

# MACFARLANES

## UCITS FOR ALTERNATIVE INVESTMENT MANAGERS

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### INVESTMENT MANAGEMENT

The market for alternative UCITS/liquid alternatives is expanding rapidly. Increasingly, significant investors, seeking an alternative model to access traditional hedge fund strategies, are considering UCITS.

Alternative investment managers are very alive to the benefits of giving existing investors in their hedge funds, as well as prospective new investors, the choice of a UCITS alongside more traditional alternative structures. While essentially long only vehicles investing in listed securities, UCITS have the ability to use derivatives, some leverage and synthetic shorting which together can replicate some of the techniques used by offshore unregulated alternative funds.

The tighter regulatory regime around UCITS may initially be a challenge, but the prize is being able to offer an additional product under a "brand" known around the world, and one in which almost any kind of investor can put their money, from pension funds and endowments through family offices to private individuals.

#### **UCITS is a key area for Macfarlanes' investment management and funds practice.**

- ◆ We act for a large number of UCITS providers including stand-alone fund management houses and the investment arms of integrated houses.
- ◆ Our work includes fund formation and restructuring, as well as advice on product design and the regulatory and tax issues which are integral to this area.
- ◆ We have completed the formation of numerous UCITS and the migration and amalgamation of funds domestically and between different jurisdictions.
- ◆ We have helped a number of firms set up UCITS employing hedge fund/non-traditional strategies.
- ◆ We assist clients with cross-border passporting of UCITS funds both into the UK and other Member States of the EEA, and we advise generally on marketing of UCITS funds in the UK.

#### **CONTACT DETAILS**

If you would like further information or specific advice please contact:

##### **TIM CORNICK**

DD: +44 (0)20 7849 2510  
tim.cornick@macfarlanes.com

##### **DANIEL HARRIS**

DD: +44 (0)20 7849 2408  
daniel.harris@macfarlanes.com

##### **SIMON THOMAS**

DD: +44 (0)20 7849 2444  
simon.thomas@macfarlanes.com

##### **LORA FROUD**

DD: +44 (0)20 7849 2409  
lora.froud@macfarlanes.com

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#### **MACFARLANES LLP**

**20 CURSITOR STREET LONDON EC4A 1LT**

T: +44 (0)20 7831 9222 F: +44 (0)20 7831 9607 DX 138 Chancery Lane [www.macfarlanes.com](http://www.macfarlanes.com)

This note is intended to provide general information about some recent and anticipated developments which may be of interest. It is not intended to be comprehensive nor to provide any specific legal advice and should not be acted or relied upon as doing so. Professional advice appropriate to the specific situation should always be obtained.

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