

Seward & Kissel Presents:

MEET THE FUND BANKER SERIES

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The regional banking crisis last year, which disproportionately impacted the fund finance industry, and the exit of other lenders from the fund finance market has resulted in a liquidity crunch in the fund finance space. Now that the dust has settled from the banking crisis, market participants have been asking: What bank and non-bank lenders will emerge to fill this shortage of supply? To answer this question, Seward & Kissel's Fund Finance Group has created this "Meet the Fund Banker" series.

The goal of this series is to highlight those lenders who are leaning in to the fund finance space and actively looking to serve as financing partners. In order to facilitate connections between funds and potential lenders and provide clarity around the "new normal" of fund finance, this series will introduce the primary people standing behind the new market leaders and provide color on what those lenders look for in potential clients. Each installment of the series will feature a Q&A with the individual banker who is heading up the lender's fund finance business.

We hope that this series is a helpful resource for all participants in the fund finance industry. Readers should feel free to reach out to the bankers who are being featured for more information or to Jeff Berman, Steven Starr and Rob Wood at Seward & Kissel for any assistance with their fund financing needs.

Best,

Jeff, Steve and Rob



Jeff Berman



Steven Starr



Robert Wood

If you have any questions, please contact Jeff Berman (berman@sewkis.com, 212-574-1232), Steven Starr (starr@sewkis.com, 212-574-1405) or Robert Wood (wood@sewkis.com, 212-574-1244).

SEWARD & KISSEL LLP



BRYAN FISCHER

MANAGING DIRECTOR, FUND LIQUIDITY
SOLUTIONS, CRESTLINE INVESTORS

Please provide a short summary of your position/role at Crestline.

I am a Managing Director in the Fund Liquidity Solutions Team. Our team provides NAV-based financings to private investment funds and other investment vehicles. I am responsible for the origination function of our business.

How did you come to work at Crestline?

My background was originally in trading and hedge funds. I spent four years running sponsor coverage with BDO USA, an advisory/audit/tax firm. At BDO I got to know the Crestline team, and when the opportunity to move to Crestline materialized around our second fundraise I made the leap.

What appeals to you the most about the fund finance industry?

I like to consider myself an inherently curious person. The role of NAV lenders in fund finance appeals to my desire to learn and discover because (i) NAV lending is a newer form of leveraged finance so investors are constantly coming up with new use cases and structures and (ii) at Crestline we speak with a wide range of fund types with myriad investment strategies. We have worked with family offices, private equity firms, growth equity and even publicly traded holding companies investing in everything from infrastructure/agriculture to late-stage growth consumer companies. I wake up excited for each day. I enjoy the variety; for example, in a typical day I might start the day with an early call to a European VC fund and end the day underwriting a new mining investment in the US Midwest.

What developments do you expect to see in the fund finance market over the coming year?

As private equity firms and other investment vehicles continue to experience difficulty selling businesses in a challenging IPO/M&A environment, net asset value continues to accrete inside these funds. This accumulated value creates opportunities for NAV financing that can be used to finance add-ons to existing investments, acquisition of new platforms and, to a lesser extent, distribute money to LPs. These NAV facilities are a fairly new finance use case and have lots of room to grow; I expect to see more of these facilities in the coming year.

What is the biggest challenge facing the fund finance market right now? Are there any solutions that will help address that challenge?

For NAV lending, there has been some negative press regarding pure distribution financings and some pushback from LPs who suspect this type of financing is used by GPs to artificially inflate their metrics. A more open dialogue between GPs, LPs and NAV lenders and continuing education about this product will help address this issue; we are already seeing this process happen at Fund Finance Association and other trade conferences.

Where do you see Crestline positioned in the fund finance market? What does Crestline offer that sets it apart from other financing providers?

As one of the earliest and longest tenured lenders in the NAV space, we have structured, executed and funded more NAV financings than any other finance provider in the market. We are market and thought leaders in this space and are constantly exploring new ways to solve financing challenges for our clients. We have also raised substantial funds that are available to be deployed into our NAV based lending strategies. Our ability and experience contribute to our best-in-class execution, and we have by far the most robust capability in this space and cover the broadest range of deal size, geography of manager/assets and asset classes.

What potential clients is Crestline most interested in?

We are generally interested in all types of funds but are particularly focused on PE funds, Growth/VC funds, family offices, hedge funds, credit funds, real estate funds and infrastructure funds.

What is Crestline's strategy to grow its market share of the fund finance market?

In five years, we could easily see NAV based financing to funds becoming a key part of sponsors' asset management tool kit, much like subscription lines of credit are today. The amount of capital deployed to private fund strategies has exploded over the last ten years and we are well positioned to help bridge liquidity gaps. We will continue to raise funds from our investors, expanding our strategy and mandate in advance of expected market growth. As Crestline is a credit-focused asset manager, we look to form strategic partnerships with non-competing parts of the asset manager universe, including advisors and attorneys, to leverage relationships and help connect us with the relevant people at potential fund clients.

What is your favorite thing to do when you're not working on fund finance?

I love hanging out with my kids and attending their theater, music and sporting events. I also enjoy biking, skiing and golf.