

Fund Finance Friday



Pitchbook Looks at NAV Financing

May 12, 2023

Pitchbook took a look this week at the growth of NAV financing in an article titled "GPs quench thirst with NAV financing as liquidity dries up."

The article noted that "[n]et asset value financing allows fund managers to borrow against the fund's investments. In less frequent cases, it takes the form of preferred equity, which isn't secured on collateral and carries higher yields to compensate for the additional risks that lenders bear."

Pitchbook pointed to 17Capital data that showed that deal volume involving NAV financing rose by 50% in the 12-month period ending in September 2022, also noting that "the average size of NAV facilities provided in the same period grew by 40%."

You can read the article [here](#).