High Five – 2025 Outlook (Sixth of a Series)

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In today's sophisticated market, where capital is concentrated among a smaller number of managers, only the highest quality platforms garner investor dollars. A consistent track record, low or no key person turnover, scale and diverse capabilities, and alignment with LPs are the bare minimum in today's market. They may get a manager a foot in the door, but they are far from sufficient to secure a commitment.

Private equity firms also need to think carefully about their portfolio companies' liquidity needs. For longer-hold assets, this means positioning company capital structures to achieve growth and generate value. Refinancings can provide both liquidity and a longer runway to maturity, while junior capital can expand the capacity of a company's capital structure to pursue acquisition strategies…

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