



The **Alternative Investor**

Performance

News

Trends

Regulatory updates

Private Capital's Role in Today's Fragmented World

This month's theme is fragmentation and it could scarcely be more timely given the turbulence of recent weeks. Acer Tree's Sven Olson argues that European credit hedge funds offer a compelling alternative to private credit, combining flexible long/short strategies, superior liquidity and the ability to generate alpha by exploiting Europe's fragmented legal landscape. Capricorn Private Investments' Andrew White contends that the illiquidity premium can no longer be assumed, with higher rates, compressed distributions and longer hold periods demanding far greater selectivity across private markets allocations. Marex's Jack Carnell examines how geopolitical fragmentation has elevated FX and rate risk from back office afterthought to front office priority. Theta Capital Management's Ruud Smets takes the longest view, arguing that blockchains make trust programmable and cheap and, combined with AI, fundamentally restructure the economics of coordination. Elsewhere, in Letter from America, Prosek Partners' Mark Kollar makes the case for infrastructure as a secular winner, with hyperscalers' shift to self generated power campuses opening new avenues for LP investment. And Simon Brewer's Money Maze conversation with Sir Michael Moritz spans venture capital, artificial intelligence and a deeply personal reckoning with family history in Nazi Germany.



Hedge funds bruised as geopolitical turmoil wipes out early gains

March offered no soft landing. Instead, it delivered a stark reminder that geopolitics dominates markets. An unwanted war and deep uncertainty combined to make for a bruising month. Hedge funds struggled, with the HFRI Fund Weighted Composite Index falling 2.8%, trimming year-to-date gains to 0.9%.

Equities bore the brunt of the pain. The HFRI Equity Hedge (Total) Index fell 4.3%. With few places to hide, Fundamental Growth was hardest hit, down 6.8%, followed by Multi-Strategy, off 6.4%. Fundamental Value shed 4.6%. Technology proved marginally more resilient, falling 3.3%, while healthcare declined 1.4%.

Event-driven strategies held up comparatively well, with the HFRI Event Driven (Total) Index off 1.4%. Activists fared worse, however, falling 4.9%, and Credit Arbitrage dropped 5.0%. In the circumstances, it was unsurprising that Distressed/Restructuring and Merger Arbitrage were among the better performers, rising 1.0% and 0.5% respectively.

Macro strategies struggled. The HFRI Macro (Total) Index fell 2.4%, pushing year-to-date performance to minus 4.4%. Discretionary managers were caught offside by the volatility of Trump policy shifts, with Discretionary Thematic down 5.1% and Discretionary Directional off 4.4%. Systematic strategies fared better, declining 1.4%. Currencies were the standout, gaining 3.3%.

Relative Value slipped 0.7%. The Volatility Index rose 2.6%, while the Fixed Income Sovereign Index fell 2.5%.

Regionally, Asia bore the heaviest losses. India was the worst performer, down 12.7%, with Japan off 8.4%. Emerging markets as a whole fell 4.5%. North America declined 2.7% and Western/Pan-European strategies dropped 1.7%.

*Data sourced from [HFR](#)

UPCOMING EVENTS

15 April 2026
Wealth Management Summit Asia

15 April 2026
Alpha Edge Europe - Private Markets

15 April 2026
Paris Blockchain Week

15 April 2026
Energy Transition Innovation Forum 2026

15 April 2026
Energy Tech Summit

Click [here](#) to see all the listings

>\$3tn

Global private credit market surpasses \$3tn AUM

Source: Morgan Stanley

\$65tn

Total private market AUM projected to hit \$60-65tn by 2032

Source: Bain & Company

\$23bn close for KKR's North America fund

KKR closed North America Fund XIV at approximately \$23 billion, the firm's largest fund focused exclusively on North American buyouts. Fund XIV continues KKR's flagship strategy of pursuing large-scale control investments across technology, healthcare, industrials and services, with operational improvement and thematic investing central to its value-creation approach. KKR highlighted long-term LP partnerships and broad institutional support in its announcement of the close.

Record \$6.3bn bet on life sciences

Blackstone closed Blackstone Life Sciences VI at its \$6.3 billion hard cap, making it the largest private life sciences fund globally. The vehicle was oversubscribed and came in nearly 40% larger than its predecessor. The fund finances the development and commercialisation of innovative medicines and medical technologies across the full life cycle of companies and products in key healthcare sectors. Blackstone Life Sciences had \$15 billion in assets under management as of Q4 2025 and has 34 regulatory approvals tied to portfolio products and an 86% Phase III success rate, above the industry average. Recent transactions include partnerships with Merck, Teva, Alnylam and Anthos. The platform has offices in New York and Cambridge, Massachusetts.

Triton lands €5.5bn for flagship fund

Triton Partners closed its sixth flagship mid-market fund, T6, at the €5.5 billion target, the firm's largest fund to date. The vehicle raised capital from both new and existing investors globally and has already invested €900 million across three platform investments: Hanab, Keenfinity and MacGregor. Founded in 1997, Triton focuses on European companies across industrial technology, business services and healthcare through mid-market and lower mid-market private equity strategies, as well as an opportunistic credit arm. T6 is a step up from Fund V, which closed at €5 billion in 2018. The firm said all previous funds have achieved top-quartile returns. Founder and chief executive Peder Prael said the firm would remain "disciplined" as it continues to invest the new fund.

UPDATES (cont.)

Blue Pool's first outside fund hits \$1bn

Blue Pool Capital closed its first dedicated private equity fund at \$1 billion, marking the Hong Kong-based firm's transition from a single-family office structure into a broader institutional platform. The firm has historically managed capital for Alibaba co-founder Joe Tsai. The vehicle is expected to pursue both control and minority investments focused on high-growth consumer businesses globally. Blue Pool is accepting external capital for the first time while maintaining its long-term, concentrated investment approach.

\$3.5bn haul for growth-stage tech deals

Lead Edge Capital closed a record \$3.5 billion for Fund VII, its largest fund to date, taking total capital raised since inception to \$9 billion. Based in New York with offices in London and Santa Barbara, the firm focuses on growth-stage software, internet and technology-enabled businesses, targeting investments of \$50 million to \$400 million per company across both minority and majority stakes. The fund was oversubscribed and continues the firm's approach of backing businesses with high gross margins and recurring revenue that meet its proprietary investment criteria.

Inflexion wraps €4.5bn buyout fund

Inflexion raised €4.5 billion for Buyout Fund VII, closing at its hard cap and exceeding the initial target of €3.75 billion in six months. The fund was oversubscribed, with commitments from pension funds, sovereign wealth funds, insurers, endowments and family offices. The majority came from existing investors.

Fund VII surpasses Inflexion Buyout Fund VI, which closed at £2.5 billion in 2022.

The fund will continue Inflexion's strategy of acquiring majority stakes in mid-market companies across technology, healthcare and consumer sectors, with a focus on operational improvement, digitalisation and international expansion. A series of exits ahead of the new vintage helped return capital to LPs and support re-up commitments.

AI mania fuels a \$3.5bn venture haul

Kleiner Perkins raised \$3.5 billion across two new funds, nearly double the firm's previous \$2 billion raise. The firm has earmarked \$1 billion for KP22, its 22nd early-stage vehicle, and \$2.5 billion for KP Select IV, a growth-stage fund targeting more mature companies. KP22 will back founders at the earliest stages across AI products and platforms; KP Select IV will support companies that have demonstrated strong market traction and are scaling rapidly. Kleiner holds early stakes in Together AI, Harvey and OpenEvidence, and is also an investor in Anthropic and SpaceX.

Sands Capital wraps \$1.1bn growth fund

Sands Capital closed Global Innovation Fund III at \$1.1 billion, exceeding its \$1 billion target and a step up from roughly \$780 million raised for its predecessor in 2021. The fund drew backing from new investors, including Canada Pension Plan Investment Board and funds managed by Hamilton Lane. The strategy takes a concentrated approach, typically investing in around ten companies per fund, with artificial intelligence and industrial technology among its primary themes. Portfolio companies include OpenAI, Anthropic, Anduril, Rippling and Legora. The fund was oversubscribed.

UPDATES (cont.)

Treville Capital closes debut credit fund

Treville Capital Group closed its inaugural Capital Solutions Fund at more than \$500 million. The New York-based firm focuses on privately negotiated, asset-based and structured credit investments, providing capital to companies seeking alternatives to traditional financing. The fund will target opportunities across asset-backed finance and bespoke credit transactions. The close marks the firm's first institutional fundraising as it builds out its private credit platform.

CIP secures €1.3bn first close for green credit fund

Copenhagen Infrastructure Partners secured a €1.3 billion first close for CI Green Credit Fund II, the second vintage of its flagship credit strategy. The fund is targeting an overall raise of €2 billion and includes commitments across a closed-ended vehicle, an evergreen structure and discretionary co-investments. Investors include sovereign wealth funds, insurers and pension funds. CIP has also

committed funds from its own balance sheet to the fund. The strategy provides senior secured credit to renewable energy projects and energy transition companies, primarily in OECD markets across Europe, North America and selected Asia-Pacific jurisdictions. The fund's first investment is a refinancing of a 450MW Dutch solar and battery storage portfolio.

OPINION

A crisis of confidence

Private credit is suffering a big wobble, not a collapse. Over the last month, Ares Management joined a growing list of large funds that are using gates to control redemptions and slow a dash for cash, prompting familiar comparisons with 2008.

The resemblance to the financial crisis, however, is superficial. That was a systemic failure built on subprime mortgages packaged into opaque, highly leveraged securities and distributed across the financial system. Today's private credit market is very different: a web of directly negotiated loans to identifiable companies, backed by investors who are, at least in theory, better equipped to understand what they own. That does not mean there is nothing to worry about. As Jamie Dimon noted in his latest annual letter, standards in parts of private credit have begun to weaken as capital has flooded into the asset class; a familiar late-cycle dynamic.

The pressure now is less a blind panic than a more deliberate effort by institutional investors to avoid being last out. In 2008, investors ran for liquidity regardless of strategy or asset quality. In private credit today, some are acting on a simpler instinct: redeem early and leave someone else holding the illiquid exposure. That is not evidence of systemic ruin, but it is a reminder that liquidity mismatches remain as awkward in calmer-looking markets as they were in more obviously distressed ones. This is what happens when too much money crowds into a fashionable trade. Capital arrives quickly, underwriting standards

loosen and the promise of steady returns begins to look more fragile once conditions deteriorate.

Private credit is not unique in this respect. The same herd behaviour can be seen elsewhere, including in gold, where an overcrowded safe-haven trade has recently looked less like protection than a source of volatility. Easy money often proves easily frightened. Still, it would be wrong to confuse a correction in sentiment with a repudiation of the asset class. Private credit has become an important part of the capital market structure, particularly for companies seeking finance outside traditional banks. It serves a real purpose and will continue to do so.

There will, inevitably, be questionable underwriting in parts of the market, just as there is in every fast-growing corner of finance. But that does not mean the whole structure is unsound. The more useful lesson is an old one. Illiquid investments cannot be made liquid by wishful thinking. Gates, however unpopular, are one way of forcing that reality on investors. The answer is not to declare another 2008, but to insist on better underwriting, clearer disclosure and a more honest understanding of what private credit funds can and cannot promise. Investors may accept illiquidity when markets are calm. The test always comes when they want their money back all at once.

Alastair Crabbe, Brodie Consulting Group

UPDATES (cont.)

InfraVia closes €8bn European infrastructure fund

InfraVia Capital Partners closed its sixth European infrastructure fund at the €8 billion hard cap. The vehicle was oversubscribed, exceeded its original €7 billion target and closed in 18 months, a step up of €3 billion from its predecessor. More than half of commitments came from outside Europe, with investors in the Americas, Asia and the Middle East.

Fund VI targets European mid-market infrastructure businesses across energy and the energy transition, digital infrastructure, mobility and social infrastructure. InfraVia has already committed more than €1 billion across three investments: data centre platform OPCORE, maritime infrastructure group LD Armateurs, and independent power producer Prosolia Energy Group.

Goldman Sachs targets \$10bn private credit

Goldman Sachs Asset Management is holding preliminary talks with investors to raise at least \$10 billion for West Street Loan Partners VI, a new global direct lending fund, Bloomberg reported. The vehicle is expected to focus on companies across North America, Europe and Australia, typically targeting businesses generating more than \$100 million of EBITDA. Its predecessor, West Street Loan Partners V, raised more than \$13 billion in 2024. Goldman Sachs Asset Management has not publicly commented on the fundraising or timeline.

Investor appetite builds for Taula's macro strategy

Taula Capital Management, the global macro hedge fund founded by former Millennium senior trader Diego Megia, raised \$1.75 billion in fresh capital, Bloomberg reported. The inflow came from existing investors, bringing total assets under management to more than \$8.5 billion, up from \$5 billion at launch in mid-2024. Megia has continued to expand the investment team, including the hire of economist Reza Moghadam. This is the second occasion Taula has reopened to investors since its inception. London-based Taula declined to comment publicly on the fundraise.

Mining finance specialist lands its biggest raise

Orion Resource Partners closed Mine Finance Fund IV at approximately \$2.2 billion, the largest raise in the New York-based firm's 13-year history. The close takes total assets under management to more than \$9 billion. Investors include pension funds and sovereign wealth funds from across the globe. The fund provides alternative financing to mining projects, including construction loans and royalty capital, with a focus on copper and lithium. Orion said the vehicle is already 61% committed across investments in North and South America, Europe, Africa and Australasia.



UPDATES (cont.)

Ackman files for Pershing Square float

Pershing Square Capital Management filed an S-1 registration statement with the SEC for the listing of Pershing Square Inc., the proposed parent company of the investment manager. The IPO is expected to trade on the NYSE under the ticker PS, giving investors direct exposure to the economics of Pershing Square's asset management platform, including management and performance fee revenues.

Running alongside is the proposed IPO of Pershing Square USA, a US-listed closed-end investment vehicle holding the firm's concentrated equity portfolio, which could raise between \$5 billion and \$10 billion of permanent capital. The two offerings are expected to proceed as a combined IPO. The final deal size has not been set.



←22-51
WALL ST

Triam moves to seal Janus Henderson deal

Nelson Peltz's Triam Fund Management and General Catalyst raised their offer for Janus Henderson to \$52 a share, the only proposal before the company's special committee following Victory Capital's rival bid withdrawal. Janus Henderson's board unanimously rejected the Victory approach on execution grounds, citing concerns raised by investment teams responsible for approximately 90% of the firm's assets. Triam holds roughly 20.7% of Janus Henderson shares. The shareholder vote is scheduled for 16 April, with completion expected in mid-2026. The combined deal values Janus Henderson at approximately \$7.4 billion.



WisdomTree strikes £150m deal for Atlantic House

WisdomTree agreed to acquire Atlantic House Holdings, the London-based systematic manager specialising in defined outcome and derivatives-driven strategies, for approximately £150 million. The deal is expected to close in Q2 2026. Atlantic House manages around £4.1 billion in assets. WisdomTree described the acquisition as advancing its multi-year strategy to build a more diversified growth platform. Following completion, the firm expects to manage approximately \$163 billion in assets globally. The transaction is expected to be modestly accretive in 2026.



It's Time for Investors to BYOP to the Infrastructure Hyper-scaler Party

For the private-markets investor, opportunities may seem a little messy right now. The rise in request for redemptions at credit funds, the advent of 401k accounts into the investor mix and the general rough sledding due to energy prices (hitting portfolio companies) geopolitics (hitting clarity) and interest-rate outlook (hitting stability) makes this a bigger guessing game than usual.

However, this column has always focused on opportunity in our corner of Wall Street, where innovation persists regardless of market conditions.

With that backdrop, let's take a closer look at the infrastructure sector, a long-duration theme in private markets that is currently a secular winner. The definition of infrastructure is certainly widening from the old days (not too long ago, in fact) when bridges, tunnels and airports defined the market.

In the era of hyperscale data centers, a lot has changed. McKinsey & Co. estimates that the planet needs some \$106 trillion of infrastructure investment through 2040. Of that total, private capital contributed only \$200 billion last year. A record number for sure but still a long way to go, which explains why LPs of all stripes are saying infrastructure is one of the asset classes where they want more exposure and opportunity.

So where is the smart capital going? The first and biggest bucket no doubt is digital infrastructure, where McKinsey sees \$1.7 trillion in global capex by 2030.

But drill a little deeper and we see vast opportunities in power and grid infrastructure in both transmission and distribution upgrades, renewables

including solar and wind, as well as battery storage and waste to energy - to name just a few. Call this the guts of the digital buildout because demand cannot scale without these forms of interconnections and generation.

Of course, a lot more assets are in the mix but with time not on the side for power supply, an innovative approach is wrapping up a lot of this under the latest scramble called BYOP or Bring Your Own Power.

Because utilities alone cannot deliver megawatts fast enough to data centers, the hyper-scalers and other players are developing their own sources and integrating electricity generation on site. Think of it as a "power grab" versus land grab or as some call it, "energy campuses."

The lines are blurring in the infrastructure ecosystem, providing new investable opportunities for

LPs who want to take advantage of this new structure either through infra funds, energy-transition vehicles, or co-investments.

Risks remain with regulatory hurdles and high cap-ex costs, for example, but the digital energy infra-plex seems to be changing the landscape as demand demands quicker solutions. Just don't forget to BYOP.

Mark Kollar
Partner, Prosek Partners



“
...drill a little deeper and we see vast opportunities in power and grid infrastructure in both transmission and distribution upgrades, renewables including solar and wind, as well as battery storage and waste to energy...”

War, the Gulf, and the Pricing of Systemic Risk

Oil prices have surged as tanker disruptions in the Strait of Hormuz threaten global supply. Approximately 21 million barrels - roughly 20% of global daily supply - pass through this 21-mile-wide chokepoint. When risk materializes here, it cascades far beyond IRR.

Yet private capital continues flowing into the GCC at record pace. Deal structures include long lock-up periods with no exit provisions tied to geopolitical events. Due diligence questionnaires treat political risk as a checkbox. Fund materials lead with Vision 2030 upside while relegating instability to boilerplate disclosures. Most telling: war risk premiums appear inadequate relative to the tail risk scenarios investors actually face.

The Pricing Problem

Investors are likely paying 2023 prices for 2026 risk. Global private equity multiples rose from 11.3x EBITDA in 2024 to 11.8x in 2025 - even as Middle East conflicts intensified. GCC markets attracted \$4.2 billion in foreign inflows in Q2 2025, a 50% quarterly increase. Large-scale transactions (\$500M-\$1B) now represent 29% of deals but 42% of capital deployed - investors are writing larger tickets, not reducing exposure. When Russia invaded Ukraine in 2022, secondary market discounts widened 25-35% within weeks. No comparable repricing has occurred in GCC markets today.

The Key Transmission Channels

Oil: Strait disruption → oil spike
→ global inflation
→ monetary tightening → private market discount rates reprice
→ portfolio NAVs compress.
Simultaneously: sovereign fiscal stress → delayed government payments → cash flow deterioration → refinancing challenges. The

"diversified" Saudi entertainment company still traces back to oil in three steps: government contract → paid by PIF → funded by Aramco dividends → dependent on \$70+ oil and Strait access.

Sovereign capital: More than \$3 trillion in GCC sovereign wealth is embedded across North American, European, and Asian markets through LP commitments and co-investments. A manager with modest direct GCC exposure may carry significant indirect dependence on Gulf sovereign flows. When tensions rise, that network tightens simultaneously.

Banking: Regional banks carry legacy NPLs from 2014-2016 and 2020, with loan books concentrated in real estate and government-linked entities. That was an oil shock without war. This time, compounding factors include decentralized cyber warfare and a banking system that hasn't fully healed.

Wartime dynamics in the Gulf are not reflected in today's valuations, leaving investors exposed to risks that are neither modeled nor priced. The managers best positioned will treat geopolitics as a core portfolio variable, stress-test systemwide interconnections, embed a meaningful risk premium into underwriting, and maintain liquidity and exit flexibility even in the absence of sovereign buyers. The opportunity set is real - transformational, in fact - but returns only matter if portfolios are built to withstand shocks as well as capture upside. Successful practitioners won't be betting against the Gulf's trajectory, but will design portfolios that recognize they are investing in both assets and a complex, interconnected system where conflict risk remains materially underpriced.

Georgina Tzanetos
Director, Content, CAIA



Assumption	Standard VaR Models	War-Regime Scenarios
Correlation Structure	Historical correlations hold	Correlations approach 1.0; diversification fails
Portfolio Impact	NAV decline 15-20%	NAV decline 30-50% (system cascade)
Geographic Diversification	Provides risk reduction	Fails (global energy shock affects all regions)
Exit Market Access	Assumes continued liquidity	Sovereign buyers withdraw; timelines +36-48 months
LP Capital Calls	5-10% default rate	25-35% default rate (denominator effect + liquidity stress)
Cyber Risk	Not modelled or isolated IT risk	30-40% companies attacked; 70-80% losses uninsured

Why VaR Fails: Standard Value-at-Risk models assume historical correlations remain stable during stress events. War-regime scenarios violate this assumption—diversification vectors that provide protection in normal markets fail simultaneously when systemic conflict activates multiple transmission channels (energy shock + sovereign capital withdrawal + cyber warfare + workforce disruption) at once.

VOICE OF THE ALTERNATIVES INDUSTRY



Money Maze Podcast

*Inspiring interviews with leading figures
from the world of business and finance.*

Judgement, Compounding and the Weight of History

Adapted from a Money Maze Podcast interview conducted by
Simon Brewer and Sandra Robertson, with Sir Michael Moritz

There are interviews that settle into familiar patterns, circling around markets, careers, returns and reputation. Simon Brewer's conversation with Sir Michael Moritz went well beyond that. Joined by Sandra Robertson, former Chief Executive Officer of Oxford University Endowment Management, Brewer spoke with a guest whose life has encompassed journalism, venture capital, philanthropy and historical reckoning. What emerged was not simply a portrait of one of Silicon Valley's most successful investors, but a study in judgment, in how it is formed, how it withstands uncertainty and how it evolves over time.

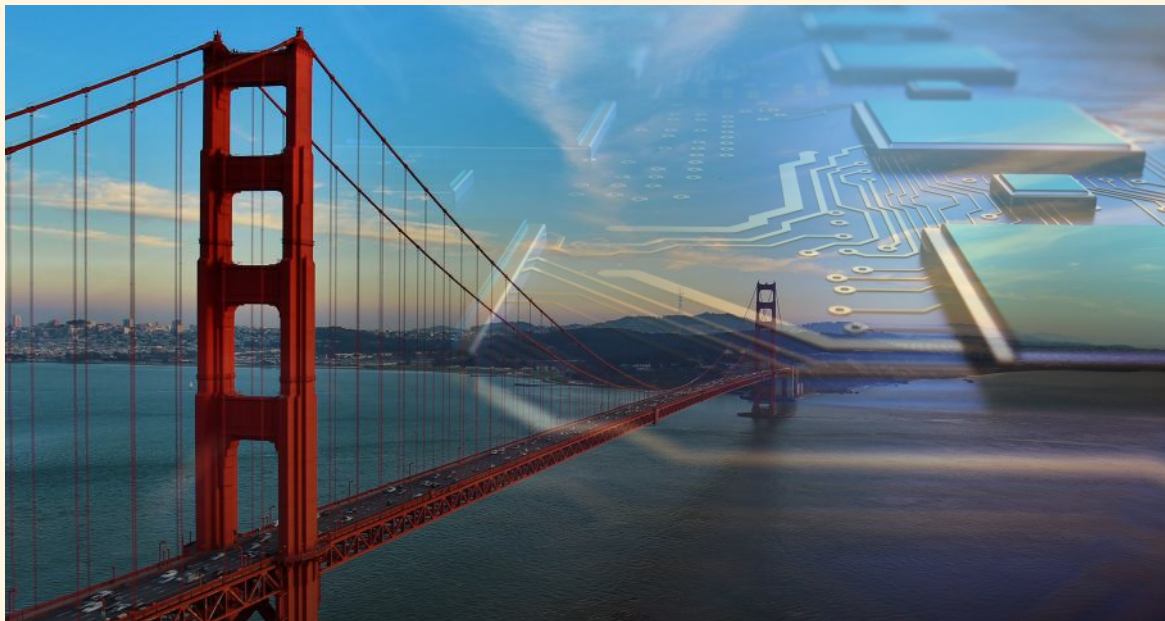
Born in Wales to parents who had escaped Nazi Germany, Moritz left Britain 50 years ago without what he called any "grand plan". He knew he wanted to be a journalist. Britain's union restrictions made that difficult, so he went to America, found a role at Time magazine, and moved from Detroit to Los Angeles and then San Francisco. Only on the West Coast did Silicon Valley come into view. Venture capital was the product of proximity, curiosity and timing.

That sense of accident should not obscure what

followed. Moritz reflected on how unsuitable he looked, on paper, for venture capital. He had no technical degree, no operating experience at a Silicon Valley company, and had been rejected by four firms before Sequoia took a chance on him. Yet his supposed disadvantages turned out to be strengths. Oxford's tutorial system had taught him how to confront unfamiliar subjects quickly, absorb enough to form a view, and defend that view with conviction. Journalism had done much the same, teaching him to gather facts at speed, understand what matters, and conclude before certainty arrived. For Moritz, these disciplines became ideal training for investing, where judgments are often made without total information.

When asked what defines a brilliant entrepreneur, Moritz answered that he looks for three things: unusual depth of understanding, clarity of communication and an irrepressible hunger to make the product real. The simplicity of his framework helps explain why he backed founders who went on to build extraordinary businesses.

Sandra Robertson's question about Patrick and John



Money Maze Podcast

*Inspiring interviews with leading figures
from the world of business and finance.*

Continued:

Collison, the co-founders of Stripe, brought that framework to life. Moritz recalled that when he first met Patrick, two things stood out. Stripe would pick up where PayPal had left off, simplifying a payments system that had grown cumbersome, and the brothers wanted to enable e-commerce for anyone starting a business online, wherever they were in the world. It was a concise ambition, rooted in real understanding of the problem, and delivered with the clarity Moritz values.

Asked what he sees as the Achilles heel of venture capital in Europe, Moritz's answer was blunt: Europe lacks homogeneity. In America and China, founders begin with vast domestic markets on their doorstep, while in Europe, consumer habits and business practices vary too sharply across countries. Success, Moritz argues, builds on success, and Silicon Valley possesses generations of founders, executives and investors who know what scale looks like because they have lived it. Europe lacks that accumulated pattern recognition. His harshest criticism was reserved for board governance. Too many directors on young European technology companies, he said, have never worked in a fast-growth business and therefore have no idea what "success smells like".

On investing more broadly, Moritz described a bias towards long-term compounding businesses that generate increasing amounts of cash and profit over many years. The magic, in his view, lies in the flywheel. Time horizon matters enormously, but he was careful to distinguish long horizons from passive indulgence; with the real prize going to the investor who owns a strong business and then displays the rare capacity to do nothing while earnings compound beneath the surface.

His remarks on artificial intelligence were unsentimental. Moritz expects the pattern of the past 50 years of technology investing to repeat itself. One or two gargantuan companies will emerge, market value will concentrate heavily in a tiny number of winners, and much of the rest will end in "wreckage and carnage". He even suggested that incumbents such as Google and Facebook could remain among the beneficiaries.

Yet the emotional heart of the conversation came with Ausländer, Moritz's book about his family history. He explained that he had not set out to write it. The project began after his mother's death, when his sister sent him cartons of family papers just as COVID created an unfamiliar surplus of time. What followed was, in his words, a paper chase that became compelling, painful and irresistible. As he dug deeper, the internet, ancestry databases and researchers opened doors into a past that was intimate and devastating.

Brewer praised the book's ability to fuse pathos and humour, and Moritz said the balance came because distance had made detachment possible. Having lived in America for decades, he could look back without being overwhelmed by emotion. That distance gave him freedom to write honestly. Some of the discoveries he described were haunting, including Nazi transport records listing relatives rounded up in Munich, a photograph of a cousin being taken towards the camps, and the moment when, while leafing through photographs of Jewish internees on the Isle of Man in 1940, he suddenly recognised his own father in the background.

The conversation also touched on philanthropy. He and his wife, Harriet, focus much of their giving on people and places that have been left behind, particularly around the Bay Area. With smaller charities, they keep things simple; with larger institutions, Moritz asks a harder question, namely, how well they manage their money. He also continues to show a strong attachment to Oxford, not simply as an alma mater but as an institution capable of widening opportunity; pointing to the reach of the Crankstart programme, which supports students from lower-income backgrounds, he noted that 14 per cent of undergraduates are now Crankstart Scholars.

Brewer ended by asking whether Michael Moritz is an optimist or pessimist for the next generation. The answer was brief and disarming. Now that he has grandchildren, he said, "I've got to be an optimist".

Click [link](#) to listen to the full interview

“
...in California in particular, there is a pattern of success that every generation in Silicon Valley is extremely aware of.”

GUEST ARTICLES

The Role of Hedge Funds in a Volatile World – The Emergence of European Credit Hedge Funds

Sven Olson, Co-Founding Partner and Senior Research Analyst, Acer Tree

Whilst historically both small and overlooked, European credit hedge funds have grown in recent years to occupy an important niche in diversified portfolio allocations. Unlike either private credit funds or traditional long-only funds, credit hedge funds enable investors to benefit from a much larger tool kit, which encompasses strategies that are agnostic to overall market levels, such as capital structure arbitrage and long/short credit investing. These strategies can then be augmented by investments in event-driven trades as well as select distressed investments. This flexibility enables skilled managers to generate alpha in both rising and falling markets.

Further differentiating the European peer group from its US brethren is the ability of skilled managers to monetise additional alpha from

the complexity of trading across 27 countries, languages and legal jurisdictions. Unlike the US, which has a single bankruptcy regime that has largely remained stable, each country in Europe has its own unique bankruptcy rules that are frequently changing and adapting. Access to corporate information is also more challenging and often opaque, as there is no standardised SEC-like reporting in Europe. Adding to the barriers in the leveraged loan market are very restrictive white lists, which can create significant hurdles for managers in accessing information and limit their ability to trade in many loans. The overall smaller, yet still significant, market size and higher complexity combine to vary liquidity compared to the US market – this favours smaller managers who can navigate the complex, less liquid environment. The more nimble funds can also access a wider,



European credit hedge funds stack up very well compared to private credit funds in terms of liquidity.

Sven Olson, Acer Tree

GUEST ARTICLES (cont.)

more diverse, and granular opportunity set, as there are many situations with bond or loan tranche sizes of between EUR 300 million and 500 million that have reasonably active trading markets. By contrast, the very largest managers tend to be confined to a smaller number of large capital structures, given their need to deploy meaningful size positions to any given situation.

European credit hedge funds stack up very well compared to private credit funds in terms of liquidity. While generating similar returns, credit hedge funds typically have redemption periods spanning four quarters, compared to the traditional, locked-up five- to seven-year fund structures for private credit. The other obvious benefit is the mark-to-market discipline embedded in (most) credit hedge funds based on liquid instruments.

The constantly changing and volatile investing landscape, as evidenced by the recent combination of AI disruption and the geopolitical events in the Middle East, highlights the difficulty private credit faces in investing through the cycle in illiquid credit instruments. There are simply too many unknowable variables that can come into play over a typical three-to-five-year term that are not foreseen at the time of the initial private credit portfolio construction - regardless of how detailed the diligence process is. A case in point has been the

recent AI scare, which has exposed private credit as disproportionately vulnerable. This decade has experienced many tectonic events requiring constant portfolio adaptation. For example, a portfolio that was fit for purpose during COVID was not necessarily the same portfolio that could manage the inflationary shock created by Russia's invasion of Ukraine. The ability of credit hedge funds to adapt both short and long risk to market circumstances is a distinct advantage given the constantly changing and volatile environment.

Sven Olson, Co-Founding Partner and Senior Research Analyst, Acer Tree

Prior to founding Acer Investment Management, Sven worked for Angelo, Gordon where he spent two years as a distressed analyst and his last year assisting in the launch of AG's first European CLO. Prior to Angelo, Gordon, Sven was a founding Partner at Castle Hill, where he focused on industrials and special situations. Previously, Sven spent three years in proprietary trading at Deutsche Bank focusing on a variety of debt, equity and derivative instruments. Before that, Sven was the Head of European High Yield Research at Deutsche Bank where he received the top ranking from Institutional Investor in the industrial category. Sven began his research career at Bankers Trust in New York in 1998.



GUEST ARTICLES (cont.)

Navigating private markets in a liquidity constrained environment

Andrew White, CFA, Senior Investment Principal, Capricorn Private Investments

Liquidity conditions in private markets remain a central concern for allocators today, prompting renewed questions about the value of private allocations relative to public equivalents. This is not because the case for private assets has disappeared, but because the path from reported value to realised cash has, in some cases, become materially longer. For those of us allocating on behalf of long-term multi-asset portfolios - in Capricorn's case for families, institutions and charitable foundations - the practical question is no longer simply whether private equity can outperform over time, but whether sufficient illiquidity premium exists to justify the long lock-ups and fee drag that remain a feature of many strategies.

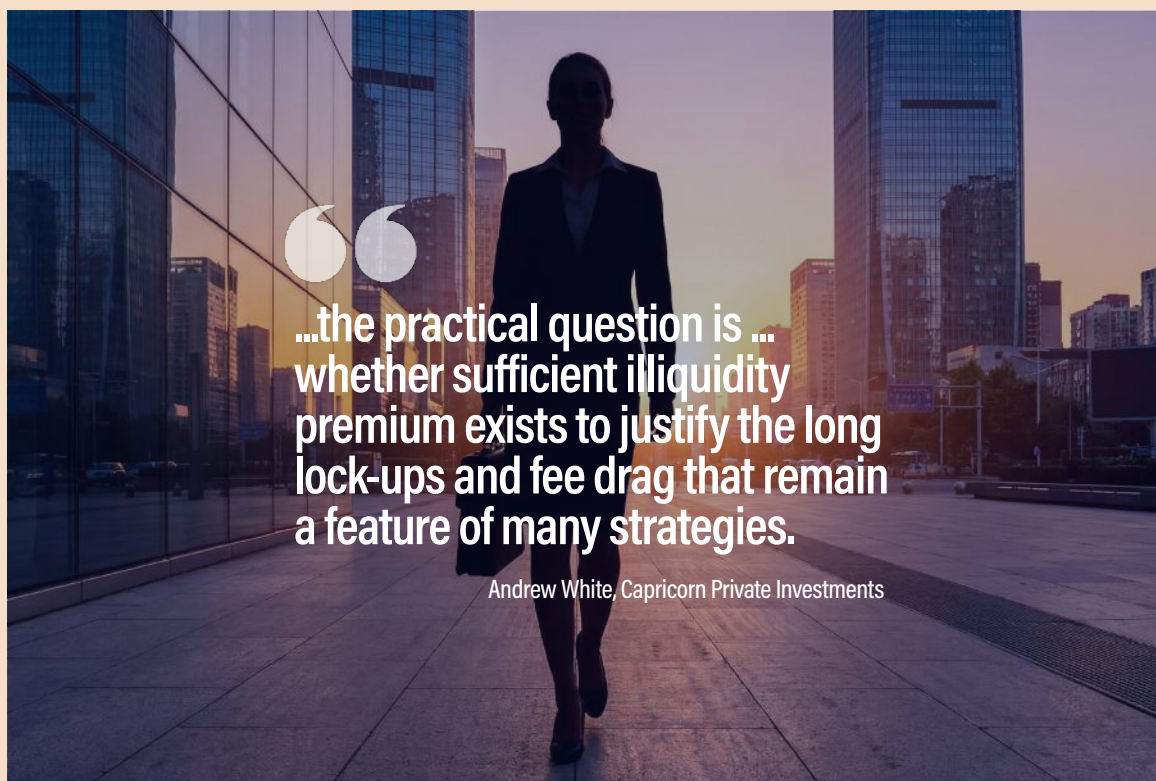
That question deserves greater scrutiny in a higher-rate environment than it did during the years when falling discount rates, abundant liquidity and ready leverage did much of the heavy lifting. The global interest-rate environment sits at the heart of this adjustment. Higher rates have made traditional buyout underwriting more demanding by raising financing

costs, constraining leverage and reducing the scope for multiple expansion. The recent Bain & Company: Global Private Equity Report 2026¹ highlights that where once a 5% annual growth in EBITDA was required to return a 2.5x multiple over a five year hold period, due to higher interest rates and lower leverage ratios, an equivalent EBITDA growth rate of 10-12% is now required. That does not mean buyouts are unattractive; it does mean, however, that the return equation is far more demanding, and the likelihood of achieving the expected returns to justify illiquidity is consequently far less certain.

While the degree of 'premium' demanded by individual investors for illiquidity is highly subjective, we would broadly expect an annualised net return of 300-500bps above public market equivalents to be sufficient compensation to lock-up assets for a period of a decade – or more in some instances.

The most immediate challenge has been weaker M&A

¹ Bain & Company Global Private Equity Report 2026



GUEST ARTICLES (cont.)

and capital markets activity. Distributions, or DPI, have declined markedly as a proportion of fund NAV since 2017, according to the same Bain report. This has contributed to hold periods for portfolio companies at their longest on record, with over 39% of global active buyout-backed companies now held for longer than 5 years (according to the same source). This matters beyond the optics of distributions; lower DPI impairs pacing, reduces flexibility to recommit capital and increases the opportunity cost of remaining tied up in ageing vintages just as new investments may be emerging across both liquid and less-liquid strategies.

Private credit also deserves a more nuanced place in the conversation. The asset class has delivered strong recent performance, with direct lending strategies for example annualising at around 4% above high yield bonds over the past decade². We believe select areas of private credit remain attractive, particularly where recent dislocations have improved pricing. However, the growth of semi-liquid vehicles has highlighted a basic structural point: liquidity at the fund level cannot exceed the liquidity of the underlying assets for long. Redemption gates and queues are not necessarily signs of stress, and are designed to protect long-term value when redemption requests rise. The same principle applies more starkly to private equity evergreen structures, an area where caution is warranted given the illiquidity of the underlying fund investments make the imposition of fund level gates in future almost inevitable.

That said, one enduring benefit of private equity allocations is that they are not marked every day, and can therefore help investors look through shorter periods of public-market volatility and disruption. In the current environment, with instability linked to the Middle East conflict affecting oil prices and broader market sentiment, that behavioural advantage should not be dismissed. The closed-end nature of private equity can help long-term investors remain focused on underlying company progress



Our bias remains towards lower middle-market buyouts and other idiosyncratic opportunities where manager skill, pricing discipline and operational value creation can still drive attractive outcomes.

rather than daily price action.

This brings us back to the illiquidity premium itself. In our view, it should no longer be treated as a default assumption attached to anything private. In some parts of venture capital and private equity, once fees and lock-ups are fully taken into account, the premium may not be compelling enough to justify the trade-offs. The

real value of illiquidity now lies less in broad exposure to the asset class and more in selecting those managers and strategies where the compensation for locking up capital is both visible and justified. Clearly, determining with certainty ex-ante which funds are likely to deliver such returns 10 years into the future is an impossibility; rigorous quantitative analysis of historic performance and qualitative assessment of a manager's process and strategy – including thorough referencing – can help bridge the uncertainty as best possible.

Our bias remains towards lower middle-market buyouts and other idiosyncratic opportunities where manager skill, pricing discipline and operational value creation can still drive attractive outcomes. We also continue to see merit in select co-investments and parts of the secondaries market, though selectivity remains critical. The opportunity set has not disappeared, but it is no longer broad enough to justify blind vintage-year deployment or undifferentiated exposure to the asset class.

Andrew White, CFA, Senior Investment Principal, Capricorn Private Investments

Capricorn Private Investments is a London-based private investment office, serving as an outsourced investment partner to family offices, entrepreneurs, endowments and charitable foundations. Capricorn provide highly customised investment solutions across asset classes and aim to deliver to clients a service equivalent to having capital managed by their own dedicated family office with the investment approach of a leading institution.



² J.P.Morgan Asset Management: Guide to Alternatives

GUEST ARTICLES (cont.)

FX and interest rate risk in a fragmented world

Jack Carnell, Head of Portfolio Solutions, Private Markets, Marex

Fragmentation is a key feature of the current investment landscape, with geopolitical tensions and divergent policies creating a more complex and volatile environment. Capital flows and financing conditions are increasingly region and market-specific.

This is directly impacting private markets. Fundraising is slower, capital pools are more widely dispersed and transactions are increasingly cross-border. Fragmentation is changing how managers think about risk and return.

As capital is more dispersed, funds have to go further afield to raise it. You used to be able to do a roadshow around Europe. Now, capital sits in more places and you have to go out and search for it.

Foreign exchange and interest-rate exposure, once seen as afterthoughts in transactions, are becoming integral to investment decisions.

Historically, FX and rates were a last-minute

consideration – a by-product of investing. They are now less back office and more front office factors.

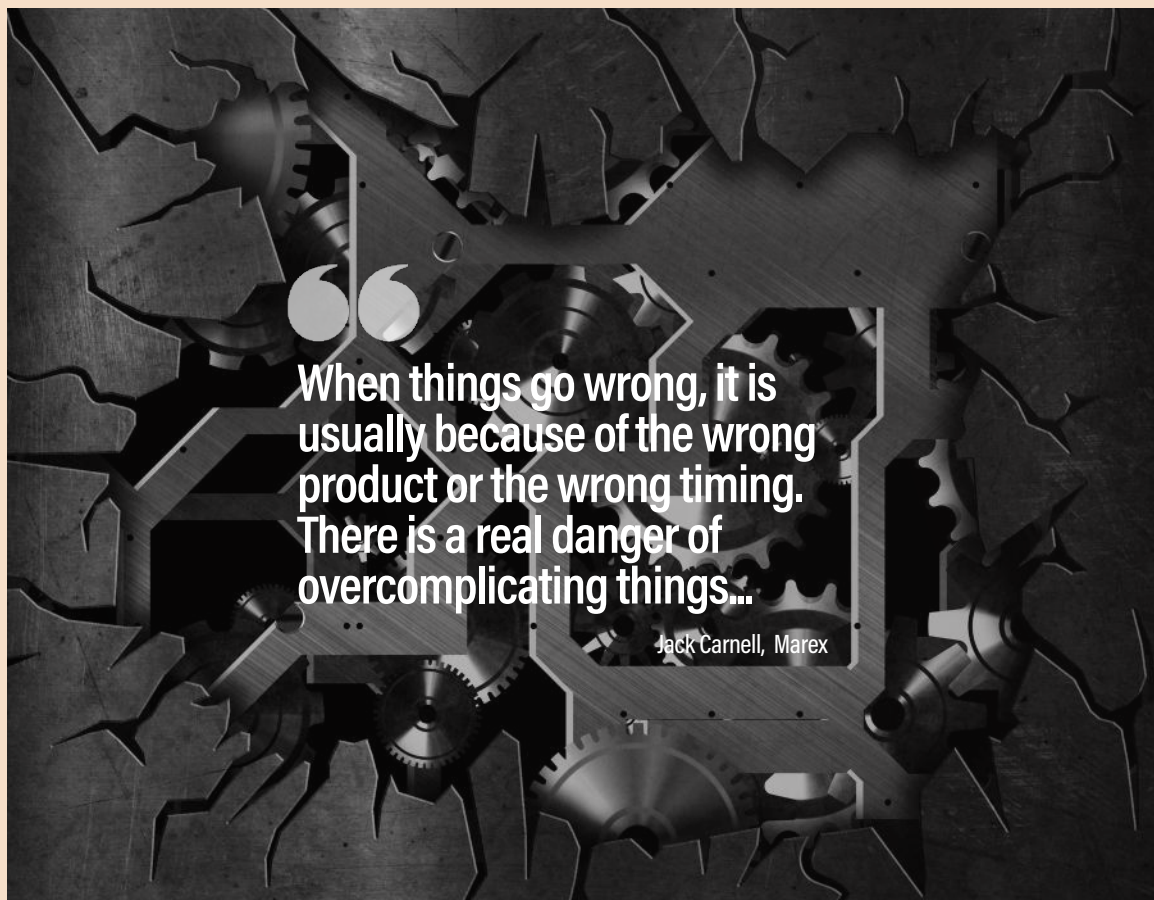
Managers are increasingly aware of how market movements can materially affect returns throughout the lifecycle of a transaction. For example, a euro-denominated fund buying a UK asset could find that a shift in sterling reduces value, even if the performance of the business remains sound. We are living in a more volatile world, and people are seeking ways to reduce uncertainty.

FX and rates are key tools for protecting internal rates of return. Our objective is not to predict where currencies are going, but to help clients mitigate downside risk from adverse FX movements.

Currencies are no longer driven mainly by scheduled economic announcements, but by geopolitics, policy changes and shifts in sentiment.

The growing demand in risk mitigation products



GUEST ARTICLES (cont.)

for FX and rates comes with its own risks. When things go wrong, it is usually because of the wrong product or the wrong timing. There is a real danger of overcomplicating things, which is ironic given that FX is one of the most transparent and visible markets.

In our experience, private markets managers often assess hedging needs at the point of acquisition, on exit, and to protect management company income streams.

Clients are more focused than ever on working with credible counterparties, reflecting market consolidation and a growing appetite for a broader range of solutions. They are increasingly looking for specialist providers with deep experience of private capital managers, a strong understanding of fund structures, flows and underlying requirements, and a commitment to long-term relationships across the entire fund and investment lifecycle.



Anyone can quote a price. What matters is the ability to provide clear, informed insight. Clients tell us they want quick decisions, strong execution and greater certainty around risk.

Jack Carnell, Head of Portfolio Solutions, Private Markets, Marex

For more information please visit info.marex.com/marex-fx-private-markets

Marex Group plc (NASDAQ: MRX) provides market access, infrastructure services and essential liquidity to clients across global commodity and financial markets. The Group provides comprehensive breadth and depth of coverage across four services: Clearing, Agency and Execution, Market Making and Hedging and Investment Solutions. It has a leading franchise in many major metals, energy and agricultural products, with access to more than 60 exchanges. Marex has over 3,400 active clients, including some of the largest commodity producers, consumers and traders, banks, hedge funds and asset managers. With more than 50 offices worldwide, the Group has over 3000 employees across Europe, Asia and the Americas.

GUEST ARTICLES (cont.)

Solving the Cost of Trust in a Fragmented World

Ruud Smets, Managing Partner and CIO, Theta Capital Management

For asset managers of private capital in a fragmented world, trust is critical. We trust that ownership is clearly defined, transactions will settle as agreed, records are accurate, and rules are enforced consistently. Creating that trust is expensive. It requires intermediaries, compliance processes, reconciliation systems, legal contracts, and regulatory oversight. Much of this cost is fixed. As a result, it weighs heaviest on small transactions, niche assets, and marginal participants.

Traditional financial markets rely on layered institutional arrangements to manage trust between parties who do not know one another. Brokers, custodians, clearing houses, correspondent banks, and legal frameworks all play a role. For large, standardised transactions, this structure works well enough. For smaller or more bespoke transactions, the overhead often becomes prohibitive.

The result is that liquidity pools around a relatively small number of assets and participants. Long-tail assets remain illiquid not because they lack value, but because the cost of underwriting, monitoring, and settlement is too high relative to their size. Potential borrowers, lenders, and traders are excluded not by regulation, but by economics.

By making trust programmable, blockchains change

this calculus. Blockchains embed verification, settlement, and enforcement directly into shared software systems. Instead of relying on multiple intermediaries to maintain separate records and reconcile them after the fact, participants coordinate around a single, collectively maintained ledger. Transactions settle automatically according to predefined rules. Ownership and obligations are transparent and verifiable in real time.

The economic consequence is inescapable: when the cost of trust falls, the minimum viable size of a market falls with it.

This pattern is familiar. Economic history is shaped by institutional innovations that reduced foundational costs. Double-entry bookkeeping lowered the cost of accounting and enabled complex organisations. Limited liability reduced the cost of risk-taking and unlocked large-scale capital formation. Centralised clearing and settlement made modern securities markets possible. Each innovation expanded the range of economic activity that could be coordinated reliably.

Blockchains operate on the same axis, but at a more fundamental level. They reduce the cost of trust itself. When trust is expensive, markets must be large, standardised, and few. When trust is cheap,



When trust is expensive, markets must be large, standardised, and few. When trust is cheap, markets can be smaller, more specialised, and more numerous.

Ruud Smets, Theta Capital Management

GUEST ARTICLES (cont.)

The larger mistake for asset managers of private capital would be to dismiss blockchains as a speculative distraction and miss the underlying economic paradigm shift.

Ruud Smets, Theta Capital Management

markets can be smaller, more specialised, and more numerous.

The timing of this shift matters. Advances in artificial intelligence are rapidly lowering the cost of analysis and decision-making. As intelligence becomes cheaper and more widely available, the binding constraint shifts toward economic coordination. The challenge is no longer generating insight, but executing agreements reliably and at scale.

In other words, trust becomes the scarce input. Automated systems can act continuously and at speed, but only if the rules governing ownership, settlement, and enforcement are clear and credible. Blockchains address this constraint by making trust verifiable and execution predictable. In economic terms, artificial intelligence commoditises cognition, while blockchains commoditise trust. Together, they change the relative cost structure of coordination. But only one of them determines whether transactions can safely occur.

Reducing the cost of trust does not eliminate the need for coordination or rules. It changes how those rules are enforced. Instead of relying on institutions to behave correctly, blockchains make outcomes independently verifiable. Participants do not need to trust the system; they can verify that it operates as specified.

This distinction matters. It removes the need for discretionary enforcement in many cases, but not all. Governance, legal frameworks, and regulation remain essential, particularly where consumer protection and financial stability are concerned. But where verification can replace trust, the economic implications are significant.

The larger mistake for asset managers of private capital would be to dismiss blockchains as a speculative distraction and miss the underlying economic paradigm shift. History suggests that when a foundational institutional cost falls, the most important effects emerge gradually, through new organisational forms and market structures that were previously impossible.

The significance of blockchains is not that they create new assets, but that they expand the frontier of economic coordination. They allow markets to form closer to the margin—at smaller scale — and with broader participation.

Trust has always been one of the most expensive inputs in economic life. Technologies that reduce its cost do not merely make existing markets more efficient. They determine which markets can exist at all.

Ruud Smets, Managing Partner and CIO, Theta Capital Management



REGULATIONPresented by  **RQC GROUP****UK****Buy Side regulatory priorities**

On 19 March 2026, the FCA published its [Regulatory Priorities](#) for the UK [Wholesale Buy Side](#) sector.

Published in March 2026, the inaugural annual Regulatory Priorities reports provide specific key priorities for each sector. They aim to be a clearer, more consistent way of communicating key priorities and relevant work undertaken compared to the erstwhile “portfolio letters”.

The reports act as a guide for firm’s boards and chief executives. They aim to help firms better understand what’s expected, strengthen compliance, support innovation, and deliver improved outcomes. Firms are expected to consider which priorities and recommendations apply to them, based on their business models.

The Wholesale Buy Side Regulatory Priorities applies to asset managers, alternative asset managers and custody and fund services providers. Building on themes in recent portfolio letters, and other communications, the FCA sets out four buy side priorities for the next year:

1. Evolve regulation to foster growth and innovation and serve changing consumer needs: Firms are expected to implement robust governance for emerging

technologies such as AI and distributed ledger technology (“DLT”);

2. Deliver good outcomes to consumers: *Inter alia*, firms are expected to take an outcomes-based approach to the Consumer Duty and provide clear communications to investors;
3. Reinforce consistent, high standards across private market investing: firms are expected to review and update governance and processes for valuations, ensure robust processes are in place regarding conflicts of interest and align product development frameworks for retail products and retirement solutions; and
4. Preserve market integrity and resilience to disruption: *Inter alia*, firms are expected to strengthen operational resilience, assess and manage dependencies on material third party providers, and maintain robust incident response and recovery plans.

Other areas of regulatory focus include reviews of the prudential regimes, the remuneration framework and SMCR, publishing the findings of the financial crime survey and final policy statements on the cryptoasset regime.

FCA’s annual work programme 2026/27: FCA sets out next phase of “smarter, more effective regulation”

The FCA on [26 March 2026](#) released its annual work programme for [2026-2027](#) – an annual staple of its regulatory calendar, last published on [8 April 2025](#), and now in its second year in the regulator’s Strategy [2025-2030](#).

In 2026-27, the regulator proposes to deliver four strategic priorities, from which the accompanying [press release](#) highlights a number of salient points:

- I. Smarter, more efficient and effective regulator
 - » Digital and data capabilities, including:
 - Integrating AI into regulatory workflows;
 - Generative AI reviewing documents from firms; and
 - Expanding the Supercharged Sandbox.
 - » Enhancing firms’ experience, including:
 - Faster authorisation timelines, both statutory and new, shorter voluntary targets;
 - More firm and fund applications submitted by simplified digitised forms;
 - Increasing proportionality and effectiveness of the

Senior Managers Regime;

- Reducing firms’ regulatory burden, collecting only essential data – three more data returns removed;
 - Migrating more data requests and regulatory tasks on to “My FCA”; and
 - Sandbox environment to test automated data feeds between the FCA and firms.
- » Integrated and proportionate regulatory approach, including:
 - Simplifying rules where appropriate; and
 - Regulatory Priorities provided for each sector.
 - » Efficient and effective operations:
 - Leveraging data analytics and digital tools, smarter case handling, triaging information and intelligence.
 - II. Supporting growth
 - » Unlocking capital investment and liquidity across UK markets;
 - » Accelerating digital innovation to improve productivity;

- The Work Programme's [press release](#) promotes two further annual FCA fixtures:

- Consultation [CP26/11](#) on 2026/27 fees and levies: the regulator proposes to raise minimum and flat fees by 1%: *“the lowest rise in the fees budget since 2017/18 ... the lowest annual funding requirement increase in a decade, at just 0.7%”*.
- [Perimeter report](#) for 2026/7.



Operational incident and third party reporting: UK regulators confirm new incident and third party rules to bolster resilience

On 18 March 2026, the Financial Conduct Authority ("[FCA](#)"), Bank of England and the Prudential Regulation Authority ("[PRA](#)") each published [policy statements](#) on establishing a common regulatory regime for operational incidents and third party reporting, following Dec 2024's [CP24/28](#) and other consultations across the financial sector.

Operational incident reporting applies, *inter alia*, to all firms with a Part 4A permission.

Third party reporting applies, *inter alia*, to enhanced scope Senior Managers & Certification Regime ("[SMCR](#)") firms and PRA designated investment firms. Most investment firms and fund managers are out of scope.

The FCA accompanied the policy statement with two finalised guidance notes:

- [FG26/3](#) on operational incident reporting: and a new [webpage](#) on reporting operational incidents
- [FG26/4](#) on material third party reporting: and a new [webpage](#) on reporting material third party arrangements.

Responding to feedback that firms seek greater clarity and practical support, these guidance notes include clear examples of what firms should report, help in applying the thresholds, and guidance on completing the incident form and third party register.

The FCA [explains](#) that confirming the new rules should "*make existing incident and third party reporting clearer, more consistent, and easier for firms to follow.*" Referencing the notorious Cloudflare outage, with cyber attacks becoming ever more frequent and sophisticated, and many

firms increasingly reliant on third party providers, the new rules in FCA policy statement [PS26/2](#) should help the FCA respond more swiftly to disruptions, offer firms more certainty on what and when to report – specifically requested by respondents to the [December 2024](#) consultation on clear, more structured reporting frameworks.

For [both](#) the [incident reporting](#) and [third party reporting](#) final rules, the FCA has:

- Established a simple, streamlined reporting regime with the PRA and Bank of England, including a single reporting portal;
- Refined the overall information required, allowing most solo regulated firms to complete a short form to notify their incident; and
- Added clearer guidance on thresholds, definitions and responsibilities.

The end goal is to strengthen firm resilience to better protect consumers and markets.

A [webinar](#) on 29 April 2026 invites firms to enquire and ask questions.

To further drive home key messages, the FCA on 27 March 2026 published: *Operational resilience: insights and observations one year on: [Good and poor practice](#)*.

Going forward, firms have twelve months to prepare before the new rules come into force on 18 March 2027.

Two years after implementation, the regulator will review the regime for effectiveness and expected outcomes.

FCA bans Kasim Garipoglu, former chief executive of online trading firm, for failing to act with honesty and integrity

The FCA on [13 March 2026](#) issued a [final notice](#) to Kasim Garipoglu, prohibiting him from working in financial services, for failing to act with honesty and integrity.

Mr Garipoglu was the owner of a firm that provided online trading of foreign exchange and contracts.

Between April 2012 and December 2022, during which Mr Garipoglu was an approved person holding controlled functions, as chief executive (CF3) until May 2015 and as director (CF1) until October 2017, the FCA found that he repeatedly demonstrated a disregard for regulatory requirements, undermined compliance and anti-money laundering controls, and positively encouraged serious misconduct amongst his colleagues.

Mr Garipoglu repeatedly overruled those advising him that his instructions were illegal and in breach of regulatory requirements. He consistently prioritised commercial advantage over regulatory requirements, including in

regarding the potential for regulatory fines to be a business risk worth taking.

He also deliberately provided false and misleading information to the FCA and other regulators, instructed the forgery of a document to evidence that an employee lived at a UK address with him when neither of them did so, falsified a university degree certificate for himself and made inaccurate declarations to the FCA in an authorisation application for another firm which he owned. In one instance, he instructed a colleague to impersonate him in communications and a phone call to the South African regulator.

In another instance, he had his staff take a required anti-money laundering test on his behalf and passed off the result as his own and later denied this to the FCA.

A tribunal reference and appeal have been struck out.

**US**

Commodity Futures Trading Commission and Securities and Exchange Commission sign historic memorandum of understanding on regulatory harmonization

On March 11, 2026, the Commodity Futures Trading Commission (“**CFTC**”) and Securities and Exchange Commission (“**SEC**”) [entered into](#) a significant new Memorandum of Understanding (“[MoU](#)”) aimed at strengthening coordination between the agencies. The agreement is positioned as a major step toward regulatory harmonization, reducing duplicative requirements and closing long-standing gaps across markets overseen jointly or in parallel by the two regulators.

The agencies emphasise that fragmented or inconsistent regulatory approaches have historically burdened market participants and created uncertainty. The new MoU seeks to modernise and align regulatory frameworks to better reflect evolving market structures and emerging technologies. Both the CFTC and SEC [highlighted](#) their shared commitment to maintaining market integrity, enhancing investor and customer protection.

Joint Harmonization Initiative

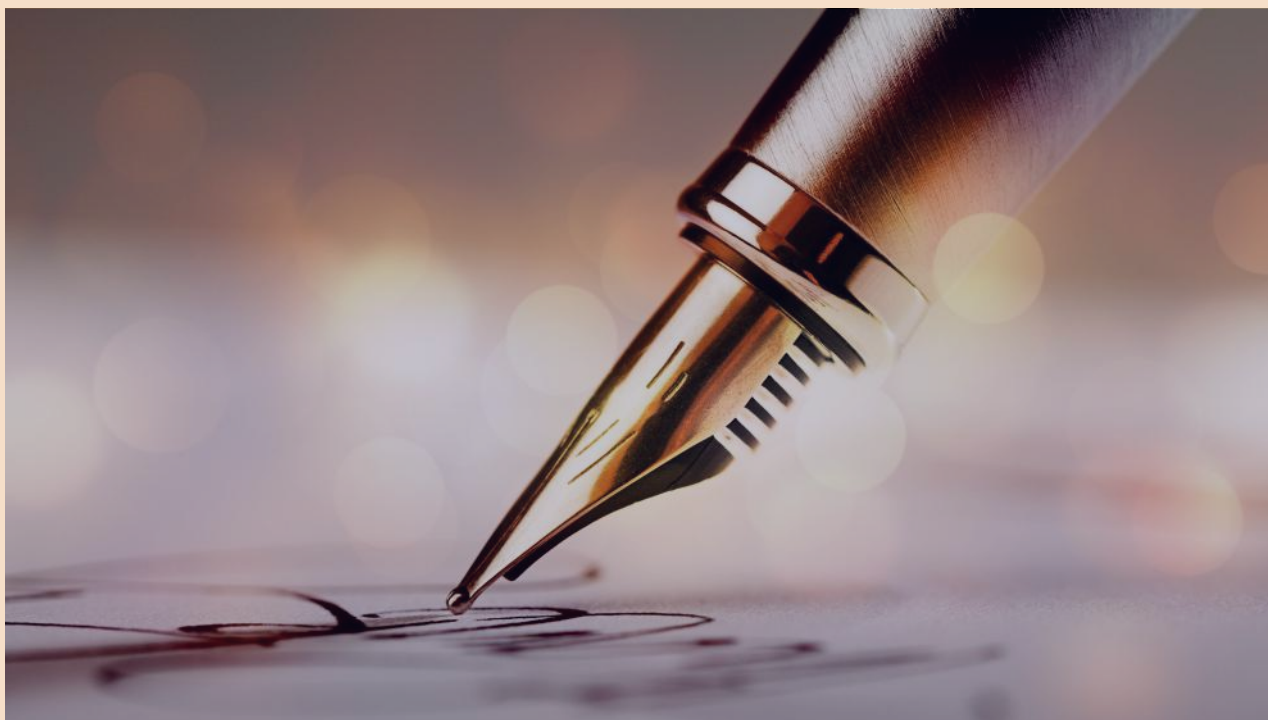
In conjunction with the MoU, the agencies have created a new Joint Harmonization Initiative which will be co-led by Meghan Tente (CFTC) and Robert Teply (SEC). It has been

established to coordinate policy development, examinations, surveillance, risk monitoring and enforcement activities across both agencies. Priority areas include:

- Clarification of product definitions through joint interpretations and rulemaking.
- Modernisation of clearing, margin, and collateral frameworks.
- Reducing regulatory friction for dually registered firms, exchanges and trading venues.
- Establishing a fit-for-purpose regulatory framework for crypto assets and emerging technologies.
- Streamlining regulatory reporting across trade data, funds and intermediaries.
- Coordinated examinations and enforcement functions to ensure more seamless oversight.

Both Chairs stressed the importance of moving beyond historical fragmentation.

The CFTC described the MoU as a step toward creating “*comprehensive and seamless financial market*



REGULATION (cont.)

oversight", eliminating duplicative burdens and increasing US competitiveness. The SEC noted that decades of "regulatory turf wars" have obstructed innovation, and the new agreement will serve as a roadmap for harmonisation. Together, these statements reflect a regulatory environment shifting toward clearer, more collaborative oversight across securities and derivatives markets.

Implications for Firms

The MoU could lead to substantive changes for firms operating across both regulatory regimes:

- Greater clarity on product classification, particularly in areas involving hybrid instruments or digital assets.
- Potential reduction in duplicative requirements for firms dually registered with both agencies.
- More consistent supervisory expectations, especially around reporting, examinations and enforcement.

- Anticipated updates to frameworks governing clearing, margining and collateral usage.

While immediate operational impacts are limited, firms should monitor follow-on actions from the Joint Harmonization Initiative, as these will shape practical implementation.

This MoU represents a meaningful shift toward unified oversight in markets historically challenged by overlapping jurisdiction. For firms active in derivatives, securities or digital assets, the agreement signals that regulatory clarity and simplification may be forthcoming - though substantial detail will depend on subsequent interpretive and rulemaking output.

Securities and Exchange Commission clarifies the application of Federal Securities Laws to crypto assets

In an interpretive [release](#) issued on [March 17, 2026](#) and effective [March 23, 2026](#), the Securities and Exchange Commission ("SEC") provided an interpretation regarding the [application](#) of the federal securities laws to certain types of crypto assets and certain transactions involving crypto assets.

The Commodity Futures Trading Commission ("CFTC") joined the SEC's commission-level interpretive release on how the federal securities laws apply to crypto assets and the CFTC said it will administer the Commodity Exchange Act consistently with the SEC's view. This is the most sweeping, formal guidance the agencies have put out on crypto to date.

- The Interpretation creates a coherent five-part token taxonomy (digital commodities, digital collectibles, digital tools, stablecoins, and digital securities), clarifies when a non-security token can still be sold under an

investment contract, and addresses staking, protocol mining, wrapping, and airdrops.

- The agencies emphasise that most crypto assets are *not* securities, including major decentralised assets such as Bitcoin, Ether, and XRP.
- The *Howey* test still remains the binding legal precedent for determining whether these types of transactions can be deemed investment contracts, and the facts surrounding each type of token and transaction will control the analysis.
- This joint guidance builds on the new **SEC-CFTC Memorandum of Understanding** and "*Joint Harmonization Initiative*," signaling tighter coordination between the agencies and more rulemaking ahead.

Commodity Pool Operators and Commodity Trading Advisor members: National Futures Association eliminates certain financial reporting obligations by repealing Interpretive Notice 9071

The National Futures Association ("NFA") on March 19, 2026 [announced](#) that it had repealed Interpretive Notice 9071, which previously required Commodity Pool Operator ("CPO") and Commodity Trading Advisor ("CTA") Members to report certain quarterly financial ratios under Compliance Rule [2-46](#). This change is effective immediately.

For additional details, the NFA's [March 3, 2026](#) rule submission letter to the CFTC provides further background.

The repeal aims to reduce reporting burdens, as the financial ratios were found to be of limited value in identifying firms with potential financial issues. The NFA noted that other existing financial reporting requirements - such as those under Compliance Rule [2-50](#) - are more effective for monitoring the financial health of commodity pools.

REGULATION (cont.)Presented by  **RQC GROUP**

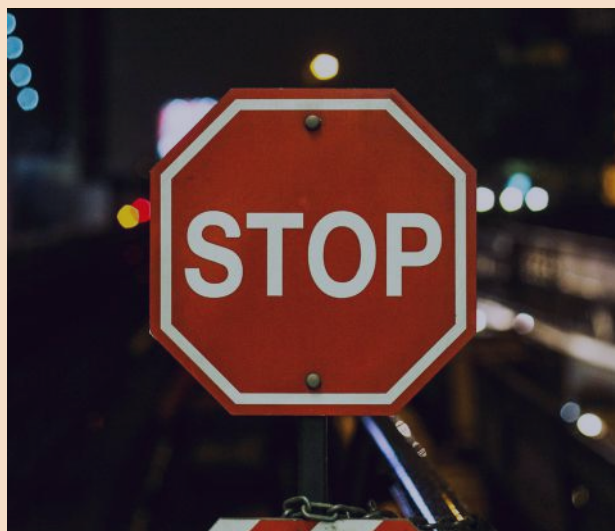
National Futures Association orders Connecticut-based firm to withdraw from, and not reapply for, NFA membership

On [March 10, 2026](#), the National Futures Association ordered a member commodity pool operator in Greenwich, Connecticut to withdraw from, and not reapply for, NFA membership or principal status. The NFA also ordered the firm's principal and associated person to withdraw from, and not reapply for, NFA membership or principal status.

The [Decision](#), issued by an NFA Hearing Panel, is based on a [Complaint](#) issued by NFA's Business Conduct Committee ("BCC") and a settlement offer submitted by the firm and its principal, in which they neither admitted nor denied the allegations in the Complaint.

Among other charges, the BCC alleged in its Complaint that the firm failed to maintain required records, distribute complete account statements to pool participants and timely file pool reports with the NFA, in violation of [NFA Compliance Rules 2-13](#) and [2-46](#); failed to timely report an individual as a principal of the firm, in violation of [NFA Registration Rule 208](#); permitted an unregistered individual to act as an Associated Person without being an NFA Associate, in violation of [NFA Bylaw 301](#); and failed to cooperate promptly

and fully with the NFA, in violation of [NFA Compliance Rule 2-5](#). Finally, the BCC alleged the firm and its principal failed to supervise, in violation of [NFA Compliance Rule 2-9](#).



Click [here](#) to subscribe to The Alternative Investor; or if you have a question about the publication or a suggestion for a guest article email the team at hello@alternativeinvestorportal.com.



Brodie Consulting Group is an international marketing and communications consultancy, focused largely on the financial services sector. Launched in 2019 by Alastair Crabbe, the former head of marketing and communications at Pernal, the Brodie team has extensive experience advising funds on all aspects of their brand, marketing and communications.

Alastair Crabbe**Director**

Brodie Consulting Group

+44 (0) 778 526 8282

acrabbe@brodiecg.comwww.brodiecg.comwww.alternativeinvestorportal.com

Capricorn Fund Managers Limited is an investment management and regulatory hosting business that provides regulatory infrastructure and institutional quality operational, compliance and risk oversight. CFM is part of the Capricorn Group, an international family office, which has been involved in alternative assets since 1995.

Jonty Campion**Director**

Capricorn Fund Managers

+44 (0) 207 958 9127

jcampion@capricornfundmanagers.comwww.capricornfundmanagers.com

RQC Group is an industry-leading cross-border compliance consultancy head-officed in London with a dedicated office in New York, specializing in FCA, SEC and CFTC/NFA Compliance Consulting and Regulatory Hosting services, with an elite team of compliance experts servicing over 150 clients, and providing regulatory platforms to host over 60 firms.

United Kingdom:

+44 (0) 207 958 9127

contact-uk@rqcgroup.com

United States:

+1 (646) 751 8726

contact-us@rqcgroup.comwww.rqcgroup.com

Capricorn Fund Managers and RQC Group are proud members of



Editorial Board

Alastair Crabbe

acrabbe@brodiecg.com

Darryl Noik

dnoik@capricornfundmanagers.com

Jonty Champion

jchampion@capricornfundmanagers.com

Lynda Stoelker

lstoelker@capricornfundmanagers.com

James Bruce

jbruce@capricornfundmanagers.com

Visit www.alternativeinvestorportal.com to see past publications, industry events and more.

Click [here](#) to subscribe to all future copies.

A Brodie Consulting publication in conjunction with Capricorn Fund Managers and RQC Group.

