

FUND FINANCE FRIDAY

Lots to Talk About

July 30, 2021 | Issue No. 137

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'Fund Finance Friday: Industry Conversations' — Supply and Demand with Citco's Michael Peterson and Shiraz Allidina

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FUND FINANCE FRIDAY
INDUSTRY CONVERSATIONS



Samantha Hutchinson



Michael Peterson



Shiraz Allidina



In this week's *FFF: Industry Conversations*, Cadwalader partner Samantha Hutchinson sits down with Citco's Michael Peterson and Shiraz Allidina to discuss market growth, the globalization of fund finance products, institutional capital and more.

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Fund Finance Friday: Industry Conversations

FUND FINANCE FRIDAY | INDUSTRY CONVERSATIONS

Supply and Demand with Citco's Michael Peterson and Shiraz Allidina

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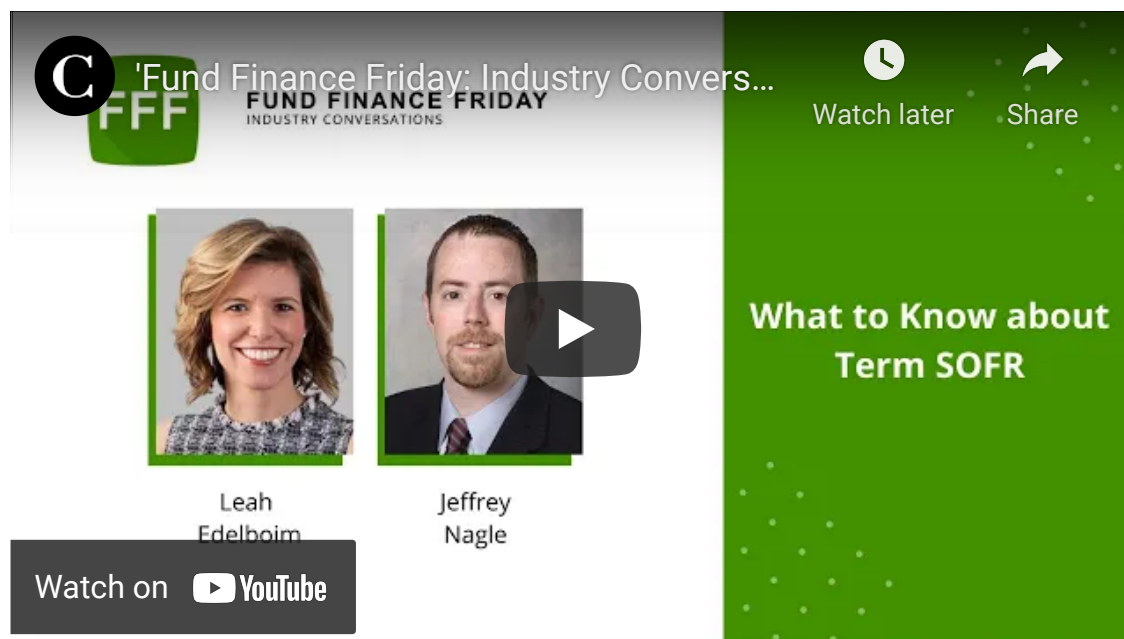
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'Fund Finance Friday: Industry Conversations' — What to Know about Term SOFR

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Cadwalader partner Jeff Nagle joins special counsel Leah Edelboim to discuss the latest in the LIBOR transition in another installment of *FFF: Industry Conversations*. Jeff is a leading authority on LIBOR reform and emerging benchmark regulation. He serves as counsel to the Federal Reserve's Alternative Reference Rates Committee (ARRC) and is working to guide the post-LIBOR financial world in best practices for the transition. He is also counsel to the Loan Syndications and Trading Association (LSTA) with respect to the transition. In this conversation, Jeff gives us insight into where we are in the benchmark transition and what it means for fund finance documents. It has been expected that ARRC would imminently recommend Term SOFR, and Leah and Jeff discuss the pending impact of that recommendation, which was announced yesterday, just after we taped this discussion.

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



Women in Fund Finance Europe: ESG Trends in Private Markets

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By Katie McShane

Associate | Fund Finance, Corporate

Women in Fund Finance (WFF) Europe this week hosted “ESG Trends in Private Markets,” a virtual panel discussion on the ESG trends in private markets, with a focus on private equity. The panel discussed how sponsors are approaching and embedding ESG, drawing on themes from the recent PwC [Global Private Equity Responsible Investment Survey](#).

The discussion was moderated by Jill Wilson, Managing Director and Global Head of Financial Sponsors at Lloyds Bank and a member of the WFF committee in Europe. The panelists included Nicky Crawford, Director of Sustainability & Climate Change at PwC; Chloe Sanders, Director and Head of ESG at CVC Capital Partners; and Beth Houghton, Partner and Head of Impact Fund at Palatine Capital.

The panel began with a discussion as to how ESG has developed over time. It was interesting to note that approximately 12 years ago, it was an uphill battle to engage managers on ESG matters, with many managers at that time seeing ESG as a cost and not a benefit. All panelists agreed that managers are now seeing the benefits of ESG and, moreover, that ESG is becoming key to value creation.

The challenges and complexities that the panelists have seen in implementing ESG were also discussed. One of the key takeaways from this discussion is that ESG is a “journey and not a destination” – that is, goal posts constantly move as the science develops, and it is important to start somewhere in order to begin on the journey towards progression.

For managers with larger portfolios, it is important to look at what is material to the organization and where to focus energy and resources. Increasing awareness and educating personnel on ESG items plays a big role in the progression of ESG initiatives. Getting on the path to take action is the important thing, starting with setting clear targets and improving over time.

The panelists also discussed some of the drivers of ESG, and how managers have been reacting to these drivers. It was pointed out that narrowing down some of the more complex ESG initiatives (for example, achieving net zero carbon emissions) to concrete action is a big challenge. It was acknowledged that certain items like diversity and inclusion typically take time, and change likely won’t happen immediately. Starting now is important in order to progress.

The panel wrapped up with a question from the audience about how sponsors are approaching data collection and monitoring, a big challenge for many sponsors. It was predicted that disclosure and transparency are going to become more and more important going forward, and that better transparency and reporting are also useful tools for preventing against greenwashing.

Standard Chartered Bank and ICG Announce New €1.45bn ESG-Linked Subscription Facility

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Standard Chartered Bank and Intermediate Capital Group PLC (“ICG”) issued a press release this week regarding a new €1.45bn ESG-linked subscription facility for ICG Europe Fund VIII, with the lending group comprised of Standard Chartered Bank, BNP Paribas, ANZ Banking Group Limited, ING Bank and Royal Bank of Canada. The facility utilizes ICG’s ESG ambitions to deliver sustainable outcomes. The release is available [here](#).

Capital-Seeking Businesses Find Success By Adopting ESG Policies

July 30, 2021 | Issue No. 137

Fund Finance Partners outlined why large and small founder- or employee-owned companies seeking institutional capital need to assess how an institutional asset manager would view the company through their environmental, social, and corporate governance ("ESG") policies. With the development of positive ESG incentives, institutional asset managers are increasingly developing ESG policies that require them to screen potential investments for ESG risk or integrate ESG opportunities into investment strategies. As a result, these companies seeking capital can present their ESG strengths and their plans to address potential ESG weaknesses while distinguishing themselves from numerous other companies competing for that capital. This forward-thinking strategy for business owners can mean the difference between a term sheet or letter of intent, or a pass by the asset manager. As institutional asset managers seek positive incentives for ESG policies, ESG-linked subscription credit lines continue to develop in the fund financing world. Cadwalader's Fund Finance Group has helped clients utilize ESG-linked subscription credit lines to achieve their financial needs.

To see Fund Finance Partners' article, click [here](#).

Deloitte's Surveillance Suite Platform

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Pete Joyce and Jason Johnson of Deloitte shared an informative post about Deloitte's Surveillance Suite platform, which is a low-code solution for the fund finance market to assist with the digital transformation of lending programs and the complexity in monitoring each facility through its lifecycle. To see this post, click [here](#).

Fund Finance Hiring

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Fund Finance Hiring

The Goldman Sachs Asset Management team is hiring an analyst in New York to join its Alternative Capital Markets & Strategy (ACMS) Fund Finance team. For more details or to apply, please check out the GS careers [site](#).