

Future facing funds

Funds

Foreword



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In addition to the extraordinary time we have all been operating in, the international funds industry faces ever more complex cross-border challenges, driven by a rapidly evolving tax, regulatory and commercial environment. From changing passporting and private placement requirements to innovative alternative indirect investment vehicles, the disruption resulting from sustainable investment and asset tokenisation, blockchain, fintech and artificial intelligence, this has made the funds landscape more varied, vibrant and demanding than ever.

Success depends on clear, practical solutions rooted in a detailed understanding of the funds sector and its markets – established and emerging, global and local.

The CMS global team of leading funds lawyers gives you direct access to cutting-edge local knowledge and insights into the latest trends in fund terms, tax, regulation and markets.

Our advice is commercial, clear and pragmatic. We deliver effective, bespoke solutions to meet the diverse needs of international managers and investors.



Global reach

CMS funds lawyers are embedded in their local markets and have extensive industry connections. We are also well known for our specialist expertise in international fund structuring and cross-border mandates.

From our global team of over 130 professionals, we can mobilise the right people quickly to create the best team for every mandate.

Our experts are based in jurisdictions including Austria, Belgium, Bulgaria, Chile, Colombia, France, Germany, Hungary, Italy, The Netherlands, Norway, Poland, Romania, Spain, South Africa, Switzerland, the UK, Ukraine, as well as Luxembourg, the capital of Europe's investment funds industry. Our lawyers also provide US regulatory support.



A complete service

Every stage of the funds cycle demands a tailored strategy and structure. CMS offers expert advice at every stage of the funds lifecycle – from planning and launch through governance, restructuring and exit.

Different types of funds and asset classes also require distinct advice. We advise on all types of funds (both regulated and unregulated) and indirect structures, across the asset classes from private equity, real estate, infrastructure, hedge, venture capital, debt and exchange traded funds.

Our core funds team can leverage expert resources across CMS to ensure you have the expert advice you need, whatever your requirements, in areas from finance through regulation and taxation to technology. Our sector focus means we can offer you seamless support from market leading specialists in, for example, energy and clean energy, life sciences & healthcare, hotels & leisure, real estate, and financial institutions. And if you are involved in a dispute or potential dispute, or simply wish to mitigate your dispute risk, we have a world class team of dispute resolution lawyers who will help you achieve the most commercial outcome possible.



Industry players

We are deeply immersed in the funds industry and play a leading role in conversations shaping the tax and regulatory developments that affect your business, as well as complex technical developments such as the role of tokenisation and AI in the future of fund management.

CMS partners are member of numerous industry organisations' committees/working groups, enabling CMS to be at the forefront of policy discussions. These include ALFI and LPEA (Luxembourg), IPF, AREF, INREV, BCO, BPF, LPeC, BVCA, EPRA, FMLC, TISA, IE, Invest Europe, BVK (Germany) ALFI and Itinerari Previdenziali (Italy).



Case studies

Pioneering tokenisation in the real estate sector

CMS Luxembourg advised Blochome, a real estate company, on the tokenisation of the ownership of a residential property, by the issuance of its shares represented by tokens that are transferable through blockchain.

The structure comprises a Luxembourg securitisation vehicle which indirectly owns a building currently under construction in the city of Luxembourg. The tokens enable their holder to own, indirectly, a share of the building. The tokens may be bought by professional and retail investors with the aim of covering the EUR 8m cost of financing of the building.

CMS Luxembourg worked with all parts of the value chain, including the tokeniser, the corporate service providers, the marketing firms, as well as the Luxembourg regulator (the CSSF).

Central player in sustainable investment

CMS UK is advising Aviva Investors on the establishment and the launch of a GBP 425m flagship climate transition fund

The structure comprises a unique UK regulated fund investing into climate transition focused real estate, infrastructure and forestry assets in the UK and Europe, through a range of specialist Luxembourg funds. The new funds are the flagship component of Aviva Investors' climate transition ambitions, with an aim for the UK fund to be net zero by 2040.

The cross-border nature has brought a range of complexities requiring specialist technical expertise. Climate change issues were also of paramount importance. The combination of CMS's international practice and expertise in the ESG space enabled a successful conclusion.

Blazing the trail for 'blockchain native' fund tokenisation in APAC

In 2021, CMS Singapore co-authored a MAS-sponsored and trail-blazing white paper exploring the blockchain native tokenisation of a Singapore variable capital (VCC) fund.

The product of 12 months of work between subject matter experts at CMS Singapore, State Street, UBS, PwC, Tezos, STACS and digital asset platform InvestaX, the study represents the most detailed analysis and most extensive recommendations relating to the required legal, technical and regulatory infrastructure ever published for the Singapore market.

Asia Pacific is seen as a key market through which institutional fund and asset managers can target the next generation of investors through fund tokenisations and other digital asset initiatives.

CMS Singapore has been at the cutting edge of these projects in Singapore – both in the tokenisation of funds and recommendations to Government for structural changes to facilitate 'blockchain native' fund tokenisations in Singapore.



Chambers & Partners



Prominent group within the investment funds community that is behind a multitude of headline fundraisings and successful closings.

CMS Funds at a glance

16 rankings across Europe and the UK in the Legal Directories

Tier 1



Real Estate Investments Funds (UK), Legal 500
Retail Funds (UK), Legal 500
Investment Funds (Scotland), Legal 500
Investment Funds (Poland), Legal 500

» First French fund
invested in crypto
assets

» First real estate
club-deal through
blockchain in Europe

**GROUND-BREAKING LAUNCH OF A REAL ESTATE FUND
VIA A BLOCKCHAIN PLATFORM IN GERMANY**

1st

- » Corporate venture capital fund in Poland to commercialise new tech startups
- » Global gaming-focused VC fund
- » Italian credit fund specialised in the business of trade receivables
- » Tokenised fund

FASTEST GROWING LUXEMBOURG FUNDS TEAM

Our track record



Supporting client products

PATRIZIA

On the establishment of a last mile urban logistics co-investment fund, seeded by PATRIZIA's EUR 1bn TransEuropean VII fund ('TEP VII') and anchored by a large middle eastern sovereign investor.

Tristan Capital Partners

On further fundraisings of the flagship long-life core plus PanEuropean fund, CCP 5, with additional commitments of EUR 450m raised from a global mix of US and European institutional taking total fund commitments in excess of EUR 2.6bn.



Funds across borders

Aviva

On the launch of Aviva Investors' GBP 425m flagship climate transition fund investing into climate transition focused real estate, infrastructure and forestry assets in the UK and Europe, through a range of specialist Luxembourg funds.

QuadReal Property Group

On the establishment of an urban logistics platform as a Luxembourg SCSp and subsequently converting into a EUR 1bn Luxembourg regulated SIF fund, to invest in key UK, French and German cities.



Fund creation

Lendlease Europe

On the establishment of a UK and Italian EUR 2.5bn investment fund platform for the mixed-used development and urban regeneration project in Milan, Italy.

Play Ventures

On the establishment and closing of Play Venture Fund, a web3 and blockchain fund focusing on the gaming industry, and one of the largest digital asset funds to be launched in Singapore.



ESG Funds

Mirova

On the establishment of a EUR 300m pan-European private equity fund, the Mirova Environment Acceleration Capital fund, targeting private and institutional investors, which aims to invest in technologies contributing to the environmental transition.

DTZ Investors

On the second close and third investment for GBP 1bn COLIV, the world's first fund to buy and build co-living accommodation in London, which CMS previously structured.



Embracing change, anticipating disruption

The funds industry is fertile ground for disruptive technologies and innovative working practices. Here are a few examples of how we are helping clients prepare for major changes ahead.



Preparing for transformational tech

For funds and the real estate sector, the new decade promises transformation through digitalisation, artificial intelligence (AI), blockchain and fintech. New technologies offer the promise to allow traditional and new asset classes to be digitalised or “tokenised” and processes and costs to be streamlined.

CMS has been at the forefront of discussing this digital revolution with a number of leading fund managers, technology specialists and real estate owners and is keen to play a pivotal part in the developments. For a summary of the opportunities, barriers and changes involved, download our ‘Tokenisation of funds and real estate’ publication.



Future-proofing through sustainable investment

ESG (economic, social and governance) issues are among the key drivers of change in the world today. Devising and implementing a responsible investment strategy is now a vital element in protecting and enhancing the reputation of fund houses – and ensuring their continued success.

Our responsible investment experts help clients with a wide range of ESG issues. From strategy to implementation, we advise on how a robust responsible investment strategy can help future-proof your business.

Embracing new opportunities

Our lawyers have been at the forefront of industry developments in many countries and have advised on four of the first 10 UK REITs; acted on a number of IPOs; advised on ‘private REITs’; and numerous secondary fund raisings.

Market intelligence

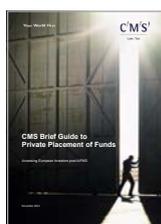
Keeping up with market developments and trends is vital in the fast-moving world of funds and investment management. As well as sharing our knowledge and experience with clients, we publish a range of material offering practical guidance on regulatory regimes along with insights into current industry topics.

Rules on Marketing Undertakings for Collective Investment in Transferable Securities in Europe



The UCITS Directive was established to harmonise retail collective investment schemes in the EU through the introduction of a common investment vehicle known as a UCITS. Our guide helps UCITS managers understand the process and regulatory costs involved in exercising passporting rights throughout Europe.

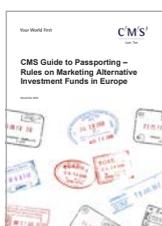
Private Placement of Funds: Accessing European Investors post-AIFMD



When implementing the AIFMD, some EU member states have tightened or severely restricted their private placement regimes – an important consideration for non-EU managers and funds looking to access EU investors.

Our guide summarises the latest developments in national private placement regimes in the EU, and in some non-EU European jurisdictions.

Rules on Marketing Alternative Investment Funds in Europe



The EU Commission promoted passporting rights as one of the key benefits for hedge, private equity, real estate and other alternative investment fund managers authorised under the Alternative Investment Fund Managers Directive (AIFMD).

This CMS guide provides a road map for managers, outlining the costs and requirements under AIFMD, other EU directives and domestic regulations.

Online insights



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CMS

Staff

> **8,000**

Lawyers

> **4,800**

Partners

> **1,100**

49 NEW PARTNERS IN 2019, TAKING THE TOTAL TO OVER 1,100

Operating in

71 cities

Across

43 countries

**EUR
1.426bn**
turnover for 2019

19 PRACTICE AND SECTOR GROUPS WORKING ACROSS OFFICES

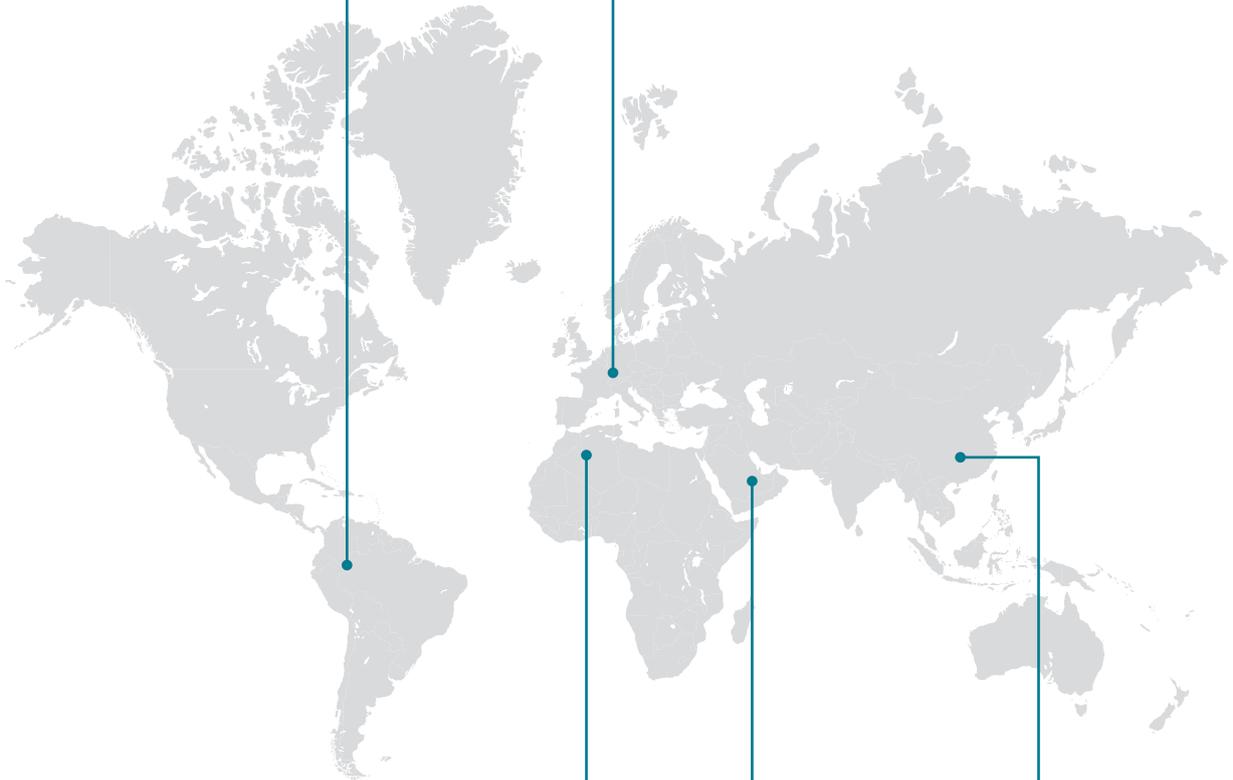
- » **#1 CEE, DACH, Germany** (*Mergermarket*)
- » **#1 Germany, UK** (*Thomson Reuters*)
- » **Top rankings in 2019 M&A League Tables** (*by deal count*)
 - #1 by Bloomberg in Europe, Germany and UK
 - #1 by Mergermarket in CEE, DACH and Germany
 - #1 by Thomson Reuters in Benelux and Germany
- » **#1 Europe, Germany, UK** (*Bloomberg*)

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Lima
Mexico City
Rio de Janeiro
Santiago de Chile

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Barcelona	Geneva	Milan	Skopje
Belgrade	Glasgow	Monaco	Sofia
Berlin	Hamburg	Moscow	Strasbourg
Bratislava	Istanbul	Munich	Stuttgart
Bristol	Kyiv	Paris	Tirana
Brussels	Leipzig	Podgorica	Utrecht
Bucharest	Lisbon	Poznan	Vienna
Budapest	Ljubljana	Prague	Warsaw
Cologne	London	Reading	Zagreb
Duesseldorf	Luxembourg	Rome	Zurich



Algiers
Casablanca
Johannesburg
Luanda
Mombasa
Nairobi

Africa

Abu Dhabi
Beirut
Dubai
Muscat

Middle East

Beijing
Hong Kong
Shanghai
Singapore

Asia-Pacific

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