

## Lead Left Interview – Randy Schwimmer

THE LEAD | August 20, 2014

**For those readers who missed it, this week we reprint in part an interview with Buyouts' editor, David Toll that appeared in PE HUB on May 6th. You can read the complete conversation by clicking on the link at the bottom of this section.**

After a two-year hiatus, **Randy Schwimmer** is back with his weekly e-newsletter covering the middle-market leveraged lending scene. [The Lead Left](#), which debuted last week, is the successor to *On the Left*, the popular e-newsletter that Schwimmer wrote while he was a senior managing director and head of capital markets at **Churchill Financial** (acquired by **Carlyle Group** in 2011). Below sister magazine *Buyouts* catches up with Schwimmer with five quick questions, to which Schwimmer responded by email.

**David Toll:** *Randy, congratulations on the launch of The Lead Left. Tell us about the history of the publication.*

**Randy Schwimmer:** Actually I've been publishing some version of this newsletter since 1993, though earlier iterations were for internal use only. At **JPMorgan Chase**, as head of middle-market syndications, it was helpful to educate our bankers on the market, and publicize their deal successes. One VP proudly told me he'd shown an article I'd written about him to his mother. In 2008, when I was at Churchill Financial, an issue got leaked to a private equity client. When the partner called me, I thought I was in trouble. Turned out he wanted the whole firm added to the distribution list. It took off from there.

**DT:** *You have a master's in English literature from the University of Chicago, but then took a left turn into banking. Does this represent a return to your first love?*

**RS:** Not a return, since I've never really left writing. Our industry is not exactly in the forefront of accessible or particularly enjoyable prose. The middle market, being private, is more opaque than equities or fixed income. That lack of transparency hurts liquidity and inhibits new investors. Hence our newsletter's mission: to educate market players in a no-spin, insightful fashion on the features and benefits of leveraged loans, particularly mid-caps. Think of us as your tour guide in loan land.

**DT:** *What do you see as the main themes coursing through the leveraged lending markets right now?*

**RS:** It's generally variations on too much cash chasing too few deals. But one new sub-theme is emerging as retail cash exits loan mutual funds after a 95-week streak of inflows. Investors believe junk bond funds are a better yield play at the moment, given the Fed's accommodating stance. That's created push back on loan spreads. But it's hard to see any momentum building. There's just not enough new deal flow.

**Click [here](#) to read more.**

**David M. Toll** is editor-in-charge of Reuters Buyouts Magazine. To subscribe to Buyouts, please email: [Greg.Winterton@ThomsonReuters.com](mailto:Greg.Winterton@ThomsonReuters.com)