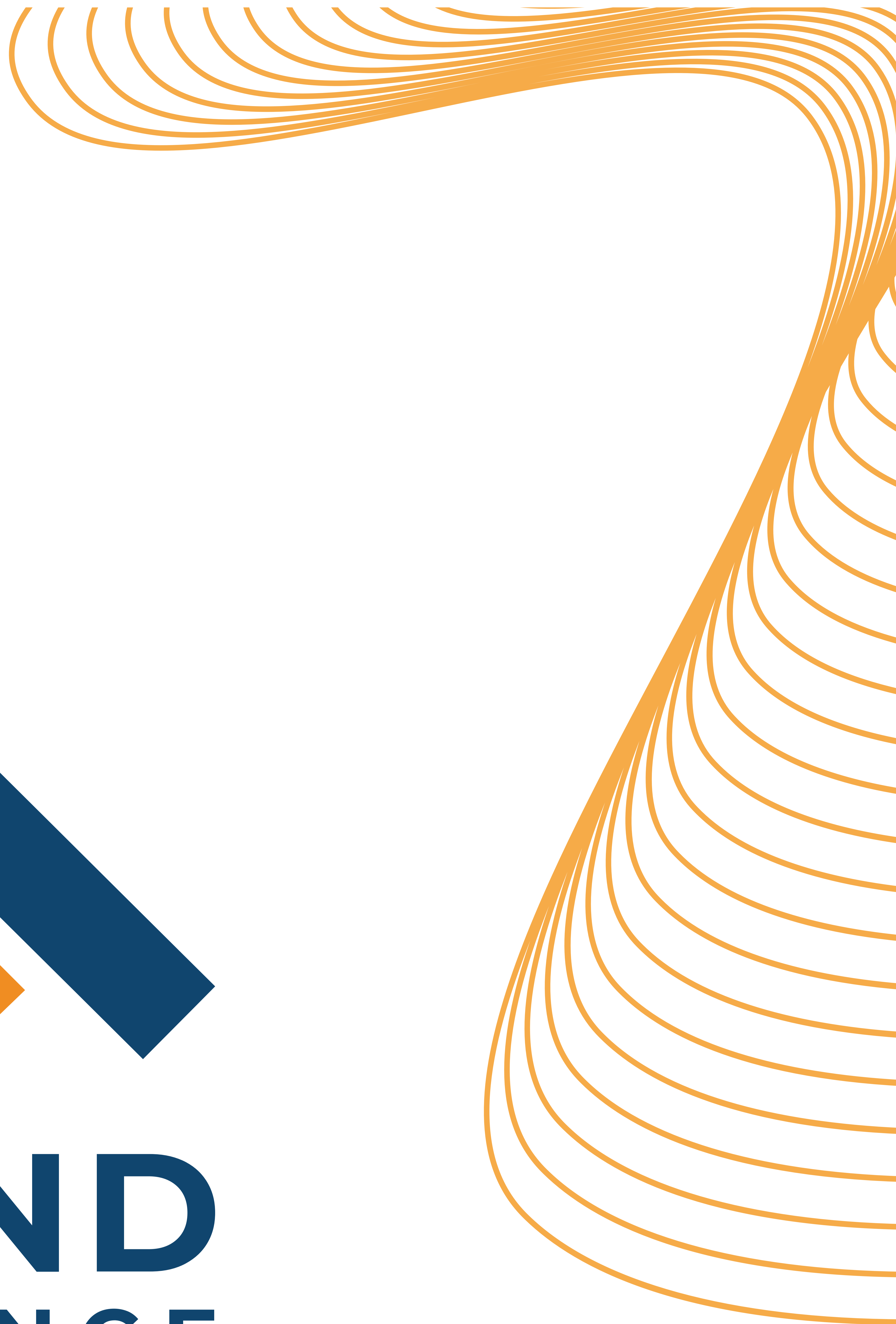


2025

INDUSTRY INSIGHTS



FUND
FINANCE
association



A Note from the FFA Chairman

I'm pleased to present to you the inaugural Fund Finance Association ("FFA") Industry Survey.

Participating firms, the FFA team and Board members have received the same comprehensive detailed presentation of aggregated survey results prepared by Deloitte. Individual firm responses and underlying raw data remain confidential and accessible only by Deloitte. A short summary of key findings is provided in the attached one-pager and intended for public use. Full information will remain only available for survey participants. The commentary below is purely my observations from reviewing the comprehensive published report.

As a participant in the fund finance market for over two decades, I've seen tremendous growth, innovation and adoption of tools that have helped create a robust industry that we all experience today. For at least 15 years, I've been asked a simple question, "what is the size of the market?" Despite the tremendous growth and evolution of our industry, the private nature of the market has still kept that answer an elusive one. The FFA has debated for a decade facilitating league tables, or other industry reporting, similar to many analogous capital market practices, but there has always been a consistent pushback from certain lenders to maintain some level of privacy around their data. Many of the largest practitioners have had informal conversations with peers and been able to tally an 'unofficial' league table, and these unofficial reports then being used at FFA conferences and then on-quoted by press – and ta-da! – these guesses then become stated as fact.

I applaud the varying attempts by participants to help shine a light or provide more data on what is a notorious private, and often mischaracterized space. Cadwalader's data reports were the most popular anecdote at their conference for years. The LMA has served an important membership base and their contributions to market transparency deserve recognition. The Ares fund finance report last year was well received and informative, and the Haynes Boone ("HB") report recently continued to show helpful trends. One of the most interesting data points I found in the last HB report, was around the survey on the estimate of the size of the global fund finance market. Some respondents estimated under \$1 trillion, while a larger share suggested it was over \$1.75 trillion. My suspicion is if HB would have offered a "over \$2.0 trillion" option, that some respondents would have chosen that. The fact that participants could have answers that are 2x different from each other highlights what little TRUE data actually exists, and part of this comes down to a genuine lack of consensus around what "fund finance" actually means. Should the definition encompass only subscription finance facilities, or extend to NAV financings, hybrid facilities, GP financing, management company lines and other adjacent products? The answer varies considerably from one lender to the next.

Against this backdrop, the FFA is uniquely placed to undertake a survey of this kind, and we believe it is important that we do.

- The FFA is a long-standing association dedicated solely to serving and representing the fund finance industry.
- Fund finance is increasingly a focus of regulators globally, and the absence of reliable data around market size and structure has been a key driver of that scrutiny. We believe facilitating the creation of reliable, consistent data will benefit the industry.
- The FFA's global reach means we are positioned to capture data across geographies and market segments
- Confidentiality and independence are ensured through our partnership with Deloitte, providing participants with confidence that their data is handled responsibly.

In its inaugural debut, the FFA's Industry Survey attempts to shed some additional light on these challenges and questions, and we hope it will serve as a useful tool for participants and for those interested in learning more about the space.

Like any inaugural industry effort, this survey is **not** perfect, and needs to be taken as such. I do hope we are able to improve on this over time, and that market participation increases to a point where we feel we have truly captured the space. What we did get was 93 lenders responding (some in full, some in part) out of the 126 that the FFA proactively reached out to, an approximate 74% response ratio. I hope, and believe, that as results circulate and the benefits of having more available data are recognized, more participants will feel comfortable providing their data in future years. A large thanks goes to FFA Board member Terry Hatton for championing this project and literally calling up over a hundred lenders asking them to participate. Another big thank you goes to the team at Deloitte, for confidentially handling the responses and putting together the materials you see today, as well as the working group who helped construct the questions.

Key observations

The survey used two methods to aggregate market size, and was able to tally \$1.1 trillion in commitments for sub lines alone. Not all 93 respondents participated in these sizing questions, so this number should be taken as a *floor*, not an actual sizing. Simple math using the 74% response rate on \$1.1 trillion could interpolate a \$1.5 trillion market. Another question in the survey, asking respondents to choose within a range the size of their portfolio garnered more participation. Running some conservative estimates on the distribution of responses in those ranges yield a market size in the \$1.4 trillion to \$1.75 trillion range. So while we still don't have a precise answer to the market sizing question, I think we can confidently say it's over \$1.1 trillion and most likely \$1.5 trillion is a better estimate.

The vast majority of respondents were banks, but we did have 19 insurance companies or non-bank lenders respond. Length of participation data supports the notion that many banks have been in the space for 10+ years, while the majority of non-banks are more recent entrants in the last 5 years. Similar participation trends suggest the large banks (over \$1tr in assets) have been the long-standing mainstays of the industry – with over 10 years of experience and aggregate commitments of nearly \$800bn coming from large banks; with more regional and mid-sized banks getting interested in the products over the last 5 or 10 years and growing their more modest portfolios.

Nearly all respondents provide subscription credit facilities, the mainstay of the fund finance market. But I was rather surprised to see over 60% of survey respondents offering hybrid and NAV financings now too. My suspicion was there has been a material increase in participation in these products, but 82% of NAV and hybrid lenders report being in those products for over 5 years.

Thank you again to all firms that participated in the survey, and we'd encourage those that didn't to reconsider for next year as we'll look to grow participation and improve upon the information being provided to the market.

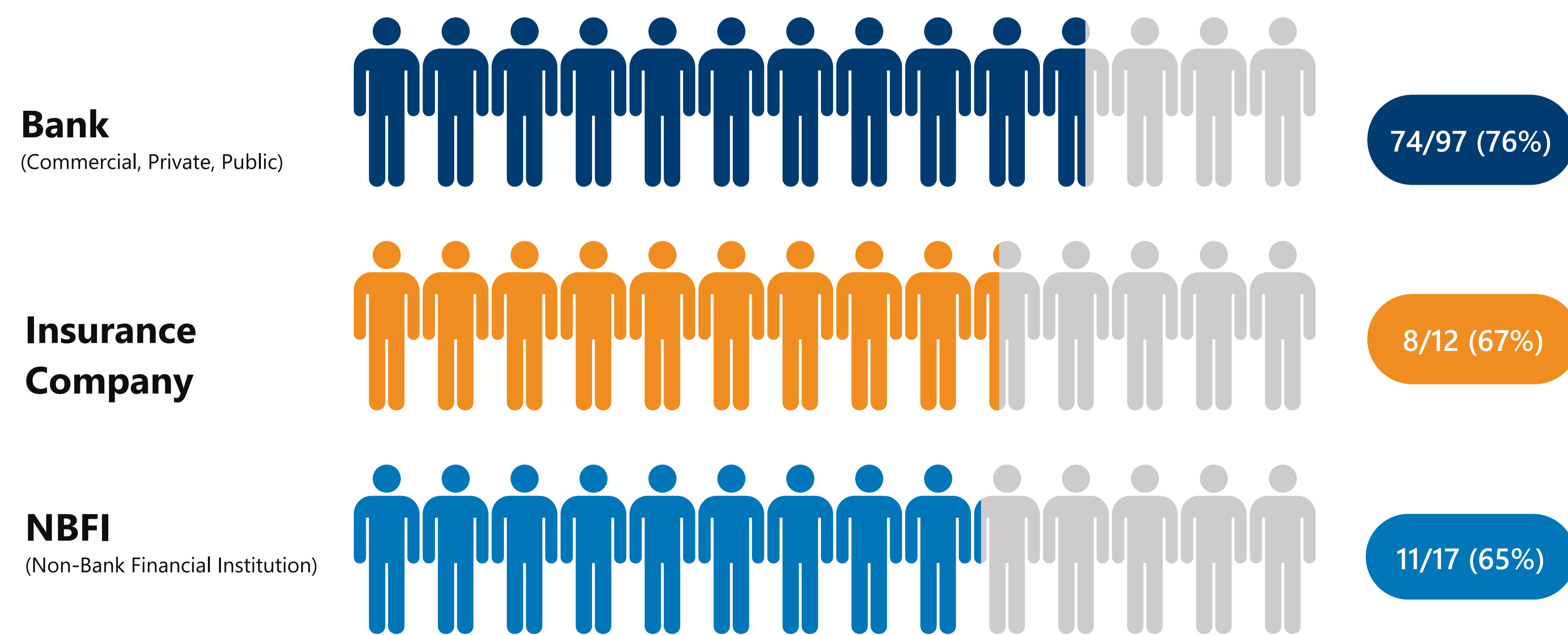
Thanks,

Jeff Johnston
Chairman, Fund Finance Association

Respondents by Firm Type

Respondents: 93

Response rate of firms invited to participate.



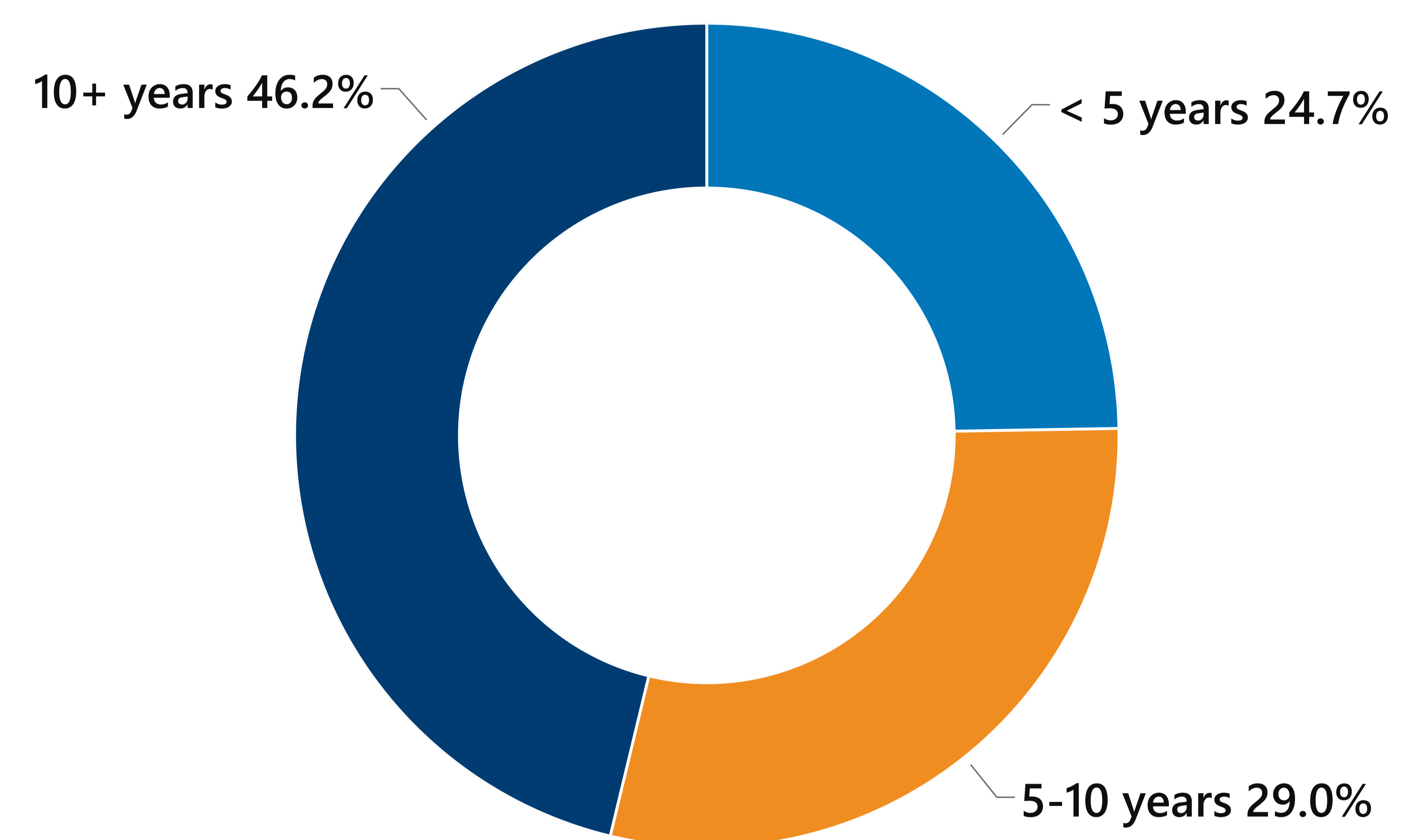
Firms who self classified as Other have been aggregated with NBF for purposes of this visual.

Total Fund Finance
Commitments

\$1.1t

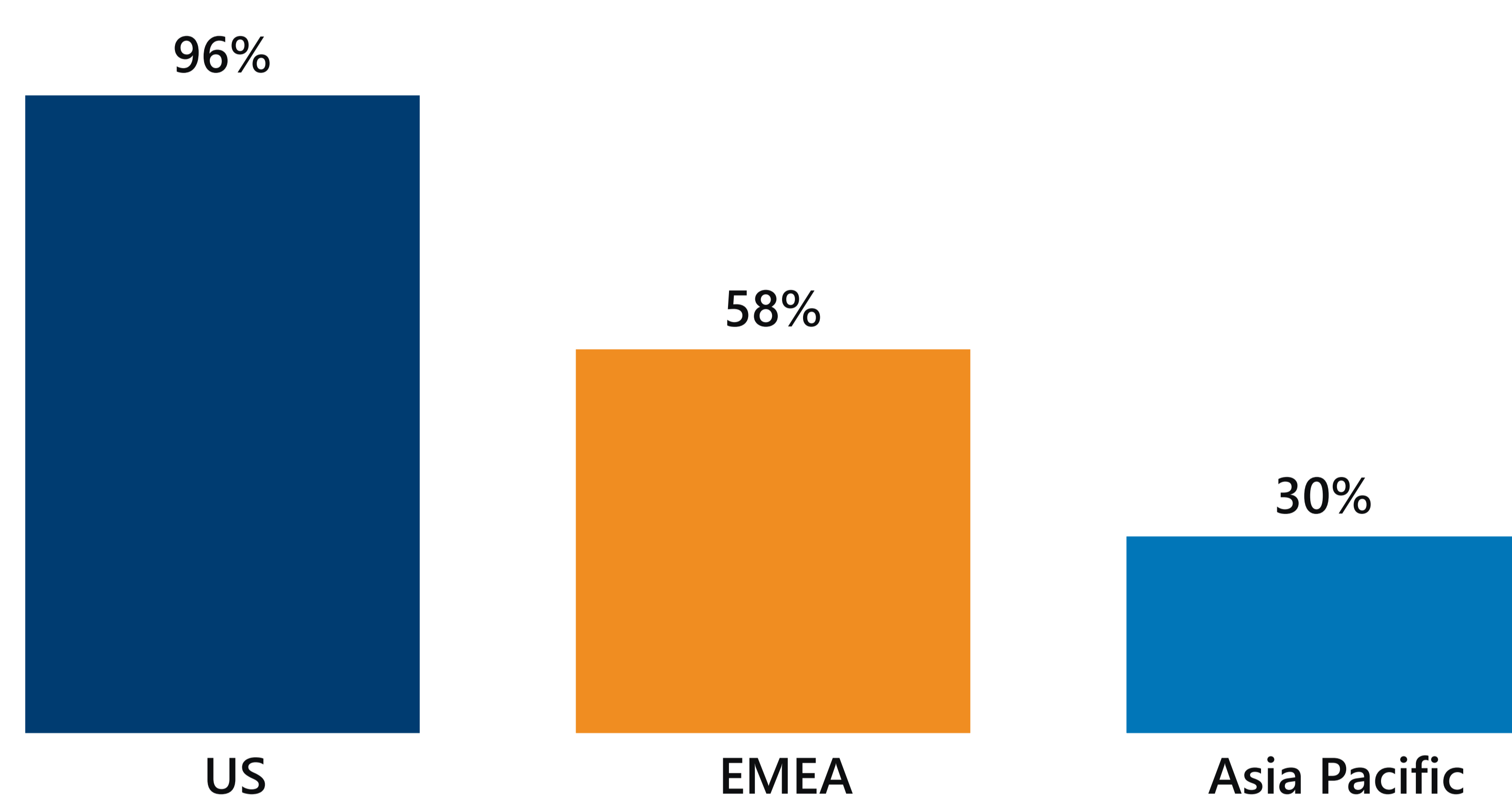
How long have firms been active in Fund Finance?

Roughly 25% of respondents have been offering fund finance for less than five years indicating strong growth with new lenders entering the market.



93 of 93 responded to this question.

Percentage Breakdown of Geographic Locations Where Respondents Offer Fund Finance Facilities



92 of 93 responded to this question.

Breakdown of the size of Fund Finance Portfolios

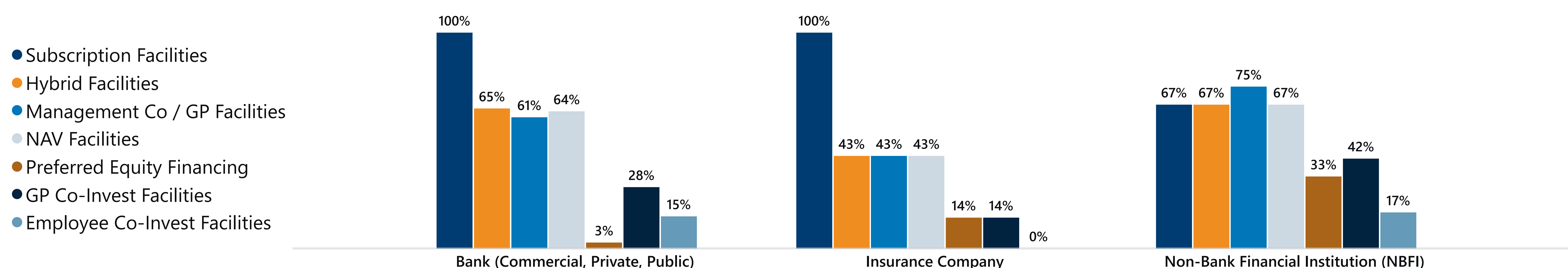
22 firms have portfolios of \$20bn or more.



72 of 93 responded to this question.

Offering Percentages by Firm Type

Subscription facilities dominate product offerings across all firm types, and on average, more than half of respondents offer hybrid and NAV facilities.



93 of 93 responded to this question.