



**Alternative Funds**

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Funds*

**STRADLEY  
SR  
RONON**

## Packaging Alternative Investments for Retail Investors

As market demand for alternative investments continues, investment firms and fund sponsors are increasingly focused on making alternative asset classes and strategies available to a wider audience, including retail investors. Stradley Ronon's experience and collaboration across the variety of disciplines relevant to retail alternatives – registered funds, hedge funds, private equity and venture capital, real estate, lending, structured finance, investment management M&A, tax, ERISA, and more – allow us to add value from product innovation, structure and design through launch and continued operations.

For more than 95 years, Stradley Ronon's investment management practice has helped shape the investment management industry by assisting with the creation of innovative investment products and services. From obtaining "industry-first" exemptive and no-action relief to assisting in the development of novel products, we have helped our clients become and remain industry leaders. As the industry and our clients have evolved, so have we.



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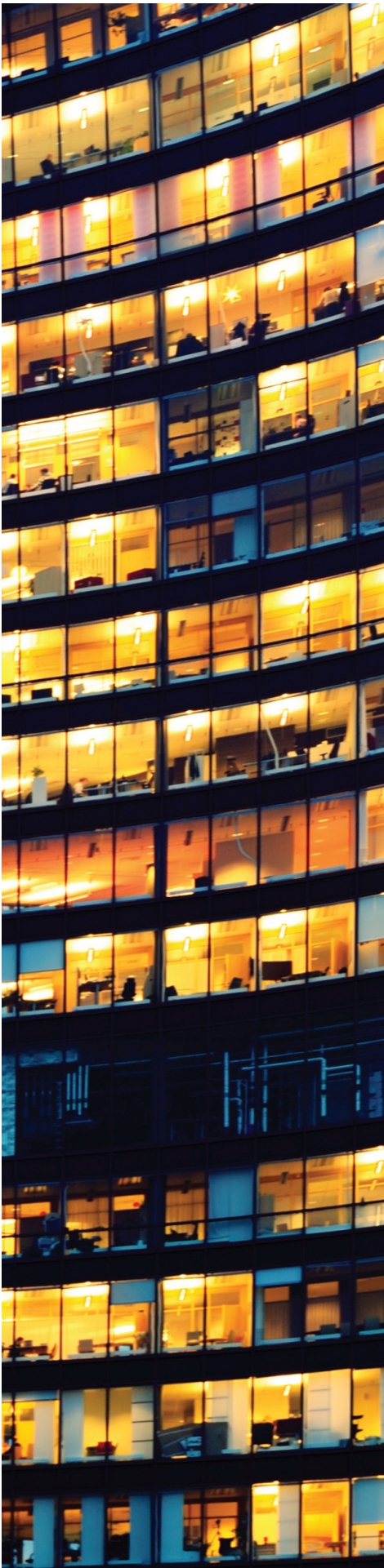
### Experience With Alternative Assets and Strategies

We are experienced in helping investment firms, fund sponsors and boards address the complex issues related to a variety of alternative assets as well as strategies, including:

- real estate and real estate securities
- private equity
- venture capital
- private credit
- mezzanine debt
- syndicated debt
- distressed debt
- commodities and natural resources, including precious metals
- digital assets, blockchain and cryptocurrencies
- currencies and depositary receipts
- energy and infrastructure
- derivatives
- artwork
- collectibles
- litigation funding
- public and private below-investment-grade and nonrated debt
- whole loans, including mortgage loans, marketplace loans and merchant cash advances
- collateralized, structured and asset-backed securities

In addition, our experience with derivative instruments, including their trading and documentation as well as the impact of Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA) regulation, has allowed us to assess early in the process any "showstopper" issues, advise on complicated compliance questions and assist management in educating others (including independent board members) on these new products.





## Counseling on Alternative Product Structures

Choosing the right structure for an alternative asset or strategy requires a careful balancing of objectives amid a variety of operational and regulatory considerations. We are well positioned to provide guidance regarding different structures given our significant depth and breadth of experience across a wide variety of alternative products, including:

- open-end 1940 Act funds, including ETFs (i.e., liquid alternatives)
- closed-end 1940 Act funds (listed funds, unlisted tender offer funds, and interval funds)
- funds of private funds, including 1940 Act registered funds of private funds
- real estate investment trusts (REITs), including 1940 Act registered REITs
- business development companies (BDCs) (listed and unlisted, public and private)
- 1933 Act only vehicles, including exchange-traded products (ETPs)
- commodity pools
- unit investment trusts (UITs)
- onshore and offshore private funds (including as warehousing vehicles in advance of registration)
- special units of beneficial interest trusts (SUBI trusts)
- structured notes
- funds issuing tokenized shares, to trade on digital platforms
- crowdfunding platforms

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## Deal Support

In addition to assisting with product formation and regulatory compliance, Stradley Ronon's transactional practice provides sophisticated support for complex portfolio transactions across a variety of asset classes, including with respect to:

- real estate acquisition, disposition and management
- commercial and mixed-use development and leasing
- joint ventures and other combinations
- tax structuring, including appeals, exemptions and transfer tax considerations
- lending, workout and bankruptcy matters
- flow and bulk asset acquisition and disposition transactions, including asset warehousing arrangements
- asset servicing and custody arrangements
- asset securitization transactions
- private placement securities offerings
- secondary transactions
- side letter negotiations

## Your Issues

Stradley Ronon assists with the full spectrum of legal issues and operational considerations relevant throughout a product's life cycle. We routinely advise on:

- **Initial Structuring Decisions.** Helping clients navigate initial structuring decisions, including weighing the pros and cons of utilizing one particular type of fund structure over another (e.g., the choice between an interval fund vs. a tender offer fund, the choice between a 1940 Act registered ETF vs. a 1933 Act only ETP or the choice between a non-traded REIT and a 1940 Act registered REIT) based on considerations unique to the product, its portfolio and its intended investors.
- **Product Formation and Initial Registration.** Assisting in the original drafting and/or review of product formation and registration documents and navigating the registration process with the SEC, including helping clients address staff comments that often include questions about how funds plan to address various regulatory considerations in the alternative asset context.
- **Obtaining Exemptive Relief.** Working with clients to obtain exemptive relief necessary for the operation of their funds, including relief that allows for multi-class and distribution fee structures within closed-end interval funds or tender offer funds, and co-investing relief that is frequently relied upon by credit funds and BDCs.
- **Establishing Distribution and Shareholder Servicing Arrangements.** Providing legal support to funds and fund sponsors as they navigate the distribution landscape and its unique considerations for alternative products. For funds that will be sold through third-party platforms, we have experience in reviewing and negotiating platform distribution and/or shareholder servicing arrangements.
- **Investor Qualification Issues.** In the context of product structuring and distribution arrangements, providing guidance on investor qualification considerations and how various product structuring decisions may impose or alleviate certain limitations.
- **Advice on Fee Structures.** Assisting clients in navigating applicable parameters in establishing fee structures for their funds as well as formulating employment and compensation structures for portfolio managers and other service providers. These considerations are frequently brought into sharp focus where alternative assets are introduced in the retail fund structure.
- **Exchange Listing.** Providing guidance with respect to the rules and listing standards of the exchanges on which certain alternative products are listed and interfacing with various listing exchanges on behalf of clients.
- **Deal Support.** Providing sophisticated support and guidance with respect to portfolio acquisitions, workouts and exit opportunities across a wide variety of alternative asset classes.
- **Complex Issues Introduced by Alternative Investments.** Helping clients navigate liquidity, valuation, custody and other complex regulatory and practical considerations related to investments in alternatives, including issues arising under the 1940 Act and the Investment Advisers Act.
- **Effective Tax Planning.** Advising on tax matters and entity structuring (i) to navigate the needs of a diverse investor base (including U.S. and non-U.S. tax-exempts and pension



Experienced in helping investment firms, fund sponsors and boards address the complex issues related to alternative assets as well as strategies and product structures.





## Your Issues (cont.)

funds, foreign individuals and entities, and sovereign wealth funds) to minimize tax costs and streamline compliance requirements, and (ii) for funds subject to special tax rules, such as RICs, REITs, grantor trusts and publicly traded partnerships.

- **Plan Asset/ERISA Considerations.** Counseling on the often complex issues arising under the fiduciary and prohibited transaction rules of ERISA and the Internal Revenue Code as they relate to products and services provided to retirement plans and accounts, advising on VCOC and REOC compliance, and assisting in the creation of hardwired master-feeder structures.
- **Navigating State Law Registration, Regulation and Licensing.** Assisting clients in navigating the applicability of state securities laws, including with respect to funds that will be publicly offered but neither 1940 Act registered nor exchange traded, as well as advising on state licensing and regulatory matters relating to asset acquisition, ownership and servicing.
- **Ongoing Regulatory Support.** Assisting in the preparation of initial and ongoing regulatory filings and associated regulatory relief.
- **Commodity Pool Operator (CPO) and Commodity Trading Adviser (CTA) Registration and Regulation.** Advising on whether particular portfolio investments are commodity interests under the Commodity Exchange Act and the rules of the CFTC and guiding fund sponsors, advisers and pooled vehicles through often complex analyses regarding their status as CPOs, CTAs and commodity pools, and the availability of certain exemptions from regulation.
- **Swaps and Derivatives Documentation and Regulatory Compliance.** Providing legal and practical guidance on establishing and modifying derivatives trading documentation, keeping clients apprised of and in compliance with changing regulatory requirements, and engaging in advocacy with regulators on behalf of our clients in the face of evolving regulations.
- **Crowdfunding Platforms.** Advising clients in creating and maintaining funding portals pursuant to Regulation CF, Regulation D and Regulation A+, including support with necessary filings and the review of advertising materials.
- **Fintech and Digital Assets.** In collaboration with Stradley Ronon's Fintech practice group, serving as legal and business advisers to Fintech companies and entrepreneurs throughout all stages of the company growth cycle, providing creative and practical advice with respect to product structuring and regulation, and advising on intellectual property matters.
- **Corporate Actions (Reorganizations).** Providing legal advice on structuring and executing corporate actions, including conversion from one type of fund structure to another and reorganizations that involve multiple products.
- **Investment Management M&A.** Advising clients on regulatory, tax and other considerations in connection with the sale of an advisory business, assisting in review and preparation of due diligence, obtaining necessary client consents, and preparing required regulatory filings.

For more information on our Alternative Funds practice, visit [www.stradley.com/alternativefunds](http://www.stradley.com/alternativefunds).



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Investment Management M&A  
Investment Management Tax  
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Real Estate  
Real Estate Financing  
Registered Investment Funds  
REITs  
Structured Finance  
Transactional Real Estate

## ABOUT STRADLEY RONON

For more than 95 years, Stradley Ronon has helped private and public companies – from small businesses to Fortune 500 corporations – achieve their goals. With nine offices and more than 200 attorneys, Stradley Ronon is proud to help companies manage their legal challenges and grow their businesses.

[www.stradley.com](http://www.stradley.com)

## LOCATIONS

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