

# Challenges and opportunities: how investment funds are weathering the pandemic

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Considerations, pitfalls and how to weather the current storm of change were the topics up for discussion at a recent Women's Alternative Investment Summit panel moderated by Ogier partner Jo Huckle.

The interactive conference featured panel discussions, roundtable conversations and keynote speeches from some of the leading women in private equity, venture capital, real estate, hedge funds, real assets, debt, and infrastructure investing.

On the subject of funds launches, Jo moderated a discussion examining the difficulties of launching funds in the current climate and how to strategize accordingly. Jo, who is based in the Cayman Islands, specialises in offshore fund structuring and formation, ongoing legal and regulatory compliance for funds, sponsors and fund service providers. Acting on the other side of the launch process, she regularly negotiates fund investments on behalf of LPs.

Here is brief summary of some of the key issues discussed:

- Launching a fund today can seem daunting as asset size tends to be smaller, investors are more demanding and there are increased regulatory burdens.
- The pandemic has required new approaches to closing and managing relationships with LPs. Due diligence might have to be done virtually, for example, which makes it more difficult to build relationships but sponsors are finding innovative ways to address this and there have been some impressive launches, above the fund's hard cap.
- Investors appear to be gravitating to funds at both ends of the spectrum, either to well established, monolithic sized managers or to more niche funds, with a very focused investment strategy.
- Co-investment vehicles are increasingly being put to use as investors are now actually

exercising their tightly negotiated co-investment rights. A health warning to sponsors to take care to tie-in investors who may simply take co-investment opportunities without ever committing to the main fund.

- ESG is becoming increasingly important in new fund launches. Though for many sponsors, their ESG efforts remain reactive to investor demand. Younger investors tend to be more attracted to ESG or impact funds. As do pension funds, state investors and family offices, but what exactly "ESG" looks like for any one investor can vary widely.

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## Meet the Author



Joanne Huckle

Partner

Cayman Islands

E: [joanne.huckle@ogier.com](mailto:joanne.huckle@ogier.com)

T: [+1 345 815 1895](tel:+13458151895)

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