

Private Equity International

By: Carmela Mendoza
PUBLISHED: 15 February, 2023

PRIVATE EQUITY NEWS & ANALYSIS

PEI Fund Formation League Table reveals industry's top law firms

Presenting our debut ranking of the private equity industry's top law firms by number of closed funds advised on and total capital of underlying vehicles.

Kirkland & Ellis dominated Private Equity International's inaugural Fund Formation League Table, the industry's only ranking of law firms by number of funds advised on and the underlying aggregate capital of funds closed.

The Chicago-headquartered firm topped the list both by aggregate value and total number of funds with \$171 billion and 99 funds, respectively.

Kirkland advised on funds including the €6.9 billion BC European Capital XI, the \$14.1 billion Clearlake Capital Partners VII, \$13.5 billion Francisco Partners VII and \$7.3 billion TPG Rise Climate Fund over the qualifying period.

Commenting on the ranking, John O'Neil, a New York-based partner at Kirkland who leads the firm's investment funds practice group, told PEI: "One of the most exciting things about private equity is that it is so innovative, and we continually see this as our clients adapt to new market conditions."

In light of the current environment, O'Neil added that his firm is seeing increased interest in and activity from managers of a wide variety of credit strategies, as well as structured equity, capital solutions and other investments that offer attractive yields but also downside protection. Continuation funds are also extremely active, he added.

The PEI Fund Formation League Table covers blind pool private equity funds and continuation funds that had a final close date between 1 October 2021 and 30

September 2022. Data was tracked by PEI Group's team of researchers and verified by the law firms. Only lead counsels for the funds were included in the ranking for aggregate value.

At least 328 private equity funds have been formed by the top-ranked law firms over the qualifying period. By aggregate value of funds closed, private equity funds advised on by the top 10 firms in the ranking gathered approximately \$500 billion between them.

Debevoise & Plimpton is second-ranked by total value of funds closed at nearly \$86 billion. The firm advised on funds megafunds including the \$11.2 billion Baring Asia Private Equity Fund VIII and the \$19 billion KKR North America Fund XIII. Both funds are the largest-ever vehicles raised by their managers.

Rebecca Silberstein, global chair of Debevoise's funds and investment management practice, said that the team's strategy for 2023 is to continue on its "record-breaking performance" last year by fortifying deep client relationships and building new ones.

"Our practice continues to be successful because the depth of our industry expertise affords us the ability to pivot alongside our clients through market changes, including by delivering resources across all of the firm's practice areas so that we function as a true strategic partner for all aspects of our clients' businesses."

Simpson Thacher & Bartlett takes the third spot by total fund value at \$46.9 billion. In addition, the firm is fifth in the

ranking by total count of funds formed over the qualifying period. Funds it has advised include the \$6.4 billion Blackstone Capital Partners Asia Fund II and the \$5.6 billion Blackstone Strategic Capital Holdings II.

Asked about how fundraising will play out in 2023, Michael Wolitzer, head of Simpson Thacher's investment funds practice, said that he expects the fundraising cycle to revert to historical norms as the last few years have seen more compressed timelines.

Wolitzer added that flexibility will remain a focus for GPs and LPs alike.

"We expect to see an increase in liquidity solutions both at the management company and fund level. Being able to advise clients regarding equity and debt solutions at both levels will be key. We also think that sponsors will continue to pursue alternative sources of capital, such as retail and insurance assets, using a variety of structures and techniques, so it is important to be able to develop customised solutions with them."

The top legal fund formation advisers by value of funds also include Goodwin, Proskauer Fried, Frank, Harris, Shriver & Jacobson, Ropes & Gray and Paul, Weiss, Rifkind, Wharton & Garrison, Seward & Kissel and Willkie Farr & Gallagher.

Law firms including Cooley, Winston & Strawn, Gunderson Dettmer and Allen & Overy rounded up top spots in the ranking by total funds formed. Shanghai-headquartered Fangda Partners is the only Asian firm that made the list. ■