



# Institutional Investor Practice Group

## Hedge Funds

Seyfarth represents public and private pension funds and other institutional investors in connection with their investments in hedge funds, including reviewing and commenting upon all fund documentation and negotiating appropriate side letter agreements.

Seyfarth regularly represents institutional investors in connection with domestic and international hedge funds employing various strategies. Recent funds have focused on hedging strategies pertaining to (i) securities, including contracts for future or forward delivery of any security, commodity or currency, (ii) equity and equity related securities of global financial services companies, (iii) domestic and international currencies, bonds and notes; and (iv) fixed income securities, including inflation linked bonds. In reviewing the transaction documents, we work with our clients to identify both the legal risks and any material non-market terms. If the clients elect to go forward with the transaction, we then negotiate appropriate side letters and, where possible, modifications to the other transaction documents.

## Track Record of Results

- Represented a government plan in its \$30 million investment in a Japanese and Asian focused hedge fund.
- Represented a government plan in its \$250 million investment in a global hedge fund utilizing a strategy to achieve positive returns in environments when uncorrelated asset classes become correlated.
- Represented a multiemployer pension fund in its investment in a fund-of-funds hedge fund making primary investments in other hedge funds focused on securities and commodities trading.
- Represented an institutional investor's investment in a British Virgin Islands open-ended investment company (hedge fund) consisting of a trading a portfolio of 100 liquid international futures, options and forward contracts, as well as certain over-the-counter instruments.
- Represented a government plan in its \$100 million investment in a (i) Cayman-based hedge fund focused on global equity, debt, infrastructure and project finance investments; and (ii) a hedge fund focused on the technology sector (software, telecom, consumer electronics). Both funds used master-feeder structures.
- Represented an institutional investor in a hedge fund investment focused on investments in "non-traditional/alternative strategies."
- Represented a government plan in its \$120 million investment into Cayman-based hedge fund focused on convertible securities and other financial instruments and assets.

- Represented an ERISA plan in a \$90 million private placement investment in a commingled hedge fund organized as a Delaware statutory trust and focused on issuers worldwide with market caps exceeding \$100 million.
- Represented an ERISA plan in its \$30 million private placement investment in a hedge fund organized as a Delaware statutory trust and focused on equity investments in issuers that offer technologies, products or services related to water.
- Represented a multiemployer pension fund in structuring and negotiating its \$100 million investment in an infrastructure fund. In addition to a heavily negotiated side letter, as one of the initial investors in the fund, the investment also involved negotiating the terms of the infrastructure fund's participation as a direct member in a committed investment association consisting of a limited number of sophisticated institutional investors.
- Represented an ERISA plan in its \$25 million private placement investment in shares of a Cayman hedge fund (master-feeder structure) focused on acquiring substantial minority interests in Nordic/Northern EU-based companies.
- Represented an ERISA plan in a private placement of Cayman offshore feeder LP interests in a master-feeder hedge fund investing in undervalued senior and super-senior structured credit securities, including CMBS, RMBS, ABS, CDOs and CLOs.