



SLAUGHTER AND MAY

Investment funds and  
asset management

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“  
Very good service; they go the extra mile for us.  
I never have any doubts that they put my interest  
as a client first. I always have the impression that  
they’re there fighting my corner.  
”

Chambers UK, 2015

# Introduction to our capabilities in the sector

Slaughter and May has a leading specialist investment funds and asset management practice, which forms part of our Financial Institutions Group. We are well known for providing global coverage and market leading advice on bespoke, high value and complex projects.

We advise integrated financial institutions, traditional and alternative asset managers, banks, insurers, investment funds and the providers of related services.

Our capabilities in the sector are focussed on four main areas:

- Mergers, acquisitions, formations and reorganisations of asset management businesses and transactions in fund assets
- Public and private fund advisory work: fund, structuring, formation and reconstruction together with investment management, advisory and outsourcing arrangements
- Investigations, contentious and non-contentious regulatory advice and taxation
- Real estate, infrastructure and debt investment/financing and non-bank lending.

We look forward to discussing how we can best support you. If you have any questions, please contact:

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“They are very good at making you feel that you are the only client they have.”

Chambers UK, 2016

# An overview of our practice /

We provide seamless advice on a whole range of matters relating to asset management. Our lawyers draw on a broad skills base to provide innovative solutions to help clients meet the challenges facing the industry.

Our day-to-day work includes:

- M&A involving asset management business, whether of a single business or as part of a transaction affecting a wider financial services group
- Examining strategies and structural alternatives when asset management businesses consider mergers, acquisitions, joint ventures and other investment opportunities
- The formation, funding and reorganisation of asset management businesses
- Acquisition and disposal of investment fund assets
- Advice throughout the life cycle of funds - such as on formation, listing, reconstruction, management and closure
- Transactional work involving investment funds, whether to enhance investor value, to solve liquidity difficulties or otherwise (including share buybacks, reconstructions and mergers)
- Commercial arrangements such as outsourcing, custody, platforms, white-labelling and distribution
- Investigations, contentious and non-contentious regulation, anti-trust, employment and taxation
- Reviewing corporate governance and remuneration practices of firms and assisting with “health checks” on key legal agreements with counterparties.

Our investment funds and asset management practice forms part of our Financial Institutions Group, and we draw upon expertise from across the firm, including from our banking and insurance groups, to provide a comprehensive service across all areas of the industry.

“  
They have a very strong reputation and they live up to it. They have the ability to provide top-quality legal advice and to do it while understanding the commercial and regulatory environment in which the advice is being delivered.  
”

Chambers UK 2014

## Our clients

Our investment fund and asset management clients include:

3i Group	Fidelity	Oxam
AIC	First Reserve	Palamon Capital Partners
Allianz	Fortress	Pembroke Heritage Fund
Apollo Management	GE Capital	Pembroke Real Estate
Ashmore	Global Infrastructure Partners	Permira
Aviva Investors/Aviva	Goldman Sachs	Pollen Street Capital
Baring Emerging Europe	Grosvenor	PPMG/M&G/Prudential
BHF Kleinwort Benson	HM Treasury	Reinet
BEIS	Honeycomb Investment Trust	Remgro
BlackRock	ICBC	Santander/
Blackstone	Intermediate Capital Group	Santander Asset Management
Centerbridge Partners Europe	International Biotechnology Trust	Schroders
CDC Group	Investec Asset Management	SIAM/Sierra Fund
China Orient Asset Management	Kensico Capital	Standard Life Aberdeen
Citadel	LGIM/Legal & General	SVGC Capital
Close Asset Management	MFG/Macquarie	Swiss Re
Corsair Capital	Morgan Stanley	Terra Firma
CVC Capital Partners	Neptune Investment	Towry
Derwent London	Old Mutual	TR Property Investment Trust
Dongfeng Asset Management	Oaktree Capital Management	UK Asset Resolution
	Och-Ziff	Varde Partners

“They are pragmatic and commercial,  
and always timely and responsive.”

Chambers UK Investment Funds, 2014

# Investment funds /

We are at the forefront of advising on the structuring, establishment, promotion and administration of investment funds of all types in the UK and other major fund jurisdictions around the world. Much of our work relates to the use of limited partnership and LLP structures. We frequently advise partners, managers, sponsors and others on all aspects of these arrangements.

Having the benefit of Slaughter and May's unique position advising more UK listed companies than any other law firm gives us a particular insight into the issues that face public funds, such as investment trusts, and we are frequently involved in their formation.

We are also providing specialist corporate and regulatory advice to a number of global and UK-headquartered asset managers on their Brexit-planning work.

**They have a strong client base  
with UK investment trusts.  
Wherever they appear, you have  
to take them seriously.**

Chambers UK, Investment Funds, 2016



Our recent investment funds experience includes advising:

- **Legal & General Investment Management** on the reconfiguration of investment funds with more than £30 billion assets under management and associated renegotiation of investment management agreements in the context of the sale of its Mature Savings business to ReAssure division of Swiss Re
- **Standard Life Aberdeen** on its strategic partnership with Phoenix Group Holdings involving the negotiation of long-term agreements relating to £158 billion of assets under management (currently managed by Aberdeen Standard Investments) in the context of the sale of its insurance business to Phoenix
- **The Cabinet Office and Infrastructure and Projects Authority** on the establishment of, and investment in, a new Digital Infrastructure Investment Fund
- **HM Government** on the creation of a multi-asset fund and related governance structure in respect of the decommissioning liabilities of the new nuclear power station, Hinkley Point C
- **HM Treasury** on the establishment of the Business Finance Partnership and on commitments of an aggregate of £1.2 billion, including to funds managed by Alcentra, Haymarket Financial, M&G and Pricoa
- **Honeycomb Investment Trust** on its listing and admission to trading on the London Stock Exchange's Specialist Funds Market, and its subsequent placing of 10 million ordinary shares to raise gross proceeds of £105 million and the implementation of a placing programme
- **A large family office** in its investment as a limited partner in various English limited partnerships to invest in structured credit and real estate
- **LMS Capital** on the change to its investment policy from a realisation strategy to a policy focused on private equity investment, its return of capital of up to £6 million to shareholders through a tender offer and repurchase of up to 7.72% of the company's issued share capital
- On the investment by a **large Canadian investor** in two secondary fund of funds investing in private equity
- **Baring Emerging Europe** on a proposed tender offer for of up to 10 per cent. of its issued share capital
- Investment trusts including **TR Property** and **International Biotechnology Trust** on a wide range of matters.



# M&A in asset management

We are a market leader in mergers, acquisitions and joint ventures. We advise targets, bidders and financial advisers on UK and international deals. Many of our M&A transactions have a financing element and our acquisition and leveraged finance lawyers can advise on complex, highly structured and leveraged deals. We deliver the full range of services which are required for an M&A transaction: tax, competition, regulatory, real estate, employment, IP, IT, and pensions as well as corporate and finance.

Our recent M&A experience involving asset management businesses includes advising:

- **Legal & General** on the sale of its Mature Savings business (involving assets under management of approximately £30 billion) to Swiss Re for £650 million
- **Standard Life Aberdeen** on the sale of its insurance business to Phoenix Group Holdings Limited for £3.24 billion, including a 19.99% shareholding in Phoenix
- **Standard Life** on the recommended all-share merger of Standard Life and Aberdeen Asset Management plc effected by means of a court-sanctioned scheme of arrangement, the combined entity having assets under administration of £670 billion
- **SVG Capital** on its defence of a hostile takeover by HarbourVest, the sale of its investment portfolio for £807 million and its subsequent winding-up by way of voluntary liquidation
- **Allianz Global Investors (AGI)** on its acquisition of Rogge Global Partners (RGP) from Old Mutual
- **Santander** on its transaction with Warburg Pincus, General Atlantic and UniCredit to merge Santander Asset Management (SAM) with Pioneer Investments (valuing SAM at EUR 2.6 billion and Pioneer at EUR 2.75 billion) and on an agreement to acquire the remaining 50% stake in held by Warburg Pincus and General Atlantic, resulting in Santander owning 100% of SAM
- **CDC Group** on an investment into the company of £735 million by the Department for International Development
- **Pollen Street Capital** on its share-for-share acquisition of MW Eaglewood Limited, a private debt asset manager, from MW Eaglewood Group LP. The merger created one of Europe's largest investment managers focused on specialist lending assets, with approximately £2 billion assets under management
- **Towry**, and its major shareholder **Palamon Capital Partners**, on the sale of Towry to Tilney Bestinvest, which is owned by Permira funds and its employees. The transaction valued Towry at £600 million
- **CVC Capital Partners** in connection with the purchase, by its Strategic Opportunities Platform, of the shares currently held by a number of investors in Pensions Insurance Corporation Group Limited, the ultimate parent company of Pension Insurance Corporation
- **Mercer** on its transaction to acquire private markets specialist SCM Strategic Capital Management in order to strengthen Mercer's capabilities in alternative investments
- **Investec Asset Management** on the sale of a stake to its senior management for £180 million.

**They are a top-quality firm, so you know what you're getting:  
the top of the tree in terms of high-end corporate work.  
They're fiercely client-focused and absolutely want to satisfy the client.**

Chambers UK, Corporate/M&A, 2018

# Global investigations, regulatory and taxation /

## Global investigations and contentious regulatory

Our many years of experience advising on regulatory investigations has given us wide ranging experience of how problems can develop and lead to investigations involving major financial institutions.

This work includes advising a variety of financial institutions on investigations and enquiries by the FCA and by regulators in other jurisdictions; handling section 166 processes; and internal investigations. We have extensive knowledge and experience of lessons learned by our clients on these matters, in particular on the major regulatory investigations since the financial crisis. The investigations on which we advise are very often cross border and involve multiple regulators.

Over the past three decades, we have played significant roles in the most important regulatory and criminal investigations across a range of business sectors in the UK and worldwide. We have excellent relationships and a broad range of experience of dealing with prosecutors and regulators around the world including the FCA, the PRA and the SFO in the United Kingdom and the SEC and the DoJ in the United States.

Selected matters we have advised on include:

- **Deutsche Bank** throughout the multi-jurisdictional regulatory investigations into the setting of certain interbank benchmark rates, including LIBOR, TIBOR, and EURIBOR
- **JP Morgan** on the FCA's investigation into spot FX trading and other aspects of the global FX investigations conducted by a number of regulators, including the US DoJ
- **Standard Chartered** on the investigation by numerous US authorities into compliance with the US Iran sanctions regime
- a **global investment fund manager** on issues arising out of complex contractual arrangements relating to its investment fund management business in Asia and on parallel regulatory investigations by the SEC in the US and the FCA in the UK.

“  
Head and shoulders above others  
in this market.”

Chambers UK, Corporate Crime and Investigations, 2018

## Non-contentious regulatory

Our practice advises traditional and alternative asset managers on the regulatory aspects of new product launches, global custody, settlement and clearing, management and advisory agreements, and operational risk management (including major outsourcing projects).

We advise on the structuring, establishment, promotion and administration of investment funds of all types and on the establishment and financing of asset management business globally. We also provide regulatory advice on merger, acquisition and joint venture transactions involving asset managers. Our practice has advised on many of the largest M&A transactions involving UK asset management groups in recent years.

An important part of our practice is the knowledge and experience which practitioners within the group have of the statutory and regulatory environment in which the sector operates. We have a deep understanding of developing regulatory policies and practices. Our practitioners are well known to, and have a good relationship with, senior PRA and FCA management and staff. We have the international reach to address issues wherever and whenever they arise in the world. Above all, our lawyers understand the objectives of our clients and can respond quickly, precisely and commercially to their legal and regulatory needs.

In addition to advising on financial regulatory aspects of the M&A deals listed previously, our relevant non-contentious financial regulation experience includes advising:

- **Aberdeen Asset Management** on its issuance of a new class of non-voting preference shares which qualified as additional tier 1 capital to Mitsubishi UFJ Trust and Banking Corporation for an aggregate subscription amount of £100 million
- **LMS Capital** on the change to its investment policy from a realisation strategy to a policy focused on private equity investment
- **OCBC Bank** on its acquisition of National Australia Bank's (NAB) Private Wealth business in Singapore and Hong Kong
- **Union Bancaire Privée** on the corporate and regulatory aspects of its acquisition of the Hong Kong banking and wealth management business of Coutts & Co. AG from RBS
- a number of global and UK-headquartered asset managers on the regulatory aspects of their Brexit-planning work.

**Slaughter and May's strength is without a doubt the intelligence and depth of subject matter expertise of their lawyers.**

Chambers UK, Financial Services, Non-contentious Regulatory, 2018

## Taxation

Our highly-rated tax department has considerable experience in the investment funds and asset management sector. Its work in this area includes:

- Advising on the tax aspects of mergers and acquisitions of asset management businesses and transactions in fund assets
- Capital markets transactions for investment trusts, including new issues of shares and returns of capital
- Advising on the structuring of new funds and changes to arrangements in relation to existing funds
- Disputes with HMRC
- The tax aspects of remuneration structures, including carried interest, which is an area of particular focus for HMRC at present.

“  
They have bucketloads of previous experience  
and are quite innovative, solution-driven  
and practical.

Chambers UK, 2016

”



# Real estate and infrastructure investment /

## Real estate

We appreciate that funds will have various requirements as to investment criteria, tenant mix, location, lettability and often challenging targets to meet. Funds are operating in a competitive real estate market, and other investment funds and overseas bidders remain active. We cover the full range of real estate funds and transactions.

Typical examples of our experience include:

- **Legal & General on:**
  - the £550 million acquisition of the Hyperion portfolio, comprising over 50 properties and the subsequent disposal of properties, including 440 Strand for £175 million
  - the sale of 70 Gracechurch Street for £270 million
  - its interests in the redevelopment of Central Square, Cardiff, including the new headquarters for BBC Wales
  - the acquisition and forward funding of student accommodation at Bournemouth
  - the £54 million acquisition of Barking Rail Freight Terminal
- the **Seller** (a real estate investment company) on the sale of the London Metropole and Birmingham Metropole hotels, in one of the largest portfolio deals in the UK market in 2017, for a consideration of more than £500 million
- **Midlothian Capital Partners** in connection with the acquisition of Dobbies Garden Centres and the acquisition of Park Leisure
- a **Hong Kong investment vehicle** on the acquisition of en bloc retail and office premises on Oxford Street, London W1 from Amsprop, the property investment company of Lord Sugar, for £76 million.

“  
They offer intellectual clout, problem solving ability  
and bandwidth to deal with huge multifaceted projects.  
They’ve done a great job for us and they’re a clear  
first choice on that kind of work.”

Chambers UK, Real Estate, 2018

## Infrastructure

Our team covers all types of infrastructure projects such as transport and logistics (including airports, road & rail and ports) and water & waste management. We have considerable experience in infrastructure projects, acquisitions, disposals and financings around the world which means that we are well placed to offer our clients market knowledge and innovative legal solutions on any infrastructure investment or activity.

- **The UK Department of Energy and Climate Change** on the £18 billion Hinkley Point C new nuclear power station project
- **Manchester Airports Group** on the acquisition of Stansted Airport
- **Global Infrastructure Partners** on its acquisition of London Gatwick Airport for approximately £1.5 billion, and on the £1.125 billion debt financing for the acquisition
- **YTL Corporation** on the developmental financing of the KL-KLIA Express and Commuter Rail Links in Kuala Lumpur
- **MTR Corporation** in Hong Kong on numerous rail projects, including on Project Agreements with the Hong Kong Government for development of the South Island Line (East) and the West Island Line
- **The Link Management**, as manager of The Link Real Estate Investment Trust (The Link REIT), on the acquisition by The Link REIT of EC Mall in Beijing for RMB2,500 million. The transaction is The Link REIT's first acquisition in Mainland China
- **Lendlease Europe** on the agreements with the Olympic Delivery Authority for the development and facilities management arrangements in respect of the Olympic Village and the Olympic Park infrastructure for the 2012 London Olympics
- **Goldman Sachs Infrastructure Group** on its acquisition of a stake in the holding company of Budapest Airport.

**I have such high regard for the firm. We want that quality of counsel, and that's why we keep going back.**

Chambers UK, 2014

# Debt investment and financing /

Fund investment in debt instruments is becoming increasingly important. Our lawyers are highly regarded for their excellence, broad experience and versatility in the sector. We have a strong reputation for working on the most difficult, demanding and innovative deals.

## Property and infrastructure financing

Our practice covers all aspects of real estate and infrastructure financing, from advising on the establishment and activities of real estate funds, to advising borrowers and lenders on bank finance for property acquisitions and developments, to project financing transactions for infrastructure. We also regularly advise on real estate backed securitisations.

## Lending and debt securities

The firm at the forefront of developing lending by funds and structures to support it. We have a breadth of experience in advising private placement markets, both nascent and established.

We are also actively engaged with HM Treasury and the Association of Corporate Treasurers on various lending initiatives across the market to move away from banks alone. The firm is a member of ICMA's Pan European Private Placement Working Group, which produced a standard market guide and framework for the documentation of private placements on a pan-European basis.

**Extremely professional; if one partner is not available there is always a broader range of partners that know our company and can help us. Amazing to see how they combine a very professional attitude with a bit of humour and a positive attitude.**

Chambers UK, 2015

Our relevant experience includes advising:

- **UK Asset Resolution** in the sale of Bradford & Bingley's £12 billion legacy mortgage business to Prudential plc and on the sale of a £13 billion asset portfolio of residential mortgages and unsecured loans to Cerberus Capital Management
- **HM Treasury** on establishing the Business Finance Partnership which aims to increase the supply of capital through non-bank lending channels and to help diversify the sources of finance available to small and medium sized businesses. We then advised on the first set of investments made, comprising an aggregate commitment of £600 million to funds managed by Alcentra, Haymarket Financial, M&G Investment Management and Pricoa Capital
- **STAR Capital Partners** on the expansion of its business of arranging and providing finance to UK SMEs via its subsidiary, Kennet, through a facility obtained from Commerzbank
- **Morgan Stanley Real Estate Funds** on a number of major property financings such as the EUR940 million financing of three separate portfolios of commercial real estate across Germany and the £880 million refinancing of Songbird Estate's stake in Canary Wharf Group
- **Arrow Global** on a strategic partnership with CarVal Investors to originate and service Portuguese secured and unsecured loans
- **Marks and Spencer, John Lewis Partnership, ITV, Whitbread, Taylor Wimpey and others** on innovative asset backed pension funding arrangements
- A number of **UK companies** on loan facilities agreed with Prudential / M&G UK Companies Financing Fund
- On US private placement note issuances including **Workspace, Barratt, Ultra Electronics, Whitbread, WS Atkins, FirstGroup, Premier Oil, Berendsen, Musgrave Group, China Power New Energy Development, CSL Limited and Dentsu Aegis Network**
- **Global Infrastructure Partners (GIP)** on the financing aspects of the acquisition from BAA of its 100% interest in Edinburgh Airport Limited for £807 million in cash. We also advised GIP on a debt package of £1.125 billion for its acquisition of Gatwick.

“My personal experience with them has been in line with their strong reputation. It's very impressive to see them in action.”

Chambers UK, 2015

# Our leading position in the sector /

Praise for our practice includes the following:

- **Investment funds and asset management:** Listed as a leading law firm for **listed funds** by *Legal 500, 2017* and *IFLR 1000, 2018 (UK)*
- **Corporate/M&A:** Ranked as the top law firm jointly (Band 1) by *Chambers UK, 2018*. *IFLR 1000, 2018 (UK)*, *Legal 500, 2017* and *Chambers Global, 2018 (UK)*
- **Banking and Finance:** Ranked as the top law firm for **Banking and Finance: Borrowers** jointly by *Chambers UK, 2018*, and *Legal 500, 2017* and the top law firm for **bank lending: company side** by *IFLR 1000, 2018 (UK)*
- **Financial regulation:** Ranked Band 2 for Financial Services: Non-Contentious Regulatory by *Chambers UK, 2018*, *IFLR 1000, 2018 (UK)* and *Legal 500, 2017*
- **Taxation:** Ranked as the top law firm jointly (Band 1) by *Chambers UK, 2018*, *Chambers Global, 2018 (UK)*, and *Legal 500, 2017*
- named **Law Firm of the Year**, Financial News Legal Services Awards 2017
- named **Regulatory and Investigations Team of the Year** (joint), British Legal Awards 2017
- awarded **Global M&A deal of the year for Japan and the UK**, and **Global Dispute of the Year: Investigations (Europe)**, The American Lawyer: Global Legal Awards 2017
- **principal adviser** to more FTSE350 clients than any other law firm, *Corporate Advisers Rankings Guide 2017*.

“They did an exceptional job and they are very proactive and commercial.”

Chambers UK, 2017

# Key contacts

## Our lead sector contacts



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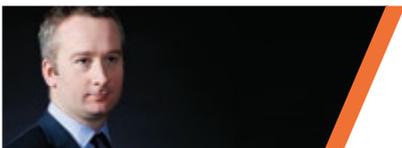
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This material is for general information only and is not intended to provide legal advice.  
For further information, please speak to your usual Slaughter and May contact.

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