

Ellen McGinnis, Deborah Low and Kinne Manente in Law360: Understanding PE Employee Co-Investment Credit Facilities

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PRACTICES Finance, Fund Finance

As fund finance facilities, net asset value, or NAV, facilities, and hybrid lines of credit have become commonplace in the market, private equity and real estate firm sponsors continue to seek additional methods to deploy capital as effectively and efficiently as possible.

To accommodate this demand, credit providers are expanding the variety of products offered to their clients in the fund finance industry. Three such products are management lines of credit, general partner, or GP, financing, and employee co-investment facilities.

For purposes of this article, the term sponsor will be used to refer to a member of the investment fund's corporate structure, but the role of the particular entity — be it the management company, the investment fund's ultimate general partner or another affiliate — may vary depending on corporate structure.

Excerpted from *Law360*. To read the full article, click on the PDF below.

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