

Fund Finance Friday



PEI: 'For NAV Finance to Be a Winner, Don't Underestimate the Obstacles'

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Private Equity International published an article last week on the recent popularity of NAV facilities as a tool to access liquidity. The article discusses how NAV facilities have emerged in “record numbers” as an answer to the liquidity crisis stemming from the COVID-19 pandemic. But the article goes on to warn that the practical challenges accompanying these facilities cannot be overlooked. From tax implications and approval requirements to a lack of underwriting approvals amongst lenders, the practical difficulties of NAV facilities demand careful structuring and a strong understanding of the intended use of the particular facility. To read the full article, visit the PEI site [here](#).