke fund products and arrangements including funds of one and managed accounts and regularly advises clients on all aspects of regulatory compliance.

Members of the international media often seek out Jedd for his views on the hedge fund and private equity fund industries and capital markets. His analysis can be found in US and international publications, including *The Wall Street Journal*, *The Economist*, and *The Financial Times*, as well as on television networks such as Bloomberg and CNN.

Jedd lectures and serves as a panelist on private investment fund topics for trade programs and organizations around the world. He has delivered speeches and presentations to numerous private fund conferences such as the Hedge Fund Institutional Forum, Dow Jones Private Equity Analyst Limited Partners Summit, Endowments & Foundations Roundtable, Association of Life Insurance Counsel, National Association of Public Pension Fund Attorneys (NAPPA), West Legalworks, InfoVest21 Hedge Fund Conference, the Annual Euromoney Summit of European Hedge Funds in London, Capital Roundtable Fund Conferences, the Annual International Conference on Private Investment Funds in London, the Wharton Private Equity and Venture Capital Conference, the On Point Investors and Hedge Fund Risk Summit, and the Lazard Capital Markets Hedge Fund Conference.

Jedd is listed in *The US Legal 500*, *Chambers Global: The World's Leading Lawyers*, and *Chambers USA: America's Leading Lawyers for Business*. He serves as an editorial board member of *The Journal of Investment Compliance* and as an editor of the *Morgan Lewis Hedge Fund Deskbook: Legal and Practical Guide for a New Era* published by Thomson Reuters/West. He regularly publishes articles on current hedge fund and private equity fund topics. He co-chairs the Annual Morgan Lewis Advanced Topics in Hedge Fund Practices Conference and chairs Morgan Lewis's Hedge Fund University Web Series.

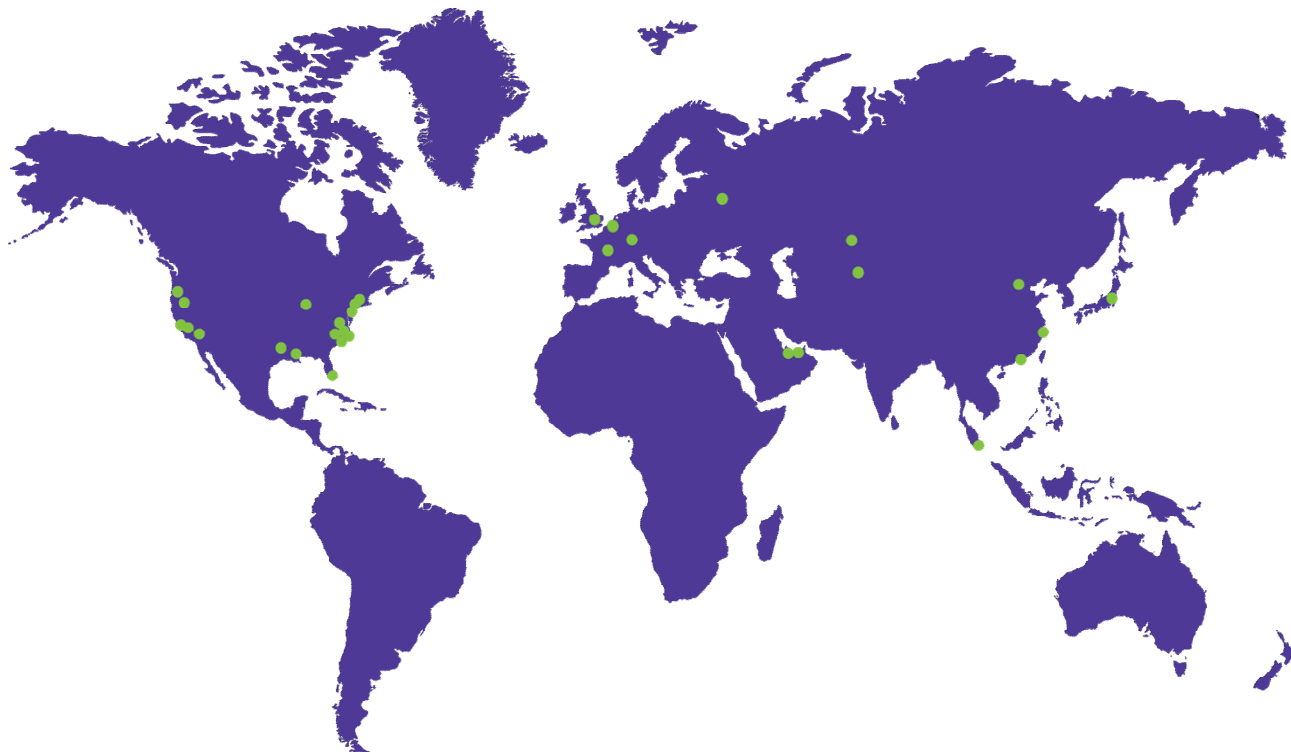
Jedd clerked for Judge Nicholas Politan of the US District Court for the District of New Jersey and for US Attorney Rudolph Giuliani of the Southern District of New York. He is conversant in French.

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