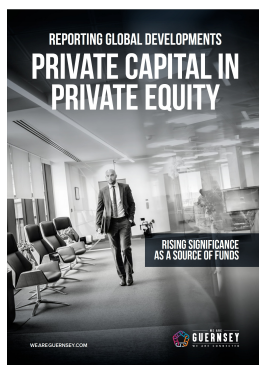


PRIVATE CAPITAL TAKES A BIGGER STAKE IN PRIVATE EQUITY MARKET

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Private capital is growing in significance as a source of funds for private equity funds, [new research](#) carried out by Guernsey Finance has revealed.

The PE industry – particularly smaller, boutique and specialist managers – is taking advantage of the spectacular growth of private capital over the decade since the global financial crisis.

The research project, carried out at this year’s SuperReturn conference in Berlin, showed that managers are increasingly being viewed as a source of deal flow as much as for their investment management expertise. Private capital now can amount to as much as 75-100% of assets under management, particularly for first-time managers.

The research also showed that there is a trend developing as the growing complexity of private capital arrangements requires bespoke arrangements, particularly among family office. These issues are driving factors for the selection of jurisdiction for administration and domicile, where service quality and the ability to specialise continue to be key factors.

“The factors and trends uncovered by our research serve jurisdictions such as Guernsey well,” said Dominic Wheatley, Chief Executive of Guernsey Finance. “Our specialism and leadership in private equity [more than £100 billion of AUM in Guernsey PE funds], private funds, and private wealth, is well recognised, as are our high levels of service.

“The survey demonstrates the merging of the private equity and private capital spaces, as private capital becomes a normalised source of financing, and investment management becomes a gateway to a direct investment opportunity. Our evidence suggests that jurisdictional choice will be increasingly dominated by specialists with substance to support all these factors.”

The conclusions of the research will be discussed at a Guernsey Finance-hosted seminar on private capital in London on Tues 2 July. More info: <https://www.weareguernsey.com/finance-events/2019/seminar-series-private-capital/>.

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