

Fund Finance Friday



Change Is in the Air

June 12, 2026

Table of Contents:

- [A Note to My Younger Self: Change Is in the Air - HLC Here We Come!](#)
- [Does the Closed-End Fund Waterfall Require an Inflation Version Update?](#)
- [Diversity in Fund Finance Holding Fourth Annual Summer Soirée on Thursday, June 18](#)
- [George Pelling to Serve as Panelist at 10th Annual European Fund Finance Symposium](#)
- [Registration Open for FFA University 2.0](#)
- [Fund Finance Hiring](#)

June 12, 2026

HOGAN LOVELLS CADWALADER

Change is a constant force in your life. Change can be great, change can be boring and change can be bad. You can choose to change, you can choose not to change, or change can be thrust upon and be out of your control. Change will always happen; your success and happiness depend on how you handle it. Sticking to your old ways during change is pointless and inevitably will lead to disappointment, so let's chat about the cold hard facts of weathering change.

Some changes are voluntary; you choose to make them in your life and career. Some of these changes are well-thought-out and planned, while others are just a happy coincidence. You will choose to go to law school and you will choose to join big law, two of the most major changes in your life, and, frankly, they simply happen.

You weren't planning out the next 35 years of your career when you chose to go to law school. You were out of undergrad and in your twenties in the 1980s and you had big hair, really, really big hair that required these smelly awful beauty procedures called "perms." Did I mention you were really poor at the time and just starting out? Actually the lady who gave you perms made you an incredible offer. Her fiancé was teaching LSAT review courses and needed a guinea pig to audit his course. If you agreed you go she would give you a year of free perms. This my friend was a huge home run. You just needed to give up a few Saturdays and alas, at the end, return to your normal life. No change required, not even to your hair.

Well you ended up scoring really well and decided to make a change and go to law school. That one small decision to keep getting crazy big hair, one small change, changed the course of your life. And why: because you didn't resist the change. You took your big hair and marched forward without much fear, embraced the change not knowing what the future would hold, and not really even caring.

The second major change that you did not plan for was Big Law. You got out of law school with debt, did I mention that part about being really poor? You had given up perms, one of the last holdouts if I recall, but alas the hair world was a changin' and you joined in. But instead of needing money for perms you needed money for student loans, so while you thought Big Law was a joke and those poor suckers who chose it were idiots, you decided to try it for a few years until you paid off the debt. Again a change you made voluntarily and this time with a clear short-term goal in mind, get out of debt or bust. You took on this change with many ups and downs. As we all know being a junior associate just sucks. But you pay off your loans and decide to not change. And here you are, decades later, still in Big Law (and thank God, still perm-free). You chose not to change. That's right you can choose to not change, and that's okay.

Some change is too big to tackle, so you will just let it pass you by. This morning you were in Central Park walking your dog, Ruthie (the queen of all dogs, you are really going to love her) and you had a choice, you could choose to stay on your side of the road, or you could choose to cross. The road this morning, like every morning, was filled with (i) a bunch of 50-somethings who can no longer jog because their knees are shot, so they have donned bright yellow shirts and frankly not-so-attractive shorts and decided to bike at speeds in excess of what seems like 100 mph to prove they aren't done yet; (ii) delivery guys on e-bikes driving like maniacs; (iii) a few tourists —probably from Milwaukee—who haven't ridden a bike in years and decided today was the day to rent a bike in Central Park, because after all, what could go wrong; and (iv) a bunch of joggers who are acting like none of this has anything to do with them so they hold firm to their path and let come what may. Look at me writing this letter to you using (i) and (ii), I just can't help it after so many years of drafting.

Back to our story, you had a choice, take your life in your hands and cross that battlefield of a road, or stay on your side and play it safe. It's okay to stay on your side sometimes; don't be afraid to stay the course when it makes the most sense. Clearly you made the right choice today! No crossing the road!

I know you are wondering what in the heck this has to do with Hogan Lovells Cadwalader (HLC). Well, that is really an easy one. Change in your career can be one of the hardest parts of life. It is actually pretty scary. You my friend have

been at four firms, four! Can you believe? If you were reviewing your own resume you would be like, what gives with this one? Well, it was all voluntary change, scary but good.

Your first firm where you started and made partner, the one you still love in your soul, well you just had to leave. The senior partner you worked for missed out on the basic life lesson of sharing is caring and there just wasn't room for you to stay as a junior partner looking to grow a practice. So you made a big change as a young partner. Your second firm was great, you were going places, in management and pretty happy. Then a partner with a bigger book than yours insulted your visual impairment disability in front of a room full of people and the firm told you to stand down and get over it (this is another story for another day). So you moved. You moved this time out of righteous indignation and just plain old anger, not really advisable for the record, cooling off is always best if you can do it. Your third firm was a perfectly lovely place to work, but your biggest client wanted you to be on a big fund finance platform, so a bit reluctantly you moved yet again. You have never been as happy as you are here at Cadwalader. The place is great, the people are great and your practice is humming on all cylinders.

Change, you ask? Now? How did that happen. Why? Well, you were minding your own business one day and this guy, BF, asked you to co-chair the Firm's new Strategic Growth Committee and explore potential merger partners. The process will be the most interesting deal on which you will ever work. In the end it was HLC!

It is a crazy exciting prospect of change. While picking a merger partner is a bit like picking your life partner, I mean you can't end up with someone who smacks their lips when they eat or who clips their fingernails on the sofa, after all so you have to choose wisely. So, we needed to kick the tires. We found no lip-smacking or nail-clipping with HL. Actually, quite the opposite. In fact, they are almost too good to be true.

For example:

1. THEY HAVE A PARIS OFFICE! I am mean really, how perfect is that? Well, maybe not quite as cool for anyone else at Cadwalader, but for you, you can dream that post-retirement they will hire you as a growth consultant or something cool like that and ask you to move to Paris. You clearly watched too much *Emily in Paris* at some point in your life, but hey, a girl can dream.
2. They are super-great, normal people. Everyone you meet, and you will meet tons of them during the pre-merger road show, are just really great people. Many of them are Hogan Lovells lifers. If that doesn't speak volumes, you aren't listening. You would be thrilled to have them as friends or neighbors, let alone partners. Like Mom always said, hang out with the people you like, it makes life a whole better.
3. You and the managing partner both attended the University of Illinois in the 1980s, at the same time. While your paths never crossed then, you will come to find out you both share a love for Friday night happy hour at Chi-Chi's. \$1.50 frozen margaritas — and free bean dip for all! He was a Fulbright scholar and you were just a young farm girl from Farmington, but, man, life's path has led you both to the same place. Crazy.
4. The practices are so complementary — every time you peel back another layer of the onion, you discover an almost perfect fit. A law firm merger miracle!
5. They are chasing excellence, not growth or numbers for growth or numbers sake. You do excellent work for great clients, and all of the rest will fall into place.

So coming July 1, there will be change yet again. You sort of picked it being on the merger committee and all, but rest assured this is going to be really great change. Embrace the change and have a fabulous time!

HLC! HLC!

Does the Closed-End Fund Waterfall Require an Inflation Version Update?

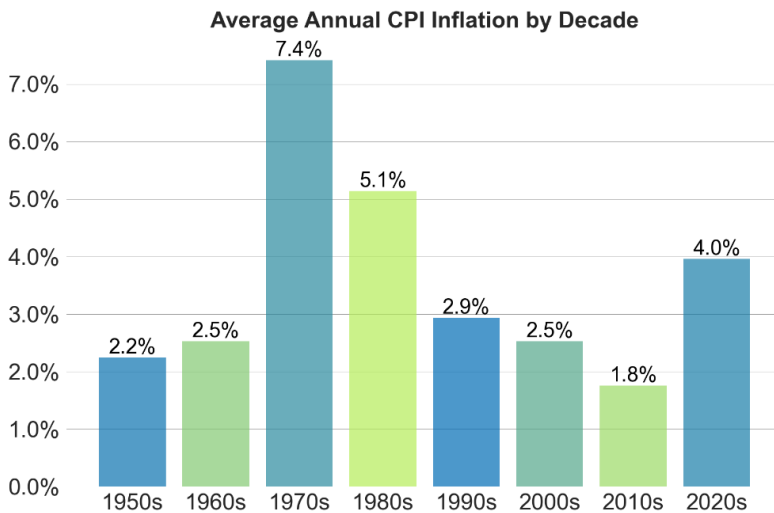
June 12, 2026



By **Chris van Heerden**
Director of Market Research | Fund Finance

While landing in line with consensus, this week's CPI reading in the U.S. reinforces long-term changes in inflation and rates regime. Narratives aside, these changes are significant and lasting enough to challenge the LP-GP allocation approach that evolved in a different era.

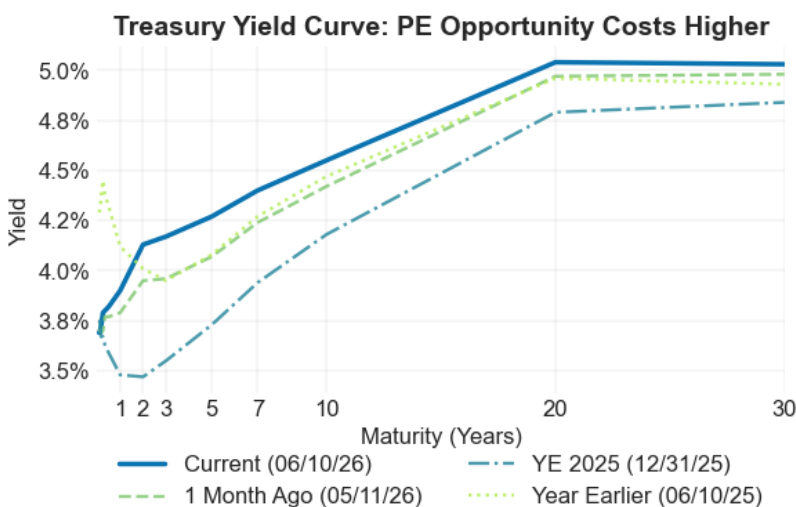
The fixed 8% preferred return in closed-end equity funds is commonly described as LP protection, but in substance it is a nominal allocation breakpoint between LP and GP economics. This number for all seasons became embedded in the early decades of the industry during decades of lower and more stable inflation, falling nominal interest rates, cheaper leverage, and multiple expansion.



Source: Bureau of Labor Statistics and Cadwalader, Wickersham & Taft LLP.

The 2020s are unfolding differently: Real risk-free rates are no longer negligible; Treasury supply and fiscal deficits put pressure on term premium; higher financing costs reduce debt capacity and exit multiples; slower realizations increase the opportunity cost of trapped capital; and inflation has eroded real returns.

For LPs, the impact is straightforward: Higher Treasury rates raise the opportunity cost of locking up capital while elevated inflation reduces the real value of a nominal 8% pref return. These basic mechanics are often overlooked in the fundraising discussion, but are relevant in explaining the 12.5% CAGR in global private funds AUM during the 2010s dropping to 4.6% in the 2020s based on Preqin data.



Source: U.S. Department of the Treasury and Cadwalader, Wickersham & Taft LLP.

In previous decades, an 8% pref rate meant LPs achieved a meaningful real return before GP carry kicked in. (The GP catch-up can sharply accelerate the transfer of economics after the pref is met.) Given a 4% average annual inflation in so far in the 2020s, that real return looks more modest. An updated version of real return alignment would potentially consider Treasury yields, inflation, an illiquidity spread, and a nominal floor. A more dynamic approach would consider whether LPs are adequately compensated for inflation, illiquidity and duration based on the macro environment ahead of GP participation.

For fund finance lenders, this is a qualitative point. While it doesn't directly affect the borrowing base, a more LP-favorable waterfall would be a credit positive at the margin because it improves the economic position, alignment, and presumably the behavior of the LPs supporting that collateral. In the current inflation, rate, and DPI environment, that qualitative benefit is more relevant than it was when the standard pref rate offered a more meaningful real-return threshold.

Perhaps updating the configuration matters for fundraising as well. For GPs, the established waterfall structure is easy to administer and offers consistency in economics. But this consistency may come at the cost of imbalances manifesting in fundraising when market conditions make the LP proposition less compelling.

Diversity in Fund Finance Holding Fourth Annual Summer Soirée on Thursday, June 18

June 12, 2026



Diversity in Fund Finance (DFF) is hosting *Ditto to Diversity – A Summer Soirée*, an evening of networking, light bites, and cocktails in New York City on Thursday, June 18.

In honor of Pride Month, DFF is supporting [The Trevor Project](#) through a dedicated fundraiser and raffle.

Event Details

- **Date:** Thursday, June 18
- **Time:** 6:30 – 9:30 p.m.
- **Location:** Yawning Cobra (NoHo) | 356 Bowery, Lower Level, New York, NY | [Yawning Cobra website](#)

You can [register now](#) and [make a donation](#) to support the Trevor Project.

George Pelling to Serve as Panelist at 10th Annual European Fund Finance Symposium

June 12, 2026

10TH ANNUAL



EUROPEAN FUND FINANCE SYMPOSIUM

JUNE 24, 2026 | OLD BILLINGSGATE | LONDON

Cadwalader Fund Finance Partner George Pelling will be a panelist at the 10th Annual European Fund Finance Symposium, taking place in London on Wednesday, June 24. He will take part in the 2:05 p.m. session "SubLines: The second coming?," which will focus on how SubLine structures are evolving.

The full event agenda is available [here](#).

Location

1 Old Billingsgate Walk
Riverside, 16 Lower Thames St,
London EC3R 6DX

Individual passes for the 2026 European Symposium are £2,000.

You can register now [here](#).

Registration Open for FFA University 2.0

June 12, 2026



Registration is now open for FFA University 2.0, taking place on Thursday, September 10 at Cadwalader's New York office. We are a lead sponsor of the full-day event, which is designed specifically for mid-level bankers, lawyers and fund treasury professionals.

FFA University 2.0 will explore complex structures and advanced concepts actively shaping today's fund finance market. Sessions will address liquidity management in semi-liquid structures, NAV lending and underwriting, rated note feeders and collateralized fund obligations, alongside insights into the private equity business model and bank balance sheets, culminating in a practical, end-to-end transaction case study.

Cadwalader Partner Angie Batterson will serve on a panel focusing on rated note feeders and collateralized fund obligations.

Event Information

- Date: Thursday, September 10
- Time: 9:00 a.m. - 7:00 p.m. ET
- Location: Cadwalader, Wickersham & Taft | 200 Liberty St, New York
- Cost: USD \$795

View the agenda and **register now** to secure your spot at the September 10 event. Space is limited and the event will sell out quickly.

Fund Finance Hiring

June 12, 2026

Fund Finance Hiring

Here is who's hiring in fund finance.

Cadwalader, Wickersham & Taft LLP is seeking associates with three to six years of relevant experience for its Fund Finance practice in New York, Charlotte or London. Qualified candidates will have experience in syndicated lending, commercial lending, leverage finance, fund formation, CLOs, asset-based lending, NAV financings or acquisition financings. Candidates must possess excellent academic credentials and solid legal experience. Selected candidates will get extensive interaction with preeminent bank, asset manager and lending clients. If interested, [please email Margaret Cart](#).

HSBC Innovation Banking is seeking a Vice President - Coverage Relationship Management, Strategic Solutions in London. The position reports to the Head of Coverage and the individual will be responsible for developing and managing relationships with a portfolio of sophisticated Private Equity, Private Credit and Venture Capital clients, supporting the Debt Finance team with the structuring of fund finance solutions, and managing the transaction process, including capital call facilities, NAV lines and Co-Invest/GP financing solutions. Candidates must have strong prior and relevant experience leading client relationships and delivering banking and fund finance lending solutions. Learn more [here](#).

Partners Group is seeking a Fund Financing Lead in London who will be responsible for all fund finance related aspects of the direct and secondaries strategies as well as evergreen products across Partners Group's Equity, Infrastructure, Private Debt, Real Estate and Royalties asset classes. The role will include independently structuring and negotiating financings across different funds/products and asset classes and proactively generating value-enhancing ideas and solutions for products/funds and leading the implementation. Candidates must have 10+ years of fund financing and/or capital markets experience in a leading bank, asset management firm or law firm. Learn more [here](#).

The **Fund Finance Association**, after nearly 12 years of fostering engagement and collaboration in the fund finance industry, is seeking its inaugural Chief Executive Officer. Spencer Stuart, a global executive search and leadership advisory firm, is assisting with this recruitment. Applications and inquiries may be directed to Spencer Stuart at FFACEO@SpencerStuart.com.

SouthState Bank is seeking candidates to fill two positions, including:

A **Private Capital Solutions Relationship Manager** who will be responsible for supporting the new client development and relationship management activities for the Fund Finance group. The role will include client portfolio management, sales support for new client opportunities, risk management and underwriting of new and existing client opportunities and cross-functional support for new client onboarding. This is a remote role and candidates must have a minimum two years of commercial banking, financial services or PE/Venture fund experience. Learn more [here](#).

A **Fund Finance Portfolio and Sales Associate** who will be responsible for supporting new business activity and ongoing portfolio management for Fund Finance relationships. The role will include client onboarding and diligence coordination, portfolio and credit support, and treasury and deposit support, among others. The individual can be based in Raleigh, Durham, Atlanta, or Richmond. Candidates must have one to three years of experience in commercial banking, credit support, portfolio management, fund administration, or a related financial services role. Learn more [here](#).

Moody's Ratings is seeking two Vice Presidents-Senior Analysts (Fund Finance). The individuals' responsibilities will include leading the analysis for assigning new ratings to fund finance transactions, contributing to methodology and technology development projects, building and maintaining strong relationships with fund sponsors, lenders, and arrangers, and presenting at industry events, conferences, and webinars. Candidates must have at least eight years of credit or risk assessment experience with deep sector knowledge and excellent communication skills. Learn more [here](#). Contact Jimmy Smith at Jimmy.Smith@moodys.com if you have any questions.

Stifel is seeking a Director/Managing Director of Fund Banking (Fund Finance). This individual will be the lead business development position for New York City and surrounding northeast geographies and will be focused on

building new Fund Banking/Fund Finance business with VC/PE firms and being the senior relationship manager to those firms. Learn more [here](#).

Redding Ridge Asset Management, which was established and seeded by Apollo Global Management, is seeking an Associate, CLO Structuring to join the firm's dynamic Structuring & Advisory team, supporting both its market-leading global CLO issuance business and other platforms within the Apollo ecosystem utilizing securitization technology. Learn more [here](#).

Goldman Sachs is seeking a Vice President on the Capital Call Financing (CCF) team in New York. This role sits at the intersection of origination, underwriting, and relationship management, supporting private equity and alternative investment sponsors with bespoke subscription finance solutions. The individual will be responsible for sourcing opportunities, structuring facilities, and ensuring disciplined credit execution in partnership with Credit Risk Management and broader Private Bank stakeholders. Learn more [here](#).