

Team Building for Today & Tomorrow



KIM TRICK
Head of Underwriting
Twin Brook
Capital Partners

Head of Underwriting Kim Trick oversees Twin Brook's underwriting teams focused on the structuring, diligence, negotiation, execution, and monitoring of investments across a broad range of industries.



JENNIFER DZWONCHYK
Director
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Jennifer Dzwonchyk is a Director at Twin Brook, leading an underwriting team focused on the structuring, diligence, negotiation, execution, and management of investments in the healthcare space.

TWIN BROOK CAPITAL PARTNERS' HEAD OF UNDERWRITING KIM TRICK AND DIRECTOR JENNIFER DZWONCHYK SAT DOWN WITH MERGERS & ACQUISITIONS TO DISCUSS THEIR INDIVIDUAL PATHS TO THE DIRECT LENDING SPACE AND WHAT THEY'RE FOCUSED ON AS THEY SUPPORT THE CONTINUED GROWTH OF THE TWIN BROOK TEAM.

To start, can you tell us a little bit about your respective backgrounds before Twin Brook?

KIM TRICK: Out of college, I started in investment banking in JPMorgan's syndicated debt product group and then pivoted to their Chase Capital division in 2008. It's there that my focus became originating and underwriting senior and junior cash flow loans to middle market companies, and I loved what I was doing. It was very interesting. Working there through the recession was a really impactful learning experience and certainly helped shaped my view on how to respond to different situations from a lending perspective.

JENNIFER DZWONCHYK: My path to Twin Brook was a bit less direct. I was recruited out of college to JPMorgan's investment bank, but due to the recession, wound up spending my first year there at Chase Capital, which truly provided the foundation for the professional that I've become today. It was an extremely valuable experience. When the year was up, I went back to investment banking for two years and made the transition to private equity thereafter. That's where I had my first exposure to healthcare, and I really enjoyed it. I then went to business school and wanted to try my hand at something different after graduating, so I joined a consulting firm that helped bring emerging technology into large health systems. It was a fascinating experience, but I ultimately realized I'm more of a numbers person, which is what led me to Twin Brook.

What motivated you to pursue a career in direct lending, and what keeps you in this field?

DZWONCHYK: I have a passion for analytical thinking and data-driven decision making, and I enjoy understanding how

businesses operate and create value. I've been lucky enough to work up and down the capital structure, and I find senior lending to be the most fun. You have the opportunity to run diligence processes and understand what makes businesses special.

TRICK: I'm similarly very analytical and logical in my approach to most everything. I focused on a career in finance because I liked numbers, and I wasn't afraid to put in the hours – especially early on – so I was looking for something challenging. Having grown up playing team sports, I also wanted a team environment, so direct lending – and especially Twin Brook – was a good fit. What I love about this job is seeing the value creation across different businesses and being a meaningful part of that. You monitor investments on an ongoing basis and grow with them – it's not just doing a pitch and moving on to the next company. It's great to see the full lifecycle of a deal.

Today, you're both senior members of Twin Brook's underwriting team. Can you tell us about the role of that team at Twin Brook and what you personally do?

TRICK: At Twin Brook, the underwriting team is involved not only in the structuring, diligence, negotiation, and execution of deals, but also the ongoing monitoring of those investments. The team at large currently includes more than 40 dedicated underwriting professionals – representing over 50% of Twin Brook's total staff – and that group is divided into seven smaller teams, each of which has a team lead, like Jennifer.

As head of underwriting, I oversee the function as a whole, which entails staffing every opportunity that comes in with a deal team and then acting as a resource throughout the entire investment and diligence process. Much of my role is also

focused on oversight of the legal documentation through the deal closing process.

DZWONCHYK: Like Kim touched on, I lead one of our two healthcare-focused teams on the underwriting side, so I focus on the training, development, and oversight of those team members. My team covers a portfolio of about 40 companies, which I work with in various ways, and I run the legal documentation processes for all of the deals my team handles.

When it comes to training and team building, what are you focused on?

TRICK: Myself, Jennifer, and all of our other team leads are very involved when it comes to recruitment, training, and talent development, as we're responsible for making sure that every underwriting professional understands the firm's approach and is prepared to execute on it. A big part of that is focusing on diligence and making sure everyone understands why having a deep knowledge of each company's unique drivers, risks, and opportunities and how those things impact the capital structure is so important, as that supports our ability to provide sponsors with guidance about financing structures and – in the longer term – actively monitor for and address any issues that may arise.

DZWONCHYK: We like to say the goal is to "train your own replacement," meaning we aim to empower the team to operate independent of daily oversight; we want to ensure every individual has a clear comprehension of when and how to move things forward on their own as well as when to raise a flag about things and bring others in. It's not about simply training people to execute on the steps in a process, but making sure that they have a strong foundational knowledge of underwriting and understand both what we do and why we do it that way. This is a big part of the reason we

use an apprenticeship model, whereby we match new hires with more experienced professionals so they can learn their role and work closely with seasoned underwriters. We've also developed a comprehensive 20-session training course for our newest underwriters and host an ongoing series of monthly talks for all underwriting professionals, during which we bring in outside experts to present on different topics and relevant trends.

Looking across the industry today, what differentiates the Twin Brook team from others?

TRICK: We make an enormous investment in our people, both through the formal training program we've created and our commitment to mentoring our team members, especially at the more junior levels. The basic building blocks are easy to skip over, especially as the firm and our team grows, but we remain extremely dedicated to putting in that effort. Additionally, I think our firm culture really sets us apart and is a big part of why people – myself included – join and stay with Twin Brook.

DZWONCHYK: The comradery is amazing, and I think that shines through in our work. We're hard working but collaborative, and we are constantly focused on providing our clients with the best solutions and service. The structure of our team, which I think is rather unique, was designed with this in mind. At Twin Brook, the deal team that underwrites an opportunity stays with that account for the entire life of the credit, meaning the borrower and their PE-sponsor are working closely with the same group of people on an ongoing basis – both pre- and post-close. We believe this benefits both us and our clients, as we've found that what's gleaned during the underwriting process frequently informs what we track during

portfolio management and that the continuity that comes with keeping the team responsible for a credit consistent provides greater surety of execution for our borrowers and sponsors.

What are you doing to ensure your team is well-positioned for the long term?

TRICK: As we've continued to grow our team, we've shown that there's opportunity for ongoing professional development at Twin Brook, which I think is really important. We're very merit-focused, so we seek to elevate peoples' responsibilities as they prove their abilities to execute and demonstrate a desire to take on more. Additionally, we maintain open lines of communication about individuals' nearer- and longer-term career goals. We have and want to continue to make sure that people have the opportunity to grow and step up internally.

DZWONCHYK: From a market perspective, process timelines are accelerating, and I think the industry broadly is getting pushed to make decisions more quickly but with more limited information. We are committed to being there for our clients in this environment and as the market evolves, and I think both our dedication to maintaining our standards and our approach to staffing have been and will continue to be key to that. We want to ensure people have the bandwidth to appropriately manage credits regardless of the economic environment, so we limit the number of accounts each underwriter works on and seek to grow our team accordingly. Additionally, we don't sacrifice our processes and core underwriting principles for the sake of the market, meaning our diligence remains as robust as ever, and that supports our ability to continue providing clients with thoughtful, reliable financing solutions that are tailored to their unique needs. ■