

## European Leveraged Finance Association

### *Updates from the Executive Committee*

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- The European Leveraged Finance Association has achieved significant progress in executing our mission statement over the past few months.
  - In this second volume of the ELFA Updates Series, we describe our new initiatives and the progress of our existing initiative committees.
  - We also set out details of our upcoming events, those hosted by our partners, and those we have been invited to participate in. Discounts to some of these events have generously been made available to ELFA members.
  - We announce exciting updates about our website and membership portal and our growing team.
  - Finally, we thank our 2019 partners and announce partnership opportunities for the 2020 membership year.
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**T**he European Leveraged Finance Association has achieved significant progress in executing our mission statement since the first volume of ELFA Updates was published in May. We launched several new initiatives to increase transparency and engagement on the market, created two new sub-committees to execute the Board's priorities, co-hosted two excellent events with our partners, and organised our fourth event of the year scheduled for November.

During our first Annual General Meeting on 17 October, the Board will set ELFA's agenda for the coming membership year (which runs from 1 November).

We welcome firms considering ELFA membership to join us at the meeting to witness the passion and energy of our members in action.

In this volume of ELFA Updates, we describe some of the key initiatives of our initiative committees, set out upcoming ELFA events and events of our partners, and announce partnership opportunities for the 2020 membership year. We also say a special thank you to this year's partners, whose support has been critical to our success, and make some exciting announcements about our growing team.

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## Our Mission Statement

**ELFA seeks to create a more transparent, efficient, and resilient leveraged finance market while acting as the voice of its investor community. To that end, our diverse forum of investors engages with other industry professionals in order to educate and to promote best practices and transparency.**

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### A Selection of Our Key Initiatives

ELFA's initiatives are designed by members of the initiative committees to execute the goals and priorities set by the Board. A few of our current initiatives are described below.

#### ESG Report and Survey

Following publication of the third volume of our ELFA Insights Series by our Disclosure and Transparency Committee, our ESG Committee has launched a survey to create resources for the market to use as a basis for more efficient ESG disclosure and analysis. Our aim is to increase awareness of the importance of ESG

analyses and create tools to support borrowers in their disclosures of these increasingly important metrics to the market. Click [here](#) to take the survey

#### Loan Investors

Our Loan Investors sub-committee, which includes Alcentra, Bain Capital Credit, Invesco, M&G, Muzinich, and Oak Hill, among others, is working on initiatives to defend the interests of loan investors and to act as the voice for investors in the loan market. The Loan Investors sub-committee is currently working on projects to address the state of transferability provisions, the short time period that loan investors have to review SFAs, among other issues.

## A Selection of Our Key Initiatives (continued)

### Key Covenant Questionnaire

The Disclosure and Transparency Committee has continued to develop ELFA's Key Covenant Questionnaire so that it effectively captures the most important issues for investors to discuss with management.

The Key Covenant Questionnaire is designed to encourage disclosure of, and facilitate discussion about, key covenant metrics, and to highlight the intentions of the issuer with respect to ongoing reporting. One recent addition is a question on the treatment of IFRS 16, a significant issue for many companies that can have material implications for covenant calculations.

The Questionnaire is [available for download](#) on our website, and investors can [submit suggestions for questions to add](#) these will go directly to the committee for consideration. The feedback form can also be used to submit investors' experience using the Questionnaire – have you been successful in engaging with companies and their advisors? Are there ways that we can work with the market to make this process more effective.

We want to hear from you! Click [here](#) to submit your ideas and feedback, and keep asking these questions of management so that engagement on covenant issues can continue to improve.



### Upcoming ELFA Events

**17 October:** We are very grateful to our partners at Debtwire for hosting our AGM on the third day of Debtwire Week (more information on the event is below). We welcome investors who are considering ELFA membership to observe at the meeting. Email Sabrina Fox, Executive Advisor to ELFA, at [sfox@elfainvestors.com](mailto:sfox@elfainvestors.com) if you would like to join us.

## ELFA Insights Series

The ELFA Insights Series is designed to provide a platform for investor members of ELFA to express their views about issues relating to disclosure, transparency, and market practices. The initiative reflects ELFA's remit to facilitate engagement by its members to the broader market and the general public. The ELFA Insights Series is available to download from our website.

**15-17 October – Debtwire Week:** This three-day event features a range of viewpoints on the themes that will dictate yields in the year to come. More than 100 speakers take part from the most prolific credit funds, leading banks and advisors.

**5-6 November – PDI Women in Private Debt Forum:** The Women in Private Debt Forum will bring together over 500 delegates for open discussions on the latest issues facing the industry, as well as the opportunity to exchange ideas, initiate deals and forge new relationships.

**20 November – Restructuring Trends with Houlihan Lokey:** ELFA and Houlihan Lokey invite you to join us for a seminar to discuss recent restructuring trends and European restructuring case studies. They will focus on protecting bondholders rights, the impact of restricting to receive private information for negotiating transactions, and key differences between bond and LMA debt. Chris Foley and Gijs de Reuver, Managing Directors, will chair the discussion.

## Partnership Opportunities

During the 2019 membership year, we held several successful events for our members and the wider investor community, on average welcoming over 60 attendees from over 40 different buy-side firms to these events. Our partners benefit from exposure to our members through hosting events, co-authoring resources, and hosting periodic conference calls. In addition, ELFA promotes our partners' events and provides them with a dedicated page on our website.

We are currently selecting our partners and scheduling events and initiatives for the 2020 membership year. If you are interested in exploring partnership opportunities with ELFA, please contact Sabrina Fox, Executive Advisor, at [sfox@elfainvestors.com](mailto:sfox@elfainvestors.com).

## Our team is growing!

We are looking for a part-time administrative assistant to join our team. ELFA is seeking to create a part-time, flexible working position that can support individuals in a career transition, for example, new parents returning to work or experienced professionals looking to shift gears. The administrative assistant will work remotely and can set their own schedule, and will gain access to a vast network of professionals in the investment management and broader leveraged finance community. If you are interested in applying or referring someone for this role, contact Sabrina Fox, Executive Advisor to ELFA, at [sfox@elfainvestors.com](mailto:sfox@elfainvestors.com).

We are excited that Shweta Rao has agreed to volunteer her time with ELFA for the coming six months. Formerly of Covenant Review, Shweta is an experienced leveraged finance lawyer and expert covenant analyst committed to education and transparency, and we are very grateful to her for devoting her time to ELFA's initiatives in support of the work of our sub-committees. You can contact her directly at [srao@elfainvestors.com](mailto:srao@elfainvestors.com).

## Our new website and membership portal

Over the summer we launched our new website and membership portal, providing even more powerful resources to our members and initiative committees.

Members can still access ELFA Covenant Tips, ELFA's Key Covenant Questionnaire, legal resources from our partners, seminar playbacks and related tools through our membership portal. The portal now also supports initiative committee projects through dedicated forums, facilitates the development of our Key Covenant Questionnaire and Covenant Tip through feedback forms, and allows members to tailor their communication preferences and amend their member profiles.

We will shortly begin distributing announcements, event invitations, and other updates through our membership portal, so please include [admin@elfainvestors.com](mailto:admin@elfainvestors.com) to your accepted email recipients list so that this important information doesn't end up in your spam folder! If you are a member and you do not currently have access to the new membership portal, contact [support@elfainvestors.com](mailto:support@elfainvestors.com) to get a password.

## ELFA Member Highlights

- ✓ Quarterly educational events, like our recent covenant seminar with Hogan Lovells and Reorg Debt Explained, and our upcoming seminar on recent restructuring trends and European restructuring case studies scheduled for 20 November with Houlihan Lokey.
- ✓ A forum for investors to express their views with a single voice and see that these are reflected initiatives that emerge from ELFA.
- ✓ Participation as a thought-leader to develop industry guidelines and standards to promote transparency and establish industry best practice.
- ✓ Educational initiatives, including ELFA Covenant Tips and Covenant Toolkits, designed to assist member firms in finding the risk in documentary provisions.

## Our Partners

ELFA is immensely grateful to our partners, each of whom have made a significant contribution to our success this year.



**Akin Gump:** Akin Gump's team of litigators, dealmakers, and policy lawyers and advisors provide a comprehensive suite of services for global companies and local individuals.

**Cadwalader:** Offering clients unparalleled experience and across a wide range of areas, with than 400 attorneys in New York, Charlotte, Washington, London and Brussels.

**Hogan Lovells:** The firm's 2,500 lawyers work together with clients to solve the toughest legal issues in major industries and commercial centers around the world.

**Houlihan Lokey:** The largest worldwide financial restructuring practice of any investment banking firm, with offices and professionals located across the globe.

**Reorg Debt Explained:** With increasingly complex deals and markets, Reorg Debt Explained provides rapid interpretation of deal documentation, market terms and trends.