Fund disputes rarely start with a claim

They start when routine fund mechanics become contested.



Investor scrutiny intensifies. Decisions are challenged. Valuations and liquidity come under pressure. Contractual protections are invoked. What started as a commercial disagreement can quickly become a legal issue.

Fund managers may need to defend decisions, enforce investor obligations or preserve the ability to operate the fund. Investors may seek to challenge decisions, obtain information or exercise contractual protections. In both cases, issues which initially appear commercial can quickly become legal.

This is often the point at which the right strategy can make the greatest difference.

Our funds disputes team advises fund managers, investors and other fund stakeholders across the full lifecycle of a dispute, from early-stage tensions and pre-dispute strategy to negotiated solutions, litigation and arbitration.

1. Before a dispute: protecting your position

The pre-dispute phase can be decisive.

When a relationship becomes more contentious, matters that previously appeared routine can take on greater significance. The validity of a notice, compliance with a contractual process, the scope of a contractual right or obligation or the quality of the documentary record can materially affect the parties' respective positions.

We help clients assess the situation early, understand their legal and contractual position and determine the most effective path forward.

This may include:

- reviewing fund documentation and contractual rights and obligations, including LPAs, constitutional documents and side letters;
- assessing decision-making and contractual processes, including authority, consent requirements, voting thresholds, LPAC procedures and conflict mechanisms;
- advising on capital calls, distributions, redemptions, term extensions and other fund mechanics, including the consequences of investor default or the contested exercise of fund rights;
- assessing information rights and requests for documents, including the scope of disclosure obligations and applicable limitations;
- reviewing valuation, liquidity and exit-related issues;
- advising on key person provisions, amendment and extension mechanisms, removal rights and other contractual protections available to managers or investors;
- protecting the documentary and procedural position where litigation or arbitration may become a realistic possibility.

2. When interests diverge: finding the right route

Not every fund dispute needs to end in court.

Once a potential dispute has been identified, the strategic question is not simply whether a claim can be brought or defended. It is which contractual, structural or procedural tools are available to protect the client's position and achieve the underlying commercial objective.

Depending on the circumstances and the applicable fund documentation, potential routes may include:

- negotiated solutions and settlements;
- fund restructurings;
- secondary transactions or agreed exits;
- termination of an investment period;
- term extension issues;
- the exercise or defence of rights relating to the removal or replacement of a general partner or manager;
- termination or liquidation of the fund.

These mechanisms are not merely alternatives to proceedings. They may constitute remedies or strategic levers under the fund documentation and can be pursued alongside negotiations or formal claims. Their availability will often depend on contractual triggers, voting thresholds and procedural requirements, and their exercise may itself become the subject of dispute.

Our objective is to identify the combination of legal, contractual and commercial measures that best protects the client's position, whether that means enforcing an obligation, resisting the exercise of a right, activating a contractual protection, restructuring the relationship or preparing for proceedings.

3. When proceedings become necessary: pursuing or defending claims

Where a dispute cannot be resolved commercially, we represent clients in litigation and arbitration.

Our approach combines an understanding of the fund structure and its contractual framework with disputes strategy, including:

- disputes concerning the interpretation, validity and exercise of rights and obligations under fund documentation;
- capital call and default-related disputes;
- NAV, valuation, liquidity and redemption disputes;
- information rights, side letter, LPAC and contractual protection disputes;
- conflicts of interest and decision-making disputes;
- disputes concerning contractual triggers, consent or voting thresholds, key person events, removal, termination and extensions;
- interim and protective measures;
- cross-border litigation, arbitration and enforcement.

From pre-dispute strategy through to litigation and arbitration, we focus on protecting both the client's immediate position and its wider commercial objectives.

Strong governance helps prevent disputes.
Early intervention helps control them.

GOVERNANCE

- Fund documentation
- decision-making
- conflicts
- investor's rights
- valuation processes
- risk management
- regulatory compliance

PRE-DISPUTE

- Early warning signs
- position assessment
- documentary review
- strategy
- negotiation

DISPUTE AND RESOLUTION

- Settlement
- restructuring
- exits
- litigation
- arbitration

Reach out to our team



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The strongest funds are built below the surface

What investors see is performance.
What sustains it is governance.

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