



P E R S P E C T I V E

Volatility Laundering

January 6, 2023

While not alone, I have, IMHO, become one of the [chief gadflies](#) of the private equity industry. But I'm a selective gadfly. I'm not negative on the whole idea of private investing, which I believe serves a vital economic purpose. Rather, my criticism has been focused on PE's lack of mark-to-market and some of the implications that brings.

Not long ago, the illiquidity and non-marking that came with private investments was appropriately acknowledged as a bug. These days, however, this same bug is sold as a feature – and sometimes, as in a recent *Institutional Investor* [op-ed](#), brazenly so.

[My response](#) in // covers the good, the bad, and what I think are the increasingly harmful ramifications of taking as reality the unrealistically smoothed returns that private strategies are all-too-happy to report.

[Read the Response Here](#)



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