

An introduction to our
asset management practice

SLAUGHTER AND MAY

2011

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Introduction

"There is not room
for more than one
Slaughter and May
in London. It's a
fantastic firm."

.....
THE TIMES, APRIL 2008
.....

We are pleased to present our experience in the asset management sector. Our clients look to us for technical excellence in the law, a capacity for innovative thought and a positive commercial approach.

We add value by:

- creating innovative solutions to problems
- giving leading edge structural advice and risk analysis
- understanding what may, or may not, be acceptable in the market
- ensuring that our clients have access to the best available advice in all countries
- providing first class transaction management assistance
- ensuring delivery against realistic timetables and milestones.

If you have any queries in relation to this document or in relation to any other aspect of our asset management practice, please do not hesitate to contact James Cripps, Simon Robinson or Jan Putnis whose profiles are included at the end of this document.

Asset management practice

"The [Asset Management] team's steadily growing profile is in part attributed to the 'selection of intelligent and hardworking' lawyers in its midst, and sources assert that 'there is no shortage of high profile work' here."

CHAMBERS UK, 2008

We regularly advise on all aspects of asset management. We are at the forefront in the structuring, establishment, promotion and administration of investment funds of all types and in establishing independent fund management businesses in the UK and the other major fund jurisdictions around the world. We frequently advise our asset management clients on new fund and investment products and on how to reorganise them to enhance investor value or solve liquidity difficulties.

Much of our work relates to the use of partnership and LLP structures for professional services and advisory firms; for the structuring of investment vehicles and joint ventures; and in structured finance transactions. In the current economic environment we are also doing a significant amount of work restructuring and unwinding those investment structures.

We have considerable experience advising fund and asset managers on:

- the structuring, establishment, promotion and administration of investment funds of all types in the UK and the other major fund jurisdictions around the world
- new fund and investment products and on how to reorganise them to enhance investor value or solve liquidity difficulties
- the acquisition and sale of asset management businesses
- establishing fund management businesses
- outsourcing arrangements of all types in the asset management world, including multi-manager arrangements and back- and middle- office outsourcing
- legal and regulatory aspects of alternative investment strategies
- investment management and advisory appointments
- intellectual property and information technology

- performance fees
- borrowing and gearing
- custody and settlement issues
- taxation
- authorisation, licensing and regulation of fund managers, both in the UK and elsewhere.

Advice to asset management clients frequently involves our specialist departments. Our Financial Regulation Group plays an important role in our asset management practice, providing detailed regulatory advice, while our Tax Group is known for its technical excellence and is consulted regularly in relation to structuring and new techniques and products.

Relevant transactional experience

"The firm is 'not at the petrol pumps but up in the jetstream', and clients of all stripes appreciate the fact that it 'never fails to make them feel valued'."

THE LEGAL 500, 2009

We are regularly involved in setting up and listing funds and investment vehicles including advising:

- **Fidelity China Special Situations**, a new investment trust managed by FIL Investment Management (Hong Kong) Limited, on its listing on the London Stock Exchange; and on the issue of 166.2 million C shares for a price of £1.00 per share by way of an open offer, offer for subscription and placing
- **Resolution Limited** on the flotation of Resolution Limited on the London Stock Exchange and a placing of its shares. The bookbuilding process raised gross proceeds of £600 million
- **Development Partners International**, the new London-based African private equity manager, on its establishment and authorisation by the FSA and the launch of Africa Development Partners I LLC, a Mauritian company raising EUR 400 million for private equity investment in Africa
- **European Capital**, a closed-ended Guernsey investment company, on the listing of its shares on the London Stock Exchange and the raising of EUR 125 million
- **3i Group** and **3i Quoted Private Equity (3i QPE)** on the proposal by 3i QPE to conduct a placing and listing of its shares on the London Stock Exchange. 3i QPE is a newly-established Jersey-incorporated, public closed-ended investment company
- **3i Infrastructure**, a newly-established public closed-ended investment company incorporated in Jersey, on the listing of its ordinary shares and warrants on the London Stock Exchange, and 3i Investments, a subsidiary of 3i Group, in its capacity as investment adviser to 3i Infrastructure
- **SVG Capital plc** and its subsidiaries, SVG Advisers Limited, SVG Managers Limited and SVG Investment Managers Limited, in relation to a collateralised fund obligation (CFO) of private equity funds. The transaction involved a newly-formed entity, SVG Diamond Private Equity III plc (the Fund), which is an Irish closed-ended investment company, issuing EUR 280 million of ordinary shares, listed on the regulated market of the Irish Stock Exchange
- **Ashmore Global Opportunities**, a Guernsey incorporated limited liability company, on its global offer of shares on the London Stock Exchange to raise EUR 500 million

"It is immensely popular with clients for its distinctive culture of intellectual rigour: the partners are 'unfazed by whatever comes along,' thanks to their 'extraordinary brainpower and breathtaking ability to modify the negotiation style to suit the circumstances'."

CHAMBERS UK, 2009

- **Land Securities Group** on the establishment of various property investment funds by way of limited partnership
- **Crownstone European Properties Limited**, an investment company focusing on real estate, in relation to its offer of shares seeking to raise EUR 450 million and proposed listing on Euronext Amsterdam
- **Falcon Asset Backed Investments Limited** on its proposed initial public offering and listing on the London Stock Exchange from September 2005 to April 2006. The transaction, which was withdrawn in April 2006 due to market conditions, had been expected to raise up to US\$125 million, to be used to acquire a leveraged portfolio of asset backed securities assets
- **American Capital Strategies** on the formation of European Capital Limited.

We have been involved in a number of innovative partnership structures across a broad range of practice areas, sectors and jurisdictions including advising:

- **Marks and Spencer** on its contribution of further funding to its UK defined benefit pension scheme via an interest in a Scottish property-backed partnership. This was an innovative structure and has now been adopted widely in the market
- **3i Infrastructure** in connection with its acquisition of a limited partnership interest in The Alma Mater Fund LP from 3i Group
- **Preston Tithebarn Partnership**, a joint venture between Grosvenor Limited and Lend Lease Europe Limited, on corporate governance issues and ongoing operational matters including the agreement for lease with Marks & Spencer plc as one of the anchor tenants for the £750 million Tithebarn redevelopment scheme in Preston City Centre
- **Grosvenor Liverpool Fund**, a UK limited partnership, on various corporate governance issues, changes to its constitutional documents and in relation to establishing a new limited partnership to hold residential units in the Liverpool One development, Liverpool and the grant of sub-leases to third parties
- **SVG Capital** on the reduction in its commitment to the Permira IV partnership fund
- various **fund and asset managers** on the establishment of or conversion to LLPs
- **investment banks** on the establishment, modification and termination of various partnership structures in the context of structured finance transactions.

Asset management experience

"This [Asset Management] practice has ... preserved its reputation for undertaking high-end, specialist and more challenging matters involving fund structuring, tender offers and lender renegotiations."

CHAMBERS UK, 2010

- Our lawyers have extensive experience of the structuring of **specialist funds**, for example for private equity and real estate, around the world. Recent examples include:
 - the SIERRA Fund, a pan-European retail real estate fund established by Sonae Imobiliária SGPS, S.A. to invest in shopping centres in the Iberian peninsula
 - FF&P Russia Real Estate Limited, the first property fund targeting commercial property in Moscow
 - funds for clients such as 3i, SVG, Fleming Family & Partners and Standard Life.
- We continue to advise **many listed and unlisted funds as to strategies to enhance shareholder value**. Recent transactions include:
 - the raising of new capital by Henderson High Income Trust
 - the reconstruction of Tribune Trust and its subsequent acquisition by Edinburgh UK Tracker
 - the launch of Cayzer Continuation PCC Limited (the investment vehicle that enabled members of the Cayzer family to realise their interests in Caledonia Investments)
 - the merger of Oryx Fund Limited and the Oryx JIA and of JP Morgan Fleming Managed Growth and JP Morgan Fleming Managed Income
 - the unitisation of Value Capital LP for West End Capital.

- We have helped to establish a number of **independent fund management** businesses. Recent examples include Redburn Partners, Neptune Investment Management and Coriolis Capital. In these cases we not only establish the management vehicle and the initial client funds but also the initial funds' terms of business and the broker dealer, prime broker and distribution relationships.
- We have considerable experience of **structuring international investment** through, for example, the use of funds and intermediate investment vehicles located in off-shore centres and have extensive experience in relation to custody, sub-custody and settlement issues.
- We advise fund management groups on the **outsourcing** of their operations, including on international outsourcings on which an integrated approach to risk, management and systems is required which satisfies a number of differing regulatory regimes; for example acting for AXA Investment Managers on the outsourcing of its back- and middle-office operations in France, Germany and the United Kingdom to State Street.
- We advise on the **establishment of new asset managers**; for example, we were involved in advising AXA UK on the establishment of a new asset manager, Architas Multi-Manager Limited.

Profiles



SIMON ROBINSON

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Partner since

1989

Practice areas

Asset Management

Corporate and Commercial

Mergers and Acquisitions

Simon has undertaken a broad range of corporate and commercial work, including private and public acquisitions, joint ventures, corporate reconstructions, public equity offerings and financings.

His clients in recent years have included leading banks, asset management companies, investment trusts and industrial and commercial companies, particularly in the mining, health care, transport, electronics and retail sectors. Geographically, he has experience in many parts of the world.

In recent years he has been the author of the UK chapter for the annual editions of the 'Mergers and Acquisitions' and 'Corporate Governance' volumes in the 'Getting the Deal Through' series. He is also the contributing editor of 'The Mergers and Acquisitions Review'.

His current clients in the asset management industry include: Santander UK, Baring Emerging Europe plc, JP Morgan Elect plc, Schroders, Sierra Trading, Laxey Partners, Winterflood, CCLA Investment Management, Liquid Capital, Magnetar Financial and Olivant.

Simon's recent experience includes advising:

- **Tribune UK Tracker PLC** on its merger with Edinburgh UK Tracker Trust PLC
- **Abbey National plc** on the sale of its off-shore life insurance businesses together with the associated new business infrastructure and service companies to Resolution plc
- **Rutland Trust** on its acquisition by New Star Private Equity.

His experience elsewhere in the asset management arena includes the formation of unit trusts and OEICs (an essential constituent part of many corporate transactions and investment company reconstructions), advice in connection with the creation of client-friendly documents for retail customers, the creation of highly tax efficient switching mechanisms for investment trusts (particularly for Tribune Tracker plc and JP Morgan Elect plc) and advice to activist investors (Laxey Partners and Sierra Trading) and to companies who find activist investors have become shareholders.



JAN PUTNIS

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Partner since

2003

Practice areas

Financial Regulation
Corporate and Commercial
Mergers and Acquisitions

Jan works in two broad and diverse areas: financial regulation and corporate and commercial transactions.

As a partner in the firm's Financial Regulation Group, Jan acts for a broad range of financial institutions, including asset managers, banks and insurance groups, on regulatory matters and investigations, cross-border and domestic mergers and acquisitions and on outsourcing. His work includes advice on regulatory capital aspects of leveraged acquisitions. He is also involved in structuring complex financial products, including collective investment schemes.

Jan has a particular interest in the harmonisation of regulation of financial institutions within Europe with emphasis on the means of structuring and achieving cross-border business consolidation amongst asset managers, banks and insurance groups. In addition to mergers and acquisitions, his work in this area has included acting on a number of high profile outsourcings, including the landmark 2004 outsourcing by AXA Investment Managers of its back- and middle-office functions in France, Germany and the United Kingdom to State Street. He is currently working on the establishment of a major new asset management business (including the related open-ended funds).

Jan's corporate and commercial work comprises a broad range of advice on acquisitions and disposals, joint ventures and reorganisations for corporate clients, principally with a cross-border emphasis. He is the author of the chapters on share dealings, information requirements and mandatory bid obligations in the LEXIS/NEXIS Butterworths book 'Takeovers: Law and Practice' (2005) and is a contributing author on takeovers in the Oxford University Press publication 'Annotated Companies Acts' (2007 to the present).



JAMES CRIPPS

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Partner since

1989

Practice areas

Asset Management

Capital Markets

Corporate and Commercial

Corporate Recovery and Insolvency

Financial Regulation

Mergers and Acquisitions

James' practice is concentrated on asset management, including the structuring of investment, property, hedge and mutual funds and the establishment, structuring, purchase and sale of asset management businesses. He also focuses on other types of public and private equity collective investment vehicles and financial products, including in particular for cross-border and multi-jurisdictional activities.

James' practice includes alternative investments (private equity, property and hedge funds) and he has advised on numerous placements, IPOs and acquisition and fund and business restructurings and insolvencies around the world. He also advises on compliance, regulatory and custody matters and his clients include listed and unlisted and specialist and general investment companies and investment trusts, their managers and investors. He is a past member of the Technical Committee of the Association of Investment Trust Companies in London.

His recent instructions include:

- the establishment and launch of Fidelity China Special Situations, Anthony Bolton's new investment trust, which raised £460 million by a placing and public offer in March 2010 and the subsequent C share issue in 2011
- equity raising, secured refinancing and investment structuring for FF&P Russia Real Estate Limited, FF&P Russia Real Estate Development Limited and Ukraine Opportunities plc, investment companies targeting commercial property and property development in Russia and investment opportunities in the Ukraine
- investment trust and company amalgamations and the launch and restructuring of private equity and other fund vehicles managed by, amongst others, 3i, Barings, Consulta, Fidelity, Fleming Family & Partners, Fabien Pictet, Henderson Global Investors, Montpelier Asset Management, Neptune Investment Management, Polar Capital, Schroders and Taube Hodson Stonex Partners

James is listed as a leading individual in the Investment Funds: Open and Closed-ended Funds in *Chambers UK, 2011*.

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