

Investment Management & Funds

Our Investment Management & Funds team provides advice and counsel to firms, sponsors, investors and other market participants in connection with all aspects of private investment management and fund transactions. We regularly assist clients with the formation, structuring and negotiation of private investment vehicles, as well as any securities, tax, REIT, ERISA and regulatory issues generally associated with private investment transactions. As the financial landscape continues to evolve, we continue to expand our services in response to changing client needs, new laws and regulations and global events.

Our broad range of experience gives our Investment Management & Funds attorneys a 360-degree view of the issues facing managers and investors, as well as an informed understanding of market terms. The Investment Management & Funds team routinely advises clients pursuing various opportunistic and strategic investment mandates including:

- Long/short Equities
- Real Estate
- Credit
- Secondaries
- Venture Capital
- Energy & Natural Resources
- Opportunity Zones
- Project Infrastructure
- SBICs
- Fund-of-funds
- Litigation Finance
- Seeding Transactions

Our full-service platform covers the complete spectrum of issues involving private fund sponsors and investors, including:

Fund Formation & Marketing

We represent investment funds and their managers on all aspects of fund formation, including navigating Securities Act and Investment Company Act exemptions, choice of entity, capital structure and tax considerations; drafting and negotiating fund documentation; structuring management fee and carried interest arrangements, waterfalls and clawback provisions; counseling on the sales process, marketing materials, marketing practices and placement agent agreements; and guiding clients through the closing process.

Limited Partner Representations

We represent large institutional investors, such as charitable organizations and endowments, family offices and funds-of-funds, and high-net-worth individuals, in their investments in a variety of asset classes. We have

extensive experience negotiating governing documents and side letters, mitigating complex tax issues such as UBTI, ECI and other US and foreign tax issues, and working through regulatory, governance and ESG issues. We work with investors investing in private equity funds, hedge funds, real estate, separately managed accounts, operating companies and commodity pools.

Structuring Specialized Vehicles

Our team has the in-depth experience required when structuring transactions at the fund level, including the formation of blockers, master/feeder structures, AIVs and co-invest vehicles; structuring family offices and other institutional investment vehicles; tax structuring, including via offshore vehicles, dealing with issues pertaining to passive foreign investment companies (PFICs), opportunity zones, the Foreign Investment in Real Property Tax Act (FIRPTA), tax elections and season-and-sell strategies; and qualifying for and maintaining the venture capital operating company (VCOC) and real estate operating company (REOC) exemptions from the ERISA plan assets regulations.

Secondaries & Funds Transactions

We represent buyers, sellers and other liquidity providers in a wide variety of investment fund transactions, including GP-led restructurings, continuation funds, fund tender offers, stapled secondaries, co-investments, secondary direct private equity investments, alternative secondaries, joint ventures, portfolio sales and syndications, preferred equity and private company secondaries. In addition, our Investment Funds team is experienced at representing registered and unregistered investment advisers in the acquisition of other management firms, fund complex purchases and lift-outs.

Regulatory Compliance

We routinely advise fund managers and other investment advisers on their regulatory compliance needs, both at the federal and state level. Our experience covers registration, exemption, examination and enforcement issues under the Investment Advisers Act, the Investment Company Act, broker-dealer laws and the Commodity Exchange Act. We also have substantial experience advising on ERISA fiduciary obligations respecting investments and other plan asset issues.

The Investment Funds team works closely with other practice groups throughout Polsinelli, including our nationally recognized real estate, health care and FinTech practices, to provide a full suite of services to numerous types of funds, including:

- **Real Estate Funds & REITs:** Our cross-disciplinary team includes real estate lawyers, securities lawyers and tax advisors who focus on all aspects of real estate structuring and lending, such as joint ventures, partnerships, mezzanine lending, preferred equity, TICs, real estate equity funds, qualified opportunity zone funds and REITs.
- **Private Equity & Venture Capital:** We actively advise funds on their investment activity in nearly all stages, including those with strategies including seed and early-stage venture capital, leveraged buyouts, growth capital, fund-of-funds and secondaries. Our transactional experience covers nearly all forms of investment, including preparation and negotiation of terms sheets and letters of intent, definitive agreements and other related documentation, including the full suite of equity and debt financings necessary to fund the transactions to completion. We also regularly advise investors in forming and executing roll-up strategies and exit planning.
- **Independent Sponsors:** More frequently, we see managers and investors that prefer the flexibility of raising capital without being constrained by the investment mandates of a blind pool. We work with sponsors in assembling and marketing special purpose vehicles, joint ventures, strategic alliances, direct co-investments and funds-of-one and work together as a group to both raise capital and execute the underlying transaction as part of one seamless deal team.
- **SBICs:** Our SBIC Regulatory & Finance practice is dedicated to helping SBICs and potential SBICs navigate the full range of legal issues critical to their success. Our team informs our SBIC clients' business decision-making process from the point of formation and licensing, to providing regulatory advice, and leading their financing, investment, and related transactions.

- **Private Debt Funds:** Our Investment Funds team works in tandem with our Private Debt team to service fund managers with a broad array of debt strategies, including direct lending, mezzanine, distressed debt trading, special situations, subscription facility and other fund-level lending and borrowing and venture debt. This allows us to guide clients at every stage of the financing process.

Matters

Fund Formation Representative Experience

- Represented a fund of venture funds manager in the formation of seven investment funds with over \$1 billion in collective commitments.
- Represented sponsor in launch of \$125 million hedge fund.
- Represented private equity fund manager in connection with the formation of a \$150 million diversified healthcare equity fund.
- Represented sponsor of a \$125 million multi-property qualified opportunity zone fund focusing on workforce housing.
- Provided formation of numerous private investment funds, including private equity, hedge, venture capital and real estate funds.
- Provided assistance with the acquisition of an alternative investment management firm that specializes in investing in hedge funds and private equity funds.
- U.S. counsel to several dozen private equity, venture capital, debt, secondaries, special opportunities, real estate and alternatives funds in entering the U.S. market and marketing to U.S. investors offering over \$10 billion in the aggregate.
- Represented limited partners with aggregate investments of over \$1 billion in funds with strategies including private equity, venture capital, alternative credit, real estate, hedge and energy.
- Represented sponsor in the formation of precious metals hedge fund.
- Represented a sponsor in its Rule 506(c) offering of an oil and gas fund.
- Represented the formation of a \$200 million private equity fund.
- Represented a national real estate developer in creating joint ventures and other vehicles for investments with investment funds, hedge funds, investment banks, commercial banks, domestic and foreign institutional investors, sovereign wealth funds, and domestic and foreign high-net-worth individuals and families to acquire, develop, finance and refinance condominium, hotel, retail, office, mixed-use and parking projects in New York, Dallas, Chicago, Boston, Miami and other major cities throughout the United States and Canada.
- Represented a state economic development fund in its formation, including the statutory basis for its formation and its governance and investments.
- Represented a New York-based investment fund in joint venture partnership with developer and operator for a multifamily residential property program concentrated in the Pacific Northwest. Representation included joint venture formation and simultaneous multi-property acquisition and continued with ongoing property acquisitions and dispositions.
- Represented an Australian investment fund in the negotiation of a United States joint venture, followed by the purchase and financing of the venture of a multibillion-dollar portfolio of 150 U.S. shopping centers.
- Represented a French investment fund in the formation of a \$175 million Marshall Islands' venture fund with a NASDAQ-traded foreign corporation and a UK investment fund for the purpose of acquiring container carrier and dry-bulk vessels.
- Represented a \$38 million EB-5 immigration fund for funding the construction of a medical school.
- Represented a \$100 million private equity-style fund focused on television programming productions.
- Represented a real estate fund manager in the formation of a \$125 million private open-end REIT.
- Represented a \$240 million SBIC with a hybrid debt and equity mezzanine strategy.
- Represented a family office in its structuring of a multi-class evergreen fund.
- Experienced in advising investment management firms on benefits issues, specifically in a case to determine whether certain investments are permitted under ERISA for a hedge fund.

Fund Transactions and Secondaries Representative Experience

- Represented a secondaries fund manager in GP-led restructurings of two commonly-managed funds via LP tender offer with rollover options.
- Represented a \$1 billion clean energy fund in connection with fund restructuring in cooperation with counsel to leading national and international investors.
- Represented an institutional manager in its acquisition of a \$4.3 billion real estate equity investment advisory business, including investment management contracts and general partnership interests.
- Represented public pension plans in connection with numerous direct co-investments.
- Represented a private equity liquidity provider in its GP-level subordinated debt refinancing of a fund portfolio.
- Represented a secondaries fund in connection with its purchase of a portfolio of litigation claims.
- Represented a secondaries fund in the purchase of 79 tail-end private equity limited partnership interests from five commonly-managed funds.
- Represented a family office in the sale of a dozen private equity limited partnership interests.
- Represented many of the major broker-dealers, investment banks and hedge funds on all aspects of secondary distressed and par loan transactions.
- Represented public pension plan in its sale of over 100 interests in private equity funds.
- Represented a secondaries fund in connection with a secondary direct investment into gravel and construction remnants company in a consortium deal.
- Represented a growth equity fund in secondary purchases of shares in multiple 'unicorn' tech companies.
- Counseled an open-end fund in its sale to another registered fund complex.
- Counseled multiple non-U.S. fund managers in commencing U.S. operations.
- Represented a secondaries fund in secondary-direct co-investment into one of the world's largest franchisees of fast food restaurants.
- Represented a real estate fund manager in admission of a \$50 million stapled co-investment with \$150 million additional commitments.
- Represented a U.S. equity fund and wealth manager in its acquisition of a Hong Kong-based fund manager.
- Served as U.S. counsel to a series of commonly-managed real estate funds in their roll-up transaction and IPO on the London Stock Exchange.

Publications

May 7, 2026

SEC Increases Qualified Client Thresholds for Performance Fee Arrangements

February 27, 2026

Navigating California's New Venture Capital Reporting Framework Beginning March 1, 2026

June 13, 2025

SEC and CFTC Further Delay Form PF Compliance Date to October 1, 2025

January 17, 2025

A Wait Until the Deal Closes: The Antitrust Agencies Send a Strong Message About the Dangers of Gun-Jumping

January 16, 2025

Annual Adjustment of HSR Thresholds Comes at a Time of Uncertainty

November 4, 2024

SEC's 2025 Exam Priorities: What Investment Advisers Need to Know

June 6, 2024

Private Funds Rules Vacated

January 30, 2024

The Corner Office: Q&A with Brian Bullard

Featured, The Texas Lawbook

September 27, 2023

Conservation Easements: Palpable Fraud or Honest Mistakes? A Federal Jury Returns a Split Verdict

August 30, 2023

SEC Enacts Significant Compliance Reforms for Advisers to Private Funds

August 4, 2023

Dealmakers Beware: The Biden Administration's Proposed Merger Guidelines Suggest That the Only "Good" Deal May Be No Deal at All