

MCFS FINANCE FORUM SERIES 2009

Debt financing for SME's
Back to the future of merchant banking...

with Mike Davis and Tim Martin, Joint Managing Directors, Causeway Asset Management

Date and Time: **Friday 21st August 2009, 12.15pm for 12.30pm - 2.00pm** (sandwich lunch provided)

Venue: **Thomson Reuters Markets, Level 43, 80 Collins Street, Melbourne**

Price - **\$99 (\$90 + \$9GST); full-time academics and students attend for free (but must still register)**

The financing gap for SME's borrowing between \$5 and \$25mn is a common phenomenon worldwide. Regulatory capital constraints and structural issues limit the attractiveness of these companies to major banks. Although this market was well serviced by merchant banks and finance companies in the 1980 and 90's, many of these organisations no longer exist.

The GFC has further tightened credit market conditions as banks have taken an even more conservative approach to lending, making it difficult for SMEs to take on debt-financing. Despite falling interest rates, many SME borrowers are paying more for their debt than before the GFC.

A recent survey by a Melbourne-based research firm DBM Consultants (*Business Financial Services Monitor, 6/2009*) showed that almost half of SMEs are finding it more difficult to borrow this year than a year earlier. Among the most affected were businesses with an annual revenue of between \$A5 and \$A50 million, and those in wholesale trade and financial and business services.

Is lending now strictly just the banks' domain? Private debt funds have been operating for quite some time overseas, however, they are still a rare case in Australia. Causeway Asset Management is an interesting example of how a specialist investment manager explores the niche of private lending and how it applies detailed credit analysis to identify attractive risk adjusted lending opportunities in the Australian market.

The company's executives will provide insights into the scope for bespoke private lending in Australia. Based on research commissioned by Causeway in 2005, East and Partners estimate that the annual borrowing demand for this sector of the lending markets in Australia is now in excess of \$500bn per annum. They will also address the growth in the US and Australia of private debt funds invested in asset backed and cash flow loans and consider the scope for the creation of specialized SME debt asset sub-class.

Our Speaker: Causeway Asset Management Limited has operated in the Australasian private debt market since 2004 and has invested more than \$300mn in private debt opportunities for strategic partners and their fund investors over that time. Their team has more than 100 years of combined experience in Australian and global debt markets, with a credit team whose core skills have been developed in the private debt sector over 25+ years of credit cycles.

Our venue sponsor: MCFS thanks Thomson Reuters for kindly providing its venue for this event.

MCFS arranges topical "Finance Forums" with the objective of improving industry-academia contacts, identifying research projects and opportunities for research partnerships. It is expected that those attending will be able to participate in discussion.

A \$99 charge applies to non-academics and must register on the attached form. However, anyone wishing to hold a place (for up to 7 days) may do so via email to info@melbournecentre.com.au with the subject header of "*Finance Forum – Debt Financing*". Registration closes **noon Thursday 20th August 2009**. Suitable for CPD for most professional associations.

Melbourne Centre for Financial Studies (MCFS) is a not-for-profit partnership between public and private sectors, and between industry and academe. MCFS was launched with seed funding from the Victorian Government. Members of the consortium are Melbourne, Monash and RMIT Universities, and Finsia. They have joined together to enhance Melbourne's national and international reputation for excellence in financial practice, research and education. MCFS facilitates knowledge transfer and builds research synergies between industry and academe by undertaking finance research and organizing research focused events, public lectures and other educational activities. Since 2006, AAMI the Melbourne-based national insurer has been a corporate sponsor of MCFS.

MCFS, Level 43, 80 Collins Street, Melbourne, Victoria, Australia, 3000, W: +61 3 9666 1050 Fax: +61 3 9666 1099 www.melbournecentre.com.au

REGISTRATION FORM

MCFS Finance Forum - "Debt financing for SME's Back to the future of merchant banking..."

with Mike Davis and Tim Martin, Joint Managing Directors, Causeway Asset Management

Date and Time: **Friday 21st August 2009, 12.15pm registration; 12.30pm – 2.00pm**
 Venue: **Thomson Reuters Markets, 43/80 Collins Street, Melbourne (opposite MCFS & Finsia)**

Name*	
Title	
Organisation	
Postal Address	
Phone	
Fax	
Email	

* Additional names may be listed separately. Please provide name, title, organization, email address for each.

<i>Please complete as appropriate</i>	No. registering	Amount
• Academics, and full-time students - free		
• All others - \$99.00 per person (including GST)		
TOTAL		

PAYMENT DETAILS (all registrations must be signed and dated below.)

Please accept **Cheque** payable to the *University of Melbourne* \$A _____
 Or, charge to: **Mastercard** **Visa** (No other cards accepted)

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Amount \$A _____ Signature: _____ Date: _____

.....
 This document will be a tax invoice for GST when you make payment. Please retain a copy for your records.

TAX INVOICE

ABN 84 002 705 224

Please return this form to:

Seminar Organiser
 The Melbourne Centre for Financial Studies
 Level 43, 80 Collins Street
 Melbourne 3000

Fax: +61 3 9666 1099
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1. Melbourne Centre for Financial Services ("MCFS") reserves the right to alter this program or presenter(s) without further notice, however the program is intended to run as advertised. MCFS reserves the right to cancel this activity due to insufficient numbers - registrants will be notified if this occurs and payment refunded in full. 2. Registrations for this event must be accompanied by full payment. Registrants will be liable for payment in the event of non-attendance unless cancellation or request for transfer is made in accordance with clause 4 below. 3. MCFS reserves the right to limit numbers based on its own criteria 4. Cancellations must be advised in writing and received by MCFS at least 48 hours prior to the event. Refunds will not be granted if a registrant fails to attend an event or cancels within 48 hours of the activity. 5. MCFS is an unincorporated joint venture of Monash, RMIT and Melbourne universities with Finsia within University of Melbourne.

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