
Unlocking NAV: A Guide Across Private Markets

NAV for Infrastructure Funds

NAVIGATING UNCERTAIN MARKET ENVIRONMENTS

Infrastructure fund managers are navigating a period of uncertainty, with underlying projects facing multiple challenges ranging from inflationary pressures to a rapidly changing regulatory and tax credit landscape to constrained exit markets, among others. Even in the absence of these factors and armed with a contingency plan, projects can still go off track during the long cycle of planning, permitting, development, construction and ultimately commercial operation. We have observed that, in many cases, these disruptions are confined to a specific asset and are not representative of broader portfolio health or performance. Relative to original underwriting, the accumulated impact may include delays in reaching operational or production status, significant cost overruns, reductions in scope, or a combination of these factors.

The situation can be further complicated if the fund itself lacks sufficient liquidity to bridge projects to completion and instead must rely on third-party replacement capital. Such capital is often highly dilutive and expensive due to the perceived risk associated with projects that have yet to achieve key milestones. In these circumstances, however, fund managers with access to non-dilutive capital, such as a NAV loan, may have the ability to act quickly to preserve value and maintain control of their assets. NAV loans to infrastructure project portfolios could potentially offer desired optionality for fund managers. Once projects achieve operational status, they may be refinanced with lower-cost capital or sold at a premium upon achieving the next development or production milestone.

Crestline's capital has been deployed to support situations like this across a broad range of infrastructure and infrastructure-like assets, including toll roads, data centers, digital infrastructure, renewable energy assets (e.g., wind, solar, hydro, battery storage), conventional energy (e.g., oil & gas, gas-fired turbines), mining and others. For example, we provided fund-level facilities to the flagship fund of a global infrastructure manager with a geographically diverse portfolio of assets spanning renewables and non-renewable/resource extraction projects. The portfolio included a mix of well-performing, scaled, operational assets alongside development-stage projects requiring additional capital to achieve financing and commence construction. Rather than prematurely harvesting mature assets or raising minority equity at potentially suboptimal valuations, the sponsor used the Crestline facility to fund targeted development capital needs for specific assets, capturing the valuation uplift associated with achieving the next critical project development milestones while maintaining control over the assets.

NAV loans offer several key benefits to infrastructure funds:

- **Preservation of Assets:** By leveraging existing assets to secure financing, infrastructure funds may avoid the need to sell investments or assets outright or sell minority or majority stakes in development-stage assets at potentially depressed prices.
- **Increased Liquidity:** NAV loans can provide immediate access to capital, potentially providing infrastructure funds with the ability to seize new investment opportunities or meet development and operational needs without disrupting long-term investment strategies.
- **Flexibility:** Terms can be tailored to the specific needs of the infrastructure fund, offering flexibility in repayment and use of funds. This feature can be valuable today given the uncertainty surrounding the duration of the current environment. A NAV facility can also resolve capital needs across multiple assets simultaneously, offering potentially greater efficiency than arranging individual asset-level financings.

See Disclaimers for additional information.

- **Strategic Advantage:** Opportunity to access to additional capital during market dislocations could potentially position infrastructure funds to acquire undervalued assets and contribute to help enhance overall portfolio performance at a time when peers may be constrained.

We believe these potential benefits can support NAV loans being a valuable tool for infrastructure funds facing uncertain market environments. By providing the opportunity for a non-dilutive financing option, NAV facilities may help enable funds to sustain their investments, preserve control of key assets, and emerge from economic downturns stronger and more resilient. Importantly, while NAV loans have the potential to be effective in periods of market dislocation, they are not solely a defensive solution. We have observed managers increasingly using them proactively to fund accretive acquisitions or assets, support follow-on investments for growth and expansion, and position portfolios to capture long-term value. As the market landscape continues to evolve, we believe the strategic use of NAV loans could be a relevant tool in an infrastructure fund's financial strategy.

To learn more, watch our video here: [Unlocking NAV | Infrastructure Funds](#)

About Crestline Investors – Fund Liquidity Solutions Group

Crestline's Fund Liquidity Solutions Group provides bespoke financings to private equity funds and other asset vehicles seeking additional capital to support, grow and protect underlying portfolio companies, make additional acquisitions, provide liquidity to investors and other opportunistic portfolio management needs.

Our dedicated 13-person team has over 25+ years of average industry experience and has been active in the NAV Finance market since 2013. As market leaders, we have closed more than 65 transactions and committed over \$4.0bn to Private Equity, Growth, Venture, Real Estate, Family Offices, and Infrastructure managers active across a wide range of industries and geographies.

About Crestline Investors

Crestline Investors is a global alternative investment management firm founded in 1997 and based in Fort Worth, Texas, with affiliate offices in London, New York, Tokyo, and Toronto. The firm has approximately \$18 billion of credit assets under management (as of June 30, 2025) including its capital solutions, direct lending, and portfolio finance platforms. For more information, visit www.crestlineinvestors.com.

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