

A horizontal banner with a green-to-blue gradient background. The text "FUND FINANCE FRIDAY" is centered in a white, sans-serif font. The banner is framed by a white grid pattern that curves inward from the corners.

FUND FINANCE FRIDAY

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

July 24, 2020 | Issue No. 87

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](#).