

Funds Finance

"They have good industry coverage and good breadth of expertise from onshore regulated funds to offshore fund structures. They can do it all in one place."

Chambers Global, 2017

"They're at the cutting edge of the industry for fund formation and thinking of new ways to do things. They've got very knowledgeable staff and partners; they're very commercial, they don't argue legal points to rack up fees"

Chambers UK, 2017

"They're very good value for money and client-centric in their approach giving good, commercial advice. The service we get is very attentive and gives the feeling that we are a valued client."

Chambers UK, 2017

Our practice

Our market leading global funds finance practice advises financial institutions, alternative lenders, funds and sponsors in a wide range of financings involving different fund asset classes.

As the Financial Institutions and Asset Management/Investment Funds sectors are key areas of focus for our firm, our international financial markets practice comprises more than 200 lawyers worldwide.

We have leading lawyers in the areas of funds finance, formation, regulatory, derivatives and tax, both in London and internationally through our network of offices across Europe, the Middle East, Africa and Asia and with relationship firms in other jurisdictions.

Our experience covers a wide range of funds, including debt, infrastructure, renewable energy, real estate, trade, large buyout and mid-market funds, private equity funds, venture funds, fund of funds and emerging market funds.

We advise on financing both closed-ended funds (e.g. investment trusts) and open-ended funds (e.g. OEICs, unit trusts, co-ownership schemes and limited partnerships), including listed and retail funds.

We deal with fund structures (including feeder and parallel funds) based in jurisdictions like England & Wales, Luxembourg, Ireland, Germany, France, Delaware, the Cayman Islands, Jersey, Guernsey and Mauritius.

Our services

Our expertise includes advising on:

- Capital call/equity bridge/subscription facilities
- Fund level/holdco leverage and net asset value (NAV) facilities
- Recapitalisation/end of life/after-care facilities
- Portfolio acquisition financing
- Equity commitment letter (ECL) financing
- Carry/co-investment facilities to the general partner, executives and employees in particular in relation to consumer credit issues
- Manager facilities
- Limited partner debt facilities
- Fund margin lending
- Financing secured on fund interests
- Fund level hedging, FX and derivatives
- Warehousing and pre-close facilities involving put/call options

Awarded Asset Management Team of the Year at the Financial News Legal Awards for Excellence in Legal Services 2016

Awarded Innovation in Legal Expertise at the FT Innovative Lawyer Awards 2016

How we can help you

We understand how funds are structured and the financing issues these present ranging from taking and perfecting security over different investment vehicles to anticipating and dealing with concerns typically raised by general partners, investors and lenders.

As part of the due diligence process on the fund/sponsor, we recognise the pitfalls and limitations set out in the fund partnership documents and side letters and our cross-border team are able to provide you with any applicable structuring solutions.

We have dealt with sovereign wealth funds (SWFs), development finance institutions (DFIs), international finance institutions (IFIs), insurers and pension fund investors and are familiar with the side letters entered into and issues raised by them.

Our experience includes drafting appropriate margining provisions, dealing with the valuation of fund units (and what happens in circumstances where NAV is suspended or gating provisions apply) and assessing and drafting the eligibility of fund collateral and portfolio limits.

We have also developed the standard lending documentation for a number of financial institutions and regularly provide strategic advice and market updates to clients including their credit and investment committees on new products and developments.

With increased regulatory complexity, we can also help you with determining the regulatory and capital adequacy implications of different funds finance facilities.

Our clients have access to Elexica, Navigator, MiFID 2 Manager, Horizon and other proprietary technological and transaction management platforms and know how which aid in client service and deal execution.

Our experience

Our lawyers' representative experience includes:

Capital Call - Lender

- Advising a syndicate of European and African banks in relation to a USD 300m umbrella capital call facility for a group of 11 diversified Cayman Islands and Mauritius established funds focusing on growth markets, including Africa, the Middle East and Latin America
- Advising a syndicate of European and US banks in relation to capital call facilities (with commitments totalling EUR 700m) made available to two related English funds specialising in buy-out investments in Europe
- Advising a UK bank in relation to capital call facility agreements (with commitments totalling EUR 80m), for four related debt funds established in France and Luxembourg
- Advising an international bank in relation to multiple capital call facilities to a Singapore head quartered private equity fund
- Advising an international investment bank on an USD 1bn loan to a Maltese hedge fund, secured on units in a German special fund
- Advising an international bank in respect of a EUR 300m capital call facility to a Luxembourg fund to enable the financing of an acquisition
- Advising an international bank syndicate on capital call facilities for one of the largest multi-sector PE funds in Southeast Asia
- Advising a US lender on a USD 600m capital call facility to a real estate fund.
- Advising a US bank in connection with two capital call facilities totalling EUR 300m to a fund run by a leading Scandinavian private equity firm manager
- Advising two leading global investment banks as joint lead arrangers on a USD 400m secured credit facility to a real estate fund
- Advising an international lender and custodian on committed revolving loan facilities secured on a portfolio of interests in hedge funds

- Advising lenders on a USD 225m revolving and letter of credit facility to an Asian real estate fund guaranteed by various English limited partnership investment funds
- Advising the lenders on a EUR 100m revolving and letter of credit facility offered to a Dutch cooperative entity and guaranteed by a nested structure of English and Scottish limited partnerships
- Advising lenders on a USD 152m secured credit facility to English limited partnership borrowers, guaranteed by English and Delaware limited partnerships

Capital Call - Borrower

- Advising a FI-sector private fund on its capital call facility in connection with the financial close of its most recent fund
- Advising an Asian infrastructure fund, with a broad sector focus, on the structuring and negotiation of its capital call facility
- Advising for the Cayman holding company of an investment company in its USD 25m facility from an international lender towards the funding of its capital commitment
- Advising a Mauritius-established private equity fund in relation to a USD 25m capital call facility made available by an English bank.

Capital Call - Amendments

- Advising lenders on the restructuring of security interests over capital call rights and obligor accounts in connection with the transfer of the security agent role on a syndicate capital call facility
- Advising lenders on the restructuring and upsize of a revolving credit facility in connection with the novation of the general partner role within obligor limited partnerships
- Advising lenders on the amendment of the facility collateral structure (including investor letters and investor opinions) in connection with the transfer of investor interests

Other Representative Financing

- Advising an international lender on loans to a leading UK-listed investment trust
- Advising a US lender on a USD 100m facility to a private fund active in the asset management sector
- Advising a Jersey-established private equity fund in relation to EUR 300m NAV facility made available by a Dutch bank.
- Advising a NYSE-listed fund manager on a multi-borrower multi-currency term loan facility from an international financial institution for the purpose of financing an investment platform. The loan facility sits alongside an equity injection by the international financial institution.
- Advising a custodian bank on secured NAV-based lending to a number of retail and hedge funds
- Advising the lender to one of the first authorised contractual scheme funds to be launched in the United Kingdom
- Advising a leading European bank lending to a fund secured on structured loans and receivables in the media, sports and entertainment sectors
- Advising various asset managers on variable note funding structures to provide fund-level leverage to funds
- Advising a major hedge fund on the financing of the acquisition of Man Group's stake in BlueCrest
- Advising the lenders on a EUR 145m term facility to a Luxembourg Sàrl as investment manager on behalf of a Luxembourg open-ended collective investment scheme (SICAV) and subsidiary borrowers
- Advising lenders on a loan to a fund manager to fund its co-investment commitments owed to limited partners

Key contacts

Key contact biographies can be viewed at simmons-simmons.com

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