

# Fund finance – how it is done in Poland and around the world

Fund Finance – jak to się robi w Polsce i na świecie?

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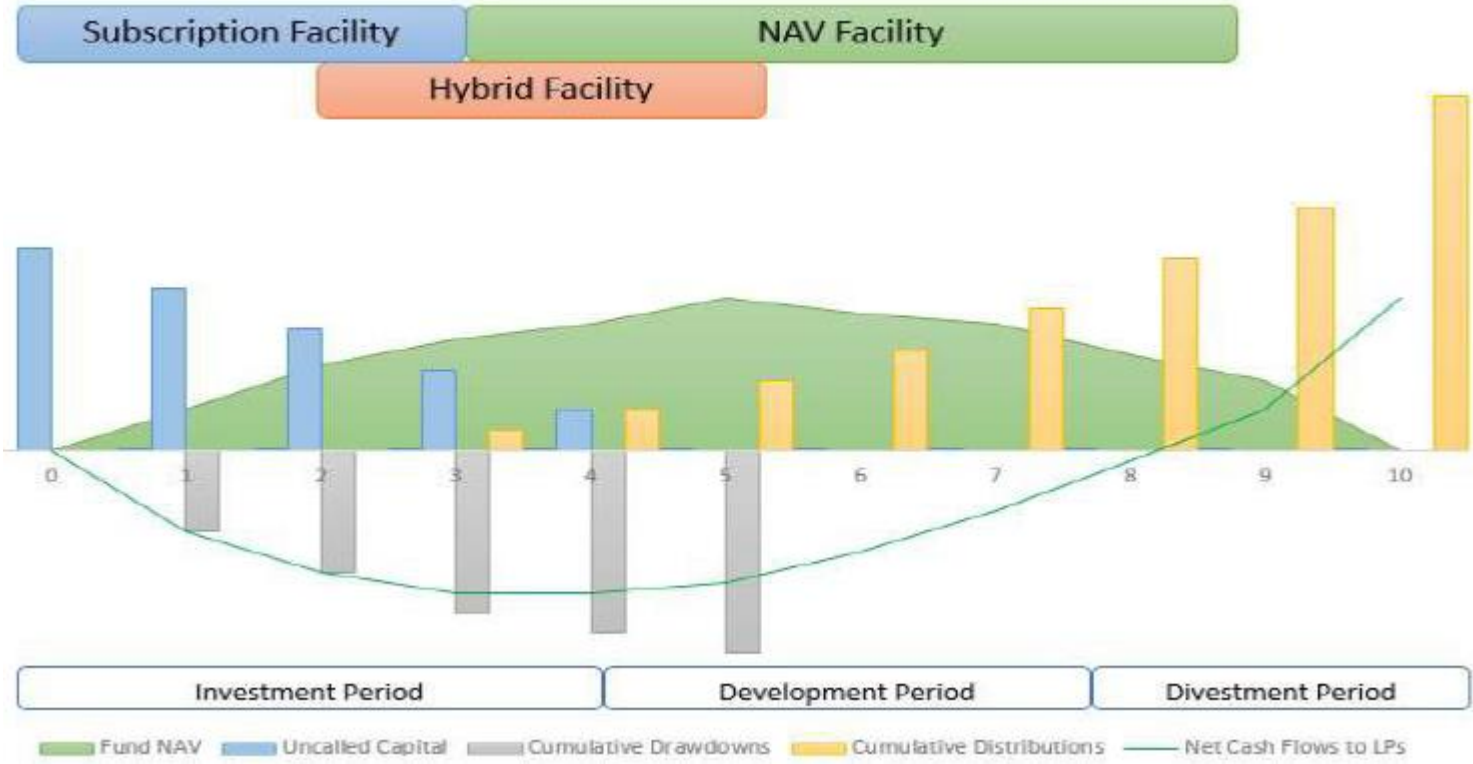
# Overview

- European private capital market update
- Types of fund-Level credit facilities
- Net Asset Value (“NAV”) credit facility overview
- NAV credit facility characteristics
- NAV financing considerations
- Spectrum of NAV facility funders
- Thank you

# European Private Capital Market Update

- Valuation pressure
- Delays (investments, exits, fundraising)
- Flight to Quality
- Focus on portfolio companies

# Types of Fund-Level Credit Facilities



# Net Asset Value (“NAV”) credit facility overview

- Description
  - Financing based on the net asset value of the underlying portfolio investments of the Fund. Financing which typically look “down” to the NAV of an underlying portfolio investments of the Fund in determining borrowing availability
- Rationale
  - Useful for mature Funds in which the investors have already funded a majority of the capital commitments and the Fund has deployed this equity for purposes of assembling a portfolio of investments

# NAV credit facility characteristics

- Facility Type (term loan, revolving)
- Quantum
- Tenor
- Margin & fees
- Covenants (max LTV, min NAV €, min number of investments)
- Controls (cash sweep, etc)
- Security

# NAV financing considerations

USE OF PROCEEDS

COST OF CAPITAL

FUND DOCUMENTATION RESTRICTIONS

LEVEL OF DUE DILIGENCE

SECURITY PRACTICALITIES

TIMEFRAMES

'GLOBAL' LEVERAGE

VALUATIONS

# Spectrum of NAV Facility Funders



Banks



Insurance Companies  
/ Asset Managers



Credit Funds



# Thank you

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