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## LibreMax Starts New Fund Devoted to ESG Structured Debt

- The \$325 million fund will buy solar ABS, green building bonds
- Investor interest in ESG debt has soared in recent years

By Claire Boston

(Bloomberg) -- LibreMax Capital has raised \$325 million for a new fund devoted to asset-backed securities and other structured debt designed to make the world a better place, making it the latest firm to bet on the growth of the market for sustainable investing.

The fund, which doesn't have a target size, will focus on investments in high-grade slices of debt backed by assets including solar financing contracts, government-supported programs for energy efficient projects and green buildings, according to a person with knowledge of the matter.

A representative for LibreMax declined to comment.

Investor interest in debt earmarked for environmental, social and governance projects has grown in recent years, and global new issuance of those securities from companies and governments has reached record levels in 2021.

Asset managers have been quick to capitalize on that demand. Many of the biggest money managers have boosted their ESG businesses and integrated more sustainability criteria into their regular investment processes. Janus Henderson said last week that it was launching five actively managed exchange-traded funds that include sustainable investing criteria, two of which will focus on bonds.

By comparison, the structured finance market has been slower to embrace such deals. Some investors have been seeking collateralized loan obligations that meet ESG criteria, and issuance of ABS backed by residential solar loans has been growing. Kroll Bond Rating Agency forecast in January that more than \$2 billion of bonds tied to home solar financing could be sold in public deals in 2021, up from \$1.65 billion in 2020.

LibreMax was co-founded in 2010 by Greg Lippmann, a former Deutsche Bank AG trader known for his bet against subprime mortgages before the 2008 financial crisis. The \$8.3 billion credit manager's main fund has returned more than 8% this year through July, the person said. It specializes in investments in structured credit including ABS, mortgage debt and CLOs.

Related ticker:

19089Z US (LibreMax Capital LLC)

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