

FUND FINANCE FRIDAY

What We're Reading

April 5, 2024

Secondaries. The share of secondary sales done at a discount to NAV increased in 2023 according to [Jefferies data cited](#) in the Financial Times. Overallocations to PE, better returns in fixed income, and cash outflow needs for investors such as pension funds, are driving record volumes in secondaries. Jefferies reported \$112 billion in secondaries transactions last year.

GP stakes. Hunter Point closed its HPC Fund I at \$3.3 billion in commitments, making it the largest ever debut GP stakes fund, [according to Private Equity News](#).

Private credit. Total returns in private credit are expected to rank among the top across asset classes over the next twelve months, according to a recent survey of insurance companies recently conducted by Goldman Sachs Asset Management. Despite concerns about the credit cycle, 52% of respondents reported plans to increase allocations to private credit. Crypto and real estate equity ranked lowest in terms of expected returns.

CRE. Lending against office makes sense for private funds, especially when opportunities arise to provide acquisition financing at below the land value. That's the takeaway from a [recent CoStar note](#) highlighting Northwind's \$65 million loan that financed the acquisition of Harbourside 5, a 65% vacant office tower in Jersey City.

2023 recap. McKinsey published its [annual private market overview](#) highlighting key trends that shaped the year.