

Fund Finance Intelligence Survey 2026

In collaboration with

LMA | Loan
Market
Association



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Explore the LMA Fund Finance microsite to discover more about our initiatives, workstreams and the latest insights that support enhancing liquidity, efficiency and sustainability within this key asset class.

www.lma.eu.com/fund-finance

INTRODUCTION

Welcome

Kam Hessling, managing director of the Loan Market Association (LMA)

Fund finance has grown in scale, sophistication, breadth and visibility. What was once viewed as a niche or ancillary product is now an integral part of the private markets ecosystem. Yet, despite its increasing importance, fund finance is still often misunderstood.

Improving understanding and grounding debate in fact has therefore never been more important – particularly at a time of heightened scrutiny of private markets. How fund finance is used, how discipline is applied and how the market communicates with stakeholders all matter as conditions become more challenging.

That is why we launched the *Fund Finance Intelligence Survey* with *The Drawdown*. Now in its second year, it supports transparency and informed discussion by capturing aggregated, anonymous insights from borrowers, lenders and advisers on how the market is developing in practice.

A broader and deeper dataset

This year’s survey builds on the inaugural edition. Working with the LMA’s Fund Finance Working Parties, we refined the questionnaire and significantly increased participation, with stronger engagement from borrowers and lenders alongside advisers.

The resulting dataset is broader and more representative, offering practical insight into market dynamics and the issues shaping the market’s development.

A maturing and more competitive market

A clear theme is continued maturation: a broader product set, a wider range of

Methodology

The data outlined in this report is based on the findings of an online survey designed by *The Drawdown* and the LMA in conjunction with the LMA’s expert working parties and conducted between January and March 2026. A total of 91 lenders, borrowers and advisers submitted information on fund finance activity in EMEA and their responses have been anonymised and aggregated.

participants and intensified competition. That competition is widely viewed as positive – bringing choice, innovation and liquidity – but it also raises important questions about discipline, differentiation and sustainability as the market evolves.

The survey therefore focuses on indicators such as facility purpose, opening leverage levels and usage, to understand how discipline is being applied in practice and whether competitive pressures are influencing standards.

Subscription finance remains core while other products evolve

While newer and more creative structures often attract the most attention, the survey reinforces that subscription finance continues to underpin the market. At the same time, NAV-based lending is no longer peripheral – it is an established tool, used selectively and with growing confidence. Together, these trends point to measured, pragmatic evolution.

Are we approaching an inflection point?

The results come amid continued

macroeconomic and geopolitical uncertainty. Higher interest rates, slower exit markets, evolving LP expectations and regulatory developments are shaping behaviour across private markets, and fund finance is not insulated from these forces.

Whether the market is nearing an inflection point or adapting to a longer-term trajectory remains an open question, but one the survey helps to frame.

Transparency, education and what comes next

Respondents consistently emphasised LP engagement, education and clear communication. The survey also highlights the value placed on the LMA’s role in supporting guidance on documentation, standardisation, education on emerging topics and advocacy as an independent market voice.

This underlines the importance of leadership, connectivity and education as fund finance grows in significance within the broader loan markets.

We thank everyone who contributed to this year’s survey. Your input has helped create a dataset that is practical and relevant. As the market evolves, we hope it supports clearer understanding, constructive engagement and informed debate about what comes next. ♦



Competition is widely viewed as positive – bringing choice, innovation and liquidity – but it also raises important questions about discipline, differentiation and sustainability

KAM HESSLING

Loan Market Association



EXECUTIVE SUMMARY

On borrowers' time

This year's survey shows fund finance in EMEA remains a borrower's market. Growing maturity has raised awareness and optionality but also competition. Jon Whiteaker reports

The fund finance market in EMEA has matured and expanded significantly in recent years. Persistent exit challenges and a more muted fundraising environment have driven demand in liquidity solutions and fund finance providers have responded.

The results of this year's *Fund Finance Intelligence Survey* reflect this borrower-friendly environment, with strong trends for new money transactions and increased confidence that volumes will rise in 2026.

"For borrowers, it is an interesting dynamic because if you have a large fund from a good name sponsor and a strong investor base, you get very good feedback from lenders indicating that there is plenty of money available," says Antoine Leboulanger, co-head of capital markets and managing director at Ardian. "There is lots of lender competition, driving down pricing, so for borrowers it is a good time to be in the market."

Sublines for large established managers might benefit from a very deep pool of available lender capital now but there is also broader availability. Smaller sponsors may have fewer lending options but specialist lenders, such as private debt managers, have entered the market to cater to more specific needs.

"As the asset class grows bigger every year, the market becomes more bifurcated," says Philippe Mojon, head of NAV financing at Prime, part of BNP Paribas Asset Management Alts.

Fund finance facilities are not high frequency transactions for most managers. A new subline is only needed when a fund is raised



As the asset class grows bigger every year, the market becomes more bifurcated

PHILIPPE MOJON
BNP Paribas



There is lots of lender competition, driving down pricing, so for borrowers it is a good time to be in the market

**ANTOINE
LEBOULANGER**
Ardian



and other types of facilities are largely opportunistic. It is striking then how many borrowers expect to grow their facilities in 2026.

According to the survey, 52% of borrowers expect to increase their sublines volumes this year, 42% expect their NAV facilities to grow and 29% expect their GP financing volumes to increase. The borrowers responding to the survey spanned asset classes and AUM ranges.

Emma Russell, partner and global co-head of fund finance at White & Case, says: "We have been instructed on many new funds entering the market that are seeking their first sublines. In the more mature subline market, lenders are competing hard for deals, as everyone wants to act for the more established managers. Additionally, many new entrants are competing for NAV facilities, making that area much more competitive."

Within the NAV space, a growing number of specialist lenders are providing this product, with options now for all size and strategy types. Bronwen Jones, a partner in Cadwalader's London fund finance practice, says NAV facilities have become an established tool in the CFO and LP financial toolbox.

"A few years ago, even pretty straightforward NAV facilities would have been considered quite a racy thing to do," says Jones. "Now, almost every CFO of a fund manager will have thought about and understood NAV facilities."

Discipline and market dynamics

While NAV facilities have become a more established, albeit highly bespoke, transaction type, this year's survey shows that borrowers and lenders remained disciplined in their use.

None of the borrowers surveyed said that they had raised NAV facilities in 2025 for the purpose of early LP distributions. Of the



42%
of borrowers expect
their NAV facilities to
grow in 2026

lenders who provided NAV facilities to buyout funds in 2025, 84% said that typical starting LTVs were 20% or below.

“The various types of fund finance lending in the market are usually done pretty cautiously,” says Jones. “That is particularly true of NAV lending, and even more so for buyout NAV lending.”

Mojon observes that most, though not all, sublines and NAV facilities for buyout funds or secondary funds are structured by banks to be investment-grade products.

“That is why you don’t see LTVs or covenants moving out that much,” he adds. “Instead, the competition has been on pricing where we have seen compression.” Mojon says that while there has been a hard spread compression in this asset class during the last 18 months, it is a very similar trend to that seen in other credit products.

The question among lenders for some time has been if and when those pricing dynamics might change.

“I think pricing compression is still happening,” says Leblouanger. “We may be near the bottom, though it is hard to tell.

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Obviously there has been negative noise around BDCs in the US, conversations around redemptions for evergreen structures and some bad press for private credit more generally. This is causing nervousness in the market but for now, lenders are still lending and borrowers still have options.”

The evolving impact of GenAI on software companies, which various private market investment strategies have significant exposure to, looks set to create winners and losers. It is too early however to fully assess the extent this will affect specific fund finance borrowers.

For Mojon, we may already be starting to see a slight turn in the market, even if it did not show up in the survey results this year.

“Up until the end of 2025, it had been a truly broad market with a lot of new pockets of lending attracted to the asset class, across buyout, private credit, secondary funds and across different products,”

Mojon says. “I would say that since early 2026, things have changed slightly. You still have a lot of capacity on the lender side but lenders are being a little more cautious.”

EXECUTIVE SUMMARY



Almost every CFO of a fund manager will have thought about and understood NAV facilities



BRONWEN JONES

Cadwalader

Another area where the market is changing is the conversation around LP attitudes to fund level-leverage. It was ranked as the most significant challenge by borrowers in the survey for the second year running but the picture is more nuanced than it seems.

More than half of borrowers (54%) named it as a challenge but those responses skewed towards smaller managers.

Russell argues: “We don’t really see resistance from the LPs with more experience of fund finance, particularly for NAV and sublines in the large-cap space. There has maybe been some wariness from LPs to more structured NAV facilities, some back leverage Holdco deals for example, or for a manager doing a subline for the first time.”

LPs of course cannot be discussed as a homogenous group, with different investors having wildly differing attitudes towards the use of NAV facilities, for example.

But there are multiple established use cases for these facilities – and borrowers, lenders and advisers all agree that transparency and dialogue are essential to easing any concerns LPs may have.

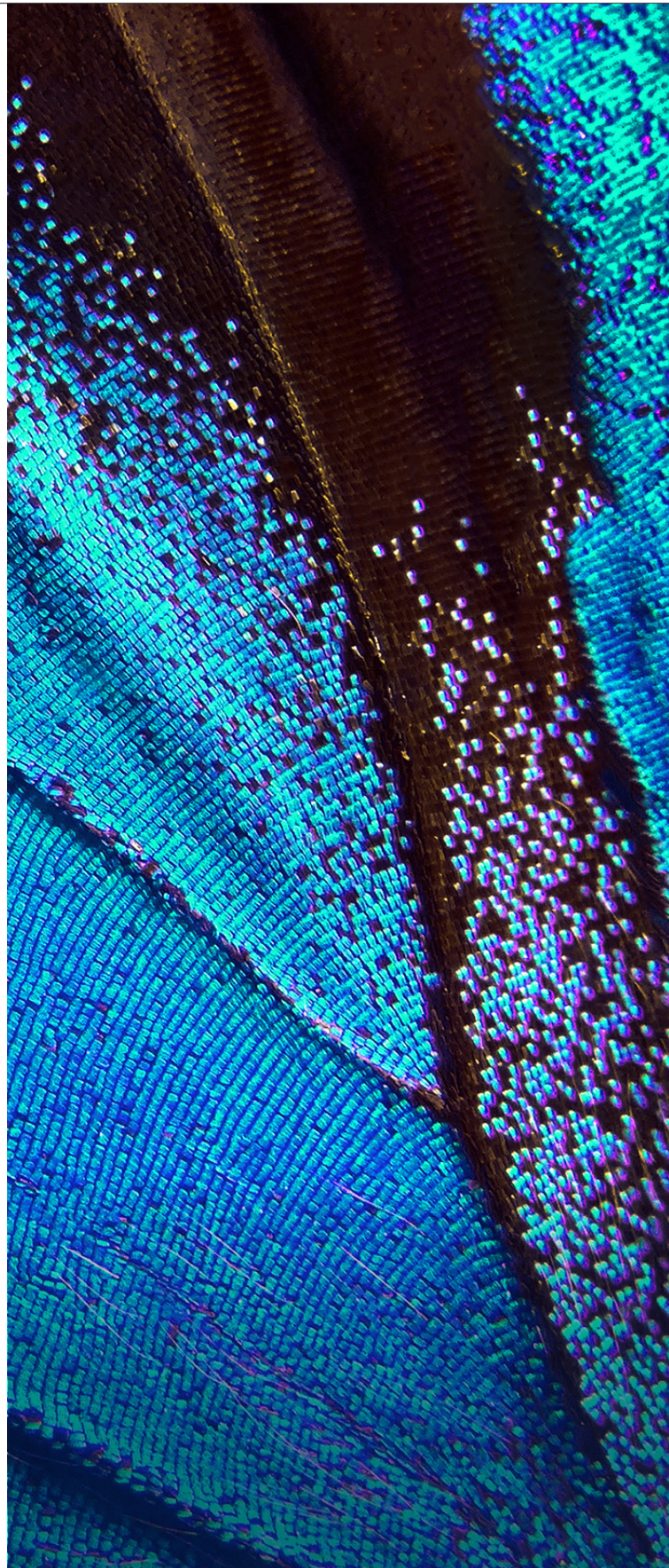
“For European buyout funds, LPs still have some questions about the use of leverage at the fund level,” says Leboulanger. “You see some investors who don’t forbid the use of NAV facilities but will certainly require being involved into these discussions before they are used.

“As a GP, you need to build a narrative for using it and must explain that to investors.”

Consequences of competition

Given the number of new entrants into the fund finance lending market, it is little surprise to see competition named by more than half (57%) of lenders as their greatest challenge for 2026. This expansion in the lender pool is expected to continue.

Whether it is large institutions looking to take big tickets on vanilla products, private credit funds pivoting away from leverage finance, banks who previously focused on sublines now becoming comfortable with NAV facilities, or specialist lenders offering bespoke products to smaller managers, it is all adding to manager optionality.





There is a huge amount more competition in the legal adviser space, with lots of new entrants

EMMA RUSSELL
White & Case



“There is still a lot of new money coming into the market, along with new products”, says Jones. “These lenders include high street banks, investment banks, institutional lenders and alternative lenders such as credit funds. They all have different risk appetites and all have money to deploy.”

But it is not just lenders that are under competitive pressure. “There is a huge amount more competition in the legal adviser space, with lots of new entrants in the market,” says Russell.

While this may seem advantageous to the borrowers and lenders who pay for their services, Russell warns that there is not the depth of experience across the market to fill all the fund finance positions that have been created at law firms.

Jones adds: “Subscription line financing at the helicopter level is lending to a fund against the uncalled capital of its LPs and the bank accounts into which that money goes. But what’s behind that is a lot of knowledge that could easily cause problems if you don’t have lawyers who understand it.”

This pressure on talent extends to borrowers too. For the largest managers, their fund finance activities now represent a distinct function within their firm. Attracting and retaining the right talent to effectively manage these increasingly large and complex transactions can be difficult.

“In Paris, we were the first to hire someone dedicated to fund finance,” says Leboulanger. “I now have two people in my team who are focused entirely on fund finance and we are keeping them very busy. It is not easy to find the people for those roles that fit with our DNA and have the skills to help us scale.”

This is one of many growing pains typical of a maturing market. Industry training sessions of the type run by the LMA will help to build that knowledge base within younger generations of professionals and help educate the wider market on evolving product types.

This year may yet see a change in the supply-and-demand dynamics that have persisted during the past couple of years, tilting the balance of power towards lenders, but the conservative transaction structures and market discipline reported in our latest survey should provide the necessary buffers to limit the impacts of any potential market shocks. ♦

57%
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competition as a significant
challenge for 2026

SURVEY FINDINGS

Data readout

Full results from the Fund Finance Intelligence Survey 2026

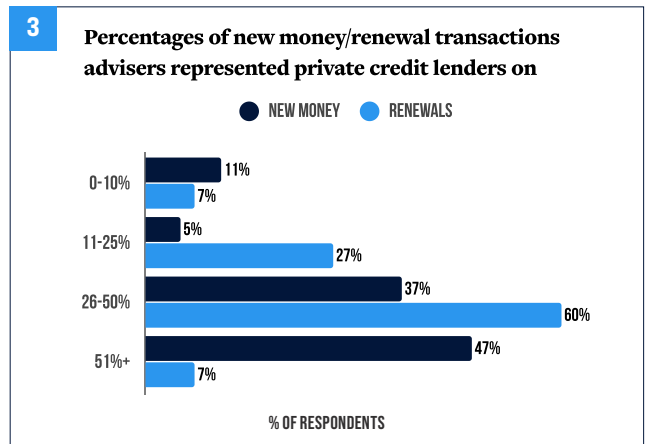
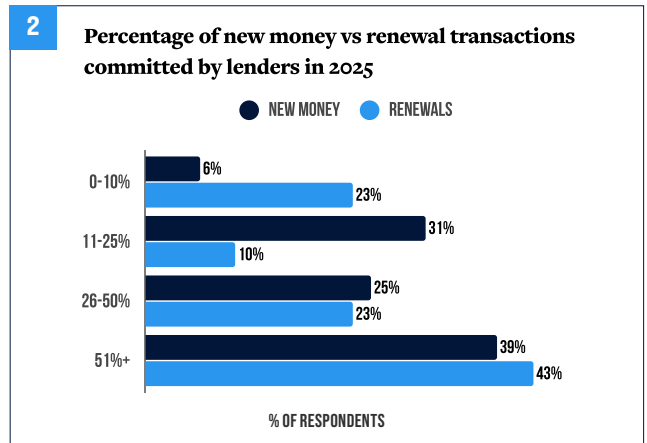
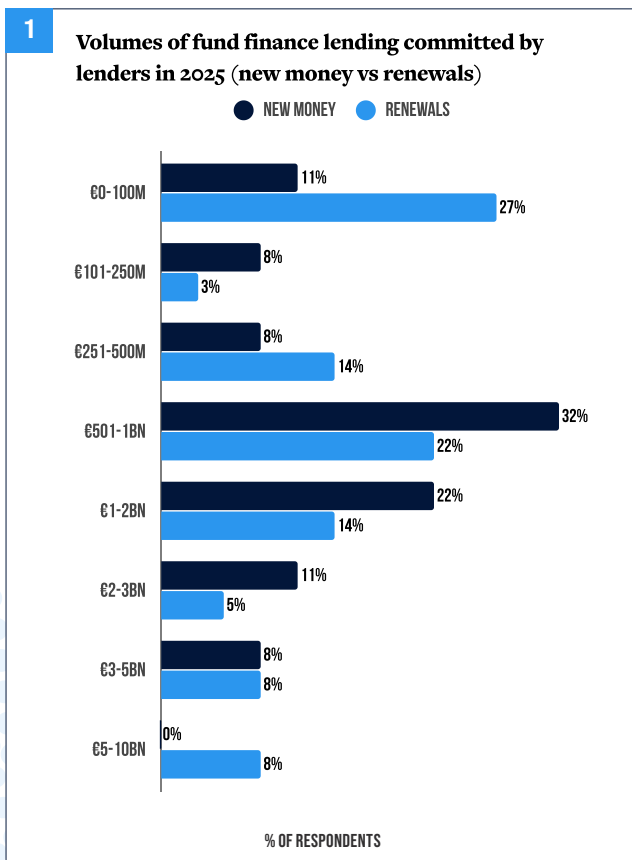
The findings of the Fund Finance Intelligence Survey 2026 point to a market that is adapting to changing dynamics. An influx of new capital in recent years has coincided with challenges in fundraising and exits, leading to innovation and growth in interest in a broader mix of transaction types.

This year's survey shows that a broadening of the market continues but also that lenders and borrowers have remained disciplined in their approaches in the face of this supply/demand imbalance.

Signs of a growing market

Of the lenders we surveyed, we saw a strong trend towards new money transactions. Some 73% of lenders say that their new money transactions totalled more than €500m last year, while as many as 44% say their renewal commitments totalled less than €500m (chart 1).

This trend for new money is notable in a market that is traditionally very relationship-led. In a market dominated by a concentrated pool of lender capital, you would expect to see renewals represent a large chunk of activity, so this trend for new transactions is a sign of market growth.



There was a greater variety of responses from lenders when we asked for the total number of transactions, rather than lending volumes, that were renewals or new money. It is notable however that 39% of lenders say that the majority of their lending last year was new money rather than renewals, while 23% of lenders say renewals accounted for 10% or less of their deals in 2025 (chart 2).

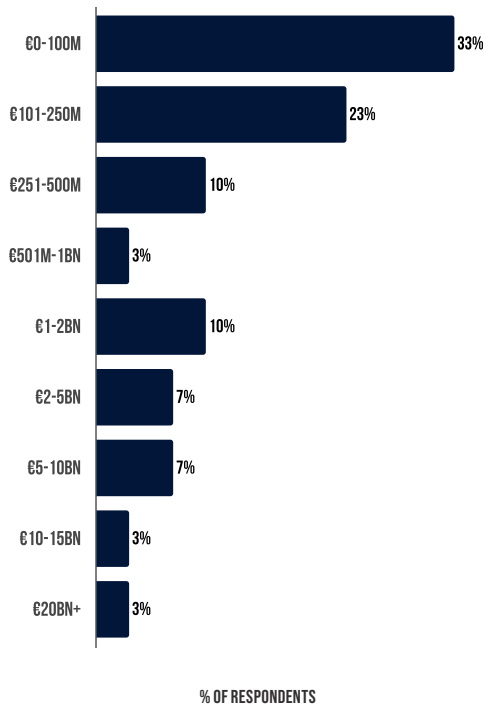
A sizeable volume of new money transactions suggest either new borrowers entering the market, or borrowers turning to new lenders for their fund finance facilities. Or perhaps both.

It was notable that the strongest trend for new money was reported by advisers representing private credit lenders, with 47% saying that more than half of these deals were new money (chart 3).

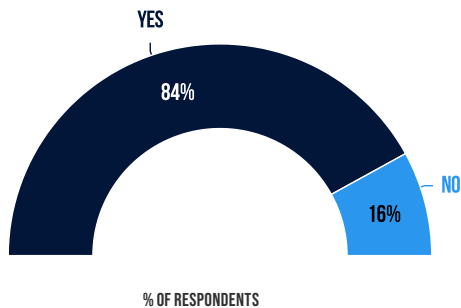
Of the borrowers surveyed this year, 32% said that their renewal volumes were under €100m in 2025 (chart 4). This is despite 84% of these borrowers saying they had also borrowed fund finance transactions in 2024 (chart 5).

Note on all charts: figures may not total 100% due to rounding

4 Volumes of renewal transactions raised by borrowers in 2025



5 Percentage of borrowers who say they also raised fund finance transactions in 2024

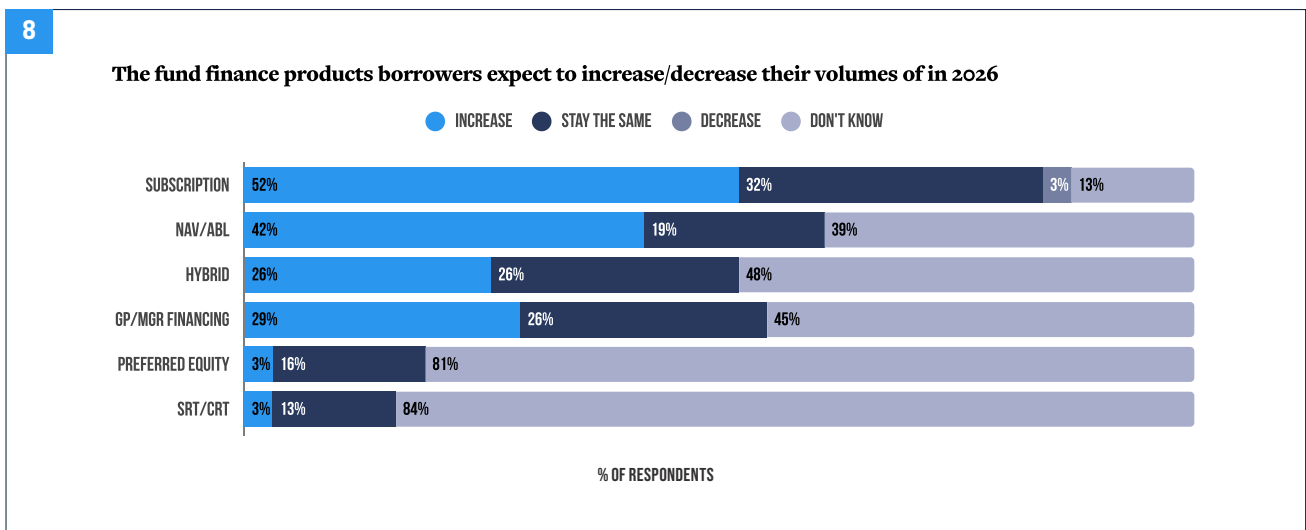
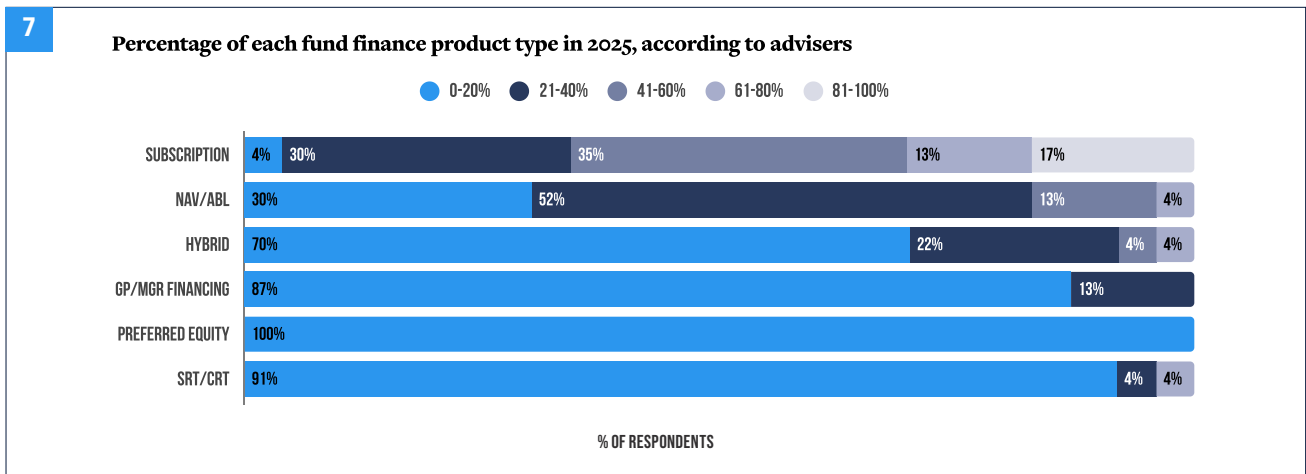
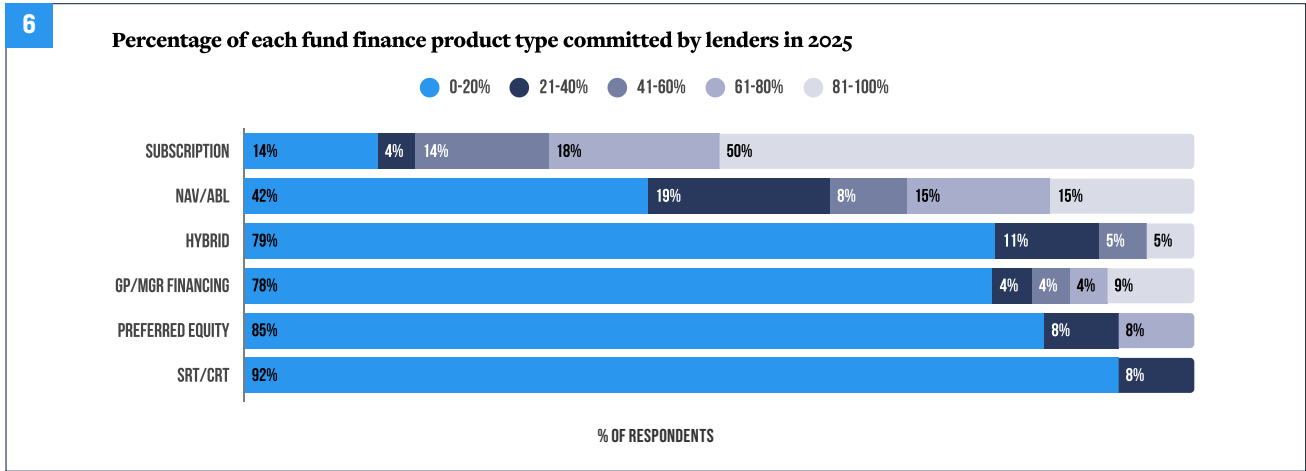


Subscription financing is still the dominant product type, with 50% of lenders saying it represented 81-100% of their committed transactions (chart 6), largely unchanged from the percentage recorded in last year's survey (48%). NAV facilities represent a larger slice of the lending activity this year. While in last year's survey 68% of lenders said NAV facilities accounted for 20% or less of their lending, that fell to 42% this year.

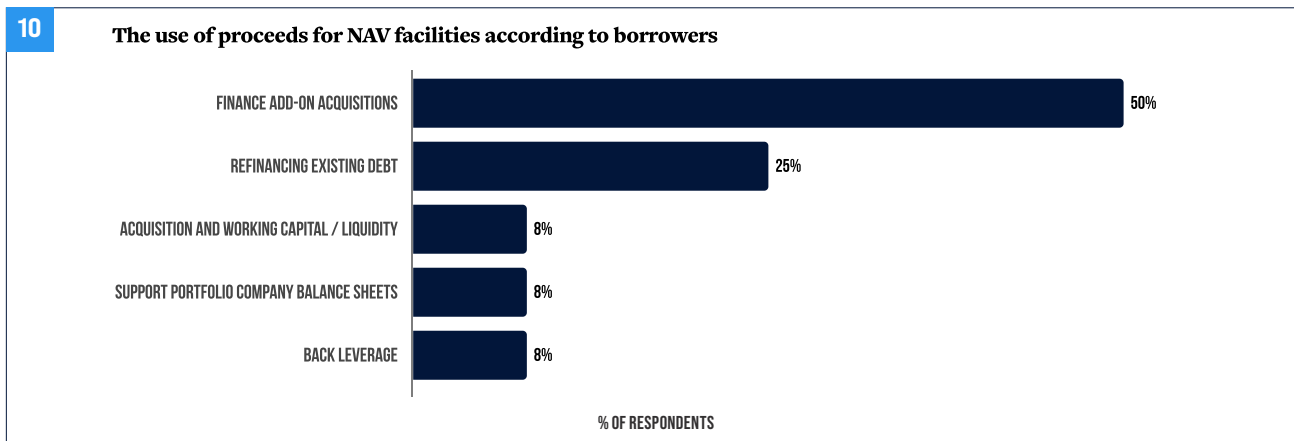
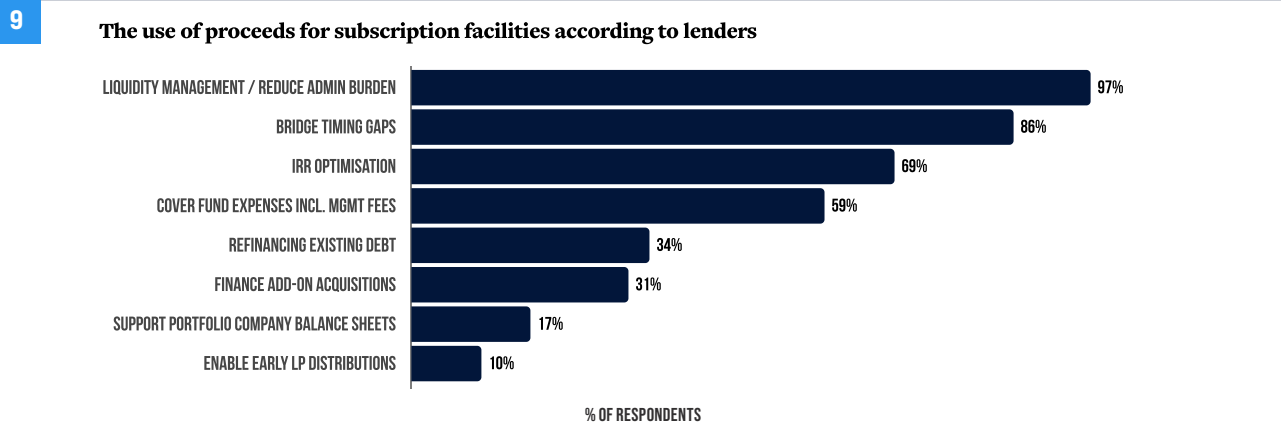
Like in last year's survey, we had lender respondents that are NAV specialists for which these facilities represent 100% of their book.

50%
of lenders say subscription financing represented 81-100% of their committed transactions

SURVEY FINDINGS



Note on all charts: figures may not total 100% due to rounding



Perhaps more notable however was that 15% of lender respondents this year said NAV facilities accounted for 61-80% of their book in 2024, while this was not true for any respondents last year.

Advisers reported a more diverse mix of transactions than lenders, with NAV facilities representing a larger share of most respondents' activity, but subscription facilities again dominating (*chart 7*).

More than half of borrowers (52%) expect to increase their subscription line volumes in 2026 (*chart 8*). It is notable that 42% expect their NAV facilities borrowing to grow this year, with none saying they expected them to decrease. Also notable was that 29% of borrowers say they expect their GP financing volumes to increase in 2026.

Discipline in borrowing

The number of lenders offering fund finance products in EMEA has grown in recent years, leading to a surplus of supply and borrowers benefiting from greater optionality. Despite this borrower-friendly market, our survey results show lenders and borrowers remaining disciplined with transaction terms and use of proceeds.

Administrative purposes were by far the most common use of proceeds for subscription facilities, according to the lenders we surveyed (*chart 9*). For NAV facilities, none of the surveyed borrowers said they used them to enable early LP distributions, with financing add-ons (50%) the most common use case (*chart 10*). Utilisation rates of subscription facilities in 2025 were high, with 75% of borrowers saying their facilities were more than 50% drawn (*chart 11*).

Of the borrowers with NAV facilities the utilisation rates were much more varied, with 21-50% being the most common response (42%) (*chart 12*).

Buyout was the primary strategy of NAV facilities that advisers worked on in 2025, with 78% saying it represented at least part of their work (*chart 13*). 70% of advisers say they worked on credit NAVs last year, and 61% secondaries NAV.

Of the lender respondents that provided NAV facilities to buyout funds in 2025, more than two-thirds (69%) said those facilities had a typical starting LTV of 11-20%, with only 16% saying LTVs were typically above 20% for that asset class (*chart 14*).

This is in sharp contrast to typical LTVs reported by lenders for other asset classes. Most lenders reported starting LTVs for secondary funds as between 20% and 60%, with a wide range of responses. For credit funds, no lenders reported typical LTVs of below 30% and some put them above 70% (*chart 15*).

Though 'NAV' facilities for secondary and credit funds are very different products, with different risk profiles and levels of asset volumes and diversity, the comparison to buyout funds on LTV deals highlights their relative conservatism.

Market evolution

As a sign of the growing importance of institutional money in the EMEA fund finance market, a notable minority of transactions are now being rated.

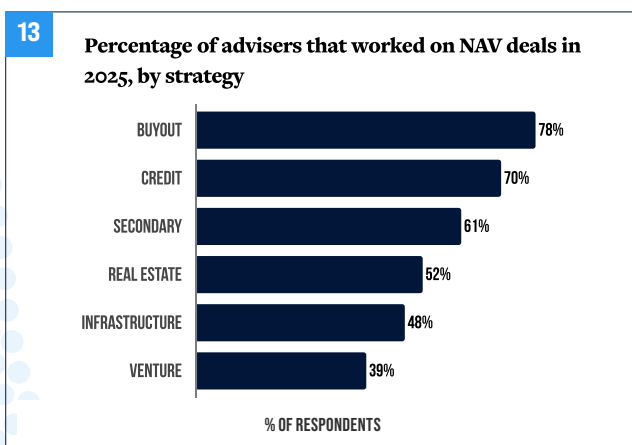
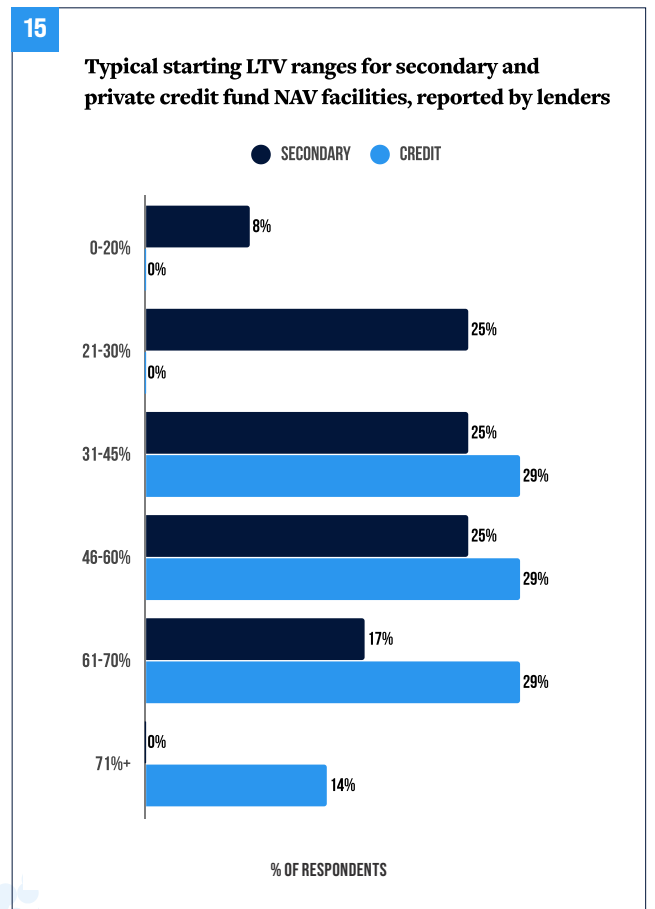
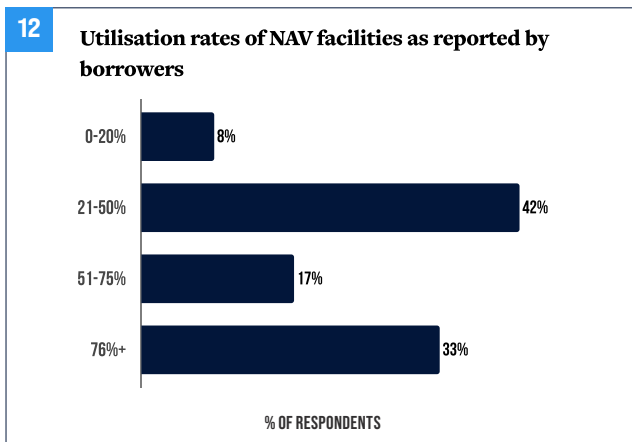
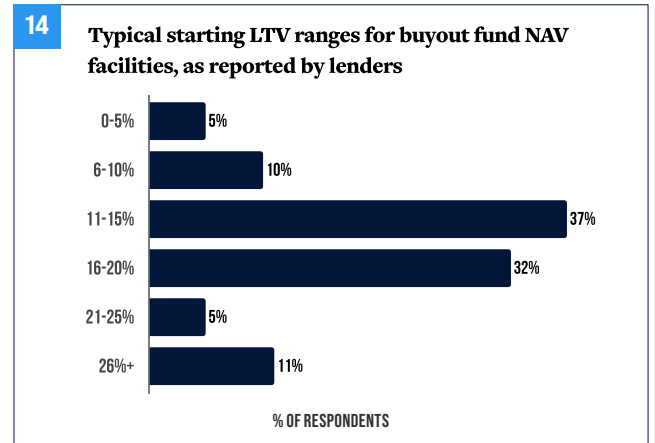
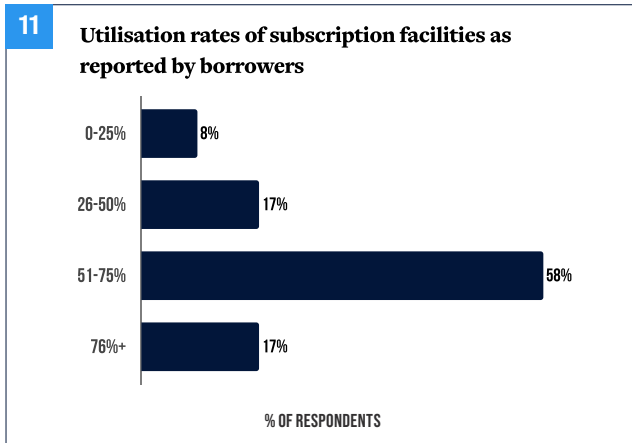
SURVEY FINDINGS

Some 36% of lender respondents say that more than 40% of their subscription facilities in 2025 were rated, and 32% of NAV/ABL lenders say more than 40% of those facilities were rated (chart 16).

Nearly all of the rated transactions reported by lender respondents were private, with 78% of all lenders saying public ratings represented 20% or less of these transactions (chart 17). None of the private credit lenders

responding to the survey said they had been involved in fund finance transactions in 2025 that involved public ratings.

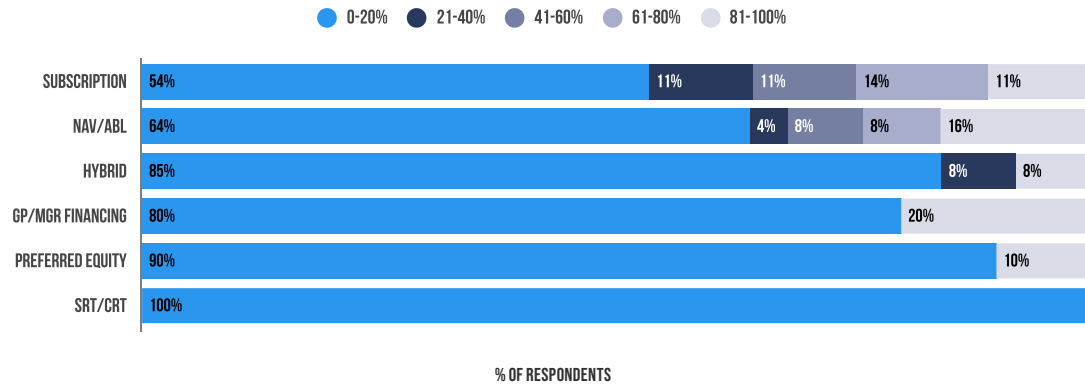
Another notable trend in recent years has been the use of continuation vehicles to provide liquidity in the absence of exits. We asked borrowers, adviser and lenders the percentage of any subscription or hybrid facilities in 2025 that were provided to continuation vehicles.



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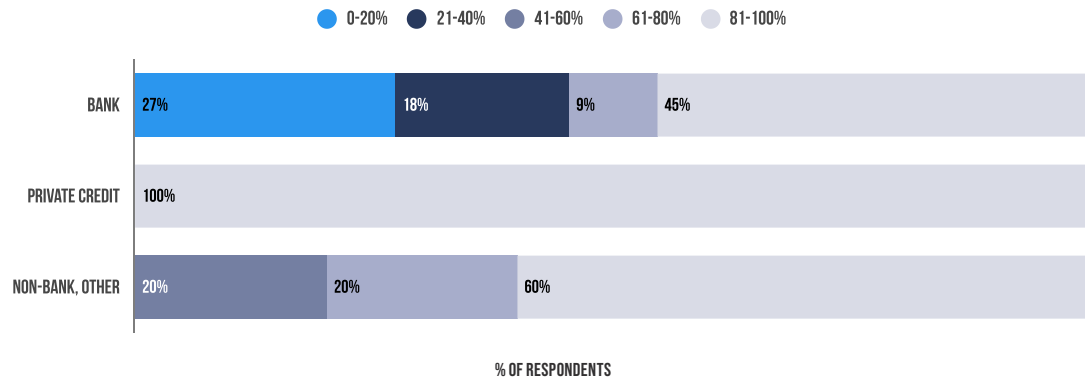
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Percentage of fund finance transactions that were rated, as reported by lenders



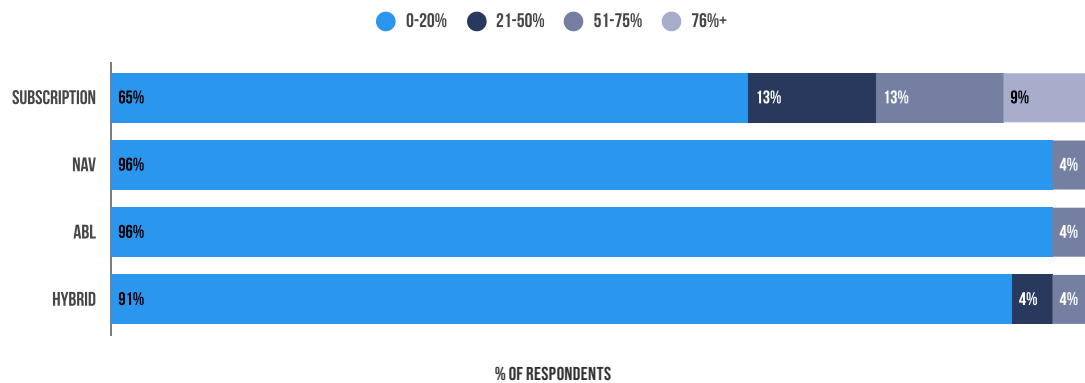
17

Percentage of rated fund finance transactions in 2025 that were privately rated, according to lenders



18

Sublines are the most common transactions to be structured as umbrella facilities, according to advisers



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SURVEY FINDINGS

Facilities provided to CVs still represent a small fraction of the market, with 88% of lenders, 90% of advisers and 95% of borrowers saying it represented less than 20% of their activity (*chart 19*). Umbrella facilities also remain a minority transaction type in fund finance and most common in subline deals. Of all advisers surveyed, 35% said that umbrella facilities represented at least 20% of the deals they worked on in 2025 (*chart 18*).

Outlook

Responses from advisers, lenders and borrowers expressed a range of challenges they see facing the fund finance market in EMEA.

For lenders, the most significant challenge most often mentioned was competition (57%), reflecting the volume of new lenders and capital types entering the market in recent years and the consequent compression on debt pricing (*chart 20*). It is notable that 46% of lenders also named supply/demand imbalances as a significant challenge.

For borrowers, LP sentiment on fund-level leverage (54%) was named as the top challenge, as it was in last year's survey (*chart 21*). It is interesting to note the discrepancy between borrower views and those of lenders and advisers, with only a minority of the former two groups naming this as a significant challenge in 2026.

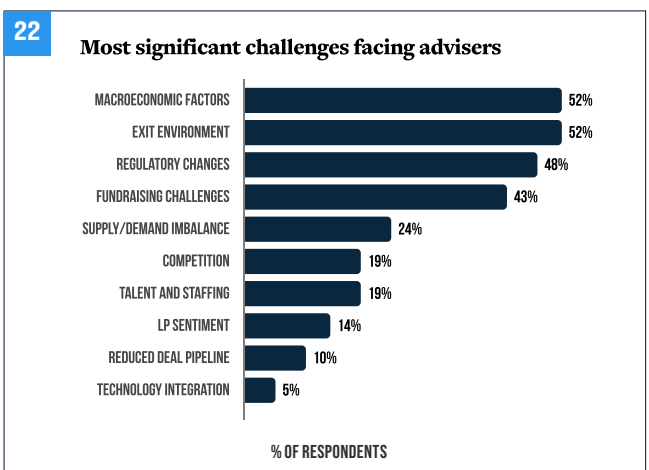
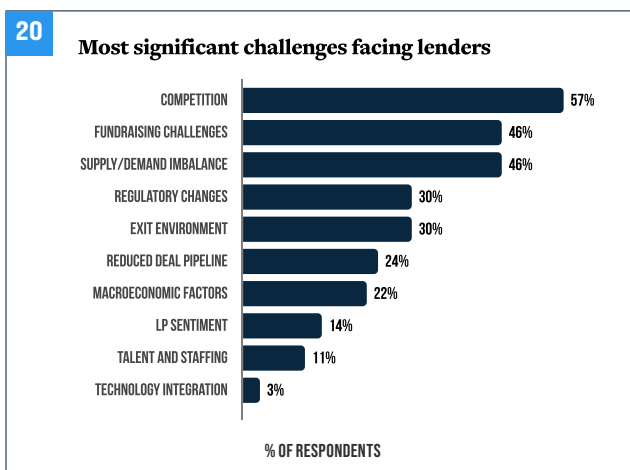
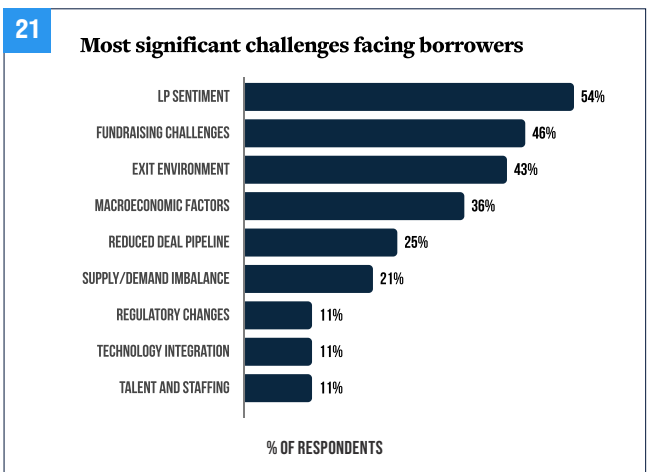
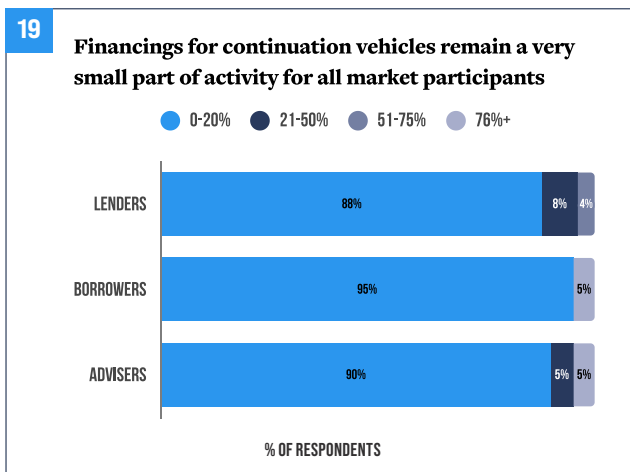
It is also important to highlight that more than half didn't see LP sentiment as a challenge, and of that 52% all could be described as established firms with a long track record. Most, though not all, of the borrowers to rank it as a significant challenge could be described as smaller less-established managers.

For advisers, the wider macroeconomic environment (52%) was the main challenge, along with the ongoing slowness of private market activity, with exit environment (52%) and fundraising challenges (43%) ranking highly (*chart 22*).

Regulatory challenges (48%) also ranked highly, likely linked to the EU's Capital Requirements Directive (CRD VI) which is to come into effect on 11 January 2027.

When all respondents were asked where they thought the LMA could be most useful in the fund finance industry in 2026, 84% listed either help with document standardisation or market education. These were by far the two most popular answers.

Borrowers, lenders and advisers all say they want greater standardisation of documentation to streamline transaction processes, and likewise, all groups see the LMA's role as facilitating greater understanding of fund finance products both within the industry and beyond. ♦



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ABOUT THE SURVEY

This year's survey was focused on the EMEA fund finance market. A total of 91 lenders, borrowers and advisers submitted information (up from 73 last year, with an increase in the number of lenders and borrowers responding). The survey questions were updated from last year's inaugural edition to ensure we had more granular information on market discipline and trends. This included the addition of new questions on purpose of facilities (both subscription and NAV facilities) and opening LTV levels, as well as dividing responses between types of lenders. This goes to the LMA's aims of improving understanding of this asset class and to provide a useful base for discussion with key stakeholders. Thank you again to all contributors.

THE DRAWDOWN

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The LMA is the authoritative voice of the loan market in EMEA. Our key objective is improving liquidity, efficiency, transparency and sustainability in the loan markets. Today, with 880+ members in 69 jurisdictions, we represent an ever-growing diversity of participants in international capital markets, including institutional investors, private and public sector issuers, banks, non-banks, technology solution platforms and market infrastructure providers, spanning the UK, US, EMEA, and Africa.

