

Fund Finance Friday



LPs Aim to Look Through 'Denominator Effect' — WSJ

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Private equity holdings have increased in portfolio weight for LPs after the declines in public markets, according to a *Wall Street Journal* [report](#). Even though portfolios may now appear to be overweight private investments, LPs are mindful of not missing out on potentially attractive entry points, according to the report. The 2008-2009 vintage of buyout funds have posted meaningfully better returns than the preceding vintages, but many investors were not set up to take advantage of the investment opportunity at the time. A significant share of institutional investors see relative value in private equity amid the market dislocation, according to a survey cited in the article. Investors' ability to position accordingly is being managed in the context of liquidity demands and an uncertain outlook.