

NAV Loan Fuels Continued Growth for Leading Private Equity Sponsor

Situation Overview

In October 2025, ORIX USA's GP Solutions group ('GPS') provided a \$30 million NAV loan to a structured equity fund (the 'Fund') managed by a leading lower middle-market private equity firm (the 'Sponsor').

With over \$2.0 billion in AUM and a 15-year track record of strong performance, the Sponsor has built a reputation for providing growth capital to high-growth, founder-owned companies. The Fund — Sponsor's inaugural structured equity fund — has generated top-quartile returns, including an exit that generated substantial distributions for investors.

Facing a temporary capital gap prior to launching its next structured equity fund, the Sponsor partnered with GPS for a tailored NAV financing solution to invest in additional portfolio companies — extending its investment runway and bridging to the fundraising of its next vintage.

We believe the transaction offered substantial benefits compared with alternatives such as co-investment capital for new deals or pausing the strategy while raising a new fund. In addition to keeping the Sponsor active in the strategy, the transaction provided the Sponsor with speed, execution certainty, and increased profit potential compared to alternatives. For LPs, the transaction increases the Fund's deployed capital (thereby reducing the gross-to-net IRR spread), enhances portfolio diversification, and improves the return potential of the Fund.

Transaction Benefits

For the Sponsor:



SPEED

NAV loans are typically executed within 60-90 days, compared to years for a new fundraise and uncertain co-investment capital



CERTAINTY

Given cross collateralization and relatively low LTVs, NAV-loans generally have a high degree of successful execution compared to warehousing or single-deal fundraising



MULTI-YEAR FLEXIBILITY

Proceeds can fund several new investments over time, creating substantial runway to raise the next fund while remaining active in the marketplace with financing visibility



FUNDRAISING MOMENTUM

The capital enables the Sponsor to invest in attractive pipeline opportunities, maintain deal flow, remain engaged with key market participants, and capture valuable data — critical elements of continued fundraising success



INCREASED CARRY DOLLARS AT WORK

By enabling new investments at the Fund level, the NAV facility positions the Sponsor to enhance Fund returns and increase total carry participation

Transaction Benefits

For Limited Partners:



LOWER GROSS-TO-NET SPREAD

The NAV loan allows the Fund to deploy additional capital without incremental management fees, lowering LPs' effective fee load and narrowing the gap between gross and net returns



PORTFOLIO DIVERSIFICATION

The NAV proceeds are being used to fund new platform investments, broadening exposure across companies, sectors, and vintages, and improving portfolio resilience



ENHANCED RETURNS

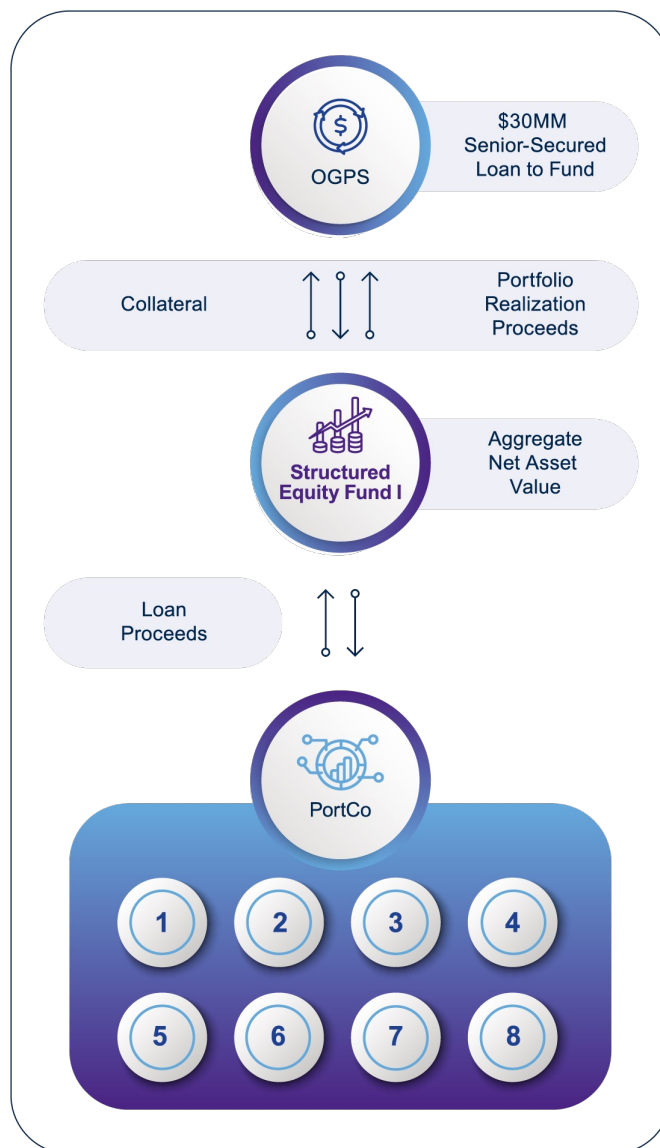
With the Fund's historical performance well above the facility's cost of capital, GPS projects the loan will increase the Fund's gross MOIC by approximately 0.25x — benefiting both LPs and the Sponsor through higher carry participation

Conclusion

This project demonstrates how forward-thinking sponsors are using NAV financing to enhance investor outcomes and drive long-term franchise value.

In partnership with GPS, the Sponsor secured flexible, non-dilutive capital to pursue attractive investment opportunities, maintained fundraising momentum, and strengthened the alignment between GP and LP interests — which create durable value across the platform.

Transaction Structure Chart



CONTACT US

JED JOHNSON

Managing Director,
Head of GP Solutions
Jed.Johnson@orix.com

THOMAS LUKENS

Senior Director,
GP Solutions
Thomas.Lukens@orix.com

DALLAS

2001 Ross Avenue, Suite 1900
Dallas, TX 75201
214.237.2000

NEW YORK

280 Park Avenue, 40 West
New York, NY 10017
212.468.5888