

## Fund Finance Friday



### LPs Pick Debt Financing Over Secondary Sales as Liquidity Pressure Intensifies

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CADWALADER

## Bronwen Jones



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Cadwalader partner **Bronwen Jones** was recently quoted in a recent *Mergermarket* article on the growing use of debt financing by limited partners (LPs) seeking liquidity amid ongoing pressure from low fund distributions and curtailed exit activity.

While secondary market sales of fund positions reached a record \$87 billion in 2024, some LPs are choosing to borrow against their portfolios instead of selling at a discount. LP financing—a specific form of NAV lending—can be faster to execute and allows LPs to retain full equity exposure.

“You’re going to get a mixed bag of answers from LPs about how they view this technology,” said Jones. She added that more investors could be open to LP financing solutions if M&A markets do not pick up.

Read the full article [here](#) (subscription required).