

Fund Finance Friday



Private Funds CFO Hits on Fund Borrowing and Performance Reporting

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The *Private Funds CFO* newsletter, a publication of *Private Equity International*, this week touched on fund borrowing in the context of performance reporting. The short write-up follows a discussion at *PEI*'s recent CFOs and COOs Forum at which audience members anecdotally reported some lengthening in facility terms.

While ILPA recommends reporting fund performance on both a gross and ex-facility basis, the article points out that this approach is less straightforward than it sounds. For one, *pro forma* ex-facility reporting would overlook real advantages of a credit line, including the speed to deployment and not calling LP capital for unconsummated investments. As a related point, the ex-facility reporting may be too theoretical to be meaningful. The article is available [here](#). (As an aside, we just can't quite get on board with "levered/unlevered" IRR nomenclature—subscription facilities do not increase fund buying power.)