

C A D W A L A D E R

Maybe Don't Worry Too Much About Fundraising

February 20, 2026



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Private market fundraising continues to be one of the most watched indicators in the fund finance market, with the assumption that it drives origination volume. Over the past five years, fundraising has moved from the upper left of the chart to the lower right, while fund finance lender commitments traveled in the opposite direction. This leads to the conclusion that fund finance market growth also relies on these indicators. These indicators point to room for material growth in fund finance origination in 2026.

A Pond and a Bucket

Bank lender engagement is a primary driver of fund finance origination volume.

Fund finance origination volume, in a way, is like measuring how much water you can scoop out of a pond with a bucket in a year. The pond—4,190 funds raised in 2025 for \$1.3 trillion, according to Preqin—compares with our new money subscription facility origination of roughly 300 facilities for \$43 billion in the U.S. When the fund finance outlook is framed around the water level in the pond (which also happens to be the most easily accessible data), it overlooks a key variable.

Instead, I focus to the size of the bucket—how much banks are able and willing to finance. Now, at the outset I admit the pond and the bucket analogy is incomplete. Fund finance origination is also constrained by the proportion of bankable funds in a year, referring to funds with known sponsors, institutional LPs, and diversified borrowing bases. But, as bank engagement rises, the willingness to finance newer or smaller sponsors, first-time funds, concentrated borrowing bases, and otherwise non-conforming transactions also increase. Bank engagement continues to constitute a controlling variable.

Exhibit 1: Fund Finance Origination Has Defied the Downtrend in Global Fundraising *

	2025 Raised (\$bn)	T3Y Annual Avg. (\$bn)	5-Yr. Trend
Private Equity	766.9	1008.7	
Real Estate	165.3	176.5	
Infrastructure	210.4	138.4	
Private Debt	174.1	219.0	
Natural Resources	18.1	23.3	
Total	1334.8	1565.9	

* Source: Preqin and Cadwalader, Wickersham & Taft LLP.

Toward Measuring Bank Engagement in Fund Finance

To fill out the bank side of the origination outlook, I aggregate lending capacity and credit conditions for the 29 U.S. banks with total assets above \$100 billion (excluding monoline lenders like credit card originators). The indicators track balance-sheet constraints, funding costs, credit stance, and loss dynamics. Together, these measure lender capacity and willingness to engage in fund finance origination. As Exhibit 2 illustrates, these conditions, on the whole, support growth in 2026.

The aggregate CET1 ratio (core capital) for our sample stood at 14.3% and the Tier 1 leverage ratio at 8.68% at the end of Q4, both high relative to their five-year ranges. Funding conditions improved during the quarter, with significant deposit growth and core deposits (stable, low-cost funding) holding above the two-year trend at 79.8% of the deposit base. Interest expense moved lower to 2.09% of interest-bearing liabilities. Credit conditions also became less restrictive, as net tightening in commercial lending standards eased during the quarter based on a composite of non-consumer loan categories. Earnings capacity (PPNR/RWA) remained stable near 3.14%, while provision and charge-off rates drifted modestly lower.

Subscription facility economics continue to trend lower, based on a measure of the current subscription plus SOFR less bank funding costs. While this subscription funding spread measure has been trending lower since 2023, it still

holds well above the 2019-2022 experience when fund finance originations experienced material growth.

Exhibit 2: Bank Fundamentals Support Fund Finance Origination Growth in 2026

Metric	Signal	Description	Methodology
Capacity			
CET1 Ratio		Loss-absorption capacity under risk-weighted constraints.	Percentile rank vs 5-year history. Higher percentile = greater capital headroom.
Tier 1 Leverage Ratio		Balance-sheet capacity independent of risk weights.	Percentile rank vs 5-year history. Higher percentile = looser leverage constraint.
Funding			
Deposit Growth		Systemwide funding base expansion/contraction signal.	z-score vs 2-year history of annualized QoQ deposit growth.
Deposit Composition (Core Share)		Funding durability and structural cost stability.	z-score vs 2-year history of core deposit share.
Interest Expense/Interest-Bearing Liabilities		Marginal funding cost pressure across the system.	Level vs 2-year average (lower = better).
Willingness to Lend			
Commercial Lending Standards		Broad credit stance across non-consumer lending categories.	Level vs recent average (lower net tightening = more accommodative).
Earnings Capacity (PPNR/RWA)		Level vs recent average (lower net tightening = more accommodative).	z-score vs 2-year history of annualized PPNR/RWA.
Subscription Funding Spread		All-in facility economics: (SOFR + subscription margin) – bank funding cost.	Level vs 5-year average. Positive and improving carry = stronger lending incentive.
Stress / Credit Conditions			
Loan Provision to Total Loans		Forward-looking credit cost expectations / loss recognition bias (total loan portfolio).	Directional (Δ QoQ). Rising = tightening impulse.
Net Chargeoffs		Realized credit stress / constraint reinforcement channel (total loan portfolio).	Directional (Δ QoQ). Rising = tightening impulse.
NDFI Non-Performing Loans		Credit performance of non-bank financial lending exposures.	Directional (Δ QoQ). Rising deterioration = emerging stress signal.
Fund Finance Reference Indicators (Not Scored)			
NDFI Loans to Total Loans	16.7%	Balance-sheet allocation to non-bank financial borrowers.	Informational only. Structural growth and persistence dominate mean-reversion assumptions.

Source: All indicators based on U.S. banks with more than \$100 billion in assets only and excludes monoline lenders.

Source: Cadwalader, Wickersham & Taft LLP.

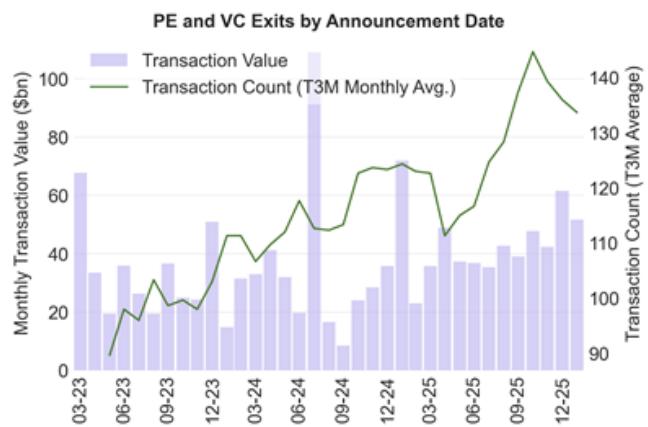
Conclusion

In aggregate, large bank balance sheets retain ample lending capacity to expand lending in 2026, with fund finance continuing to screen well as a relationship product with ancillary fee income, relative value, and clean credit performance. With this capacity comes increased competition between lenders, fewer loan participation opportunities, and less immediate need for outside lending capital, all of which are already evident. At the same time, a bank-focused framework underscores why reserving off-balance sheet capacity through securitization, term loans, and SRT builds in countercyclical flexibility for the future to originate when industry conditions tighten.

Sponsor-Backed Exits Add to Gains

February 20, 2026

Exit activity continues to gain momentum, based on data from S&P Capital IQ. The number of transactions in which the seller is a PE or VC sponsor reached 148 in January, the highest monthly total in the data series going back to 2023. Aggregate transaction value of \$51.6 billion for the month exceeded the trailing 12-month average by 26%. Higher velocity in exits point to an improvement distributions and should support fundraising.



2026 Irish Fund Finance in Five - Part 4: Irish Legal Due Diligence Considerations

February 20, 2026



By **Conor Lynch**
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By **Anthony O'Hanlon**
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Mason Hayes & Curran has released Part 4 of their annual *Irish Fund Finance in Five* series. This is a five-part legal insight series that explains the Irish law issues, structures and documentation involved in fund finance transactions in a clear, practical way.

Irish legal due diligence plays a key role in fund finance transactions with an Irish nexus. Spotting issues early allows lenders to put the right protections in place and reduce execution and enforcement risk. In Part 4 of Mason Hayes & Curran's Irish Fund Finance in Five series, they look at the main Irish legal due diligence points, from constitutional documents to capital call mechanics.

Read on for insights and download the full series for a comprehensive guide to navigating Irish legal issues in fund finance transactions.

Click [here](#).

Welcome To Cadwalader!

February 20, 2026

WELCOME TO CADWALADER



Mitchell Johnson

Please join us in welcoming Mitchell Johnson to Cadwalader!

Mitchell Johnson recently joined Cadwalader as a staff attorney on the Fund Finance Team in Charlotte. Mitchell earned his J.D. from the University of Pennsylvania, where he was the recipient of the Distinguished Pro Bono Service Award, and received his B.A. from the University of Notre Dame.

Register Now for FFA U 1.0: EMEA

February 20, 2026



Now in its second year, FFA University 1.0 returns to London! Join the Fund Finance Association for this comprehensive two-day fund finance training program, offering a comprehensive look at the fund finance market through expert-led sessions on core products, legal and documentation considerations, market dynamics and key industry developments.

Event Details

- Cost: £399
- Dates: April 28 & 29, 2026
- Format:
 - Day One – April 28: In-Person Training & Networking Reception
 - Location: Deutsche Bank, 21 Moorfields, London, EC2Y 9DB
 - Day Two – April 29: Virtual Training

Day one will conclude with a networking reception, providing an opportunity to continue discussions and connect with peers and speakers. Speakers will be announced soon.

View the agenda [here](#) and register [here](#).

Fund Finance Hiring

February 20, 2026

Fund Finance Hiring

Here is who's hiring in fund finance:

Cadwalader, Wickersham & Taft LLP is seeking associates with three to six years of relevant experience for its Fund Finance practice in New York, Charlotte or London. Qualified candidates will have experience in syndicated lending, commercial lending, leverage finance, fund formation, CLOs, asset-based lending, NAV financings or acquisition financings. Candidates must possess excellent academic credentials and solid legal experience. Selected candidates will get extensive interaction with preeminent bank, asset manager and lending clients. If interested, please reach out to Margaret Cart at Margaret.Cart@cwt.com.

CIBC is seeking an Associate for the US Non-Bank Financials on the Fund Finance team. This role provides client coverage and transactional support to the group head and senior bankers within the Corporate Banking Fund Finance vertical. The Associate assists with managing the banking relationships between CIBC Capital Markets and clients, primarily in the Fund Finance sector. This position is responsible for supporting and managing the new deal process, as well as maintaining existing credit relationships. Learn more [here](#).

Standard Chartered Bank is seeking candidates for a number of roles, including:

A highly skilled and experienced **MD, Fund Finance**. This pivotal leadership role, based in the New York office, offers an excellent opportunity to steer and expand fund finance operations, ensuring alignment with global standards while responding to regional market dynamics. The successful candidate will bring a deep understanding of fund finance structures and services, coupled with proven leadership and stakeholder management capabilities. The role holder will be responsible for ensuring operational excellence, mitigating risks, and enhancing client satisfaction through effective leadership and strategic direction. Learn more [here](#).

An **Associate Director, Portfolio, Analytics, and Monitoring** for the Financing Risk Team in New York. As part of the Corporate and Investment Banking (CIB) division, this position will play a vital role in the Financing Risk unit, engaging with top-tier clients. The PAM team portfolio covers the following products: Project Finance, Shipping Finance, Leverage and Acquisition Financing, Commercial Real Estate Financing, Financing Solutions and Fund Finance. This role is an exciting opportunity to make a significant impact within a leading financial institution by proactively managing the credit risk (monitoring and analysis) of a complex portfolio of GCM accounts. Learn more [here](#).

AB-PCI NAV Lending is seeking a high-caliber team member to drive deal execution and play a key role in other aspects of building a growing fund finance business. The candidate will work in small deal teams on all aspects of credit investing. This individual will play a key role in executing fundamental credit analysis and assessing private equity valuations and sponsor incentives, while collaborating across the broader AB-PCI platform and contributing to fundraising, marketing and process development in an entrepreneurial, business-building environment. Learn more [here](#).

Harneys (Luxembourg) is seeking associates with three to six years of relevant experience for its Fund Finance, Investment Funds and Corporate practices in Luxembourg. Qualified candidates will have experience in one of subscription finance, NAV financings, leverage finance, fund formation, securitization, or general corporate and commercial matters (including mergers, acquisitions and restructuring). Applications of interest should be sent to Cyrielle Nicolas cyrille.nicolas@harneys.com

Juniper Square is seeking Account Executives in New York, Boston, Chicago and Miami to join the private equity sales team. This team is primarily focused on selling fund administration solutions to PE investment managers. Juniper Square is already one of the fastest-growing administrators in real estate and venture capital and private equity is the company's next area of focus. Learn more [here](#).