

The background features a blue grid with a purple line and a yellow line. The purple line starts high on the left and trends downwards to the right. The yellow line starts low on the left, rises to a peak in the middle, and then declines towards the right. The overall aesthetic is professional and financial.

# INVESTMENT MANAGEMENT PRACTICE

**CHAPMAN**  
Focused on Finance®

# Investment Management Practice

Our Investment Management Group advises clients on a broad range of matters for registered investment companies and their independent directors, private funds and their investors, investment advisers, broker-dealers and municipal advisors. We counsel clients on formation, legal, regulatory, compliance, tax, operational, investment and transactional issues. We combine knowledge about the practical aspects of our clients' businesses and industries with an understanding of the laws and regulations governing securities, funds, advisers and broker-dealers to craft workable solutions.

## Why Choose Chapman?

### **We Know the Investment Management Industry**

Chapman and Cutler LLP began its representation of investment companies in the 1960s with the formation of the first tax-exempt unit investment trust (UIT). Since that time we have expanded our practice to represent virtually all aspects of the investment management industry. We work diligently to educate ourselves in the constantly changing business, legal and regulatory environment faced by members of the investment management industry.

### **Commitment to Value**

We understand the evolving needs of financial services clients and skillfully combine legal acumen with business and market insight. Our commitment to value goes beyond closing a deal or resolving a matter — we share our market knowledge to help clients advance their own business goals.

### **Regulatory Knowledge**

We work with clients in connection with the regulatory requirements under the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934 and the Commodity Exchange Act. We assist clients with the registration and ongoing regulatory requirements of the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) and various self-regulatory organizations including the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB) and National Futures Association (NFA).

### **Comprehensive Counsel**

With our singular focus on finance, Chapman has developed a deep bench of attorneys with the experience and skills necessary to tackle virtually any issue our clients may face. From beginning to end, Chapman provides a tailored, dynamic team of attorneys prepared to respond to any legal matter that may arise. Our group includes attorneys who understand the full range of legal and regulatory issues faced by the investment management industry. We work with attorneys in other areas of the firm regarding a variety of related issues including tax, general corporate matters, the Employee Retirement Income Security Act (ERISA), banking and insurance laws, litigation and alternative dispute resolution, and bankruptcy and insolvency concerns. Our group also includes attorneys who advise clients in structuring and negotiating leverage facilities and derivatives transactions along with the corresponding regulatory and compliance issues.

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**For more than 50 years,**  
Chapman has helped clients develop,  
distribute, manage and invest in retail and institutional  
investment products and services.

## Broker-Dealers



We represent broker-dealers in connection with a wide range of activities including retail customer services, capital markets activities, trading, private placements and investment company and private fund distribution. We are experienced in the legal, regulatory, compliance, risk management and operational issues impacting broker-dealers.

## Investment Advisers



We navigate the legal and regulatory issues facing an investment adviser in setting up its business, dealing with ongoing operational and compliance concerns, marketing and a range of investment and product structuring activities. We also work with a variety of clients to analyze their organizations' practices and structures to determine whether they fall within the definition of "investment adviser" under the Investment Advisers Act of 1940.

## Municipal Advisors



Chapman's extensive experience in municipal finance positions us to assist municipal advisor clients with virtually every legal and regulatory issue. We also work with a variety of clients to analyze their organizations' practices and structures to determine whether they are engaged in activity requiring registration as a municipal advisor.

## Private Funds: Fund/Sponsor Representation



We represent clients in the formation and ongoing operation of private funds such as hedge funds and private equity funds. We have experience with the organization of private funds in a wide range of jurisdictions and can coordinate representation by local counsel in a range of countries.

## Private Funds: Investor Representation



We represent public pension plans, insurance companies, family offices and other institutional investors in a wide variety of alternative investments, including investments in private equity funds, mezzanine debt funds, infrastructure funds, credit opportunity funds, co-investment funds, funds-of-funds and hedge funds covering a variety of investment strategies.

## Registered Investment Companies



We represent registered investment companies, their sponsors and their boards, including open-end and closed-end funds, exchange-traded funds (ETFs) and UITs. We combine a deep understanding of the legal and regulatory aspects of investment companies with an understanding of the constantly changing market realities in working with investment company sponsors on nearly all aspects of product development, operation and distribution.

# Broker-Dealers



We represent broker-dealers in connection with a wide range of activities including:

- retail customer services,
- registration,
- capital markets activities,
- trading,
- private placements, and
- investment company and private fund distribution.

We are experienced in the legal, regulatory, compliance, risk management and operational issues impacting broker-dealers and assist clients with SEC registrations and FINRA membership.

Some of the services we provide to broker-dealer clients include:

- Registration, including drafting of Form BD;
- Providing advice on compliance with reporting obligations;
- Drafting policies and procedures, supervisory procedures, exception reporting, continuing education and heightened supervision plans;
- Preparing and reviewing disclosure documents, underwriting and selling group agreements, contracts and sunset arrangements with registered representatives, and fee sharing agreements;
- Reviewing advertising and promotional materials;
- Providing guidance on SEC net capital requirements;
- Providing counsel on the sale, acquisition and mergers of broker-dealers;
- Assisting with internal investigations and compliance audits;
- Assisting with preparations for SEC, FINRA and state securities commission examinations, responding to any adverse findings and negotiating the terms of a resulting actions; and
- Providing counsel in connection with customer and member to member arbitration proceedings and litigation.

We also work with a variety of clients to analyze their organizations' practices and structures to determine whether they are engaging in broker and/or dealer activity requiring registration.

# Investment Advisers

We represent investment advisers involved in a wide range of activities. Some of the services we provide to our investment adviser clients include:

- Federal and state registration, including drafting of Form ADV;
- Advising on ongoing operational and compliance issues;
- Drafting and reviewing compliance policies and procedures;
- Drafting and negotiating investment advisory, licensing, sub-advisory, service and other agreements;
- Reviewing advisers' advertisement, model performance data and Global Investment Performance Standards (GIPS) compliance;
- Advising on the sales, acquisitions and mergers of investment advisory businesses and assignment of contracts;
- Assisting with preparations for regulator examinations, responding to adverse findings and negotiating the terms of resulting actions; and
- Providing counsel in connection with arbitration proceedings and litigation.

Due to our extensive experience, we are able to navigate through the legal and regulatory issues facing an investment adviser in setting up its business, dealing with ongoing operational and compliance concerns, marketing and a range of investment and product structuring activities.

We also work with a variety of clients to analyze their organizations' practices and structures to determine whether they fall within the definition of "investment adviser" under the Investment Advisers Act of 1940 and whether they are eligible for an exemption from registration.

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**Chapman combines market insight with our extensive legal and regulatory experience to assist investment advisers in connection with their business.**

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# Municipal Advisors

Using our investment management experience combined with our long history in municipal finance, we can offer unique insight when helping municipal advisor clients navigate the SEC registration process and requirements, representative licensing, policies and procedures creation and adoption process and new and evolving MSRB regulations relating to the conduct, recordkeeping and disclosure requirements for municipal advisors.

Some of the services we provide to municipal advisor clients include:

- Advising clients on SEC registration and licensing issues;
- Drafting and reviewing policies and procedures;
- Drafting engagement letters; and
- Assisting with preparations for regulator examinations, responding to adverse findings and negotiation the terms of resulting actions.

We also work with a variety of clients to analyze their organizations' practices and structures to determine whether they are engaged in activity requiring registration as a municipal advisor.

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**Chapman's broad and extensive experience in municipal finance positions us to assist municipal advisor clients with virtually every legal and regulatory issue.**

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# Private Funds: Fund/Sponsor Representation

We represent clients in the formation and ongoing operation of private funds such as hedge funds and private equity funds. We have experience with the organization of private funds in a wide range of jurisdictions and can coordinate representation by local counsel in a range of countries.

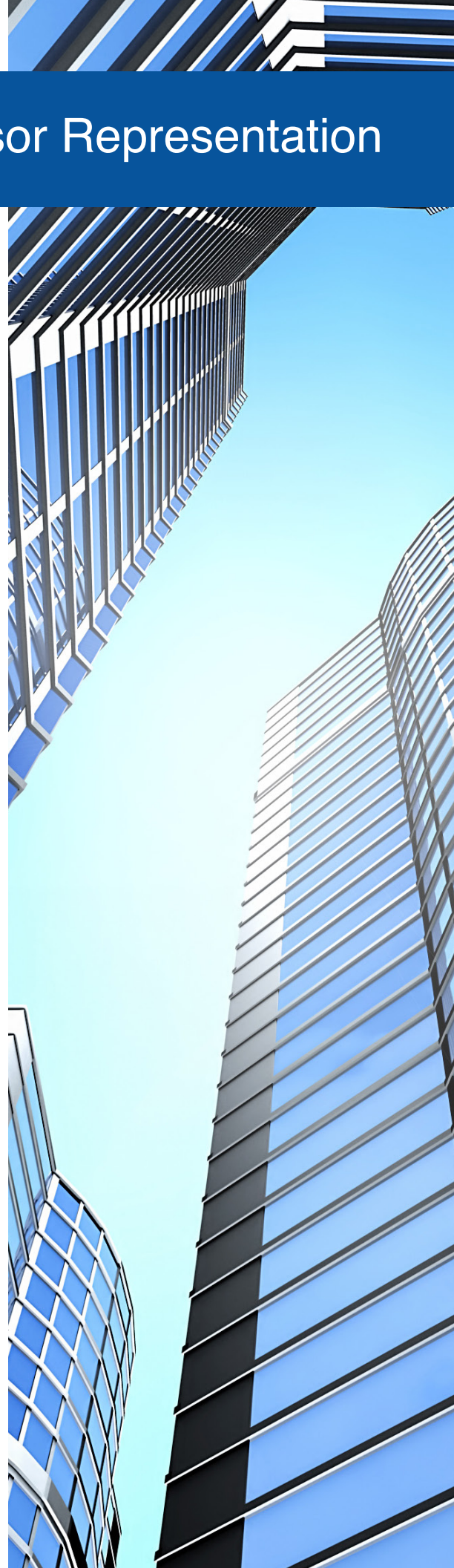
Some of the services we provide to our private fund clients include:

- Organizing private funds;
- Negotiating with fund investors;
- Advising clients on a full range of regulatory matters relating to the federal securities laws including the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934 and the Commodity Exchange Act;
- Working with product sponsors on drafting effective disclosure;
- Counseling private funds, their sponsors, advisers and distributors regarding ongoing operational and compliance issues;
- Drafting and reviewing compliance policies and procedures;
- Reviewing advertising and marketing materials;
- Providing regular updates and guidance on ongoing regulatory changes impacting private funds, their sponsors, advisers and distributors;
- Commenting on proposed changes in the rules and regulations impacting private funds;
- Drafting and reviewing a range of agreements entered into by private funds, their sponsors, advisers and distributors; and
- Assisting with preparations for regulator examinations, responding to adverse findings and negotiating the terms of resulting actions.

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**Chapman advises clients on a range of legal and regulatory issues related to the organization and operation of funds and the mechanics of how investment vehicles operate.**

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# Private Funds: Investor Representation

We represent public pension plans, insurance companies, family offices and other institutional investors in a wide variety of alternative investments, including investments in private equity funds, mezzanine debt funds, infrastructure funds, credit opportunity funds, co-investment funds, funds-of-funds and hedge funds covering a variety of investment strategies. The large volume of fund investments that we review on an annual basis for our clients allows us to share with those clients a unique view as to what terms are “market” for these investments. When assisting clients investing in private investment funds, we are able to connect our clients with other attorneys in the firm to provide counsel and advice on specific fiduciary, tax, ERISA and other related issues.

Some of the services we provide to our clients include:

- Negotiating the terms of fund agreements, subscription agreements, side letters and other fund-related documentation;
- Ongoing support relating to fund investments, including the review and negotiation of co-investments, most favored nation (MFN) elections, amendments and investor letters for credit facilities;
- Advising and negotiating the sale or purchase of private fund interests in the secondary market;
- Assisting clients in implementing the legal review process for new investment programs, such as when clients first allocate to hedge funds or bring private investments in-house from gatekeepers or funds-of-funds;
- Developing the legal framework for specific investment programs, such as emerging manager development programs;
- Providing market data and insight on private investment fund terms; and
- Evaluating a client’s options regarding the potential breach of contract, fraud or other misconduct by a fund or its affiliates.

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**We are devoted to helping our clients navigate the evolving legal and economic landscape related to investing in private investment funds.**

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# Registered Investment Companies

We represent a range of registered investment companies and their sponsors including open-end and closed-end funds, ETFs and UITs. We combine a deep understanding of the legal and regulatory aspects of investment companies with an understanding of the constantly changing market realities in working with investment company sponsors on nearly all aspects of product development, operation and distribution. We also represent the independent directors of investment companies.

Chapman began its representation of investment companies in the 1960s with the formation of the first tax-exempt UIT. Since that time we have represented thousands of unit investment trusts and expanded our practice to represent virtually all categories of investment companies.

Some of the services we provide to our investment company clients include:

- Organizing investment companies and dealing with federal and state aspects of registration;
- Advising clients on a full range of regulatory matters relating to the federal securities laws including the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934 and the Commodity Exchange Act;
- Working with product sponsors on drafting effective disclosure;
- Advising fund boards of directors;
- Counseling investment companies, their sponsors and advisers regarding ongoing operational and compliance issues;
- Drafting and reviewing compliance policies and procedures;
- Navigating the listing process for national securities exchanges;
- Preparing and filing exemptive applications and no-action letters on a range of issues;
- Reviewing advertising and marketing materials;
- Providing regular updates and guidance on ongoing regulatory changes impacting investment companies, their sponsors, advisers and distributors;
- Commenting on proposed changes in the rules and regulations governing investment companies;
- Assisting in the process of obtaining and overseeing outside vendors such as trustees, custodians, administrators and transfer agents;
- Drafting and reviewing a range of agreements entered into by investment companies, their sponsors, advisers and distributors;
- Advising clients in structuring and negotiating derivatives transactions and leverage facilities and the corresponding regulatory and compliance issues;
- Assisting with preparations for regulator examinations, responding to adverse findings and negotiating the terms of resulting actions;
- Preparing proxy statements; and
- Advising on investment company mergers, acquisitions and reorganizations.

We also work with a variety of clients to analyze their organizations' practices and structures to determine whether they fall within the definition of "investment company" under the Investment Company Act of 1940 and/or whether they are eligible for an exemption from registration.



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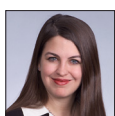
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## Our First Client is Still Our Client.

In 1906, Theodore S. Chapman became counsel for N.W. Harris & Co. He left Harris Bank on January 1, 1913 to start a law practice, and Harris Bank remained his principal client. More than 100 years later, BMO Harris Bank is still our client.

### **Our First 100 Years** **Early Growth and Securities Law Innovators**

Harris Bank was instrumental in persuading other municipal bond underwriters to send their documentation to Chapman and Cutler for examination. In the following two decades, the firm significantly expanded its practice with a number of innovations, most notable of which was that Mr. Chapman was the principal draftsman of the Illinois Securities Law of 1919. The so-called state "blue sky" laws were the predecessors of Federal Securities Laws. During the 1920s when securities regulation was a Midwestern phenomenon, the firm processed large volumes of securities registration work because of Mr. Chapman's role in this field and his connections with investment bankers nationwide.

### **Enduring and Expanding During the Depression**

During the Depression, the firm diversified into corporate reorganizations, refundings and mortgage foreclosures. Numerous corporations defaulted on their debt obligations and sought protection from creditors under the bankruptcy laws. The firm represented bondholder committees in developing plans for reorganization, conducting proceedings in bankruptcy court and arranging for the issue of securities to the creditors. At this time, the firm also established the general corporate, public utilities, real estate, probate and wills and general litigation practice areas. During World War II, the volume of business in the public finance area temporarily diminished and the firm began representing insurance companies in the private placement of corporate securities, a role that is still the backbone of its corporate finance business.

### **Growing our Practice**

While securities and public finance remain core practice areas, Chapman also has industry-leading practices in commercial lending, structured finance and securitization, private placement of debt, and restructuring and workouts of troubled transactions. Our clients engage us for innovative and complex financial transactions, retain us for significant commercial disputes and workouts, and turn to us for legal perspective and insight regarding the financial services industry.

### **Expanding Our Footprint**

In 1981, the firm opened its Salt Lake City office and in 2003, Chapman expanded to San Francisco. In 2009, the firm opened an office in New York City and in 2012, expanded into Washington, DC. Chapman most recently expanded into Charlotte in 2017. We look forward to continuing our tradition of teamwork, innovation, and collaboration with clients into the future.



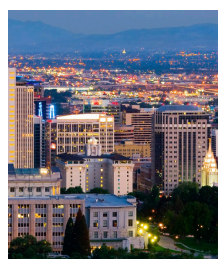
Charlotte



Chicago



New York



Salt Lake City



San Francisco



Washington, DC

The background is a solid blue color with several white lines and a yellow line. A thick yellow line curves from the bottom left towards the bottom right. Several white lines are scattered across the page, some horizontal and some vertical. In the center-right area, there is a faint, light blue bar chart with several bars of varying heights and widths, some with thin white outlines.

**Chapman and Cutler LLP**

**Charlotte Chicago New York Salt Lake City San Francisco Washington, DC**  
**chapman.com**