

STRADLEY RONON CLOSED-END FUND PRACTICE



What Stradley Brings to Closed-End Funds

Our Practice

Stradley Ronon's top-ranked investment management group represents closed-end funds (CEFs) and their sponsors, investment advisers and boards of directors in connection with developing new products, conducting securities offerings, structuring leverage, periodic disclosure requirements, periodic tender/repurchase offers, compliance matters, proxy fights and related topics.

Our clients include some of the most prominent and innovative CEF sponsors, complexes and boards in the United States. We represent CEFs including traditional listed CEFs, interval funds and tender offer funds in marketing their shares via offerings on national stock exchanges and through private placements. We serve as counsel to CEFs, investors, industry trade groups and other law firms regarding complex issues arising under the federal securities laws, and the rules and regulations of national stock exchanges and FINRA.

We also serve as legal counsel to CEFs, their boards and investment advisers (including as independent legal counsel to independent directors/trustees) defending against activist investors. Stradley Ronon guides CEFs in their dealings with activist and dissident investors, including drafting SEC no-action letters to exclude shareholder proposals, managing proxy contests and representing our clients in related litigation.

Your Issues

Stradley Ronon assists with all legal issues throughout a CEF's life cycle, including:

- **Innovative Product Structures and Leverage Vehicles** – Assisting sponsors in developing innovative product structures, including interval and tender offer funds, target term funds, term funds featuring the potential to convert to perpetual funds, and designing creative leverage vehicles, including new types of term preferred shares, and bringing these new products to market.
- **Retail Funds Pursuing Alternative Strategies** – By bridging both the private fund and registered fund worlds, Stradley Ronon is uniquely positioned to assist asset managers who are interested in implementing their alternative strategies in a registered fund vehicle in order to gain access to the retail marketplace. Our significant experience has allowed us to assess early in the process any “showstopper” issues, advise on complicated compliance questions and assist management in educating fund boards on these new products.
- **Activist and Dissident Investors** – Strategizing for shareholder solicitation campaigns, drafting aggressive proxy statements and fight letters, and holding activists accountable for violations of the federal securities laws. Also handling related litigation and negotiations, as well as making regulatory filings in connection with tender offers or other transactions negotiated by CEFs in their dealings with activist investors.
- **Initial Public Offerings** – Guiding listed CEFs through all phases of the initial public offering, including the filing of and amendments to the registration statement, negotiation of the underwriting/distribution agreement, stock exchange listing and the review of marketing materials.

Ranked in Band 1 Nationwide Registered Funds



Filing more than **80**
exemptive applications
over the last **10** years.



**Consecutive
Top Tier
Rankings
2017-2024**

The Legal 500
for Mutual/
Registered/
Exchange-
Traded Funds

TOP TIER FIRM

Legal500

UNITED STATES

2024

Stradley Ronon's Closed-End Fund Practice

- **Addressing Market Price Discounts** – Assisting listed CEFs in developing managed distribution plans, periodic tender offers, SEC exemptive applications for periodic capital gains distributions, and other measures designed to assist CEFs in addressing persistent market price discounts to net asset value.
- **Advising on Matters Related to the Distribution of Unlisted CEFs** – Providing legal support to funds and fund sponsors as they navigate the distribution landscape and its unique considerations for interval and tender offer funds. For funds that will be sold through third party platforms, we have extensive experience in reviewing and negotiating platform distribution and/ or shareholder servicing arrangements.
- **Fund Reorganization and Mergers** – Assisting clients with product rationalization through mergers of CEFs that allow for asset retention and preservation of leverage, as well as the conversion from one fund type to another.
- **Board, Committee and Shareholder Meetings** – Counseling CEF sponsors and boards on all aspects of preparing for, attending and documenting registered CEF board, committee and shareholder meetings.
- **Exemptive Orders and No-Action Letters** – Seeking novel exemptive or no-action relief to provide clients with a competitive advantage or cost-effective routine relief.
- **Fund Formation and Initial Registration** – Routinely assisting in the original drafting and/or review of fund formation and registration documents, and navigating the registration process with the SEC, including helping clients to address staff comments.
- **Periodic Disclosures** – Preparing and reviewing shareholder reports and annual proxy statement disclosures in response to changing markets and regulatory guidance.
- **Regulatory and Compliance Issues** – Navigating clients through complex compliance issues related to new or novel investment concepts, leverage products and underwriting arrangements, as well as issues arising from returns of capital and multiple capital gains distributions.
- **Regulatory Investigations and Enforcement** – Guiding clients through SEC or other federal and state regulatory investigations and enforcement actions.
- **Tax** – Addressing tax issues arising in the formation, operation and distribution of CEF shares, and those arising from post-offering dividends and distributions and special transactions.
- **Shelf Offerings, At-the-Market Offerings and Other “Follow-On” Offerings** – Preparing registration statements, negotiating sales agent arrangements and handling closings related to shelf offerings, at-the-market offerings and other forms of “follow-on” offerings, including rights offerings.
- **Preferred Share Offerings** – Handling public and private offerings of preferred shares used for leverage and for refinancing existing leverage vehicles.
- **Credit Facility or Borrowings** – Conducting public and private offerings of debt securities and commercial paper used for leverage, as well as negotiating bank borrowings; and assisting CEFs with alternative forms of leverage such as tender option bonds and mortgage dollar rolls.

Contacts

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