Fund Finance Symposium Review – Key Themes

September 26, 2025

Last week saw the FFA's annual Symposium at its new venue in the beautifully re-purposed old fish market on the side of the Thames at Billingsgate, London.

As usual, the event brought together a wide range of market participants from across the industry, providing a unique opportunity to network and learn more about the current developments in fund finance.

As is always the case, the panels at this year's event covered a diverse range of topics, including NAV, the proliferation of alternative lenders (featuring our own expert, Doug Murning), securitisation, institutional investor issues, ratings and CRT. This variety reflects how much the fund finance market has grown and matured in recent years and how many new opportunities have been created.

The key theme of the day was the need for market participants to continue to be **innovative** in coming up with solutions to help solve the myriad of problems seen in today's fast changing macro-economic world.

It is, of course, true that headwinds which are affecting large parts of the finance world also have an impact on fund finance. The delay in achieving exits in the private equity world and the still slightly muted fund raising environment are forecast to continue. Attendees were encouraged to face these issues positively and take the opportunity to develop new ways of providing finance to all private fund participants. Whilst the more established solutions continue to be relevant in some situations, there is a clear opportunity for participants to show creativity in order to continue to reshape the world of fund finance going forward. Given the talent our industry, allied to the capital which remains available, flexible hybrid solutions for almost all circumstances can be found.

The Cadwalader team sets out below some of the key themes arising from the Symposium panel discussions.

Retail and high net worth investors

Innovation is clearly happening in structures designed to attract retail investors and high net worth individuals. The proliferation of evergreen vehicles focused on individual investors in the private equity secondaries market has grown significantly, and these evergreen vehicles should be an attractive financing opportunity. There are, of course, specific issues for lenders to be aware of in lending into such structures, such as the open ended ability of investors to come in and out of retail vehicles, and exactly how recourse to a high net worth individual would work in practice.

Many panel contributors noted that the fund finance industry is making good progress in adapting to these challenges, providing solutions to allow credit to be given to uncalled commitments in retail funds, and to the uncalled commitments of high net worth individuals. Whilst it feels like the industry is still near the start of this process and there is more work to be done to allow credit to be provided efficiently into evergreen structures, there was a strong feeling that positive strides have been made and significant growth in this area is now possible.

Secondaries in fund finance

Another key growth area, as predicted in last year's London FFA symposium, has been the financing of secondaries acquisition transactions. The market for financing the acquisition of portfolios of LP interests has seen a number of significant (and some high profile) transactions over the last year, many of which Cadwalader has been involved with. Speakers were pleased to note that, whilst the number of portfolio secondaries sales has seen a large increase, distressed secondaries portfolio sales have not featured significantly in this growth. As well as being a useful liquidity management tool, these transactions have now become key to managing the portfolio of private equity interests held by larger investors.

The Symposium heard that the management of secondaries portfolios has been of particular interest in the last year, as larger investors have adapted their investment strategies and adapted their book accordingly. This trend seems likely to continue.

Securitisation, Rated Note Feeders and Collateralised Fund Obligations

There were two separate panels on these topics at the Symposium, evidencing the growing importance of structured finance techniques in fund finance. On both panels - Securitisation and Fund Finance Products as well as Rated Note Feeders and Collateralised Fund Obligations – the speakers agreed that fund finance securitisation and related structures are on the rise. This trend is expected to continue to accelerate in the near future as banks (on the supply side) seek to optimise their books and investors (on the demand side) look for exposure to the fund finance asset class.

Securitisation

The use of securitisation structures in fund finance is seen across all fund finance products, including sublines, NAVs and ABLs. Some panellists pointed to instances where even subline financings themselves are structured as securitisations. In this context, it is important to differentiate transactions that are 'true' securitisations and transactions that use 'securitisation techniques' but themselves are not securitisations. This has significant regulatory implications. Key ones on the supply side include risk retention and reporting obligations, and on the demand side consist of due diligence requirements in respect of institutional investors. Panellists also discussed pitfalls of 'true' securitisations, including a prohibition on re-securitisations (in case underlying assets in the funds contain securitisation positions) and also pointing to a growing divergence between EU and UK securitisation rules, which may potentially require participants (on cross border issuances) to comply with both sets of rules and reporting requirements.

There was a broad consensus that the approach to securitisation of fund finance products is largely the same as with any other asset class and is driven by the nature of the underlying exposures. For instance, with a securitisation of a private equity NAV financing which has a relatively small number of underlying investments, the focus will be on analysis of those underlying investments on an individual basis. This is in contrast to a securitisation of (say) a private credit fund ABL financing, which has a large number of underlying assets (loans) where the focus will instead be on the 'bigger picture' such as credit policies and the overall KPIs (including loss, probability of default, loss given default on the portfolio) rather than analysis of the individual assets. In a similar fashion, there will be differences in approach when calibrating eligibility criteria for securitisation of ABL financings. The collateral packages for private equity NAV financings and ABL financings are typically different too, with buyout NAV security being more bespoke compared to ABLs, which are usually more streamlined and standardised.

Another trend in the market is the emergence of forward flow arrangements. We at Cadwalader have recently been at the forefront of those innovative transactions; see more **here**. According to the consensus between panelists, those structures present another win-win product for the supply side, with banks retaining the 'relationship' and origination capabilities and the demand side getting the exposure to the fund finance asset class without the 'strings' of having to comply with securitisation rules.

Synthetic securitisations, or in the industry jargon "SRT" (in Europe, or "CRT" in the US) transactions are also expected to increase. Panellists pointed out that this makes sense as banks seek to release regulatory capital, given that sublines are regulatory capital intense transactions. It is also expected that savings achieved through such structures will be passed down to borrowers, with the banks being able to offer more competitive pricing as a result of the release of regulatory capital. This is expected to give additional advantages to banks engaged in synthetic securitisations of their subline portfolios.

Rated Note Feeders

Finally, panellists were generally upbeat about the growing issuance of Rated Note Feeders and Collateralised Fund Obligations and the related financing opportunities. Rated note feeder funds and CFOs have grown in popularity thanks to their dual nature as both a financing tool for fund managers and as an attractive asset class for institutional investors. These structures also offer investors the opportunity to invest in the underlying funds on a super-leveraged basis.

The general conclusion expressed on both panels seemed to be that the industry is witnessing a convergence between fund finance and structured finance techniques, including but not limited to securitisations, and that this trend will only continue.

Final thoughts

The issues outlined above are not likely to be new to followers of fund finance (indeed, many have been mentioned in previous conferences and explored in previous Fund Finance Friday articles). What gave this conference its positive tone was to hear all the ways in which the industry is adapting and finding solutions to these issues. New challenges will always appear and market participants will need to adopt a positive mentality in an increasingly volatile economy and a rapidly changing world. Old solutions may not be suitable for every situation. The fund finance industry has shown resilience and innovation in the face of these challenges, and will undoubtedly continue to do so. This year's keynote speaker, former premier league footballer Gary Neville, seemed right on this message when he asked the audience: "Did you expect every day to be a good day?"