

Fund Finance Friday



Recent Fund Finance Observations

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By Jeremy Cross

We have had a couple of very active weeks since the last edition of *FFF*. With that in mind, Jeremy and I coordinated this week to provide our combined observations as we head into the home stretch.

- Activity Levels. All of the activity-level data metrics we follow continue to project quite favorably. Our November hours accrued, adjusted by number of business days, exceeded any prior month. And we opened 33 discrete new matters on the U.S. side – our most ever in a single month. London activity was equally strong, with 28 new matters getting underway. The visible pipeline also signals momentum: Our hours accrued on prospective matters in November exceeded all prior months other than a high-water mark in October.
- Next Gen. One of the main signals of a growing and active sector is the number of bright and motivated people coming into it and bringing different ideas and perspectives to the table. As an old hand in the sector and having seen it through various cycles, it is great to see the way this has mushroomed over the past year or more. A particular standout from my perspective has been seeing the FFA “Next Gen” initiative led by Billal Malik at Citi in the UK kick on with a number of events that have been notable both for the excellent content and the number and quality of those attending. But I’d also extend this generally to encompass the many people in the Fund Finance-focused teams at many of our friends and clients who we have had the pleasure of getting to know. Long may it continue.
- Innovation. We continue to participate in calls and meetings on product innovations and entrepreneurial ideas. Risk transfer solutions, capital markets financing, capital commitments structured as rated notes, regulatory capital relief and preferred equity are all areas where we forecast continued development in 2020.
- Umbrella Facilities. I thought Fund Finance Partners’ Richard Wheelahan’s piece on Umbrella Facilities this week was timely; if you missed it, it is available [here](#). We are also seeing a lot of current enthusiasm around Umbrella Facilities. Wes gave our update on them a while back [here](#). One practical thing we struggle with on Umbrella Facilities is getting our statements with respect to the general documentation work to look the way the funds want to properly allocate expenses between the various funds. Any upfront guidance on that can be helpful.
- FFA Miami Conference Content Committee. The Content Committee for the FFA’s 10th Annual Global Fund Finance Symposium has a kickoff call scheduled for next Wednesday. If your firm is a speaking-level sponsor and you are interested in being involved with content, reach out to Nick Mitra or Dee Dee Sklar, who will be leading the committee.
- Ray Dalio’s *Principles*. I finished reading and then re-reading Ray Dalio’s book, *Principles: Life and Work*, over Thanksgiving. There is a tremendous amount of excellent, immediately actionable guidance packed into the book. There is also some crazy: printing and distributing baseball cards for our employees listing their strengths and weaknesses would be a lead balloon at our shop. But much of his substance, particularly around data-driven

decisioning, is superb. I found it pretty fun trying to decide which ideas are brilliant and which are crazy. It is definitely worth the read. The book is available on Amazon [here](#).

- Daniel Kahneman's *Thinking Fast and Slow*. Continuing with the theme of books which are worth reading and then re-reading (even for those of us in countries where the last Thursday in November is just the last Thursday in November), this is a fantastic guide (backed up by a significant body of scientific and empirical research) as to how to think properly and carefully about the decisions you make (both in business and in the rest of one's life) and how to make the right decisions. It achieves this in large part by explaining very clearly how much the way we process what we see, hear and read influences us, often unconsciously, to jump to the wrong conclusions and to make the wrong decisions.
- Ron Rivera. I hated to see Ron Rivera move on from the Carolina Panthers this week. He is a great man. He was such a terrific supporter of the Humane Society of Charlotte while I was on their board. And he was incredibly patient with me one night over dinner as I peppered him with questions about leadership, Norv Turner's play calling and being prepared for having the unforeseeable dropped on your plate in the middle of the night. Another team is going to be lucky to pick him up.

