December 2019

PREQIN SPECIAL REPORT: SERVICE PROVIDERS IN ALTERNATIVE ASSETS

preqin

Contents

Data Pack

The data behind all of the charts featured in this report is available to download for free. Ready-made charts are also included that can be used for presentations, marketing materials and company reports.

To download the data pack, please visit: www.preqin.com/SPAA19

Methodology

Preqin's **Service Providers in Alternative Assets** report was compiled using Preqin's database of over 45,000 private capital funds, 400,000 private capital deals, 22,000 hedge funds and 3,500 service providers.

Unless otherwise noted, firms are included in tables based on the number of known funds or deals serviced within the given criteria. In the event of a tie, firms with the same number of known fund clients are ranked according to the funds' or deals' aggregate value.

If you would like to learn more about the methodology used, or share data for our future reports, please contact info@preqin.com.

Servicing Evolution

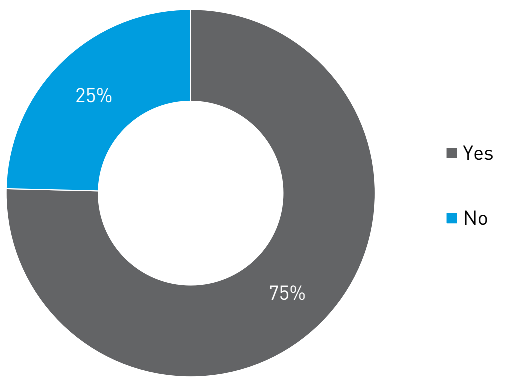
Adopting new technology and keeping pace with alternatives is key to service provider value

The world of alternative assets continues to grow and evolve. As of December 2018, the latest available data, the alternative assets industry has reached a staggering $9.45tn in assets under management (AUM). Private debt and natural resources have emerged as standalone asset classes in the past five years, growing from $445bn and $395bn as of December 2013 to $749bn and $701bn as of December 2018 respectively. The industry has also become increasingly global with activity surging in emerging markets such as China, Southeast Asia and Latin America.

As the footprint of alternatives has expanded, regulation has increased, technology has advanced and competition has ramped up. Although the introduction of directives such as AIFMD and BEPS has demanded a greater focus on compliance, regulation can also provide investment opportunity: the recent Opportunity Zone Program in the US offers private real estate investors significant tax benefits. As artificial intelligence (AI) and machine learning capabilities advance, many fund managers and service providers are looking to utilize the value these systems can create. And with more fund managers and investors active in the alternatives market than ever before, participants are facing fierce competition for capital and assets.

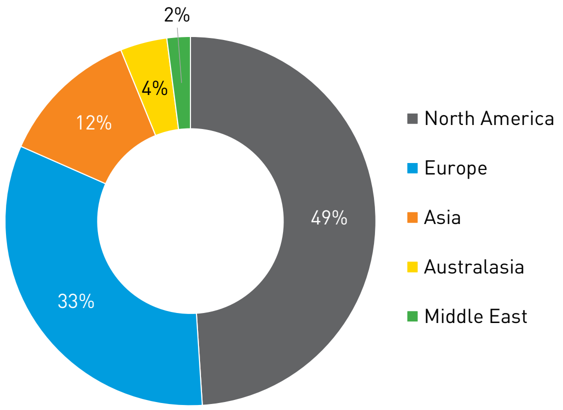
All of which provide great opportunity for service providers.

Fig. 1: Alternative Assets Fund Managers that Changed Service Providers in 2019



Source: Preqin Fund Manager Survey, October 2019

Fig. 2: Alternative Assets Fund Managers that Changed Service Providers in 2019 by Headquarters



Source: Preqin Fund Manager Survey, October 2019

Technology Set for Impact

While technology does present significant opportunities, service providers are facing more scrutiny in the face of growing demand to adapt to changing technologies. Since more fund managers than ever before are using technology in their investment operations, those service providers that do not offer or utilize the required processes may struggle to attract partners.

The discussion around technology and its impact on alternatives is fervent. Advancements in fields such as AI have begun to transform the way service providers can assist fund managers and investors alike, helping to speed up vital processes such as benchmarking and due diligence. By adopting technology like AI, service providers are delivering solutions with greater accuracy and in a speedier, more efficient process.

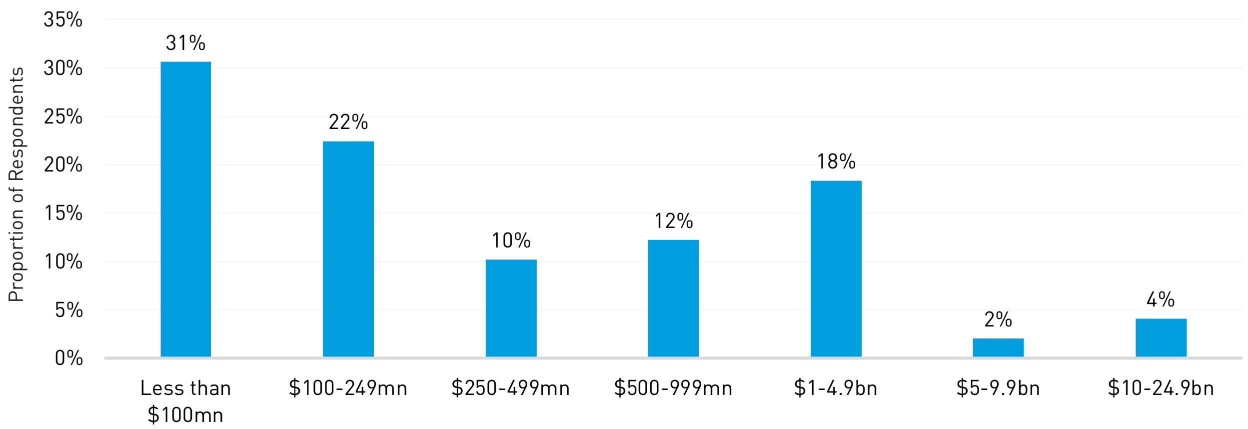
Most service providers are primed to be disrupted by new tech

- North America-based <$100mn fund manager

Service providers need to operate in a seamless, efficient, cost-effective manner. Using technology as much as possible yet also having clear communication

- North America-based $100-249mn fund manager

Fig. 3: Alternative Assets Fund Managers that Changed Service Providers in 2019 by Assets under Management



Source: Preqin Fund Manager Survey, October 2019

Regulating Alternatives

While advances in technology are influencing the investment landscape, more compliance directives are introduced by regulatory boards, and fund managers have a responsibility to adhere. Service providers with expertise in local and international regulation have the opportunity to capitalize on the internationalization and increasing amount of legal frameworks in alternatives.

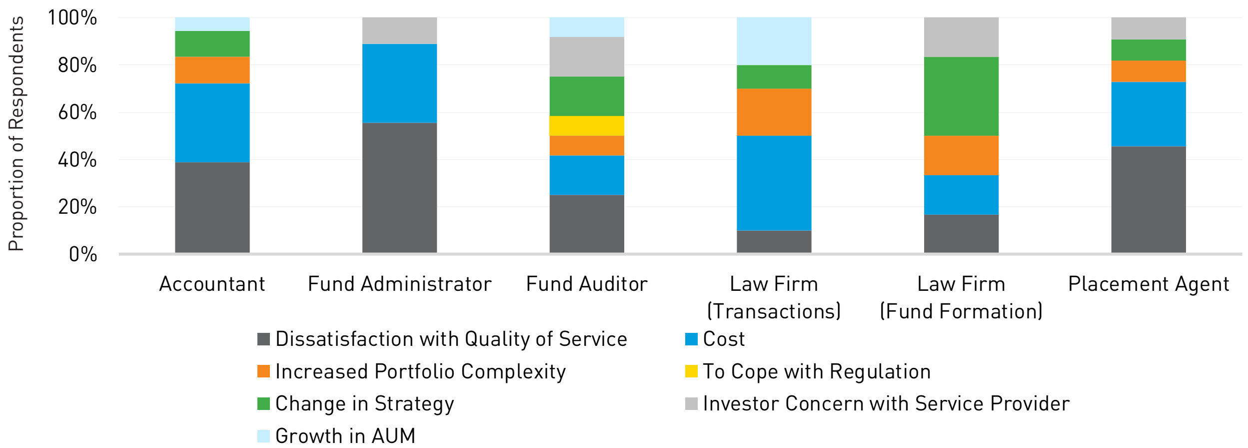
Quality vs. Cost

The value of a service provider centres around the relationship between the quality and cost of service. In Preqin's latest fund manager survey, the majority of respondents said they changed service providers due to either "dissatisfaction with quality of service" or "cost" (Fig. 4). However, when considering their service provider partners, quality looks to be the primary focus of fund managers. Those service providers able to provide quality solutions at competitive prices look well positioned to succeed in the current market.

Preqin's **Service Providers in Alternative Assets** report provides a view on the most active firms across alternatives, and features expert analysis on the key developments in the industry from our partners Alter Domus, EisnerAmper, Capstone Partners, IQ-EQ and TMF Group.

> **We look for service providers who are world-class subject-matter experts, accurate in their execution, transparent and communicative with our team, and competitively priced**
>
> **- North America-based $250-499mn fund manager**

Fig. 4: Reasons Why Private Capital Fund Managers Have Chosen to Change Service Providers in the Past 12 Months by Type



Source: Preqin Fund Manager Survey, October 2019

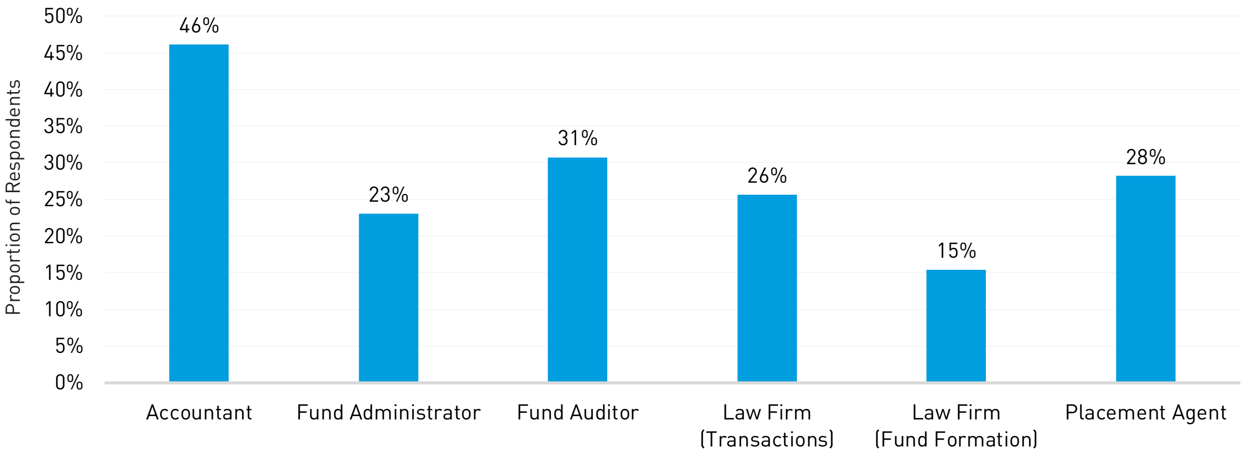
Service provider value stems from the quality of the service and being highly responsive at a reasonable cost

- North America-based $250-499mn fund manager

We look for quality partners not low-cost suppliers

- North America-based $1-4.9bn fund manager

Fig. 5: Service Providers that Private Capital Fund Managers Have Chosen to Change in the Past 12 Months by Type



Source: Preqin Fund Manager Survey, October 2019

Resilient and Robust: An Industry Adapting to Change

Alter Domus' Bruno Bagnouls on how alternatives are evolving in the face of political storms, new technology and shifting investor demands

Bruno Bagnouls
Group Head of Products and Innovation, Alter Domus

We live in interesting times. We are moving into a presidential election year in the US, British Prime Minister Boris Johnson is pushing for a general election in the UK before the end of the year as he seeks to get his Brexit proposal through parliament, and throughout Europe the political landscape is changing as the established parties see their longstanding majorities diminished by parties from the right and left wings of the political spectrum.

The alternative investment industry is not immune to these upheavals, and fund managers are eyeing the coming months with a due sense of caution. Over and above these political developments, fund managers and indeed investors are coming to the conclusion that we have now reached the top of a credit cycle. This, in turn, is fuelling interest in special situations and opportunistic debt. A recent Preqin survey identified the competition for assets as the key risk for fund managers at present. The general consensus is that there is simply more money than deals out there right now, so while vanilla direct lending is still a mainstay, a dog-eat-dog mentality has grown up to grab a deal when it arises – and this quick, aggressive attitude is not one that fund managers are used to, nor feel comfortable about.

This current environment is further complicated by the stricter controls on transparency in the industry. While fund managers are keen to highlight that their practices and procedures are consistent with regulations, the assets and investors behind them remain confidential: disclosing too much information could be seen to be giving an unnecessary advantage to competitors. While there may have been few evolutionary changes of late in this area, transparency is most certainly a key topic and one that will continue to weigh on the industry in the near future.

As with all financial sectors, environmental, social and governance (ESG) issues are becoming more and more important in the industry, and a groundswell towards responsible investment is increasingly evident. Nevertheless, it is clear that this change is still lagging behind other industries, and a clear strategy of how and where it can be best implemented remains to be defined. The coming years will be very interesting for ESG in alternative investments, as it represents a very fertile landscape for change and there is a strong impetus to ensure that measures are implemented in a timely fashion. Watch this space!

So where are investors going with their money? There is a great deal of demand for co-investment, for example, and fundraising sponsors tout many opportunities. The relatively low success rate of club deals, coupled with their dense governance and time involved, has prompted sponsors to favour more passive co-investors in their search for large deals. Plus LPs appreciate the diversification and good returns these vehicles offer. The old way of working, whereby sponsors would do deals and then bring in co-investors to help dispense with some of the risk and syndicate the parts still occurs, but generally sponsors bring in LPs earlier nowadays, prior to the deal closing. This improves their chances of influencing the structure of the investment. There is no shortage of money available to invest, and investors are keen to diversify and find a solution that works well for them.

Co-investment is not a magic bullet, of course. LPs are reliant upon their sponsor to do due diligence and structuring and to find a good opportunity. They also need them to get the right price and manage that investment through to a good exit and a satisfactory return. While the co-investor can customize their portfolio, they can still end up very exposed to one manager.

As for the sponsor, you are including more and more parties in your endeavor, which means more people to answer to if things go awry. To combat this, and to make the whole process that much more smooth, many sponsors are standardizing their co-investment documentation as much as possible. That way they can avoid facing the same issues over and over again when parties are brought into a deal.

Multi-platform asset managers have long championed synergies between private equity and real estate, and technology has helped drive this forward. The two asset classes are unquestionably related. Proptech companies can optimize efficiency in the building, sales or lettings process. Connectivity-focused businesses can make properties more valuable with the addition of better internet, energy efficiency or smart office design.

There's also the matter of returns. Tech deals frequently secure higher valuations, with global companies in this sector trading at 22x EBITDA as of November 2018, according to S&P Global Intelligence. Depending on the strategy, real estate funds have different return profiles to conventional private equity. Core funds will target IRRs of around 5%, while opportunity funds will look for 20% and 2x investors' money.

Questions remain over investor appetite for such vehicles. Limited partners typically have separate allocations to real estate and private equity because the risk profiles are different. But as real estate and technology become increasingly interconnected, distinguishing between the two strategies may become more of a challenge.

What is sure is that the alternative investment industry has proven time and time again that it is one of the most resilient, robust investment industries, and it continues to attract large volumes of funding year on year. The portfolio diversification, inflation-hedging opportunities and high rewards that alternative investments offer, combined with the greater regulation and transparency now in place, means this financial sector is one whose reputation is improving where others are suffering. There will most certainly be more regulation going forward, and more calls for greater transparency, but while these will challenge us and oblige us to adapt and change, it will also ensure that our industry continues to receive the respect that it deserves from our colleagues in other areas of finance, and maintains its high regard among those outside of the investment industry.

Alter Domus

Alter Domus is a fully integrated provider of Fund and Corporate Services, dedicated to international private equity & infrastructure houses, real estate firms, private debt managers, multinationals, capital markets issuers and private clients. Our vertically integrated approach offers tailor-made administration solutions across the entire value chain of investment structures, from fund level down to local Special Purpose Vehicles.

Founded in Luxembourg in 2003, Alter Domus has continually expanded its global service offer and today counts 40 offices and desks across five continents. This international network enables clients to benefit globally from the expertise of 2,000 experienced professionals active in fund administration, corporate secretarial, accounting, consolidation, tax and legal compliance, depository services and debt administration services.

www.alterdomus.com

AI Is Transforming the Way Investors Value and Monitor Companies

By analyzing big datasets quickly and efficiently, AI is helping to speed up vital business processes from due diligence to benchmarking

Artificial intelligence (AI) is shaping key business processes in just about every industry, including alternatives. In this Q&A Jay Weinstein, Managing Partner of Markets and Industries at US-based advisory and accounting firm EisnerAmper, shares his views on how alternative assets professionals can capitalize on AI right now – and why he expects this transformational technology to have "a major influence on the investment landscape" going forwards.

Jay Weinstein
Managing Partner of Markets and Industries, EisnerAmper

For both private equity firms and their portfolio companies, accounting and auditing are vital business services. How is AI transforming the industry?
At a high level, AI flourishes in industries with mass amounts of data and analytics. Given the value and dependence on high-quality data in the accounting, audit and investment industries, AI is a natural fit. On top of this, as technology continues to improve and evolve, AI has enormous potential applications.

How can investors in alternatives benefit from AI?
AI has the ability to read large, complex documents and break them down into digestible information, which is key for investors.

Take partnership agreements as an example. AI can read the fund documents and pick out what the fund can and can't do and deliver this information quickly and accurately. Due diligence is an expensive and time-consuming activity – AI has the ability to change that.

Beyond gaining the information you need quickly and accurately, a big part of AI processes is the machine learning aspect. The more these processes are used and worked on, the more accurate they become because of learning that occurs.

And fund managers, how can they capitalize on AI?
For fund managers, AI carries implications for due diligence and valuations, as well as in creating benchmarks.

Let's look at one aspect of valuations in real estate investing: maintenance. Deferred maintenance can be a real issue for asset acquirors or managers.

AI can look at the amount of repairs a building has had, or even the specific areas where these repairs were carried out, to provide a view of how healthy a building is. It can then do the same with similar buildings or buildings in a similar area and complete comparisons. This helps to form a valuation by taking into account detailed maintenance information.

By ingesting vast amounts of data and applying learning, AI can provide accurate and timely valuations of portfolio companies and assets.

You've explained how AI can help in real estate investing, by analyzing deferred maintenance in valuations for example. How else can AI benefit real estate investors?
In the real estate market, AI is providing more information and clarity on energy consumption, benefitting acquirors and operators. AI can look at weather patterns in a particular area and determine how much energy the building should consume throughout the year. It can then use information on utilities providers to build a view of cost or potential increases in rates.

In short, due diligence will be transformed by AI. The processes involved in buying an asset, property or company will change entirely.

Should fund managers be looking to adopt AI now, or wait for the technology to improve further?
As with any new technology there are pros and cons of early adoption.

On the one hand, AI is a strong differentiator in a crowded market. It can help you get ahead of your peers and appeal to investors. You'll also be gaining a better understanding of AI as it develops and becomes more powerful.

On the other hand, AI is not currently in its most efficient state. You're looking at 12-18 months from taking the first steps in implementing AI to seeing AI deliver value for your business. This will get shorter.

How is EisnerAmper working with AI to serve clients?
We began working with AI around two years ago. We realized that AI has the ability to automate and improve several areas within accounting and auditing, speeding up multiple processes and leaving employees with more time to spend on higher-value work.

Consider auditing. Machine learning can analyze and process a large number of contracts and leases much faster than current manual processes involved in day-to-day auditing – saving time, money and resources. That's the technology that Smart Auditing is built on.

We set about creating our Smart Auditing processes by partnering with IBM Watson. Together, we developed several modules that increase efficiency in the audit process. We've created modules for revenue recognition and employee benefits among other business areas.

EisnerAmper has put in the leg work to get AI processes up and running, and we've built out this AI capability so that our clients don't have to start from scratch.

Looking ahead, how do you see AI being embedded within key business processes?
First of all, AI will get better and better.

The more information we can provide these systems, the more value they can create. Fortunately, we work in a data-rich industry, so investment processes are prime for AI disruption.

Processes that are now labour and time intensive will become quick and automated, meaning, investment professionals will have more time to perform high-value tasks.

Investors will be able to gain granular, intelligent information on large portfolios with accurate benchmarking all through an AI solution. The way we monitor and value assets, companies and portfolios will be significantly more advanced in five years' time.

While some aspects of these processes can be done in programs like Excel, AI provides accuracy and the ability to learn and constantly improve its own processes. That's where the value is. You can't teach a spreadsheet.

About Jay Weinstein

Jay Weinstein is the Managing Partner of Markets and Industries at EisnerAmper, with responsibility for identifying emerging opportunities and executing business strategies for existing markets and segments. He is also Partner-in-Charge of the firm's New Jersey office. With over 30 years of experience, Jay possesses significant expertise in the real estate and technology sectors, and in serving closely held businesses.

www.eisneramper.com

The Value a Placement Agent Can Bring to a Fundraise

Capstone Partners' Michael Keaveney on how placement agents can be a valuable strategic partner to both emerging and established managers

Michael Keaveney
Managing Director, Capstone Partners

Fundraising is not easy; it is one of the more exhausting, humbling and frustrating processes GPs encounter. In perusing industry periodicals, one might conclude that anyone can raise a private equity fund and it can be done easily. The reality is quite different.

Well-known managers that have a clean story with strong existing LP support – and spin-out groups with extraordinary stories – do get in and out of market quickly, but for the majority of managers, fundraising remains a difficult, unwelcome task with plenty of risk. A high-quality, full-service placement agent can play a valuable role and be a resource to GPs during the fundraise.

The benefits are more obvious for emerging managers or those with complex stories as agents can develop a strategy for the raise, help position the story, anticipate objections, process feedback, and take the bulk of the documentation work off the GP's plate. Agents can also play a role with high-quality or high-demand offerings as they can de-risk the raise by providing guidance on optimal timing of launch, sequencing of LP approach, managing logistics, driving an efficient process, and advising on the allocation process (particularly as it relates to the negotiation of commitment sizes).

Emerging Managers (First-Time Funds/Spin-outs)

Hiring a placement agent is a critical step for an emerging manager looking to avoid the pitfalls inherent in any first-time fundraise.

Fundraising Strategy & Diligence Preparation: The planning stages for a fundraise can be just as important as the raise itself. If the GP doesn't have a tight story and documentation is not well prepared, it can be detrimental to the raise. Placement agents can advise their clients on all aspects of the fundraise strategy (including identifying and highlighting the key attributes and differentiators of the strategy). The Project Management team can help write the marketing materials, including the presentation, PPM, DDQ and supplemental diligence materials. The placement agent has a lot of experience working with LPs on diligence requests; therefore, they can anticipate diligence questions and topics before they become a hurdle in diligence.

In some cases, agents can be helpful in identifying and choosing counsel and outsourced back-office providers, which has become an important factor as LPs have increased their due diligence on fund operations.

Distribution: Equally as important to the planning process is meeting the right LPs in an efficient manner. LPs can be an enigma as it relates to understanding what drives decisions, whether they have capital to invest, and who is the right person with whom to initiate dialogue. The placement agent is constantly speaking with the LPs – both to understand their current portfolio and to gain a view as to what they are wanting to add in the way of new GP relationships. Agents also know which LPs are realistic supporters of emerging managers.

Established GPs

Established GPs may not need the same level of assistance as emerging managers; however, there are still many ways a placement agent can be a valuable resource.

Fundraising Strategy & Diligence Preparation: An agent may not need to provide as much assistance with document preparation for an established GP, but there can be items that come up between fundraises that need to be addressed during the upcoming raise (issues may range from team turnover to performance issues). An agent can help a GP articulate lessons learned or how these issues have been mitigated for the new fund. In other cases, a GP may want to consider seeking premium terms or potentially expand their platform by raising a fund with a different strategy. A placement agent can seek early market feedback or, based on experience, provide guidance as to the likelihood of success in achieving desired goals.

In a high-demand offering, a placement agent can de-risk a raise by providing advice on timing and sequencing and by acting as an intermediary during difficult allocation discussions. Historical knowledge and experience provides an agent with greater insight into LPs' realistic expectations for fund allocation, which can result in a smoother process. Lastly, the placement agent can take over the logistics of the raise and allow the GP to focus on investing. A GP in a high-demand situation should view their agent as an insurance policy to prevent an efficient raise from becoming more difficult.

Distribution: A GP may have a dedicated Investor Relations team tasked with managing LP relationships and securing new commitments. Despite the depth of the team's contacts, a placement agent can be helpful in gaining access to LPs in different geographies and can potentially be a resource, alongside counsel, in managing regulatory compliance in Europe and Asia.

If the GP doesn't have an Investor Relations team, it can be time-consuming to organize follow-on meetings with LPs while still tending to the important day-to-day tasks of managing the firm and the portfolio. A placement agent can screen the LPs and present the best list of targets as well as manage efficient meeting schedules, which often coincides with travel related to deals.

In sum, placement agents can be an invaluable strategic partner to both emerging and established managers to help the GP achieve their desired goals and complete the fundraise in an efficient manner.

Capstone Partners

Founded in 2001, Capstone Partners is a leading independent placement agent focused on raising capital for private equity, credit, real assets and infrastructure firms from around the world.

Michael is responsible for distribution and client origination in the Northeastern and Eastern US.

www.csplp.com

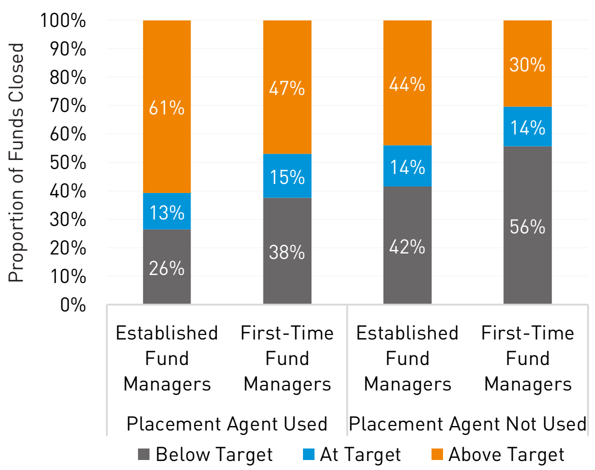
Placement Agents

28%
Proportion of Fund Managers that Changed Their Placement Agent in 2019

45%
Dissatisfaction with Quality of Service

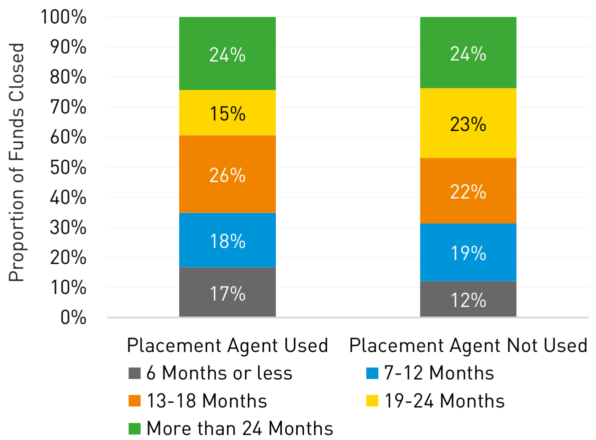
27%
Cost

Fig. 6: Fundraising Success of Private Equity Funds that Used/Did Not Use a Placement Agent by Manager Experience, Funds Closed in 2018-H1 2019



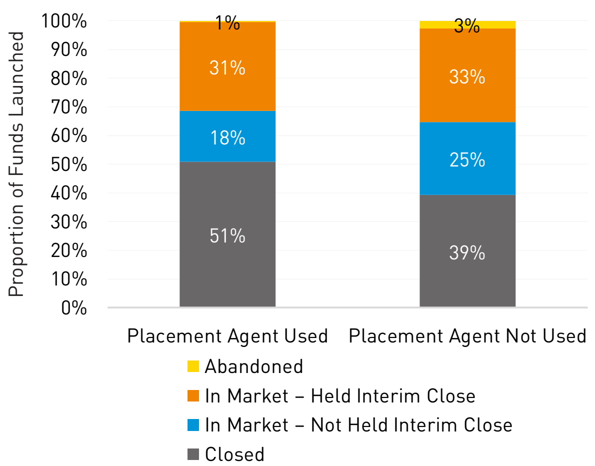
Source: Preqin Pro

Fig. 7: Time Spent in Market by Private Equity Funds that Used/Did Not Use a Placement Agent, Funds Closed in 2018-H1 2019



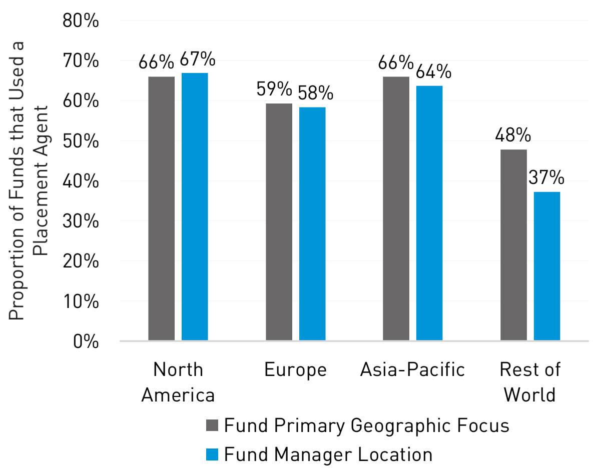
Source: Preqin Pro

Fig. 8: Current Status of Private Capital Funds Launched in 2017-2019 YTD that Used/Did Not Use a Placement Agent



Source: Preqin Pro. Data as of September 2019

Fig. 9: Private Capital Funds that Used a Placement Agent by Geography, Funds Closed in 2018



Source: Preqin Pro

Fig. 10: Prominent Placement Agents Servicing Private Capital Funds

Firm	No. of Known Private Capital Funds Serviced	Aggregate Capital Raised ($bn)
Credit Suisse Private Fund Group	301	386.1
UBS Investment Bank Private Funds Group	210	260.8
Park Hill Group	185	312.4
Mercury Capital Advisors	172	202.8
MVision Private Equity Advisers	153	145.5
Eaton Partners	123	88.3
Lazard Private Capital Advisory	120	125.6
Atlantic-Pacific Capital	110	72.8
Evercore Private Funds Group	105	117.1
Probitas Partners	101	92.3

Source: Preqin Pro

Fig. 11: Prominent Placement Agents Servicing Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known Private Capital Funds Serviced	Aggregate Capital Raised ($bn)
Greenstone Equity Partners	32	17.9
Park Hill Group	27	36.1
Credit Suisse Private Fund Group	24	32.3
Evercore Private Funds Group	16	38.1
UBS Investment Bank Private Funds Group	14	18.3
Eaton Partners	14	12.4
Campbell Lutyens	13	28.9
Lazard Private Capital Advisory	13	13.1
Atlantic-Pacific Capital	13	7.6
MVision Private Equity Advisers	12	17.0

Source: Preqin Pro

Fig. 12: Prominent Placement Agents Servicing Private Capital Funds by Fund Size, Funds Closed in 2018-H1 2019

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	$1bn or More
Atlantic-Pacific Capital	Eaton Partners	Credit Suisse Private Fund Group	Campbell Lutyens	Campbell Lutyens
Aqueduct Capital Group	Elara Capital	CrossBay Capital Partners	Rede Partners	Credit Suisse Private Fund Group
Compass International Advisors	Fern Creek Ventures	Eaton Partners	Lazard Private Capital Advisory	Evercore Private Funds Group
Greenstone Equity Partners	Greenstone Equity Partners	Greenstone Equity Partners	Park Hill Group	Park Hill Group
Phoenix Financial Services	Stifel, Nicolaus & Co	Monument Group	UBS Investment Bank Private Funds Group	Picton

Source: Preqin Pro

Fig. 13: Prominent Placement Agents Servicing Private Capital Funds by Fund Manager Location, Funds Closed in 2018-H1 2019

North America	Europe	Asia-Pacific	Rest of World
Credit Suisse Private Fund Group	Asante Capital Group	Greenstone Equity Partners	Actinver Casa De Bolsa
Evercore Private Funds Group	Campbell Lutyens	Mercury Capital Advisors	Cebile Capital
Greenstone Equity Partners	Greenstone Equity Partners	MVision Private Equity Advisers	Goldman Sachs
Park Hill Group	Park Hill Group	Park Hill Group	Greenstone Equity Partners
UBS Investment Bank Private Funds Group	Rede Partners	UBS Investment Bank Private Funds Group	MVision Private Equity Advisers

Source: Preqin Pro

Fig. 14: Prominent Placement Agents Servicing Private Capital Funds by Asset Class

Private Equity & Venture Capital	Private Debt	Real Estate	Infrastructure & Natural Resources
UBS Investment Bank Private Funds Group	Credit Suisse Private Fund Group	Credit Suisse Private Fund Group	Eaton Partners
Credit Suisse Private Fund Group	Park Hill Group	Park Hill Group	Campbell Lutyens
MVision Private Equity Advisers	CrossBay Capital Partners	Macquarie Real Estate Private Capital Markets	Credit Suisse Private Fund Group
Mercury Capital Advisors	Greenstone Equity Partners	Mercury Capital Advisors	Evercore Private Funds Group
Lazard Private Capital Advisory	MVision Private Equity Advisers	Triton Pacific Capital	Atlantic-Pacific Capital
Park Hill Group	UBS Investment Bank Private Funds Group	Greenstone Equity Partners	Champlain Advisors
Probitas Partners	Eaton Partners	Evercore Real Estate Capital Advisory	Monument Group
Campbell Lutyens	Atlantic-Pacific Capital	Atlantic-Pacific Capital	Park Hill Group
Eaton Partners	JP Morgan Securities Inc.	M3 Capital Partners	DC Placement Advisors
Greenstone Equity Partners	Probitas Partners	Lazard Private Capital Advisory (Real Estate)	Threadmark

Source: Preqin Pro

Fig. 15: Prominent Placement Agents Servicing First-Time Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known First-Time Private Capital Funds Serviced
Park Hill Group	6
Lazard Private Capital Advisory	6
Atlantic-Pacific Capital	4
Campbell Lutyens	3
UBS Investment Bank Private Funds Group	3
Brooklands Capital Strategies	3
First Avenue	3
Eaton Partners	3
Moelis & Company Private Funds Advisory	3
CrossBay Capital Partners	3
Avec Capital	3
XT Capital Partners	3
Principle Advisory Services	2
Crito Capital	2
Acalyx Advisors	2

Source: Preqin Pro

Three Key Disruptors Affecting Alternative Fund Managers

As more managers embrace automation, evolve their investor reporting frameworks and consider big data implementation, the industry finds itself in a state of flux

Justin Partington
Group Head of Funds, IQ-EQ

Alternative fund managers are experiencing a period of profound change which is transforming the way they interact with investors. Three key disruptors – namely technology, the standardization and digitization of reporting, and big data – are set to revolutionize the alternative funds industry, which has been behind the curve compared to the wealth management industry, for example.

1. Technology on the Rise

Technology is, without doubt, one of the major disruptors of our time, and in the alternative funds industry people have only really woken up to the opportunities within the last five years. We can see that automation of various investment processes is now being embraced, and managers that can effectively implement these tools are now building a significant competitive advantage.

The scale of the likely disruption to come in the alternative funds industry was examined in a report published by KPMG International and CREATE-Research in 2018 titled Alternative investments 3.0: digitize or jeopardize. The report found that 53% of survey respondents anticipated partial disruption from digitization and 10% expected full disruption, while 35% considered that there would be incremental changes and just 2% predicted 'business as usual.'

We can already see that investors are calling upon fund managers to make greater use of technology in reporting, since it also has a positive impact on cost management. While in the past alternative fund managers have relied upon Excel-style solutions, a plethora of fund administration platforms have emerged, with dashboard solutions now able to offer the transparency that investors have been seeking. The operational benefits include real-time data reporting and data analysis on the investment portfolio, which can be accessed through remote or mobile devices. Such dashboard solutions can be customized and operated by outsourced service providers – helping fund managers to meet the demands of their investors without having to develop their own in-house solutions.

We can already see new ways of working emerging with the growing use of data lakes, which are vast pools used for the collection of raw data, and data warehouses, which act as repositories for structured data. This is likely to lead to greater exchanges of data with clients, who may be looking to take the data and create their own data reporting. Standardization will have a key role to play and the speed of data recovery will increase further with the advent of 5G, which will help optimization.

2. Standardization and Digitalization of Reporting to Meet Regulatory and Investor Demands

The push to standardize and digitize reporting and communications between fund managers and their investors has become a major feature on the industry landscape in recent years. As the alternative funds industry becomes more mature and established alongside more traditional asset classes, we can anticipate that the standardization effort will play its part in enhancing transparency and keeping ahead of trends, with a view to satisfying regulatory and investor demands.

This drive towards standardization has been led by the Institutional Limited Partners Association (ILPA), which issued its first set of reporting guidelines in 2011 and most recently released ILPA Principles 3.0: Fostering Transparency, Governance and Alignment of Interests for General and Limited Partners in July 2019. This latest edition has been developed with the input of both GPs and LPs, and will have a significant impact on GPs as they come under ever greater scrutiny and pressure to adopt best practices.

With regard to environmental, social and governance (ESG) policies and reporting, the Principles 3.0 recommend that GPs should consider maintaining and periodically updating an ESG policy to provide to all LPs or to potential LPs on request. The guidelines also recommend the allocation of, and communication surrounding, co-investments; as well as policies and communications on changes in GP ownership and succession planning; and processes and approval for GP-led secondary transactions, among others.

3. Big Data, Big Change?

Turning to our third disruptor, big data: what will it mean for the private equity (PE) industry, which has grown up based on human contact and personal networks? Hedge funds were quick to make the leap into big data, where potential investors are always looking for an edge, and firms are spending increasing sums on 'alternative datasets' to get ahead. The report by KPMG International and CREATE-Research confirms the lag on the PE side. Twenty-four percent of respondents from hedge funds said they were in the implementation phase on big data, 9% said they were close to decision-making and 67% said they were raising awareness. This compares to 18%, 12% and 70% of respondents from PE respectively.

Big data is proliferating at an unprecedented rate, and it is estimated that 90% of the world's data has been created in the past two years. What will be the impact of big data on deal-sourcing, for example? EY anticipates that there will be benefits at different levels, for example in terms of quantitatively increasing the deal flow and enabling PE firms to spot targets outside their traditional networks. EY further considers that big data should help to qualitatively rationalize the deal flow to only include opportunities that meet several predefined criteria and thereby result in more effective targeting.

If it can provide further benefits relating to more rigorous due diligence and value creation through better understanding of the portfolio areas in need of improvement, big data can yet have its day in the sun in the PE industry, with GPs and LPs both able to reap the benefits.

Making the Most of Disruption

Disruption is here to stay. The most successful alternative fund managers will be those that can use strategic thinking and approaches to capitalize on all of the new tools at their disposal: technological platforms, reporting templates or data to support deal-flow sourcing. At the end of the day, the process of making investments is one that relies on trust and accountability, which comes from contact with people and not with machines. Human understanding, instinct, intuition and experience will always be in vogue when it comes to closing the deal.

How BEPS and AIFMD Influence Fund Managers' Operations

The OECD/G20 inclusive framework Base Erosion and Profit Sharing (BEPS) measures can impact how alternative assets fund managers operate. The BEPS project, alongside the EU's AIFMD regulation, has created an increased focus on fund managers' tax structures and economic substance, says TMF Group.

Ramon van Heusden

Head of Client Services, TMF Group

Egon Snijders

Group Tax Director, TMF Group

How did BEPS originate? And what considerations should fund managers be making with regards to BEPS?

Ramon: The BEPS project really spun out of regulation like AIFMD. The key consideration when looking at AIFMD and BEPS is that while economic substance is important within AIFMD in terms of functions, duties and responsibilities, BEPS has a specific focus on economic substance within the tax arena.

Egon: After the financial crisis, public opinion on tax-planning strategies used by multinationals to minimize their tax burden changed. This led to the G20 instructing the OECD to prepare an action plan with respective reports to counteract BEPS. This package of measures is now being adopted widely in local legislation and within tax treaties. We have seen economic substance play an important role in various parts of the BEPS project.

The measures following the BEPS project have an impact throughout a fund manager's operations. The rules apply to the country where the holding company or SPV is located, the country in which the fund is domiciled, as well as the countries in which the fund invests. We are even seeing countries perceived as beneficial from a tax perspective – Jersey, Cayman Islands, Guernsey, for example – implementing new rules around economic substance following pressure from other countries.

How far are along is the adoption of the BEPS project? Have certain countries already implemented aspects of it into law?

Egon: There are big differences in the level of implementation from country to country, but most countries have been adopting or are in the process of adopting legislation. Further, tax treaties are being amended in such a way that countries are giving more opportunity to look up through the investment structure to enforce their own taxing rights, rather than just looking at the holding or SPV location.

An important new measure that is widely adopted in tax legislation is the 'Principle Purposes Test,' a test surrounding the question whether the purpose of the investment structure is to get access to tax benefits. The issue with this test is that the 'purpose' term is subjective and can be interpreted differently. Economic substance is considered to play an important role in showing an investment structure's good purpose.

With some of the BEPS guidelines already impacting the fund management industry, have you seen managers change their geographical footprint?

Ramon: Fund managers have the opportunity to kill two birds with one stone here – from a European point of view especially. The BEPS guidelines focus on tax and economic substance while AIFMD concentrates on functional substance. Fund managers that consider both frameworks when evaluating their footprint have the ability to increase their compliance, as well as benefit from cost-efficiencies and business synergies.

It's a great opportunity for fund managers to centralize functions such as portfolio management and risk management alongside the transaction, legal and even asset management teams. This increases operational efficiency, while at the same time providing the necessary regulatory compliance in that jurisdiction.

Egon: Elements that are generally considered to contribute to establishing economic substance are people, premises and other operational expenses. It is thereby important to note that these elements also need to be proportionate and relevant for the type of activities undertaken. These requirements are expected to further contribute to the trend of centralizing functions.

What steps can fund managers take now to future-proof and put themselves in a strong position to be compliant with any future regulatory changes?

Ramon: There's certainly something to be said for keeping a close eye on regulation and even attempting to anticipate future changes – there tends to be guidance and direction from within the market when something new is on its way in. Fund managers also need to focus on finding and retaining talent, maintaining regular training and limiting exposure to staff turnover.

Technology will also play an important role in terms of reporting. Having technologically sound processes for reporting on governance and performance has become crucial in alternatives. The managers that invest in the right technology will be able to accurately report as well as make agile adjustments to their reporting as regulations change.

Egon: From a tax perspective, it's about continually reviewing your investment structure. An investment structure created a couple of years ago may not be compliant or efficient from a tax perspective now. So that's where the value of tax advisors is seen.

Ramon: Another key method fund managers have at their disposal is the ability to outsource functions but remain compliant with substance regulation. Creating substance in a jurisdiction does not mean that all functions have to remain in-house. Many large managers look to outsource functions, such as accounting; by doing so they partner with experts in that business area that aid compliance in the fund manager's jurisdictions.

Fund Administrators

23%
Proportion of Fund Managers that Changed Their Fund Administrator in 2019

→

56%
Dissatisfaction with Quality of Service

33%
Cost

11%
Investor Concern with Service Provider

Fig. 16: Prominent Fund Administrators Servicing Private Capital Funds

Firm	No. of Known Private Capital Funds Serviced
SS&C GlobeOp	457
State Street	279
Standish Management	276
Apex Fund Services	204
Gen II Fund Services	172
Citco Fund Services	169
Aduro Advisors	137
LeverPoint Management	129
Alter Domus	117
Aztec Group	107

Source: Preqin Pro

Fig. 17: Prominent Fund Administrators Servicing Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known Private Capital Funds Serviced
SS&C GlobeOp	52
Standish Management	38
Alter Domus	37
Aduro Advisors	33
Gen II Fund Services	25

Source: Preqin Pro

Fig. 18: Prominent Fund Administrators Servicing First-Time Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known First-Time Private Capital Funds Serviced
Aduro Advisors	15
SS&C GlobeOp	11
Standish Management	10
Gen II Fund Services	9
Alter Domus	9

Source: Preqin Pro

Fig. 19: Prominent Fund Administrators Servicing Private Capital Funds by Fund Size, Funds Closed in 2018-H1 2019

Less than $50mn	$50-99mn	$100-249mn	$250-499mn	$500-999mn	$1bn or More
Aduro Advisors	Alter Domus	Standish Management	SS&C GlobeOp	SS&C GlobeOp	Aztec Group
Standish Management	Standish Management	SS&C GlobeOp	Alter Domus	SEI Investments	Citco Fund Services
SS&C GlobeOp	Aduro Advisors	Alter Domus	State Street	Gen II Fund Services	Alter Domus
Strata Fund Solutions	Cornerstone Fund Services	Gen II Fund Services	Citco Fund Services	State Street	Gen II Fund Services
LeverPoint Management	Citco Fund Services	Aduro Advisors	Langham Hall UK Services	LeverPoint Management	Estera Administration (Guernsey)

Source: Preqin Pro

Fig. 20: Prominent Fund Administrators Servicing Private Capital Funds by Fund Manager Location, Funds Closed in 2018-H1 2019

North America	Europe	Asia-Pacific	Rest of World
Gen II Fund Services	Aztec Group	Citco Fund Services	BNY Mellon
Citco Fund Services	Alter Domus	State Street	Lions Trust
SS&C GlobeOp	BNP Paribas Securities Services	BNY Mellon	Alianza Fiduciaria
SEI Investments	Estera Administration (Guernsey)	Langham Hall UK Services	Trident Trust
State Street	Banque de Luxembourg	Alter Domus	Maitland

Source: Preqin Pro

Fig. 21: Prominent Fund Administrators Servicing Private Capital Funds by Asset Class - Ranked by Aggregate Capital

Private Equity	Venture Capital	Private Debt	Real Estate	Infrastructure	Natural Resources
Aztec Group	SS&C GlobeOp	Citco Fund Services	State Street	Gen II Fund Services	State Street
SS&C GlobeOp	Standish Management	SEI Investments	Citco Fund Services	JP Morgan Fund Services	SS&C GlobeOp
State Street	Citco Fund Services	SS&C GlobeOp	Cortland Fund Administration	Alter Domus	Strait Capital
Gen II Fund Services	State Street	State Street	SEI Investments	Citco Fund Services	SEI Investments
Northern Trust Fund Administration	LeverPoint Management	JP Morgan Fund Services	Langham Hall UK Services	Apex Fund Services	Standish Management
Citco Fund Services	Sanne Group	Northern Trust Fund Administration	SS&C GlobeOp	Sanne Group	Blue River Partners
Apex Fund Services	Trident Trust	BNP Paribas Securities Services	JP Morgan Fund Services	IQ-EQ	Citco Fund Services
Alter Domus	Aduro Advisors	Harmonic Fund Services	FD Fund Administration	SEI Investments	MUFG Investor Services
SEI Investments	BNY Mellon	U.S. Bank Global Fund Services	Sanne Group	CACEIS	U.S. Bank Global Fund Services
Vistra	Aztec Group	BNY Mellon	Saltgate	Aztec Group	Brown Brothers Harriman

Source: Preqin Pro

Fund Auditors

31% Proportion of Fund Managers that Changed Their Fund Auditor in 2019

→

25% Dissatisfaction with Quality of Service

17% Cost

17% Change in Strategy

17% Investor Concern with Service Provider

Fig. 22: Prominent Fund Auditors Servicing Private Capital Funds

Firm	No. of Known Private Capital Funds Serviced
PricewaterhouseCoopers	2,176
EY	1,828
KPMG	1,746
Deloitte	1,174
RSM	611
BDO	480
Grant Thornton	303
Frank, Rimerman & Co.	209
EisnerAmper	167
Plante & Moran	104

Source: Preqin Pro

Fig. 23: Prominent Fund Auditors Servicing Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known Private Capital Funds Serviced
PricewaterhouseCoopers	174
EY	156
KPMG	146
Deloitte	118
RSM	61
BDO	57
Frank, Rimerman & Co.	39
Grant Thornton	30
Plante & Moran	13
CohnReznick	13
Sensiba San Filippo	13

Source: Preqin Pro

Fig. 24: Prominent Fund Auditors Servicing First-Time Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known First-Time Private Capital Funds Serviced
KPMG	35
EY	26
PricewaterhouseCoopers	25
Deloitte	23
RSM	18
BDO	15
Frank, Rimerman & Co.	12
Grant Thornton	8
Sensiba San Filippo	6
CohnReznick	5
Sensiba San Filippo	13

Source: Preqin Pro

Fig. 25: Prominent Fund Auditors Servicing Private Capital Funds by Fund Size, Funds Closed in 2018-H1 2019

Less than $50mn	$50-99mn	$100-249mn	$250-499mn	$250-499mn	$1bn or More
Frank, Rimerman & Co.	Pricewaterhouse-Coopers	Pricewaterhouse-Coopers	Pricewaterhouse-Coopers	Pricewaterhouse-Coopers	Deloitte
KPMG	KPMG	Deloitte	KPMG	KPMG	EY
BDO	RSM	EY	Deloitte	Deloitte	Pricewaterhouse-Coopers
EY	EY	KPMG	EY	EY	KPMG
Pricewaterhouse-Coopers	Deloitte	BDO	RSM	Grant Thornton	RSM

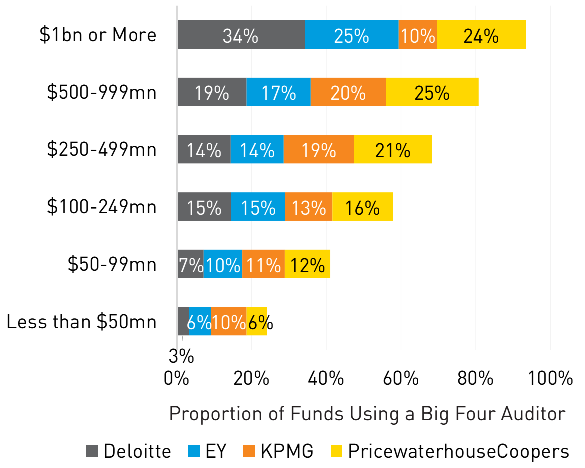
Source: Preqin Pro

Fig. 26: Prominent Fund Auditors Servicing Private Capital Funds by Fund Manager Location, Funds Closed in 2018-H1 2019

North America	Europe	Asia-Pacific	Rest of World
EY	Deloitte	EY	KPMG
PricewaterhouseCoopers	PricewaterhouseCoopers	PricewaterhouseCoopers	EY
Deloitte	KPMG	KPMG	Deloitte
KPMG	EY	Deloitte	PricewaterhouseCoopers
RSM	Grant Thornton	BSR & Co	Crowe Horwath

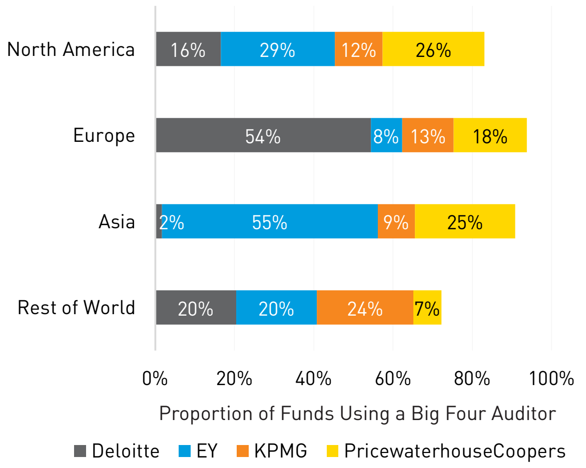
Source: Preqin Pro

Fig. 27: Market Share of Leading Fund Auditors Servicing Private Capital Funds by Fund Size



Source: Preqin Pro

Fig. 28: Market Share of Leading Fund Auditors Servicing Private Capital Funds by Fund Manager Location



Source: Preqin Pro

Fig. 29: Prominent Auditors Servicing Private Capital Funds by Asset Class - Ranked by Aggregate Capital

Private Equity	Venture Capital	Private Debt	Real Estate	Infrastructure	Natural Resources
EY	Pricewaterhouse-Coopers	Pricewaterhouse-Coopers	EY	Pricewaterhouse-Coopers	Pricewaterhouse-Coopers
Pricewaterhouse-Coopers	EY	EY	Pricewaterhouse-Coopers	Deloitte	EY
Deloitte	KPMG	Deloitte	Deloitte	KPMG	Deloitte
KPMG	Deloitte	KPMG	KPMG	EY	KPMG
RSM	BDO	RSM	Grant Thornton	Marcum	Grant Thornton
Grant Thornton	RSM	Grant Thornton	RSM	Aplitec	BDO
EisnerAmper	Frank, Rimerman & Co.	Crowe Horwath	CohnReznick	RSM	RSM
BDO	Grant Thornton	EisnerAmper	Mazars	BDO	Frazier & Deeter
Crowe Horwath	EisnerAmper	BDO	BDO	Grant Thornton	Moss Adams
Plante & Moran	Sensiba San Filippo	Plante & Moran	Marcum	EisnerAmper	BKD

Source: Preqin Pro

Law Firms in Fund Formation

15% Proportion of Fund Managers that Changed Their Law Firm (Fund Formation) in 2019

→

33% Change in Strategy

17% Dissatisfaction with Quality of Service

17% Cost

17% Increased Portfolio Complexity

17% Investor Concern with Service Provider

Fig. 30: Prominent Law Firms in Fund Formation Servicing Private Capital Funds

Firm	No. of Known Private Capital Fund Formation Assignments
Kirkland & Ellis	545
King & Wood Mallesons	490
Debevoise & Plimpton	301
Clifford Chance	293
Goodwin	284
Proskauer	246
Simpson Thacher & Bartlett	232
Burness Paull	220
Schulte Roth & Zabel	195
Cooley	173

Source: Preqin Pro

Fig. 31: Prominent Law Firms in Fund Formation Servicing Vintage 2018/2019 Private Capital Funds

Firm	No. of Known Vintage 2018/2019 Private Capital Fund Formation Assignments
Kirkland & Ellis	112
Goodwin	54
Fried Frank	38
Schulte Roth & Zabel	38
Clifford Chance	37
Burness Paull	31
Proskauer	28
Ropes & Gray	28
Cooley	26
Simpson Thacher & Bartlett	25

Source: Preqin Pro

Fig. 32: Prominent Law Firms in Fund Formation Servicing Private Capital Funds by Fund Size, Funds Closed in 2018-H1 2019

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	$1bn or More
Gunderson Dettmer	Goodwin	Kirkland & Ellis	Kirkland & Ellis	Kirkland & Ellis
DLA Piper	P+P Pöllath + Partners	Goodwin	Ropes & Gray	Ropes & Gray
Kirkland & Ellis	DLA Piper	Clifford Chance	Burness Paull	Fried Frank
Borenius	Burness Paull	Burness Paull	Goodwin	Simpson Thacher & Bartlett
Cooley	Cooley	Macfarlanes	Latham & Watkins	Goodwin

Source: Preqin Pro

Fig. 33: Prominent Law Firms in Fund Formation Servicing Private Capital Funds by Fund Manager Location, Funds Closed in 2018-H1 2019

North America	Europe	Asia-Pacific	Rest of World
Kirkland & Ellis	Burness Paull	Kirkland & Ellis	Ritch Mueller
Ropes & Gray	Macfarlanes	Baker McKenzie	Creel Garcia-Cuellar Aiza y Enriquez
Goodwin	Clifford Chance	Debevoise & Plimpton	Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados
Fried Frank	Goodwin	Khaitan & Co	Schulte Roth & Zabel
Schulte Roth & Zabel	Kirkland & Ellis	Dechert	Clifford Chance

Source: Preqin Pro

Fig. 34: Prominent Law Firms Servicing Private Capital Funds by Asset Class

Private Equity & Venture Capital	Private Debt	Real Estate	Infrastructure & Natural Resources
King & Wood Mallesons	Kirkland & Ellis	Clifford Chance	Kirkland & Ellis
Kirkland & Ellis	Debevoise & Plimpton	Goodwin	King & Wood Mallesons
Proskauer	Schulte Roth & Zabel	Jones Day	Clifford Chance
Burness Paull	King & Wood Mallesons	Simpson Thacher & Bartlett	Simpson Thacher & Bartlett
Debevoise & Plimpton	Fried Frank	Kirkland & Ellis	Thompson & Knight
Cooley	Ashurst	Paul Hastings	Debevoise & Plimpton
Goodwin	Dechert	DLA Piper	Latham & Watkins
Simpson Thacher & Bartlett	Clifford Chance	Debevoise & Plimpton	Weil, Gotshal & Manges
Clifford Chance	Ropes & Gray	Schulte Roth & Zabel	Vinson & Elkins
Ropes & Gray	Macfarlanes	Nabarro	Gibson, Dunn & Crutcher

Source: Preqin Pro

Fig. 35: Prominent Law Firms in Fund Formation Servicing First-Time Private Capital Funds Closed in 2018-H1 2019

Firm	No. of Known First-Time Private Capital Fund Formation Assignments
Kirkland & Ellis	11
Goodwin	10
Schulte Roth & Zabel	5
Jones Day	4
Simpson Thacher & Bartlett	4

Source: Preqin Pro

Transactional Law Firms

26% Proportion of Fund Managers that Changed Their Law Firm (Transactions) in 2019 → **40%** Cost; **20%** Increased Portfolio Complexity; **20%** Growth in AUM

BUYOUT

Fig. 36: Prominent Law Firms Involved in Private Equity-Backed Buyout Deals over Past Five Years

Firm	Headquarters	Sample Transactions Advised on
Kirkland & Ellis	Chicago, US	The Kraft Heinz Company ($40bn); Nouryon (€10.1bn)
Simpson Thacher & Bartlett	New York, US	NXP Semiconductors N.V. ($16.7bn); Envision Healthcare Corporation ($9.9bn)
Latham & Watkins	London, UK	Qihoo 360 Technology Co. Ltd ($9.3bn); Veritas ($7.4bn)
Skadden, Arps, Slate, Meagher & Flom	New York, US	OneMain Financial Inc. ($4.25bn); PetSmart, Inc. ($8.7bn)
Clifford Chance	London, UK	Stada Arzneimittel AG (€5.2bn); Groupe Verallia (€2.9bn)
Weil, Gotshal & Manges	New York, US	Acosta Sales & Marketing ($4.8bn); WuXi AppTec Group ($3.3bn)
Paul, Weiss, Rifkind, Wharton & Garrison	New York, US	Tim Hortons Inc. ($11.5bn); Prestige Cruise Holdings, Inc. ($3.0bn)
Ropes & Gray	Boston, US	TeamHealth, Inc. ($6.1bn); Petco Animal Supplies, Inc. ($4.6bn)
Goodwin	Boston, US	Neustar, Inc. ($2.9bn); Interoute Communications Limited (€1.9bn)
Freshfields Bruckhaus Deringer	London, UK	CPA Global Limited (£2.4bn); Sivantos Pte. Ltd. (€2.2bn)

Source: Preqin Pro

Fig. 37: Prominent Law Firms Involved in Private Equity-Backed Buyout Deals over Past 18 Months

Firm	Headquarters	Sample Transactions Advised on
Kirkland & Ellis	Chicago, US	Travelport Worldwide Limited ($4.4bn); The Ultimate Software Group, Inc. ($11bn)
Simpson Thacher & Bartlett	New York, US	Refinitiv Limited ($17bn); ARRIS International plc ($7.4bn)
Latham & Watkins	London, UK	Cotiviti, LLC ($4.9bn); StandardAero, Inc. ($5bn)
Clifford Chance	London, UK	Recordati S.p.A. (€3.0bn); Scandlines (€1.7bn)
Skadden, Arps, Slate, Meagher & Flom	New York, US	Keurig Dr Pepper, Inc. ($21bn); AmTrust Financial Services, Inc. ($2.7bn)
Wachtell, Lipton, Rosen & Katz	New York, US	Blackhawk Network Holdings, Inc. ($3.5bn); Envision Healthcare Corporation ($9.9bn)
Paul, Weiss, Rifkind, Wharton & Garrison	New York, US	MPM Holdings Inc. ($3.1bn); Shutterfly, Inc. ($2.7bn)
Weil, Gotshal & Manges	New York, US	Athenahealth, Inc. ($5.7bn); Avolon Aerospace Leasing Limited ($2.2bn)
Sullivan & Cromwell	New York, US	Rabobank, N.A ($2.1bn); Magneti Marelli S.p.A. (€6.2bn)
Ropes & Gray	Boston, US	Compañía Española de Petróleos, S.A.U. (€3.2bn); Hearthside Food Solutions LLC ($2.4bn)

Source: Preqin Pro

Fig. 38: Prominent Law Firms Involved in Private Equity-Backed Buyout Deals over Past 18 Months by Deal Value

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	$1bn or More
Kirkland & Ellis	Kirkland & Ellis	Kirkland & Ellis	Kirkland & Ellis	Kirkland & Ellis
Ropes & Gray	DLA Piper	Clifford Chance	Latham & Watkins	Latham & Watkins
Latham & Watkins	Paul Hastings	Paul, Weiss, Rifkind, Wharton & Garrison	Weil, Gotshal & Manges	Simpson Thacher & Bartlett
DLA Piper	King & Wood Mallesons	Baker McKenzie	Skadden, Arps, Slate, Meagher & Flom	Clifford Chance
Goodwin	Morgan Lewis	DLA Piper	Gibson, Dunn & Crutcher	Weil, Gotshal & Manges
Jones Day	McDermott Will and Emery	Ropes & Gray	Ropes & Gray	Skadden, Arps, Slate, Meagher & Flom
Weil, Gotshal & Manges	Allen & Overy	Latham & Watkins	Simpson Thacher & Bartlett	Paul, Weiss, Rifkind, Wharton & Garrison
Paul, Weiss, Rifkind, Wharton & Garrison	Latham & Watkins	Weil, Gotshal & Manges	Goodwin	Wachtell, Lipton, Rosen & Katz
Clifford Chance	Gilbert + Tobin	Cooley	Linklaters	Freshfields Bruckhaus Deringer
Willkie Farr & Gallagher	Clayton UTZ	Jones Day	Clifford Chance	Gibson, Dunn & Crutcher

Source: Preqin Pro

Fig. 39: Prominent Law Firms Involved in Private Equity-Backed Buyout Deals over Past 18 Months by Portfolio Company Location

North America	Europe	Asia	Rest of World
Kirkland & Ellis	Clifford Chance	Clifford Chance	King & Wood Mallesons
Ropes & Gray	DLA Piper	Latham & Watkins	Gilbert + Tobin
Paul, Weiss, Rifkind, Wharton & Garrison	Kirkland & Ellis	AZB & Partners	Minter Ellison
Latham & Watkins	P+P Pöllath + Partners	Cyril Amarchand Mangaldas	Clayton UTZ
Goodwin	Latham & Watkins	Khaitan & Co	Herbert Smith Freehills
Weil, Gotshal & Manges	Baker McKenzie	Simpson Thacher & Bartlett	Kirkland & Ellis
Jones Day	White & Case	Baker McKenzie	Clifford Chance
Simpson Thacher & Bartlett	Addleshaw Goddard	Shardul Amarchand Mangaldas & Co Advocates & Solicitors	Allens
Winston & Strawn	Allen & Overy	Paul, Weiss, Rifkind, Wharton & Garrison	Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados
Skadden, Arps, Slate, Meagher & Flom	Linklaters	Nagashima Ohno & Tsunematsu	Russell McVeagh

Source: Preqin Pro

**Excludes add-ons, grants, mergers, secondary stock purchases and venture debt.*

VENTURE CAPITAL

Fig. 40: Prominent Law Firms Involved in Venture Capital Deals* over Past Five Years

Firm	Headquarters	Sample Transactions Advised on
Goodwin	Boston, US	Airbnb, Inc. ($1.5bn); Meituan-Dianping ($3.3bn)
Fenwick & West	Mountain View, US	Coupang ($1bn); Uber Technologies, Inc. ($1.2bn)
Cooley	San Francisco, US	Maplebear Inc. ($600mn); Roivant Sciences Ltd. ($1.1bn)
Latham & Watkins	London, UK	KSQ Therapeutics, Inc. ($76mn); Advanced Cardiac Therapeutics Inc. ($46mn)
Orrick	New York, US	Womai.com ($220mn); Farfetch UK Limited ($397mn)
Kirkland & Ellis	New York, US	Didi Chuxing ($1bn); GRAIL, Inc. ($900mn)
Gunderson Dettmer	Redwood City, US	Marqeta, Inc. ($260mn); Mafengwo.cn ($250mn)
Clifford Chance	London, UK	Atom Bank plc (£82mn); Sigfox S.A. ($100mn)
Jones Day	London, UK	Deezer S.A. (€160mn); ServiceMax, Inc. ($71mn)
Sheppard, Mullin, Richter & Hampton	Los Angeles, US	Grab Holdings Inc. ($2bn); Space Exploration Technologies Corporation ($1bn)

Source: Preqin Pro

Fig. 41: Prominent Law Firms Involved in Venture Capital Deals* over Past 18 Months

Firm	Headquarters	Sample Transactions
Latham & Watkins	London, UK	FlixMobility GmbH (€500mn); GetYourGuide Deutschland GmbH ($484mn)
Gunderson Dettmer	Redwood City, US	DoorDash, Inc. ($600mn); Urban Compass, Inc. ($400mn)
Cooley	San Francisco, US	Rappi S.A.S. ($1bn); Nuro, Inc. ($940mn)
Orrick	New York, US	JD Health ($1bn); UiPath Inc. ($568mn)
Fenwick & West	Mountain View, US	Fashnear Technologies Private Limited ($125mn); Turo, Inc. ($250mn)
Kirkland & Ellis	New York, US	SmileDirectClub, LLC ($380mn); Zume, Inc. ($375mn)
Goodwin	Boston, US	Radiology Partners, Inc. ($700mn); Moderna Therapeutics, Inc. ($500mn)
O'Melveny & Myers	Los Angeles, US	Hi.Q, Inc. ($55mn); DigiLens, Inc. ($50mn)
Paul, Weiss, Rifkind, Wharton & Garrison	New York, US	WeWork Companies Inc. ($2bn); Hangzhou Netease Cloud Music Technology Co., Ltd. ($600mn)
Clifford Chance	London, UK	Ant Financial Services Group ($14bn); Glovoapp23 S.L (€150mn)

Source: Preqin Pro

**Excludes add-ons, grants, mergers, secondary stock purchases and venture debt.*

Fig. 42: Prominent Law Firms Involved in Venture Capital Deals* over Past 18 Months by Deal Value

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	$1bn or More
Latham & Watkins	Gunderson Dettmer	Gunderson Dettmer	Cooley	Paul, Weiss, Rifkind, Wharton & Garrison
Orrick	Latham & Watkins	Cooley	Goodwin	Sullivan & Cromwell
Fenwick & West	Fenwick & West	Orrick	Orrick	Cooley
Cooley	Goodwin	Latham & Watkins	Weil, Gotshal & Manges	Ropes & Gray
Kirkland & Ellis	Cooley	Kirkland & Ellis	Shearman & Sterling	Clifford Chance
Gunderson Dettmer	Kirkland & Ellis	Paul, Weiss, Rifkind, Wharton & Garrison	Norton Rose Fulbright	King & Wood Mallesons
Cobalt	Orrick	Fenwick & West	Paul, Weiss, Rifkind, Wharton & Garrison	Simpson Thacher & Bartlett
DLA Piper	Willkie Farr & Gallagher	Goodwin	Gunderson Dettmer	Slaughter & May
O'Melveny & Myers	O'Melveny & Myers	Wilson Sonsini Goodrich & Rosati	Proskauer	Choate Hall & Stewart
Osborne Clarke	Baker McKenzie	Ashurst	Han Kun Law Offices	O'Melveny & Myers

Source: Preqin Pro

Fig. 43: Prominent Law Firms Involved in Venture Capital Deals* over Past 18 Months by Portfolio Company Location

North America	Europe	Asia	Rest of World
Latham & Watkins	Orrick	Gunderson Dettmer	Herbert Smith Freehills
Gunderson Dettmer	Osborne Clarke	Paul, Weiss, Rifkind, Wharton & Garrison	Gilbert + Tobin
Cooley	Taylor Wessing	Clifford Chance	Ashurst
Fenwick & West	Walder Wyss & Partners	Slaughter & May	Paul, Weiss, Rifkind, Wharton & Garrison
Kirkland & Ellis	Cobalt	Fenwick & West	Orrick
Orrick	Clifford Chance	Orrick	Cooley
Goodwin	Baker McKenzie	Shardul Amarchand Mangaldas & Co Advocates & Solicitors	Latham & Watkins
O'Melveny & Myers	Latham & Watkins	Ropes & Gray	Pinheiro Neto Advogados
Foley Hoag	CMS	Economic Law Practice	Gunderson Dettmer
Vinson & Elkins	Kirkland & Ellis	KPMG Law	Norton Rose Fulbright

Source: Preqin Pro

Excludes add-ons, grants, mergers, secondary stock purchases and venture debt.

REAL ESTATE

Fig. 44: Prominent Law Firms Involved in PERE Deals over Past Five Years

Firm	Headquarters	Sample Transactions Advised on
Clifford Chance	London, UK	Trianon ($760mn); Commerzbank Tower ($898mn)
PwC Legal	London, UK	Coeur Defense ($2.0bn); Sony Center ($1.3bn)
Loyens & Loeff	Amsterdam, Netherlands	Netherlands Retail Portfolio ($1.9bn); Amsterdam Diversified Portfolio (€615mn)
DLA Piper	London, UK	Infomart Dallas ($800mn); Italy Office Portfolio ($320mn)
Dentons	New York, US	Ropemaker Place ($882mn); Amsterdam Diversified Portfolio (€32mn)
Houthoff Buruma	Amsterdam, Netherlands	Netherlands Retail Portfolio ($1.9bn); Netherlands Diversified Portfolio ($433mn)
CMS Hasche Sigle	Berlin, Germany	The Park ($403mn); Junges Quartier Obersending ($212mn)
Greenberg Traurig	Chicago, US	Sony Center ($1.3bn); Germany Diversified Portfolio ($715mn)
GSK Stockmann	Munich, Germany	Atlas ($234mn); Dortmund Industrial Portfolio ($189mn)
Linklaters	London, UK	Capital 8 ($918mn); Q22 ($252mn)

Source: Preqin Pro

Fig. 45: Prominent Law Firms Involved in PERE Deals over Past 18 Months

Firm	Headquarters	Sample Transactions Advised on
DLA Piper	London, UK	Sweden Industrial Portfolio ($409mn); Spain Office Portfolio ($163mn)
Clifford Chance	London, UK	Carrée Seestraße ($253mn); Sports Direct Headquarters ($153mn)
PwC Legal	London, UK	Lisbon Hotel Portfolio ($356mn)
Dentons	New York, US	Waltrovka ($286mn); Sports Direct Headquarters ($153mn)
Loyens & Loeff	Amsterdam, Netherlands	5 Keizers ($162mn); Logchain One Portfolio ($146mn)
Houthoff Buruma	Amsterdam, Netherlands	The Avenue Building ($34mn)
GSK Stockmann	Munich, Germany	Gleko-Häuse Portfolio ($84mn); Germany Industrial Portfolio ($67mn)
EY Legal	Moscow, Russia	Italy Industrial Portfolio ($37mn)
Drees & Sommer	Stuttgart, Germany	Berlin Office Portfolio ($410mn); 5 Keizers ($162mn)
Greenberg Traurig	Chicago, US	GWB Elstertal ($195mn); Warsaw Office Portfolio ($24mn)

Source: Preqin Pro

**Excludes add-ons, grants, mergers, secondary stock purchases and venture debt.*

Fig. 46: Prominent Law Firms Involved in PERE Deals over Past 18 Months by Deal Value

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	$1bn or More
Houthoff Buruma	Dentons	Dentons	Clifford Chance	Simpson Thacher & Bartlett
DLA Piper	Clifford Chance	PwC Legal	Dentons	Allen & Gledhill
Dentons	Addleshaw Goddard	Clifford Chance	PwC Legal	Arcadis
Van Doorne	GSK Stockmann	DLA Piper	Archers	Brown Rudnick
EY Legal	Borenius	Drees & Sommer	Borenius	Holland & Knight
Jackson Walker	DLA Piper	Loyens & Loeff	Deloitte	Kirkland & Ellis
NautaDutilh	Drees & Sommer	EY Legal	DLA Piper	KPMG Law
PwC Legal	Garrigues	CMS	Fredersen Advokatbyrå	Rajah & Tann
Simmons & Simmons	Greenberg Traurig	Freshfields Bruckhaus Deringer	Greenberg Traurig	
Stewart & Bonnet	HauckSchuchardt	Greenberg Traurig	Hunton Andrews Kurth	

Source: Preqin Pro

Fig. 47: Prominent Law Firms Involved in PERE Deals over Past 18 Months by Asset Location

North America	Europe	Asia	Rest of World
Jackson Walker	DLA Piper	EY Legal	Allens
Stewart & Bonnet	Clifford Chance	Rajah & Tann	Charles Russell Speechlys
DLA Piper	PwC Legal	Allbright Law	Charter Keck Cramer
Fried Frank	Dentons	Allen & Gledhill	Corpus Legal Practitioners
Hunton Andrews Kurth	Loyens & Loeff	Arcadis	Deloitte
Simpson Thacher & Bartlett	Houthoff Buruma	AZB & Partners	Gadens
Crosbie, Gliner, Schiffman, Southard & Swanson	GSK Stockmann	Dentons	HauckSchuchardt
Goodwin	Drees & Sommer	DLA Piper	Herzog, Fox & Neeman
Hinshaw & Culbertson	Greenberg Traurig	KPMG Law	KPMG Law
Reznick Law	EY Legal	Nexus	PMKA Advogados

Source: Preqin Pro

**Excludes add-ons, grants, mergers, secondary stock purchases and venture debt.*

INFRASTRUCTURE

Fig. 48: Prominent Law Firms Involved in Infrastructure Deals over Past Five Years

Firm	No. of Deals	Sample Transactions Advised on
Clifford Chance	295	Cadent Gas ($6.7bn)
Norton Rose Fulbright	269	Apr 16: Réseau Électrique Métropolitain ($4.0bn)
Watson, Farley & Williams	235	Walney Offshore Wind Farm ($2.6bn)
White & Case	145	Oncor ($19.0bn)
Vinson & Elkins	137	WGL Holdings ($9.0bn)
Latham & Watkins	137	Calpine Corporation ($5.6bn)
Orrick	120	Indiana Toll Road ($5.7bn)
Jones Day	98	Southern Company ($12.0bn)
Shearman & Sterling	96	Hassyan Clean Coal Power Plant ($2.5bn)
Herbert Smith Freehills	96	Hinkley Point C Nuclear Power Station ($27.5bn)

Source: Preqin Pro

Fig. 49: Prominent Law Firms Involved in Infrastructure Deals over Past 18 Months

Firm	No. of Deals	Sample Transactions Advised on
Clifford Chance	120	Abertis ($19.2bn)
Norton Rose Fulbright	98	Finch West LRT ($1.9bn)
Vinson & Elkins	84	Oryx ($3.6bn)
White & Case	76	Buckeye Partners ($10.3bn)
Troutman Sanders	76	Western Spirit Transmission Line ($0.3bn)
Watson, Farley & Williams	76	Hornsea Project One ($5.8bn)
Latham & Watkins	75	Oryx ($3.6bn)
Jones Day	68	Transportadora Associada de Gás ($8.7bn)
Orrick	66	Caprock Midstream ($1.0bn)
DLA Piper	49	Américo Vespucio Oriente Highway ($0.9bn)

Source: Preqin Pro

Fig. 50: Prominent Law Firms Involved in Infrastructure Deals over Past 18 Months by Deal Value

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	$1bn or More
Norton Rose Fulbright	Clifford Chance	Clifford Chance	Clifford Chance	Clifford Chance
Clifford Chance	Norton Rose Fulbright	Herbert Smith Freehills	Latham & Watkins	Latham & Watkins
Troutman Sanders	Orrick	Watson, Farley & Williams	Linklaters	Linklaters
Vinson & Elkins	Allens	Milbank LLP	Simpson Thacher & Bartlett	Simpson Thacher & Bartlett
Watson, Farley & Williams	K&L Gates	Linklaters	Vinson & Elkins	Vinson & Elkins
White & Case	Allen & Overy	Philippi Prietocarrizosa Ferrero DU & Uría	White & Case	White & Case
Jones Day	Watson, Farley & Williams	Hogan Lovells	McCarthy Tetrault	McCarthy Tetrault
Latham & Watkins	White & Case	White & Case	Sidley Austin	Sidley Austin
Orrick	Herbert Smith Freehills	Baker McKenzie	Stikeman Elliott	Stikeman Elliott
DLA Piper	A&L Goodbody	Osler Hoskin & Harcourt	Baker McKenzie	Baker McKenzie

Source: Preqin Pro

Fig. 51: Prominent Law Firms Involved in Infrastructure Deals over Past 18 Months by Asset Location

North America	Europe	Asia-Pacific	Rest of World
Vinson & Elkins	Clifford Chance	Clifford Chance	White & Case
Troutman Sanders	Watson, Farley & Williams	Cyril Amarchand Mangaldas	Clifford Chance
Latham & Watkins	Orrick	Khaitan & Co	DLA Piper
Jones Day	Osborne Clarke	Linklaters	Philippi Prietocarrizosa Ferrero DU & Uría
Norton Rose Fulbright	Linklaters	Davis Polk & Wardwell	Herbert Smith Freehills
McCarthy Tetrault	Squire Patton Boggs	Orrick	Norton Rose Fulbright
Torys	Norton Rose Fulbright	Trilegal	Garrigues
Sidley Austin	Ashurst	AZB & Partners	King & Wood Mallesons
Skadden, Arps, Slate, Meagher & Flom	Pinsent Masons	Baker McKenzie	Hernández & Cía
Osler Hoskin & Harcourt	DLA Piper	Allen & Overy	Allens

Source: Preqin Pro

Fund Administrators

Fig. 52: Top 10 Fund Administrators Servicing Single-Manager Hedge Funds

Firm	No. of Known Hedge Funds Serviced
SS&C GlobeOp	2,180
Citco Fund Services	1,342
State Street	1,068
Morgan Stanley Fund Services	666
BNY Mellon	467
Northern Trust Fund Administration	457
HedgeServ	409
Apex Fund Services	391
U.S. Bank Global Fund Services	361
MUFG Investor Services	317

Source: Preqin Pro

Fig. 53: Top Five Fund Administrators by Proportion of 2019 Hedge Fund Launches Serviced

Firm	Proportion of 2019 Hedge Fund Launches Serviced
Morgan Stanley Fund Services	11%
SS&C GlobeOp	10%
Citco Fund Services	8%
MUFG Investor Services	8%
Apex Fund Services	6%

Source: Preqin Pro

Fig. 54: Top Five Fund Administrators Servicing CTAs

Firm	No. of Known CTAs Serviced
SS&C GlobeOp	83
NAV Fund Administration Group	60
Citco Fund Services	51
State Street	40
BNY Mellon	29

Source: Preqin Pro

Fig. 55: Top Five Fund Administrators Servicing Funds of Hedge Funds

Firm	No. of Known Funds of Hedge Funds Serviced
SS&C GlobeOp	214
Citco Fund Services	161
BNY Mellon	108
State Street	137
SEI Investments	90

Source: Preqin Pro

Fig. 56: Most Utilized Fund Administrators by Hedge Fund Assets under Management*

Less than $50mn	$50-99mn	$100-249mn	$250-499mn	$500-999mn	$1bn or More
SS&C GlobeOp	SS&C GlobeOp	SS&C GlobeOp	SS&C GlobeOp	SS&C GlobeOp	State Street
Apex Fund Services	State Street	State Street	State Street	Citco Fund Services	SS&C GlobeOp
NAV Fund Administration	Citco Fund Services	Citco Fund Services	Citco Fund Services	State Street	Citco Fund Services
State Street	BNY Mellon	BNY Mellon	BNY Mellon	Northern Trust Fund Administration	Northern Trust Fund Administration
BNY Mellon	Apex Fund Services	Northern Trust Fund Administration	U.S. Bank Global Fund Services	BNY Mellon	Morgan Stanley Fund Services

Source: Preqin Pro

Fig. 57: Most Utilized Fund Administrators by Hedge Fund Manager Location*

North America	Europe	Asia-Pacific	Rest of World
SS&C GlobeOp	Citco Fund Services	Citco Fund Services	BNY Mellon
Citco Fund Services	State Street	Apex Fund Administration	Sanne Group
State Street	SS&C GlobeOp	SS&C GlobeOp	Maitland
Morgan Stanley Fund Services	BNY Mellon	HSBC Securities Services	SS&C GlobeOp
HedgeServ	U.S. Bank Global Fund Services	State Street	Banco Bradesco

Source: Preqin Pro

**Ranked by number of funds serviced.*

Prime Brokers

Fig. 58: Top 10 Prime Brokers Servicing Single-Manager Hedge Funds

Firm	No. of Known Hedge Funds Serviced
Morgan Stanley Prime Brokerage	3,033
Goldman Sachs	2,972
J.P. Morgan	2,068
Credit Suisse Prime Fund Services	1,181
UBS Prime Services	1,126
Bank of America Merrill Lynch	1,115
Deutsche Bank Global Prime Finance	861
Citi Prime Finance	827
Interactive Brokers	736
Barclays	587

Source: Preqin Pro

Fig. 59: Top 10 Prime Brokers Servicing CTAs

Firm	No. of Known CTAs Serviced
Société Générale Prime Services	99
Morgan Stanley Prime Brokerage	86
J.P. Morgan	63
Goldman Sachs	58
SG Americas Securities	56
Deutsche Bank Global Prime Finance	53
Interactive Brokers	53
UBS Prime Services	47
Bank of America Merrill Lynch	44
Credit Suisse Prime Fund Services	36

Source: Preqin Pro

Fig. 60: Top 10 Prime Brokers Servicing Funds of Hedge Funds

Firm	No. of Known Funds of Hedge Funds Serviced
J.P. Morgan	55
Morgan Stanley Prime Brokerage	55
Goldman Sachs	45
Interactive Brokers	32
Pershing Prime Services	19
Deutsche Bank Global Prime Finance	18
UBS Prime Services	17
BNP Paribas Prime Brokerage	16
Citi Prime Finance	14
Credit Suisse Prime Fund Services	14

Source: Preqin Pro

Fig. 61: Top Five Prime Brokers by Proportion of 2019 Hedge Fund Launches Serviced

Firm	Proportion of 2019 Hedge Fund Launches Serviced
Morgan Stanley Prime Brokerage	20%
J.P. Morgan	15%
Goldman Sachs	11%
Interactive Brokers	9%
Barclays	6%
Jefferies	6%

Source: Preqin Pro

Fig. 62: Most Utilized Prime Brokers by Hedge Fund Manager Location*

North America

Goldman Sachs	2,331
Morgan Stanley Prime Brokerage	2,168
J.P. Morgan	1,773
Bank of America Merrill Lynch	793
Credit Suisse Prime Fund Services	790
Interactive Brokers	623
UBS Prime Services	613
Citi Prime Finance	605
Deutsche Bank Global Prime Finance	547
Barclays	476

Europe

Morgan Stanley Prime Brokerage	475
Goldman Sachs	328
UBS Prime Services	320
Credit Suisse Prime Fund Services	228
J.P. Morgan	227
Bank of America Merrill Lynch	168
Deutsche Bank Global Prime Finance	144
Citi Prime Finance	126
Barclays	95
Société Générale Prime Services	59

Asia-Pacific

Morgan Stanley Prime Brokerage	339
Goldman Sachs	272
UBS Prime Services	193
Deutsche Bank Global Prime Finance	159
Bank of America Merrill Lynch	147
Credit Suisse Prime Fund Services	138
Citi Prime Finance	85
J.P. Morgan	55
Interactive Brokers	47
Nomura Prime Services	44

Rest of World

Morgan Stanley Prime Brokerage	48
Goldman Sachs	32
Peregrine Securities	31
Rand Merchant Bank	28
Credit Suisse Prime Fund Services	25
Interactive Brokers	17
UBS Prime Services	14
Deutsche Bank Global Prime Finance	11
Citi Prime Finance	10
HSBC Prime Services	9

Source: Preqin Pro

Fig. 63: Most Utilized Prime Brokers by Hedge Fund Assets under Management*

Less than $50mn

Interactive Brokers	155
Morgan Stanley Prime Brokerage	142
Goldman Sachs	131
UBS Prime Services	64
J.P. Morgan	63

$50-99mn

Morgan Stanley Prime Brokerage	103
Goldman Sachs	76
J.P. Morgan	59
Credit Suisse Prime Fund Services	43
UBS Prime Services	41

$100-249mn

Morgan Stanley Prime Brokerage	131
Goldman Sachs	122
J.P. Morgan	87
UBS Prime Services	57
Credit Suisse Prime Fund Services	50

$250-499mn

Goldman Sachs	94
Morgan Stanley Prime Brokerage	93
J.P. Morgan	72
Credit Suisse Prime Fund Services	55
UBS Prime Services	38

$500-999mn

J.P. Morgan	59
Morgan Stanley Prime Brokerage	58
Goldman Sachs	56
UBS Prime Services	42
Bank of America Merrill Lynch	34

$1bn or More

Goldman Sachs	121
J.P. Morgan	106
Morgan Stanley Prime Brokerage	94
Credit Suisse Prime Fund Services	91
UBS Prime Services	73

Source: Preqin Pro

**Ranked by number of funds serviced.*

Custodians

Fig. 64: Top 10 Fund Custodians Servicing Single-Manager Hedge Funds

Firm	No. of Known Hedge Funds Serviced
Goldman Sachs	3,033
Morgan Stanley	2,732
J.P. Morgan	2,340
BNY Mellon	2,266
Bank of America Merrill Lynch	1,355
Northern Trust Custody Services	1,322
State Street Custody Services	1,240
Citi Transaction Services	1,234
Credit Suisse Prime Fund Services	1,067
UBS	1,052

Source: Preqin Pro

Fig. 65: Top 10 Fund Custodians Servicing CTAs

Firm	No. of Known CTAs Serviced
State Street Custody Services	89
BNY Mellon	88
J.P. Morgan	60
Morgan Stanley	48
SG Americas Securities	42
Societe Generale Securities Services	41
Northern Trust Custody Services	40
Goldman Sachs	35
Wells Fargo	32
Interactive Brokers	28
UBS	28

Source: Preqin Pro

Fig. 66: Top 10 Fund Custodians Servicing Funds of Hedge Funds

Firm	No. of Known Funds of Hedge Funds Serviced
BNY Mellon	277
J.P. Morgan	213
State Street Custody Services	142
Northern Trust Custody Services	132
Citco Global Custody	110
Citi Transaction Services	95
First Republic Bank	75
UBS	65
Goldman Sachs	59
Back of America Merrill Lynch	57
BNP Paribas	57
Morgan Stanley	57

Source: Preqin Pro

Fig. 67: Top Five Fund Custodians by Proportion of 2019 Hedge Fund Launches Serviced

Firm	Proportion of 2019 Hedge Fund Launches Serviced
J.P. Morgan	13%
Morgan Stanley	12%
Northern Trust Custody Services	8%
Goldman Sachs	7%
Interactive Brokers	6%

Source: Preqin Pro

Fig. 68: Most Utilized Fund Custodians by Hedge Fund Assets under Management*

Less than $50mn	$50-99mn	$100-249mn	$250-499mn	$500-999mn	$1bn or More
BNY Mellon	Morgan Stanley	Morgan Stanley	J.P. Morgan	J.P. Morgan	J.P. Morgan
Goldman Sachs	J.P. Morgan	Goldman Sachs	Goldman Sachs	BNY Mellon	BNY Mellon
Interactive Brokers	Goldman Sachs	BNY Mellon	Morgan Stanley	Morgan Stanley	State Street Custody Services
Morgan Stanley	BNY Mellon	J.P. Morgan	BNY Mellon	Goldman Sachs	Goldman Sachs
J.P. Morgan	State Street Custody Services	State Street Custody Services	Citi Transaction Services	State Street Custody Services	Citi Transaction Services

Source: Preqin Pro

Fig. 69: Most Utilized Fund Custodians by Hedge Fund Manager Location*

North America	
Goldman Sachs	2,501
Morgan Stanley	2,031
J.P. Morgan	2,001
BNY Mellon	1,790
Northern Trust Custody Services	1,184

Europe	
Morgan Stanley	364
UBS	261
Goldman Sachs	257
BNY Mellon	247
J.P. Morgan	241

Asia-Pacific	
Morgan Stanley	294
Goldman Sachs	250
UBS	169
Deutsche Bank	165
Bank of America Merrill Lynch	142

Rest of World	
BNY Mellon	122
Banco Bradesco	58
Banco Itau	33
Morgan Stanley	26
BTG Pactual	21

Source: Preqin Pro

**Excludes add-ons, grants, mergers, secondary stock purchases and venture debt.*

Law Firms

Fig. 70: Top 10 Law Firms Servicing Single-Manager Hedge Funds

Firm	No. of Known Hedge Funds Serviced
Schulte Roth & Zabel	620
Maples & Calder	448
Seward & Kissel	343
Walkers	249
Ogier	165
Sidley Austin	144
Akin Gump Strauss Hauer & Feld	124
Simmons & Simmons	106
Dechert	102
Morgan Lewis	100

Source: Preqin Pro

Fig. 71: Top Five Law Firms by Proportion of 2019 Hedge Fund Launches Serviced

Firm	Proportion of 2019 Hedge Fund Launches Serviced
Morgan Lewis	8%
Walkers	8%
Schulte Roth & Zabel	6%
Davis Gillett Mottern & Sims	5%
Investment Law Group	5%
Proskauer	5%

Source: Preqin Pro

Fig. 72: Top 10 Law Firms Servicing CTAs

Firm	No. of Known CTAs Serviced
Maples & Calder	47
Sidley Austin	20
Akin Gump Strauss Hauer & Feld	18
Simmons & Simmons	18
Walkers	18
Katten Muchin Rosenman	16
Crow & Cushing	14
Schulte Roth & Zabel	13
Drinker Biddle & Reath	11
Campbells	7

Source: Preqin Pro

Fig. 73: Top 10 Law Firms Servicing Funds of Hedge Funds

Firm	No. of Known Funds of Hedge Funds Serviced
Schulte Roth & Zabel	56
Maples & Calder	46
Seward & Kissel	31
Ogier	22
Walkers	22
Elvinger, Hoss & Prussen	20
Dechert	16
Drinker Biddle & Reath	15
Conyers Dill & Pearman	14
Willkie Farr & Gallagher	12

Source: Preqin Pro

Fig. 74: Market Share of Leading Law Firms Servicing Hedge Funds by Fund Assets under Management

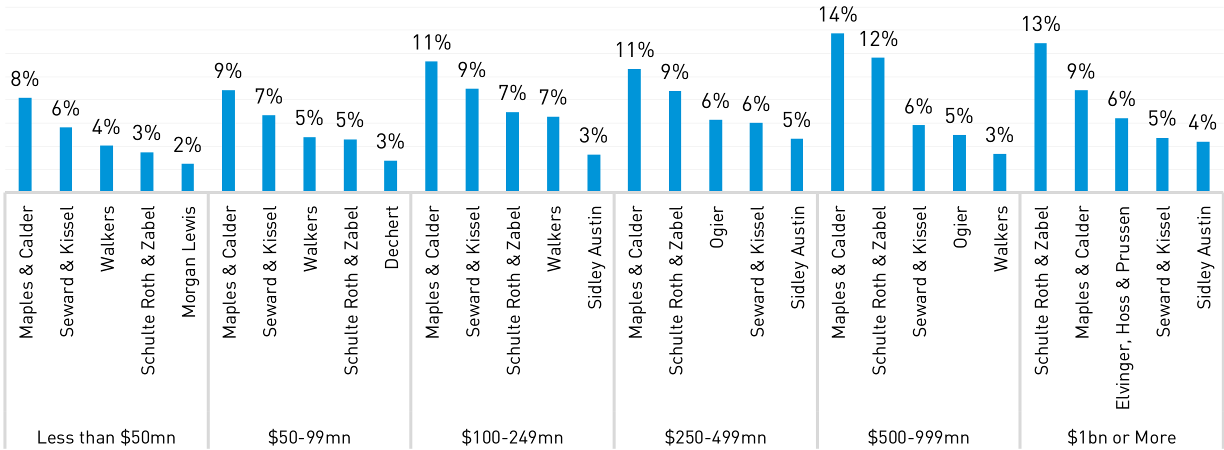


Fig. 75: Market Share of Leading Law Firms Servicing Hedge Funds by Fund Manager Location

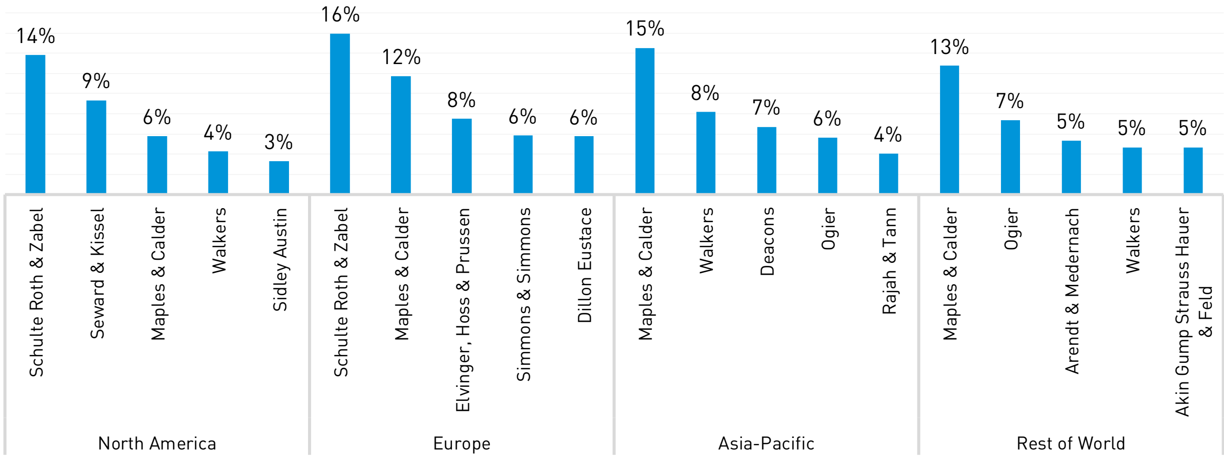


Fig. 76: Top 10 Law Firms Servicing Offshore Hedge Funds

Firm	No. of Known Offshore Funds Serviced
Maples & Calder	396
Schulte Roth & Zabel	377
Walkers	213
Seward & Kissel	161
Ogier	149
Sidley Austin	101
Arendt & Medernach	98
Elvinger, Hoss & Prussen	96
Simmons & Simmons	95
Dechert	72

Source: Preqin Pro

Fig. 77: Top 10 Law Firms Servicing Onshore Hedge Funds

Firm	No. of Known Onshore Funds Serviced
Schulte Roth & Zabel	232
Seward & Kissel	176
Akin Gump Strauss Hauer & Feld	58
Cole-Frieman & Mallon	46
Sadis & Goldberg	46
Maples & Calder	45
Sidley Austin	43
Morgan Lewis	43
Shartsis Friese	33
Walkers	31

Source: Preqin Pro

Auditors

Fig. 78: Top 10 Fund Auditors Servicing Single-Manager Hedge Funds

Firm	No. of Known Hedge Funds Serviced
EY	2,783
PricewaterhouseCoopers	2,636
KPMG	2,542
Deloitte	1,372
RSM	556
EisnerAmper	401
BDO	337
Spicer Jeffries	302
Grant Thornton	268
Cohen & Company	172

Source: Preqin Pro

Fig. 79: Top Five Fund Auditors by Proportion of 2019 Hedge Fund Launches Serviced

Firm	Proportion of 2019 Hedge Fund Launches Serviced
EY	23%
KPMG	19%
PricewaterhouseCoopers	15%
Deloitte	10%
RSM	7%

Source: Preqin Pro

Fig. 80: Top Five Fund Auditors Servicing CTAs

Firm	No. of Known CTAs Serviced
KPMG	151
EY	116
PricewaterhouseCoopers	92
Deloitte	68
Cohen & Company	34

Source: Preqin Pro

Fig. 81: Top Five Fund Auditors Servicing Funds of Hedge Funds

Firm	No. of Known Funds of Hedge Funds Serviced
PricewaterhouseCoopers	356
EY	335
KPMG	282
Deloitte	216
EisnerAmper	70

Source: Preqin Pro

Fig. 82: Market Share of Leading Fund Auditors Servicing Hedge Funds by Fund Manager Location

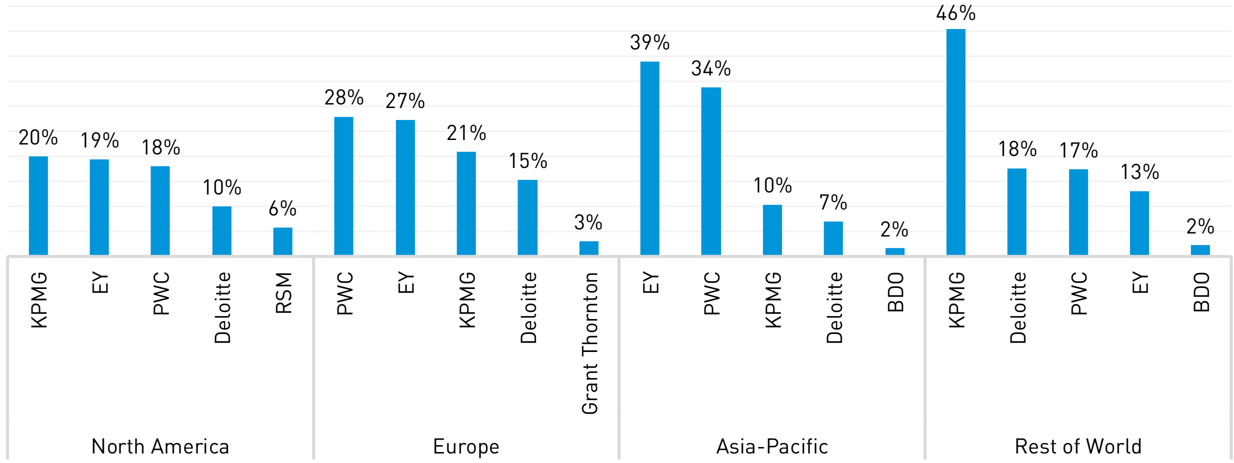
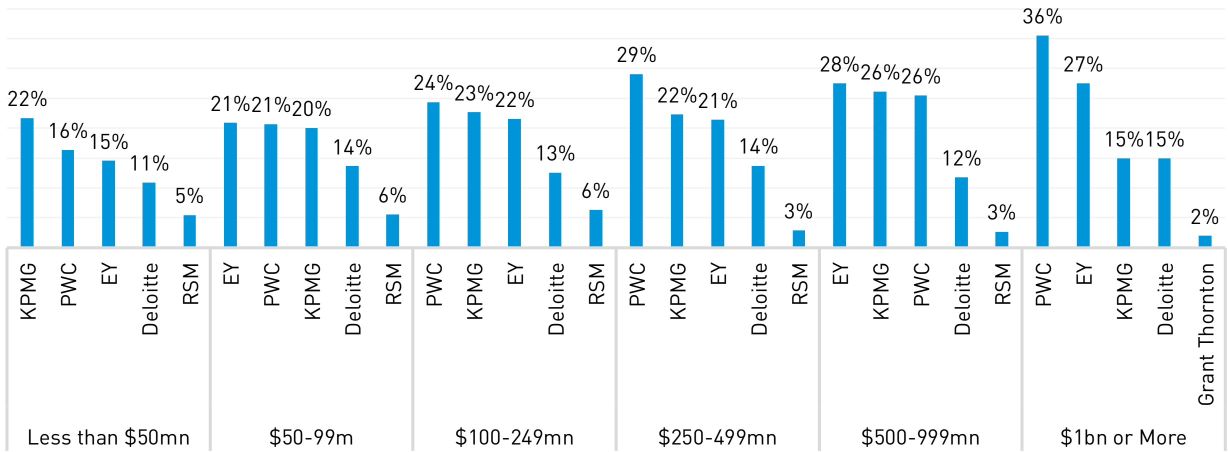


Fig. 83: Market Share of Leading Fund Auditors Servicing Hedge Funds by Fund Assets under Management



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