

Asset Management Group Of The Year: Dechert

By **Darcy Reddan**

Law360 (February 19, 2019, 5:05 PM EST) -- Dechert LLP advised on the management of billions of dollars of private investments, including steering FS Investments in a partnership with KKR as joint advisers to funds with \$18 billion in assets under management, earning it a spot as one of Law360's Asset Management Practice Groups of the Year.

The firm's asset management practice is made up of more than 200 lawyers across 17 offices — including lawyers from a handful of practice groups within the firm. The firm attributes its strong track record to its ability to handle all matters facing its clients, making Dechert a "one-stop shop" that can handle a myriad of financial matters.

"A big selling point is in most cases we don't need to refer to a local firm or hope we get the best partners assigned to [the client's] matter," Christopher P. Harvey, partner at Dechert and co-chair of the financial services group, told Law360. "We can be the one-stop shop and we put a pretty commercially practical view on the advice we give."

Harvey said the firm is jurisdiction-neutral, noting the practice maintains a database of approximately 150 jurisdictions in order to quickly advise clients on how to launch and manage funds, among other insights.

One of the practice group's most high-profile matters of the past year was its work advising FS Investments in the formation of a partnership with KKR & Co. LP to create an \$18 billion business development company.

The firm oversaw the creation of a joint adviser to four FS-sponsored and FS-managed business development companies and to two corporate capital trust business development companies managed by KKR.

The deal required the firm to analyze various pressure points and divvy up responsibilities despite the fact that the venture comprised unequal commitments — FS-sponsored and FS-managed business development companies totaled \$14 billion.



Allison M. Fumai, partner at Dechert, told Law360 she believes the firm attracts big-name clients because its global platform allows these entities — which increasingly need to simultaneously consider regulations around the world — to benefit from the firm's extensive knowledge of the asset management landscape.

"We represent 24 of the world's 25 largest global asset management firms. So another thing that we bring to the table is expertise and knowledge across the board. So when a client comes to us with a thorny issue, it's likely we've seen it before and we've seen multiple ways to resolve it that we assist in tailoring to the client's specific situation."

Fumai, who has worked with Morgan Stanley for over 15 years, said the firm's consistent work advising Morgan Stanley's U.S. mutual funds and closed-end funds includes advising on regulatory filings, reviewing contracts with third-party service providers and drafting materials provided to boards of directors of the fund complex, as well as advising on the applicability of U.S. and global regulations.

The firm advises Morgan Stanley on U.S. mutual funds and closed-end funds regarding issues relating to the development and launch of new funds, compliance and regulatory matters, mergers, liquidations and restructuring of funds. Dechert's ongoing work with Morgan Stanley includes the Morgan Stanley AIP Alternative Lending Fund, a closed-end fund organized to invest primarily in loans originated through marketplace lending platforms.

Richard Horowitz, partner at Dechert and co-head of the firm's permanent capital practice, advises alternative asset managers in their efforts to access permanent capital through business development companies and closed-end funds.

During the past year, Horowitz advised Barings LLC in its pursuit of business development company Triangle Capital Corp. In the novel, two-pronged deal, Triangle sold its entire loan book to Benefit Street Partners for \$981 million and Barings became the external investment adviser to the BDC, renamed Barings BDC Inc. The overall value of the deal was \$1.2 billion, which included a \$235 million commitment from Barings and a \$85 million payment to Triangle Capital shareholders at closing.

"We really run the gamut of registered fund practice and private fund practice, and those two worlds continue to converge," Horowitz said. He added that the firm's worldwide capabilities are what make the asset management group unique.

"There aren't a lot of firms that can say they have hundreds of fund lawyers in the United States, London, Luxembourg, Dublin, Paris, Frankfurt and Singapore. And we all speak regularly, so we really try and keep the group as one coherent group," Horowitz said, noting that the global presence has helped the firm work with advisers that are looking to expand outside the U.S.

--Editing by Marygrace Murphy.