

# Hedge Fund Vista Webinar

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# Agenda



## What we will cover today

- 1 US vs European side letter term trends
- 2 ESMA's letter on reverse enquiry
- 3 Update on China (QFI, PFM and beyond)

# US vs European side letter term trends

Sarah Crabb, Partner, Financial Services – Funds

Kevin Neubauer, Partner – Investment Management,  
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# US vs European side letter term trends

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1. Fundraising climate
2. Observations on types of manager
3. Observations on types of investor
4. Terms – deep dive
5. Regulatory requirements
6. Seward & Kissel Hedge Fund Side Letter Study:

[2020/2021 Hedge Fund Side Letter Study - Seward & Kissel LLP \(sewkis.com\)](https://www.sewkis.com/2020/2021-Hedge-Fund-Side-Letter-Study)

# ESMA's letter on reverse enquiry

Sarah Crabb, Partner, Financial Services – Funds



# ESMA's letter on reverse enquiry

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- ESMA letter to European Commission regarding reverse enquiry in context of Cross-Border Funds Distribution (“CBDF”) regime - 17 December 2021
- Letter notes that new reporting requirements could be introduced which would allow ESMA to collect information on reverse enquiry across the EU
- ESMA response to request for input for European Commission on reverse enquiry:
  - Is data received from asset managers and investor associations?
  - Possible to estimate share of reverse enquiry vs. marketing?
  - Impact of reverse enquiry on passporting regime?
- Response:
  - Lack of data – no EU obligation to report
  - Used to circumvent rules of passporting regimes?
  - Investor protection concerns and unlevel playing field – EU vs non-EU managers

# Update on China (QFI, PFM and beyond)

Melody Yang, Partner, Funds and Funds Regulatory



# Update on China (QFI, PFM and beyond)



1. Qualified Foreign Investor scheme (QFI)
  - Short selling?
  - Opening up of Chinese commodity futures market
2. Connect of China's CIBM and exchange traded bond market
3. QFLP/QDLP
  - QDLP's increasing investment into overseas PE, RE and hedge funds
  - QFLP's investment into non performing loans in China

# Q&A



# Contacts



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