

Fund Finance Friday



Preqin Special Report on Subscription Facilities and Other Fund Finance Happenings This Week

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After several relatively quiet weeks in fund finance, this week was anything but. Perhaps in anticipation of next week's European Symposium, press reports addressing aspects of fund finance seemed to pop up daily. And the markets were very active—a number of deals that had been on a slow burn moved to mandate this week. The headline press came from private equity data provider Preqin, which published a rather extensive report titled "Preqin Special Report: Subscription Credit Facilities." The report includes a foreword by Mark O'Hare, Preqin's CEO, and includes data Preqin has collected on subscription line usage (a simple "do you use a facility, yes or no?" data analysis). The report, like several prior press reports, includes quotes from Ludovic Phalippou, Professor of Financial Economics at Saïd Business School, including an assertion that "many LPs could already not pay capital calls arriving at a normal and expected pace" during the financial crisis. (Really? Cadwalader did not witness limited partners failing to fund capital calls at all during the financial crisis and the Fund Finance Association has no knowledge of any lender taking a writedown or loss on a subscription facility during the downturn. So I am not sure what data set Professor Phalippou is relying on to support his assertion. We believe the vast majority of limited partners in private equity are fully prepared to manage their liquidity and capital commitment obligations. But I stray...) The report also includes short articles from Jennifer Choi, Managing Director, Industry Affairs, for ILPA; Meghan Neenan, Managing Director, Fitch Ratings; and Mark Kromkowski, Partner, McGuireWoods. The report is available [here](#).

The Fund Finance Association this week announced its inaugural FFA University, which will take place September 17 and 18 in New York. This is a project I have been working on that I hope can serve as a valuable training function for the industry. We have a solid working draft of the curriculum which is available on the FFA's website [here](#). A lot of very seasoned fund finance professionals have agreed to present and I'm grateful for their willingness to contribute. The registration link is available [here](#).

I leave for London on Monday. Look forward to seeing many of you at the NexGen speed mentoring event Tuesday, the WFF event Wednesday and the European Symposium on Thursday. Next week's *FFF* will include an in-depth review of the Symposium for those unable to attend.