

Fund Finance Friday



LMA Fund Finance Insights - Evolving Perspectives on the Use of Fund Finance

May 23, 2025



The LMA is pleased to have published the fourth in its series of Fund Finance Insights papers. These are intended to enhance understanding of this growing asset class.

This latest Fund Finance Insights paper explores the evolving perspectives on the use of fund finance. The ability for a fund to incur financial indebtedness is often a key point of negotiation between fund managers and their investors during the fund formation process. It is important to understand the key drivers and concerns of different market players in order to maximise efficiencies and pave the way for optimal liquidity solutions.

With Institutional Limited Partners Association (“ILPA”)’s Inaugural Limited Partner Sentiment Survey 2024-2025 highlighting that leverage in use at the fund level is the information that limited partners would most like to see presented more consistently, and the LMA / Drawdown Fund Finance Intelligence Survey highlighting LP resistance as the most significant challenge faced by borrowers, it is clear that education, communication, and transparency are key for the efficient evolution and understanding of the market.

This Insights paper explores the different perspectives of key players in the market and covers:

- Fund manager perspectives
- Investor perspectives
- Lender perspectives
- The road ahead

Thank you to authors: Mei Mei Wong and Kevin Nolan, Partners at DLA Piper, Kam Hessling, MD at LMA as well as to everyone who contributed to this paper.

Read the report: <https://lnkd.in/e54u52cF>

Access the Fund Finance Intelligence Survey results: <https://lnkd.in/ezU5ptVG>

Access the ILPA survey: <https://lnkd.in/esSBAHUr>

Explore more on Fund Finance: <https://lnkd.in/efYexsCK>