

## FUND FINANCE FRIDAY

### **Cadwalader Advises Bank of America on \$4.1 billion ESG-Linked Credit Facility Tied to Board Diversity**

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Bank of America, as Administrative Agent and Sole Lead Arranger, working with Cadwalader, successfully closed a \$4.1 billion broadly syndicated subscription credit facility to funds managed by The Carlyle Group. Pricing for the three-year revolving facility, the largest U.S. ESG-linked fund finance transaction to date, is tied to progress towards the goal of achieving 30% diverse representation on portfolio company boards within two years of ownership. Carlyle was represented by Latham & Watkins, LLP.

The fund finance market is moving in step with asset managers to respond to the rapidly expanding demand from investors for socially conscious investment alternatives. ESG-linked credit facilities provide funds and lenders the opportunity to advance shared priorities by tying facility pricing to specific sustainability and/or social impact objectives.

“We see a clear runway for growth in ESG fund lending in 2021 for lenders interested in taking a proactive approach,” said Cadwalader partner Wes Misson. “This provides an immense opportunity to shape our market in a socially responsible and impactful way.”

Carlyle issued a press release on the facility available [here](#), and *The New York Times* and *Bloomberg* reported on the transaction [here](#) and [here](#).