

CADWALDER

## We Appreciate the Support

October 23, 2020 | Issue No. 100

Today marks the 100<sup>th</sup> edition of *Fund Finance Friday*.

Round numbers are cool. And I have never shied away from celebrating the little milestones or, for that matter, celebrating Fridays (or Tuesdays). When we started *FFF* around two years ago, it was born out of a combination of frustration and fun. I was frustrated with how the press covered fund finance (um, well, that hasn't completely changed) and around how there wasn't a resource you could check out to keep informed about our industry. The PE folks had dozens of daily (sometimes annoyingly frequent) newsletters, the securitization folks read *Asset-Backed Alert*, and my team had, well, nothing? I sorta think fund finance isn't nothing. I mean, we do things, sometimes anyway, right? We needed a resource.

But I also couldn't stand the idea of just another lawyer blog. News flash: Lawyers specialize in writing the boring. I've done it (I sincerely apologize), but I only did it because the lawyer code of ethics requires that we write to sleep-induce. I wanted *FFF* to be a little different. I wanted this newsletter to cover the legal updates. But more, I just wanted there to be a resource that pointed you to what happened in the last week and didn't take itself all that seriously and had a little fun. The latter half of that has been a challenge. Trying to marry my wanting to post pictures of my daughters fishing yet maintain consistency with a nearly 230-year-old law firm brand isn't easy. But we have found a way. And if I have grayed the hair of Ron Brandsdorfer, Cadwalader's Director of Communications, that's on me. Ron, you have done a terrific job managing *FFF*. I'm grateful, and I apologize for driving you crazy writing outside the normal lawyer lines each week.

Not that infrequently, I get an email or call from someone telling me that they appreciate *FFF* or enjoy watching *FFF: Industry Conversations* or the like. I can't tell you how much those emails mean to us – we are all so busy, and there are so many competing priorities. Chris van Heerden, the lawyer on our fund finance team that focuses on *FFF*'s legal and market analysis substance (oh, did I mention he is also a practicing lawyer?); Heather Fox, who organizes and manages the content and distributions; Michael Masterton, who handles every aspect of *FFF: Industry Conversations*; and Ron, who oversees the entirety of production, all work incredibly hard to get *FFF* together and out each week. For all 100 editions, we have never once made their Wednesday evening deadline. Not once. And they have to deal with me. These people are going to heaven. Team, y'all are terrific. Thank you.

Approximately 6,000 people (and growing!) have signed up and receive *FFF* each week. Nick Mitra, I understand that your 14-year-old daughter's slime manufacturing company has way more Facebook followers than *FFF*, but give me that 6,000 is still somewhat cool. We are incredibly grateful for the *FFF* interest and readership, for the guest articles our friends submit, for the folks that sit with us for *Industry Conversations*, for the kind emails, and for our clients' and friends' support and business. *FFF* is a fun part of what we try to deliver to the market.

Neither *Bloomberg* nor *The Wall Street Journal* has made an offer to buy *FFF* from us yet. So I guess we are going to have to next-level it ourselves in 2021. I have big ambitions for how we can make *FFF* better (shocking). We think the fund finance industry has legs. But we also think there are going to be challenges along the way, and being well-informed will be important. I'd like to see *FFF* improve materially and become a bigger and more productive contributor to all of our weekly routines. I'd welcome your suggestions on how we can make it better for you. And I appreciate your support and friendship. Sorry, Ron, below are some fishing pictures. Have a great weekend all ... and thank you again.



## 'Fund Finance Friday: Industry Conversations' — 9 Minutes of Fund Finance with Jeff Maier

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In this week's *Fund Finance Friday: Industry Conversations*, Jeff Maier joins Mike Mascia and discusses demand and deal structures for management fee lines and GP facilities.

If you cannot access the video below, please [click here](#).



## Bill Ackman to Give Keynote at Cadwalader Finance Forum

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Bill Ackman, the CEO and Portfolio Manager of Pershing Square Capital Management, L.P., will give the keynote address at this year's Finance Forum. Ackman is also the Chairman and CEO of Pershing Square Tontine Holdings, Ltd., a newly organized SPAC that raised \$4 billion in its initial public offering in July, making it the largest SPAC IPO in history. The Finance Forum takes place virtually on the afternoon of November 12<sup>th</sup>.

Join us for a can't-miss conversation between Ackman and Cadwalader partner Stephen Fraidin covering the current state of the financial markets, implications of the presidential election, the resurgence of SPACs in 2020, and more.

To register, click [here](#).

## Diversity in Fund Finance – Update and Committee Details

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By Natasha Puri

Vice President, Financial Institutions North America | Lloyds Bank

The Diversity in Fund Finance group hosted its first virtual open happy hour session on Tuesday. After three years of primarily focusing on one of our goals – to educate and connect with students addressing the lack of a diverse pipeline in our industry – we were excited to kick off our efforts in building an affinity network to engage with the broader FFA community. About 30 members of various backgrounds attended, sharing feedback on things organizations are doing well, some changes that organizations are implementing, and things they would like to see happen. Here are some key takeaways from our session:

- **Tone at the top matters – a lot.** The group discussed that, for many of them, it was really important to hear messages of support for diverse colleagues from leadership in their organizations, particularly during the height of the Black Lives Matter protests. The group discussed that understanding and acknowledging that systemic racism affects individuals of each gender, race, ethnicity, sexual orientation and more is a key first step.
- **Actions always speak louder than words.** While messages are important, starting to see steps for change is crucial. Evidence of actions and changes the group has seen include organizational donations, matching donations for colleagues, and changes to reviews of hiring and promotion practices.
- **More work needs to be done.** We all agreed that everyone needs to do their part to progress towards change. We shared a message from Melinda Epler's [TED talk](#) that everyone can be a better ally. *"There's no magic wand for correcting diversity and inclusion," Epler says. "Change happens one person at a time, one act at a time, one word at a time."*

We are thrilled that more people want to be involved in this group and are interested in more volunteer opportunities and panel discussions, including how this ties into a business perspective. We are holding an open committee meeting on Wednesday, November 11 at 12:30 p.m. EST. If you would like to be part of pushing our efforts forward, please join us and [register here](#). For more updates, please also register for our [mailing list](#) or reach out directly to [me](#), [ANKaup@duanemorris.com](mailto:ANKaup@duanemorris.com) and [Nicki.Macgregor@cba.com.au](mailto:Nicki.Macgregor@cba.com.au).

## FFA Announces 'Rising Stars' Awards

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The Fund Finance Association and its Next Gen Network this week announced and requested nominations for the "Rising Stars" Awards. Award recipients should have less than 10 years of fund finance experience and will be selected based on their outstanding overall contributions to the Fund Finance industry, their firms and their clients, the FFA, the Next Gen Network and/or WFF, with an emphasis on professional contributions focused on excellence in client service, product and service innovations, diversity and inclusion, career development, training and mentoring, networking and community service. Nominations are due November 20, 2020. For more information or to nominate a Rising Star, please click [here](#).

## FFA Next Gen Event: 'New Normal' in New York Real Estate

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The U.S. chapter of FFA Next Gen, in partnership with Clifford Chance, held its first virtual panel session earlier this week titled "'New Normal' in New York Real Estate." Attendees heard from expert panelists, including Ronald Dickerman, Madison International Realty; David Toledano, Mizuho Securities; and Jeanne Roig-Irwin, Clifford Chance Real Estate Team, and the session was moderated by Leah Edelboim, Clifford Chance Banking and Finance/Fund Finance Team. Some key takeaways were:

- There will be a change in the real estate market. It is still too early to see how vast that change will be, although there is an expectation of a return to normal by 2025.
- The millennial workforce may look to work for companies offering remote working to take advantage of lower living expenses and taxes outside of New York.
- It is possible we will see some buildings rezoned from commercial to residential.

The FFA Next Gen team is always looking for new ideas, so please reach out to committee chairs [Jorge Grafal](#) and [Alexa Schult](#).

## **'Fund Fanatics' Episode on LinkedIn**

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Scott Aleali and Jeff Maier produced another edition of "Fund Fanatics" on LinkedIn last week, featuring a guest appearance by Matthew Barbato of Hamilton Lane. To watch the webcast, click [here](#).

## PEI Article on NAV Facilities

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*Private Equity International* published an article titled “NAV facilities’ potential in emerging markets.” The article explores the benefits NAV facilities provide for funds in emerging markets. It also highlights risks particular for these facilities, such as exposure to local currency and financial covenants. The article is available [here](#).

## **Fourth Installment of Wildgen Fund Finance Webinar: ‘ESG Fund Finance’**

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Tune back in to “ESG Fund Finance,” the fourth session of Wildgen’s Fund Finance Webinar Series hosted by Michael Mbayi. Michael is joined by industry leaders Vicky Du (Standard Chartered), Guillaume Ferrer (Credit Agricole CIB), Jonathan Harvey (Investec), and Katie McMenamin (Travers Smith) as they discuss ESG-linked subscription credit facilities and other ESG-focused fund finance solutions.

For a link to the webinar, click [here](#).

## Fund Finance Hiring

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Fund Finance Hiring

First Republic Bank is looking for an experienced Credit Analyst or Senior Credit Analyst to join the Private Equity Finance team in New York. For more information, email [Scott Aleali](#).