

## FUND FINANCE FRIDAY

### Fund Finance ‘Wizardry’ covered in the Financial Times

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This ain’t quidditch, but the *Financial Times* featured an extensive discussion of subscription lines this past week. Sponsors will be surprised to learn that their sophisticated and demanding institutional investors are “spellbound” and “bewitched by claims of superior performance.” In addition, the professionals who read this blog will be flattered to know that their “wizardry,” according to the article’s headline, “breathes magic into private equity returns.” *Fund Finance Friday* thinks the truth is likely more mundane and workaday: in the search for yield, investors and the sponsors who serve them are working hard to deliver returns in extremely challenging markets. We would refer you to our previous coverage [here](#) demonstrating that the impact of subscription lines on IRR is in fact rather modest. Also, little mention of all the utility subscription lines have provided to funds, investors and portfolio companies during these challenging times. But we still have a sense of humor. Toward that end, we wish a good weekend to all you wizards. Read the article [here](#).