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Simultaneous Management of PE and Private Credit Funds: Use of Walls and Other Tactics to Manage MNPI Risks (Part One of Two)

Private Equity Law Report

November 2020

One of the defining factors that leads to success among fund managers is their ability to obtain and digest information about different companies and industries. Although fund managers always need to be mindful to not improperly divulge or act upon material nonpublic information ("MNPI"), that risk increases significantly where a manager has both PE and private credit funds investing in the same business or industry. As the unfettered spread of MNPI can stifle business opportunities and introduce regulatory risks, it is critical for fund managers to diligently implement safeguards where possible. In this article, partners Stephanie Breslow and Daniel Hunter discuss how fund managers can best avoid MNPI risks when managing both PE and private credit funds.

Read part two "Simultaneous Management of PE and Private Credit Funds: Techniques for Properly Allocating Investments, Fees and Employees" here.

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Stephanie Breslow

Partner

New York

Daniel Hunter

Partner

New York

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