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The financial sector in industrial countries continues to be hampered by excessive regulation and, in many key emerging market economies, by poor monetary and fiscal policy management to control imprudent lending. Labor in both developed and developing parts of the world is paying a heavy price as real wage growth stagnates. It is not certain that government policy makers have the fortitude or wherewithal to make the required economic policy corrections to re-stimulate prudent economic growth.

Meanwhile, dynamic forces continue to play a role in the application of advances in technology, energy, communications, transportation, medicine and health care, and education. Companies are searching for ways to initiate new investments to apply these advances and to satisfy evolving market demand. Producers and consumers face cultural constraints with the rapidity and continuous nature of the changes in the application of new technologies in so many areas of living. The risk of making a major investment when there may suddenly be a new technology or new application of a technology is believed to be increasing. Consumer acceptance and ability or willingness to pay is a growing question. A question also is whether the labor force can be educated fast enough to support production? As well, do they have sufficient funds to purchase continually changing lifelong education or will this additional cost have to be borne by the employer companies? Thus, we see expanding use of robotics and the progressive use of artificial intelligence.

The private equity "Market Snapshot" published at the back of every issue of *The Journal of Private Equity* reflects these uncertainties in the slowdown in activity. We thank Preqin and PitchBook for their continued support.

In this issue of JPE, we have a number of unique articles analyzing various sectors of the private equity (PE) and venture capital (VC) markets not often investigated. In the first article, Gianfranco Gianfrate and Enrico Merlin investigate the investment patterns of sovereign wealth funds and find that collaborative investments are gaining momentum. Their targets are companies in the infrastructure and public utilities industries. Often, a lead global sovereign wealth fund will act as a broker for the whole network of participants, with no one fund being able to dominate the strategy.

Avi Turetsky studies one of the leading private equity firms and explores the investment professional competencies that distinguish extreme outperformance. Professionals who lead outperforming companies tend to excel in three clusters of competencies and style elements. They have more robust and varied toolkits than underperformers, and the mixes of competencies contribute to investment outcomes in identifiable ways.

In the following article, Smita Tripathi analyzes the investment strategies of VC/PE funds in the Indian infrastructure sector. The author confirms that they are more inclined to invest in late stages of development to counter the risk of uncertainty and information asymmetry. Funds differ in their stages of investment on the basis of investor type, number of investors in a deal, and subsector of investment.

David Kupetz investigates potential recharacterization and subordination attacks against bridge loans made by venture capital and private equity firms in the event of an ultimate bankruptcy or insolvency of the borrower. Generally, these VC/PE bridge loans made in good faith and with some foresight are not susceptible to successful attacks based on law that has developed in federal circuit courts of appeal. The author explores the reasons why it is imperative that the economic realities of modern finance and the frequently limited options available to financially distressed businesses are recognized.

With a more macro view of private debt, Savvakis Savvides examines the enormous private debt in Cyprus and how it affects the conditions for economic recovery. The article stresses the need for drastic and decisive actions by the government and international multilateral financiers in restructuring and funding viable institutions in Cyprus to change the economy. Although the debt and nonperforming loans are held by the private sector, bank deposits are primarily foreign owned. Therefore, it is important that the national currency reflect its true exchange value relative to the economy of Cyprus rather than the European economy.

Amit Shrivastava undertakes an analysis of a family-owned business in India, Jyothy Laboratories Limited, which has 1,000 employees and 16 factories. The author explores at what stages such companies seek capital and how the founders try to retain a controlling stake. The article examines how private equity operates in this situation for investors to receive value from an investment in which they have only a minority stake in the company, and it details the exit process.

James Ball and Alex Gefter provide a practical legal guide for financial sponsors in an initial public offering (IPO) exit in the United States, exploring 111 sponsor-backed IPOs in the depressed 2015 and volatile 2016 markets. The authors provide a guideline for the issues that sponsors and their counsel should consider when undertaking an IPO exit strategy.

In an important update announcement, Michael Huttenlocher and Sandra Saunders, supported by Nicole Palmadesso, announce the implications of the change in appraisal rights limitations coming to Delaware-based companies. Private equity firms have frequently voted against mergers or consolidations and then exercise their statutory appraisal rights provided under Delaware code. The authors explain how this profit-maximizing strategy called "appraisal arbitrage" can work when the investor believes the "fair value" of its shares is worth more than the price offered. Under the new bill signed by the Delaware governor on August 1, 2016, only investors holding more than 1% of a company's shares or shares valued at more than $1 million will have appraisal rights.

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