Jennifer Passagne in FundFire: 'Apollo, Partners Mash-Up of Secondaries, Fund Loans May Reset Market'

November 8, 2022 Jennifer Passagne

PRACTICES Fund Finance, Finance, Leveraged Financings, Private Credit Finance

Haynes Boone Partner Jennifer Passagne was quoted in a *FundFire* article. Below is an excerpt:

Apollo Global Management and Partners Group are extending the playing field where secondaries fund managers have run for years – adding on newer financing and investment options that may offer an edge and push their rivals to follow suit. …

These combined platforms should not only help managers operating in these distinct secondaries and financing markets "keep up with the trends" but also prove popular with the GPs and LPs using such tools, said Jennifer Passagne, a counsel in the finance practice law group in London at Haynes Boone.

"Investors and [managers] are going to trusted sources for their needs," she said. "To provide a holistic liquidity package – that will bode really well for the market… We can see that growing and being taken up by other players."

The platforms are also following what is taking hold in the market, Passagne said.

"It's natural for these businesses to follow client demand," she said. "If you can develop a one-stop shop that becomes more attractive, that will be quite appealing."

The menu likely won't have a lot of cross-traffic for most deals, with clients generally knowing what they need, Passagne said. But having a single platform does offer users a wealth of information on possibilities, she said.

"Clients can weigh up the options – what is best pricing, what's the best structure for what they want to achieve," she said. "We'll start to see some of those debt products merge and clients utilize different sources for different reasons." …

Whether other secondaries managers will be able to replicate the model is an open question, with larger managers that have bigger GP and LP clients most likely to pursue it, Passagne said.

"I think it will be dominated by some of the bigger players that have sizable offerings and a base of clients that are looking for flexible options," she said. "There will always be entrepreneurial players specializing in these markets, but in terms of a hybrid platform offering, you would need a more sophisticated client and partner base."

Excerpted from *FundFire*. To read the full article, click here.