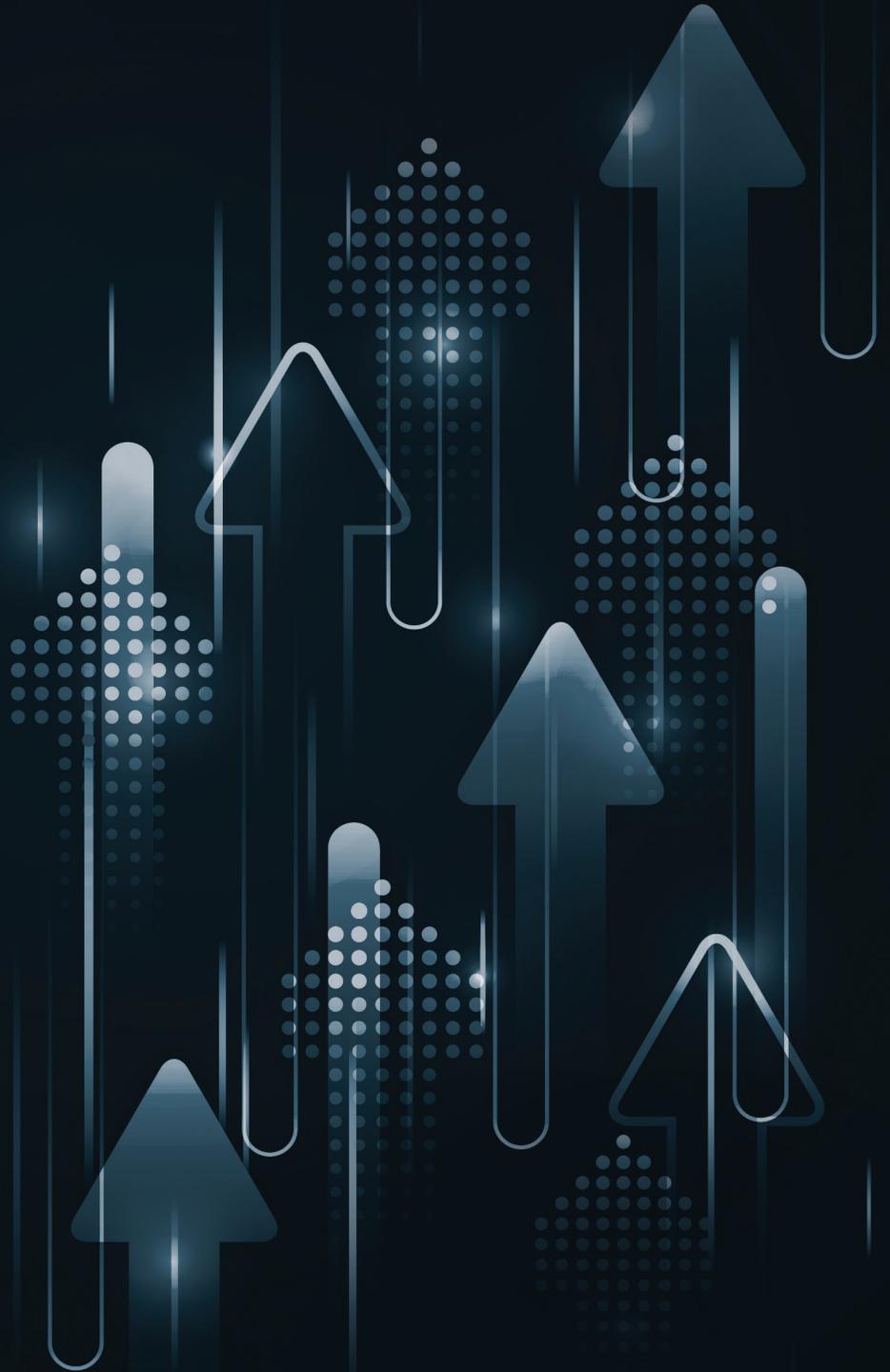


Private Equity Funds



Dechert
LLP

Introduction

A year ago, the private equity market was scorching hot, with fundraising and deal activity having spiked to unprecedented levels. Now, private equity fund managers are contending with increasingly challenging economic conditions resulting in reduced private equity deal value and volume because of the tightening cycle central banks have embarked upon.

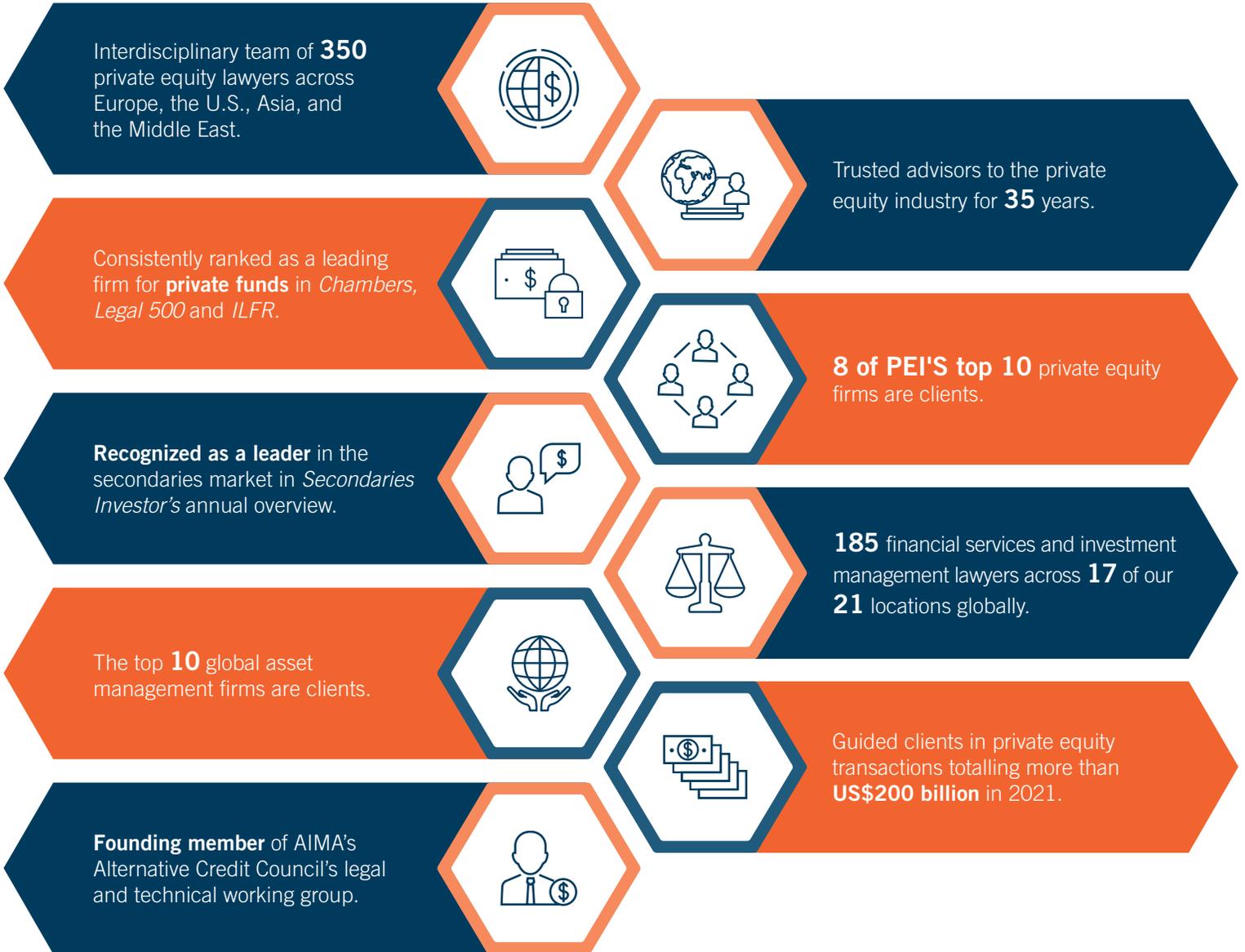
Global private equity AUM reached an all-time high at the end of 2021 with a record number of private equity funds in the global market, and with unprecedented levels of dry powder, record deal activity, and intense competition, managers need to innovate to stay ahead of the curve.

Dechert's fund formation clients benefit from our global knowledge and detailed insights of the private equity market and where it is heading, including the current state of fund terms, market trends and structural innovations. This is because we are a leading player in the private equity funds industry across all relevant jurisdictions and we engage with key stakeholders, including working with trade bodies and other industry groups to defend regulatory challenges and shape the future of the industry.

We have been privileged to have played a leading role in the development of the private equity industry over the last 35+ years, and our global private equity funds platform remains unique in many respects.



Dechert's Expertise at a Glance



Serving the Private Equity Fund Life Cycle

Drawing on expertise across a range of disciplines and geographies, our private equity clients benefit from holistic support on all aspects of fund structuring, formation and deal structuring for a responsive and efficient service.

Fund Formation

The Dechert team has a leading practice advising on private equity fund formation and similar committed capital vehicles. Our team has experience of dealing with complex matters in exacting timescales and we can assist with both traditional fund structures and more bespoke solutions across multiple jurisdictions. This breadth of experience and knowledge across varied fund mechanics sets our lawyers apart in terms of being able to adapt and innovate.

The team is also well versed in additional structuring features, such as currency options and the addition of investment leverage (and associated issues, such as the potential impact of the EU securitization regulation).

Leading Private Equity Managers Rely on Dechert

We represent 8 of *Private Equity International's* top 10 private equity firms globally. We can share representative client engagements upon request.



We cover all private equity strategies, including:

- Buyout
- Fund of funds
- Growth equity
- Hybrid private equity
- Infrastructure
- Real estate
- Secondaries
- Special situations
- Venture capital
- NAV financing
- Retailization
- Opportunistic strategies
- Fintech and Digital Assets

Dechert was the first and remains the leading law firm with a funds practice in all five principal European fund domiciles (the UK, Ireland, Luxembourg, Germany, and France). Our private equity fund lawyers also practice across the U.S., the Middle East and Asia. We offer “jurisdiction neutral” advice, focused only on our clients’ best interests.

Aside from traditional fund structures, Dechert is able to assist with more bespoke solutions, including SMAs and evergreen structures.

We also utilize the latest AI-enhanced data capture and analytics tools to provide clients with market insights drawn from our proprietary private funds database.

Global Tax

Our tax capabilities extend to tax advice in the UK, Luxembourg, France, Germany, the U.S., the Middle East and Asia.

Regulatory Advice

Today's regulatory climate calls for greater sophistication than ever when it comes to anticipating the impact of regulatory developments on fund formation and capital deployment. Our private equity clients benefit from expert support and proactive solutions to real problems, from AIFMD II to the post-Brexit regulatory framework, LIBOR, CSDR, SFDR, ELTIF reform and EMIR, exemplified by the development of our online resource sites including those on ESG, Cryptocurrency and Blockchain, the Financial Regulation Reform, MiFID II and more.

A hallmark of Dechert's practice is our transatlantic strength. The firm offers full U.S. capability from London, with several of our key London-based financial services experts being U.S.-qualified, which places us in a commanding position to assist U.S.-based clients on entering and accessing the European market (and vice versa).

We recognize the importance of maintaining strong relationships with the key regulators and work closely with them on a day-to-day basis. Clients expect us to provide strategic advice and guidance on how to interact with regulators and, where possible, anticipate regulatory changes coming down the track. Several Dechert alumni are now on the SEC and FCA staff (and vice versa), among others and the team maintains close relationships with the significant trade associations and other groups that represent funds, fund managers and directors.

ESG

We advise private equity clients globally on the integration of ESG matters, including the creation of ESG-focused private equity products.

With our expertise, our clients can anticipate and respond to ESG developments in a comprehensive and cost-effective way through

actionable advice that takes into account legal, regulatory, enforcement, market, business and other ESG trends and developments globally. Our multi-disciplinary ESG team includes representatives from all major practice areas in Europe, the U.S. and Asia.

Customized Investor Solutions

Often, a significant proportion - perhaps even the majority - of capital raised for a strategy will not be committed to the fund structure itself, but to sidecar vehicles, co-investment opportunities, separate managed accounts or other vehicles. This allows managers to deepen their relationships with investors, and investors to optimize their allocation to bespoke investment terms. This could involve a co-investment program or perhaps a managed account that straddles multiple strategies or fund vintages and avoids the need for the investor to revert to its own investment committee each time. We help sponsors develop programs that are efficient in terms of time, cost and administration.

Cornerstone Arrangements

The team regularly negotiates with cornerstone investors and supports managers on the structuring of a broad range of strategic investor deals, from family office-backed through to large institutional pension funds, sovereign seed deals and anchor investments. Clients secure a cornerstone deal which allows them to execute long-term growth plans.

Fund Finance

Dechert's fund finance practice represents alternative lenders, asset managers and investment funds, including in private equity, on a wide array of fund-related financings and loan transactions, including subscription facilities, NAV facilities, hybrid facilities and asset-backed loans. The team is involved in all aspects of fund finance including providing input on debt and leverage issues at the time of fund formation and downstream structuring and transactions, acting for lenders and borrowers operating across all layers of the capital stack.

Transactions

We have a proven track record in undertaking complex matters to exacting timescales. Our experience advising clients on deals from all sides of the table gives us a deep understanding of market trends and deal terms.

Whether your transaction is domestic or international, public or private, negotiated or hostile, our commitment to achieving your business imperatives remains constant.

Secondary Transactions

Secondary market activity continues to develop at a fast pace. We have worked on some of the most notable transactions in the secondary market, across private equity and credit, in the U.S., Europe and Asia, including continuation funds, stapled secondaries and other GP-led transactions, as well as a variety of limited partner portfolio disposals on the secondary market. We can adapt terms and structures to provide solutions for both outperforming and underperforming assets.

Restructuring and Distressed

Combining specialists across a range of practice areas, our integrated approach helps clients navigate highly complex economic, business, legal and regulatory issues at every stage of the private equity life cycle and across the capital stack. We work with clients to develop and implement restructuring solutions to ensure investors are protected and returns are maximized and are involved at every stage of forming, negotiating and effecting a restructuring. We advise some of the leading distressed and other credit investors on in-and out-of-court financial and operational restructurings and workouts.

House Matters

We support private equity clients with their business set-up, navigating key issues that arise, including choice of legal structure, regulatory requirements, setting up service provider agreements, carried interest and other performance-based compensation schemes

and employee co-investment arrangements, and related tax considerations. We work with established managers of all sizes as well as first time funds.

Marketing Advice

Clients benefit from “real time” advice on all aspects of fund marketing globally, including:

- Europe – AIFMD
- UK – FCA guidance and other relevant regulations
- U.S.– federal and state level requirements (e.g., SEC, CFTC, BlueSky, lobbying rules)

Outside of these jurisdictions, we regularly assist clients with marketing in the Middle East, Asia, Canada and Australia.

Our teams review and advise on marketing materials, investor decks and regulatory disclosures in fund documentation. Depending on the domicile of the fund and the investment manager, we can assist with the relevant regulatory filings, registrations, and/or notifications.

World Compass

Dechert’s World Compass, a user-focused online platform, provides fund managers with legal, regulatory, and practical guidance on cross-border activities, such as marketing, management, and other regulatory updates.

Subscribers receive 24/7 access to concise and easy-to-use guidance on key areas, including marketing and distribution of funds. The useful resources available encompass:

- Fly-in guides
- Disclaimer tools
- Shareholder reporting requirements
- Wrap accounts
- Commercial lending

Commended by the *Financial Times* in its 2017 “European Innovative Lawyers” Report, World Compass untangles the regulatory landscape in over 100 jurisdictions.

International Recognition

THE LEGAL 500 UK (2023)

'Recognized as a leading firm for private funds'

THE LEGAL 500 US (2022)

'Recognized as a leading firm in the private equity funds (including venture capital) category'

CHAMBERS GLOBAL (2022)

'Ranked as a leading firm for private equity funds in the Asia Pacific region'

PRIVATE EQUITY AWARDS (2021)

'Pan-European Legal Adviser of the Year'

PEI AWARDS (2021)

'Shortlisted for Law Firm of the Year for Fund Formation (Asia Pacific)'

THE LEGAL 500 (2022-2023)

'Ranked among the top law firms for Investment Funds in Germany, Hong Kong, Ireland, United Kingdom, Luxembourg, Singapore, United Arab Emirates and the United States'

CHAMBERS & PARTNERS (2023)

'Ranked among the top law firms for Investment Funds in Asia-Pacific, China, Ireland, Luxembourg, Middle East, the United Kingdom and the United States'

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