



## Closed-End Funds

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STRADLEY  
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## OUR PRACTICE

Stradley Ronon's top-ranked investment management group represents closed-end funds (CEFs) and their sponsors, investment advisers and boards of directors in connection with securities offerings, structuring leverage, periodic disclosure requirements, compliance matters, proxy fights and related topics. Our clients include some of the most prominent and innovative CEF sponsors and complexes in the United States. We represent CEFs including traditional listed CEFs, interval funds and tender offer funds in marketing their shares via offerings registered under the Investment Company Act of 1940 (1940 Act) and the Securities Act of 1933 (1933 Act), on national stock exchanges and through private placements. We serve as counsel to CEFs, investors, industry trade groups and other law firms regarding complex issues arising under the 1940 Act, the 1933 Act, the Securities Exchange Act of 1934 (1934 Act), and the rules and regulations of national stock exchanges and the Financial Industry Regulatory Authority (FINRA).

We also serve as legal counsel to CEFs, their boards and investment advisers (including as independent legal counsel to independent directors/trustees) with respect to special projects relating to activist investors. Stradley Ronon guides CEFs in their dealings with activist and dissident investors, including drafting SEC no-action letters to exclude shareholder proposals, managing proxy contests and representing our clients in related litigation.



## YOUR ISSUES

Stradley Ronon assists with all legal issues throughout a CEF's life cycle – from evaluating investment strategies and underwriting arrangements through fund formation, registration, launch, listing of fund shares and post-offering phases, such as subsequent rights offerings and tender offers, and annual shareholder meetings. We routinely advise on:

- **Initial Public Offerings** – Guiding CEFs through all phases of the initial public offering, including

filing of and amendments to the registration statement, handling of SEC comments, negotiation of the underwriting/distribution agreement and related arrangements, stock exchange listing, review of marketing materials and related FINRA review process, and documenting the settlement of the offering and any exercises of the underwriters' over-allotment option.

- **Innovative Product Structures and Leverage Vehicles** – Assisting CEFs in developing innovative product structures, including target

## CLIENT

- Represented Nuveen-sponsored closed-end fund **Nuveen Dynamic Municipal Opportunities Fund (NYSE:NDMO)** in connection with its initial public offering, which raised \$850.2 million.
- Represented Nuveen-sponsored closed-end fund **Nuveen Core Plus Impact Fund (NYSE:NPCT)**, the first listed closed-end fund focused on impact investing, in connection with its \$575 million initial public offering.
- Represented **Franklin Limited Duration Income Trust**, a closed-end fund managed by Franklin Templeton Investments, in establishing a bank lending facility and conducting a rights offering of approximately \$67.8 million.
- Assisted **closed-end funds** strategize and conduct successful proxy fights against an activist shareholder's board nominees and shareholder proposal.
- Assisted a client in a **"fund adoption"** to become investment adviser of an interval fund.

term funds, term funds featuring the potential to convert to perpetual funds, and designing creative leverage vehicles, including new types of term preferred shares, and bringing these new products to market.

- **Interval Funds** – Assisting clients in creating and offering interval funds products, including drafting regulatory filings for periodic tender offers, negotiating distribution agreements with sales platforms and other dealers and obtaining exemptive relief or multi-class and distribution fee structures.
- **Preferred Share Offerings** – Handling public and private offerings of preferred shares used for leverage and for refinancing existing leverage vehicles.
- **Credit Facility or Borrowings** – Conducting public and private offerings of debt securities and commercial paper used for leverage, as well as negotiating bank borrowings; assisting CEFs with alternative forms of leverage such as tender option bonds and mortgage dollar rolls.
- **Activist and Dissident Investors** – Strategizing and defending CEFs in proxy fights and related litigation with activist shareholders and

eliminating shareholder proposals from CEF proxies, as well as managing and making regulatory filings in connection with tender offers, mergers or other transactions negotiated by CEFs in their dealings with activist investors.

- **Addressing Market Price Discounts** – Assisting CEFs in developing managed distribution plans, periodic tender offers, SEC exemptive applications for periodic capital gains distributions, and other measures designed to assist CEFs in addressing persistent market price discounts to net asset value.
- **Fund Reorganization and Mergers** – Assisting clients with product rationalization through mergers of CEFs that allow for asset retention and preservation of leverage.
- **Board and Committee Meetings** – Counseling CEF sponsors and boards on all aspects of preparing for, attending and documenting registered CEF board and committee meetings.
- **Exemptive Orders and No-Action Letters** – Seeking novel exemptive or no-action relief to provide clients with a competitive advantage or cost-effective, routine relief.

- **Periodic Disclosures** – Preparing and reviewing shareholder report and annual proxy statement disclosures in response to changing markets and regulatory guidance.
- **Regulatory and Compliance Issues** – Navigating clients through complex compliance issues related to new or novel investment concepts, leverage products and underwriting arrangements, as well as issues arising from returns of capital and multiple capital gains distributions.
- **Regulatory Investigations and Enforcement** – Guiding clients through SEC or other federal and state regulatory investigations and enforcement actions.
- **Tax** – Addressing tax issues arising in the formation, operation and distribution of CEF shares, and those arising from post-offering dividends and distributions and special transactions.
- **Shelf Offerings, At-the-Market Offerings and Other “Follow-on” Offerings** – Preparing registration statements, negotiating sales agent arrangements and handling closings related to shelf offerings, at-the-market offerings and other forms of “follow-on” offerings, including rights offerings.

## SUCCESSES

Some of our recent client successes include:

- Represented **nine Invesco-sponsored municipal closed-end funds** in connection with the extension of the term redemption date on approximately \$1.95 billion in aggregate liquidation preference of the funds’ **Variable Rate Muni Term Preferred Shares (VMTP Shares)**. In addition to the extensions, four of the funds sold in private placements additional VMTP Shares totaling \$87.5 million in aggregate liquidation preference, and one of the funds redeemed \$15 million worth of VMTP Shares.
- Represented Nuveen-sponsored closed-end funds **Nuveen Dividend Advantage Municipal Fund, Nuveen New York Dividend Advantage Municipal Fund, Nuveen Minnesota Municipal Income Fund, Nuveen Maryland Premium Income Municipal Fund and Nuveen North Carolina Premium Income Municipal Fund** in privately negotiated exchange offers and sales of additional preferred shares with an aggregate value of over \$887 million.
- Represented Nuveen-sponsored senior loan closed-end funds **Nuveen Floating Rate Income Fund (NYSE:JFR), Nuveen Floating Rate Income Opportunities Fund (NYSE:JRO) and Nuveen Senior Income Fund (NYSE: NSL)** in connection with a series of offerings of Term Preferred Shares representing approximately \$252 million in aggregate liquidation preference. The offerings were conducted under a shelf registration statement covering the preferred shares.

For more information on our Closed-End Funds Practice,  
visit [www.stradley.com/closed-end-funds](http://www.stradley.com/closed-end-funds).

## CONTACTS

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## 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 eight 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

Philadelphia  
Washington  
Chicago  
New York

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