

Considerations for Subscription Line Facilities for Late-Stage Funds

September 10, 2024 Ellen McGinnis, Brent Shultz

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Key Takeaways:

- Closed-end private equity funds do not immediately cease to exist at the end of their stated term, and subscription-secured credit facilities ("**Subline Facilities**") can be extended to funds past their term with proper diligence, structuring, and underwriting.
- Delaware law supports that limited partners' capital obligations continue through a fund's winding-up period, subject to any specific requirements under the fund's limited partnership agreement ("**LPA**").
- Lenders should ensure LPAs allow late-stage Subline Facilities by reviewing obligations, collateral, and repayment structures.
- Increased demand for late-term Subline Facilities may arise due to challenging exit environments.

[Click here](#) to read the full article and learn about the life cycles of closed-end funds and how subscription-secured facilities can be extended to funds past their term with proper diligence, structuring and underwriting.