

FUND FINANCE FRIDAY

Recent Observations

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The last several weeks have been very active for the fund finance markets: for me, including a trip to London, the Finance Forum in Charlotte, and the FFA finalizing and announcing its headline speakers for the 2020 Global Symposium. Below are some of my observations.

October Closings. October has definitely started closing season. We have had nearly a closing a day so far this month, including a number of deals that dragged their feet through the summer.

Finance Forum Data Presentation. We re-ran our deal data analysis for 2019 year-to-date to present it on an annualized basis at the Finance Forum yesterday. The data surprised me to the positive: our U.S. fund finance practice has annualized 213 closings to date in 2019, up a full 15% from 2018. And we have seen 59 lenders lead or participate in deals agented by banks we represented, up materially from 40 in 2018. Our accrued hours are also up 12% as of year-end. Interestingly, though, the \$49.5 billion in annualized lender commitments in deals we have worked on in 2019 is down 15% from 2018. This is a direct result of a reduction in the number of new \$1 billion-plus deals closing so far in 2019. We do, however, have a lot of large deals on right now, so I expect that the fourth quarter will have a slightly outsized impact (to the positive) on the three-quarter annualized numbers.

FFA Symposium Speakers. I was extremely happy that the FFA secured Hillary Rodham Clinton as a keynote for the 2020 Global Symposium, not only because of her profile but also because she is a Democrat. Following last year's keynote with Republican Anthony Scaramucci, I thought having a Democrat speak this year was important for balance. I really want the FFA to bring speakers from all backgrounds to ensure diverse and interesting viewpoints.

Debt Advisors. Our London team continues to see debt advisors working to put prospective transactions together in Europe. I saw on LinkedIn that Validus has a job posting in the U.S. for a role that includes fund finance advisory. Following the recent announcement of the formation

of Fund Finance Partners, our market is clearly evolving. Speaking of Fund Finance Partners, they published an extensive piece on management fee facilities this week, available [here](#).

What It Takes. I finished Steve Schwarzman's book, *What it Takes: Lessons in the Pursuit of Excellence*. I loved it, especially the story behind the founding and initial stages of his firm. This is basically required reading in our industry. The book is available on amazon.com [here](#).

Banker Hiring. The market for origination bankers in the U.S. remains active. We continue to receive diligence calls on banks by prospective hires.

London Economic Development Event and Panthers Game. I attended an economic development and trade facilitation meeting in London last week co-hosted by the UK Department of International Trade, the Charlotte Regional Business Alliance and the British-American Business Alliance. David Tepper, founder of Appaloosa Management and owner of the Carolina Panthers, was the keynote speaker. I was impressed with the degree of economic connectivity between the UK and the greater Charlotte region. Tepper is a great new addition to the Carolina business recruiting team. And speaking of the Panthers, a big thank you to the UK for the hospitality hosting the NFL matchup at Tottenham Hotspur Stadium on Sunday. The stadium is sensational, and we Panther fans had a terrific time. Sorry, Tampa Bay.



Chase. And my family got a new puppy. Meet Chase.

