

C A D W A L A D E R

2025 Finance Forum **Key Takeaways**

November 2025



FINANCE
FORUM

Over 800 financial industry leaders and professionals from around the country participated in Cadwalader's ninth annual Finance Forum in Charlotte on October 29.

It was great to meet together for a day of networking and insightful discussions on the latest market trends and opportunities across various sectors, including commercial real estate, fund finance, leveraged finance, middle market lending, private credit, securitization and structured finance.

We are grateful to our speakers, clients and all attendees who took the time to participate in the event's many dynamic discussions and networking.

Here are some key takeaways from our panel discussions.



Table of Contents

| | |
|---|----|
| Global Fund Finance Market Update 2025 | 4 |
| Securitization Structures in Fund Finance | 5 |
| Newest in NAV | 6 |
| The Intersection of Rated Note Feeders and Sublines | 7 |
| CRE CLOs, Past, Present and Future | 8 |
| Corporate CLO Evolution and Trends | 10 |
| SRTs / CRTs for U.S. Banks - Perspectives from Advisors, Investors and Issuers | 12 |
| Acceleration from One (Loan) to Sixty: The Spectrum of Back-Leverage | 13 |
| Commercial Real Estate Market Update | 14 |
| CMBS Market Outlook: Trends, Challenges and Innovation | 15 |
| Bridge to Where: Back-Leverage 2.0 | 16 |
| Commercial Real Estate Loan Maturities & the \$2.5 Trillion Repricing Cliff | 17 |
| Here Comes the Rain Again: Secured Creditors Look at the State of Restructuring and the Coming Downturn | 18 |
| Bank Regulation and Capital Optimization Demystifying Risk | 19 |
| From Red Flags to Red Alert: Effective Strategies for Mitigating Fraud Risk | 20 |

TRACK ONE

Global Fund Finance Market Update 2025

Bron Jones and **Joe Zeidner** led a panel along with **Pallo Blum-Tucker**, Managing Director and Head of Alternatives Lending at State Street Bank; **Paul Schoper**, Head of Fund Finance at Wells Fargo; and **Slade Spalding**, Founding Partner at NLC Capital Partners.

- The subscription market is trending toward higher advance rates and longer-life facilities.
- From a lender perspective, subscription lending continues to be marked by strong credit performance, attractive collateral and structural deleveraging mechanics in the event of credit weakening.
- Slower fundraising has meant delays in syndications as upsizes lag farther behind initial closes. Term loans also reduce revolver participation availability at the margin.
- High net worth pools continue to become more prevalent in investor pools.
- Rapid growth in the secondaries market is contributing to NAV uptake and, with that, demand for ratings.
- In the buyout space, NAV borrowing is more commonly associated with working capital needs or acquisition financing rather than dividend recap.

Securitization Structures in Fund Finance

Leah Edelboim and **Trent Lindsay** led a panel along with **John Baumgardner**, Managing Director at Värde Partners; **Bob Bengtson**, Managing Director at Goldman Sachs; and **Mark Doctoroff**, Co-Head of the Financial Institutions Group and Financial Sponsors Coverage at MUFG.

- In just this year securitization structures in fund finance have proliferated to a mix of public and private transactions.
- The SRT market paved the way for securitization by demonstrating how a disclosure framework can be structured to balance borrower interest in confidentiality and adequate pool data to investors.
- Balance sheet constraints have receded as a motivation for securitization, with lenders generally now placing more emphasis on developing tools to opportunistically deploy into wider pricing windows.
- Mechanically, bringing subscription loans into the securitization market involves simultaneously solving a set of challenges, including (1) the revolving nature of the loans, (2) providing on-demand multicurrency funding, (3) preserving the institution-level sponsor relationships, (4) agreeing on a disclosure regime that works for sponsors and investors and (5) allocating voting rights. The transactions that have come to market demonstrate that all of these can be solved.
- Forward-flow arrangements have particular synergies for lenders with captive asset managers that can play a meaningful role in pool management and distribution.
- Ultimately, subscription lenders are primarily NIM-driven. In the context of securitization, this means lender-issuers are likely to retain an interest in the loans, which provides investors with an attractive alignment of interests.
- Looking forward, panelists expected more securitizations in the next year, but also for the market to grow at a gradual pace. Over time, the short maturity profile of existing deals will contribute to refinancing-driven issuance.

Newest in NAV

Patrick Calves and **Doug Murning** led a panel along with **Sara Casey**, Director at AllianceBernstein; **Christina Bohm**, Managing Director at EverBank; and **Dan Berglund**, Managing Director at Goldman Sachs.

- The NAV financing market is poised for significant, long-term growth, fueled by the continued expansion of private market AUM and increasing fluency among market participants regarding use cases.
- NAV facilities remain a highly dynamic and customizable product, with both borrowers and lenders innovating sophisticated structures to address evolving and complex market challenges.
- NAV is seeing increased adoption by subscription line lenders through the use of hybrid facilities as well as enhanced subscription facilities that include a pledge of the proceeds of fund assets.
- While macroeconomic factors (such as a constrained exit environment and a slowdown in fundraising) have catalyzed certain uses, borrowers are increasingly integrating NAV facilities into their core strategies (e.g., secondaries financings).
- A new and attractive growth market is emerging in “lending to the lenders” via back-leverage facilities on preferred equity and other GP solutions.
- Active engagement and education by Fund Sponsors on the strategic benefits of NAV facilities are successfully increasing LP receptivity and acceptance of this financing tool within fund structures.
- Despite the extremely positive growth outlook, the market’s trajectory necessitates a continued focus on establishing best practices for risk management and appropriate structuring to ensure sustainable and disciplined expansion.

The Intersection of Rated Note Feeders and Sublines

Angie Batterson led a panel along with **Ginny Chiarello**, Managing Director and Portfolio Manager at Barings LLC; **Leah Edelboim**, Fund Finance Partner at Cadwalader; and **Dennis O'Hara**, Director of the Structured Credit Group at U.S. Bank.

- From an insurance investor's perspective, a rated note feeder is a debt product that uses structure to produce equity-like returns.
- This construct doesn't always fit neatly into a subscription lender borrowing base, and lenders run the risk of glossing over the insurance investor's constraints.
- Insurance investors are sizeable investors and often material to the overall credit quality of the collateral pool, making it imperative for lenders to understand and work with these investors.
- For insurance companies, regulatory capital charges differ significantly between debt and equity, with equity incurring the highest capital charge. For this reason, rated note feeder structures are a capital efficient way for insurance companies to indirectly make an investment into the main fund.
- For subline lenders to give borrowing base credit to insurance company investor commitments, it's important that such lenders have the ability to call those investor commitments (whether characterized as debt or equity) upon an event of default. However, if an insurance company's debt commitments to a rated feeder are treated or interpreted as equity under the constituent documents (or the relevant commitment documents) of the rated note feeder, there is potential regulatory risk that these commitments could be reclassified as equity, causing insurance companies to face very significant increases in their capital charges.
- As insurance companies have become much more sizable investors in feeder structures, the NAIC has also increased its scrutiny into how insurance companies account for their investments.
- The combination of these factors has created an inflection point in this space, and interesting structuring considerations for rated note feeder and subline financings where insurance capital is involved.

TRACK TWO

CRE CLOs, Past, Present and Future

Jeffrey Rotblat led a panel along with **Lee Siracuse**, Head of Debt & Alternatives Asset Management at Harbor Group International; **Deryk Meherik**, Associate Managing Director at Moody's; **Brendan Jordan**, Co-Head of Commercial Real Estate Origination at ATLAS SP; **David Henschke**, Managing Director at Benefit Street Partners; and **David Glazer**, Managing Director at Dwight Mortgage Trust.

- The economics that once made static CRE CLOs practical for sponsors are not present in the current pricing environment. Today's economics heavily favor the issuance of fully managed transactions.
- Collateral delinquencies remain relatively low, highlighting the effectiveness of structural incentives for collateral managers to restructure and remove underperforming collateral from the pool.
- Effective advance rates and investor demand are strong, which has resulted in a wave of CRE CLO sponsors returning to the market over the latter half of this year. An active market has made it more challenging for CRE CLO sponsors to differentiate themselves and their securitization structures from competitors, resulting in more pricing parity from deal to deal.
- CREFC is working hard to improve reporting transparency for CRE CLO investors. However, due to the transitional nature of CRE CLO collateral, the reporting on loan/property metrics is of limited use without narrative reporting on business plan progression.
- Panelists had a positive outlook on the CRE CLO market going forward, and deal volume is expected to remain strong over the next year.

CRE CLOs, Past, Present and Future

- The BSL (broadly syndicated loan) CLO market is expected to achieve record volume in 2025 as portfolio managers focus on building AUM. Market participants expect BSL CLO volume to outpace 2024 record volume—about 5% year-over-year. This is driven by new issuance and refinancing and reset activity, especially for vintage 2021 and 2022 CLOs. Established CLO managers—and new entrants with strong portfolio management stories and/or access to reliable equity capital from affiliate balance sheets or strategic partnerships—enjoy abundant liquidity. Abundant liquidity has year-to-date resulted in a general trend of tightening spreads with little portfolio manager differentiation, except for subordinated levels of the capital stack. Volume growth in the leverage loan market has been less intense year-to-date, but market participants expect increasing volumes from M&A activity.
- Structurally, BSL CLOs have experienced no major issues, with well-defined, standardized documentation and a focus lately on the development of more flexibility for portfolio trading rules, reinvestment periods and non-trading credit risk mitigation, with outcomes dependent on investor perception of portfolio manager competencies.

Corporate CLO Evolution and Trends

Steven Kolyer led a panel along with **Brendan Cappiello**, Executive Director at Wells Fargo; **Meredith Lynch**, Managing Director, High Yield at Barings; **Chris Taggart**, Managing Director at U.S. Bank; and **Daniel Zemach**, Vice President at Golub Capital.

- The private credit CLO space, though smaller than the BSL CLO market, continues to develop and is now as vibrant as the BSL CLO market, as private lending sponsor platforms are reaching a critical mass of issuance for CLO execution efficiency. The fundamental difference between private credit CLOs and BSL CLOs is the private credit CLO focus on funding sponsors' proprietary private credit lending platforms, rather than arbitrage credit trading.
- For the private credit CLO market, sponsor differentiation is currently more important than manager differentiation is in the BSL CLO market. Sponsors may be delineated into three broad categories – big brand sponsors with large capitalizations, a core middle market and a lower-tier middle market. Understanding the private credit CLO market requires knowing where sponsors fall in these broad categories and analyzing sponsor underwriting, origination and loan servicing competencies. While the private credit space is expected to attract abundant and reliable equity capital, the ability of sponsor platforms to originate loans, which is necessary to feed new issuances and replenish existing deals, will be a limiting factor in the growth of the private credit CLO market.
- A market participant noted that the development of hybrid BSL/private credit CLO structures will be inhibited mainly by this origination story. A tension in the private credit CLO market noted by market participants is information access, as sponsors balance investors' interest in portfolio transparency with loan-level confidentiality sensitivities. A rough balance will likely involve more detailed portfolio-level stratifications, with ad hoc deeper dives involving confidentiality arrangements for portfolios involving a smaller number of large loan assets.

Corporate CLO Evolution and Trends

- An interesting adaptation of CLO technology that includes hybrid BSL/ private credit characteristics has developed for financing infrastructure and project finance debt. The infrastructure CLO market is expected to enjoy strong growth in the coming years and to include a mix of arbitrage, balance sheet funding and even hybrid structures.
- Beyond the above, market participants continue to push the limits of what a CLO should be, with CLO technology being used increasingly to accommodate non-traditional asset class exposures for debt-focused investors, for example, “rated feeder” structures which provide long duration debt investor exposure to traditional investment fund equity. Long duration structures are an emerging trend in CLO technology adaptation. Generally speaking, market participants increasingly view adaptations of CLO technology as part of the liquidity story for emerging asset classes.

SRTs / CRTs for U.S. Banks - Perspectives from Advisors, Investors and Issuers

Jed Miller led a panel that consisted of **Bill Fedyna**, Global Co-Head Structured Products, Stifel, **John McWhorter**, Chief Financial Officer, Third Coast Bank, **Robert Lewin**, Managing Director, Tokio Marine, **Adam Glassner**, Managing Director, Bayview Asset Management, and **Olivia Allin-Viviano**, Vice President, Morgan Stanley.

- The SRT market is expected to (continue to) experience robust growth in 2026.
- In particular, more regional banks are expected to enter the SRT market, including by using cash SRTs designed to manage CRE and construction loan concentration limits.
- Changes to the bank regulatory capital rules in the US and in the UK are not expected to diminish the use by banks of SRTs as capital management tools.
- Mezzanine capital will continue to play an important role in US SRT. This will take many forms, including the use of SRT back-leverage structures, tranching, ratings and the use of insurance capital.
- First-time issuers should be aware of the workstreams involved in operationalizing SRT transactions, with a particular focus on interfacing with regulators, reporting, designing a reference portfolio, and creating processes for declaring credit events and calling for credit protection.

Acceleration from One (Loan) to Sixty: The Spectrum of Back-Leverage

Jeffrey Nagle led a panel along with **Tim Delp**, Managing Director at Golub Capital; **William Lloyd**, Managing Director at Bank of America; **Cecile Lopez Mora**, Director, Global Financial Solutions at MUFG; and **Beale Pope**, Managing Director at Wells Fargo.

- Cooperation between banks and private credit fund managers has continued to expand over the past year. This can take the form of financing and other collaboration, in addition to formal partnership.
- Different and evolving types of fund structures, such as business development corporations and evergreen funds, impact the type of leverage suitable for such funds.
- ABL facilities continue to evolve to address changing underlying asset types, including PIK-at-origination financings and recurring revenue loans. However, it remains challenging to address certain needs, such as equity-like products or “life-of-fund” facilities, within the traditional ABL framework.
- Single-asset and concentrated pools of loans can be a win-win-win for banks, the private credit funds and the underlying borrowers, particularly for less liquid, larger or bespoke loans. These types of facilities benefit from specialty knowledge of the underlying asset class within the bank and cross-team cooperation and marketing.

TRACK THREE

Commercial Real Estate Market Update

Chris Dickson led a panel along with **Stefanos Arethas**, Head of Commercial Real Estate Finance, Santander; **Simon Burce**, Executive Director, JPMorgan; **Chris Campbell**, Managing Director, Eastdil Secured; and **Connor Macon**, Managing Director, Wells Fargo.

- 2025 has been a year characterized by spread compression and intense competition to win deals, particularly as banks are looking to backfill their loan inventory after a shortfall in production in 2022-2024 as compared to loan payoff rates. There is a focus on driving net interest margin at the banks.
- Both banks and private capital are responding to the incentives created by the regulatory structures within which they operate in terms of how they are deploying capital. In some ways, back leverage financing of private capital has replaced complex mezzanine loan structures of years past.
- The financing of data centers and hyperscalers is an area of growth and focus, though there is some debate as to whether or not that is magnified due to headline appeal of the sheer size of individual transactions. As a fraction of total commercial real estate financing, this still remains a relatively small sliver.
- The office marketplace remains one of a very bimodal distribution. If you have a class A office in a strong location, you're a winner and if you don't...
- After years of discussion, this year the market saw the first securitization of capital call facilities, and the intersection of fund finance and structured products will be an important space to watch.

CMBS Market Outlook: Trends, Challenges and Innovation

Lisa Pauquette led a panel along with **Leland Bunch**, Managing Director, Head of CMBS Capital Markets at Bank of America; **Devin DiLeo**, Managing Director, Real Estate Debt at Kayne Anderson; **Harris Rendelstein**, Executive Director at JPMorgan; and **Alexander Wagman**, Executive Director at Wells Fargo.

- The increased presence of established, repeat borrowers have accelerated the loan origination process by lessening the need to negotiate loan terms, allowing deals to reach market quicker. This acceleration has contributed to a rise in SASB deal volume. Additionally, these borrowers are driving a focus on agented deals.
- There has been market-wide shift from 10-year loans to a greater focus on 5-year loans.
- There has also been an increase in SASB due to borrowers looking for floating (not fixed) rate debt, which has reduced conduit volume.
- Pool shaping for CMBS deals has become more difficult in the last year due to a change in the preference of property types, with less of a focus on office properties, leading to a higher number of loans funding closer to CMBS print deadlines.
- There has been an increase in new banks and lenders entering the CMBS space. These new entries often face challenges due to the CMBS market's established nature. The acquisition of a company already established in the CMBS market can increase the chance of success.
- Artificial intelligence is being adopted in the CMBS industry as an “amplifier” rather than a complete replacement for hands-on work. While AI has increased efficiency for analysts, some skepticism remains about its overall usefulness.
- The integration of AI into CMBS will likely lead to a change in the required skill sets, as some traditional skills become less important while others are enhanced by the new technology.

Bridge to Where: Back-Leverage 2.0

Stuart Goldstein and **Andrea Nixon** led a panel along with **Melissa Band**, Managing Director at Värde Partners; **Thomas Cassino**, Managing Director at JPMorgan; **Michael Duncan**, Principal, Real Estate Debt Strategies at Blackstone; and **Scott Waynebern**, President at Limekiln Real Estate Investment Management.

- Collaboration is important. One day you could be competing for a deal and the next time you are collaborating on one.
- Advances in the field are driven by both new entrants in the field and existing lenders who are willing to evolve.
- Back-Leverage space has seen a lot of growth over the last few years and lenders are evolving with the types of assets they are advancing on.
- Being mindful of capital restraints and, for banks, the punitive nature of the capital rules if they have too many defaults.
- Still being selective about the assets. If you wouldn't lend on the asset, then you don't want to offer back-leverage lending.

Commercial Real Estate Loan Maturities & the \$2.5 Trillion Repricing Cliff

Sulie Arias led a panel along with **Brian Bailey**, Senior Managing Director, Trimont; **Charles Manna**, Managing Director, Bank of America; **Steven Schwartz**, Executive Vice President and Head of Real Estate Credit, RXR Realty; and **Robert Verrone**, Principal, Iron Hound.

- While rate-cut expectations have tempered some refinancing anxiety, most lenders are not pricing in a sharp recovery, instead preparing for an extended period of elevated base rates and selective repricing.
- Panelists agreed that proactive borrower engagement has been more effective than waiting for maturity defaults; extensions and structured modifications are increasingly common.
- Lenders are relying on creative capital stack solutions including A/B note structures, preferred equity and mezzanine capital to bridge valuation gaps.
- Alternative lenders and private credit funds continue to step in where banks and life companies pull back, especially for transitional assets and higher-yield opportunities.
- Panelists expect increased loan sales, participations and syndications in 2026 as institutions seek to recycle capital and manage exposure.

TRACK FOUR

Here Comes the Rain Again: Secured Creditors Look at the State of Restructuring and the Coming Downturn

Doug Mintz led a panel along with **Eugene Fialkovskiy**, Managing Director at King Street; **Michael Gatto**, Partner and Head of Private Side Businesses, Silver Point and author of *The Credit Investor's Handbook*; and **Marc Glogoff**, Global Head of Special Asset Management at Barclays.

- A number of factors have led to massive shifts in the restructuring world over the last five years. Significant liquidity at all levels, vanishing covenants, the growth of many new or existing credit providers and greater certainty around the bankruptcy laws have led to fewer and shorter bankruptcy cases, more out of court “liability management transactions”, and limited defaults in recent years.
- The banks previously played the most important role in any workout on the creditor side, but shifting dynamics have placed significant importance on the role of CLOs as owners of senior secured debt. Their interplays among one another and with equity sponsors has driven many of the changes noted above.
- This period has also featured intense disputes among seemingly similarly-situated creditors working to increase their returns on investments.
- Cooperation agreements have become a critical part of most restructurings, sometimes being “supercharged” by advisors and/or large holders to start to shape the outcome of a workout.

Bank Regulation and Capital Optimization Demystifying Risk

Dan Meade led a panel that included **Jennifer Bearden**, Senior Director of the International Association of Credit Portfolio Managers (IACPM); **Noah Cuttler**, Head of U.S. bank regulatory Policy for Barclays; and **Jen Knox**, bank regulatory counsel at Wells Fargo.

- Level-setting of prudential bank regulatory goals generally and capital adequacy rules more particularly.
 - Risk-weights assigned to assets on a bank's balance sheet may impact pricing of various finance products.
 - Banks need to plan how they approach capital optimization of their balance sheet.
- Much like an issuance from the uniform law commission, Basel standards are the starting point but require implementation in each jurisdiction. The panel discussed the 2023 US proposal of the Basel III Endgame and its demise. The panel then turned its attention to the likelihood of U.S. regulators re-proposing a rule soon.
- There was a consensus amongst the panel that a re-proposal is likely closer to capital neutral than the 2023 proposal.

From Red Flags to Red Alert: Effective Strategies for Mitigating Fraud Risk

Doug Mintz led a panel along with fellow Cadwalader partners **Andrea Nixon** and **Matt Stempler**.

- To combat fraud risk, thorough diligence and perfection of security interests are essential.
- 100% mitigation against fraud is impossible, but implementing mechanisms to detect early warning signs can help limit damage.
- In negotiating terms, lenders should think about the frequency of reporting and potential additional data points to analyze for signs of fraud.
- Choose your counterparties wisely.
- Assets cannot be bankruptcy-proofed. However, isolating assets through structuring is a helpful practice. In the case of fraud, collateral may no longer be available for recovery or may be clawed back. Having a well-capitalized full recourse guarantor for fraudulent conduct is a good protection.

C A D W A L A D E R