

FUND FINANCE FRIDAY

What We're Reading

September 22, 2023

Here's what we're reading this week.

- Sponsor consolidation is likely to accelerate in response to challenging fundraising conditions, according to sources cited in the FT's [Private equity is in for rampant consolidation](#) published this week. From our vantage, while not covered in the article, rising compliance costs in the wake of the SEC's proposed private funds rule is likely to disadvantage middle-market sponsors and accelerate sponsor M&A.
- Goldman Sachs Asset Management raised \$14.2 billion for its Vintage IX fund, exceeding the target of \$12 billion for the secondaries fund. Reuters covered the fund close [here](#).
- Reliance on NAV loans has increased as leveraged lending costs have increased and exits have slowed. New entrants in the lending market have included a number of non-banks entities. See the FT's [Defending the portfolio': buyout firms borrow to prop up holdings](#).
- "You don't want to be a second mover in AI," according to Blackstone's Steve Schwarzman, who continues, "If someone has already improved their company and you haven't, the improved company will be a formidable competitor, much more than it is today." The [comments](#), made at the IPEM summit in Paris this week highlights the rapid move to integrate technology into internal processes at PE firms. Last week the Wall Street Journal [highlighted](#) the industry demand for data science and engineering talent.
- Year-to-date corporate bankruptcies in the U.S. surpassed full-year totals for both 2021 and 2022 as companies come to terms—or fail to come to terms—with higher financing costs, according to [S&P Global Market Intelligence](#).