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FUND FINANCE FRIDAY

What We are Reading on Private Markets

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Carlyle announced it would be abandoning its partnership structure and becoming a corporation with a single class of shares, expected to complete on 1 January 2020. Carlyle follows in the wake of other PE powerhouses who have made the switch to a C-corporation, including **Ares Management**, **KKR** and **Blackstone Group** following the passing of the 2017 U.S. tax law that lowered the highest corporate tax from 35% to 21%. Carlyle's single-share structure will however lend itself to inclusion in broad market indices which opens up a wider variety of potential investors.

Dyal Capital, best known for buying stakes in private equity funds, has now raised approximately $1bn to provide long-term loans to these funds, which want to raise liquidity but without selling a stake in their firms. The loans will be backed by management fee income streams. Watch this space to see how these loans sit with traditional fund finance products.

Glendower Capital has raised the largest first-time secondaries fund. The Deustche Asset Management spin-out has raised $2.7bn for Secondary Opportunities Fund IV, exceeding its $2.5bn hard-cap.

Oklahoma Teachers' Retirement Fund has appointed Meketa Investment Group to identify and correct errors in GP fee calculations, having noted at least four errors in GP reporting last year, ranging from carried interest to misreported capital contributions. This looks to be a continuing trend with LPs seeking external audit-type exercises on GPs to ensure that they are accurately reporting on the fee positions of the GPs they invest in.