

## ACC & Dechert Private Credit Survey

Investment Manager

**Note to respondents:**

The questions in this survey seek to explore the growth of alternative finance and its impact on the real economy. Unless specified otherwise, questions should be answered with reference to all private credit funds that you operate. The survey should only take a short while (around 5 minutes) to complete, so please provide a response to each of the questions that follow.

**Firm name**

What is the name of your firm? (optional)

### Investment Manager

#### **Manager Demographics**

Where does your firm have its headquarters/primary asset management centre?

- |  |  |
|--|--|
| <input type="radio"/> US                     | <input type="radio"/> Middle East/Africa |
| <input type="radio"/> North America (ex. US) | <input type="radio"/> Asia Pacific       |
| <input type="radio"/> UK                     | <input type="radio"/> Latin America      |
| <input type="radio"/> Europe (ex. UK)        |  |

## ACC & Dechert Private Credit Survey

### Investment Manager

What is the estimated committed capital (i.e. excluding dry powder) allocated to private credit (broadly defined as investments in loans, bank debt, private debt securities and similar instruments, but excluding publicly traded bonds or more liquid fixed income strategies) across all vehicles/accounts?

- |  |   |
|--|---|
| <input type="radio"/> No allocations currently to private credit | <input type="radio"/> \$1bn - \$4.99bn    |
| <input type="radio"/> \$1m - \$99m                               | <input type="radio"/> \$5bn - \$9.99bn    |
| <input type="radio"/> \$100m - \$249m                            | <input type="radio"/> \$10bn - \$15bn     |
| <input type="radio"/> \$250m - \$499m                            | <input type="radio"/> Greater than \$15bn |
| <input type="radio"/> \$500m - \$999m                            |   |

What is the estimated dry powder designated for private credit investments (as defined above) across all vehicles/accounts?

- |                                       |   |
|---------------------------------------|---|
| <input type="radio"/> None            | <input type="radio"/> \$1bn - \$4.99bn    |
| <input type="radio"/> \$1m - \$99m    | <input type="radio"/> \$5bn - \$9.99bn    |
| <input type="radio"/> \$100m - \$249m | <input type="radio"/> \$10bn - \$15bn     |
| <input type="radio"/> \$250m - \$499m | <input type="radio"/> Greater than \$15bn |
| <input type="radio"/> \$500m - \$999m |   |

## ACC & Dechert Private Credit Survey

### Investment Manager

Approximately what proportion of your fund(s) in aggregate are allocated to the following private credit markets? (Select all that apply)

	0%	1% - 5%	5% - 10%	10% - 25%	25% - 50%	50% +
Large corporates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME/Mid-market corporates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Distressed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Infrastructure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real Estate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Structured products (e.g. CLOs, CDOs)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trade finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Receivables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Asset-backed lending	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What is the most common ratio of debt-to-ebitda of the borrowers (at the time the loan was provided) for your direct lending to corporates above?

- ☐ Negative
 ☐ Greater than 6 times
- ☐ Less than 2
 ☐ Not applicable - do not provide direct lending to corporates
- ☐ Between 2 and 6 times

## ACC & Dechert Private Credit Survey

### Investment Manager

What is the most common channel of sourcing potential credit opportunities?

- |   |  |
|---|--|
| <input type="radio"/> Consultants               | <input type="radio"/> Industry relationships |
| <input type="radio"/> Banks/credit institutions | <input type="radio"/> Advisory firms         |
| <input type="radio"/> Private Equity firms      | <input type="radio"/> Existing portfolio     |
| <input type="radio"/> Peer to peer platforms    |  |
| <input type="radio"/> Other (please specify)    |  |

What is the most important reason for your collaboration with a bank/credit institution on private credit strategies?

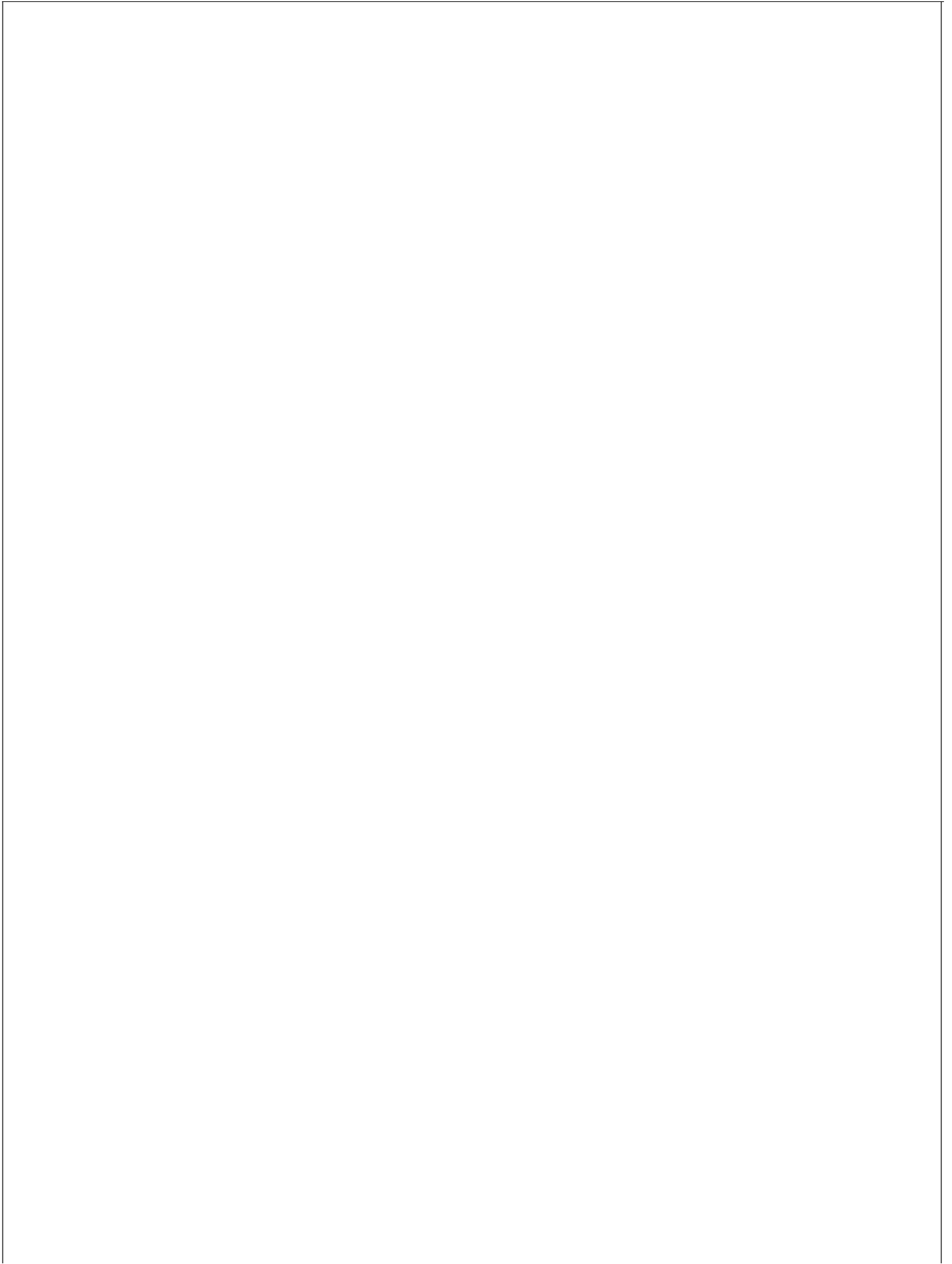
- |   |  |
|---|--|
| <input type="radio"/> Sourcing credit opportunities             | <input type="radio"/> Ancillary services   |
| <input type="radio"/> Joint bespoke lending solutions/platforms | <input type="radio"/> Borrower/sponsor request   |
| <input type="radio"/> Knowledge sharing                         | <input type="radio"/> Not applicable - do not collaborate with banks/credit institutions |
| <input type="radio"/> Other (please specify)                    |  |

What do you believe target companies value most about private credit?

- |  |  |
|--|--|
| <input type="radio"/> Ability to carry out complex deal structures   | <input type="radio"/> Partnership with asset manager |
| <input type="radio"/> Speed of decision making                       | <input type="radio"/> Ability to lend in size        |
| <input type="radio"/> Flexibility of terms (e.g. repayment schedule) | <input type="radio"/> No need to sell-down           |
| <input type="radio"/> Competitive pricing                            |  |

What is the most resource intensive activity in carrying out private credit strategies?

- |  |  |
|--|--|
| <input type="radio"/> Sourcing viable credit opportunities | <input type="radio"/> Ascertaining tax treatment of the investment |
| <input type="radio"/> Conducting credit analysis           | <input type="radio"/> Ensuring compliance with existing regulation |
| <input type="radio"/> Obtaining regulatory approvals       | <input type="radio"/> Legal advice on structuring products         |
| <input type="radio"/> Borrower negotiation                 | <input type="radio"/> Insolvency advice                            |



## ACC & Dechert Private Credit Survey

### Investment Manager

Approximately what proportion of your fund(s) in aggregate are allocated to the following capital structures?  
(Select all that apply)

	0%	1% - 5%	5% - 10%	10% - 25%	25% - 50%	50% +
Senior secured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Senior unsecured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mezzanine/junior	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unitranche	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Convertible instruments (debt to equity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hybrid equity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Derivatives (e.g. credit swaps)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Holding company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PIK loan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What is the typical target loan size for your firm?

- |  |  |
|--|--|
| <input type="radio"/> Less than \$1m   | <input type="radio"/> \$25m - \$99.99m   |
| <input type="radio"/> \$1m - \$4.99m   | <input type="radio"/> \$100m - \$249.99m |
| <input type="radio"/> \$5m - \$9.99m   | <input type="radio"/> \$250m - \$499.99m |
| <input type="radio"/> \$10m - \$24.99m | <input type="radio"/> \$500m or greater  |

What is the average size of the borrowers by EBITDA?

- |  |   |
|--|---|
| <input type="radio"/> Negative EBITDA (e.g. potential distressed loan) | <input type="radio"/> \$25m - \$49.9m     |
| <input type="radio"/> Less than \$5m                                   | <input type="radio"/> \$50m - \$74.9m     |
| <input type="radio"/> \$5m - \$9.9m                                    | <input type="radio"/> \$75m - \$99.9m     |
| <input type="radio"/> \$10m - \$24.9m                                  | <input type="radio"/> Greater than \$100m |

What is your most common structure of coupons for the following capital structures?

	Zero coupon	Fixed coupon	Floating coupon	Deferred coupon	Mixture of paid/deferred coupon	Other
Senior secured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Senior unsecured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mezzanine/junior	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unitranche	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Convertible instruments (debt to equity)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hybrid equity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Derivative (e.g. credit swaps)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Holding company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PIK loan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify 'other' selection

How has the coupon for a potential loan changed over the past 3 years?

- ☐ More favourable terms
- ☐ Less favourable terms
- ☐ No noticeable change in terms

Where possible, please explain why you think that this change has taken place.

How have the degree of covenants in loan offerings changed over the past 3 years?

- ☐ More demanding covenants
- ☐ Less demanding covenants
- ☐ No noticeable change in covenants

Where possible, please explain why you think that this change has taken place.



Does your financing typically employ a financial sponsor?

- ☐ Yes, we typically use a financial sponsor
- ☐ No, a financial sponsor is not normally used

## ACC & Dechert Private Credit Survey

### Investment Manager

#### Geography of private credit

In which country are you currently most active?

- |  |                                   |
|--|-----------------------------------|
| <input type="radio"/> US                     | <input type="radio"/> Netherlands |
| <input type="radio"/> Canada                 | <input type="radio"/> Italy       |
| <input type="radio"/> UK                     | <input type="radio"/> Spain       |
| <input type="radio"/> France                 | <input type="radio"/> Sweden      |
| <input type="radio"/> Germany                |                                   |
| <input type="radio"/> Other (please specify) |                                   |

Excluding the choice above, in which 3 jurisdictions do you foresee the biggest growth opportunities for your firm in the next 3 years?

- |   |   |
|---|---|
| <input type="checkbox"/> US                           | <input type="checkbox"/> Eastern & Central European countries |
| <input type="checkbox"/> Canada                       | <input type="checkbox"/> Other Southern European countries    |
| <input type="checkbox"/> UK                           | <input type="checkbox"/> Other Western European countries     |
| <input type="checkbox"/> France                       | <input type="checkbox"/> China                                |
| <input type="checkbox"/> Germany                      | <input type="checkbox"/> Japan                                |
| <input type="checkbox"/> Netherlands                  | <input type="checkbox"/> India                                |
| <input type="checkbox"/> Italy                        | <input type="checkbox"/> Australia                            |
| <input type="checkbox"/> Spain                        | <input type="checkbox"/> Other Asia-Pacific                   |
| <input type="checkbox"/> Sweden                       | <input type="checkbox"/> Latin America                        |
| <input type="checkbox"/> Other Scandinavian countries |   |
| <input type="checkbox"/> Other (please specify)       |   |

In which of the following jurisdictions are your private credit funds domiciled? (Select all that apply)

☐ Cayman Islands

☐ Malta

☐ British Virgin Islands

☐ Jersey

☐ US

☐ Guernsey

☐ Luxembourg

☐ UK

☐ Ireland

☐ Bermuda

☐ Other (please specify)

Does the UK's vote to leave the European Union make the UK a more or less attractive proposition for lending to UK businesses?

☐ More

☐ Less

☐ No change

☐ Uncertain

## ACC & Dechert Private Credit Survey

### Investment Manager

#### **Fund terms and structures**

What is your preferred/target terms for investments?

- |  |   |
|--|---|
| <input type="radio"/> Less than 1 year | <input type="radio"/> 6 - 10 years                    |
| <input type="radio"/> 1 - 2 years      | <input type="radio"/> More than 10 years              |
| <input type="radio"/> 2 - 4 years      | <input type="radio"/> Varies according to opportunity |
| <input type="radio"/> 4 - 6 years      |   |

When can redemptions typically occur on your private credit investments?

- |   |   |
|---|---|
| <input type="radio"/> Closed-end no maturity                              | <input type="radio"/> Open with lock-ups or other tools |
| <input type="radio"/> Closed-end fixed maturity                           |   |
| <input type="radio"/> Other redemption restriction tools (please specify) |   |

How much financial leverage (borrowing in order to increase the size) does your most levered private credit fund employ?

- |                                    |                                    |  |
|------------------------------------|------------------------------------|--|
| <input type="radio"/> None         | <input type="radio"/> 1x - 1.49x   | <input type="radio"/> 5x - 9.99x             |
| <input type="radio"/> 0x - 0.49x   | <input type="radio"/> 1.5x - 1.99x | <input type="radio"/> 10x or greater         |
| <input type="radio"/> 0.5x - 0.99x | <input type="radio"/> 2x - 4.99x   | <input type="radio"/> Prefer not to disclose |

What structures do you use for your credit fund vehicles? (Select all that apply)

- ☐ Partnerships
- ☐ Corporates
- ☐ Securitisation vehicles
- ☐ Managed accounts
- ☐ Other (please specify)

What terms do you offer on co-investments?

☐ Do not offer co-investments

☐ Offer with zero fees

☐ Offer with some fees

## ACC & Dechert Private Credit Survey

### Case Study

Please provide an overview of one of your private credit instruments:

Country:

Sector:

Transaction Size:

Your final loan size

#### Transaction purpose

- |  |   |
|--|---|
| <input type="radio"/> Acquisition            | <input type="radio"/> Working capital                               |
| <input type="radio"/> Expansion              | <input type="radio"/> Bridge financing                              |
| <input type="radio"/> Project finance        | <input type="radio"/> Recapitalisation (payment out to shareholder) |
| <input type="radio"/> Refinancing            |   |
| <input type="radio"/> Other (please specify) |   |

#### Form of financing

- |   |  |
|---|--|
| <input type="radio"/> Loan                          | <input type="radio"/> Derivatives                |
| <input type="radio"/> Debt security                 | <input type="radio"/> A combination of the above |
| <input type="radio"/> Debt security with conversion | <input type="radio"/> Equity investment          |
| <input type="radio"/> Other (please specify)        |  |

#### Is there co-financing?

- |  |  |
|--|--|
| <input type="radio"/> Yes, with other asset managers | <input type="radio"/> Yes, with other financial institutions |
| <input type="radio"/> Yes, with banks                | <input type="radio"/> No                                     |

## ACC & Dechert Private Credit Survey

### Case Study

Please provide a brief description of the case itself (You may omit company names, if you wish):

In what ways has your investment benefitted the borrower or the economy at large such as project completion, job creation or growth of the borrower?

Additional Comments

If you have any additional comments that you would like to make on the subject of private credit, please detail below.



## ACC & Dechert Private Credit Survey

### Contact Information

Contact Information (Optional, for follow-up/feedback purposes)

Name:

Title:

Telephone:

Email:

Please select any of the below that apply:

☐

We would be happy to participate in further advocacy related research by AIMA

☐

We are happy if AIMA contacts us in regard to our activity in private credit

**Thank you very much for your time. If you have completed your responses please click on submit below. If you have any questions, please email [jlange@aima.org](mailto:jlange@aima.org).**