Proskauer

Proskauer's Private Funds Group 'Under the Microscope' Seminar Series Looks at the Fundraising Terms and Trends Affecting the European Market

March 13, 2019

March 13, 2019 (London) – Proskauer held the first of its annual 'Under the Microscope' seminar series, providing a comprehensive analysis of the European fundraising market. The team analyzed 30+ key terms and conditions from 70+ European private equity funds raised between July 2017 and February 2019, representing over €142.78 billion in capital.

Breaking deals down by size, Proskauer's private funds team analyzed key data points to decipher what trends have emerged and how terms have evolved in the European fundraising environment. "In our last seminar we predicted a significant increase in the number of European funds that would be domiciled in Luxembourg as part of their Brexit planning" said Edward Lee, Private Funds partner in the London. "Our predictions were correct. With 27% of the funds in this year's survey established there, Luxembourg has become the most popular jurisdiction for fund formation outside the UK."

Key data findings include:

- Ten years remains the most typical fund term length with LPAs containing more flexibility around extensions as the market is accepting that few funds are fully realized within the usual 10 year period
- 20% of GP-led funds have terms extended at least once without LP involvement, up from 8% since 2018
- Caps on credit facilities in fund documents appear to have stabilized, with amounts capped at between 20% to 30% of commitments in 73% of funds and a time limit of 12 months in 61% of funds
- 31% of LPAs contain a mechanism for adjusting the LPAC voting in the event a member does not respond to a request for a vote

The seminar also included a panel discussion led by London Managing Partner Mary Kuusisto. She was joined by a panel of industry leaders that included Nikola Sutherland, COO of Apiary Capital, Martina Sanow, Chief of Staff at Hg and Sabrina Malpas, Principal at Rede Partners. The panel discussed the challenges and opportunities faced by investors in a changed political and financial world.

Proskauer offers a full suite of services for the investment management industry, with a market-leading global team dedicated solely to advising asset managers, investment funds and their advisers, financial institutions and institutional investors across the asset class. Our team has particular expertise with the complexities involved in structuring and negotiating secondary transactions and fund restructurings and advise a significant segment of the secondary market. We have experience acquiring and selling portfolios of partnership interests, including some of the largest bulk sales of interests in securities on the secondary market.

Recently voted *'Law Firm of the Year in Europe for Fund Formation'* by Private Equity International, the team represents 300+ GP and 100+ LP clients globally, making them one of the leading practices in the world. The cross border team of over 150 lawyers is based in the U.S., UK, Asia and Latin America and includes specialists in tax, ERISA, regulation, financial services, employment, insurance, fund finance, litigation and risk management who understand the unique technical and commercial issues relevant to investment managers.

Related Professionals

- **Mary B. Kuusisto**
  Partner
- **Edward Lee**
  Partner
- **Christopher Elson**
  Partner