



Reinhart Institutional Investor Services: Presentation Slides

Reinhart Institutional Investor Services (RIIS) is a specialized practice group at the law firm Reinhart Boerner Van Deuren s.c.

Reinhart's Institutional Investor Services Team



Jussi P. Snellman
Shareholder



Bryant E. Ferguson
Shareholder



Andy Christianson
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Nick Zuiker
Senior Associate



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Woomin Kang
Senior Associate



Paul Beery
Associate



Xavier Prather
Associate



Amanda M. Klein
Paralegal



Jacqueline M. Held
Paralegal

Stability & Deep Bench of Legal Team

- Each lawyer has spent >15 years (or for younger attorneys, all/most of their careers) at Reinhart
- Partners have >20 years career ahead of them
- Ability to turn around materials with short deadlines

Firm Background

- **Established more than a century ago**
 - Full-service law firm
 - National practice: 9 offices (Midwest, Arizona, Colorado)
 - 119 *Best Lawyers in America*
- **Pension practice started more than 50 years ago**
 - More than 40 professionals
 - Public Pension Focus (and also Taft-Hartley & Single-Employer pensions)
 - Also provides expertise on Governance, Benefits, ESOPs and Tax
- **Reinhart Institutional Investor Services**
 - 8 Professionals
 - Started by Keith Johnson (general counsel at SWIB; now retired) and Jussi Snellman in 2005
 - Pension fund clients in 40 states and Europe
 - Serve 12 of the top 25 global pension plans

Why Reinhart?

- Culture
- Value/Values
- Expertise

Culture

- Approach informed by two former public pension plan GC's:
 - Full Service: We serve all of a public pension's legal needs
 - Effective negotiation: We know key items for each client
 - Documentation of process: We make sure files are complete
 - Responsive, efficient and nimble – small teams approach
- Mindset – we say “yes” to our clients
- Thought leadership – unabashedly pro-investor
 - Reinhart submitted comments to SEC Private Equity rulemaking, advocating stronger clawbacks
 - Involvement in CII, NAPPA, ILPA and other investor-led organizations
- Commitment to diversity and equity

Value/Values

- **Subjective Values**

- Conflict free
- Cross-pollination (overall, and also with specific managers)

- **Objective Value**

- Legal Review & Negotiations
 - We get to know each client's unique needs
 - We leverage prior negotiations, based on other clients' successes
 - Efficient Process (described in more detail pages 11-12 below), including Threshold Items Checklist (See sample on last 3 pages)
- Reasonable fees: We pass on cost savings ...
 - By leveraging prior experience with fund/manager
 - By having lower rates than national firms, due to our Midwest location
 - By offering fixed fee option (either standard fee or bid-per-transaction)

Expertise: Transaction Volume

- Reinhart Institutional Investor Services has grown at a manageable pace over the years

Year	PE, venture Funds*	Hedge Funds	REITS and Infra	Single Investor	Custody, Sec Lend	Workouts	Total**
2022	157	45	32	30	3	1	265
2021	142	41	29	27	3	1	240
2020	137	41	26	24	3	1	229
2019	123	37	23	22	2	1	206
2018	107	43	25	14	3	1	190
2017	74	30	17	9	2	1	131
2016	67	27	15	8	4	1	118
2015	49	20	11	6	3	0	86
2014	43	17	10	5	2	1	76
2013	34	13	8	4	2	1	60

* The Private Equity funds that we advise on are approximately 55% large buyout (United States and Europe), 10% venture funds, 25% focused strategies (e.g., secondaries, energy, aircraft leasing, opportunistic) and 10% mezzanine/lending/credit.

** We do not include Custody and Securities Lending in the total, as they are not transactional.

*** The split between Custody and Securities Lending Agreements is approximately 2/3 Custody and 1/3 Securities Lending.

Expertise with All Types of Agreements

- Commingled Funds
- Co-Investment & Sidecar Funds
- Single-Transaction Co-Investments
- Investment Management Agreements
- Tri-Party Repo and Reverse Repo Agreements
- Custody Agreements
- Securities Lending Agreements
- ISDA Agreements

Additional Expertise

- Extensive knowledge of pension fund best practices
 - Based on numerous client inputs
 - Based on fiduciary reviews of pension plan practices
- Sophisticated tax, litigation and benefits practice
 - \$10 million recovery from a NY bank regarding Custody & foreign tax withholding
 - Manager removals and replacements
 - Workouts and rescue capital
- We have strong ties and experience with the global institutional investor community
 - CII (Council of Institutional Investors)
 - GIGN (Global Institutional Governance Network)
 - ICGN (International Corporate Governance Network)
 - NAPPA (National Association of Public Pension Attorneys)

Representative Investment Clients

(Confidential—Trade Secret)

- Maryland State Retirement and Pension System
- Hawaii Employees' Retirement System
- Milwaukee County Employees' Retirement System
- Washington State Investment Board
- Chicago Teachers Pension Fund
- Connecticut State Treasurer
- Illinois Municipal Retirement Fund
- New York State Teachers' Retirement System
- New York State Common Retirement Fund
- New York City Retirement Systems
- New Mexico Public Employees Retirement Association
- State of Wisconsin Investment Board
- University of Wisconsin Foundation
- West Virginia Investment Management Board
- Massachusetts PRIM
- Employees' Retirement System of the City of Milwaukee
- Tennessee Consolidated Retirement System
- Kentucky Public Pension Authority
- Kentucky Teachers' Retirement System
- Keva (Finland's governmental pension plan for local and county employees)
- VER (Finland's governmental pension plan for state employees)
- Varma (largest private pension insurer in Finland)
- Ilmarinen (Finland's second largest private pension insurer)
- Nordea (Danish pension company and bank)

Private Market Review Process

1. Respect client processes and time – initial guidance and priorities
2. Obtain & review relevant legal documents, and prepare:
 - **Threshold Items Checklist** – color coded key points (**See Attachment A**)
 - Specific threshold list for hedge funds/open-ended funds and PE-style funds
 - Hedge fund key terms focus on liquidity, transparency and early withdrawal rights if key person event or bad act
 - PE focus includes robust remedies, conflict of interest issues, and information gathering (e.g., ILPA reporting, advisory boards)
 - **Proposed Comment memorandum: tracks flagged items in Threshold Checklist**
 - Negotiable: changes from prior fund (even if new counsel / entirely new LPA)
 - Negotiable: areas where other investors have received traction
 - **Side Letter Request** – based on client form side letter and fund precedent
 - Prepare “abstracts” and “checklists” using client-generated format (as requested)
 - Gating Items List (as requested)

Private Market Fund Process (continued)

3. Obtain Client input and feedback, prior to sending to fund

4. Transmit comment memo and side letter terms to fund counsel

5. Confer with fund counsel regarding responses to comment memorandum and side letter request

6. Annotate comment memorandum with status and progress – Important record for client files

7. Follow-up comments (and negotiations), with input from client – and ongoing annotation of comment memorandum

8. Frequently: Ongoing negotiations on sticking points, such as

- Mandatory Public Records Provisions
- Strong Placement Agent Reps
- Other pro-investor terms

9. Assist with Subscription materials (paralegals with specialized expertise)

10. Most Favored Nation reviews (paralegals with specialized expertise)

Investor-Driven Trends

- We have extensive experience with current and emerging trends in institutional investment, including:
 - ESG Reporting & Investment Restrictions (e.g., climate reporting and sustainability standards, best governance practices, etc.)
 - Broader “ILPA Reporting” to encompass a more holistic approach to transparency
 - Increased interest in alternatives to traditional commingled funds
 - Single-Investor Funds
 - Co-investment side cars
 - Direct co-investments
 - Managed co-investment funds

Manager-Driven Trends

- Pre-approval of GP-led secondaries (e.g., continuation funds), permitting GP's to transfer interests after Fund term ends
- Preemptive response to SEC Proposed Rules re. GP Clawback (tax offset): One fund tried to preempt this rule by providing for a clawback that is gross of taxes, but capping it at 55% of the gross clawback instead of 100% of the net clawback. (i.e., less than full clawback.)
- General preapproval of/carveouts from conflicts (for passive minority investors or affiliates that provide services)
- SPAC/de-SPAC transactions (allowing the manager to form a SPAC and enter into SPAC transactions)
- LPAC approvals – Managers want to allow LPAC to operate with a smaller (<majority) quorum

Investment-Related Tax Services

Work with clients' in-house attorneys and governmental taxing authorities worldwide to resolve tax issues relevant to public funds, such as:

- **Structuring investments** to maximize use of unique tax characteristics of public funds as governmental entities.
- Ensuring that the most favorable **tax exemptions under local law and tax treaties** for the foreign investments are used.
- **Facilitating reclaims of withheld domestic and foreign taxes** and establishing automatic procedures for custodians or investment managers to remove administrative burdens from pension plan staff.
- **Hedge Funds:** Extensive experience with master-feeder structures, including Cayman Islands and Channel Islands.
- **Providing tax opinions and guidance**, as needed.

Other Services for Investors

- Fiduciary Counsel Services
- Independent Securities Litigation Reviews
- Custody and Securities Lending Agreements
- Breakups with managers (GP removals, SEC investigations)

Questions?

THANK YOU!

This presentation provides information of a general nature. None of the information contained herein is intended as legal advice or opinion relative to specific matters, facts, situations or issues. Additional facts and information or future developments may affect the subjects addressed in this presentation. You should consult with a lawyer about your particular circumstances before acting on any of this information because it may not be applicable to you or your situation.