

THE LP FIELD CARD

Ten Moves for LPs

A working checklist for allocators. Prepare it now. Revisit it when conditions change.

01 Run the liquidity math.

Stress-test eight quarters without distributions, continued calls and falling public markets. Identify the cash shortfall first.

02 Set authority before urgency.

Agree allocation ranges, escalation rules and who may approve exceptions. Make the policy usable under stress.

03 Build the liquidity ladder.

Map unfunded commitments, spending needs, liquid assets and borrowing constraints by quarter. Identify accessible cash.

04 Evaluate secondary sales early.

Compare a sale with other liquidity options before deadlines dictate terms. Price against current assets and unfunded obligations.

05 Pre-authorize selective buying.

Set mandate, funding, diligence and transfer requirements. Underwrite the assets; a discount to reported NAV is only the opening number.

06 Keep pacing deliberate.

Adjust check sizes and commitments to liquidity capacity. Avoid an automatic freeze or an unsupported promise about the best vintage.

07 Test every manager's readiness.

Ask for portfolio triage, reserve assumptions, management-company runway, syndicate support and key-person contingencies.

08 Reward evidence and candor.

Look for consistent valuation methods, timely disclosure and a credible response. An early markdown alone does not prove discipline.

09 Use warnings to start a review.

Read the playbook's market warning signs alongside your own cash position. Signals that move together count as one warning.

10 Preserve the ability to act.

Meet obligations, protect decision capacity and keep room for well-underwritten opportunities. Liquidity buys choices.

DO NOT WAIT FOR THE HEADLINES TO AGREE.