

Funding the Future

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The FT [published an article](#) yesterday in which they reported:

Private equity firms sold companies to themselves at a record rate this year, making use of a controversial tactic to hold on to assets as managers struggled to find buyers or list their investments.

As they then explained:

Roughly a fifth of all PE sales this year involved groups raising money from new investors to acquire businesses from their older funds, up from 12-13 per cent the previous year, said Sunaina Sinha Haldea, global head of private capital advisory at Raymond James.

Such transactions sell assets already owned by a PE group to so-called continuation vehicles — newer funds also managed by the firm. The tactic enables PE firms to return cash to investors in older funds, but has prompted concerns about potential conflicts of interest.

Apparently, the sales in question were worth \$107bn in 2025, compared to \$70bn in 2024.

First, forgive me for suggesting that this looks like a Ponzi-style arrangement where newer entrants into a scheme of financialisation are used as the source of funds to pay returns to earlier investors, but candidly, that is precisely what it looks like.

And, secondly, excuse me again for thinking that this stinks of desperation to maintain values when supposed "free markets" could not justify the returns being claimed on the assets in question.

I have long thought private equity funds a racket best avoided by any investor possessed of a sound mind and clear vision. This only confirms my view. If such techniques have to be used to create profits in this sector, the resulting reported returns appear, at best, of poor quality. Others might disagree, though. So, you take your pick, but I would rather stay well and truly clear of such activities with my savings.

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