

Greetings From Portugal

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The FFA held its annual Global Leadership Summit this week at the Pine Cliffs Resort in Albufeira, Portugal. Set atop a scene of cliffside ocean vistas and perfect weather, some of the top leaders in the industry across banks, fund sponsors, law firms and other service providers gathered to share thoughts on the current and future state of the global fund finance market.

While many of the sessions adhered to “Chatham House Rules”, there are a number of general themes and predictions to be shared beyond the walls of the Pine Cliffs ballroom: the most dominant of which included increased borrower demand, a better fundraising environment, alternative liquidity providers, structured solutions bringing together traditional fund finance technology with capital markets innovation, and the inevitable impact that AI will have on all participants.

Headlining the keynote speaker slate were Pippa Malmgren, an economist who advised U.S. President George W. Bush during Enron and 9/11 among many other international economic policy and private ventures, and Mo Gawdat, a former Chief Business Officer of Google and international best selling author and podcast host on the topic of AI and tech innovation.

The FFA also conducted a survey of conference participants, the results of which became a point of discussion and provide directional guidance for the near term future of our market:

Q1. There remains a liquidity squeeze affecting the Fund Finance market.

1% Strongly Agree

36% Agree

27% Don't Know

51% Disagree

7% Strongly Disagree

Q2. We are expecting to see an increase in activity in the Fund Finance market in the next 12 months.

21% Strongly Agree

64% Agree

15% Don't Know

1% Disagree

0% Strongly Disagree

Q3. Secondaries (both LP and GP led) are going to be more prevalent in the market in the next 12 months.

16% Strongly Agree

60% Agree

22% Neutral

2% Disagree

0% Strongly Disagree

Q4. Credit funds and non-bank lenders will continue to play an increasingly important role as lenders in the Fund Finance market.

38% Strongly Agree

47% Agree

13% Neutral

2% Disagree

0% Strongly Disagree

Q5. Regulation will have an impact on the products and/or availability of liquidity in the Fund Finance market.

26% Strongly Agree

45% Agree

22% Neutral

6% Disagree

1% Strongly Disagree

Q6. What will have the biggest impact on the Fund Finance market in the next 12 months?

9% Liquidity

15% Regulation

16% Macro-economic environment

41% Fund raising

4% Geo political environment

13% Interest Rates

2% Other

Q7. What are the fund structuring trends that will influence Fund Financing?

36% More open ended

8.5% More closed ended

30% More retail

23% More credit funds

5% Other

Q8. What trends are we likely to see in the development of Fund Finance products in the next 12 months?

18% More rated subscription facilities

13% More securitisations/structured products

10% More PE NAV financing

1% More warehouse facilities

58% All of the above

0% Other

Q9. Do you expect PE NAV products to increase in the market in the next 12 months?

84% Yes

16% No

Q10. Do you anticipate increased engagement from limited partners on PE NAV products?

86% Yes

14% No

Q11. What is the fund raising outlook for 2025?

5% Buoyant

38% Muted, but not as bad as some may expect

4% Depressed, with managers not holding fund raises until 2026

5% European market will be harder than US market

7% Middle East and Far East will be considered more than previously

38% Fund raising will be active for some strategies but not others

3% Other

Q12. Pressure from investors to generate liquidity has resulted in managers:

54% Setting up continuation vehicles

6% Selling assets

29% Entering into PE NAV facilities

5% Considering preferred equity solutions

6% Other

Q13. Generally, the trend in respect of PE Fund valuations is:

32% Generally, no write downs yet, but could be coming

12% Generally, certain assets are undervalued due to the macro-economic environment

46% There is difficulty in accurately valuing assets

9% No change – assets are still accurately valued and realizable at that value

1% Other

Q14. The trend in sponsor aggregation will continue and have an impact on the Fund Finance market.

86% Agree

14% Disagree

Q15. Technology will make the Fund Finance market and the provision of Fund Finance products more efficient across your organization.

71% Agree

29% Disagree

Of those participants responding to the survey, the breakdown was as follows:

15% Borrower of Capital

42% Provider of Capital

35% Legal Service Provider

8% Service Provider

Despite acknowledged challenges in the macro economic environment, geopolitical uncertainties and continued regulatory concerns, the overall tone was incredibly upbeat and noticeably more optimistic than last year's summit held at the Belfry, outside Birmingham, England. Perhaps it was the Portuguese sunshine and vino, or perhaps simply a statement of resiliency and innovation for a mature and growing industry that has overcome so much in the last two years. One thing is for certain: the state of our market is a reflection of its leaders - strong, driven, collaborative and incredibly committed to guiding us forward.

[Please enjoy some of the pictures from the event.](#) Obrigado to the FFA, its staff and all the sponsors.