

Introduction

Morgan Lewis is pleased to present our 2025 Hedge Fund Deskbook. We prepared this Deskbook as a convenient reference source both for hedge fund managers in the process of organizing new funds, and for those who have occasional questions arising from the operation of their existing funds. The articles cover a broad range of topics that highlight our experience, including formation, litigation and enforcement defense, regulation, marketing, compliance and other issues of interest to the hedge fund industry. Since hedge funds and hedge fund managers are anything but uniform in structure and strategy, we offer this Deskbook for general reference. Please contact one of the many lawyers in our Private Investment Funds Practice regarding specific matters. Contact information can be found in the next section.

Morgan Lewis Serves the Investment Fund and Securities Industry

Thanks to our distinguished team of more than 150 investment fund and securities lawyers, Morgan Lewis offers one of the largest and most comprehensive investment fund and securities practices in the industry. The following section provides greater detail. In a nutshell, we:

- Serve more than 750 hedge fund managers, many of which have assets greater than \$10 billion;
- Represent many leading hedge funds in complex regulatory enforcement and securities litigation through a practice that contains more than 40 lawyers who served with the SEC, FINRA, the FCA, the NFA, the CFTC, the DOJ, and the IRS, many in senior positions;
- Offer one of the industry's premier private fund formation and investment advisory practices;
- Are recognized as one of the nation's premier practices representing institutional investors;
- Counsel 9 of the top 10 U.S. money managers; and
- Advise over half of the top 100 U.S. securities firms.

Private Investment Funds Practice - Our global Private Investment Funds Practice team includes lawyers located throughout the United States, Europe, Asia and the Middle East who focus on the needs of managers of all types of private investment funds. We offer a broad array of legal know-how to support the formation and ongoing operations of our fund clients, ranging from fund organization and management to securities litigation and regulatory enforcement defense, specialized securities advice, ERISA, and tax.

Private Investment Fund Clients - We represent all types of domestic and offshore private investment funds, including hedge funds, private equity funds, venture capital funds, secondary funds, infrastructure funds, and hybrid funds. We advise our clients on all aspects of fund organization, including domicile, exemption from registration, and fee and compensation structures. Our counsel also extends through all stages of investment, including transactions on global equity and fixed-income markets; derivatives; leveraged acquisitions and recapitalizations; tender offers; going-private transactions; management buyouts; public offerings; seed; early-stage and growth-stage venture financings; mezzanine financings; and other special situations.

Comprehensive Service for Private Investment Funds - Our Global Investment Funds Practice is organized around our clients' business and legal needs. We combine the resources of our various practice groups including Investment Management, Corporate and Business Transactions, Finance, Litigation, Tax, Securities and ERISA to provide a comprehensive and seamless array of services to private funds.

Global Reach - Morgan Lewis has a world-wide hedge fund practice and has capability of providing hedge fund formation, regulatory and operational advice in the US, Europe, the Middle East and Asia.

Fund Formation - We specialize in complex domestic and offshore fund formation for clients that are involved in a wide variety of investment mandates that employ a broad range of different strategies and structures.

Fund Management - We support our fund clients throughout the life cycle of their funds. We counsel on and develop creative solutions regarding operational aspects ranging from trading arrangements, to service provider engagements, to Securities and Exchange Commission reporting compliance.

Internal Management - We devote as much attention to the structuring of fund management entities as we do to the formation of the funds they manage.

SEC Registration - Our lawyers specialize in registering advisers and avoiding registration where appropriate, under federal and state laws, and in structuring management fees.

Private Fund Regulatory Enforcement Defense and Litigation - When litigation is unavoidable, we move quickly and effectively to contain risk and minimize impact. Our clients are backed by one of the nation's largest and most diverse litigation practices that can address the issues most commonly confronted by our private fund clients, including securities, employment, and intellectual property matters. Specifically, we represent private funds, private fund managers, and broker-dealers in litigation relating to the promotion and operation of private funds, including investor litigation in the United States and abroad, and enforcement actions by the SEC and other regulatory and self-regulatory organizations.

Regulatory Compliance - Fund managers and their investors today face substantially greater and more complex regulation. We count among our securities regulatory partners an assistant director of the SEC's Division of Enforcement, a chief counsel to the chief accountant, and a special counsel to two chairmen of the SEC. In our ERISA Practice are former senior officials of the IRS, the DOL, and the SEC who specialized in employee benefit plan and related regulation and enforcement while with the federal government.

Risk Management - We work with our clients to mitigate the risks inherent to fund managers, investors, portfolio company directors and employers. Risk management begins with proper planning and structuring and continues with ongoing counseling. We draw upon our substantial collective experience to assist clients in this area.

Securities Industry Practice - Our securities experience extends well beyond private funds. Overall, Morgan Lewis' Securities Industry Practice is one of the largest and most sophisticated in the United States. Our practice combines the experience of more than 100 lawyers in our domestic offices alone, 40 of whom joined us after distinguished careers at the SEC, many in senior positions. Our practice includes teams of litigation, enforcement, and regulatory lawyers who represent leading investment banking and brokerage firms, investment advisers, and mutual fund organizations and their senior executives.

Lawyers to the Securities Industry - The depth and reach of our Securities Industry Practice is reflected in the clients we serve. Our clients represent a broad range of the best-known global securities and investment management firms. Our investment banking and brokerage clients include many of the nation's best-known, full-service, regional and online broker-dealers, including over half of the largest 100 U.S. securities firms listed by *Institutional Investor*. In addition to private funds, our investment management clients include money managers, mutual funds, venture capital funds, banks and trust companies, insurance companies, pension consultants, trade associations, transfer agents, and other businesses in the investment management industry. We also represent the major industry associations, such as the Securities Industry & Financial Markets Association ("SIFMA"), the Investment Company Institute ("ICI"), Money Management Institute ("MMI"), Financial Services Authority ("FSA"), the National Futures Association ("NFA"), and the Bank Insurance & Securities Association ("BISA").

Related Morgan Lewis Practices Serving the Securities Industry - Our interdisciplinary approach to counseling clients combines the knowledge of lawyers familiar with the federal and state securities laws, ERISA, the Internal Revenue Code, commodities regulation, federal and state banking and insurance laws, and foreign securities laws. Our practice also draws on Morgan Lewis' capabilities in other areas when assisting securities industry clients. These areas include Tax, Corporate, Labor and Employment Law, Employee Benefits, Antitrust, and Intellectual Property and Technology. In addition, our corporate group actively represents securities and investment management clients in mergers and acquisitions.

Investment Management - Morgan Lewis is a leader in investment management law. Our clients include 9 of the 10 largest money managers listed by *Institutional Investor*, hundreds of mutual funds, venture capital and hedge funds, banks and trust companies, insurance companies, pension consultants, trade associations, transfer agents, and other businesses in the investment management industry.

Broker-Dealer and Capital Markets Regulation - Our lawyers routinely advise clients on a broad spectrum of issues involving broker-dealer regulation and securities trading. We have experience in market structure, trading, and other regulatory issues, including the regulation of national securities exchanges, electronic communications networks and alternative trading systems, and compliance issues, including those relating to fixed-income securities and capital markets activities.

Securities Regulation - Our lawyers are uniquely qualified to advise clients in all areas relating to the application of the federal and state securities laws, including public and private securities offerings; compliance with federal periodic reporting and proxy requirements; structured securities (including hybrid securities and commodity futures products); and mergers, tender offers, proxy contests, and "going private" transactions.

Securities Litigation - Morgan Lewis' interdisciplinary approach to securities litigation provides a combination of industry experience, substantive knowledge, and courtroom experience few firms can rival. Our litigators are experienced in all types of dispute resolution and represent clients in state and federal court proceedings and in securities industry arbitrations. We represent corporations and individuals in shareholder and investor suits; class actions; SEC enforcement actions; private proceedings; broker-dealer claims; and actions involving fraud; tender offers, and proxy contests. An area of special emphasis is derivatives litigation, where our lawyers have been involved in many high-profile cases.

SEC, SRO and State Enforcement Cases - Morgan Lewis represents securities and investment management industry firms and individuals in the full range of SEC, NYSE, NASD

and other SRO enforcement proceedings, including investigations, administrative proceedings and injunctive actions. In addition, we represent clients in state securities agency enforcement proceedings and matters before the New York Office of the Attorney General. We also assist clients in responding to informal inquiries as well as formal SEC and SRO investigations.

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More information on our practices, including biographies of our lawyers, can be found on our website, **www.morganlewis.com**.