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Fundraising | New Entrants

Richard Lichter, founder of Newbury Partners, launches Causeway Equity Partners



Richard Lichter, Managing Partner at Causeway Equity Partners.

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Newly launched Causeway Equity Partners has announced a fund to target a niche opportunity known as seasoned primaries. These funds are 25% to over 50% committed at final closing, a characteristic very similar to traditional secondaries. Richard Lichter, Founder of Newbury Partners and co-founder of Lexington Partners, will lead the team alongside Partner Alex Maloney.

SecondaryLink connected with Lichter to learn more about the new fund.

The vehicle, which has a target size of \$200 million and a hard cap of \$300 million, is expected to close in February.

Causeway's fund will have a 2-year investment period, with the intention of making "*seasoned primaries behave even more like traditional secondaries as far as reduced J curve and blind pool risk.*"

Most seasoned primaries focus on the small and middle-market. In the current environment, over 70% of these funds spend a year or longer fundraising. Lichter described this segment as *being "less effective at fundraising in difficult environments,"* while also having a "*disproportionately high number of top quartile funds.*"

Lichter highlighted that seasoned primaries share many of the advantages of traditional secondaries, with the added benefit of a "*better cash-on-cash return.*" While secondary interests are typically acquired at above cost, seasoned primary interests are acquired at cost. This distinction gives seasoned primaries a "*similar or better IRR.*"

Considering Lichter's view on the return expectations and market environment benefits of this strategy, it will be interesting to see if more funds adopt seasoned primaries in 2025.

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