

Inside the FFA Global Symposium: The Trends Defining Fund Finance

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PRACTICES Fund Finance

The Haynes Boone team was proud to again be a diamond sponsor for another excellent Fund Finance Association Global Symposium. Our 30+ attendees made the most of the week visiting with old and new clients and friends, attending events and listening to panel discussions. Throughout the symposium, a few themes stood out:

Solutions, Not Products: A recurring message throughout the symposium was that funds are seeking solutions to specific challenges, such as liquidity, capital deployment, fundraising difficulties or investment exit constraints. With this, the lenders that stand out approach client relationships with a "what are your challenges?" mentality and the flexibility to work with clients to tailor facilities to offer solutions. Panelists further noted that the best lending partners integrate across their platforms, coordinate internally and bring creativity and speed to accommodate innovative structures when the situation requires. When banks and non-bank lenders work together, each should bring their respective strengths to deliver the best outcome for the client, whether that be revolving credit capability, origination, balance sheet, ratings-based capital or specialized structuring expertise.

NAV Nuances: Net Asset Value (NAV) lending remains a hot topic in fund finance and continues to be a focus for an increasing number of sponsors and lenders. While loan documentation and security structures may look similar across asset classes, economics and deal terms remain bespoke and involve different underwriting considerations around assets, cash flows and counterparty risk for various stakes and fee streams. Key loan agreement provisions vary accordingly: portfolio composition, liquidity profiles, valuation methodologies, challenge rights, loan-to-value thresholds, cash sweeps, early warning triggers and managed outcomes may all depend on the underlying assets. Regarding the International Limited Partners Association guidance on NAV facilities (see our previous alert [here](#)), the consensus among panelists was that it has helped legitimize and mainstream the product, and the guidance has not hindered adoption. Limited Partners (LP) scrutiny now focuses more on the use of proceeds, guardrails and transparency, rather than if a facility should exist at all, which is encouraging for the industry as a whole.

GP Perspectives: The General Partner (GP) panel offered candid insights into what sponsors truly value in their lending relationships. The answer was clear: dependability and trust. The GPs emphasized that what differentiates lenders is reliability, access to key decision-makers (including those in credit and treasury) and a true partnership mentality that recognizes that a fund's "asks" are not trivial requests but meaningful business needs. Sponsors also noted that as their teams grow organically and through mergers, there is a need for a centralized communication point with lenders to help map out current needs and future forecasting.

Nature Abhors a Vacuum: A memorable line from the panels captured an important market dynamic: as a fund reaches the end of its subscription facility capacity, the need for liquidity management remains and a vacuum emerges. That vacuum is being filled with NAV and hybrid products, and in some situations, a pivot towards a new continuation fund. This liquidity gap is

exacerbated by slower exits, tougher fundraising and higher GP stakes. Non-bank lenders have entered to help fill this vacuum and meet sponsor demand for fund finance solutions across fund lifecycles and throughout the sponsor structure.

Economic Outlook: The economic outlook panel offered a more measured perspective that contrasted with the generally optimistic tone of the symposium. While the near-term outlook may appear rosy given favorable fiscal policy and AI-driven growth tailwinds, the speaker cautioned that we may be at the pinnacle of growth and the next few years could prove more challenging to the economy if course corrections are not made. Concerns were raised about the push to de-globalize and pull away from international organizations, policies and partnerships. Tariffs and immigration policies were cited as factors affecting the labor market, which raised concerns about potential job losses. The general sentiment was cautious optimism for 2026, but with meaningful risks on the horizon.

Not a Zero-Sum Game: Despite increasing competition from new entrants, including alternative lenders, insurance capital and structured credit players, the consensus was that fund finance remains a growth industry with room in the ecosystem for all capital providers. The market is large enough for participants to lean into their respective strengths, with alternative lenders bringing sophistication and specialization in certain products while banks maintain strong relationships and touchpoints across sponsor platforms. One panelist noted that hold sizes at the top end have doubled. Deals that once needed 10 lenders can now close with five. Scale is increasing overall, and new sponsors and funds continue to enter the market.

Securitization, Structured Products and Regulatory Capital Relief: The convergence of fund finance with securitization and structured products was a prominent theme, as the industry continues to evolve toward more sophisticated capital markets solutions. The proliferation of the involvement and investment of insurance companies and private credit markets aligns naturally with securitization frameworks, and growing familiarity with Rated Note Feeders (RNFs) and Collateralized Fund Obligations (CFOs) in the fund finance industry has widened the investor base. Securitization of subline pools, or even securitization capital treatment of individual subscription facilities, can improve economics and provide regulatory capital relief for providers. Panelists note that market participants are working on various ways and methods to access the revolving portion of the underlying loans. Panelists expounded on trends and changes in the RNF and CFO market, including the proliferation of evergreen funds and formats, and noted that transactions increasingly combine multiple asset types with securitization features to achieve rating and capital efficiency. Panelists and market participants expect securitization technology and structured products – including RNFs, CFOs, capital relief trades and securitizations of subscription lines – to grow in prevalence as the fund finance market continues to mature.

Ever-Expanding Evergreen: The growth of evergreen and open-ended fund structures came up during several panels, particularly in the context of the retailization of alternative assets. This trend introduces a new LP base to private capital that requires new structures, processes and team buildouts to accommodate different time frames and distribution requirements. These structures – including interval funds, business development companies, real estate investment trusts and other retail vehicles – may be fully funded and therefore would not need subscription facilities for unfunded capital calls, but they can utilize NAV facilities for liquidity management and to handle fund redemptions. Each structure has its own regulatory requirements, impacting allowable leverage and the size and type of fund finance solution available. Given the anticipated scale of retail capital flowing into private markets, the industry will continue to see innovation as sponsors and lenders work together to solve liquidity challenges and deployment opportunities for these vehicles.

Frozen Assets: A big thank you to everyone who braved the wind chills to attend the Haynes Boone Sunset Soiree party on Sunday night of the conference! Rest assured that we have pre-ordered better weather for next year.

If you have any questions about these takeaways or other developments and trends in the industry, a member of our global fund finance team would be happy to discuss.

Congratulations again to the FFA for hosting such a wonderful event, and thank you to all the attendees who helped make it such an engaging (and exhausting, but productive) week.