

FUND FINANCE FRIDAY

Fund Finance Helps Secondaries Start 2019 with a Bang

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Secondary funds are using leverage at record rates, according to a report published by Triago that was highlighted in a recent *Secondaries Investor* article. Because leverage can smooth the traditional cycle of secondary volume, secondaries utilized leverage in 38% of deals by total transaction value in 2018, up from 23% in 2017. Despite a downturn in public markets at the end of 2018, leverage was a significant factor in secondaries deal volume being at \$6.3 billion in January and on pace to smash the \$13 billion volume mark set in Q1 2018. Yet some prognosticators have concerns that GP-led deals with substantial leverage could suffer if there were a recession. The full *Secondaries Investor* article is available by subscription [here](#).