

TERRY P. HUGHES

MAY 15, 1964 – OCTOBER 24, 2013

Terry Hughes was one of the leading and most innovative corporate financiers of his generation. He was one of a small group who helped create the sophisticated market in debt finance which proved catalytic in the growth of management buyout and private equity-backed businesses. Although driven and among the City's most influential executives, he was self-deprecating with great natural persuasiveness and charm. His generous philanthropy, ranging from supporting the National Portrait Gallery to his Oxford College, Hertford, was delivered without fuss or fanfare.

Born in Dublin, son of Peter and Freda Hughes, Terry remained an Irish citizen. He was educated at St. Mary's School, Crosby, Liverpool, before going on to study physics at Oxford. When Terry joined Continental Bank as a trainee in 1987 debt finance was a poor relation to the more glamorous disciplines of merger and acquisition or advising quoted companies. The management buyout industry was in its infancy and large-scale buyout transactions and household-name private equity firms did not exist. He cut his professional teeth providing loans for the small management buyouts that were the staple of the market at the time, a training ground that laid the foundation for the bigger and more sophisticated financings from which he later made his name.

Terry was quick to grasp the significance of the rapid developments in this market in the 1990s. He saw the emergence of the large European private equity funds, watched the arrival of big-name US private equity firms in Europe hungry to acquire European companies, and understood the sophisticated debt financing techniques available in the US market but which were absent in Europe. After a spell as Head of Leveraged Finance at UBS where he organized some of the most eye-catching deals of the period, he joined Goldman Sachs as its first European Head of Leveraged Finance, the most coveted job in the fledgling buyout financing industry. At Goldman Sachs he set about providing the European private equity market with the type of financing up until then only available in the US, recruiting a legendary team to support him and laying the foundations of the European market. Terry's brilliance was that he was able to bridge innovative US financing techniques with the often complex legal, commercial and fiscal particularities of European markets, and so became involved in many of Europe's largest and most high-profile transactions. An early deal was the creation of the rail freight business EWS which he felt rejuvenated an otherwise declining business; banking, as he argued, for a social purpose.

Rapid promotion within Goldman Sachs followed, rubbing shoulders with executives like the young Mark Carney, Hank Paulson and Sir Simon Robertson, later to become chairman of Rolls Royce and deputy chair of HSBC. Terry became the Co-Head of Goldman Sachs's European Mezzanine Loan Fund (one of the earliest examples of investment banks raising and managing third party loan capital for deployment in the buyout industry) and went on to head the European team at the firm, charged with developing the wider relationship with its private equity clients across the gamut of financial options.

Terry brought to all of these roles an ability to see the big picture, to create a rapport with senior clients, persuading them to adopt often new and challenging financing techniques. He was the true pioneer, challenging the rulebook established from previous generations and striking out anew. The new rule book, to the extent there is one, is very much his invention.

He became uneasy, however, at the direction in which innovative debt finance at huge scale was leading. He did not believe in leverage for the sake of leverage, and was alarmed at the unsustainable size and appetite of the new market. He believed that finance should create value, and that the future would lie with independently owned and managed funds who aimed to achieve that. In 2005 Terry moved to Silver Point Capital where he was head of the firm's principal investment business in Europe until 2010, steering its loan portfolio through the exceptionally turbulent market conditions of the time without accident. In 2010 he returned to his roots as one of 3 Managing Partners at Hutton Collins the London-based fund specialising in mezzanine and preferred capital. In what turned out to be a tragically short period he made a great contribution to the firm leading its investments in Caffè Nero, Hunter Boots and the Vincent Hotel Group on whose Boards he represented the Fund.

As his fortune grew, Terry became an ever more generous philanthropist. He felt obliged to repay the debt to his much loved Oxford College, Hertford, which he felt had given him the break he needed in life. His cumulative gifts qualified him for Oxford University's Court of Benefactors, along the way supporting successive generations of rowers including a World Champion and Beijing Olympic Finalist. A diligent art collector in his own right with a keen interest in Etruscan pottery and antique maps, he gave generously to the National Portrait Gallery of which he was a life patron, most recently contributing to the acquisition of the portrait "Lady Ann Clifford". He offered indispensable support as a trustee to another love, the Cartoon Museum. He was an enthusiast sportsman with a love of skiing, and cycling and ran over 20 marathons. All who knew him remember him as a dispassionate and always inquiring analyst who put his insights to work for general betterment, and never failed to illuminate any conversation. His life was like a brilliant meteor that, sadly, burned too bright and certainly for all too short a time. Committed to his family whom he cherished, he is survived by his wife Maria and three children Elena (18) Marco (16) and Nico (14).

Funeral arrangements will be announced by the family. In lieu of flowers, the family asks that donations be made in Terry's name to Hertford College Boat Club, Oxford or the Cartoon Museum, London.

Born 15 May, 1964

Died 24 October 2013