



Charter School Investor

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★ CHARTER SCHOOL BONDS



CHARTER SCHOOL BONDS: "WE WERE MAKING A MARKET WHEN THERE WASN'T ONE"

Investors Increase Credit Inquiries

A \$145 million bond financing from Equitable Facilities Financing's (EFF) "Equitable School Revolving Fund" went to market on August 12th. The bonds have been given a "social" designation from Kestrel Verifiers. Social bonds are a burgeoning area in the municipal market, as issuers and investors alike become more aware of the interest from a growing investor class that wants a signifier of how municipal bond proceeds are being spent.

"This deal is part of our plan to provide equitable financing for all high-quality public charters — and we're doing it with an 'A' rated, credit-enhanced, long-term, scalable investment product," said CEO and founder of the EFF, Anand Kesavan. EFF [is backed by the Walton family](#).

The EFF deal is being run by RBC Capital Markets. RBC managing director, Tim Williams, said the charter school sector continues to perform and the "social" aspect of the deal makes it more compelling to investors. "With so much money and so many investors out there chasing assets, this deal is one that has a solid footing and is backed by philanthropic funding, so it makes sense for investors to come into it," he said.

EFF is providing money to roughly 27 schools across the country and has "dozens more in the hopper," according to Kesavan. Still, anxiety around the pandemic isn't being ignored. Kesavan noted, "We're getting much more investor inquiry on credit in general and we think investors are asking the right questions now in this environment."

Kesavan recently recorded a podcast with the Bond Buyer about the deal and EFF's plans. Click here to listen: [Charter Schools Funding Exists and Matters During Coronavirus](#) Lynne Funk, [Charter School Deal to Come to Market Amid Coronavirus Threats to Education](#), The Bond Buyer, August 11, 2020
