

# Private Investment Funds

An extensive Private Investment Funds practice involving more than 100 lawyers from the firm's worldwide offices. Our lawyers' broad market experience enables fund sponsors, advisers and investors to structure funds and investments creatively and efficiently to maximise fund-raising flexibility and opportunities.

**"Considerable muscle in the securities arena, acting for key financial advisers and multinational funds."**

– *Asia Pacific Legal 500 (2008-2009)*

**"Asia Law Firm of the Year (Fund Formation)"**

– *PERE Awards (2009)*

Our Private Investment Funds practice in Asia includes the representation of private funds and their sponsors in connection with fund formation, portfolio investments and transactions, fund administration and regulatory matters, and disposition transactions.

We primarily advise (i) international fund managers, including financial institutions, investment banking firms and investment advisers, that structure and manage offshore funds domiciled in the Cayman Islands, BVI or other offshore jurisdictions with an investment focus in China or Asia, (ii) international fund managers that want to set up funds in China (under PRC law) and raise capital from PRC investors (the so-called RMB funds), and (iii) PRC fund sponsors that desire to raise capital outside China. We seek to advise such fund managers through the various stages of the fund-raising process until the successful closing of the funds.

The funds we advise include limited partnerships, authorised and unauthorised unit trusts, and closed-ended and open-ended investment companies with a wide range of investment styles and objectives, including infrastructure, real estate, shipping, mezzanine and venture funds.

Our fund formation work can also lead to subsequent downstream transactional work of such funds, to be handled by our colleagues. We also advise investors, including large corporations, pension funds, universities, family offices and high net worth individuals, in making investments in such private investment funds.

We have been ranked among the top five most active law firms by Private Equity Analyst with respect to the number of private equity and venture capital funds that we have negotiated and structured on behalf of general partners and limited partners.

We handle a wide range of private investment fund matters, from the formation of multi-billion dollar funds with global investors to the review and negotiation of fund terms for investors. Our range of services includes:

- Forming limited partnerships, authorised and unauthorised unit trusts, and closed-ended and open-ended investment companies with a wide range of investment styles and objectives, including infrastructure, real estate, shipping, mezzanine and venture capital funds
- Regulatory advice and transactional assistance with all ancillary arrangements relating to custody, investment management, trusteeship, administration and distribution
- Advising on the marketing of funds and related licensing requirements
- Developing financial products including REITs, exchange traded funds and investment-linked assurance schemes
- Structuring and launching a diverse range of private equity arrangements, particularly for those investing in China, including parallel USD/RMB

“Mayer Brown is growing a reputation for its fund formation services... through the formation of interesting and unusual funds such as Singapore-based-Banyan Tree’s Indochina Hospitality Fund, the firm is beginning to take centre stage.”

– PERE Awards (2009)

funds and foreign managed RMB funds, India and Vietnam including advising on the structuring, acquisition and divestment of underlying fund investments for optimal tax effectiveness

- Advising on all regulatory and compliance aspects of authorised collective investment schemes, investment-linked assurance schemes, retail banking arrangements and mandatory provident fund schemes

## Our Credentials in Asia

- Advising **Axix Asia** in setting up two private equity funds, one structured as a limited partnership domiciled in the Cayman Islands and the other as a class of shares of a segregated portfolio company. The objectives of the two funds are to provide capital appreciation by making pre-IPO investments in equity and equity-linked securities including convertible bonds, convertible preference shares and warrants of privately held companies with growing businesses in China
- Advising **Banyan Tree** on the formation of its Indochina Hospitality Fund, a real estate development fund structured as a closed-end Cayman Islands limited partnership which raised US\$283 million. The principal objective of the fund is to develop a 280 hectare site along three kilometres of the central coast of Vietnam as an integrated resort with beachfront resorts/hotels (two of which will be managed under the Banyan Tree and Angsana brands), a town centre, convention facilities and an 18-hole golf course
- Advising **Dragon Capital** on the formation of Vietnam Debt Fund, an open-ended Cayman Islands segregated portfolio company listed on the Irish Stock Exchange. The A Class Segregated Portfolio mainly comprises Vietnamese Government and quasi-government debt. The B Class Segregated Portfolio mainly comprises straight, convertible, equity-linked, performance-linked or collateralised debt obligations and “junior” debt and seeks higher returns for investors with greater risk tolerance
- Advising **Goldbond Capital** in setting up the Value Creation Fund, a private equity fund structured as a limited partnership domiciled in the Cayman Islands. The fund invests in growth businesses in China

- Advising **Thai Strategic Partnership** on the formation of a private equity fund focused on unlisted and listed companies in Thailand
- Advising **Uni-Asia** in relation to its Searex Funds formed to acquire vessels including fund formation, charterparties, sale and purchase agreements. Series 1 raised US\$117.5 million, Series 2 raised US\$100 million. Other ship investment fund experience includes advising **GE Capital** in acquiring ship finance loans from a Japanese trading house with a repurchase option and mezzanine debt, advising a fund acquiring vessels via court sale, financing the same and entering into profit sharing arrangements with the new operator, advising lenders enforcing security created by a special purpose investment trust and securing the release of a vessel from arrest by third party creditors in China, restructuring its ownership and financing to preserve the lenders' and contributing shareholders' interests while mitigating risk of future arrests and business interference
- Advising **Yihai Capital Partners Limited**, a specialised real estate investment and asset management company wholly owned by Yihai Group (Holdings) Limited, on the formation of the Yihai China Community Development Fund, a real estate development fund that invests in mid-market residential development opportunities anchored by educational facilities in the PRC
- Advising **Barclays Global Investors** in its capacity as investment manager in relation to the establishment of the first exchange traded funds to be traded on the Hong Kong Stock Exchange in a pilot programme. These funds are known as the iShares MSCI South Korea and iShares MSCI Taiwan
- Advising **Credit Agricole** on the formation of the CAAM Green Planet Fund, a sub-fund of an umbrella trust established under Hong Kong law. The fund aims to provide investors with long term capital appreciation through investments in global equities by investing in companies principally according to their environmental ratings
- Advising **Hang Seng Investment Bank** on the formation of three indexing tracking exchange traded funds initially listed on the Hong Kong Stock Exchange and subsequently on the Taiwan Stock Exchange. These three ETFs respectively track the Hang Seng Index, Hang Seng China Enterprises Index and FTSE-Xinhua Index
- Advising **Henderson Global Investors** on the formation of the China Fund, Euro Corporate Bond Fund, European Growth Fund and Pan European Property Equities Alpha Plus Fund, each of which is a sub-fund of a Luxembourg SICAV. The China Fund is structured as a 150/50 long-short fund using a combination of direct investments and financial derivative instruments
- Advising **HSBC** in forming various principal protected funds Golden Opportunity (spot price of gold), Healthcare Fund (basket of 12 healthcare stocks), Twin Action Fund (Nasdaq-100 Index), Prosperity Fund (basket of 12 blue-chip companies), Triple Hit Fund (target redemption linked to a basket) and H-Share Index Fund
- Advising **HSBC** on the initial public offering of HSBC China Dragon Fund, an actively-managed fund which allows investors access to A-shares in the China market through the qualified foreign institutional investor scheme. It is the only closed-ended fund listed and traded on the Hong Kong Stock Exchange which is not a REIT
- Advising **MFS International** on the formation of a China Equity Fund, Emerging Markets Debt Local Currency Fund, Global Energy Fund, Latin American Equity Fund and Prudent Wealth Fund, each of which is a sub-fund of a Luxembourg SICAV
- Advising **Morgan Stanley** in sponsoring iShares MSCI China Tracker, an exchange traded fund managed by BGI. This ETF seeks to provide investment results that correspond closely to the performance of the MSCI China Index and was the second ever ETF to be listed on the Hong Kong Stock Exchange
- Advising **Regal Hotels** on the formation of Regal REIT, a collective investment scheme and the first hotel REIT listed on the Hong Kong Stock Exchange, which raised HK\$2.3 billion. The principal objective of the fund is to own an investment portfolio of hotels in Hong Kong and elsewhere in China initially comprising five Regal branded hotels in Hong Kong (all of which are leased to the Regal group) including the award winning Regal Airport Hotel

# Talk To Us

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