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# Financing Secondary Fund Acquisitions

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The private equity secondary market had a strong year in 2021 and, while 2022 did not see quite as much activity overall, an uptick in demand from investors looking to sell their investments in private equity funds in the secondary market seems likely in 2023. To access this ever-growing market and sell their investments, investors are increasingly looking to experienced secondaries buyers who manage fund vehicles that specialize in purchasing these interests (these buyers referred to herein as secondary funds). To fund the acquisition of these private equity fund interests, secondary funds are increasingly using leverage in the form of debt financing.

In this chapter, featured in *Global Legal Insights'* "Fund Finance Laws and Regulations," Proskauer fund finance lawyers examine the typical structure of debt facilities for secondary funds (secondaries facilities), outlines market financing terms and covers specific concepts and issues that often arise during negotiations.

Proskauer's fund finance practice advises funds, investors and lenders on more than 100 deals annually, with over $25 billion in combined deal value over the last five years.

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