

Fund Finance Friday



What We Are Reading on Private Markets

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It's been a busy week in secondaries. In what could be one of the largest deals of its kind, **Crestview Partners** is running a stapled tender offer on two of its previous funds with a reported NAV of \$4.6bn. Potential buyers are being asked to make a primary commitment to its fourth fund raised last year with a \$3.5bn target. **Eurazeo** has moved a strip of five assets that were then used to seed its latest fund, Eurazeo Capital IV, which held a final close of EUR700m in July. Campbell Lutyens reports that strip sales accounted for 34% of all GP-led transactions last year, and this trend is set to continue.

Citic Capital has closed the fourth largest fund ever raised for China by domestic firms, closing at \$2.8bn, \$300m over target and 80% larger than its predecessor. Most of the capital was raised from existing investors, including Canada Pension Plan Investment Board. The fund is focussed on a "China buyouts 2.0 strategy," which essentially uses Western know-how on buyouts and adapts these to Chinese founder-led companies. China-focussed funds raised \$22.8bn in 2018 – the highest amount raised since 2015 – with \$10.6bn having already been raised in H1 2019.

Hamilton Lane has joined the likes of Partners Group and other asset manager peers in launching a high-net-worth-focussed fund and has already attracted \$91m. The evergreen fund is open-ended evergreen, offering investors based in Europe, Australia and Asia the opportunity to invest in the private markets, typically only available to institutions. As an evergreen fund, it provides investors with the ability to adjust their monthly allocations and puts their money to work immediately, thus mitigating the J-curve effect. Unlocking this vast pool of capital has been a focus for many private markets managers. The fund will manage liquidity via cash inflows, investment returns and potentially a credit line.