



2019 PRACTICE GROUP OF THE YEAR

Fund Formation

Kirkland & Ellis LLP steered a record-breaking \$16 billion technology fund and corralled investors from more than 40 countries to deliver Warburg Pincus' largest fund to date, earning the firm a spot among *Law360*'s 2019 Fund Formation Groups of the Year.

Kirkland said it boasts the largest funds group in the world, with more than 400 attorneys representing roughly 600 sponsors across the globe. The group's leaders told *Law360* that this scale allows the firm to deliver diverse expertise and insights needed to navigate the increasingly competitive funds business.

"Our platform is really a game-changer for our clients," New York-based partner [Andrew Wright](#) said. "Our scale means that we have actionable market insight and data that allow us to deliver exceptional advice every step of the way. Our goal is to not just be our clients' lawyers but also their long-term partners."

Outsize scale can deliver outsize results. In September 2019, Kirkland closed the \$16 billion Vista Equity

Partners Fund VII LP at its hard cap, exceeding an initial target of \$12 billion. That was the largest tech-focused fund ever raised and surpassed previous record holder Silver Lake Partners V by a cool billion, according to the firm.

These are heady days for fund sponsors, with enormous quantities of capital flowing into the private equity space. The breadth of Kirkland's funds practice confers a kind of clairvoyance that allows its attorneys to see around corners and

glean a competitive edge, partner [John O'Neil](#) said.

"We're able to see trends before the market really knows those trends exist," O'Neil, who is also based in New York, said. "Time and time again we'll go into client meetings and they'll ask about what we're seeing in the market ... we had one prospective client who said it felt like we were tapping into their Monday morning meetings because we were touching on every issue they were trying to tackle."

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The firm's size also pays off when tackling complex funds like Warburg Pincus Global Growth LP, which drew hundreds of institutional investors from dozens of countries. Kirkland attorneys in New York, London and Asia helped Warburg bring in \$14.8 billion in November 2018, which Kirkland said was Warburg's largest fund to date.

"The scale at which these funds get raised requires a lean team helping get everything pulled together, but when the comments start coming in and the documents start getting negotiated, that scale has to come to bear to keep pace," O'Neil said.

Warburg is a mainstay of the Kirkland fund group's client roll. In June 2019, the firm also helped the private equity giant close a \$4.5 billion fund focusing on investments in China and southeast Asia. That fund, Warburg Pincus China-Southeast Asia II LP, is among the 10 largest Asia-focused funds ever raised, according to Kirkland.

Kirkland also counseled KPS Capital Partners on its first and final simultaneous closings of the \$6 billion KPS Special Situations Fund V and \$1 billion KPS Mid-Cap Fund after just four weeks in October 2019. Both closed at their hard caps and were oversubscribed by roughly \$8 billion, according to the firm.

Working with fund managers who consistently deliver high returns means the money can flow in at breakneck speeds, requiring Kirkland to call upon its scale.

"In a competitive business like this there is nothing short of a stampede of institutional investors who are after the elite managers who have these amazing returns," Wright said. "We need to be able to perform at a level that can keep pace with that stampede."

The timeline on the closing of Veritas Capital Fund VII was also compressed, requiring a team of nearly 30 Kirkland attorneys to anticipate and address comments from new and returning investors bringing a mix of regulatory issues into play. That tech-focused fund surpassed its initial \$5 billion target to close at \$6.5 billion in October 2019, just six months after fundraising commenced.

The diverse range of specialties is a point of pride for the Kirkland

group, especially with respect to regulatory matters and the watchful eye of the U.S. Securities and Exchange Commission. Roughly a dozen attorneys on the team have no billing responsibilities, O'Neil said, allowing them to take deep dives into market data and research.

With private investors sitting on a record \$1.5 trillion in cash, that intelligence pays off, Wright said.

"Institutional investors just continue to pour money into this asset class," Wright said. "Dry powder is at an all-time peak. That means this is an increasingly competitive business for fund managers, so having superior market intelligence is a huge competitive advantage."

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