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PLATFORM & PEOPLE · PRIVATE CREDIT & INFRASTRUCTURE INTELLIGENCE #005

GP governance is now a diligence item; Japan opens through the bank door

Four governance events in seven days moved from footnote to the operational due diligence file

>>> Four GP governance failures in seven days moved from footnote to the ODD file; a $17bn exit does not answer an auditor's control finding.

KKR pays a record HSR penalty. KKR & Co. GP LLC agreed on 26 August to pay a $250m civil penalty to settle the DoJ's case under the Hart-Scott-Rodino Act, the US premerger-notification law. The DoJ calls it "more than 20 times any prior HSR penalty"; the previous records were $11m (ValueAct, 2016) and $12m (Edwards Lifesciences, July 2026). The DoJ alleged at least 16 transactions in 2021–22 with documents omitted in at least 10 filings, altered in at least 8, and no filing at all for at least 2.

The judgment binds every KKR-managed fund and vehicle and contains no admission of liability. KKR's 8-K says the penalty "will have no financial impact on the firm, our funds, or any of our investors and will be fully reimbursed by outside law firms". The same week Aon agreed to buy USI Insurance Services from KKR for $17.0bn in cash, closing Q4 2026, about 6.0x KKR's 2017 equity, yielding about $3.3bn after tax.

Guggenheim: the auditor pulls the thread, and an affiliate buys the parent's debt. The FT reported on 3 September that KPMG, as auditor, flagged deficiencies in the internal controls of a Guggenheim private investment division over how it accounted for revenue; the article body was not retrieved. Bloomberg reported Guggenheim Investments' Q2 revenue fell 38% and its earnings gauge 77%, driven by "a lag in recognizing certain advisory fees at Guggenheim Private Investments".

The $1.18bn GIH Borrower term loan due 2031 fell to 73 cents in the week of 24 August. Guggenheim told lenders it or affiliates "might buy term loans on occasion in the open market"; the FT then reported a Guggenheim Partners affiliate buying the loan through Bank of America, lifting it from below 70 cents to 84. On a lender call executives discussed a 2025 whistleblower report into GPI and said the external auditor issued unqualified opinions for 2024 and 2025.

Separately, prosecutors, the SEC and the FBI are examining whether Mark Walter's insurers Delaware Life and Clear Spring failed to disclose that private credit investments backed other parts of his businesses; Delaware Life restated related-party investments from $1.4bn (3%) to at least $17bn (at least 39%). Guggenheim Private Investments advises the Guggenheim Investments Private Credit Fund, whose February N-2/A discloses none of this.

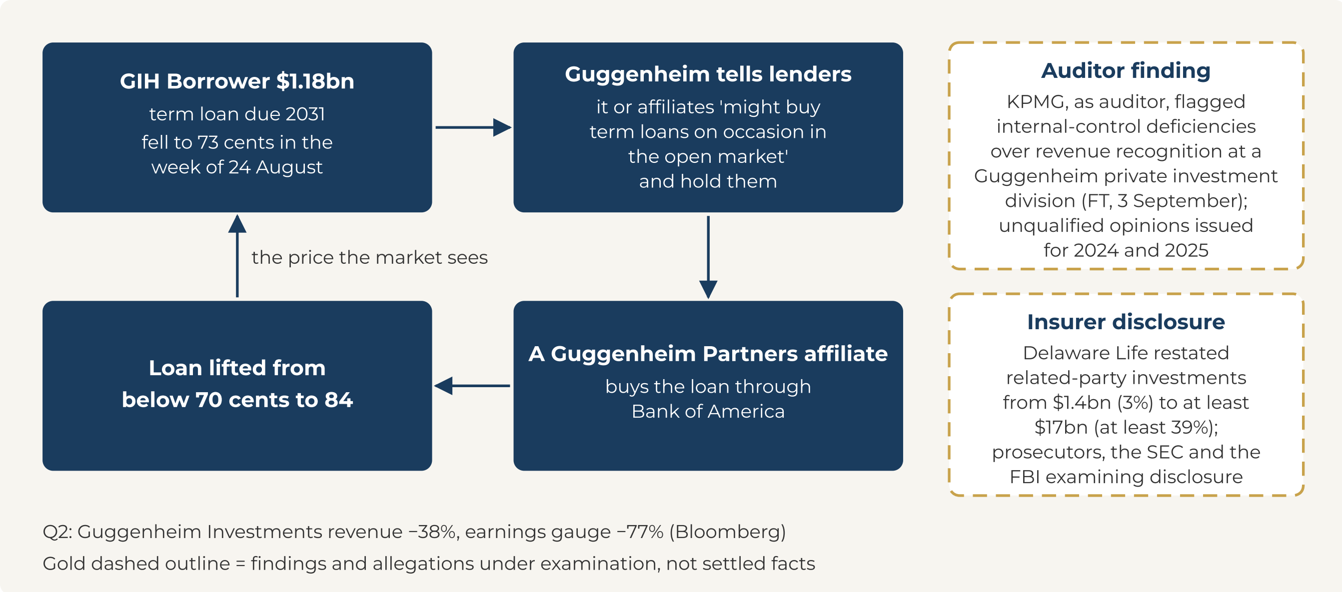

Figure 8 — The Guggenheim loop: the one outside price on the firm is supported by the firm itself

HPS Investment Partners and Aston Martin: a drop-down financing meets a bondholder revolt. Aston Martin's £450m senior secured term loan plus £100m delayed-draw facility, priced at SONIA (the sterling overnight rate) +6.75% to July 2031 with HPS funds as lead lenders, repaid its revolver. The loan is secured on assets in a new subsidiary, with the IP reportedly moved to a Cayman entity. The extra £100m is conditional on transferring 50.1% of non-automotive IP to Authentic Brands Group, in which HPS holds a minority stake and on whose board an HPS founding partner sits.

Bondholders owed about £1.3bn sent a letter before action citing s.423 of the Insolvency Act (transactions that defraud creditors); the co-operation group holds over 90% of the senior secured notes and includes BlackRock, Arini and Sculptor. On 25 August Arini and Tresidor petitioned a New York court for discovery from HPS, ABG, Moelis and Lazard. BlackRock completed its purchase of HPS on 1 July 2025.

This is a drop-down in the US sense, assets moved outside existing creditors' security and financed by a new lender, fought as a contract and s.423 claim rather than a US bankruptcy priming fight.

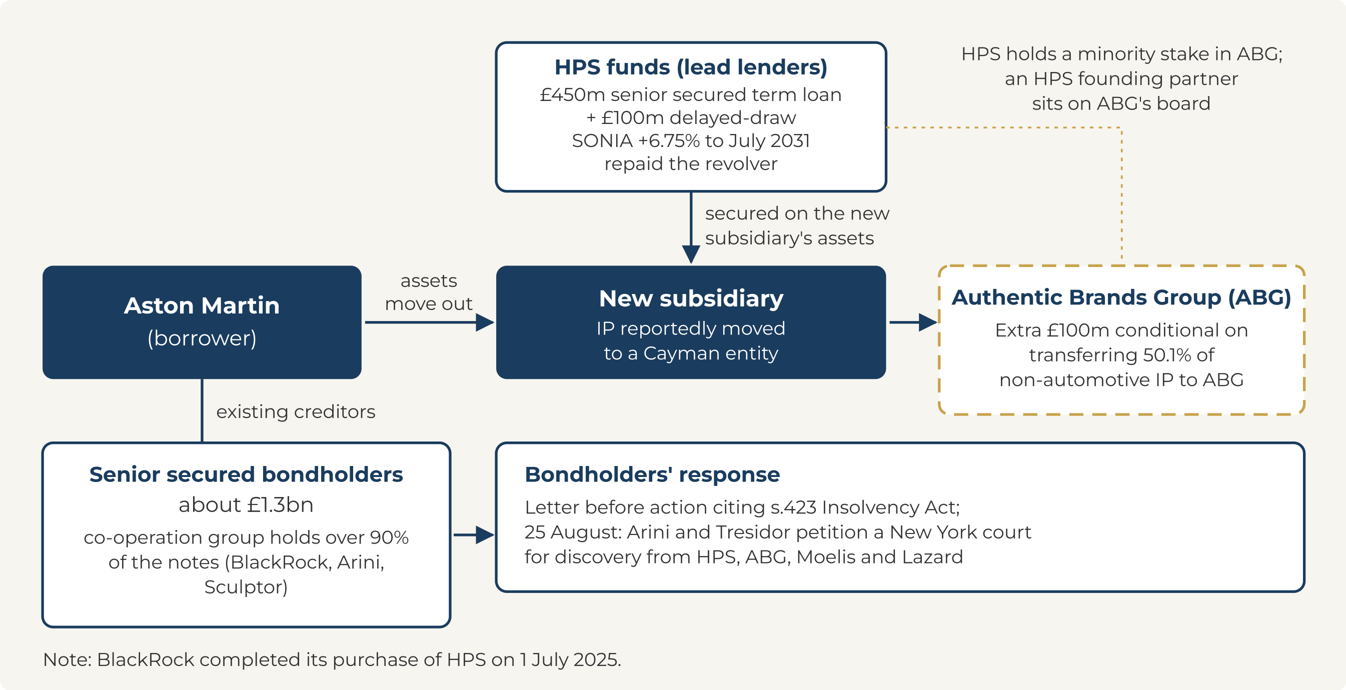

Figure 5 — The Aston Martin drop-down: assets move outside the bondholders' security and a new lender finances them

Each of these already has a line in ILPA's DDQ 2.0: firm indebtedness and pledges of interests in the management company; conflicts-of-interest procedures; regulatory-exam deficiency letters; SSAE 18 / ISAE 3402 control examinations; auditor independence and modified audit opinions. Partners Group's CEO change is the fifth governance event in the same seven days.

Sources: note 15.

For Wealth Managers: None of the four is a fund blowing up; all four are about the manager. Performance and process are separate columns: a $17bn exit at 6x does not close a compliance file. Wealth channels rarely run the ILPA DDQ on semi-liquid products, and Guggenheim Private Investments advises a registered private credit fund aimed at exactly this channel whose prospectus says nothing about any of this. Ask for the manager's most recent regulatory-exam letter and the auditor's control findings before the product sheet.

For Fund Managers: The Guggenheim pattern is different in kind: a related-party loop in which the one outside price on the firm, its loan, has been supported by the firm itself. The HPS case shows US liability-management technique meeting English creditor law; expect the s.423 route to be tested in every European drop-down from here. A record HSR penalty with no admission and full reimbursement by outside counsel still binds every fund you manage.

Japan opens through MUFG's door, on MUFG's terms, as the JGB hits 3%

>>> Japan's private credit opens through MUFG's door on MUFG's terms, while a 3% JGB shrinks the outbound money foreign GPs were chasing.

MUFG and BlackRock announced on 1 September the start of discussions on an "open-platform-based collaboration" in Japanese private credit; MUFG announced a second, separate discussion with Morgan Stanley Investment Management the same day. The stated scope is "the evaluation and sourcing of, and investment in Japan's private credit market", with a platform that "would enable a diverse range of institutional investors beyond the two groups to participate". No size, target, vehicle or timeline was given.

The market MUFG is opening is small by its own regulator's account. The BoJ said in 2024 that the domestic private debt fund market is "extremely limited relative to the U.S. and Europe" because domestic banks dominate lending and price it too tightly for fund economics; the FSA said in April the market "remains underdeveloped and needs cultivation". The demand driver is M&A involving Japanese companies, which more than doubled in 2025 to a record ¥53tn. SMBC formed a Japan-focused private debt JV with Neuberger Berman in April.

The yield gap moved the same day. The 10-year JGB hit 3% on 1 September; the 5-year touched a record 2.265% and the 2-year a 31-year peak of 1.81%. Reuters sources say the BoJ is set to raise rates as soon as 17–18 September. Nippon Life says it is open to becoming a net JGB buyer next fiscal year.

Sources: note 16.

For Wealth Managers: The product that survives a 3% JGB is yen-denominated or Japan-originated, which is what MUFG's platform would produce. The question to put to every dollar private credit manager this autumn is "what is your yen-hedged share class yielding over a 3% JGB". Watch for the first named vehicle from MUFG and for whether Nippon Life follows through as a net JGB buyer.

For Fund Managers: Entry to Japanese corporate lending now runs through a megabank, on the bank's terms. MUFG chose two partners and kept the origination seat for itself; SMBC did the same with Neuberger. A foreign GP without a bank partner is sourcing against the banks that price loans too tightly for fund economics.

Hires and moves — who is building what

- **Partners Group** — Roberto Cagnati and Juri Jenkner become co-CEOs from 1 January 2027, subject to FINMA approval; David Layton becomes CIO. The signal: a risk officer and a distribution head take charge as the firm manages evergreen liquidity limits "for a few quarters".
- **Fortress** — Yuko Umino (Tokyo, from PIMCO Japan) and Harry Bush (London, from Nuveen) become heads of Private Wealth Solutions for Japan and EMEA, reporting to global co-heads Adam Bobker and Nils Wilson.
- **Blue Owl Capital** — Philippe Benedetti, from Schroders, becomes Managing Director, Private Wealth Switzerland, in the new Zurich office.
- **iSquared Capital** — Linda Stangherlin appointed Director, Investor Relations, Sydney, alongside the AUD OpenInfra feeder.
- **PGIM / Montana Capital Partners** — Lucas Radal, from Mubadala Capital, becomes head of Middle East secondary investments in Abu Dhabi; MCP manages $5.2bn.
- **Swiss Bankers Association** — Giorgio Pradelli (EFG International CEO) becomes chairman on 17 September, staying EFG CEO.
- **Bridgepoint / Interpath** — Bridgepoint completed its majority purchase of the restructuring adviser on 7 May at about £800m; Interpath has over 1,000 staff in 14 countries. Workout capacity bought ahead of the 2027–28 software wall.

Sources

[15] Platform & People — Four governance events in seven days moved from footnote to the operational due diligence file. DoJ release — 2026-08-26; DoJ Competitive Impact Statement — 2026-08-27; KKR Form 8-K — 2026-08-26; Axinn — 2026-08-31; Aon Form 8-K exhibit — 2026-08-31; Reinsurance News — 2026-08-31; Insurance Nerds summarising the FT — 2026-09-03; Briefs (Bloomberg) — 2026-08; Traders Union citing the FT — 2026-08-29; Claims Journal (Bloomberg) — 2026-07-22; SEC N-2/A, Guggenheim Investments Private Credit Fund — 2026-02-04; Aston Martin RNS via Investegate — 2026-07-22; AM-online — 2026-08-06; TipRanks citing 9fin — 2026-08; Yahoo Finance / Just-Auto — 2026-08-26; BlackRock — 2025-07-01; ILPA DDQ 2.0 — 2021-11

[16] Platform & People — Japan opens through MUFG's door, on MUFG's terms, as the JGB hits 3%. MUFG–BlackRock release — 2026-09-01; MUFG–MSIM release — 2026-09-01; Nikkei Asia — 2026-09-01; MUMSS release (JA) — 2025-05-19; Bank of Japan Review 2024-E-1 — 2024-04; Reuters via Investing.com (FSA) — 2026-04-16; Alternative Credit Investor (SMBC/Neuberger) — 2026-04-27; Alternative Credit Investor (Nippon Life/Blackstone) — 2026-06-03; Alternative Credit Investor (Japan allocations) — 2026-07-07; Reuters via Yahoo Finance (JGB) — 2026-09-01; Reuters via Yahoo Finance UK (Bessent) — 2026-08-31; Reuters via The Standard — 2026-09-01; Briefs (Bloomberg, Nippon Life) — 2026-08

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