

Fund Finance Friday



PE and Fund Finance Face Defining Moment — Investec

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The spread of COVID-19 and its impact on markets across the world present the largest test of private equity and fund finance in more than a decade, according to a [report](#) by *Investec*. According to the authors, the current difficulty in valuing assets may delay first quarter and December reports, but portfolio valuations are expected to decrease by 20-50%. *Investec* further outlines what they are seeing in the market. GPs have increased hedging transactions and are looking into NAV facilities as their focus shifts to defending assets and managing liquidity. Banks appear to have sufficient liquidity, but most are focusing on existing relationships and becoming more selective of new business.