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The Private Equity Services line, part of Crédit Agricole's Premium Clients Solutions, combines the expertise of CACEIS, Crédit Agricole Corporate & Investment Bank and Indosuez Wealth Management to meet the financing and servicing requirements of investment funds.

This business line has a joint approach to private equity, private debt, infrastructure and real estate funds, all of which have developed strongly in recent years across the world. At present, financing of the global economy relies to a large extent on this class of unlisted asset, which has experienced growing success. One of the drivers of this investment vehicle's success is that it offers some of the highest profitability (compared to listed vehicles) whilst being a low volatility investment. Another factor is that governments are increasingly looking to the private sector

to contribute to financing the real economy. Infrastructure funds in particular are being called upon to finance the energy transition. These funds are experiencing rapid growth and need the support of a reliable, long-term partner throughout their lifecycle. This is where the Premium Clients Solutions division of Crédit Agricole is involved, combining the expertise of its three members.

Indosuez Wealth Management, Crédit Agricole group's wealth management arm, offers its specific expertise to support investment fund managers, with regards financing

their carried interest. Indeed, to ensure managers meet regulatory requirements intended to align their interests with those of unitholders, they are required to personally invest a minimum of 1% of the fund's total assets. Indosuez Wealth Management can help them define the best suited solution depending on their financial status.

During the fund's early stages, Crédit Agricole CIB (CA-CIB), Crédit Agricole group's corporate and investment banking arm, contributes its expertise by providing investment and acquisition advice, as well as by financing LBO deals over the investment period. It offers liquidity solutions (refinancing, trade sales, a new LBO or an IPO) during the fund's divestment phase.

CACEIS is involved at several levels: in particular as depositary and registrar when the fund is established, then as administrator throughout the life of the fund. CACEIS is in charge of managing relationships and flows between the management company and the fund's investors.

CACEIS and CA-CIB provide equity bridge financing on a joint basis. As Gilles Corcos, General Secretary of the PERES business line at CACEIS, points out: "Equity bridge financing is a short or medium-term



JOE SALIBA,  
Deputy CEO, CACEIS

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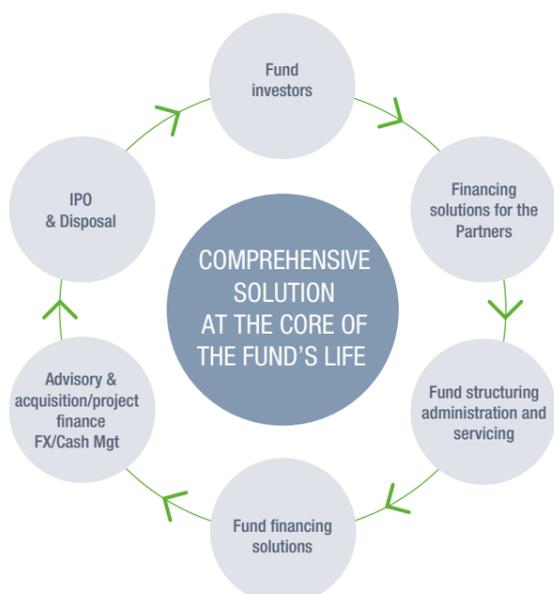
(two to four years) facility made available to investment fund managers. It is designed to optimise the management of the financial flows between investors and the management company, such as those related to company acquisitions and management fees. Such financing has several advantages for investors and fund managers: it makes it possible to stagger and reduce the number of capital calls to investors. This improves the fund's internal rate of return and is also greatly appreciated by investors because it enables them to better anticipate the schedule of capital calls."

Ranking among the leading service providers on the market, the three partners offer a comprehensive and robust servicing solution provided by experts in their respective fields. CACEIS is the number one deposi-

tary in France for private equity, private debt and infrastructure funds, and is one of the leading players in Europe with €170bn in asset under custody for PERES funds.

In order to better serve its clients, "CACEIS has set up a dedicated private equity and infrastructure funds team, which includes all support and operational functions," Joe Saliba, Deputy CEO, CACEIS, notes. Sure, it is not only a service provider, but also a partner that supports management companies in their development.

Since the business line was set up, around forty joint financing transactions have been concluded, mostly in Europe (France, Luxembourg, United Kingdom, Channel Islands); however, the joint offering is also being met with success in the United States.



# INTERVIEW WITH MÉLANIE BIESSY, SENIOR PARTNER AND COO OF ANTIN INFRASTRUCTURE PARTNERS

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raised from institutional investors, sovereign wealth funds, insurers, banks and pension funds. Each of our funds has a 10-year term, which means Fund I will mature next year. Our funds are solely administered from our Paris and Luxembourg offices.

When Fund III closed in December 2016, Antin had achieved the second-largest capital inflow of the year in Europe. Investors in Funds II and III reaffirmed their trust in us by investing significantly in Fund III alongside new investors coming predominantly from Asia and the Middle East. Fund III's first two investments are in the social infrastructure sector: Kisimul, a learning centre for people with autism in the UK, and Almaviva, a network of private hospitals in Paris and the Provence-Alpes-Côte d'Azur region.

**In 2016, you appointed CACEIS as the depositary bank of Fund III. What convinced you to make that choice?**

Yes, we appointed CACEIS as the depositary and registrar for Fund III. We also negotiated an equity bridge funded jointly by CACEIS and CACIB.

The main reason we chose CACEIS was that they were offering a simple arrangement with one contact person for all our teams. We were also looking for a sole depositary able to offer high-quality, sophisticated services while coordinating activities in France, the UK and Luxembourg. CACEIS ticked all the boxes. We

**Could you give us a brief introduction to your company?**

Antin Infrastructure Partners (Antin) is a Franco-British management company founded in 2007. We specialise in infrastructure investments in the OECD area, primarily in four broad sectors: transport, energy/renewable energy, telecoms (fibre optics, towers) and social infrastructure (healthcare, education). We currently employ close to 70 people across our three sites: London, Paris and Luxembourg.

We manage three investment funds and several co-investment funds totalling more than €7.5 billion in assets under management



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really appreciate the stability and expertise of CACEIS, because these qualities reassure our investors.

Thanks to a centralised management model, we basically see CACEIS as a facilitator. This model ensures uniform data processing, regardless of fund jurisdiction, and enables genuine synchronisation of fund vehicles, irrespective of where the information has come from.

CACEIS's other strengths are their competitive prices and their OLIS client platform. We particularly appreciate how their responsive teams are able to continually upgrade this online tool to meet our needs. In short, we decided to choose CACEIS because of their efficiency and competitiveness, and the OLIS tool.

**What do you particularly appreciate about your relationship with CACEIS?**

The responsiveness of their teams, their uniform data processing, the quality of the OLIS platform and a single contact person are what we consider to be the best aspects of our relationship with CACEIS, who operate

on our behalf in three different jurisdictions (France, the UK and Luxembourg).

That last point is crucial for Antin. It saves us lots of time and makes our day-to-day job easier because we can focus on what we do best.

**You have a presence in the UK market via your London office; how does CACEIS meet your specific needs?**

There are indeed requirements and documents that are specific to the UK market. But that doesn't affect us at all because our single contact person at CACEIS takes care of everything at their end. That is a real source of comfort to us.

**What do you expect from your relationship with CACEIS going forward?**

We hope that CACEIS will continue to support us with the same degree of responsiveness and ability to anticipate our needs, particularly with regard to the equity bridge. We want them to help us on a daily basis so we can quickly address our needs in relation to any specific issues that may arise in the future ☺



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Contact:  
sylviane.piganiol@caceis.com

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# Equity Bridge financing: an increasingly successful solution

CACEIS offers innovative bridge financing solutions that meet the needs of Private equity fund managers and their investors.



GILLES CORCOS, General Secretary of the Private Equity Real Estate and Securitisation business line, CACEIS

Three years ago, CACEIS took an innovative step forward by putting in place an efficient, comprehensive financing solution for private equity funds, in line with international standards: equity bridge financing (EBF). The solution is becoming increasingly popular, on the one hand because of the growing private equity market and, on the other, because it meets the needs of fund managers and end investors.

*“This solution is based on a facility granted to funds to finance their cash needs until a call for funds”,* explains Gilles Corcos, General Secretary of the Private Equity Real Estate and Securitisation business line at CACEIS.

Equity bridge financing provides funds with the certainty that they will have the necessary financial resources to fund investments and to cover their operating expenses without having to issue calls for funds within a very short timescale. The credit line is generally available for a period of 2–4 years, with the possibility of an extension, and may be drawn down in cash (traditional loan) or in the form of letters of credit (guarantees).

This financing solution makes it possible to stagger and reduce the number of calls for funds. Apart from the fact that the use of EBF helps to improve a fund's IRR, such financing above all enables management companies to be reactive when negotiating investments and

provides the fund's investors with greater visibility regarding future calls for funds. EBF does not create leverage since it does not increase the fund's investment capacity.

In addition, it is not a revolving facility, as it is not automatically topped up and a drawing under the facility cannot be repaid by means of another drawing.

*“An analysis of the fund's documents of incorporation and its compatibility with the way the EBF is structured is a prerequisite to arranging such financing. On top of that, we analyse the creditworthiness of the investors and look very closely at the conditions governing the realisation of collateral”,* adds Gilles Corcos. Therefore, a security package is put in place which primarily involves the collateralisation of the subscription undertakings of investors in favour of the lenders. Although the fund's assets are not in the scope of the collateral, they are nevertheless closely scrutinised when the financing is put in place.

Equity bridge financing is intended for all types of funds where institutional investors or similar make up the majority of shareholders, regardless of the investment strategy (private equity, infrastructure, real estate, etc.). Moreover, this financing is, of course, only granted to funds in which the capital is paid up gradually. It may be granted to all legal forms of funds established in different jurisdictions (FPCI, FPS, SLP in France, SCS, SCSp, SICAR

and RAIF in Luxembourg, LP in the UK, Jersey and Guernsey, etc.).

According to CACEIS' experience, given the time and cost involved in structuring EBF, this type of facility is geared towards funds having a minimum size of €200 million. The amount of the financing, which is adjusted to match the needs inherent in the investment cycle of funds, generally represents an amount equal to 20–30% of the fund's size.

While this type of financing has been readily available on the market for several years in the United States and the United Kingdom, management companies in continental Europe have only started to use this product over the last three to four years. They have nevertheless integrated it rapidly, as it has become clear that it is a competitiveness issue for French and European asset managers and is being increasingly taken into account by investors.

This financing solution is an ideal fit for the private equity services of CACEIS. Its traditional role as depository and fund administrator enhances the quality and fluidity of the relationship with the fund being granted financing, and avoids the need for the latter to disclose to third parties the very confidential list of its investors. Such information is already known to CACEIS in its role as depository. Similarly, its expertise significantly boosts its capacity to structure the financing, regardless of how the fund has been set up, and at any time during its life (at the time of its launch or subsequently). CACEIS has suc-

“An analysis of the fund's documents of incorporation and its compatibility with the way the EBF is structured is a prerequisite to arranging such financing. On top of that, we analyse the creditworthiness of the investors and look very closely at the conditions governing the realisation of collateral.”

cessfully demonstrated its ability to deliver and offer structuring solutions tailored to the different types of structures adopted by asset managers (several funds and/or SPVs established in different jurisdictions and bound by co-investment agreements combined within the same EBF).

CACEIS works in partnership with CACIB within the framework of Crédit Agricole's Premium Clients division, thereby increasing its financing capacity and enabling it to offer a single loan agreement, managed by the same team but based on two balance sheets. This joint expertise is a major asset in meeting growing market needs.

CACEIS and CACIB are therefore able to individually offer financing that can be as high as several hundred million euros, or participate in pooled facilities in amounts running into several billion euros. This financing is available for all regions where the private equity market is sufficiently developed and active, namely in France, Luxembourg, the United Kingdom and the United States. Outstanding financing granted by the two partners, jointly or individually, represents a substantial share of the market, in particular in France and Luxembourg. More than 40 transactions have been concluded in less than three years.

Lastly, equity bridge financing complements and is part of the wider range of support services offered by units of the Premium Clients division to fund managers (asset servicing, asset/project financing, cash management, M&A, etc.)

PERES  
BUSINESS LINE  
WITHIN CACEIS  
KEY FIGURES



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250

PROFESSIONALS  
ACROSS EUROPE

#1

EQUITY BRIDGE  
FINANCING PROVIDER  
IN CONTINENTAL EUROPE

DEPOSITORY BANK OF

2,000

FUNDS IN EUROPE

FUND ADMINISTRATOR OF

500

FUNDS IN EUROPE

25

EQUITY BRIDGE  
TRANSACTIONS  
CONCLUDED  
IN 3 YEARS  
(CACEIS ALONE)



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# A new digital platform dedicated to private equity and real estate, available via OLIS web portal



SYLVIANE PIGANIOI, Sales Director France - PERES, CACEIS

CACEIS has developed new features for its OLIS web interface to provide managers with greater autonomy in order to view their portfolio and investor data. This solution is unique in the private equity market for the outsourcing administrative and financial control functions of private equity funds (middle office).

The dedicated PERES platform on the OLIS website is tailored to the needs of private equity management companies that have decided to outsource the administrative and financial control processes associated with their funds (middle office). Accessible with a web connected PC, tablet or smartphone, the platform enables users to monitor all of their portfolio and investor register data 24/7 in near real time. Access is fully secured and confidentiality profiles could be configured to restrict access to data relating to carried interest units. Data may be personalised,

reorganised (move/delete columns) and exported via Excel, to better suit client needs. Clients can also ask for files to be automatically emailed to the recipients of their choice.

"In 2017, CACEIS added two new features to this platform for private equity, infrastructure, private debt and real estate funds: a transaction-related section in which French fund management companies can submit their register instructions and a dedicated access for Equity Bridge credit lines facility monitoring," points out Sylviane Piganiol, Sales Director France - PERES at

CACEIS. Equity Bridge Financing (EBF) is a private equity fund financing method enabling management companies to gather / delay investor capital calls. This EBF has been highly successful with managers in recent years.

#### FUND MONITORING

Access to "Fund Reports" on the platform provides a synthesis of all funds positions by share class. It is easy to access the main fund, fund operations and investor register details, as well as fund performance data such as the multiple and the IRR. Retrieved data is available on D+1 after being processed by the dedicated financial controller teams at CACEIS.

Historical operations at investor level are provided, covering all operations types by date, with the following key data: commitments, amounts called, paid, distributed, etc.

Moreover, performance graphs showing the breakdown of the residual commitment and the total called at fund level complete the reports. Other graphs track capital calls,

“A new feature has been launched to ensure comprehensive monitoring of Equity Bridge Financing granted by CACEIS.”

distributions, cash at work (capital calls - distributions) and investor multiple.

#### ASSET MONITORING

Fund Reports from the PERES module within OLIS give exclusive access to asset transactions, synthesis and detailed portfolio information of each fund.

Portfolio details are classified by investment type: funds of funds, private equity (Direct investment in companies), monitoring of loans for private debt and real estate funds.

In addition, users can access graphs showing the breakdown of the portfolio by business sector or by geographical area in relation to the cost price or the residual valuation. Other graphs provide the breakdown of investments by strategy and the breakdown of the assets valued by instrument.

For direct investments in companies or real estate, several levels of data are provided, including general information on the company or property, capitalisation tables listing the funds or companies that have invested in the company, and the list of flows for each investment instrument.

As regards reporting requirements for funds of funds, specific reporting screens have been developed to offer look-through monitoring for each underlying fund.

"The PERES platform also provides loans monitoring with the full list of credit lines and the associated

amortisation tables, in particular in payment schedule format", adds Sylviane Piganiol

#### MONITORING OF EQUITY BRIDGE FINANCING

A new feature has been launched to ensure comprehensive monitoring of Equity Bridge Financing granted to funds by CACEIS or for which CACEIS is the facility agent. It provides two levels of information: key information on the loan (conditions) and a table pointing the timeline to date of the equity bridge financing facility with fundings, redemptions, various fees, etc.

Thanks to these features, the dedicated PERES platform available on OLIS is a crucial one-stop tool for private equity and real estate fund managers, investor relations teams and internal financial control teams within management companies.

It meets the expectations of end clients and regulatory authorities in terms of transparency, risk management, performance measurement and asset valuation so that users can focus on managing their investments. This platform is the cornerstone of CACEIS' services for private equity, infrastructure, private debt and real estate funds.

A host of new functions will be added in 2018 to enhance CACEIS' services for private equity and real estate funds.

