

Independent Trustee Counsel

Independent trustees serve in a difficult role, overseeing the management and operations of investment funds and helping ensure that the funds are managed in the best interests of the shareholders. Independent trustees can face many challenges ranging from asset valuations to best practices for board governance. We have the experience and skills to help navigate these challenging waters.

Stradley Ronon's investment management practice has extensive experience serving as independent legal counsel to independent trustees. The independent trustees we advise oversee the widest range of investment products and investment strategies. We support the independent trustees of open-end retail funds, closed-end funds, mutual funds of variable insurance products, ETFs and more.

Some of our clients oversee complex products, and others oversee traditional asset classes. We differentiate among our clients' needs and customize appropriate solutions. Many of the funds our clients oversee employ complicated investment strategies, which can require the development and execution of novel board oversight techniques. This includes liquid alternatives funds, manager-of-managers, fund-of-funds and many other complex investment strategies. Our independent trustee clients also serve for funds that use traditional investment strategies requiring traditional oversight techniques. Our broad client base allows us to tailor our approach, recognizing that one size does not fit all.

OUR TECHNICAL SKILL & BUSINESS ACUITY

Our lawyers who serve as independent trustee counsel have significant prior legal experience working with fund investment advisers and serving as fund counsel. That work gives our lawyers technical abilities and business acuity that we bring to bear in advising our independent trustee clients. As a simple example, lawyers who

routinely draft, review and interpret fund compliance policies and procedures are able to give independent trustees practical advice about these procedures.

OUR APPROACH

We help our independent trustee clients collaborate productively with management and help ensure that the decision-making by the independent trustees retains the full protection of the business judgment rule.

We take a collegial approach, working at the direction of our client, with the various service providers to the funds.

We support the independent trustees of open-end retail funds, closed-end funds, mutual funds of variable insurance products, ETFs and more.

OUR SERVICES

We work at the direction of our independent trustee clients, performing a wide range of "routine" services and standing ready to provide advice in nonroutine situations.

ROUTINE MATTERS

Examples of routine work we typically perform as independent legal counsel include:

- Advising on board oversight responsibilities.
- Advising at board and committee meetings, including assisting in review and/or drafting of meeting agendas.
- Commenting on meeting minutes; drafting of meeting minutes.
- Advising the independent trustees in the annual 15(c) process.

(continued)

Independent Trustee Counsel

- Advising the independent trustees in the review and approval of contracts, policies and procedures.
- Advising the independent trustees regarding compliance matters.
- Advising in the board's annual self-assessment process.
- Reviewing the funds' annual registration statement update and shareholder reports, as directed by the independent trustees.

NONROUTINE MATTERS

- Board governance matters, such as retirement policies, trustee transitions, term limits, expense policies, deferred compensation plans, etc.
- Independent trustee responsibilities and private litigation defense (e.g., excessive advisory fee cases).
- Nonroutine operational, legal and compliance matters facing the funds.

SEC INQUIRIES, INVESTIGATIONS & SECURITIES ENFORCEMENT MATTERS

We work closely with our securities enforcement group in assisting independent trustees in connection with SEC matters. Our securities enforcement lawyers have extensive experience with respect to SEC inquiries, investigations and examinations relating to various transactions and activities of fund investment advisers. For example, we have represented independent trustees

in class action litigation alleging improper revenue sharing and breach of fiduciary duties. We have prepared independent trustees for interviews with the SEC staff concerning fund securities lending practices and alternative investment strategies. Our lawyers also have experience conducting internal investigations at the direction of independent trustees.

INSURANCE NEEDS

Stradley Ronon attorneys are experienced at assisting independent trustees in evaluating their insurance needs, the adequacy of their existing coverage and indemnity arrangements. Attorneys in our insurance group regularly assist our investment management group in the review of independent director liability (IDL) and fund director & officer/errors & omissions insurance policies to help make sure that coverage is appropriate and that the policies contain the best terms in the industry. We closely track legal developments that might affect fund and director coverages, such as the recent spate of private litigation relating to sub-advisory fees.

Stradley Ronon Stevens & Young, LLP
www.stradley.com

Bruce G. Leto
Chair, Investment Management
215.564.8115 | bleto@stradley.com

Alison M. Fuller
Partner in Charge, Washington, DC Office
202.419.8412 | afuller@stradley.com