

# The Gen II Breakfast Hour - Fundraising & Dealmaking in Today's Economic Environment

On April 10th, Gen II Fund Services hosted its inaugural Breakfast Hour in New York City at the Harvard Club. The Gen II Breakfast Hour has been created to bring together private equity leaders to discuss the issues and opportunities in our industry, and is a valuable opportunity to share knowledge and experience with our marketplace colleagues. The diverse and dynamic group of speakers and attendees provided in-depth insight in an ever-changing business climate around fundraising and the GP/LP relationship.

## Speakers:



**Ryan Bell**  
Managing Director  
**Barings Alternative  
Investments**



**Matthew Castaldo**  
Associate  
**Franklin Park  
Associates**



**Shaia Hosseinzadeh**  
Managing Partner &  
Founder  
**OnyxPoint Global  
Management**



**David Wachter**  
Managing Director,  
Co-Founder  
**W Capital Partners**

The session kicked off with a conversation about how competitive the market is for LP capital and what makes a GP investible. How are GPs positioning themselves as a differentiated opportunity to LPs? How do LPs rank performance against other factors?

## Other topics included:

- There is a desire from large investors, such as CalPERS, Canadian Pension Plans, and larger Sovereign Wealth Funds, to get more direct exposure to private equity. Is there a new model for private equity that will stray further from the traditional GP/LP fund construct we've seen over the last twenty years?
- Does the uptick of longer duration funds play into the shifting GP/LP fund construct? Why do you think this is of interest to LPs, and what are some of the benefits for GPs, besides the lack of need to fundraise as often.
- With the co-investment boom, there's been an explosion of interest from the LPs - the question arises, how long will this interest last? Are we seeing less sophisticated or more sophisticated capital investing in these opportunities? How are you either asking for these opportunities as an LP, or as a GP, and what are you willing to offer?

- Fund leverage - the simple subscription line has evolved into much more, in some cases a tool to better manage IRR. We now see some GPs not calling capital for a year, perhaps more, and relying upon the line. Some LPs love it, some hate it. The panelists discussed what they are seeing in the market, and as a GP or LP do they like it? Endorsing it? Shunning it?
- With the growth of fund leverage, some LPs are concerned that net IRRs are no longer comparable across GPs. LPs are now looking for a more transparent gross performance data for the industry to benchmark. What metrics are LPs focusing on? Are gross IRRs irrelevant and should the focus be on the net figures or something else?

The Breakfast Hour ended with final thoughts and pearls of wisdom from each panelist.

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We plan to host these breakfast hours throughout the year in NYC as well as other major cities. To be included in our invitation list for future Breakfast Hours, please contact Michelle Diller at MDiller@gen2fund.com.



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