

# FUND FINANCE FRIDAY

## In Our CRT Era: Cadwalader CRT Reception at FFA

March 8, 2024



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The hottest acronym at this year's Fund Finance Association Global Symposium was "CRT" (capital relief trade). The Cadwalader CRT practice has been very busy as of late as U.S. banks have sought their assistance to use CRTs to manage regulatory capital constraints. The fund finance team has been working closely with our CRT colleagues as fund finance clients explore the use of CRTs. Subscription line financings are a fund finance product that is particularly well-suited for these trades.

On the first day of the conference, Cadwalader hosted an event for our regional bank clients to learn more about CRTs. Between the beautiful setting in the garden of the W Hotel in Miami on an absolutely perfect evening, where we brought together the brightest minds in the space to talk about the most cutting edge elements of these deals, and the great representation of our clients and friends, it truly had all the elements that make the FFA conference all that it is. This event, just like the conference, was a spectacular opportunity for members of the fund finance community to come together, to learn about the smartest execution of solutions to the most pressing issues, and to spend time together and connect with one another while we do it.

Cadwalader partner Jed Miller, who leads the firm's CRT practice, led a discussion on the CRT market and its trends alongside some of the foremost industry leaders in the space. Jed himself is an expert on U.S. bank regulatory capital rules (Regulation Q), especially as they relate to capital relief strategies that involve synthetic securitizations, credit default swaps and other risk transfer products.

Jed was joined by Derek Li, Missy Dolsky and Richard Sehayek. Derek, a Managing Director at Goldman Sachs, is widely recognized as one of the foremost CRT experts and advisors in North America. Both Missy, Global Head of Capital Markets at Varde, and Richard, a Managing

Director at Ares, are leading investors in CRTs; each of them provided an invaluable investor's perspective on these trades.

The consensus among the speakers and the attendees was that 2024 will be a breakout year for CRTs, including for fund finance products.

You can learn more about CRTs [here](#). This article, previously published in *Fund Finance Friday*, gives a good introduction to CRTs and contains links to a [four-part webinar](#) on the subject.

Thanks to all of our client and industry colleagues who joined us for this wonderful gathering. If you have any questions or would like more information on CRTs, please reach out to us.