From Niche to Core: Key Takeaways from the 2026 APAC Fund Finance Symposium

By Mei Zhang, Albert C. Tan, LeAnn L. Chen, Craig Unterberg | November 13, 2026

RELATED PRACTICES Fund Finance, Finance

The 8th Annual Asia-Pacific Fund Finance Symposium brought together sponsors, limited partners (LPs), banks, private credit providers, insurers and service providers. Across the panels and keynotes, one clear picture has emerged: the Asia-Pacific (APAC) market is maturing quickly despite a challenging fundraising and exit environment. Today, regional fund finance extends well beyond the traditional subscription lines. Net asset value (NAV), hybrid and structured products are moving into the mainstream, new pools of institutional and private wealth capital are entering space, and legacy fund documents are being tested by these evolving structures. This alert summarizes the Symposium's core themes and their practical implications for sponsors, lenders and investors.

Market Backdrop: Fundraising Recovers and Distributions Lag

Preqin's market update indicates a cautiously positive outlook for APAC fundraising, projecting full-year 2026 figures likely to surpass 2025, and investor appetite has returned for pan-Asian funds run by established managers. Preqin expects a broader recovery in the APAC fundraising cycle through 2028, led by venture capital. Investors, however, are setting a higher bar for new commitments and want general partners (GPs) to prioritize return cash from earlier funds.

Distributions remain the main bottleneck. Exits have slowed in Asia, North America and Europe alike, and distributions are under pressure across private markets, especially in private equity and real estate. Because distributions fund LPs' next capital commitments, the slowdown is holding back the wider ecosystem and has put yield-generating assets in sharper focus. Capital is also concentrating. It is estimated that 70–80 percent of Southeast Asian capital primarily flows to artificial intelligence, AI infrastructure and data centers. Japan has emerged as a "hot" market for LPs and leads APAC buyout activity. Meanwhile, investor sentiment toward new private credit commitments has fallen to its lowest level since 2018.

With exit activity subdued, GPs are increasingly turning to alternative liquidity tools, including GP- and LP-led secondaries, continuation vehicles and NAV-based recapitalizations. Continuation vehicles, however, remain challenging to execute. Buyers tend to cherry-pick the top performing assets, fee economics can be complex and tensions frequently arise between rolling and selling LPs. From the LP perspective, a compelling commercial rationale for the underlying assets, full transparency and a competitive sale process that independently validates pricing are essential to establish credibility and enable an informed decision on whether to roll or sell.

Product Evolution: Beyond Subscription Financing

© 2026 Haynes and Boone, LLP

Subscription financing still dominates in APAC and remains bank-led, supported by strong sponsorships and competitive pricing. The APAC fund finance market is expected to develop along two tracks: standardized, competitive subscription financing, and more tailored NAV and hybrid solutions priced to each jurisdiction's risk.

NAV lending in the region has "gone past a proof of concept." Loan-to-value ratios of about 20–30 percent reflect how concentrated APAC portfolios tend to be. Sponsors use NAV facilities mainly for liquidity (follow-on investments, value creation and distributions) or, for private credit funds, to build leverage into the strategy from the start. In Australia, private credit and infrastructure NAV transactions lead the market because income-generating portfolios are easier to value. Hybrid facilities were described as the fastest-growing segment. The wider toolkit now also includes securitization, synthetic risk transfers (SRTs), collateralized fund obligations (CFOs) and term loans.

New Sources of Capital

Insurance capital is a fast-growing source of liquidity for fund finance. A Moody's survey of rated U.S. life insurers found that fund finance rose to 1.9 percent of their cash and invested assets in 2025, up from 1.3 percent in 2024. In APAC, insurer participation depends on education, clarity on capital charges and the availability of ratings. Japan and South Korea are expected to lead because Japanese insurers can draw on their U.S. life subsidiaries and South Korea is expected to adopt rated notes early because its insurance capital rules (K-ICS) treat rated debt broadly in line with the U.S. approach.

Private credit complements banks rather than competing with them. It is active in NAV and hybrid facilities, in very large deals where it lends alongside banks and in bespoke structures that fall outside banks' credit frameworks, for which sponsors pay a premium. Capital is also increasingly coming from private wealth, including family offices and high net worth platforms. This raises practical questions for lenders: how to treat these investors in the borrowing base, how to finance evergreen funds where redemption terms matter and how to address investors seeking to borrow against their fund interests, which can require GP consent and run into transfer restrictions.

Documentation and Structuring Lessons

Fund documentation has largely caught up with market practice for subscription financing, which rarely requires amendments to the fund agreement in APAC. The same is not yet true for NAV and hybrid facilities. Legacy fund documents are often restrictive or silent on these structures, prompting debate over whether silence amounts to permission. Sponsors raising new funds should ensure their limited partnership agreements expressly permit NAV borrowing, including for funding distributions to LPs and avoid confining leverage limits solely to the fund level so that facilities can also be implemented at the SPV level.

Valuation remains the central negotiation point in NAV transactions. While valuation challenge rights appear in most deals, they are eroding where credit funds lend against private equity portfolios and they work only when backed by robust information covenants. Lenders were urged to look beyond headline NAV by underwriting the GP's ability to exit and the residual "tail" of the portfolio, reinforcing those protections with cash sweeps, loan-to-value triggers and other early-warning mechanics. Regulators share these concerns: the Australian Securities and Investments Commission has warned that private credit valuations risk lagging economic reality, and the

© 2026 Haynes and Boone, LLP

Financial Stability Board has highlighted valuation opacity in private credit as systemic vulnerability during periods of market stress.

Macro and Geopolitical Risk and Regional Stability

Speakers described the U.S.–China rivalry as the region's primary geopolitical risk. At the same time, intra-Asian economic ties continue to expand rapidly: trade between China and the Association of Southeast Asian Nations (ASEAN) has grown from about US$40 billion in 2000 to approximately US$1 trillion in 2025, and regional integration continues to deepen through the Regional Comprehensive Economic Partnership.

Speakers also highlighted the region's stability as an often-underappreciated asset. Despite its diversity, the region has remained largely peaceful, with ASEAN's institutional framework credited for helping balance great-power competition and keeping vital trade arteries (such as the Straits of Malacca) open. While U.S.–China tensions and new outbound investment restrictions continue to temper broader investor sentiment, Japan, India and South Korea stood out as particularly active fund finance market, buoyed by steady M&A and take-private deal flow in Japan and foreign capital inflows channeled through India's GIFT City.

Outlook for the APAC Fund Finance Market

Speakers express broad optimism about the outlook for APAC fund finance. Wider performance dispersion across asset classes will keep the spotlight on disciplined manager selection, and a slow exit environment will continue to drive demand for liquidity solutions and yield-generating assets.

Product innovation is expected to accelerate. Over the next 12 months, speakers expect more continuation vehicles and CFOs, more private credit NAV deals across APAC and more partnerships between local credit managers and global capital, with GPs leaning on relationship banks for more bespoke solutions. As fund documents for NAV and hybrid products catch up with market practice, much like subscription lines did, the two-track market described above is likely to become more firmly established.

Fresh capital inflows and the growing recognition of SRT capital relief that gives banks flexible capital-management tools should deepen the APAC market further. For sponsors, lenders and investors alike, the opportunity lies in tailoring structures to local jurisdictions while keeping core security and enforcement protections firmly in place.

About Haynes Boone

The Haynes Boone Fund Finance Group is a global leader in advising commercial and investment banks, sponsors and funds across North America, Europe, Asia and Latin America. The firm has been involved in new transactions totaling hundreds of billions of dollars in the past two years. An innovator in the industry since the 1980s, Haynes Boone helped structure and document some of the first subscription line financing for real estate private equity funds in Japan, Hong Kong, Singapore and South Korea, as well as facilities for some of the largest global infrastructure funds and Asia-focused buyout funds.

© 2026 Haynes and Boone, LLP

The group helped launch the Fund Finance Association's inaugural APAC Symposium in 2017 and has played a central role in the growth and maturation of the fund finance market across the region, with key members having served on the APAC Executive Committee and the APAC Advisory Committee of the Fund Finance Association. In recent years, the firm has played a pivotal role in helping international banks rebook and refinance subscription financing that initially originated in North America to the APAC region, while also helping many of them significantly grow their market presence across APAC.

© 2026 Haynes and Boone, LLP