Service Providers in Alternatives 2024

PREQIN

Contents

Acknowledgements

Executive editor
Valerie Kor

In-house contributors
Lizzie Carroll
David Dawkins
Nicholas Donato
Libby Fennessy
James Flanagan
Nicole Lee
Laura Messchendorp
Harsha Narayan
Tim Short

Research Data Manager
Milan Hirani

Data support
Julius Cale
Meaghan Conlon
James De Rosa
Milan Hirani
Matt Humphries
April Huang
Sharon Lumbala
Joanna Nye
Samuel Orenstein
Eluario Pepa
Kamarl Simpson

External contributors
Jessica Mead, *Alter Domus*
Michael Peterson, *Citco Fund Services*
Shiraz Allidina, *Citco Fund Services*
Melanie Herbert, *JTC Group*
Stephanie Breslow, *Schulte Roth & Zabel*
Peter Greene, *Schulte Roth & Zabel*
Joseph A. Smith, *Schulte Roth & Zabel*
Corinne Weidner, *Ultimus LeverPoint*

Methodology

Service Providers in Alternatives 2024 was compiled using data on almost 100,000 private capital funds, 532,000 private capital deals, 54,000 hedge funds, and over 9,500 service providers from Preqin Pro.

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 or deal clients are ranked according to the aggregate value of the funds or deals. If you would like to learn more about the methodology used, or share data for our future reports, please contact info@preqin.com.

The Preqin GP Focus Group on Fund Administrators 2024 has 18 respondents while the Preqin Law Firms & Placement Agents Focus Group 2024 has 31 respondents.

What GPs want: lessons from our focus groups

Why do GPs switch service providers? It's a simple question with complex, multifaceted answers. And one top of mind for every business development professional when trying to win over a new client or prevent an existing one from leaving.

At Preqin, we wanted to explore the topic in detail. So, we put together focus groups of GPs to directly ask them when and why they switch fund administrators, among other topics.

The answers we got back may align with your own views, with the need for more support as the firm grows, cost considerations, and LPs' wants rounding out the top three responses. But it's when we start digging beneath the headlines that some compelling insights begin to surface.

For instance, GPs don't always take a 10- or even five-year view when selecting their service providers. Instead, they accumulate, for example, different fund administrators for different jobs in different jurisdictions, and then only look to consolidate after feeling the pain of coordinating work streams and reporting across multiple third-party vendors.

Timing is another theme that emerged. GPs told us that they value regularly hearing from service providers about their latest technology, client wins, or thought leadership. And even if a firm is not ready to make the switch now, it's those service providers that prove their worth with a steady drip of market insights that earn a CFO's attention once they are. It's unsurprising then that law firms, auditors, fund administrators, and other service providers are significantly ramping up their marketing and business development efforts to earn that call.

Nicholas Donato
Senior Vice President
Service Providers
Preqin

It's with this background in mind that we encourage readers of this report to consume our latest league table rankings. The lasting power of certain service providers atop our leaderboard rankings is a testament to not only their service offerings, but the brands and reputations they've cultivated to continue earning clients' trust as GPs continuously shop for the right service provider at the right time.

This year's report also offers some new views into who the biggest service providers are – an acknowledgement that there are more ways than one to rank market leaders. Beyond that, we encourage you to explore the key trends on fund administrators, placement agents, law firms, and prime brokers. I hope that you enjoy.

Nicholas Donato
nicholas.donato@preqin.com

Executive summary

Service providers in the alternative assets industry are well-positioned for further growth. Assets under management (AUM) in the private capital industry stand at $16.8tn as of December 2023 and are forecast to reach $29.2tn by 2029F, according to Preqin's long-term industry forecasts.[1] This represents a forecast annualized growth rate of 9.7% from 2023 to 2029F, a slight moderation from 10.5% for 2017 to 2023, though still a sign of plentiful opportunities. However, adaptability and innovation are key traits that will help service providers get ahead.

As the alternatives industry matures, investors are seeking greater transparency and disclosures, which will make back-office functions – particularly those provided by law firms, fund administrators, and auditors – more important. Although the US Securities and Exchange Commission (SEC)'s new Private Fund Adviser Rules[2] were overturned in June 2024, barely a year after being approved, the fact that they were initially broadly welcomed by institutional LPs is a clear indication of what investors and authorities want. The rules included an annual audit and quarterly statements, among other requirements.

At the same time, environmental, social, and governance (ESG) requirements are becoming more mainstream, with increasingly entrenched global standards. Investors are therefore expecting more reporting and disclosure related to metrics such as carbon emissions, gender inclusivity, and more.

Different jurisdictions will also have their own ever-evolving rules and regulations. For instance, the UK's Financial Conduct Authority (FCA) regulates and enforces anti-greenwashing measures, among other rules for asset managers.

Meanwhile, fundraising remains challenging, so GPs have started seeking opportunities in new asset classes or strategies. This means that they will also require back-office functions that can handle multiple strategies. For example, as valuations fall, private equity managers may want to expand to strategies less susceptible to rising interest rates, such as private debt. However, they may not want to establish too many service provider relationships. This means that service providers that can offer data consolidation and automated workflows through the latest tech-enabled platform will become more appealing.

Challenging fundraising conditions will also bring about new opportunities for placement agents, that are no longer perceived to be useful for only first-time or inexperienced managers.

There are also more fund managers every year, presenting an expanding client base for service providers in the alternatives sector. At the same time, with valuations still being compressed, managers will be able to strike deals more affordably, which will likely lead to more opportunities for transactional law firms as deal activity improves.

1 https://preqin.com/future

2 https://www.sec.gov/investment/private-fund-advisers

Embarking on major organizational change? Here's what to consider

Jessica Mead, Regional Executive North America at Alter Domus on how managers can change their organization but maintain the best of their culture and operations

What factors are shaping the way fund managers think about operations in 2024?
If we rewind to 10–15 years ago, we dealt with a much smaller market.

Fund managers would often be single strategy with LPs predominantly in their domestic base. Or, for example, North American clients were primarily institutional investors, with a sub-pocket of smaller European investors. All of that has changed quite significantly. Today more managers are running multiple strategies across all asset classes and AUM has mushroomed alongside a global investor base that's increasingly diverse and demanding.

Regulatory demands have also intensified. Important challenges are coming through, whether it's ESG reporting or (although on hold) the Private Fund Adviser rules with the SEC. Everything is just much more complex than it has been in the past and this means managers in 2024 can't run their back office and operations in the same way anymore. The days of simple emails and spreadsheets, and off-the-shelf accounting processes are long gone. Fund managers today need an extremely strong operational backbone. They need to quickly understand the big regulatory environment that's facing them on the road ahead.

What role does technology play in this?
Best-of-breed technology is key, but it must be coupled with your operational environment. The question is: how do you marry the technology infrastructure without compromising your investment strategy? For 20 years at Alter Domus, we have built the tools to help support our managers in answering these questions.

What are the main friction points when a client decides to push ahead with a change?
Change is hard, especially when you have a strategy that's been working so well. When you're very successful it's hard to take a step back and go through that change. With the speed at which technology and automation are happening, you must look at the change for what it is. Senior management buy-in is critical when bringing entire teams along on this journey. Success comes when there's a deep understanding from management of how the day-to-day changes will impact their teams and where to identify areas to improve. For example, maybe

Jessica Mead
Regional Executive
North America,
Alter Domus

this change will allow teams to focus on something they hadn't been able to in the past. I think that mindset is critical.

When is a bespoke approach needed?
So, it comes down to how the manager is set up. If it's a single strategy manager with a very small investor base, you can probably use that off-the-shelf model and be very successful in doing so. But if you are a manager with a global investor base running multiple strategies, multiple currencies with segregated accounts, and co-investment vehicles, then there is added complexity in what is required to deliver to those investors. If this is the case, then you are going to need an operational model that's bespoke to you. But also, whatever you build needs to fit within your culture.

Bespoke is about taking on a partnership approach with an administrator who can help support your growth going forwards. It's also about expense, strategy, and where you want to strategically spend your money to support that growth.

In the years ahead: what kind of administrative and compliance issues might fund managers be preparing to tackle? What steps should they be taking now?
I wish there was a crystal ball to tell you exactly – but regulation is inevitable. Just given the size of the industry today and the amount of capital that managers are managing at this point, I think we should expect that more regulations are coming, and be ready.

The critical question is how do you prepare for this? I think you must look at your back-office infrastructure. You must understand what expertise you may already have in-house, and what expertise you may need from a partner. This is most important with regulation. Working with someone to understand what's coming through and being able to manage that on a real-time basis is crucial.

How often should a manager be thinking about refreshing or changing technology?

I don't think it's yearly. The uplift from changing your technology lasts much longer than that. But I do think you should be assessing your technology needs and regularly testing how you administer your technology as often as needed. As a rule, I'd say that at least every three years it's important to ask – what's the purpose of this technology?

Even if you don't decide to make changes it's worth regularly looking into how reporting requirements are changing. How is your investor base changing? What are the new expectations coming from those investors? How can technology support the new regulatory environments downstream?

I think from a technology perspective, it's not just the systems, but it's the output of those systems. How do you become more efficient? How are you able to be nimbler? What can you provide to your investor base as a critical component of your accounting systems?

The technology world changes so rapidly, but is it changing enough for you to make big leaps? The migration of a new technology or a new system takes a long time. It takes much longer to implement the technology than it takes for the wheel of the technology cycle to turn. I think you have to be careful to avoid disruption to your own internal back office, your administrator, and even your clients. You really have to time it right.

What kind of feedback do you get from managers when they embark on this journey and things go well?

Customer needs drive our tech development, and we recently had some validation on this front from one of Europe's most respected asset managers – Park Square Capital (PSC). PSC are a dynamic institution with an exceptional market strategy, and we partnered with them to answer a fundamental question: how could they remove the inefficiencies in their portfolio monitoring process where it came to the ingestion and communication of data at the underlying asset level?

The answer was the utilization of the data extraction component of our Credit.OS platform, which was specifically designed to help resolve the exact issues PSC had been facing. Developed with automation and machine learning at its core, our system digitizes, normalizes, and aggregates data, and has been trained on millions of corporate financial documents. Post-roll-out, PSC informed us that it had helped them in multiple ways.

Firstly, it minimized manual data entry and facilitated the centralized tracking of hundreds of financial datapoints. Secondly, it enabled the use of one standardized reporting template across 100-plus portfolio companies which all have slightly different formats of reports. Lastly, it led to a dramatic reduction in time spent on valuation audit queries and massively decreased the number of reports going out late due to the enhanced efficiency of the process.

This was music to our ears, and really underscored that a customer-centric approach to technology is the right path forward. Ultimately, technology is a means to an end, and the end for Alter Domus is the success of our clients.

Where will the next major innovation in fund administration land? And what will it mean for managers?

At Alter Domus, we tend not to overly focus on what's 'new', and instead bring it back to the question of what's going to be most beneficial to our clients. That's what drives our technology investment and adoption. Looking at specific technologies, I think the next 12–18 months will see the refinement and upgrading of business process automation (BPA) tech, i.e. the utilization of programmatic, automated workflows within the fundamental process of fund administration and accounting.

Frankly, there are simply too many repetitive, time-consuming, laborious tasks that stop fund administrators from focusing on more strategically impactful work. As an example, on the private equity side, we have already rolled our out Digital Workflows Application. Processes and procedures are coded into workflows, and automation and AI components provide enhanced, digitized data accuracy and much greater operational efficiencies across the board. What's of great value to clients here is the control of, and transparency around, their data.

Gone are the days of having to send emails or setting up calls to find out the state of play of the accounting management of a fund. Our platform provides an intuitive customer interface to review the status of and action data.

Private capital: fund administrators

The role of fund administration when fundraising gets tough

Melanie Herbert, JTC's Regional Head of UK and Ireland for its Institutional Client Services division, discusses how fund administration is about supporting managers, and not just adding more of the latest technology

How does fund administration help ease the challenges when fundraising is difficult?
When fundraising is tough for GPs, our focus as a fund administrator should really be on making our fund managers look as attractive as possible to this scarce pool of investors. While some in our industry will focus on adopting blanket new technology – for example, specific fund accounting or software and reporting products – our priority is to understand the current climate and tailor what we do so that each fund manager can showcase the best versions of themselves.

This can be done across three main areas of fund administration. The first is through investor relations, how we report to investors. Investors want to really feel that they have a reliable partner in their manager, and that the relationship is built through accuracy, efficiency, and timeliness of reports.

Secondly, it's about flexibility to adapt to what the investors need. In a tough fundraising environment, a one-size-fits-all approach isn't going to work. If a cornerstone investor wants a certain type of report, the fund administrator needs to be flexible enough to work with them on that.

Finally, it's about efficiency and being able to pass on the benefits of operational improvements to help managers with their underlying IRR.

What new challenges are managers facing now, and how have investor expectations changed?
The biggest challenge for managers today is investor expectations. With a need for managers to differentiate themselves in an increasingly competitive market, it's easy to believe claims that investors expect AI, real-time access to data, portals, and more. Whilst technology plays its part, I think both managers and fund administrators have the potential to get lost in some of the hype. Instead, I think it's about looking at what's relevant, what's additive, and what will actually help each manager improve their IRR or efficiency based on their investor base. This is not the time for imposing new technology just for the sake of it.

Melanie Herbert
Regional Head of UK and Ireland – Institutional Client Services, JTC Group

So, it comes back to being adaptable, proactive, and always being led by the fund managers and the investors, rather than the technology. It's much more than just thinking: what can we use AI for, and how can we sell it? Often, it's better to simply ask: what do you need? What do your investors need? How can we get that to market as quickly as possible for you?

Can you discuss the role of fund administration in fundraising for first-time funds versus funds with long-standing relationships?
In today's climate, it's important to very carefully differentiate the first-time managers' needs. Although they're naturally cost-conscious to begin with, their needs are always unique, and that one-size-fits-all service likely won't work.

It's important to understand the kind of offering that will help get their fund off the ground, one that will cover all the regulatory complexity, but be scalable to avoid dragging down their IRR at this stage in their evolution. An existing large, multi-strategy manager will expect the fund administrator to provide their own dedicated team. They'll want to pick up the phone and speak to the same people. Smaller managers don't need to pay the premium associated with retaining those staff to keep the team stable. And this is where the value of flexible, accretive, add-on services comes in. So, it's not about having an entry level service for a first-time manager and a bells and whistles package for a larger manager, you have to offer almost a menu driven approach so the managers can choose the most appropriate steppingstones to get from one stage of their growth to another.

Melanie Herbert is the Regional Head of UK and Ireland for the Institutional Client Services division at **JTC Group**. Melanie is responsible for ensuring greater connectivity and collaboration across the UK & Ireland within the Institutional Client Services division. JTC Group is a leading global provider of fund, corporate, and private wealth services.

3 key trends in fund administration

1. **GPs need fund admins to help navigate a more stringent and ever-evolving regulatory environment**

As institutional investors demand more transparency around fees, performance, and ESG impact from private capital GPs, the regulatory environment is also becoming more stringent. To keep back-office functions affordable, more GPs will consider outsourcing to fund administrators who they can rely on to stay on top of the latest regulations and develop tools to generate reporting quickly and accurately.

The fact that investors largely welcomed the now-overturned Private Fund Adviser Rules, previously approved in August 2023, is a sign that they are keen to have more transparency. The rules required private fund advisers to provide quarterly reports on fees, expenses, and performance, as well as conduct an annual audit, among other obligations.

Global investors also increasingly require GPs to disclose their ESG impact, especially since parts of the industry are already following ESG standards and rules such as the EU Sustainable Finance Disclosure Regulation (SFDR).

This means that fund administrators need to stay up to date and well-versed on the new types of disclosures that affect their fund manager clients and their investors.

2. **Fund admins need operational expertise that spans multiple jurisdictions and strategies**

As GPs broaden out across different strategies and target various investor groups, they need back-office expertise that can span various asset classes. For instance, GPs seeking to appeal to family offices and retail investors need fund administration that can deliver quicker net asset value (NAV), as these LPs prefer liquidity and a faster turnaround on the actual profit and loss on the portfolio.

Around a third of GPs surveyed in our focus group indicated that a key reason for changing fund administrator was the need for greater support since the GP firm had grown (Fig. 11). In the next 12 months, 28% of the respondents indicated that they would be appointing a new fund administrator (Fig. 12).

Fund administrators that operate on tech-enabled platforms that can consolidate data in one place rather than manage data on disparate spreadsheets are already becoming mainstream among GPs and investors that want data quicker. Fund admins can also use artificial intelligence (AI) to improve efficiency, especially when it comes to doing routine tasks such as interpreting LP agreement side letters and amalgamating data.

Still, GPs look for expertise in a particular asset class too, with 44% of GPs surveyed in our focus group indicating that it was the most important characteristic (Fig. 10). This means that fund administrators will need to have T-shaped expertise, with broadening capabilities but deep insight into each asset class at the same time.

3. **More consolidation among fund administrators**

Consolidation is accelerating as larger fund administrators acquire smaller firms to gain better capabilities. The number of mergers and acquisitions has grown from a five-year average of eight between 2014 and 2018 to an average of 13 between 2019 and 2023, according to Fund Recs (Fig. 9).

Bermuda-headquartered Apex Group was particularly active in 2022 and 2023, acquiring 12 businesses across the two years, including third-party management business Maitland, alternative asset, and corporate services provider Sanne, and fund services provider Mainspring.

This year, Cinven acquired a majority stake in Luxembourg-based fund administrator Alter Domus at $5.3bn (EUR 4.9bn), most likely the largest acquisition for the fund administration industry yet.

As fund administrators consolidate, the ones that have sophisticated tech infrastructure will have an upper hand as they can deliver affordable, efficient, and accurate reporting, also enabling their GP clients to better respond to investor demand for more disclosure.

Fig. 1: Prominent fund administrators servicing private capital funds, 2023 – H1 2024, funds closed

Firm	No. of known private capital funds serviced
Aduro Advisors	251
Alter Domus	135
Carta Investor Services	103
Gen II Fund Services	85
SS&C GlobeOp	85
Standish Management	75
Apex Group	69
Citco Fund Services	42
IQ-EQ	42
Aztec Group	34

Source: Preqin Pro

Fig. 2: Prominent fund administrators servicing private capital funds, 2023 – H1 2024, AUA

Firm	AUA ($bn)
Gen II Fund Services	120.7
Alter Domus	93.1
Citco Fund Services	73.9
SS&C GlobeOp	64.2
Apex Group	52.4
State Street	42.3
RBC Investor & Treasury Services	41.2
SEI Investments	37.9
Aztec Group	37.0
Harmonic Fund Services	34.3

Source: Preqin Pro

Fig. 3: Prominent fund administrators servicing private capital funds, funds in market

Firm	No. of known private capital funds serviced
Carta Investor Services	407
Alter Domus	348
SS&C GlobeOp	293
Aduro Advisors	240
Standish Management	233
Gen II Fund Services	199
Citco Fund Services	190
Apex Group	187
SEI Investments	134
IQ-EQ	134

Source: Preqin Pro

Fig. 4: Prominent fund administrators servicing first-time private capital funds, 2023 – H1 2024, funds closed

Firm	No. of known private capital funds serviced
Aduro Advisors	38
Carta Investor Services	21
Alter Domus	14
Apex Group	14
Gen II Fund Services	12
SS&C GlobeOp	11
Belltower Fund Group	9
IQ-EQ	7
Standish Management	7
NAV Consulting	6

Source: Preqin Pro

Fig. 5: Prominent fund administrators servicing first-time private capital funds, 2023 – H1 2024, AUA

Firm	AUA ($bn)
Gen II Fund Services	8.5
Alter Domus	6.1
SS&C GlobeOp	3.3
IQ-EQ	3.1
Aduro Advisors	2.1
Standish Management	1.8
Carta Investor Services	1.6
Apex Group	1.3
NAV Consulting	0.2
Belltower Fund Group	0.1

Source: Preqin Pro

Fig. 6: Prominent fund administrators servicing private capital funds by fund size, 2023 – H1 2024, funds closed

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	More than $1bn
Aduro Advisors	Aduro Advisors	Alter Domus	Gen II Fund Services	Gen II Fund Services
Carta Investor Services	Carta Investor Services	Aduro Advisors	Alter Domus	Alter Domus
Alter Domus	Standish Management	Standish Management	Standish Management	SS&C GlobeOp
Allocations	Alter Domus	Apex Group	IQ-EQ	State Street
Belltower Fund Group	Apex Group	SS&C GlobeOp	Citco Fund Services	Citco Fund Services

Source: Preqin Pro

Fig. 7: Prominent fund administrators servicing private capital funds by fund manager location, 2023 – H1 2024, funds closed

North America	Europe	APAC	Rest of world
Aduro Advisors	Alter Domus	Alter Domus	BTG Pactual Serviços Financeiros
Carta Investor Services	Aztec Group	Apex Group	BRL Trust
Gen II Fund Services	IQ-EQ	IQ-EQ	TMF Group
Alter Domus	Apex Group	Aduro Advisors	Apex Group
SS&C GlobeOp	Langham Hall	Langham Hall	Carta Investor Services

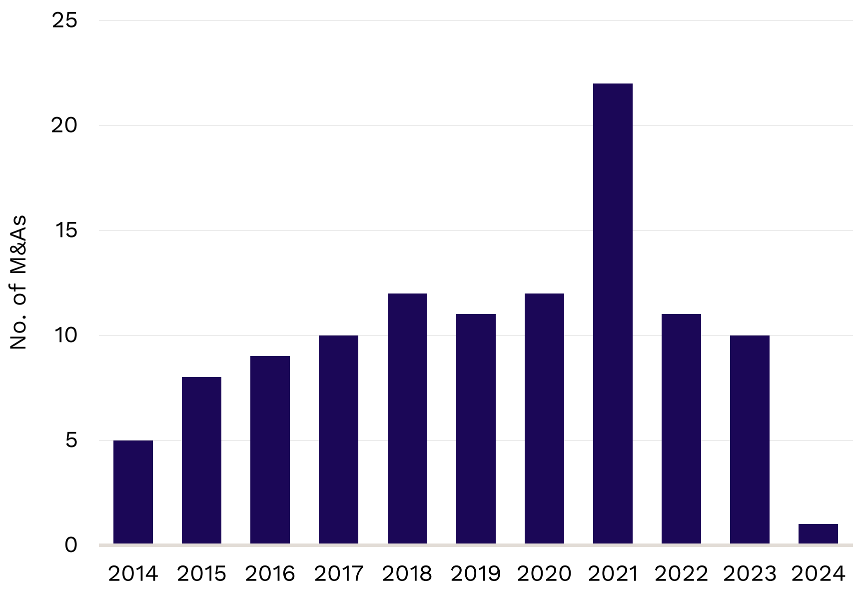
Source: Preqin Pro

Fig. 8: Prominent fund administrators servicing private capital funds by asset class, 2023 – H1 2024, funds closed

Private equity	Venture capital	Private debt	Real estate	Infrastructure	Natural resources
Gen II Fund Services	Aduro Advisors	SS&C GlobeOp	Alter Domus	Alter Domus	Apex Group
Alter Domus	Carta Investor Services	Citco Fund Services	Langham Hall	IQ-EQ	SS&C GlobeOp
SS&C GlobeOp	Standish Management	Alter Domus	BRL Trust	Citco Fund Services	IQ-EQ
Apex Group	NAV Consulting	State Street	Apex Group	SS&C GlobeOp	Standish Management
Aduro Advisors	Apex Group	Gen II Fund Services	Standish Management	CACEIS	SEI Investments

Source: Preqin Pro

Fig. 9: Prominent M&As between fund administrators, 2014 – 2024



Source: Preqin Pro

NAV financing: the champion of the fund finance market?

Michael Peterson and Shiraz Allidina, Managing Directors of Citco Capital Solutions, discuss the rise of NAV financing, the ins and outs of its recent scrutiny, and what the future has in store

Michael Peterson
Managing Director,
Citco Capital Solutions

Shiraz Allidina
Managing Director,
Citco Capital Solutions

What exactly is NAV financing?
Shiraz Allidina: A NAV facility is a loan to an alternative investment fund that is secured by the fund's investments, which typically consist of private equity, venture capital (VC), infrastructure, credit, real estate, or holdings in other investment funds.

Why have we seen such a surge in popularity?
Shiraz Allidina: It's an alternative source of liquidity for funds, and in today's environment, that's a big deal. As central banks have tightened financial conditions, valuations for private equity or VC-backed companies have decreased, as has the volume of exits. A NAV facility serves as an alternative to a fire sale of assets, providing liquidity for funds at a reasonable cost. Moreover, these facilities have been an important source of financing, allowing funds to weather exogenous shocks, such as the pandemic and last year's US regional banking crisis.

We have seen clients use these facilities defensively, protecting existing investments undergoing stress. We have also seen clients seeking to capitalize on a lucrative follow-on opportunity, using NAV facility proceeds to make investments that improve overall fund returns. At Citco, we've seen a 30% compound annual growth in the usage of NAV facilities by clients between 2019–2023, highlighting the growing popularity in this product.

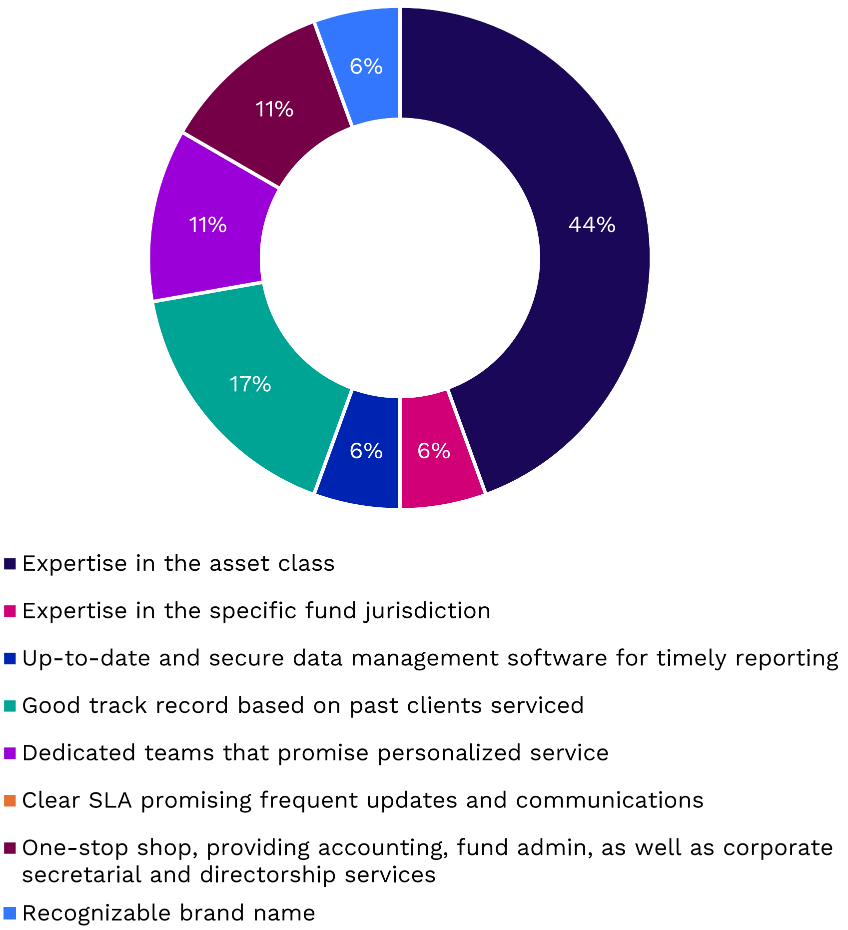
What are your thoughts on the latest criticism of NAV loans?
Michael Peterson: There have been calls from industry spokespeople for heightened disclosure around how NAV facilities are used. And we agree with this – transparency is a good thing. Some worry that NAV facilities are used to fund distributions to LPs. However, Citco data shows that fewer than 15% of NAV facilities have been used to fund distributions to investors. The remaining 85% are used for follow-on investments, to generate liquidity as an alternative to secondary sales, and to support fund and deal expenses.

In addition to the lack of evidence around misuse, the funds launched over the past five years typically contain provisions whereby the use of NAV facilities must be made clear to LPs for their express approval. Moreover, regardless of the use case, provided there is disclosure and agreement from stakeholders, we believe NAV loans are an innovation which can increase financial stability, acting as a safety valve for alternative funds, allowing them to generate liquidity without selling assets at inopportune values.

So, what can we expect to see down the line? And is NAV financing here to stay?
Michael Peterson: NAV financing was originally developed in Europe, and the region's use has been the main driver of its prominence to date. Looking forward, we expect increased recognition and utilization in the US – and aligned with this growth, we should also see new lenders entering the market. We welcome a bigger NAV lending marketplace: continuing adoption will improve systemic stability and support growth of the alternative investment landscape.

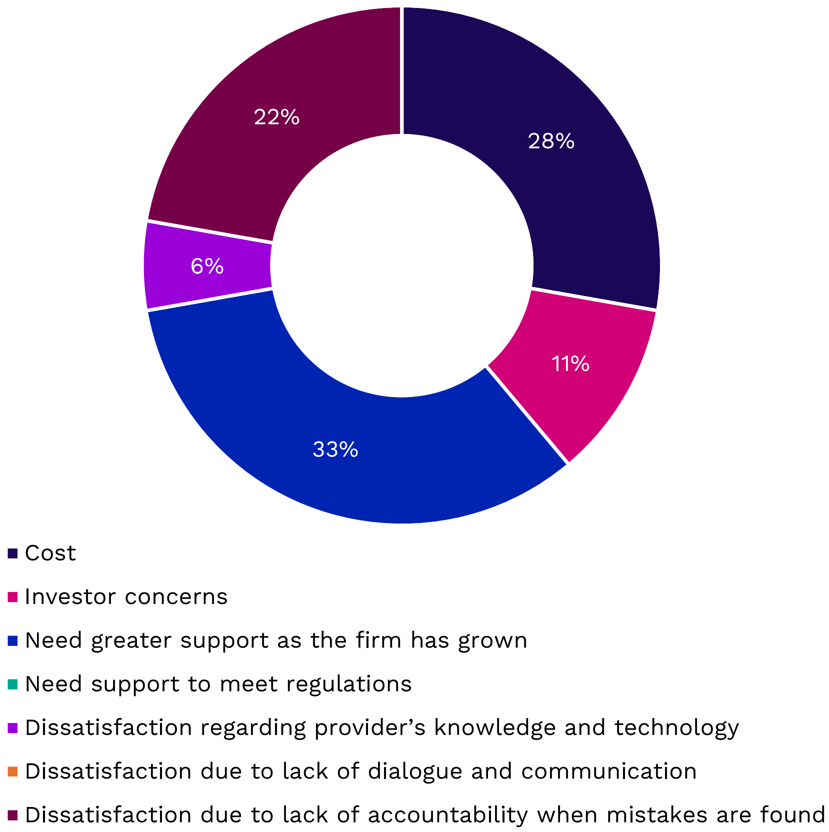
As specialists in alternative funds, **Citco Capital Solutions** is solely focused on fund finance, and has a team with over 80 years of lending and capital markets experience. Having engaged in fund finance for over 20 years, our deep knowledge of alternative funds, strategies, and investors allows us to structure creative, flexible, and timely solutions for our clients. To date, the sum total of the transactions our professionals have funded or arranged is more than $20bn, and covers all aspects of direct lending and capital advisory services.

Fig. 10: The most important characteristics that GPs look for in a fund administrator



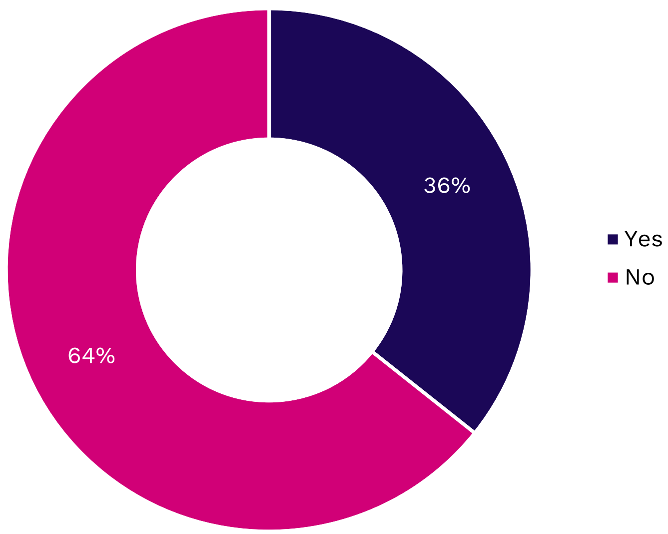
Source: Preqin GP Focus Group on Fund Administrators 2024

Fig. 11: Top reasons for changing fund administrators



Source: Preqin GP Focus Group on Fund Administrators 2024

Fig. 12: Proportion of GPs that will appoint a new fund administrator in the next 12 months



Source: Preqin GP Focus Group on Fund Administrators 2024

The importance of outsourcing: choosing a fund administrator that fits your needs

Corinne Weidner explains how technological capabilities, scalability, and cost structures should influence how fund managers outsource

Corinne Weidner
Managing Director
Ultimus LeverPoint

Fund managers are increasingly outsourcing back-office functions to third-party administrators in response to heightened investor demand for transparency and the growing necessity for regulatory compliance. In this competitive market, fund managers must perform thorough due diligence when choosing a fund administrator, considering essential factors such as technology, experience, service capabilities, and cost.

Technology and innovative offerings

Selecting a fund administrator that employs advanced technology can significantly benefit managers when considering outsourcing options. It's vital to choose a partner that embraces digitization, enhancing digital capabilities and providing real-time access to critical data. Investor portals offer limited partners a secure way to review data and reports.

Additionally, automation is vital; automated reporting through investor portals outperforms outdated tools like Excel, reducing errors and improving data management. By leveraging data and analytics, fund managers can enhance progress, lower costs, improve risk management, and allow time to concentrate on core responsibilities.

Experience and expertise

When considering outsourcing, it's crucial to assess each firm's experience and expertise. A strong partnership with a fund administrator depends on a skilled team, including expertise in accounting, compliance, and technology. An experienced, diverse team can navigate complex fund structures, ensuring better quality and consistency in reporting. Selecting an administrator familiar with similar fund strategies is beneficial and evaluating their onboarding process is essential to a successful partnership. Trusting the team responsible for your fund documentation transfer is critical.

Scalable service capabilities

Some fund administrators can customize their services to meet the unique needs of each fund, allowing fund managers to leverage these partnerships to meet the demands of limited partners with innovative and scalable solutions. As the private equity industry evolves and limited partner expectations rise, selecting a service provider that can drive long-term business success is crucial. Fund managers should consider their funds' growth potential; choosing an administrator with the flexibility to handle expanding requirements can help avoid disruptions during expected and unexpected growth phases, and during complex times.

The range of services offered is also important. Fund administrators providing comprehensive back-office solutions are in high demand. Partnering with a full-service provider that can manage core functions like fund accounting, reporting, treasury services, and investor relations is vital for any fund manager's success.

Cost structure

Fees are a primary concern for fund managers when outsourcing back-office solutions, and cost transparency is crucial during initial due diligence. When discussing costs and services, be mindful of additional fees for work outside standard services. While these fees don't necessarily indicate a higher overall cost, managers should consider various pricing structures when comparing multiple proposals to ensure fair assessments with internal decision makers.

Choosing the appropriate fund administrator is essential for optimizing and enhancing a fund manager's performance. By considering key factors, managers can effectively navigate decision-making when evaluating service providers for start-up and established funds. Collaborating and partnering with an experienced fund administrator enables your team to concentrate on raising capital, making informed investment decisions, and maximizing returns for investors.

Corinne Weidner has over two decades of experience with private equity, venture capital, and other fund structures. Prior to joining **Ultimus LeverPoint**, she was a Partner at FD Fund Administration and served as Controller at a seed stage venture capital firm, as well as 10 years spent at KPMG focused on alternative investments, mutual funds, and private equity funds.

Private capital: fund auditors

Fig. 13: Prominent fund auditors servicing private capital funds, 2023 – H1 2024, funds closed

Firm	No. of known private capital funds serviced
PricewaterhouseCoopers	302
EY	249
KPMG	236
Deloitte	228
BDO	111
RSM	105
Frank, Rimerman & Co.	74
Grant Thornton	65
EisnerAmper	33
Weaver	31

Source: Preqin Pro

Fig. 14: Prominent fund auditors servicing private capital funds, 2023 – H1 2024, AUA

Firm	AUA ($bn)
Deloitte	315.4
PricewaterhouseCoopers	301.9
EY	273.0
KPMG	204.3
BDO	29.9
RSM	28.3
EisnerAmper	28.3
Grant Thornton	27.0
Frank, Rimerman & Co.	6.3
Weaver	1.4

Source: Preqin Pro

Fig. 15: Prominent fund auditors servicing private capital funds, funds in market

Firm	No. of known private capital funds serviced
PricewaterhouseCoopers	750
EY	682
Deloitte	576
KPMG	554
Frank, Rimerman & Co.	269
RSM	250
BDO	249
EisnerAmper	133
Grant Thornton	129
Weaver	128

Source: Preqin Pro

Fig. 16: Prominent fund auditors servicing first-time private capital funds, 2023 – H1 2024, funds closed

Firm	No. of known private capital funds serviced
KPMG	31
EY	30
PricewaterhouseCoopers	29
Deloitte	22
BDO	17
Frank, Rimerman & Co.	15
RSM	14
EisnerAmper	7
Grant Thornton	7
Weaver	7

Source: Preqin Pro

Fig. 17: Prominent fund auditors servicing first-time private capital funds, 2023 – H1 2024, AUA

Firm	AUA ($bn)
PricewaterhouseCoopers	12.2
EY	11.2
KPMG	10.4
Deloitte	4.4
RSM	2.8
BDO	1.7
EisnerAmper	1.0
Frank, Rimerman & Co.	0.9
Grant Thornton	0.6
Weaver	0.4

Source: Preqin Pro

Fig. 18: Prominent fund auditors servicing private capital funds by fund size, 2023 – H1 2024, funds closed

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
Deloitte	Frank, Rimerman & Co.	PricewaterhouseCoopers	EY	PricewaterhouseCoopers
Frank, Rimerman & Co.	EY	KPMG	PricewaterhouseCoopers	Deloitte
EY	KPMG	EY	KPMG	EY
PricewaterhouseCoopers	Deloitte	Deloitte	Deloitte	KPMG
RSM	PricewaterhouseCoopers	RSM	RSM	Grant Thornton
BDO	BDO	BDO	BDO	RSM

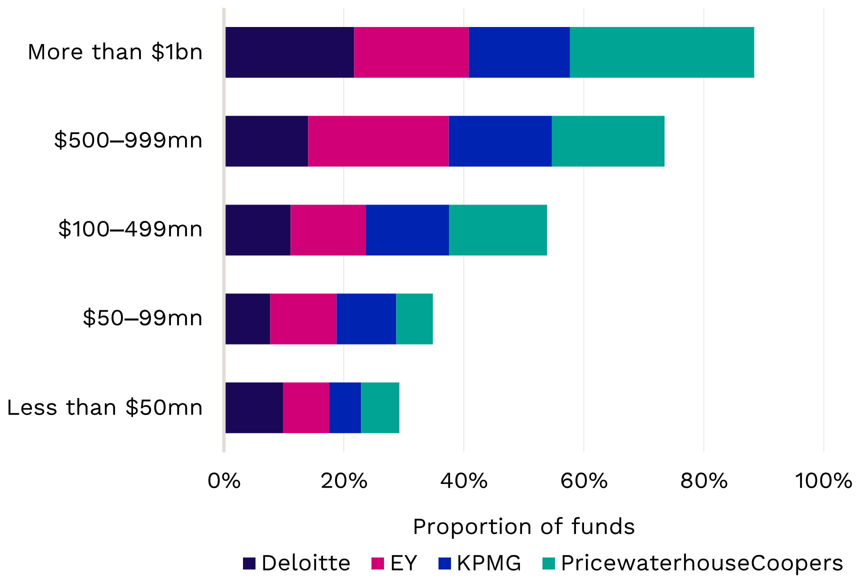
Source: Preqin Pro

Fig. 19: Prominent fund auditors servicing private capital funds by fund manager location, 2023 – H1 2024, funds closed

North America	Europe	APAC	Rest of world
PricewaterhouseCoopers	PricewaterhouseCoopers	EY	KPMG
EY	KPMG	PricewaterhouseCoopers	BDO
Deloitte	Deloitte	Deloitte	Grant Thornton
KPMG	EY	KPMG	PricewaterhouseCoopers
RSM	BDO	Grant Thornton	EY
Frank, Rimerman & Co.	Grant Thornton	BSR & Co	RSM

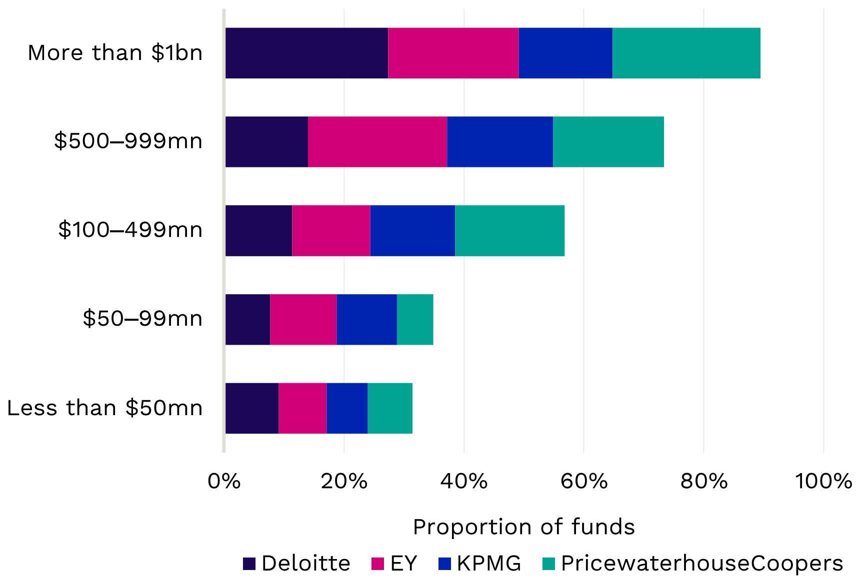
Source: Preqin Pro

Fig. 20: Market share of leading fund auditors servicing private capital funds by fund size, 2023 – H1 2024, funds closed



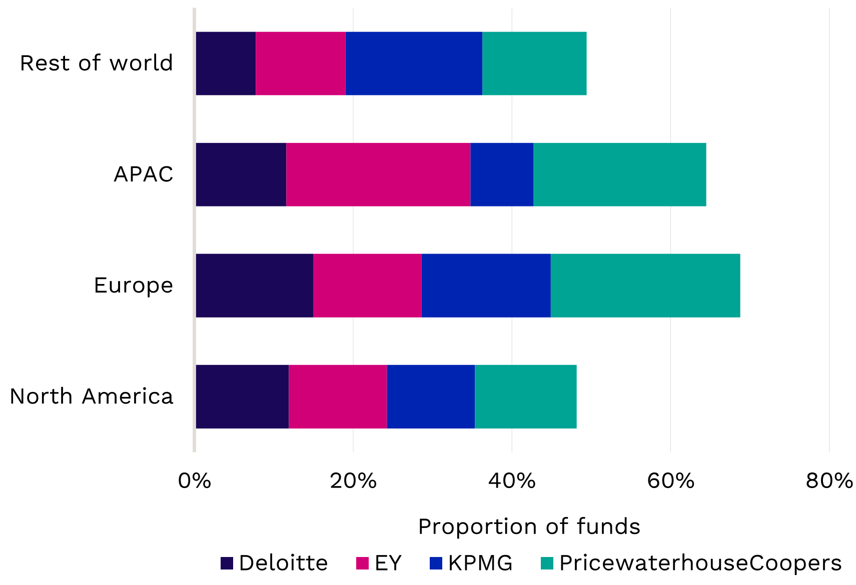
Source: Preqin Pro

Fig. 21: Market share of leading fund auditors servicing private capital funds by fund size, 2023 – H1 2024, aggregate capital raised



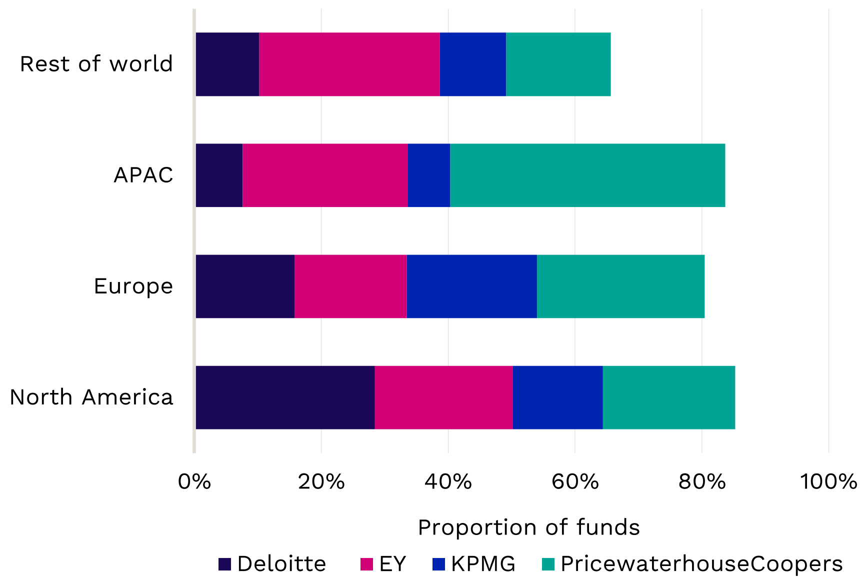
Source: Preqin Pro

Fig. 22: Market share of leading fund auditors servicing private capital funds by fund manager location, 2023 – H1 2024, no. of funds closed



Source: Preqin Pro

Fig. 23: Market share of leading fund auditors servicing private capital funds by fund manager location, 2023 – H1 2024, aggregate capital raised



Source: Preqin Pro

Private capital: placement agents

54%

of established managers with a placement agent raised funds above target, compared with the 23% that did not have one

3 key trends for placement agents

1. **Tough fundraising conditions push more GPs to turn to placement agents**

Preqin data shows that a higher percentage of managers with a placement agent raised funds above target compared to those without. More than half (54%) of established managers with a placement agent raised funds above target, compared with the 23% that did not have one. Meanwhile, 48% of first-time managers that had a placement agent raised funds above target, compared to the 36% of managers that did not have one (Fig. 24).

In a tough fundraising environment, the role of placement agents becomes much more important. LPs have become cautious in the wake of multiple interest-rate hikes and lower levels of deal-making and exits, leading to slow fundraising in recent years. Over 3,700 private capital funds closed in 2024 as of August, down by 28% from 2019's 5,200. Hence, more GPs might benefit from the expertise of placement agents to help them explore new pools of capital from different geographies and LP types.

Indeed, using a placement agent is no longer perceived as a sign of inexperience or only for first-time managers, but a legitimate way to secure specialized expertise or networks. Larger private equity firms such as EQT and TPG are using placement agents[3] too, reported Bloomberg at the end of 2023.

For placement agents, however, these tough conditions are a double-edged sword, as they may still struggle to raise capital during such conditions and 42% of focus group respondents stated that they would switch placement agents due to dissatisfaction with the levels of capital raised (Fig. 36). Another reason for switching is dissatisfaction with service (42%).

2. **Placement agents need to do more than before**

Placement agents have been doing much more than connecting GPs with LPs, but client demands are increasing. Already, they help GPs prepare before they approach LPs, including how to pitch to the right LPs, creating marketing materials and due diligence materials, and analyzing potential risks like conflicts of interest. Over 60% of GPs in our focus group found that help with launch strategy was the most valuable thing about using a placement agent (Fig. 34), next to warm introduction to new or desired LPs, which was indicated by the highest proportion of respondents (81%).

For example, GPs also expect their placement agents to advise on co-investments and NAV facilities. New software can help placement agents deal with these added expectations from their clients, helping to save time on tasks related to client relationship management, putting together presentations, and data collection.

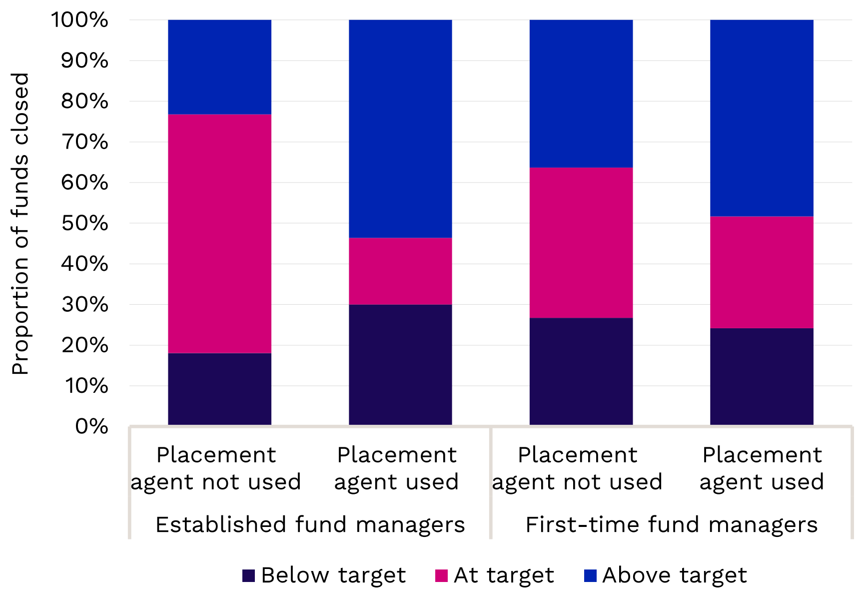
3. **APAC is an important base for placement agents**

APAC has a growing group of institutional investors that invest in alternatives, including family offices, pension funds, and sovereign wealth funds. Placement agents can serve as gatekeepers of wealth as they connect these institutional investors to GPs. Conversely, North American and European investors may also have limited access to funds by APAC fund managers but would like to explore opportunities in the region. Boutique placement agent Eastbound Equity[4] has recently set up operations in Singapore to do exactly that – help global investors identify funds and companies in Asia, and work with Asian investors to identify new opportunities outside the region. In a diverse region like APAC with varying regulations and capital structures, the role of local placement agents is invaluable.

3 https://www.bloomberg.com/news/articles/2023-12-19/private-equity-s-hunt-for-funds-is-pushing-firms-to-middlemen

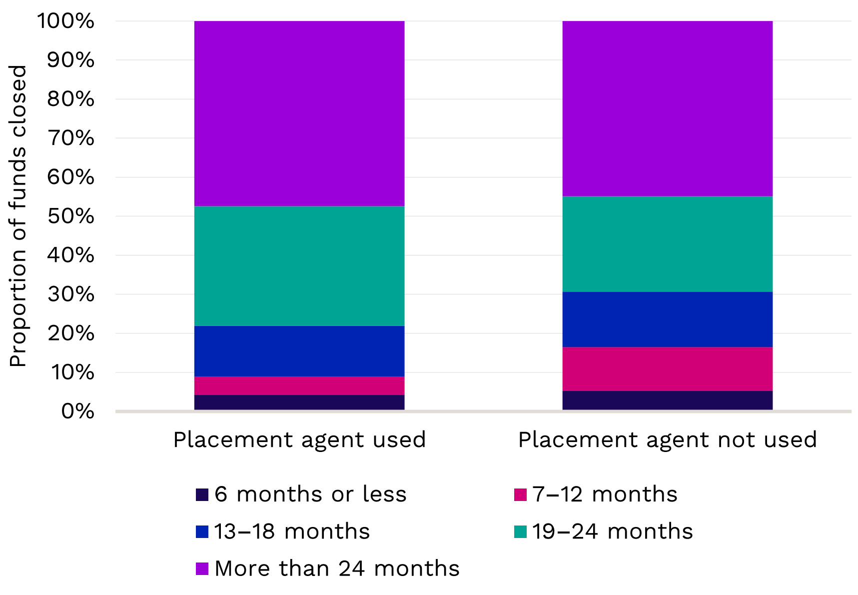
4 https://www.dealstreetasia.com/stories/eastbound-equity-singapore-410755

Fig. 24: Fundraising success of private capital funds closed that did or did not use a placement agent by manager experience, 2023 – H1 2024



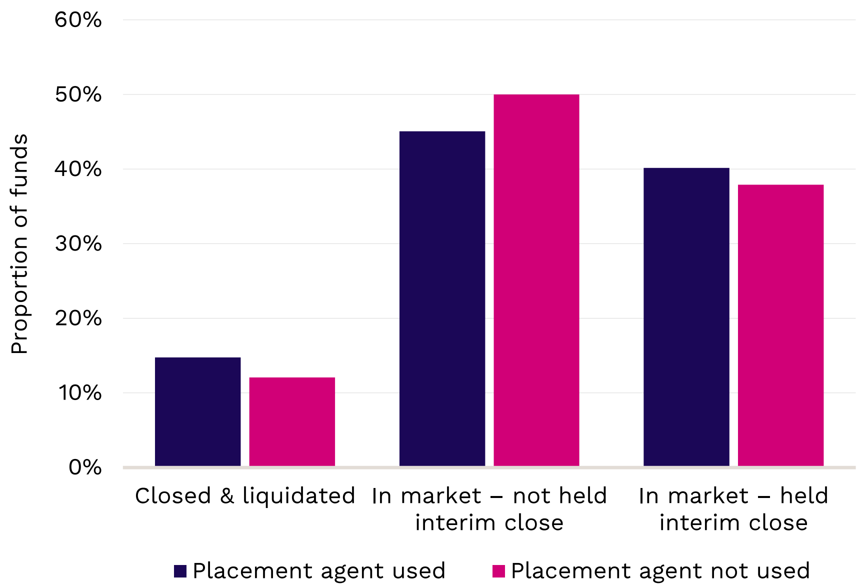
Source: Preqin Pro

Fig. 25: Time spent in market by private capital funds closed that did or did not use a placement agent, 2023 – H1 2024



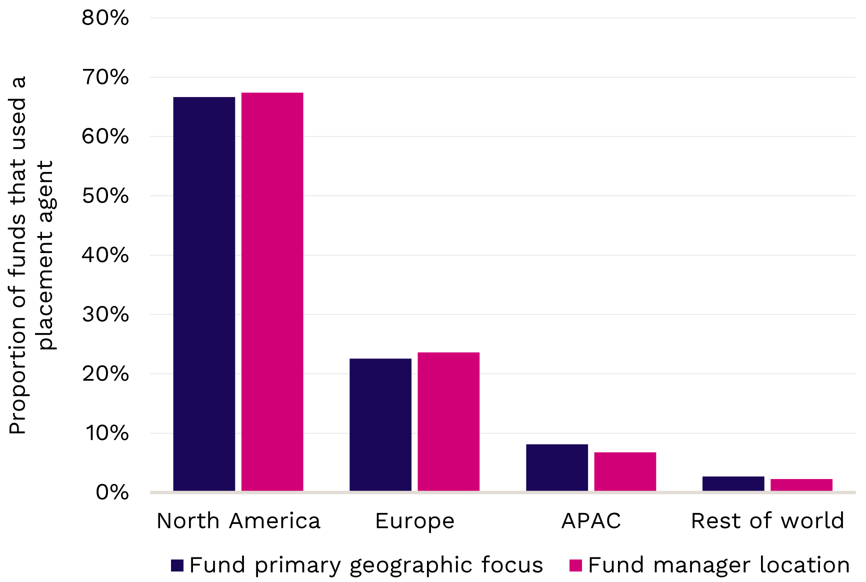
Source: Preqin Pro

Fig. 26: Current status of private capital funds launched that did or did not use a placement agent, 2023 – H1 2024



Source: Preqin Pro

Fig. 27: Placement agent use by geography, private capital funds closed, 2023 – H1 2024



Source: Preqin Pro

Fig. 28: Prominent placement agents in private capital, funds closed, 2023 – H1 2024

Firm	No. of known private capital funds serviced
Evercore Private Funds Group	45
Goldman Sachs	36
PJT Park Hill	30
J.P. Morgan Securities	29
Lazard Private Capital Advisory	29
KB Securities	27
Greenstone Equity Partners	25
Campbell Lutyens	24
Asante Capital Group	20
Picton	19

Source: Preqin Pro

Fig. 29: Prominent placement agents in private capital, funds in market

Firm	No. of known private capital funds being serviced
Evercore Private Funds Group	51
Campbell Lutyens	48
Goldman Sachs	47
Lazard Private Capital Advisory	42
Greenstone Equity Partners	41
PJT Park Hill	41
J.P. Morgan Securities	31
Picton	30
Stonehaven	30
Jefferies' Private Capital Group (PCG)	28

Source: Preqin Pro

Fig. 30: Prominent placement agents in private capital by fund size, funds closed, 2023 – H1 2024

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
KB Securities	KB Securities	Asante Capital Group	PJT Park Hill	Evercore Private Funds Group
CrossBay Capital Partners	Hollister Associates	Greenstone Equity Partners	Lazard Private Capital Advisory	Goldman Sachs
AngelList	Triton Lake	PJT Park Hill	Evercore Private Funds Group	Picton
Great Point Capital	Goldman Sachs	Rede Partners	UBS Investment Bank - Private Funds Group	J.P. Morgan Securities
Hudson Housing Securities	Pickwick Capital Partners	M2O Private Fund Advisors	Greenstone Equity Partners	HMC Capital

Source: Preqin Pro

Fig. 31: Prominent placement agents in private capital by fund manager location, funds closed, 2023 – H1 2024

North America	Europe	APAC	Rest of world
Goldman Sachs	Rede Partners	KB Securities	Greenstone Equity Partners
Evercore Private Funds Group	Campbell Lutyens	Asante Capital Group	Mercury Capital Advisors
J.P. Morgan Securities	PJT Park Hill	Credit Suisse Private Fund Group	Avenue Alternatives
Lazard Private Capital Advisory	Asante Capital Group	Atlantic-Pacific Capital	MVision Private Equity Advisers
Morgan Stanley Investment Banking Division	Evercore Private Funds Group	UBS Investment Bank - Private Funds Group	Citi Private Funds Group

Source: Preqin Pro

Fig. 32: Prominent placement agents servicing private capital funds by asset class, ranked by number of funds, all time

Private equity & venture capital	Private debt	Real estate	Infrastructure	Natural resources
Evercore Private Funds Group	PJT Park Hill	Emerson Equity	Campbell Lutyens	Goldman Sachs
Goldman Sachs	Greenstone Equity Partners	PJT Park Hill	FIRSTavenue	Calpa Partners
Lazard Private Capital Advisory	Goldman Sachs	Lazard Private Capital Advisory	UBS Investment Bank - Private Funds Group	IBN Financial Services
J.P. Morgan Securities	Campbell Lutyens	Real Estate Strategic Advisory	KB Securities	Saxony Securities
PJT Park Hill	Picton	Further Capital Partners	Astrid Advisors	Patrick Capital Markets
Campbell Lutyens	HMC Capital	JLL Private Funds Advisory	DC Placement Advisors	John Hancock Distributors
Credit Suisse Private Fund Group	Evercore Private Funds Group	Stonehaven	Picton	Metric Point Capital
UBS Investment Bank - Private Funds Group	Ares Investor Services	Arkadios Capital	Evercore Private Funds Group	Realta Equities
Asante Capital Group	Briarcliffe Credit Partners	Great Point Capital	Goldman Sachs	Kingswood Capital Partners
Rede Partners	KB Securities	Hodes Weill & Associates	POLARIS Investment Advisory	Arkadios Capital

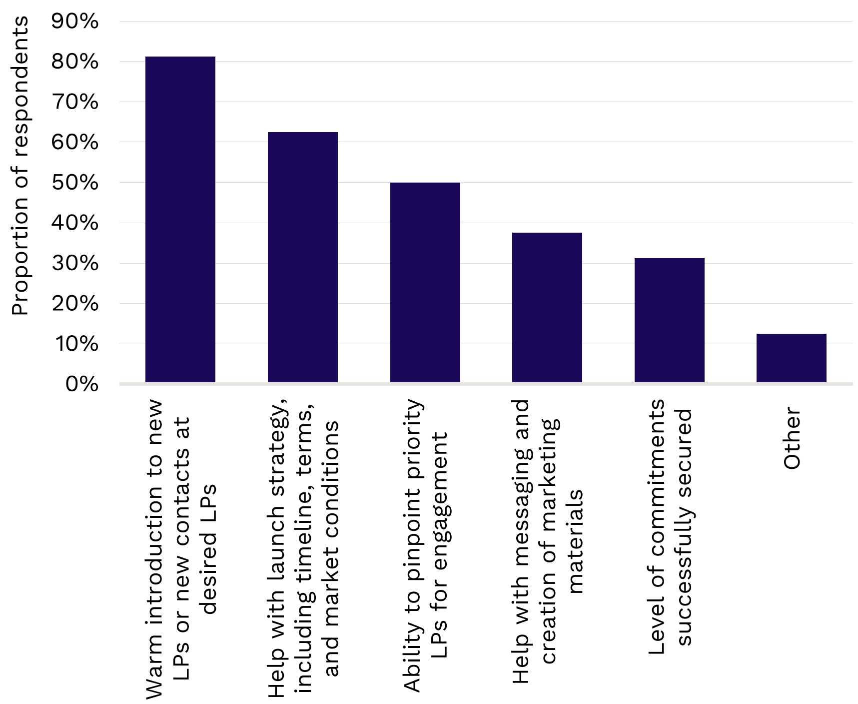
Source: Preqin Pro

Fig. 33: Prominent placement agents servicing first-time private capital, funds closed, 2023 – H1 2024

Firm	No. of known first-time private capital funds serviced
KB Securities	5
Frontier Solutions	3
M2O Private Fund Advisors	3
Goldman Sachs	2
PJT Park Hill	2
Stifel, Nicolaus & Co.	2
Credit Suisse Private Fund Group	2
Campbell Lutyens	2
Lazard Private Capital Advisory	2
CapLink Securities	2
Harken Capital	2
Acalyx Advisors	2
BerchWood Partners	2
Old City Securities	2
Strathmore Group	2

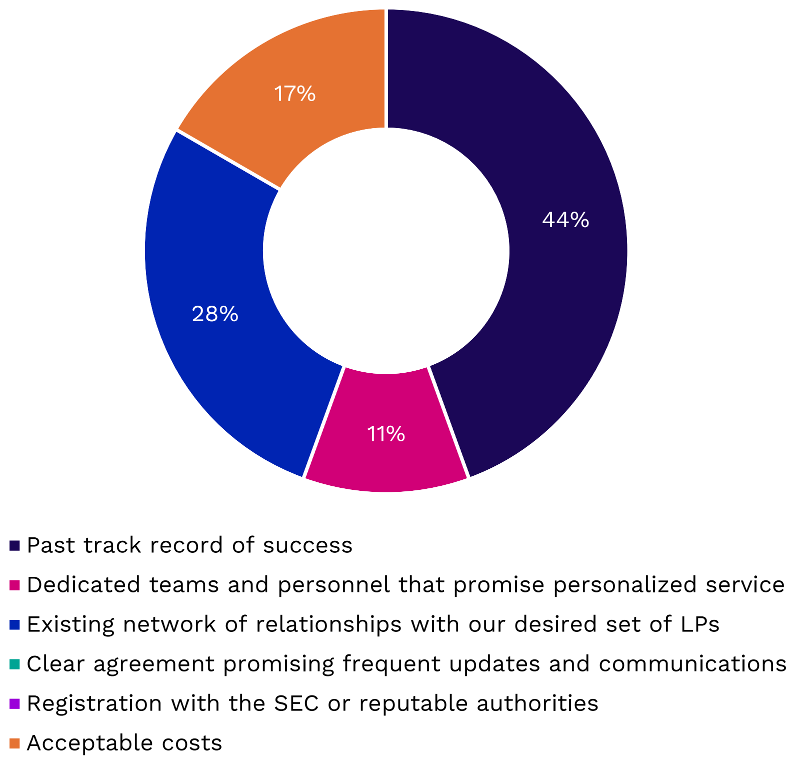
Source: Preqin Pro

Fig. 34: Top characteristics that GPs found most valuable when using a placement agent in the past



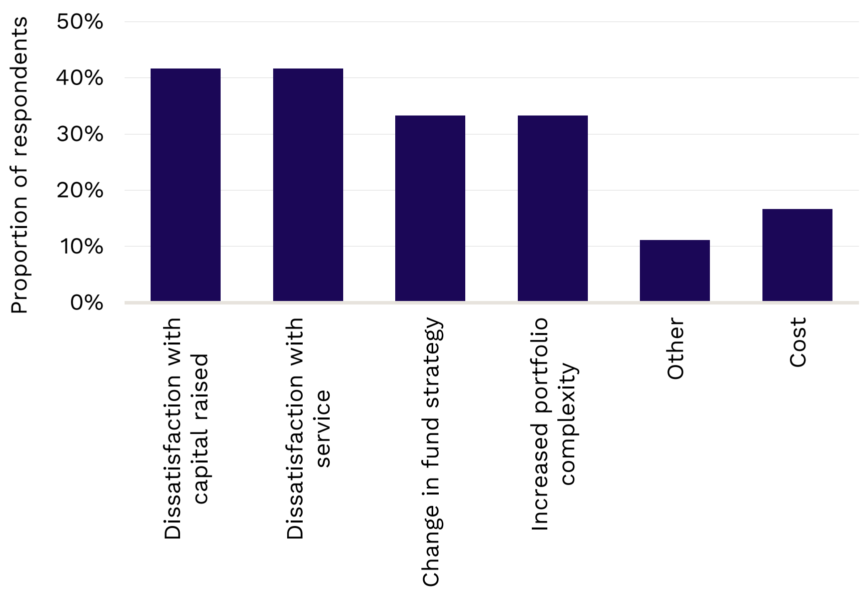
Preqin GP Focus Group on Law Firms & Placement Agents 2024

Fig. 35: Top characteristics that GPs look for in a placement agent for future fundraising



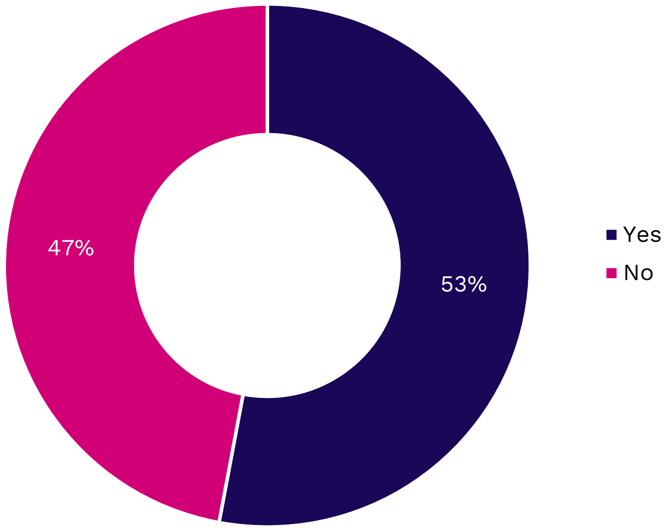
Preqin GP Focus Group on Law Firms & Placement Agents 2024

Fig. 36: Reasons for switching placement agents



Preqin GP Focus Group on Law Firms & Placement Agents 2024

Fig. 37: Proportion of GPs that will use a placement agent in the next 12 months



Preqin GP Focus Group on Law Firms & Placement Agents 2024

Private capital:
law firms

3 key trends for law firms

25%

of respondents' top reason for changing fund formation law firm was the need for support to meet changing regulations (Fig. 45)

1. **Deal-making is recovering, but transactional law firms need to be creative to capture opportunities**

Law firms in private markets are seeing more opportunities as deal-making gradually recovers following the slowdown since the peak in 2021. In the first eight months of 2024, close to 6,000 private equity-backed buyouts have concluded and the number of deals is on track to overtake the 9,330 completed in 2023. It has also become more affordable for firms to deploy capital with elevated levels of dry powder and falling valuations. Our primer on Buyouts in North America[5] reveals that managers are sitting on $766bn of dry powder and are revisiting overdue deals in light of lower valuations.

However, transactional law firms may need to get creative to capitalize on opportunities,[6] such as helping to structure carve-outs, minority stake deals, and debt covenant deals.

The top reasons for changing M&A counsel were dissatisfaction in strategy or negotiation, with 25% of survey respondents indicating so, and changing needs as firm strategy has changed, also indicated by 25% of survey respondents (Fig. 60).

2. **Law firms need to be adept at handling evolving regulations across verticals**

Law firms need to keep abreast of evolving regulations in new arenas to succeed in a competitive landscape. The top reason for changing fund formation law firm was the need for support to meet changing regulations, with 25% of the respondents in our focus group indicating it (Fig. 45).

Demand for law firms with specific services, such as ESG compliance, will grow along with increasingly stringent and standardized rules, such as the EU's SFDR.

Other areas like cybersecurity and cryptocurrency will also see more regulatory disclosure laws being enhanced by the SEC, which may lead to more opportunities for law firms specializing in such sectors.

Separately, the UK Financial Conduct Authority (FCA) has been issuing consultation letters around compliance at the fund formation stage, specifying how fund investment management firms should be operating. Asset managers are subject to FCA supervisory reviews[7] related to their governance and valuation practices, sustainability disclosure rules, and Consumer Duty implementation. These changes will also add to the compliance burden, which GPs will increasingly seek to outsource.

3. **Artificial intelligence will streamline processes**

Lawyers can incorporate AI-enabled technology to automate and streamline manual and routine parts of their workloads, such as drafting emails, reviewing documents, and preparing a presentation. Additionally, AI may also open another area of regulation as lawyers help their clients understand the benefits and risks of the new technology. This includes managing the risks of AI[8] by working on agreements that define organizational and technical controls to promote the safe use of AI.

5 https://preqin.com/insights/research/reports/buyouts-in-north-america-a-preqin-primer

6 https://www.law.com/international-edition/2024/01/18/dealmakers-plan-to-keep-investing-in-private-equity-practices-amid-higher-expectations-for-2024-378-238825/?slreturn=20240805230119

7 https://www.osborneclarke.com/insights/funds-focus-first-quarter-2024

8 https://www.weforum.org/agenda/2024/09/ai-governance-trends-to-watch/

Fundraising, deal–making, and rates: private capital trends under the spotlight

Schulte Roth & Zabel's Stephanie Breslow, Peter Greene, and Joseph A. Smith address three major trends in private capital for 2025.

Stephanie Breslow
Partner,
Schulte Roth & Zabel

Peter Greene
Partner,
Schulte Roth & Zabel

Joseph A. Smith
Partner,
Schulte Roth & Zabel

How will fundraising for both multi- and single-strategy managers compare in 2025?

Peter: Consolidation will continue to be a theme in 2025, with the biggest of the big attracting the most assets. Multi-strategy managers had more fundraising success than single-strategy managers in late 2022 and 2023. That said, there's still a place for the single-strategy manager. It's harder for the less well-pedigreed single-strategy managers to raise money now than it was five years ago, but they can succeed. One interesting byproduct from this era of consolidation is that many of the biggest funds are taking well-pedigreed single-strategy emerging managers under their wings by offering them capital and back-and-middle office support in return for an initial period of exclusivity. So, that means that the universe of single-strategy managers going out to the market may seem smaller because the big players are starting to seed some of these opportunities.

At the potential end of the rate-rise cycle, what is the outlook for those reliant on credit?

Stephanie: In this high-rate environment, the winners were able to lend at higher rates, and the losers were people who had to borrow at higher rates, including some whose strategies were not in themselves interest-rate correlated, but who still had to compete for investors against higher rates in the risk-free market.

It was a challenge in private equity when funds were trying to do leverage buyouts or other leverage-dependent deals, and that leverage was more expensive. It was a challenge for the portfolio companies who used leverage. It was a challenge for funds using subscription lines because, historically, those had been virtually free, but with high interest rates, they are a meaningful expense. Sponsors of distressed credit strategies, found new buying and lending opportunities, but high interest rates pushed some already troubled assets into further decline. And of course, it was harder to get people out of distress using leverage, because it was so expensive.

Now declining interest rates should be good for the buyout market. It will be easier to add leverage and buy portfolio companies. It should make strategies that are buying recurrent cash flows – for example, music rights – and equity investments relatively more appealing when compared to risk-free returns. On the other hand, funds that lend will face lower returns and less desperate borrowers. There are opportunities and tradeoffs in both directions.

Will the resumption of deal-making activity arrive as a trickle or a flood?

Joe: There is enormous pent-up demand for a good year with lots of transactional deal flow. Whether it's a trickle or a flood will depend on exactly where interest rates land. Moderately lowered rates would lead to a more sustainable recovery, and I think that's what the Fed is shooting for.

More interesting are the potential secondary (pardon the pun) repercussions of lower rates. GPs have a pent-up demand to exit their portfolio companies, because buyers are scarce in a high-rate environment. But LP's have been more frustrated because they haven't been getting sufficient distributions to be able to redeploy capital, so fundraising has been slow. This is one of the key factors leading to the fantastic growth of the sponsor-led secondary market, where secondary funds still have some dry powder from the prior fundraising cycle, and LP's in the primary funds have had a strong cognitive bias to cash-out (rather than roll-forward into continuation vehicles), so as to put some good marks on the board in an otherwise dry economy. This may well change when, with moderately lower rates, customary trade sales and pass-the-parcel deal flow resumes.

Hence, I think there will be a significant increase in buyout activity, as well as a return of real asset activity, although I think that will continue to be sector-specific, with a continued focus on infrastructure, logistics and tech-related property assets. In sum, traditional deal flow will increase markedly in 2025 and beyond.

Private capital:
law firms in fund formation

Fig. 38: Prominent law firms in fund formation servicing private capital funds, 2022 – 2024 vintages

Firm	No. of known private capital fund formation assignments
Kirkland & Ellis	275
Proskauer	126
Paul, Weiss, Rifkind, Wharton & Garrison	102
Ropes & Gray	101
Simpson Thacher & Bartlett	81
Schulte Roth & Zabel	81
Goodwin	75
Cooley	73
Latham & Watkins	67
DLA Piper	65

Source: Preqin Pro

Fig. 39: Prominent law firms in fund formation servicing private capital funds, funds in market

Firm	No. of known private capital fund formation assignments
Schulte Roth & Zabel	92
Kirkland & Ellis	82
Burness Paull	69
Paul, Weiss, Rifkind, Wharton & Garrison	68
Proskauer	63
Goodwin	51
DLA Piper	50
Clifford Chance	49
Riveles Wahab	43
Ropes & Gray	42

Source: Preqin Pro

Fig. 40: Prominent law firms in fund formation servicing private capital funds by fund size, 2022 – 2024 vintages

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
Cooley	Cooley	Kirkland & Ellis	Kirkland & Ellis	Kirkland & Ellis
Wilson Sonsini Goodrich & Rosati	Latham & Watkins	Cooley	Proskauer	Simpson Thacher & Bartlett
Ropes & Gray	King & Wood Mallesons	Proskauer	Ropes & Gray	Fried Frank Harris Shriver & Jacobson
Schulte Roth & Zabel	Ropes & Gray	Latham & Watkins	Simpson Thacher & Bartlett	Proskauer
Vela Wood	Burness Paull	Ropes & Gray	Latham & Watkins	Ropes & Gray

Source: Preqin Pro

Fig. 41: Prominent law firms in fund formation servicing private capital funds by fund manager location, 2022 – 2024 vintages

North America	Europe	APAC	Rest of world	More than $1bn
Kirkland & Ellis	Burness Paull	Kirkland & Ellis	Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados	Kirkland & Ellis
Paul, Weiss, Rifkind, Wharton & Garrison	Clifford Chance	FangDa Partners	Webber Wentzel	Simpson Thacher & Bartlett
Ropes & Gray	King & Wood Mallesons	Gilbert + Tobin	Goodwin	Fried Frank Harris Shriver & Jacobson
Proskauer	Kirkland & Ellis	King & Wood Mallesons	Gunderson Dettmer	Proskauer
Schulte Roth & Zabel	Proskauer	Corrs Chambers Westgarth	Basila Abogados	Ropes & Gray

Source: Preqin Pro

Fig. 42: Prominent law firms in fund formation servicing private capital funds by asset class, aggregate capital, all time

Private equity & venture capital	Private debt	Real estate	Infrastructure	Natural resources
Kirkland & Ellis	Fried Frank Harris Shriver & Jacobson	Simpson Thacher & Bartlett	Loyens & Loeff	Holland & Knight
Simpson Thacher & Bartlett	Kirkland & Ellis	Kirkland & Ellis	Simpson Thacher & Bartlett	Kirkland & Ellis
Debevoise & Plimpton	Debevoise & Plimpton	Fried Frank Harris Shriver & Jacobson	Kirkland & Ellis	Vinson & Elkins
Burness Paull	Paul, Weiss, Rifkind, Wharton & Garrison	Goodwin	Debevoise & Plimpton	Latham & Watkins
Ropes & Gray	Schulte Roth & Zabel	Clifford Chance	Weil, Gotshal & Manges	Schulte Roth & Zabel

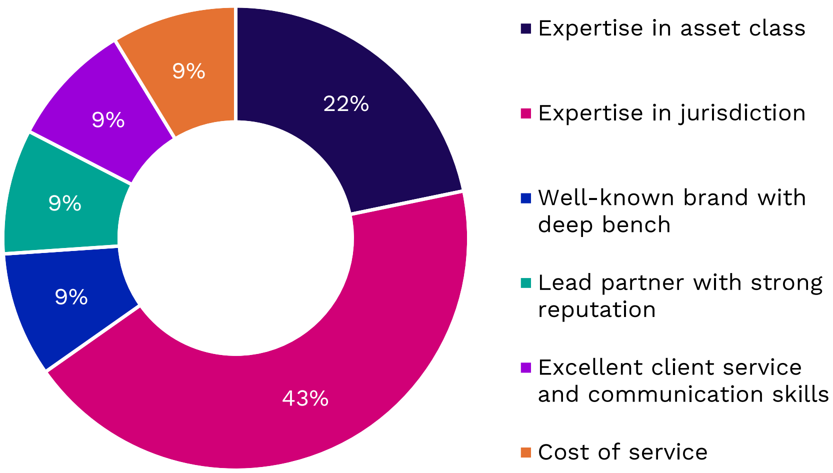
Source: Preqin Pro

Fig. 43: Prominent law firms in fund formation servicing first-time private capital funds, 2022 – 2024 vintages

Law firm	No. of known first-time private capital fund formation assignments
Kirkland & Ellis	25
King & Wood Mallesons	17
Goodwin	16
Latham & Watkins	14
Cooley	12
DLA Piper	11
Dechert	10
Cuatrecasas	10
Schulte Roth & Zabel	10
Riveles Wahab	10

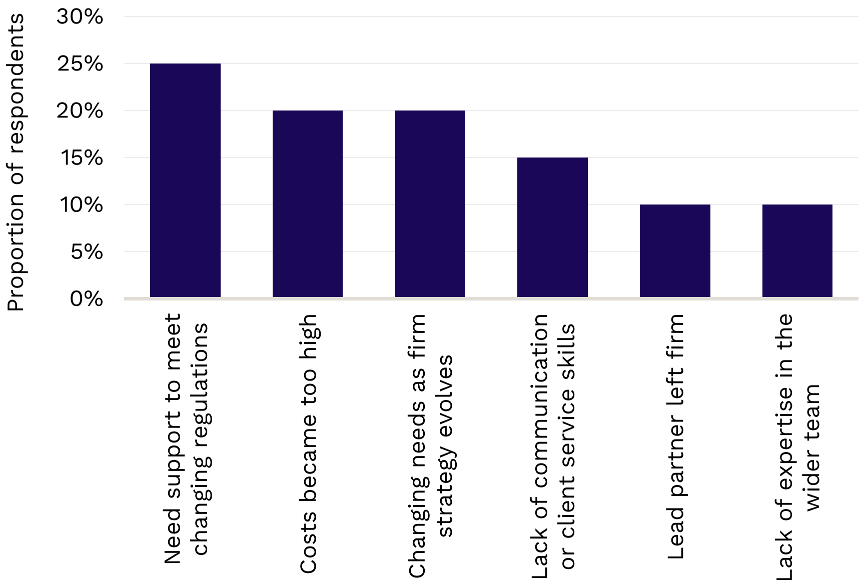
Source: Preqin Pro

Fig. 44: Top characteristics that GPs look for in a fund formation law firm



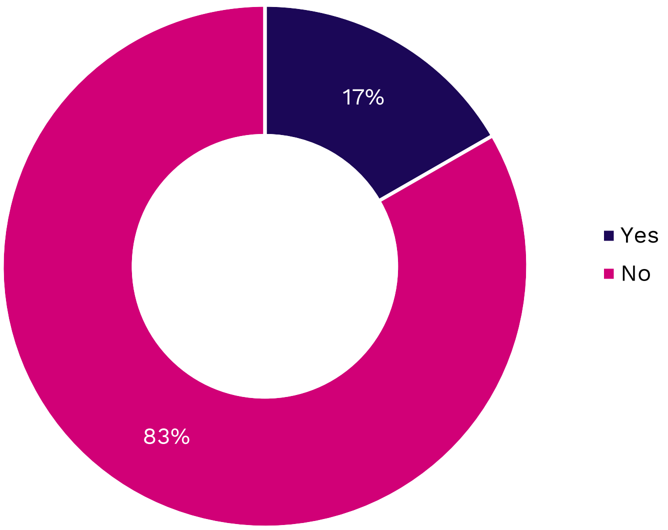
Source: Preqin Law Firms & Placement Agents Survey 2024

Fig. 45: Top reasons for changing fund formation law firms



Source: Preqin Law Firms & Placement Agents Survey 2024

Fig. 46: Proportion of GPs that will appoint a new fund formation law firm in the next 12 months



Source: Preqin Law Firms & Placement Agents Survey 2024

Private capital: transactional law firms

Fig. 47: Prominent law firms involved in private equity-backed buyout deals, 2023 – H1 2024

Firm	Headquarters	Sample transactions advised on
Kirkland & Ellis	Chicago, US	AGS LLC, Everbridge Inc.
Latham & Watkins	London, UK	Adevinta ASA, Aera Energy LLC
Ropes & Gray	Boston, US	Baker Tilly US, LLP, Geo-Young Corporation
DLA Piper	London, UK	Dechra Pharmaceuticals PLC, Immedis Limited
Goodwin	Boston, US	Ipackchem Group SAS, Immedis Limited
Willkie Farr & Gallagher	New York, US	Law Business Research Limited, RSK Group Limited
Gibson, Dunn & Crutcher	Los Angeles, US	Vallourec SA, Cerevel Therapeutics, Inc.
McDermott Will and Emery	Chicago, US	PGA Tour, Inc., Acclara Solutions LLC
Weil, Gotshal & Manges	New York, US	SRS Distribution, Inc., Zellis UK Limited
Clifford Chance	London, UK	Sunday Natural Products GmbH, ADES International Holding Limited

Source: Preqin Pro

Fig. 48: Prominent law firms involved in private equity-backed buyout deals by deal size, 2023 – H1 2024

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
Kirkland & Ellis	Goodwin	Kirkland & Ellis	Kirkland & Ellis	Kirkland & Ellis
Latham & Watkins	Zhong Lun Law Firm	Latham & Watkins	Latham & Watkins	Latham & Watkins
DLA Piper	Cyril Amarchand Mangaldas	Clifford Chance	A&O Shearman	Simpson Thacher & Bartlett
Ropes & Gray	Hogan Lovells	Sidley Austin	Simpson Thacher & Bartlett	Paul, Weiss, Rifkind, Wharton & Garrison
Goodwin	Sidley Austin	Gibson, Dunn & Crutcher	Freshfields Bruckhaus Deringer	Skadden, Arps, Slate, Meagher & Flom
Willkie Farr & Gallagher	Kirkland & Ellis	Ropes & Gray	Ropes & Gray	Freshfields Bruckhaus Deringer
McDermott Will and Emery	Jingtian & Gongcheng	Simpson Thacher & Bartlett	White & Case	Ropes & Gray
Gibson, Dunn & Crutcher	Khaitan & Co	Goodwin	Sidley Austin	Wachtell, Lipton, Rosen & Katz
Winston & Strawn	AllBright	Paul, Weiss, Rifkind, Wharton & Garrison	Skadden, Arps, Slate, Meagher & Flom	Davis Polk & Wardwell
Weil, Gotshal & Manges	Greenberg Traurig	Weil, Gotshal & Manges	Weil, Gotshal & Manges	Weil, Gotshal & Manges

Source: Preqin Pro

Fig. 49: Prominent law firms involved in private equity-backed buyout deals by portfolio company location, 2023 – H1 2024

North America	Europe	APAC	Rest of world
Kirkland & Ellis	Kirkland & Ellis	Herbert Smith Freehills	Asafo & Co.
Latham & Watkins	Latham & Watkins	Cyril Amarchand Mangaldas	Mattos Filho, Veiga Filho, Marrey Jr e Quiroga Advogados
Ropes & Gray	Clifford Chance	Khaitan & Co	Machado, Meyer, Sendaz e Opice Advogados
Gibson, Dunn & Crutcher	DLA Piper	Gilbert + Tobin	DLA Piper
Winston & Strawn	CMS	Shardul Amarchand Mangaldas & Co Advocates & Solicitors	Webber Wentzel
Paul, Weiss, Rifkind, Wharton & Garrison	Goodwin	King & Wood Mallesons	Lefosse Advogados
Willkie Farr & Gallagher	Squire Patton Boggs	Zhong Lun Law Firm	White & Case
Goodwin	White & Case	AZB & Partners	Hogan Lovells
McDermott Will and Emery	Freshfields Bruckhaus Deringer	Grandall	Kirkland & Ellis
Sidley Austin	Baker McKenzie	Clifford Chance	Estudio Rebaza, Alcazar & De las Casas

Source: Preqin Pro

Fig. 50: Prominent law firms involved in venture capital deals*, 2023 – H1 2024

Firm	Headquarters	Sample transactions advised on
Wilson Sonsini Goodrich & Rosati	Palo Alto, US	Ibotta, Inc., Silk Road Medical, Inc.
Gunderson Dettmer	Redwood City, US	People Center, Inc., Stripe, Inc.
Latham & Watkins	London, UK	Darktrace Holdings Limited, Lum Apps SAS
Goodwin	Boston, US	Fusion Pharma, HI-Bio
Fenwick & West	Mountain View, US	Tabular Technologies, Inc., Wonder Group, Inc.
Cooley	Palo Alto, US	ACELYRIN, Inc., CinCor Pharma, Inc.
DLA Piper	London, UK	Figure AI Inc., Lum Apps SAS
Osler Hoskin & Harcourt	Toronto, Canada	Fusion Pharma, Inversago Pharma Inc.
Orrick	New York, US	Mistral AI, Mosaic ML, Inc.
Osborne Clarke	London, UK	X.AI Corp., Aleph Alpha GmbH

*Figures exclude add-ons, grants, mergers, secondary stock purchases, and venture debt

Source: Preqin Pro

PREQIN

Fig. 51: Prominent law firms involved in venture capital deals* by deal size, 2023 – H1 2024

Less than $50mn	$50-99mn	$100-499mn	$500-999mn	More than $1bn
Wilson Sonsini Goodrich & Rosati	Wilson Sonsini Goodrich & Rosati	Latham & Watkins	Latham & Watkins	Skadden, Arps, Slate, Meagher & Flom
Gunderson Dettmer	Latham & Watkins	Cooley	Goodwin	Wilson Sonsini Goodrich & Rosati
Fenwick & West	Gunderson Dettmer	Goodwin	Cooley	Cooley
Goodwin	Fenwick & West	Wilson Sonsini Goodrich & Rosati	Kirkland & Ellis	Fenwick & West
Latham & Watkins	Goodwin	Gunderson Dettmer	Fenwick & West	Latham & Watkins
DLA Piper	Cooley	Fenwick & West	DLA Piper	Kirkland & Ellis
Cooley	Gibson, Dunn & Crutcher	Gibson, Dunn & Crutcher	Wilson Sonsini Goodrich & Rosati	Simpson Thacher & Bartlett
Ingen Housz	Willkie Farr & Gallagher	Zhong Lun Law Firm	Sidley Austin	Orrick
Osler Hoskin & Harcourt	Osler Hoskin & Harcourt	Davis Polk & Wardwell	Freshfields Bruckhaus Deringer	Paul, Weiss, Rifkind, Wharton & Garrison
Osborne Clarke	Sidley Austin	AllBright	Gibson, Dunn & Crutcher	Covington & Burling

Source: Preqin Pro

Fig. 52: Prominent law firms involved in venture capital deals* by portfolio company location (region), 2023 – H1 2024

North America	Europe	APAC	Rest of world
Wilson Sonsini Goodrich & Rosati	Goodwin	Herbert Smith Freehills	Bronstein, Zilberberg, Chueiri & Potenza Advogados
Fenwick & West	Osborne Clarke	Khaitan & Co	Gunderson Dettmer
Gunderson Dettmer	Ingen Housz	AllBright	Derraik & Menezes
Latham & Watkins	Taylor Wessing	Zhong Lun Law Firm	Wilson Sonsini Goodrich & Rosati
Cooley	Orrick	DeHeng	Latham & Watkins
Goodwin	DLA Piper	Grandall	Erdinast, Ben Nathan, Toledano & Co. With Hamburger Evron
Osler Hoskin & Harcourt	Jones Day	J Sagar & Associates	Carey
Sidley Austin	Latham & Watkins	King & Wood Mallesons	Machado, Meyer, Sendaz e Opice Advogados
Fasken Martineau	CMS	Allen & Gledhill	Pinheiro Neto Advogados
Foley & Lardner	Baker McKenzie	Gunderson Dettmer	White & Case

Source: Preqin Pro

Fig. 53: Prominent law firms involved in real estate deals*, 2023 – H1 2024

Firm	Headquarters	Sample transactions advised on
Loyens & Loeff	Amsterdam, Netherlands	Merwedeweg 4, Makado
PwC Legal	London, UK	Portugal, Supermarket Portfolio, Sky Homes
Dentons	New York, US	Europe, Retail Portfolio, Poznanska 36
GSK Stockmann	Munich, Germany	Rise, Westenhellweg 95-101 / Kampstraße 84-100
DLA Piper	London, UK	Premier Inn Braunschweig City Centre Hotel, DSV Venlo
Greenberg Traurig	Chicago, US	Union Bank Plaza, Fifteen Laight
Clifford Chance	London, UK	Königsallee 92, Sachsenring 91
Mayer Brown	Chicago, US	Fen Court, LaVie Portfolio
Drees & Sommer	Stuttgart, Germany	Germany, Supermarket Portfolio, Sachsenring 91
EY Legal	Moscow, Russia	60 Gracechurch Street, Spain, Hotel Portfolio

*Excludes 'entry level' asset type

Source: Preqin (not available on Preqin Pro)

Fig. 54: Prominent law firms involved in real estate deals* by deal size, 2023 – H1 2024

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
Loyens & Loeff	Ashurst	Greenberg Traurig	Simpson Thacher & Bartlett	Gibson, Dunn & Crutcher
Dentons	EY Legal	Herbert Smith Freehills	Bruun & Hjejle	Mannheimer Swartling
PwC Legal	Gibson, Dunn & Crutcher	Minter Ellison	PwC Legal	Svalner
GSK Stockmann	Herbert Smith Freehills	Kinstellar	Gorrissen Federspiel	Simpson Thacher & Bartlett
DLA Piper	Möhrle Happ Luther	Roschier	McDermott Will and Emery	Blank Rome
Mayer Brown	Kramer Levin Naftalis & Frankel	Nixon Peabody	-	Anjie Broad
Greenberg Traurig	Alan J. Marcus	Bruun & Hjejle	-	Borden Ladner Gervais
Clifford Chance	Simmons & Simmons	Wagensonner	-	Nishimura & Asahi
Drees & Sommer	Baker McKenzie	CMS	-	Davies Ward Phillips & Vineberg
EY Legal	Jeffrey Zwick & Associates	Lenz & Staehelin	-	Stikeman Elliott

*Excludes 'entry level' asset type

Source: Preqin (not available on Preqin Pro)

Fig. 55: Prominent law firms involved in real estate deals* by primary location, 2023 – H1 2024

North America	Europe	APAC	Rest of world
Greenberg Traurig	Loyens & Loeff	Minter Ellison	Mayer Brown
Gibson, Dunn & Crutcher	PwC Legal	K&L Gates	Tauil & Chequer Advogados
Kelley Drye	Dentons	Rajah & Tann Asia	Archers
Latham & Watkins	GSK Stockmann	Herbert Smith Freehills	Cannizzo
Simpson Thacher & Bartlett	DLA Piper	Baker McKenzie	PMK
Mayer Brown	Clifford Chance	Arnold Bloch Leibler	Stocche Forbes Advogados
Shutts & Bowen	Drees & Sommer	Karanovic & Partners	Allez & Associés
Nixon Peabody	CMS	BDK Advokati	Galicia Abogados
Goodwin	EY Legal	Anjie Broad	Lacaz Martins, Pereira Neto, Gurevich & Schoueri Advogados
Alan J. Marcus	Arcadis	Deloitte	-

*Excludes 'entry level' asset type

Source: Preqin (not available on Preqin Pro)

Fig. 56: Prominent law firms involved in infrastructure deals*, 2023 – H1 2024

Firm	No. of known deals	Sample transactions advised on
Clifford Chance	62	Heathrow, Lake Turkana Wind Power
Kirkland & Ellis	50	Lordstown Energy Center, Great Pathfinder Wind
Watson, Farley & Williams	48	Butendiek Offshore Wind Farm (Nov 2023), Butendiek Offshore Wind Farm (Jan 2023)
Linklaters	43	Budapest Airport, SeaCube Container Leasing
Latham & Watkins	41	Kleen Energy Systems, Budapest Airport
DLA Piper	39	PT Indointernet, InterContinental Energy
White & Case	39	Freeport LNG, La Paloma
Vinson & Elkins	33	Portland Natural Gas Transmission System, Twin Ridges
Herbert Smith Freehills	29	Etix Everywhere, Vantage Data Centers
Dentons	27	Dos Mares Hydro Complex, Guanacaste Wind Farm

*Only includes 'completed' deal stage

Source: Preqin Pro

Fig. 57: Prominent law firms involved in infrastructure deals* by deal size, 2023 – H1 2024

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
Clifford Chance	Burges Salmon	Clifford Chance	Clifford Chance	Latham & Watkins
Watson, Farley & Williams	TGS Baltic	Milbank	Linklaters	Vinson & Elkins
Kirkland & Ellis	Watson, Farley & Williams	Kirkland & Ellis	Winston & Strawn	Linklaters
DLA Piper	Vinson & Elkins	Latham & Watkins	Herbert Smith Freehills	Kirkland & Ellis
White & Case	Linklaters	Watson, Farley & Williams	Kirkland & Ellis	Clifford Chance
CMS	A&O Shearman	Herbert Smith Freehills	Skadden, Arps, Slate, Meagher & Flom	Sullivan & Cromwell
Linklaters	DLA Piper	White & Case	Gibson, Dunn & Crutcher	Paul, Weiss, Rifkind, Wharton & Garrison
Dentons	Clifford Chance	Linklaters	Watson, Farley & Williams	Weil, Gotshal & Manges
Latham & Watkins	Dentons	A&O Shearman	White & Case	Herbert Smith Freehills
Vinson & Elkins	Cuatrecasas	Norton Rose Fulbright	Simpson Thacher & Bartlett	DLA Piper

*Only includes 'completed' deal stage

Source: Preqin Pro

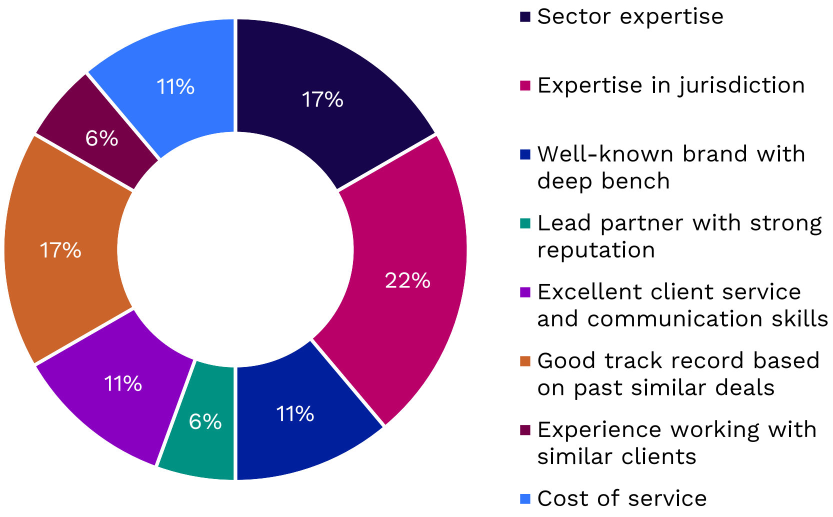
Fig. 58: Prominent law firms involved in infrastructure deals* by asset location, 2023 – H1 2024

North America	Europe	APAC	Rest of world
Kirkland & Ellis	Watson, Farley & Williams	Herbert Smith Freehills	Milbank
Vinson & Elkins	Clifford Chance	King & Wood Mallesons	White & Case
Latham & Watkins	DLA Piper	Latham & Watkins	Clifford Chance
Paul, Weiss, Rifkind, Wharton & Garrison	Linklaters	Saraf and Partners	Stocche Forbes Advogados
Torys	CMS	Cyril Amarchand Mangaldas	Carey
Milbank	Dentons	Clifford Chance	Garrigues
Norton Rose Fulbright	Herbert Smith Freehills	DLA Piper	Pinheiro Neto Advogados
Gibson, Dunn & Crutcher	Burges Salmon	Linklaters	Tauil & Chequer Advogados
Blake, Cassels & Graydon	White & Case	Ashurst	Rodrigo, Elías & Medrano Abogados
Sidley Austin	A&O Shearman	MinterEllisonRuddWatts	Bichara Advogados

*Only includes 'completed' deal stage

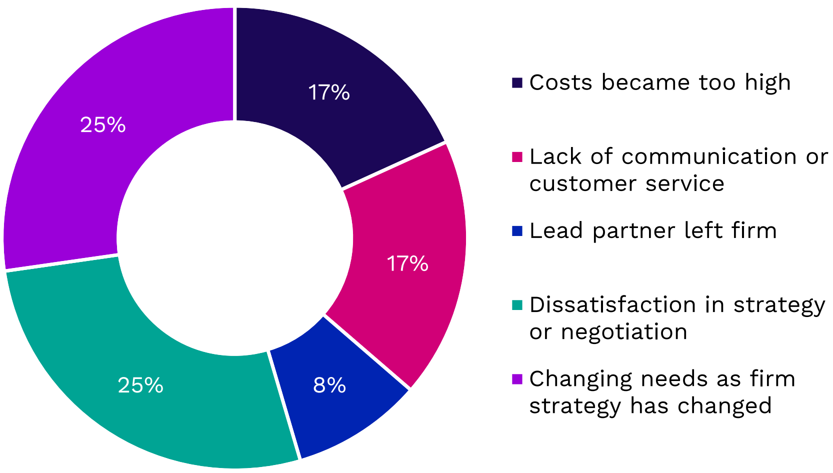
Source: Preqin Pro

Fig. 59: Top characteristics that GPs look for in an M&A counsel



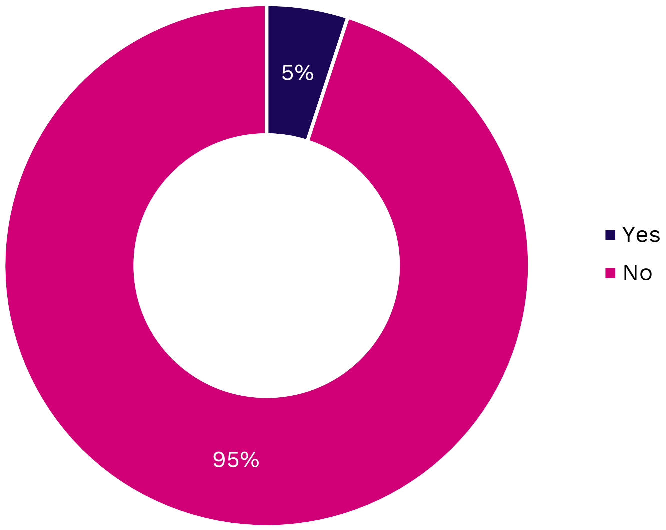
Source: Preqin GP Focus Group on Law Firms & Placement Agents 2024

Fig. 60: Top reasons for changing M&A counsel



Source: Preqin GP Focus Group on Law Firms & Placement Agents 2024

Fig. 61: Proportion of GPs that will appoint a new transactional law firm in the next 12 months



Source: Preqin GP Focus Group on Law Firms & Placement Agents 2024

Hedge funds:
fund administrators

Fig. 62: Prominent fund administrators servicing single-manager hedge funds

Firm	No. of known hedge funds serviced
SS&C GlobeOp	2,997
Citco Fund Services	1,892
State Street	1,391
NAV Fund Administration Group	1,301
Morgan Stanley Fund Services	1,291
Northern Trust	959
Apex Group	830
BNY Mellon	814
HedgeServ	751
SEI Investments	659

Source: Preqin Pro. Data as of August 2024

Fig. 63: Prominent fund administrators servicing CTAs

Firm	No. of known CTAs serviced
SS&C GlobeOp	63
NAV Fund Administration Group	61
Citco Fund Services	56
State Street	29
BNY Mellon	23
HedgeServ	13
Apex Group	12
Formidium Corp.	11
HSBC Securities Services	10
HedgeFacts	7

Source: Preqin Pro. Data as of August 2024

Fig. 64: Prominent fund administrators servicing funds of hedge funds

Firm	No. of known funds of hedge funds serviced
SS&C GlobeOp	334
Citco Fund Services	277
BNY Mellon	188
NAV Fund Administration Group	183
State Street	145
MUFG Investor Services	140
SEI Investments	132
Apex Group	105
UMB Fund Services	91
HedgeServ	70

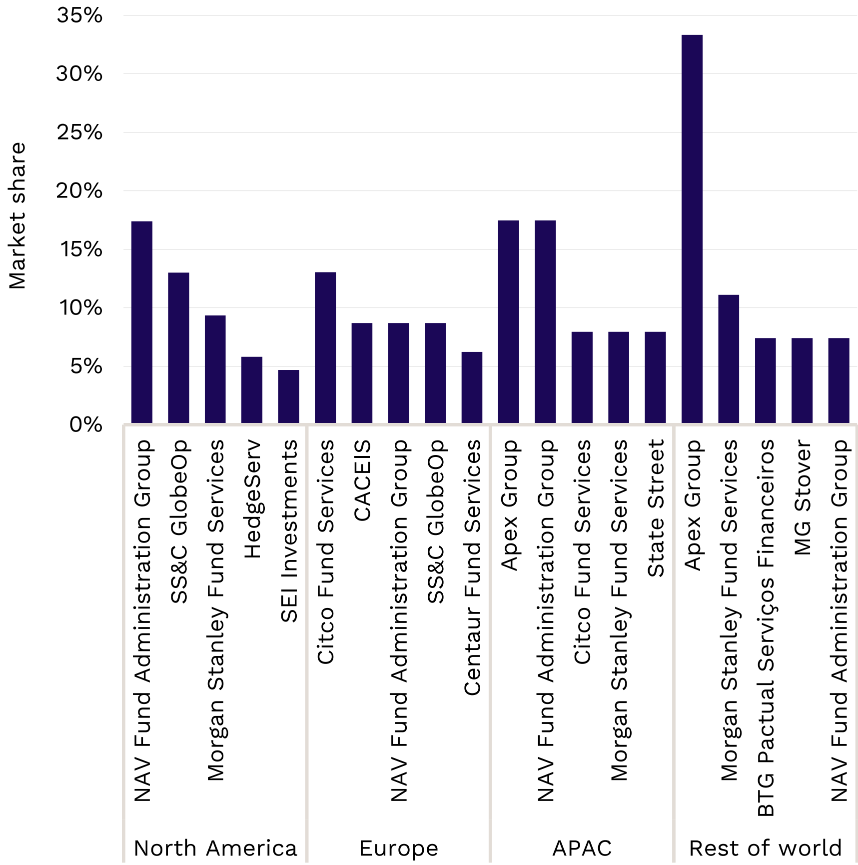
Source: Preqin Pro. Data as of August 2024

Fig. 65: Prominent fund administrators servicing hedge funds launched in 2023 – H1 2024

Firm	No. of known hedge funds serviced
NAV Fund Administration Group	150
SS&C GlobeOp	106
Morgan Stanley Fund Services	82
Citco Fund Services	55
Northern Trust	45

Source: Preqin Pro. Data as of August 2024

Fig. 66: Market share of fund administrators servicing hedge funds launched in 2023 – H1 2024 by fund manager location



Source: Preqin Pro

Fig. 67: Most utilized fund administrators by hedge fund AUM*

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
NAV Fund Administration Group	Apex Group	SS&C GlobeOp	SS&C GlobeOp	State Street
BNY Mellon	SS&C GlobeOp	State Street	State Street	CACEIS
SS&C GlobeOp	CACEIS	CACEIS	CACEIS	SS&C GlobeOp
CACEIS	State Street	Northern Trust	Citco Fund Services	Citco Fund Services
Northern Trust	BNY Mellon	Citco Fund Services	Apex Group	Northern Trust
BTG Pactual Serviços Financeiros	Citco Fund Services	Apex Group	JP Morgan Fund Services	JP Morgan Fund Services
State Street	NAV Fund Administration Group	Morgan Stanley Fund Services	Morgan Stanley Fund Services	Morgan Stanley Fund Services
BNP Paribas Securities Services	Northern Trust	BNP Paribas Securities Services	Northern Trust	BNP Paribas Securities Services
Intrag	Société Générale Securities Services	BNY Mellon	BNY Mellon	HedgeServ
Opus Fund Services	BNP Paribas Securities Services	NAV Fund Administration Group	BNP Paribas Securities Services	Citibank Europe

*Ranked by number of funds serviced

Source: Preqin Pro. Data as of August 2024

Fig. 68: Most utilized fund administrators by fund manager location*

North America	Europe	APAC	Rest of world
SS&C GlobeOp	Citco Fund Services	Citco Fund Services	BNY Mellon
Citco Fund Services	CACEIS	Morgan Stanley Fund Services	Apex Group
NAV Fund Administration Group	State Street	Apex Group	BTG Pactual Serviços Financeiros
Morgan Stanley Fund Services	SS&C GlobeOp	SS&C GlobeOp	Intrag
State Street	Northern Trust	State Street	Banco Bradesco
HedgeServ	Apex Group	Shinhan Aitas	MUFG Investor Services
Northern Trust	BNP Paribas Securities Services	HSBC Securities Services	SS&C GlobeOp
SEI Investments	BNY Mellon	Northern Trust	Citco Fund Services
U.S. Bank Global Fund Services	Morgan Stanley Fund Services	NAV Fund Administration Group	Prescient Fund Services
BNY Mellon	Centaur Fund Services	Maples Group	NAV Fund Administration Group

*Ranked by number of funds serviced

Source: Preqin Pro. Data as of August 2024

Hedge funds: prime brokers

3 key trends for prime brokers

1. **Greater market volatility has led primer brokers to focus on risk management**

Market volatility has affected hedge fund managers in recent years, leading to a focus on risk management for the multi-billion-dollar prime brokerage industry that serves them. The Global Financial Crisis, the default of family office Archegos Capital Management, and the GameStop meme stock rally are some examples of crises in which hedge funds lost billions of dollars. More than ever, prime brokers need to monitor their books carefully and forge deeper partnerships with their hedge fund manager clients.

2. **As banking regulations become more stringent and balance sheets are less available, prime brokers prefer safer strategies**

Under the Basel III endgame framework,[9] the US banking industry will progressively implement new rules such as the liquidity coverage ratio, net stable funding ratio, and leverage ratio by mid-2025. It ensures that banks will not just rely on internal risk models[10] and are able to withstand losses. Globally, banking regulations are becoming more stringent.

With the exit of Credit Suisse's prime brokerage business following the collapse of family office Archegos Capital Management,[11] balance sheets are becoming less available. Prime brokerages, especially banks, increasingly prefer to extend capital to mid- to large-sized funds that offer relatively safer strategies than their smaller counterparts.

3. **Opportunities are shifting across strategies for prime brokers**

Higher volatility in the market also means that opportunities may not be concentrated in one strategy. Prime brokers therefore need to start offering services across strategies[12] as well as geographies to take advantage of shifting opportunities.

9 https://thehedgefundjournal.com/the-prime-broker-hedge-fund-dynamic/

10 https://www.reuters.com/business/finance/what-is-basel-iii-endgame-why-are-banks-worked-up-about-it-2023-07-24/

11 https://www.ft.com/content/d4e95d7e-5d44-43e8-9646-ae99d4b518c3

12 https://www.hubbis.com/article/prime-brokerage-2-0-how-archegos-and-volatility-changed-the-prime-brokerage-model-forever

Fig. 69: Prominent prime brokers servicing hedge funds

Firm	No. of known hedge funds serviced
Goldman Sachs	4,347
Morgan Stanley Prime Brokerage	4,253
J.P. Morgan	3,418
Bank of America Securities	1,733
Interactive Brokers	1,698
UBS Investment Bank - Prime Services	1,475
Barclays	1,066
Citi Prime Finance	938
BNP Paribas Prime Brokerage	865
Jefferies Prime Services	668

Source: Preqin Pro. Data as of August 2024

Fig. 70: Prominent prime brokers servicing CTAs

Firm	No. of known CTAs serviced
J.P. Morgan	88
Morgan Stanley Prime Brokerage	83
Société Générale Prime Services	73
Goldman Sachs	48
Interactive Brokers	46
UBS Investment Bank - Prime Services	45
Bank of America Securities	42
Barclays	35
ADM Investor Services	21
Deutsche Bank Global Prime Finance	21

Source: Preqin Pro. Data as of August 2024

Fig. 71: Prominent prime brokers servicing funds of hedge funds

Firm	No. of known funds of hedge funds serviced
J.P. Morgan	115
Goldman Sachs	96
Morgan Stanley Prime Brokerage	85
Interactive Brokers	56
UBS Investment Bank - Prime Services	41
Bank of America Securities	36
BNP Paribas Prime Brokerage	33
Pershing Prime Services	29
Charles Schwab & Co.	27
Citi Prime Finance	26

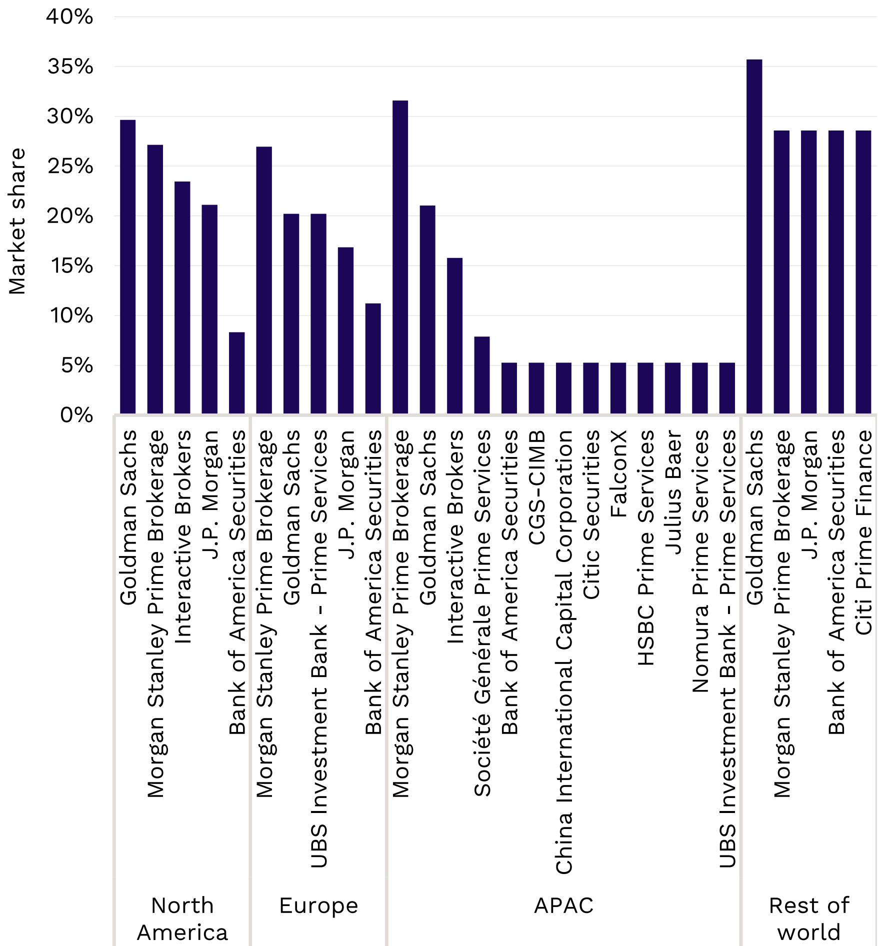
Source: Preqin Pro. Data as of August 2024

Fig. 72: Prominent prime brokers servicing hedge funds launched in 2023 – H1 2024

Firm	No. of known hedge funds serviced
Goldman Sachs	185
Morgan Stanley Prime Brokerage	180
Interactive Brokers	137
J.P. Morgan	129
Bank of America Securities	59

Source: Preqin Pro. Data as of August 2024

Fig. 73: Market share of prime brokers servicing hedge funds launched in 2023 – H1 2024 by fund manager location



Source: Preqin Pro

Fig. 74: Most utilized prime brokers by hedge fund AUM*

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
Interactive Brokers	Morgan Stanley Prime Brokerage	Goldman Sachs	Goldman Sachs	Goldman Sachs
Morgan Stanley Prime Brokerage	Goldman Sachs	Morgan Stanley Prime Brokerage	Morgan Stanley Prime Brokerage	J.P. Morgan
Goldman Sachs	J.P. Morgan	J.P. Morgan	J.P. Morgan	Morgan Stanley Prime Brokerage
J.P. Morgan	UBS Investment Bank - Prime Services	UBS Investment Bank - Prime Services	Bank of America Securities	Bank of America Securities
UBS Investment Bank - Prime Services	Interactive Brokers	Bank of America Securities	UBS Investment Bank - Prime Services	UBS Investment Bank - Prime Services
Jefferies Prime Services	Absa Capital Prime Services	BNP Paribas Prime Brokerage	Barclays	Barclays
TD Securities	Jefferies Prime Services	Barclays	Citi Prime Finance	BNP Paribas Prime Brokerage
Bank of America Securities	BNP Paribas Prime Brokerage	Citi Prime Finance	Cantor Prime Services	Citi Prime Finance
BTIG Prime Brokerage	Bank of America Securities	Interactive Brokers	Interactive Brokers	Fidelity Prime Services
BNP Paribas Prime Brokerage	BTIG Prime Brokerage	TD Securities	Wells Fargo Prime Services	TD Securities

*Ranked by number of funds serviced

Source: Preqin Pro. Data as of August 2024

Fig. 75: Most utilized prime brokers by hedge fund manager location*

North America	Europe	APAC	Rest of world
Goldman Sachs	Morgan Stanley Prime Brokerage	Morgan Stanley Prime Brokerage	Morgan Stanley Prime Brokerage
Morgan Stanley Prime Brokerage	Goldman Sachs	Goldman Sachs	Goldman Sachs
J.P. Morgan	J.P. Morgan	UBS Investment Bank - Prime Services	Interactive Brokers
Interactive Brokers	UBS Investment Bank - Prime Services	Bank of America Securities	J.P. Morgan
Bank of America Securities	Barclays	J.P. Morgan	Bank of America Securities
Barclays	Bank of America Securities	Interactive Brokers	Citi Prime Finance
UBS Investment Bank - Prime Services	Citi Prime Finance	Citi Prime Finance	Rand Merchant Bank
Citi Prime Finance	BNP Paribas Prime Brokerage	Credit Suisse Prime Fund Services	UBS Investment Bank - Prime Services
BNP Paribas Prime Brokerage	Interactive Brokers	BNP Paribas Prime Brokerage	Absa Capital Prime Services
Jefferies Prime Services	Credit Suisse Prime Fund Services	HSBC Prime Services	FirstRand

*Ranked by number of funds serviced

Source: Preqin Pro. Data as of August 2024

Hedge funds: custodians

Fig. 76: Prominent fund custodians servicing single-manager hedge funds

Firm	No. of known hedge funds serviced
Goldman Sachs	4,281
J.P. Morgan	3,886
BNY Mellon	3,803
Morgan Stanley	3,735
Northern Trust Custody Services	2,563
Bank of America Securities	2,219
State Street Custody Services	2,178
UBS	1,403
Citi Transaction Services	1,397
Interactive Brokers	1,390

Source: Preqin Pro. Data as of August 2024

Fig. 77: Prominent fund custodians servicing CTAs

Firm	No. of known CTAs serviced
State Street Custody Services	77
BNY Mellon	71
J.P. Morgan	61
Societe Generale Securities Services	49
Morgan Stanley	46
Bank of America Securities	41
Goldman Sachs	37
Interactive Brokers	34
Northern Trust Custody Services	27
BMO Harris Bank	24

Source: Preqin Pro. Data as of August 2024

Fig. 78: Prominent fund custodians servicing funds of hedge funds

Firm	No. of known funds of hedge funds serviced
BNY Mellon	531
J.P. Morgan	288
State Street Custody Services	259
Northern Trust Custody Services	224
Citco Global Custody	163
Citi Transaction Services	145
First Republic Bank	145
Charles Schwab	132
Goldman Sachs	127
Bank of America Securities	118

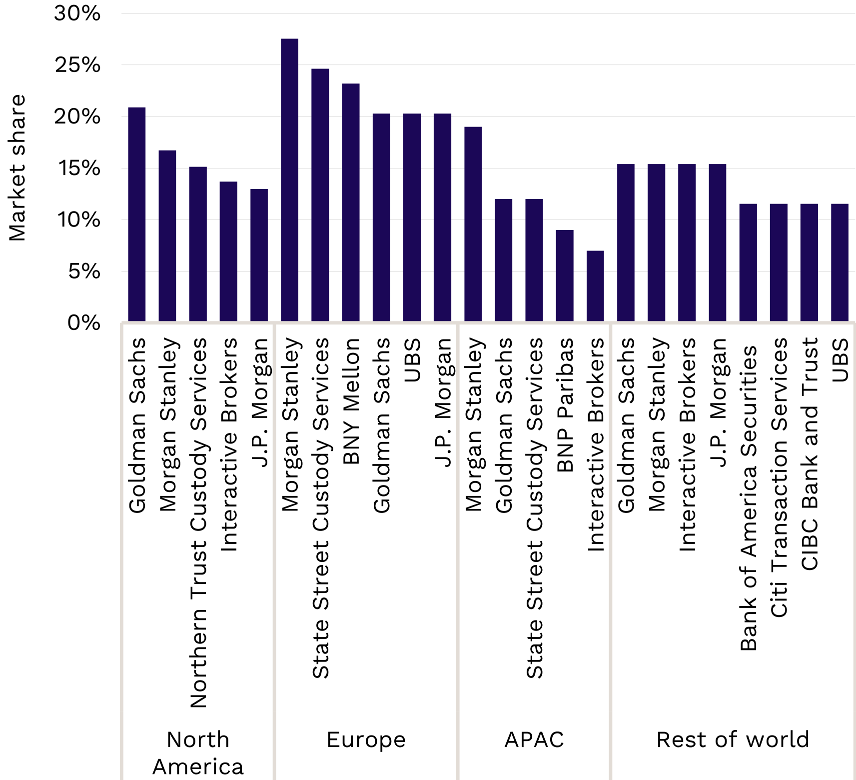
Source: Preqin Pro. Data as of August 2024

Fig. 79: Prominent fund custodians servicing hedge funds launched in 2023 – H1 2024

Firm	No. of known hedge funds serviced
Goldman Sachs	170
Morgan Stanley	150
Northern Trust Custody Services	119
J.P. Morgan	109
Interactive Brokers	108
BNY Mellon	85
State Street Custody Services	85
Bank of America Securities	59
Coinbase Custody	38
First Republic Bank	34

Source: Preqin Pro. Data as of August 2024

Fig. 80: Market share of fund custodians servicing hedge funds launched in 2023 – H1 2024 by fund manager location



Source: Preqin Pro

Fig. 81: Most utilized fund custodians by hedge fund AUM*

Less than $50mn	$50–99mn	$100–499mn	$500–999mn	More than $1bn
BNY Mellon	CACEIS Bank	State Street Custody Services	J.P. Morgan	State Street Custody Services
Interactive Brokers	BNY Mellon	Goldman Sachs	Goldman Sachs	J.P. Morgan
CACEIS Bank	State Street Custody Services	J.P. Morgan	State Street Custody Services	Goldman Sachs
Goldman Sachs	J.P. Morgan	Northern Trust Custody Services	Morgan Stanley	BNY Mellon
State Street Custody Services	Goldman Sachs	BNY Mellon	BNY Mellon	Morgan Stanley
BNP Paribas	Northern Trust Custody Services	Morgan Stanley	Northern Trust Custody Services	Northern Trust Custody Services
Northern Trust Custody Services	Morgan Stanley	CACEIS Bank	UBS	Citi Transaction Services
J.P. Morgan	BNP Paribas	BNP Paribas	BNP Paribas	Bank of America Securities
Morgan Stanley	UBS	UBS	CACEIS Bank	BNP Paribas
BTG Pactual	Societe Generale Securities Services	Citi Transaction Services	Citi Transaction Services	CACEIS Bank

*Ranked by number of funds serviced

Source: Preqin Pro

Fig. 82: Most utilized fund custodians by hedge fund manager location*

North America	Europe	APAC	Rest of world
Goldman Sachs	BNY Mellon	Morgan Stanley	BNY Mellon
J.P. Morgan	State Street Custody Services	Goldman Sachs	BTG Pactual
BNY Mellon	CACEIS Bank	UBS	Banco Itau
Morgan Stanley	Morgan Stanley	Bank of America Securities	Bradesco Custody
Northern Trust Custody Services	J.P. Morgan	J.P. Morgan	Goldman Sachs
Bank of America Securities	Goldman Sachs	HSBC Group	Morgan Stanley
State Street Custody Services	BNP Paribas	Northern Trust Custody Services	J.P. Morgan
Interactive Brokers	UBS	BNY Mellon	Northern Trust Custody Services
Citi Transaction Services	Northern Trust Custody Services	DBS Bank	Standard Bank
First Republic Bank	Citco Global Custody	Citi Transaction Services	HSBC Group

*Ranked by number of funds serviced

Source: Preqin Pro. Data as of August 2024

Hedge funds: law firms

Fig. 83: Prominent law firms servicing single-manager hedge funds

Firm	No. of known hedge funds serviced
Schulte Roth & Zabel	865
Maples Group	440
Seward & Kissel	345
Elvinger Hoss Prussen	305
Walkers	301
Sidley Austin	183
Ogier	175
Paul, Weiss, Rifkind, Wharton & Garrison	164
Riveles Wahab	149
Simmons & Simmons	140
Dechert	131
Sadis & Goldberg	125
Akin Gump Strauss Hauer & Feld	122
Arendt & Medernach	106
Cole-Frieman & Mallon	106

Source: Preqin Pro. Data as of August 2024

Fig. 84: Prominent law firms servicing CTAs

Firm	No. of known CTAs serviced
Sidley Austin	18
Maples Group	17
Akin Gump Strauss Hauer & Feld	14
Walkers	14
Dechert	13
Harney, Westwood & Riegels	13
Katten Muchin Rosenman	11
Schulte Roth & Zabel	10
Crow & Cushing	7
Drinker Biddle & Reath	7
Blue Sparrow	6
Howard & Howard	6
Mourant	6
Cole-Frieman & Mallon	5
Funkhouser Vegosen Liebman & Dunn	5

Source: Preqin Pro. Data as of August 2024

Fig. 85: Prominent law firms servicing funds of hedge funds

Firm	No. of known funds of hedge funds serviced
Schulte Roth & Zabel	64
Maples Group	48
Seward & Kissel	24
Ogier	22
Walkers	21
Sadis & Goldberg	19
Drinker Biddle & Reath	17
Elvinger Hoss Prussen	16
Dechert	14
Simmons & Simmons	12
Riveles Wahab	12
Dillon Eustace	11
Arendt & Medernach	10
Willkie Farr & Gallagher	9
Sidley Austin	9
Conyers Dill & Pearman	8

Source: Preqin Pro. Data as of August 2024

Fig. 86: Prominent law firms servicing onshore hedge funds

Firm	No. of known onshore funds serviced
Schulte Roth & Zabel	377
Seward & Kissel	186
Riveles Wahab	139
Sadis & Goldberg	91
Investment Law Group	86
Cole-Frieman & Mallon	80
Paul, Weiss, Rifkind, Wharton & Garrison	79
Sidley Austin	70
Akin Gump Strauss Hauer & Feld	64
Kleinberg, Kaplan, Wolff & Cohen	47
Maples Group	46
Morgan Lewis & Bockius	45
Walkers	45
Shartsis Friese	39
McMillan	34

Source: Preqin Pro. Data as of August 2024

Fig. 87: Prominent law firms servicing offshore hedge funds

Firm	No. of known offshore funds serviced
Schulte Roth & Zabel	472
Maples Group	389
Elvinger Hoss Prussen	293
Walkers	248
Ogier	155
Seward & Kissel	154
Simmons & Simmons	123
Sidley Austin	111
Arendt & Medernach	104
Dillon Eustace	100
Dechert	93
Paul, Weiss, Rifkind, Wharton & Garrison	81
Mourant	70
Akin Gump Strauss Hauer & Feld	55
A&L Goodbody	53
Conyers Dill & Pearman	8

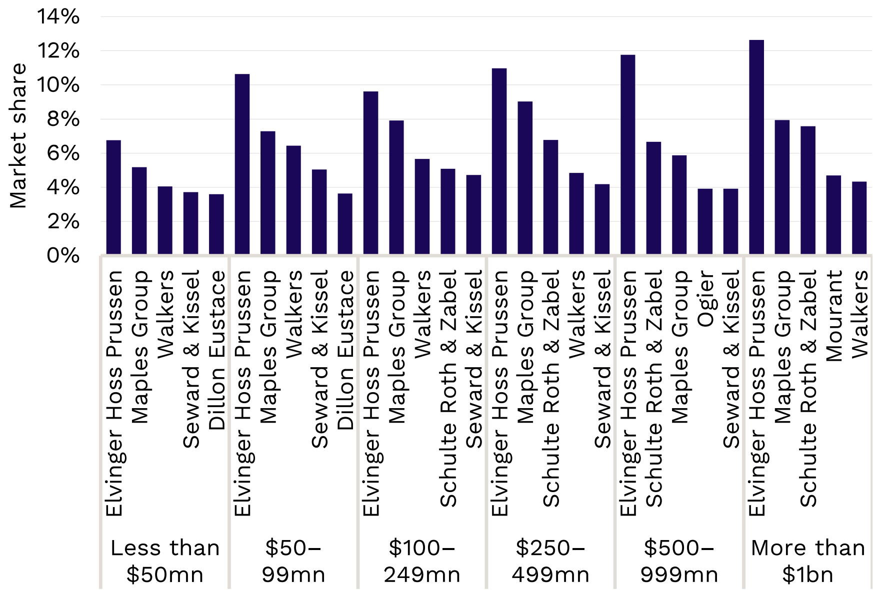
Source: Preqin Pro. Data as of August 2024

Fig. 88: Prominent law firms servicing hedge funds launched in 2023 – H1 2024

Firm	No. of known hedge funds serviced
Schulte Roth & Zabel	58
Riveles Wahab	27
Maples Group	13
Elvinger Hoss Prussen	12
Paul, Weiss, Rifkind, Wharton & Garrison	10
Simmons & Simmons	10
Walkers	10
Linklaters	5
Seward & Kissel	5
BTPLaw	4

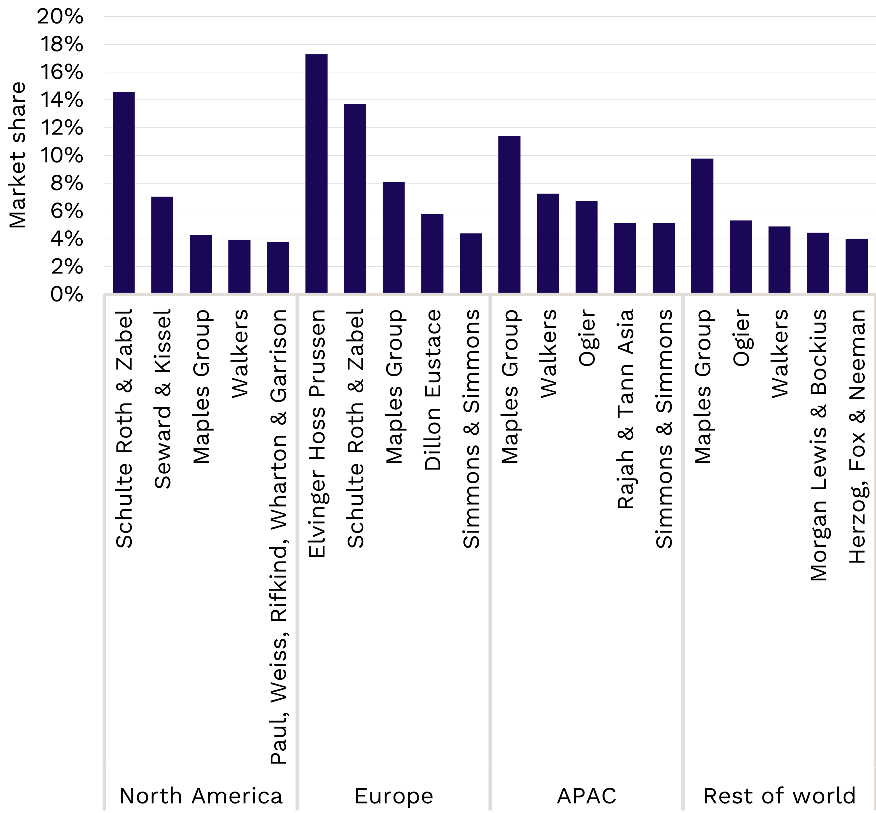
Source: Preqin Pro. Data as of August 2024

Fig. 89: Market share of leading law firms servicing hedge funds by fund AUM



Source: Preqin Pro

Fig. 90: Market share of leading law firms servicing hedge funds by fund manager location



Source: Preqin Pro

PREQIN

Hedge funds: auditors

Fig. 91: Prominent fund auditors servicing hedge funds

Firm	No. of known hedge funds serviced
PricewaterhouseCoopers	5,075
EY	4,656
KPMG	3,867
Deloitte	2,758
RSM	688
Spicer Jeffries	667
EisnerAmper	589
Grant Thornton	571
BDO	479
Richey May & Co.	357

Source: Preqin Pro. Data as of August 2024

Fig. 92: Prominent fund auditors servicing CTAs

Firm	No. of known CTAs serviced
KPMG	110
EY	100
PricewaterhouseCoopers	60
Deloitte	58
RSM	20
Cohen & Company	19
Richey May & Co.	17
Grant Thornton	10
EisnerAmper	9
BDO	8

Source: Preqin Pro. Data as of August 2024

Fig. 93: Prominent fund auditors servicing funds of hedge funds

Firm	No. of known funds of hedge funds serviced
PricewaterhouseCoopers	603
EY	525
KPMG	365
Deloitte	352
RSM	93
EisnerAmper	83
Spicer Jeffries	80
Grant Thornton	79
Richey May & Co.	48
BDO	45

Source: Preqin Pro. Data as of August 2024

Fig. 94: Prominent fund auditors servicing hedge funds launched in 2023 – H1 2024

Firm	Proportion of hedge fund launches serviced	No. of funds
KPMG	20.8%	196
PricewaterhouseCoopers	18.2%	171
EY	17.0%	160
Deloitte	9.7%	91
Spicer Jeffries	3.7%	35

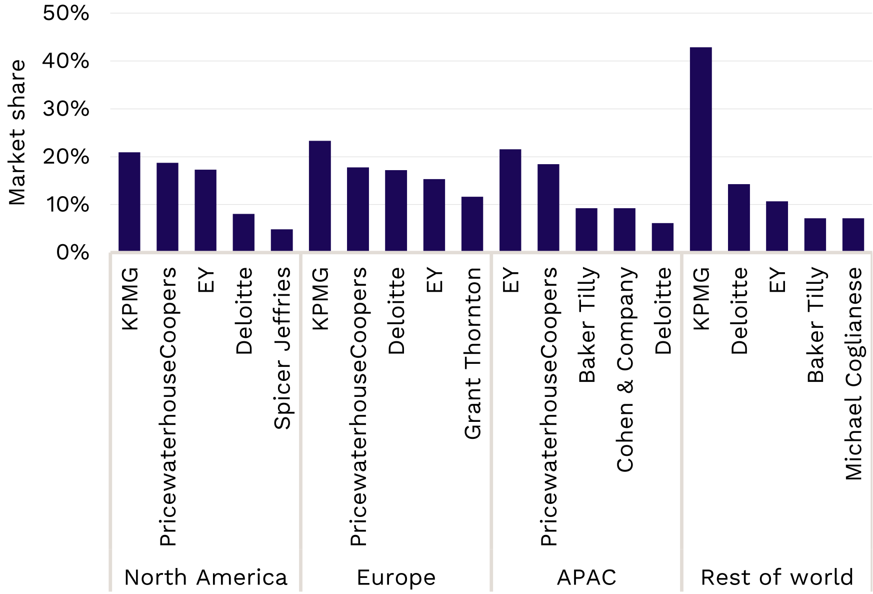
Source: Preqin Pro

Fig. 95: Prominent fund auditors servicing funds of hedge funds launched in 2023 – H1 2024

Firm	Proportion of funds of hedge funds launches serviced	No. of funds
PricewaterhouseCoopers	24.0%	12
Deloitte	12.0%	6
EY	10.0%	5
KPMG	8.0%	4
Richey May & Co.	8.0%	4

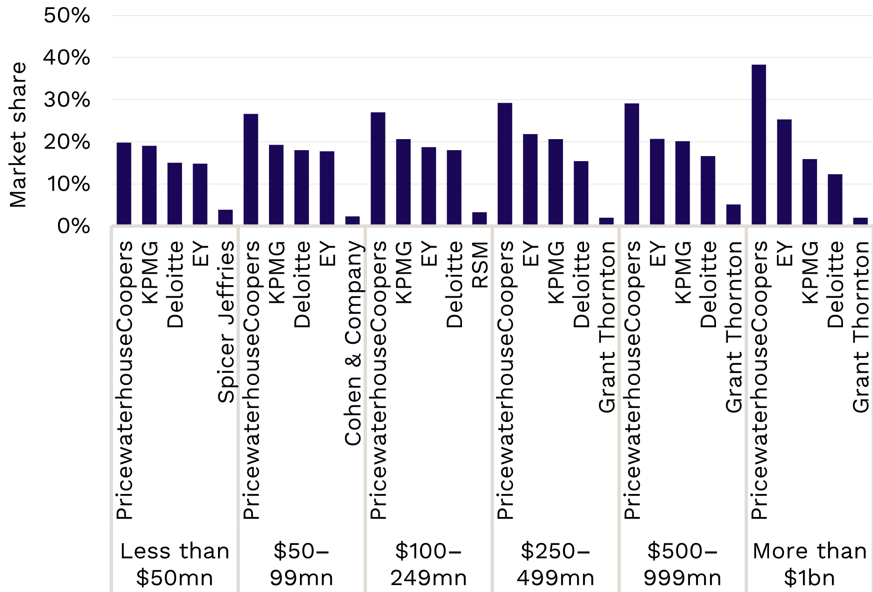
Source: Preqin Pro

Fig. 96: Market share of auditors servicing hedge funds launched in 2023 – H1 2024 by fund manager location



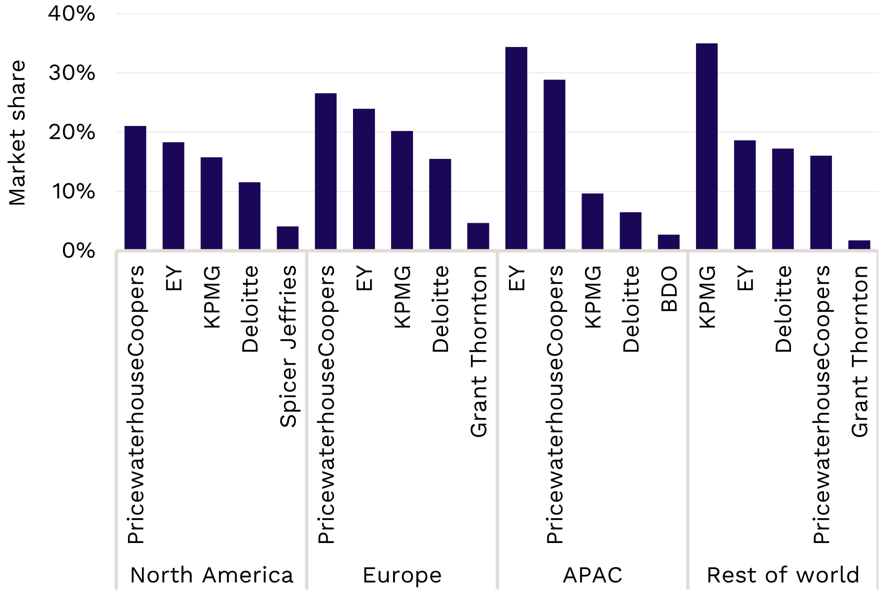
Source: Preqin Pro

Fig. 97: Market share of leading fund auditors by fund size



Source: Preqin Pro. Data as of August 2024

Fig. 98: Market share of leading fund auditors by fund manager location



Source: Preqin Pro. Data as of August 2024

Empowering the global alternatives **community** with essential **data** and **insights**.

preqin.com

info@preqin.com

Related content

Hedge funds appoint new prime brokers amid market volatility

Read now

Fund Auditors Grow in Importance

Read now

Opportunities for Law Firms Remain

Read now

PREQIN