Private Equity in *Focus*

Torys captures the state of the industry in 2016 at three levels of focus.
Statistics

Unless otherwise indicated, all statistics are sourced from S&P Capital IQ. Year allocations are determined by announced date. All data exclude investments in new issues and include both acquisitions of, and exits from, Canadian targets by financial investors.

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Overview

What lies ahead for private equity in 2016? Our annual report covers how private equity M&A activity in 2015 has set the stage for this year’s transactions at three levels of focus: in the markets, in the deals and in the terms.

In the Markets - changing deal strategies in the current environment.

Private equity investors continue to face competition not only from pension funds and strategic buyers, but also international investors who are increasingly pursuing investment opportunities in Canada. In this competitive environment, and in the face of persisting economic uncertainties, investors are focusing more on deal-sourcing strategies while managing effective sales processes to maximize returns on exit.

In the Deals - more “public-company style” deals in private-company auctions.

This seller’s market is causing some sellers in private-company auctions to attempt the sale of their business “public-company style”—that is, without offering buyers a post-closing indemnity for representation and warranty breaches. This approach has been especially pursued in dual-track processes where the target has been preparing for an IPO in parallel to an auction. For buyers, an important question will be: is representation and warranty insurance an adequate indemnity substitute?

In the Terms - U.S.-Canada private equity debt terms and the drive for greater fund transparency.

With current market conditions expected to draw more U.S.-based investors to Canada in the year ahead, U.S. sponsors seeking Canadian debt financing to fund acquisitions may need to adjust their expectations as to what’s market in private equity debt terms in Canada. While some aspects of U.S. debt terms are similar to those in Canada, there are notable differences. With respect to private equity fundraising, one trend is consistent on both sides of the Canada-U.S. border: increased transparency of fees and expenses is in store for 2016.

These trends are developing against a broader backdrop of global market turns which are fostering favourable conditions for investors to pursue new opportunities, including in an increasingly distressed oil and gas industry in Canada. The current environment is set to sustain private equity dealmaking in the year ahead—whether expectations around price between buyers and sellers will align remains to be seen.
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In the Markets

Private equity investors continue to face competition not only from pension funds and strategic buyers, but also international investors who are increasingly pursuing investment opportunities in Canada. In this competitive environment, and in the face of persisting economic uncertainties, investors are focusing more on deal-sourcing strategies while managing effective sales processes to maximize returns on exit.
Canadian Private Equity in 2015

Sell-side activity dominated Canadian private equity dealmaking in Canada in 2015. Despite the slight decline in domestic M&A deal volume involving a financial buyer or seller (Figure 1), private equity investors continued to seize on favourable market conditions to exit their investments. Over 60% of private equity transactions in 2015 involved sell-side activity, in line with the prior year’s reported levels (Figure 2).

Figure 1. Canadian PE Deal Volume

![Canadian PE Deal Volume Chart](chart1)

Figure 2. PE Role Breakdown

![PE Role Breakdown Chart](chart2)

Sales to strategics

Many Canadian businesses are being sold to strategic buyers. In 2015, strategic sales accounted for the majority of private equity exits, representing 58% of domestic M&A transactions involving financial players (Figure 3). On the rise since 2013, acquisitions continue to appeal to strategics as a way to pursue business growth.
Capital investments decline

Despite global private equity dry powder having hit US$752 billion at the end of last year,\(^1\) Canadian domestic buy-side activity by private equity investors declined in 2015, following a downward trend since a recent high in 2013 (Figure 3). The decline in domestic private equity investments tracked a broader domestic M&A downturn as the aggregate deal value of Canadian domestic M&A fell in contrast to significant growth in outbound investments in 2015.

A competitive deal environment

Private equity investors are facing ongoing competition from pension funds, strategic buyers and international investors who are increasingly seeking investment opportunities in Canada. In the last year, foreign investment in the Canadian private equity M&A market has grown, reversing a three-year decline since a peak in 2011 (Figure 4, p.4). Some 40% of foreign investment activity involved a foreign financial buyer, up from 34% in 2014 (Figure 5, p.4). The relative pricing of Canadian assets, accessible leverage markets (for details on debt terms, see “In the Terms—Canadian Private Equity Financings and U.S. Debt Terms: What’s Market,” p.16) and weak Canadian dollar are all positive factors drawing international investor interest.

Enhancing sourcing strategies

In this competitive deal environment—and in the face of persisting economic uncertainties—private equity investors are adopting differentiated strategies to source

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deals. These include increasing the focus on developing deeper vertical expertise and building networks of potential vendors and partners. Investors are continuing to look for opportunities to bypass competitive auction processes and source proprietary deals from these vendors, and unlock value post-acquisition by leveraging industry expertise of operating partners in their portfolio companies.

Over the last three years, we have seen sustained deal activity in Canadian small to mid-sized transactions, with deals valued under $500 million accounting for nearly 90% of investment activity (see Figure 6). In targeting specific sectors, investors are cautious and focusing on industrial cycles, evaluating past industry performance in a recessionary environment as a potential indicator of future successes (for more on sector focus, see “Oil and Gas Sector Insights,” p.8).

Figure 4. % of Deals with a Foreign Buyer

![Figure 4](image)

Figure 5. % of Deals with a Foreign PE Buyer

![Figure 5](image)
In Canada, more private businesses are expected to come to market as baby boomers retire. This is likely to continue to draw private equity interest in those smaller and mid-size market segments.

As has been the trend of late, funds with specialized and focused investment strategies are continuing to emerge, such as private equity funds with narrow industry focuses, energy funds dedicated to oil and gas plays and infrastructure funds focused on particular sectors.

Private equity sponsors are also allocating more time to deepen relationships with their limited partners. Limited partners are increasingly concentrating on the number of sponsors they are prepared to invest with and this discretion is resulting in more co-investment opportunities for such limited partners. Another consequence of the deepening relationships between limited partners and sponsors is enhanced transparency in the industry (see “In The Terms—Private Fund Transparency Takes Centre Stage,” p.20).

**Maximizing value on exit**

Managing an effective sale process is also becoming an important focus for the private equity industry as a means of maximizing value on exit. Vendor due diligence reports, long popular in Europe and making headway in both the United States and Canada, are increasingly being prepared by private equity sellers for potential buyers to anticipate and manage buyer diligence issues and centralize costs. Sellers can streamline the sales process by supplying a single diligence report to prospective
buyers on their business (rather than run separate diligence processes for each potential buyer).

Such reports are not necessarily restricted to legal matters, but may involve the preparation of specialized reports by independent accounts or consultants addressing target-specific issues such as environmental matters. Although a vendor due diligence report may help shorten the sale process, it can potentially be costly to the vendor—and if the report is not sufficiently comprehensive, buyers may insist on conducting their own diligence, risking delays to the sale process.

Seller-friendly terms are also being embraced in private equity transactions, and in some instances we are seeing sellers of private companies attempting to sell their businesses “public-company style”—that is, without offering a post-closing indemnity (for details, see “In the Deals—‘Public-Company Style’ Remains on Trend,” p.12).

The current market environment is set to sustain private equity dealmaking in the year ahead through a number of factors. From international investors looking to take advantage of favourable market conditions to retiring baby boomers divesting their businesses, private equity investors and strategics are ready and willing to take advantage of the opportunities in the year ahead—in the hope, of course, that buyers’ and sellers’ price expectations will align.
Oil and Gas Sector Insights

Domestic energy-sector M&A in Canada saw a significant decline in the number of transactions in 2015 as private equity increasingly pursued dealmaking in the Canadian retail and consumer products sector, alongside steady activity in technology, industrial and natural resources sectors (Figure 1).

Figure 1. PE Activity by Industry

The decline in energy-sector M&A was largely due to weak industry fundamentals and depressed public company share prices that often made buy side and sell side expectations difficult to reconcile. This has been compounded by market uncertainty about political response to the changing landscape of the industry. This includes the potential impacts of policy initiatives of the recently elected provincial NDP government in Alberta—initiatives that include a provincial energy-sector royalty review, a higher corporate tax environment and new commitments to climate change legislation. With the Alberta government having released the results of its royalty review in late January 2016 and deciding largely to maintain the existing royalty structure, some of this uncertainty should be reduced.
Market access continues to be a significant concern for the industry given the political headwinds that have impacted proposed pipeline projects to date. In early February, in his first visit to Alberta since assuming office, Prime Minister Trudeau delivered a message of federal political support for opening up markets for Alberta energy through new pipelines; however, the message fell short of providing assurances regarding new pipeline approvals, instead emphasizing the need for thorough regulatory review without undue political interference.

A rise in energy-sector deal activity is anticipated in the coming year. With the market adjusting to the realities of a more pronounced oil price decline that isn’t expected to recover substantially in the short term, capital budgets have been slashed and distressed companies have had few options to consider other than asset dispositions or other M&A strategies to address overleveraged balance sheets and the resulting concerns of lenders, or to raise capital for higher priority projects. In addition, there has been robust activity with respect to midstream oil infrastructure asset opportunities as producers look to monetization strategies around the infrastructure they own in order to address balance sheet liquidity issues. Both financial buyers and well-capitalized strategic buyers will look to take advantage of these opportunities. A relatively low Canadian dollar is also expected to motivate foreign buyers hoping to find attractive investments in the current environment in Canada.
This seller’s market is causing some sellers in private-company auctions to attempt the sale of their business “public-company style”—that is, without offering buyers a post-closing indemnity for representation and warranty breaches. This approach has been especially pursued in dual-track processes where the target has been preparing for an IPO in parallel to an auction. For buyers, an important question will be: is representation and warranty insurance an adequate indemnity substitute?
“Public-Company Style” Remains on Trend

Unlike traditional private-company acquisitions, public M&A transactions lack purchase price adjustment and indemnity provisions as it is considered virtually impossible to claw back deal proceeds from a large group of public shareholders once a public company acquisition has closed. However, amid the recent frothy sellers’ market, some sellers of private companies are taking a page from the handbook of public M&A dealmaking, attempting to sell their privately held companies “public-company style”—that is, without offering a post-closing indemnity.

This phenomenon first started to appear in particularly hot auctions, especially those conducted in parallel with the target prepping for an IPO. Those “dual-track” processes give sellers an upper hand in insisting on no-indemnity deals as they can argue that the alternative to a private sale—the IPO route—allows them to eschew any post-closing indemnification obligations. As the sell-side cycle continues, the “public-company style” phenomenon is increasing in frequency, including, on occasion, outside of the auction context.

The leverage (or perceived leverage) sellers have in many recent private-company transactions is only one explanation for this trend. The other is the advent and increasingly widespread use of representation and warranty insurance. Buyers, the sell-side theory goes, can acquire their own bespoke indemnity package from an outside party—the insurer—and, in so doing, no longer need to depend on the seller offering an indemnity. At times, buyers have gone behind the scenes to obtain representation and warranty insurance on their own in an effort to gain a competing edge in a hot auction.

While some private-company auctions have featured a public-company style auction draft of the acquisition agreement, the overall number of private-company acquisitions completed without at least some form of post-closing recourse to the seller or a seller escrow still remains small.

Indeed, buyers are well advised to remain very cautious about the use of this approach. Evidently, doing deals without any indemnity protection carries significant risks from a buyer’s perspective. Even where a buyer’s due diligence review suggests that a target is “squeaky clean,” buyers (and in particular, public-company buyers required to disclose the acquisition agreement) may want to consider carefully whether they wish to set such a precedent.
R&W insurance: an indemnity substitute?

Buyers should also be aware that representation and warranty insurance (R&W insurance) is not a perfect substitute for a seller indemnity:

1. R&W insurance usually comes with a higher retention (or deductible) than a seller would typically require in the context of an indemnity. It is for that reason that many deals in which buyers rely on R&W insurance also include indemnification provisions and a small seller escrow.

2. R&W insurance policies carve out certain matters from the scope of coverage. One universally applicable exclusion relates to matters known to the buyer’s deal team at inception of the policy—meaning that in private-company deals with known post-closing exposures, a seller indemnity is the only viable option for a buyer wanting to protect against these exposures.

3. Purchasing insurance in an amount up to the full purchase price is often prohibitively expensive, meaning that insurance is unlikely to replicate the protection a buyer would enjoy in respect of fundamental representations under a private M&A purchase agreement.

4. The jury is still out as to whether R&W insurance policies reliably pay out on claims. While insurers face an increasingly crowded marketplace and thus are incentivized to act in a competitive manner, the number of litigated claims under these policies is still too small to yield reliable data on the question of payouts.

Wherever possible, sellers will continue to use their leverage to extract the best deal terms. The current market environment has made it possible for some sellers to insist on doing deals public-company style. We expect this trend will continue in 2016. However, buyers should remain cautious about if, and how, they embrace the trend.
In the *Terms*

With current market conditions expected to draw more U.S.-based investors to Canada in the year ahead, U.S. sponsors seeking Canadian debt financing to fund acquisitions may need to adjust their expectations as to what’s market in private equity debt terms in Canada. While some aspects of U.S. debt terms are similar to those in Canada, there are notable differences.

With respect to private equity fundraising, one trend is consistent on both sides of the Canada-U.S. border: increased transparency of fees and expenses is in store for 2016.
Canadian Private Equity Financings and U.S. Debt Terms: What’s Market?

In 2015, foreign investors (largely U.S.-based—see Figure 1) accounted for nearly half of private equity investment activity in Canada,¹ and favourable market conditions are expected to draw more U.S. investment to Canada in the year ahead. U.S. sponsors investing in Canada may bring their U.S. debt financing sources north with them (which will come with potential hurdles)—or rely on Canadian bank financing. To the extent they use Canadian bank loans, U.S. sponsors may need to adjust their expectations as to what’s market in private equity debt terms in Canada.

Covenant lite loans

Leveraged loans traditionally contain financial maintenance and restrictive covenants to protect lenders from the increased risk that comes with higher-leverage multiples. In larger U.S. markets, “covenant lite loans” without any financial maintenance covenants have become common, initially in larger deals but increasingly in middle market deals.

By eliminating the risk of a default due solely to declining revenue, these loans give sponsors greater flexibility. While borrowers are still subject to negative covenant restrictions (such as those restricting debt incurrence, liens, asset sales and investments) in covenant lite loans, a portfolio company can only breach these covenants by actively engaging in a prohibited transaction.

In contrast to the U.S., covenant lite loans are not yet available in the Canadian

¹For a year-over-year review of Canadian deals with a foreign buyer, see “In the Markets—Canadian Private Equity in 2015,” Figure 4, p.4.
The combination of the small size of the loan market, the nature of risk assessment and the more conservative nature of banks in Canada reduce the likelihood that covenant-lite loans will be an option available to leveraged borrowers in Canada in the near term.

**Equity cures**

U.S. equity cures—which allow the sponsor to contribute additional equity (treated as EBITDA) to the portfolio company borrower in order to comply with financial maintenance covenants—are generally subject to limits on the number of cures over the loan term (and for consecutive fiscal quarters in middle market loans), dollar caps, and requirements that the equity proceeds be applied to prepay loans.

While not yet entirely accepted in the syndicated Canadian loan market, equity cure provisions are seeing more use in Canadian bank private equity financing deals with similar restrictions to those found in the U.S. middle market.

**Figure 1. 2015 Breakdown of Foreign Buyers in Canadian Private Equity Investments**

![World map showing foreign buyers in Canadian private equity investments]

Data exclude countries where foreign buyers made only one Canadian investment in 2015.

**Net leverage ratio**

In U.S. loans with financial maintenance covenants, it has become typical to calculate the leverage ratio (debt to EBITDA) or secured leverage ratio (secured debt to EBITDA) net of unrestricted cash on hand (up to a negotiated cap, in the case of middle market loans).
In Canada, whether the leverage ratio will be calculated net of cash on hand is still a matter of negotiation, though we are seeing this more often in PE-sponsored deals.

**Incremental loans**

In the U.S., the size of the uncommitted incremental facility is increasingly governed by a fixed amount available to the borrower regardless of the level of the secured leverage ratio, and a further unlimited amount if secured leverage ratio levels are satisfied. If the EBITDA of a borrower increases, the size of its available incremental facility will also increase. Similarly, if EBITDA is constant and debt is repaid over time, sponsors have flexibility to lever a portfolio company back up to closing levels. Such additional debt capacity has often been used to pay sponsors dividends.

In Canada, an incremental facility will most often have a fixed maximum amount. Canadian banks generally look for a borrower to de-lever over time, and so to the extent that EBITDA increases or debt is repaid, banks will want the benefit of a stronger borrower and a lower risk profile rather than allow the borrower to increase leverage back up to closing levels.

**Loan buybacks**

During and following the ‘08 financial crisis, many U.S. loans traded well below par, and borrowers and PE sponsors sought to purchase their debt at a discount. It has become relatively common in the U.S. to permit a borrower and its affiliates to offer to repurchase loans as long as the offers are made pro rata to all lenders and there is no requirement for any lender to sell. Loans purchased by a borrower must be cancelled upon purchase, whereas loans purchased by an affiliate of the borrower are not cancelled and the affiliate will be a lender going forward, subject to limitations on voting rights.

Loan buyback provisions are not common in the Canadian market and given the small size of the secondary market in Canada, are unlikely to have the same benefit to borrowers in Canada as in the U.S.

**What gives?**

Why have U.S. loan practices had limited success in Canada? One obvious answer is simply that the U.S. loan market is larger and as more lenders compete for attractive deals, sponsors are able to negotiate more favourable terms than in a smaller market.

Another is the makeup of the lender groups and the secondary market. In Canada, leveraged loans have traditionally been advanced and held by the Big Six banks until maturity or sold to similar institutions on the secondary market. In the U.S., much of
the debt used to finance private equity acquisitions comes from institutional lenders rather than the bank market. Non-bank lenders have become the primary debt funding source for U.S. middle market leveraged buyouts and are increasingly active on larger U.S. deals as well.

Even when a traditional U.S. bank structures and underwrites a deal, it will typically seek to sell most if not all of its term loans to institutional investors. The focus of the underwriting bank is on the protections required to sell the loan in the current market rather than the long-term credit view taken by Canadian banks.

**Using U.S. debt to fund a Canadian acquisition**

With few tax or regulatory restrictions on Canadian borrowers tapping into the U.S. debt markets, U.S. debt capital sources can help fund a Canadian acquisition. One practical hurdle has been the need to develop an FX hedging strategy since a Canadian borrower’s revenue will be in Canadian dollars while its debt service will be due in U.S. dollars. These hedges can be costly and are generally only provided by traditional banks and affiliates, limiting the involvement from some of the more attractive U.S. non-bank funding sources.

However, these practical hurdles may be overcome; for example, Torys recently acted for a Canadian portfolio company borrower in a Canadian dollar loan from a U.S. debt fund lender with U.S.-style loan documentation. If more U.S. institutional lenders opt to lend in Canadian dollars in the future, this may create additional options for Canadian borrowers. Otherwise, we expect that core differences between markets will largely require U.S. sponsors to continue to adapt to Canadian debt terms in 2016 when borrowing from Canadian banks.
Private Fund Transparency Takes Centre Stage

Increased scrutiny from regulators is driving a trend toward greater transparency in the private funds industry. More detailed and frequent disclosure of fees and expenses and more information and reporting around conflicts of interest and allocation policies are good examples of this trend. With regulators signaling a need for funds to continue to improve disclosure, and investor advocacy groups separately working on a set of proposed industry standards on fee disclosures, the trend toward transparency is expected to continue on both sides of the Canada-U.S. border.

Regulatory oversight

In the United States, the Securities and Exchange Commission (the SEC) now has a more complete picture of the private fund industry five years after the Dodd-Frank Act first required many managers to register and report their practices. In those five years, the SEC has gone from not knowing how many funds or managers exist to having insight into almost 30,000 private funds and 4,500 registered advisers.

This insight resulted in some notable SEC enforcement actions in 2015. In June, one manager agreed to pay almost US$30 million to settle charges that it had improperly allocated more than US$17 million in “broken deal” expenses to its flagship funds.¹ In August, another manager agreed to pay US$20 million to settle charges that it had failed to disclose a US$50 million loan that a senior executive received from an investor.² In October, a third manager agreed to pay US$39 million to settle charges that it had inadequately disclosed accelerated monitoring fees and legal discounts it had received that were substantially higher than legal discounts received by its funds.³

A running theme in these enforcement actions is inadequate disclosure to investors, ranging from a failure to describe practices in marketing materials or—in cases where disclosure occurs but the relevant fees and expenses or practices are not highlighted to investors—a failure to disclose information to investors in a sufficient way.

While increased regulatory oversight of the private funds industry has largely been a U.S. phenomenon, the practical effect is also being felt by Canadian funds which are similarly facing growing disclosure pressures from investors.

Fees and expenses

Historically, the information investors received with respect to fees and expenses has been limited, with any disclosures provided often buried in annual financial statements. As highlighted by recent enforcement actions, regulators have been particularly concerned about the payment of accelerated-monitoring fees to managers upon the sale of a business without adequate disclosure of such practices or the amounts of the fees involved. The amounts in question have been material: according to one recent estimate, up to US$3 billion in these types of fees (out of a total of US$20 billion in portfolio company fees) have been received by private fund managers from portfolio companies over the last 20 years.⁴

As of May 2014, the SEC had found illegal fees, compliance shortfalls or material deficiencies in controls in more than half of the private funds it examined.⁵ In October 2015, SEC Chair Mary Jo White emphasized the SEC’s concern that some managers may be improperly shifting expenses away from the manager by charging salaries to the fund, outsourcing services to be performed by the manager and charging inappropriate third-party fees to the fund (for instance, by hiring former employees as “consultants” paid by the fund but whose compensation does not offset the management fee), without disclosing any of this to investors.⁶

**Marketing.** We are seeing managers include more detailed fee disclosures in their marketing materials, in particular with respect to their practices regarding administrative fees and portfolio company fees.

**Fund formation.** In fund-governing documents, we are seeing expanded fee and expense definitions, and clarifications around which fees are to be paid out of the management fee as opposed to paid by a portfolio company (but not subject to offset against the management fee).

**Information rights.** Periodic notices to investors of fees that both offset the management fee or are carved out of the offset and increased information regarding expenses, and broader access to information rights to request information on such fees, are also being included in fund-governing documents.

These developments have increased investors’ ability to track these types of fees and the management fee offset, as well as to track expenses that are charged to the fund.

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Spotlight on U.S. real estate funds

As of October 2015, the SEC has been completing a review of private fund real estate advisers and their practice of hiring related parties to perform services for fund investments. In particular, the SEC is concerned that “disclosure about these arrangements may be non-existent or potentially misleading, particularly with regard to whether or not the related parties charge market rates.”

In response, we are seeing managers add enhanced disclosure in marketing materials specifying the services, the relationship between the manager and the related party, and the terms of these engagements. Managers are also revising fund-governing documents to expressly permit such transactions, but within parameters to protect investors’ interests; for example, such engagements will be explicitly indicated as being on arm’s-length terms and/or subject to market checks and there is typically enhanced disclosure with respect to amounts paid to such affiliates.

Conflicts of interest and allocation policies

Transparency has also been historically limited with respect to how managers deal with conflicts of interest and allocation of investment opportunities across multiple funds. In the United States, the SEC has observed that some managers are not adequately disclosing conflicts of interest—for instance, hedge fund advisers allocating profitable trades and investment opportunities to their own accounts rather than client accounts in contravention of existing policies and procedures.

Investors are focusing more on conflicts of interest (including how investment opportunities are allocated among funds), and are pushing for enhanced conflict management procedures and/or disclosure obligations. Managers are often responding with adding greater detail in marketing materials and fund-governing documents with respect to conflicts of interest, while at the same time asserting their discretion and flexibility in dealing with these conflicts.

7 Ibid.
8 Ibid.
9 Ibid.
What’s next: fee disclosure standards

Looking ahead, the Institutional Limited Partners Association (ILPA) has circulated a proposed set of standards outlining how managers should disclose fees on a quarterly basis, an initiative which is expected to enhance transparency and reduce the number of individual information requests managers receive.10

From the investors’ perspective, managers’ adoption of these standards will better enable them to compare fees charged by different managers. In addition to ILPA’s efforts, in the United States investors are petitioning the SEC to push for more transparent and frequent information on fees and expenses, as evidenced in a letter sent to the regulator in July 2015 by 13 U.S. state and city treasurers and comptrollers.

Conclusion

In 2016, we expect investors will keep advocating for enhanced disclosure while managers work to preserve their flexibility and discretion. In the meantime, increased transparency in fund marketing materials and fund-governing documents is reflective of the overall shift toward enhanced scrutiny of the industry by both regulators and investors. As managers continue to respond to these changing dynamics, we expect the growing transparency trend will bring with it tangible administrative and strategic considerations for managers in the year ahead.

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Jonathan has extensive experience representing lenders, borrowers, private equity sponsors and pension funds in connection with credit facilities, note offerings and other financings. Jonathan works closely with the firm’s M&A and private equity groups on a wide range of acquisition financings. Jonathan has been involved in the financing of large cross-border infrastructure and energy projects, and has experience with public-private partnerships (P3s) transactions in the United States and Canada.
Torys’ Private Equity Practice

Torys LLP is a leading law firm in the area of private equity. Our firm has a long history in the space, having acted on some of the earliest private equity transactions in North America. Since then, our team of lawyers has grown and developed with the industry. We advise many of the most recognized and active private equity funds, pension funds and other institutional investors on direct M&A transactions, co-investments, fund investments, fund formation and secondary transactions. With private equity teams in Toronto, Calgary and New York, our cross-border expertise positions us to effectively represent our clients in Canada, the United States and globally.

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