



**Investment Management**

*Investment  
Management*

**STRADLEY  
RONON**

## OUR PRACTICE

For over 95 years, Stradley Ronon's investment management practice has helped shape the investment management industry by assisting with the creation of innovative investment products and services. From obtaining "industry-first" exemptive and no-action relief to assisting in the development of novel products, we have helped our clients become or remain industry leaders. As the investment management industry and our clients have evolved, so have we, adding attorneys with experience in emerging areas such as next-generation exchange-traded products, Commodity Futures Trading Commission (CFTC) regulation, and swaps and other derivatives trading.

Today, Stradley Ronon's leading investment management practice advises investment advisers, public and private funds and fund sponsors, fund boards and trustees, service providers, insurance companies, and other industry participants in matters ranging from the routine to the most sophisticated. Whether you are a large financial institution with global operations or a boutique firm seeking to remain competitive, Stradley Ronon's team of investment management practitioners can help you achieve success.



## OUR EXPERIENCE

### Registered Investment Companies

Stradley Ronon maintains one of the largest practices in the United States representing registered investment companies, including open-end funds, closed-end funds, interval funds, exchange-traded funds (ETFs) and unit investment trusts (UITs). Our lawyers represent retail and institutional investment companies marketing shares through every distribution channel, as well as managers, administrators and underwriters/distributors. We also serve as independent legal counsel to investment company independent directors/trustees and as special

counsel to industry trade groups and other law firms with regard to complex issues arising under the Investment Company Act of 1940.

### Independent Trustee Council

Many of Stradley Ronon's investment management attorneys have extensive experience as independent legal counsel to independent trustees who oversee a wide range of investment products and investment strategies. We support the independent trustees of open-end retail funds, closed-end funds, mutual funds underlying variable insurance products, ETFs and more. Many of the funds our clients oversee employ complicated investment strategies that can require

# HISTORY

*Stradley Ronon has a long and rich history assisting clients with new and innovative*

## 1928

Stradley Ronon name partner Andrew Young helps establish the Wellington Fund, one of the first mutual funds in the United States. Today, the Wellington Fund is a member of the Vanguard family of funds and continues to be managed by Wellington Management Company.

## 1935

Mr. Young forms the investment firm that ultimately becomes Delaware Management Company (DMC). He also forms that firm's flagship fund, the Delaware Fund. Stradley Ronon continues to represent both DMC and the Delaware Fund today.

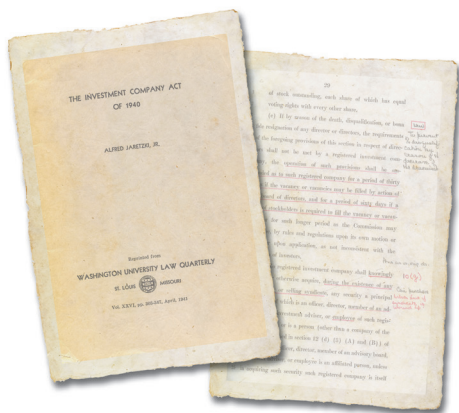
## 1940

The Investment Company Act of 1940 is enacted into law. Mr. Young attends the congressional hearings leading up to its enactment.

## 1960-1975

Stradley Ronon creates one of the first fund-of-funds structures in the industry. Our firm drafts and negotiates with the SEC the exemptive application that leads to the creation of The Vanguard Group Inc., which remains one of the most unique and innovative structures in the industry.

Pages shown are excerpted from Stradley Ronon's archival copy of the report of the 1939 hearings on the legislation that became the Investment Company Act of 1940. Stradley Ronon name partner Andrew Young attended the hearings and the report bears his comments.



the development and execution of novel board oversight techniques, including liquid alternative funds, manager-of-managers, fund-of-funds and many other complex investment strategies. Our broad client base allows us to tailor our approach, recognizing that one size does not fit all.

### Exchange-Traded Funds

Stradley Ronon's investment management practice regularly advises clients on a wide variety of ETF-related matters, delivering practical solutions to our ETF clients, their sponsors and investment advisers. We work with boards of directors on all aspects of the establishment and oversight of ETFs, and have extensive experience

creating both domestic and internationally focused ETFs, including providing strategic advice on product development and structure. Stradley Ronon counsels actively managed ETFs, as well as ETFs designed to replicate a variety of domestic and foreign securities indexes, including alternative indexes, single-country indexes, and those of broader international sectors and industries.

### Investment Advisers

Our investment management practice counsels advisers on legal, compliance and regulatory matters arising under the Investment Advisers Act of 1940 and other federal and state securities laws; the Commodity Exchange Act (CEA); federal and state privacy laws; ERISA; and other applicable laws and regulations. We also provide advice on corporate, tax, employment, litigation, mergers and acquisitions, and other related matters. Our clients include investment advisers of all sizes – from small, fast-growing startups to some of the largest investment advisers in the world – including those overseeing separately managed accounts, wrap programs, registered investment companies, private funds, commodity pools, and other types of pooled and nonpooled investment vehicles.

### Money Market Funds

Stradley Ronon offers one of the premier practices in the nation relating to money market funds registered under the Investment Company Act. We believe that most firms, even those with substantial investment company practices, do not dedicate the resources, as we do at Stradley Ronon, to the labyrinth of money market fund regulation. Money market funds are not an area for “dabblers” – and we have taken a deep dive. While other firms may need to come up to speed on a money market fund question, our money market fund practitioners routinely help clients navigate money market fund challenges. With our seasoned perspective, we tackle money market issues with technical know-how and practical savvy.

### Derivatives and Commodities

Stradley Ronon's derivatives and commodities practice group is an integrated, multidisciplinary team that advises asset managers, collective investment vehicles and other institutional market participants on the evolving regulatory landscape in the United States and abroad for transactions in derivatives. We have extensive experience in structuring and

investment products and in addressing industry trends in portfolio management.

### 1980-1994

Prior to the adoption of Rule 18f-3, Stradley Ronon drafts one of the first multiple classes' exemptive applications. We establish master-feeder structures, which involve the conversion of funds to such structures, as well as the establishment of such structures.

### 1995-1998

We structure and establish a unique product for a major fund complex, which leads to the establishment of an institutional fund organization that could invest a portion of its assets in other affiliated funds for asset allocation purposes, and not as a traditional fund-of-funds. The fund organization is established as a 40 Act-only registered vehicle.

### 1997

Stradley Ronon drafts and establishes one of the first unregistered money-market sweep vehicles in the country.

### 2003-2005

We establish certain fund structures that are used for investment by wrap fee products, which are modeled after the one originally established for PIMCO, known as the “FISH” product.



negotiating documentation for both over-the-counter and exchange-traded derivatives transactions, and assist with developing policies and procedures for operating in new markets and under new regulations. We also routinely counsel clients on their status and regulatory obligations as commodity pool operators (CPOs) and commodity trading advisors (CTAs) under the CEA and related regulations of the CFTC and National Futures Association (NFA), as well as on available exemptions from CPO and CTA regulation. We have particular experience assisting entities regulated by the SEC and the Financial Industry Regulatory Authority (FINRA) in structuring their businesses and derivatives transactions.

#### Private Investment Funds

Our investment management attorneys who focus on private investment funds provide both fund sponsors and institutional investors with practical, high-quality service tailored to the specific needs of our clients. We advise on a wide range of private investment funds, including commodity funds, fund-of-funds, hybrid hedge/private equity funds, master-feeder funds, real estate funds, venture capital funds, SBIC funds and others.

Our experience includes providing the full range of legal services to fund sponsors, general partners, banks and brokerage firms in the formation, structuring, operation and governance of private investment funds both in the United States and offshore. In addition, we represent institutional investors, including university endowments, pension funds, family offices, nonprofit institutions and other financial institutions, seeking to invest in various types of private investment funds.

#### Broker-Dealer Regulatory

Our investment management attorneys in our broker-dealer regulatory practice counsel broker-dealers and other financial intermediaries that buy, sell and trade securities regarding all

aspects of their regulatory and compliance obligations under the federal securities laws. For example, we routinely provide advice and assistance with respect to broker-dealer status; broker-dealer formation, registration and Self-Regulatory Organization membership; registered representative licensing and regulation; compliance with financial responsibility, recordkeeping, suitability and advertising; written compliance policies and supervisory procedures; and other matters.

#### Insurance Products

Our investment management attorneys who focus on insurance products have extensive experience representing clients on insurance products and

## OUR SERVICES

We address a full range of issues for our clients, including those related to:

- 1940 Act Registered Funds
- Alternative Funds
- Asset Manager M&A
- Broker-Dealers
- Closed-End Funds
- Derivatives and CFTC Regulation
- ERISA
- Exchange-Traded Funds
- Fiduciary Governance
- Fintech
- Hedge Funds
- Independent Directors/Trustees
- Insurance Products
- Investment Advisers
- Money Market Funds
- Private Equity/Venture Funds
- Securities Enforcement/Litigation
- Tax

### 2009

Our attorneys secure a no-action letter from the SEC giving a major mutual fund complex permission to participate in the Term Asset-Backed Securities Loan Facility (TALF). This letter served as the principal guidance for the industry with respect to TALF.

### 2012

On behalf of a client, we obtain the first manager-of-managers exemptive order that covers both affiliated and unaffiliated sub-advisers since the SEC stopped issuing such orders in the 1990s.

### 2014-2019

We help clients obtain novel exemptive relief from the SEC to permit next generation exchange-traded products, such as the first exchange-traded managed funds (ETMFs) and the first active ETFs to publish proxy portfolios instead of providing daily disclosure of actual portfolios.

### 2019-2023

We are assisting clients with the implementation of ESG strategies, novel mutual fund to ETF conversions and preparing to implement significant new rules governing derivatives, funds of funds, fair valuation and advertising. We are also assisting closed-end funds and their boards with activist investors and preparing our money market fund clients for the next round of money market fund reforms.

### Present

We advised Franklin Templeton in launching its Franklin Bitcoin ETF, one of the industry's first spot bitcoin exchange-traded products (ETPs). The Franklin Bitcoin ETF issues shares backed by bitcoin held by the fund's custodian and is registered under the Securities Act of 1933.

investment management matters before the SEC and FINRA, as well as before state regulators. With former SEC and insurance company staff members in our practice, our insurance products group brings an informed perspective to regulatory and enforcement matters, and the relevant knowledge and experience when it comes to understanding insurance products.

We have extensive experience with the design, marketing, sale and regulation of variable annuities and variable life insurance products; individual and group annuities; contingent deferred annuities; fixed-index annuities; index-linked annuities; market-value-adjusted products; COLI/BOLI; funding agreements; stable-value wrap contracts; and other innovative products.

### **Securities Enforcement & Investigations**

Attorneys in Stradley Ronon's securities enforcement & investigations practice have decades of experience helping clients navigate government and internal investigations and securities litigation matters. Our lawyers represent public companies, investment companies, broker-dealers,

independent trustees, individuals and other investment advisers in connection with SEC, Department of Justice, CFTC, and other federal and state regulatory agency examinations, investigations and enforcement actions. We also help clients respond to FINRA and other SRO inquiries and investigations. Additionally, we regularly assist clients in conducting internal investigations aimed at identifying areas of risk, devising preventive strategies and taking corrective actions.

### **Investment Management Litigation**

Stradley Ronon represents mutual funds, institutional investors, investment advisers and independent directors in a broad spectrum of litigation matters, including defending clients in civil litigation, prosecuting claims on behalf of aggrieved investors, conducting independent investigations, responding to third-party subpoenas in litigation matters, and advising clients regarding domestic and overseas investor recovery actions. Our representations include, among many others, defending mutual fund independent trustees in excessive-fee litigation and defending a mutual fund complex in a shareholder

### **Stradley Ronon's Investment Management publications:**

- Investment Company Act of 1940 and Investment Advisers Act of 1940
- The Registration of Mutual Funds
- Mergers of Investment Companies
- Mutual Fund Record Retention Reference Guide
- The Regulation of Commodity Pool Operators and Commodity Trading Advisors Under the Commodity Exchange Act
- The Guide to Rule 2a-7

derivative suit involving auction rate preferred share redemptions.

### **Investment Management Tax**

Stradley Ronon's national tax practice maintains a special focus on the federal and state tax issues relating to domestic and offshore mutual funds and other commingled investment vehicles. We offer guidance on the taxation and operation of regulated investment companies (RICs) and their foreign wholly owned derivatives trading subsidiaries (controlled foreign corporations, or CFCs). The tax group also advises on ETFs, real estate investment trusts (REITs), real estate mortgage investment conduits (REMICs), fixed investment trusts, collective trust funds, Section 529 plans and various charitable collective funds, among other pooled vehicles. We assist in the formation of private funds, issue tax opinions in connection with fund mergers and reorganizations, advise on the taxation of financial instruments and derivatives held by such entities, and handle many other investment-management-related tax issues.



For more information on our Investment Management practice, visit [www.stradley.com/im](http://www.stradley.com/im).



## CONTACTS

Bruce G. Leto  
215.564.8115  
[bleto@stradley.com](mailto:bleto@stradley.com)

Matthew R. DiClemente, Co-Chair  
215.564.8173  
[mdiclemente@stradley.com](mailto:mdiclemente@stradley.com)

Sara P. Crovitz, Co-Chair  
202.507.6414  
[scrovitz@stradley.com](mailto:scrovitz@stradley.com)

David W. Grim, Co-Chair  
202.507.5164  
[dgrim@stradley.com](mailto:dgrim@stradley.com)

## ABOUT STRADLEY RONON

For more than 95 years, Stradley Ronon has helped private and public companies – from small businesses to Fortune 500 corporations – achieve their goals. With nine offices and more than 200 attorneys, Stradley Ronon is proud to help companies manage their legal challenges and grow their businesses.

[www.stradley.com](http://www.stradley.com)

## LOCATIONS

Pennsylvania  
Washington, D.C.  
New York  
California  
New Jersey  
Illinois  
Delaware

This communication is provided as a general informational service to clients and friends of Stradley Ronon Stevens & Young, LLP. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this message create an attorney-client relationship. The enclosed materials may have been abridged from other sources. They are provided for educational and informational purposes for the use of clients and others who may be interested in the subject matter. This material may be considered attorney advertising in some states. Please note that the prior results discussed in the material do not guarantee similar outcomes.

© 2024 Stradley Ronon Stevens & Young, LLP