

NAVigate 2026: Five themes shaping the next phase of NAV finance

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The second annual NAVigate conference, co-hosted by Haynes Boone and Walkers in London, brought together participants from across the fund finance market to consider how NAV finance is evolving against a backdrop of challenging fundraising conditions, longer hold periods and an ongoing need for liquidity.

The discussions pointed to a market that has moved decisively beyond the question of whether NAV finance has a role to play. Instead, attention is increasingly focused on how NAV and other capital solutions can be structured, combined and adapted to serve a broader range of funds, assets and financing requirements. At the same time, the growth of non-bank capital, ratings and structured finance technology is creating new possibilities for both borrowers and capital providers.

In accordance with Chatham House Rules, the observations below reflect themes arising from the conference discussions and are not attributed to any individual participant or organisation.

Five key takeaways

1. **NAV finance is firmly established, but its use cases continue to expand.** NAV financing is increasingly part of the mainstream fund finance toolkit, across both bilateral and syndicated transactions and a growing range of asset classes. Facilities are being used for purposes including follow-on investments, supporting existing portfolio positions, bridging to exits, working capital and, in appropriate circumstances, providing liquidity to investors. Infrastructure, real estate, venture and growth strategies are also contributing to the continued expansion of the market.
2. **The boundaries between NAV, ABL and structured finance are becoming increasingly fluid.** The conference highlighted growing convergence between NAV lending, asset-backed lending and capital markets solutions. Rated note feeders and collateralised fund obligations are opening private markets to additional pools of institutional capital, particularly insurance capital, while securitisation techniques are increasingly relevant to fund financing structures. The distinction between products remains important, but the direction of travel is towards a broader and more connected capital solutions market.
3. **A broader lender and investor base is changing the competitive landscape.** Banks remain highly active, but private credit and other non-bank lenders are playing an increasingly important role, particularly where portfolios are concentrated or structures require greater flexibility. At the same time, the increasing use of ratings can facilitate syndication, support lenders' capital treatment and enable new participants to enter transactions. Pricing between bank and non-bank capital has also narrowed in parts of the market.
4. **Valuation, flexibility and relationships remain at the heart of NAV lending.** Greater sophistication has not changed some of the fundamentals. Valuation methodology and

challenge rights, LTV and concentration parameters, cash sweeps, reporting and other early-warning mechanisms remain central to the allocation of risk. Equally, sponsors continue to place considerable value on operational flexibility and control. Across both performing and stressed scenarios, early dialogue and a strong lender-sponsor relationship were regarded as particularly important, with negotiated solutions and refinancings generally preferable to enforcement.

5. **Liquidity pressures are likely to remain a powerful engine of market growth.** Difficult fundraising conditions, longer holding periods and slower realisation environments continue to create demand for additional sources of liquidity. Continuation vehicles are an increasingly important part of that picture, alongside NAV facilities and other portfolio financing solutions. The result is a market increasingly focused not on a single financing product, but on the range of capital solutions available to managers throughout the life of a fund and its investments.

Looking ahead

The overall picture emerging from NAVigate 2026 was one of a market becoming broader rather than simply bigger.

NAV finance is now an established part of the private capital ecosystem, but its continued development is being shaped by convergence with adjacent products, the arrival of new sources of capital and increasingly sophisticated approaches to structuring and risk allocation. Regulatory change, including CRD VI and AIFMD II, adds another dimension, potentially affecting where and how capital can be provided and creating opportunities for different types of lenders and financing structures.

As those trends continue, the ability to combine different financing technologies and capital sources is likely to become increasingly important. NAV facilities, ABLs, rated structures, CFOs and other solutions need not sit in separate silos. Together, they form an expanding financing toolkit capable of addressing different liquidity, investment and portfolio-management objectives throughout a fund's life.

For lenders, sponsors and investors alike, the next phase of NAV finance therefore looks set to be defined not simply by transaction volumes, but by choice, flexibility and sophistication.