

FUND FINANCE FRIDAY

What We are Reading on Private Markets

August 9, 2019 | Issue No. 40



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EQT and BC Partners. Liquidity challenges for GPs when financing their “skin-in-the-game” commitments was back in the spotlight this week, with the *FT* reporting that EQT is apparently considering a public listing to raise fresh funds and BC Partners agreeing to sell a minority stake in its fund to Blackstone’s Strategic Capital Group to raise capital for future fund raises.

Secondaries continue to boom. Evercore reported that private equity fund and asset sales amounted to \$42bn in H1 2019, a 30% increase on the same period in 2018, with expectations that this year will beat last year’s record \$72bn of secondary transactions. The percentage of transactions constituted by GP-led deals has also increased from 29% in H1 2018 to 42% in H1 2019.

European deal slow down. Amid continuing political uncertainty in Europe, PE deal volume declined by 22% to EUR132.6bn from EUR162.3bn in the same period in 2018. The UK and Ireland continue to be the most active, accounting for more than a third of deal volume as GPs; however, deal value is at a five-year low, driven by GPs adopting a wait-and-see strategy pending further clarity around Brexit.

Manulife has sold \$1.7bn of its PE portfolio to a new vehicle backed by AlInvest Partners and managed by its own PE investment, *Secondaries Investor* reported this week, repeating a similar transaction last year for Canada’s largest insurer.