HIGH SCHOOL EDITION
Journal of Student Research
Volume 13 Issue 3 (2024)

Beyond Traditional Financing: An Analysis of the Recent Rise of Private Credit in Capital Markets

Avani Persaud

Choate Rosemary Hall, USA

ABSTRACT

This paper examines why there has been a surge in appetite for private credit funds and private capital support in different deals throughout the market. Private credit offerings have continued to evolve and more recently are becoming a very attractive investment. In recent years, there has been a considerable increase in interest in private credit as an alternative financing option among both investors and borrowers. The goal of this paper is to provide a thorough analysis of the factors driving this trend by highlighting the importance of borrowers and lenders, regulatory impacts, market structure, and the particular advantages that private credit funds provide. This research hopes to offer valuable insight into the evolving financial market and the growing role of private credit in funding deals of varying sizes.

Introduction

Historically, Leveraged Buyouts ("LBO") were funded through a combination of debt and equity, relying heavily on traditional bank loans and public bond issuances to finance these high-stakes transactions. After the financial crisis of the late 2000s, there was a noticeable shift in the landscape of acquisition financing. Funding for acquisitions continued to evolve during the COVID-19 crisis, when debt was very cheap because interest rates were so low, prompting a surge in borrowing activity (Neely & Carmichael, 2021). This created an artificially low interest rate environment that, as experts cautioned, could not be sustained indefinitely. Subsequently, the Federal Reserve Board found itself compelled to raise interest rates to combat the looming threat of runaway inflation. As a consequence, borrowing costs began to rise, rendering debt more expensive for businesses and deal-makers alike (Wojnilower, 2023). This financial climate led to a critical inflection point where acquisition strategies had to be adapted and alternative sources of funding were explored.

One of the sectors that has witnessed the most remarkable growth in this evolving financial landscape is the private credit sector (Aramonte, 2020). Previously underutilized due to the prolonged period of low interest rates, private credit has emerged as a viable and attractive alternative to funding acquisitions, particularly in the context of rising borrowing costs. As seen through prominent instances such as Warburg Pincus and Advent International's acquisition of Baxter's biopharma business—which was exclusively financed through private credit—the private credit market is demonstrating its capacity to fill the funding gap, providing flexible and customized financing solutions for complex transactions (Sen & Carnevali, 2023). Warburg Pincus and Advent International, two private equity companies, used the private credit model to design a financing package that met the specific requirements of acquiring Baxter's BioPharma solutions business. The company, selling for $4.25 billion in cash, will now be operating under the name Simtra BioPharma Solutions (Advent International, 2023). This flexibility allows for the customization of terms, repayment structures, and covenants, enabling the involved parties to navigate the complexities of the deal more effectively.

In the 1980s and early 1990s, small companies needed to find a private market alternative to keep their businesses afloat and to aid in acquisitions. In 2008, after the stock market crashed, everyone began to wonder when banks would start lending money again and what their companies would do in the meantime. For dealmakers and investors navigating the shifting financial landscape, private finance has become an increasingly popular option due to its inherent flexibility, customization ability, and potential for better profits. This industry is anticipated to continue determining acquisition funding and investment strategies in the future, given the growing significance and appeal of private credit investments. This will ensure that the financial system is flexible and responsive to changing demands and obstacles.

What is Private Credit?

The Use of Private Credit in Capital Markets

Private credit is a form of lending where non-bank lenders provide privately negotiated financing to companies, small businesses, startups, and individuals, tailored to the borrower's specific needs (Rosenbaum et al., 2020, p. 176). Private credit, often regarded as a flexible financial instrument, serves a pivotal role within capital markets. Its versatile nature allows it to cater to the diverse needs of borrowers, whether they require funding for large-scale transactions, specific project financing, or short-term capital (Understanding Private, 2023). This discrete form of credit offers a tailored solution for businesses and individuals seeking financial resources outside the traditional lending sphere.

In capital markets, private credit plays a crucial role in facilitating various financial activities. It often supports corporate entities in executing mergers and acquisitions, providing the necessary funding to close deals swiftly. Furthermore, private credit can be employed for project financing, offering financial backing for ventures that may not conform to the conventional criteria of other lending sources (Understanding Private, 2023). The ability to adapt to unique financing needs makes private credit a valuable tool for borrowers seeking funding solutions that align with their specific requirements. In essence, private credit serves as a flexible and adaptable resource within the realm of capital markets, helping to foster economic growth (Private Credit, n.d.). Private credit may be divided into several categories including direct lending, distressed debt, mezzanine, second-lien debt, first-lien debt, and preferred equity.

Attributes of the Various Types of Private Credit Offerings

Table 1.

Attribute	Direct Lending	Distressed Debt	Mezzanine	Second-Lien Debt	First-Lien Debt	Preferred Equity
Flexible	X	X	X		X	X
Priority Repayment					X	X
High Risk		X	X	X		X
High Potential		X	X			X
Use of Collateral	X	X		X	X	X

Table Assessing Attributes of Various Private Credit Offerings

Note. Compiled by author from Bromberg, 2023; CFI Team, n.d.; Chesare, n.d.; Hayes, 2023; Origin Investments, 2023; Rosenbaum et al., 2020, p. 189, 195-196; Snyder, 2023; Understanding First, 2023 Private Credit, 2022.

HIGH SCHOOL EDITION
Journal of Student Research

Understanding specific attributes (Table 1) is important for determining the investment potential of private credit offerings. Flexibility would be conducive to borrowers with long term needs and when market conditions are predicted to change, allowing for adjustments as necessary (Origin Investments, 2023; Snyder, 2023). Priority of repayment in the capital structure would allow companies to access additional capital while safeguarding the interests of their existing stockholders (Hayes, 2023; Rosenbaum et al., 2020, p. 195-196). High risk is commonly associated with higher chances of default and greater potential returns, shown in Table 1 (CFI Team, n.d.; Chesare, n.d.; Rosenbaum et al., 2020, p. 189; Understanding First, 2023). High potential is favorable for investors looking to receive additional returns beyond the initial investment, often through equity participation (Bromberg, 2023;). Lastly, the use of collateral would afford investors an added layer of security that can help mitigate the risk of loss in case of borrower default (Private Credit, 2022). Evaluating these attributes helps investors fully assess the potential profitability of private credit options.

The Evolution and History of Private Credit Markets

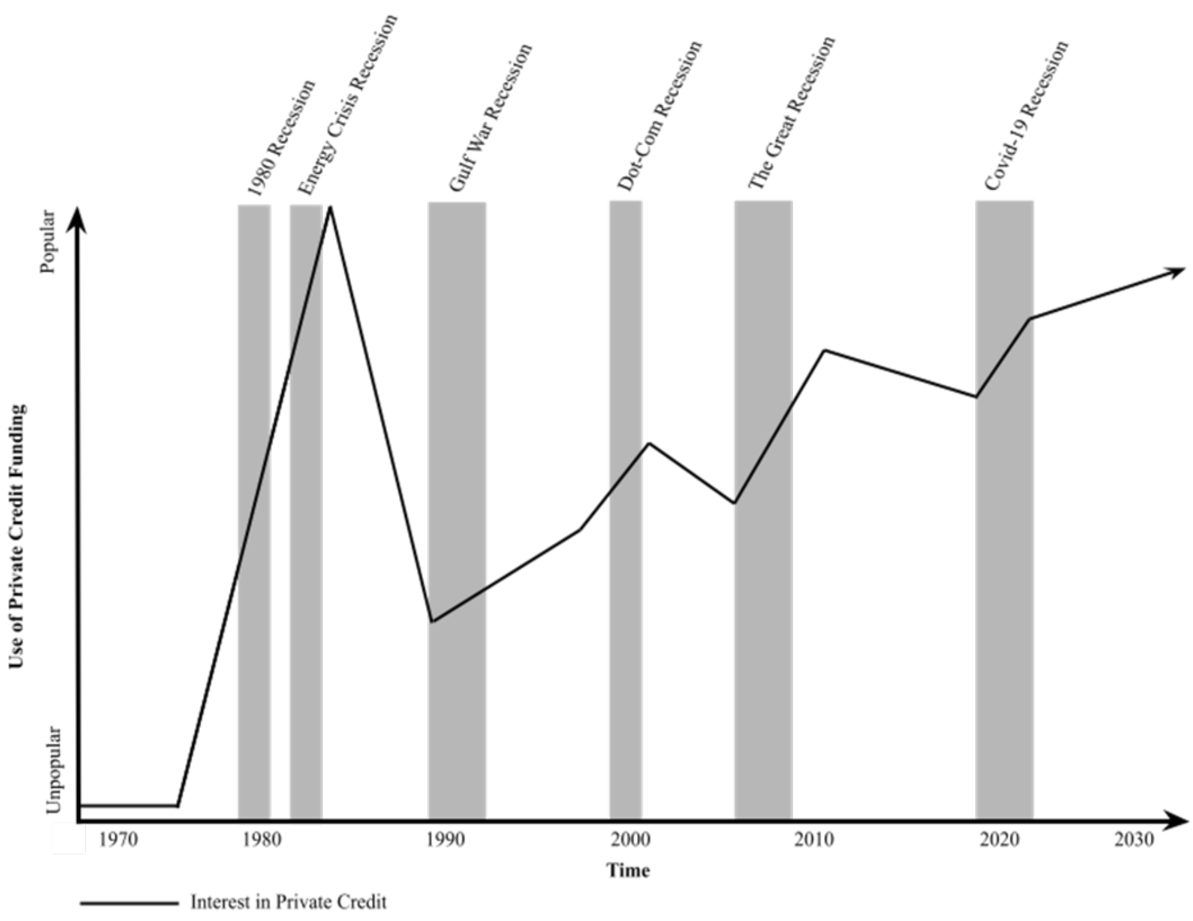

Figure 1. Graph Showing Use of Private Credit Over Time and Its Correlation to Recessions

Note. Compiled by author from Chen, 2022; Chen et al., 2021; Dalmia et al., 2023; Hall, 2022; Huddleston, 2020; The Rise, 2019; Zhang, 2023.

The initial development of private credit in the late 1970s and early 1980s was a transformative period in the world of corporate finance. The emergence of the high-yield market through the 1980 Recession and

Energy Crisis Recession marked a significant shift, providing small and mid-sized businesses without investment-grade ratings unprecedented access to long-term, fixed-rate loan funding (Hall, 2022; Huddleston, 2020). Throughout the 1990s and early 2000s, with the occurrence of the Dot-Com Recession and Energy Crisis Recession, private credit expanded further, witnessing the growth of securitized debt instruments and non-investment grade bank debt markets (Huddleston, 2020). Despite remarkable progress, challenges persisted for smaller entities and consumers in fully leveraging the evolving financial landscape, dominated largely by banks and large corporations (The Rise, 2019). The period from 2007 to 2009 saw a profound transformation spurred by the Great Financial Crisis, leading to increased regulation and the emergence of diverse private debt funds (Hall, 2022). Due to major financial disruption, the crisis catalyzed the diversification and resilience of the private debt market, showcasing its adaptability as a financial solution (Chen, 2022). Subsequently, from late 2019 to 2021, the Covid-19 pandemic propelled awareness of private credit, as businesses sought flexible, speedy, and risk-tolerant financing options amidst economic uncertainty (Zhang, 2023). This period underscored the pivotal role of private credit in providing tailored financial solutions, solidifying its relevance in the evolving financial landscape.

Why Private Credit Is an Attractive Investment

Private credit has gained significant attention as an attractive investment option. One of its most compelling features is the flexibility it offers in terms of investment strategies. This flexibility allows investors to tailor their private credit investments to match their unique investment objectives, risk tolerance, and financial goals (Understanding Private, 2021). Unlike traditional investment vehicles, private credit allows for individualized plans, enabling investors to choose from a variety of credit options—from mezzanine debt to second lien debt—while carefully considering their risk profiles and expectations for return. This customization empowers investors to construct portfolios that align perfectly with their specific requirements, whether they are seeking long-term growth, consistent income, or both (Private Debt, 2023).

Another key advantage of private credit is its potential for portfolio diversification. It offers an opportunity to expand beyond conventional asset classes like equities and bonds (Private Debt, 2023). Private credit investments, which can encompass a variety of credit instruments and industries, add a layer of diversification that can be particularly beneficial during times of market volatility (Private Credit, 2021). By employing various private credit opportunities, investors can reduce the total risk exposure of their portfolios, enhancing overall risk management and potentially achieving more stable, long-term returns (The Benefits, 2023).

Private credit also provides a reliable source of income through interest payments. This feature is particularly appealing to income-focused investors, including retirees and pension funds, who depend on consistent cash flows to meet their financial obligations (Snyder, 2023). Unlike equities, which can be subject to market fluctuations, private credit is less susceptible to market volatility and can thus provide a steady stream of income and more financial stability in an uncertain economy (Snyder, 2023).

Additionally, private credit investments are often backed by tangible assets, such as real estate (Cambridge Associates, 2017). This helps protect investors, mitigating risk and financial loss in case a borrower stops making required payments on a debt. The physical assets backing private credit loans provide a level of security that can reassure investors, making this form of investment less risky than other alternatives (Private Credit, 2022).

Examples of Private Credit Investments

Private Credit Fuels Transformative Real Estate Development

Mezzanine loans, senior secured debt, and bridge financing are all examples of real estate private credit (Min, 2023). These structures are essential for real estate development projects because they let investors take part in the expansion and alteration of commercial buildings, residential neighborhoods, and urban landscapes. For instance, the mezzanine financing from Apollo Global Management was crucial in the Hudson Yards project in New York City (Kelly, 2017). Mezzanine loans are extremely helpful for developers wishing to embark on large-scale real estate projects since they frequently fill the gap between equity and senior mortgage debt. Developers can obtain the funding they need for building and development because of flexible repayment and collateral options (Carrigan, 2021). These loans appeal to private credit investors because they have the potential for larger returns due to their subordination to senior debt.

Private credit investments in real estate are crucial for the growth of commercial and urban areas, which in turn promotes employment creation and economic expansion. (Min, 2023) The development of strong business communities is made possible by these investments. Private finance facilitates the financing of real estate developments, allowing investors to influence the physical and economic environment of cities and regions while earning significant profits.

Private Credit Funds Vital Infrastructure Growth

Debt instruments used to fund important public infrastructure projects, such energy facilities, public utilities, and transportation networks, are referred to as infrastructure debt investments (Nelthorpe, 2023). By contributing the money required to fund the development, use, and upkeep of infrastructure assets, investors may take part in these endeavors. The importance of infrastructure debt investments is demonstrated by IFM Investors' acquisition of the Indiana Toll Road (IFM Investors, 2021). This illustration highlights how important private credit is for financing big, important projects. In addition to helping communities profit from the stable and efficient functioning of infrastructure, financial instruments related to infrastructure, such as project financing loans, enable investors to receive returns through interest payments (Infrastructure Debt, 2023).

Private credit investments in infrastructure debt play a pivotal role in sustaining and enhancing critical infrastructure assets. They provide investors with a dependable income stream, adding value to diversified investment portfolios (Nelthorpe, 2023). These investments not only bring financial rewards, but also empower investors to contribute to the ongoing operation of infrastructure assets, thereby promoting economic growth and enhancing quality of life.

Leveraged Buyouts Aided by Private Credit Drive Corporate Revitalization

Leveraged buyout investments take the form of various debt securities, including senior secured debt, mezzanine loans, and subordinated debt (Carr, 2023). These financing formats are essential for facilitating corporate acquisitions and aiding struggling businesses.

In the case of the Toys "R" Us buyout by Bain Capital, KKR, and Vornado Realty Trust, private credit investors played a crucial role by providing substantial debt capital required for the acquisition (Covert, 2018). Leveraged buyout investments enable private equity firms to take control of businesses, implement strategic changes, and, occasionally, revitalize underperforming companies. This type of investment provides returns through interest payments and potential capital appreciation when the business prospers under new ownership (Ruckin, 2023).

Leveraged buyout investments are not only a source of attractive returns for investors but also play a transformative role in the corporate world. These transactions are known for fostering operational efficiency, as private equity firms typically implement restructuring initiatives to enhance the target company's overall performance (Lewis, 2023). Private equity investors often collaborate with companies to identify opportunities for growth and innovation, driving the expansion of the acquired businesses. Overall, leveraged buyout investments not only offer a pathway to financial success but also to promote positive change, efficiency, job retention, and overall business growth in the corporate world (Rosenbaum et al., 2020, p. 169-172).

By facilitating the acquisition and revitalization of companies, private credit investments contribute to economic growth, foster innovation, and support job stability, ultimately driving positive change within the business landscape.

The Future of Private Credit

Private credit, an increasingly prominent and dynamic segment of the financial markets, is poised to shape the investment landscape in the years ahead. As we gaze into the future, several key factors emerge, each revealing the evolving landscape of private credit and its continued significance in the global financial ecosystem (More Borrowers, 2022).

In the event that private credit encounters a significant downturn or failure, it would have far-reaching consequences, underscoring our growing reliance on this form of investment. The private credit market has become a crucial source of financing with a 2% average annual growth from 2010 to 2019 and a 23% annual growth between 2020 and 2022 (Can Private, 2023). This gives private credit the potential to become the backbone of many businesses, especially for companies that may not have access to traditional forms of funding (Aramonte, 2020). A flop in the private credit market could lead to capital shortages, causing business closures, job losses, and broader economic instability. This dependency on private credit highlights its indispensable role in the modern financial landscape.

The future of private credit holds the promise of new and innovative forms of financing. Among them, environmental and social impact investing is expected to take center stage, driven by increasing awareness of sustainability issues and corporate responsibility. Regulatory changes are expected to shape the future of private credit, with many aimed at enhancing transparency and investor protection. For example, the European Union's Sustainable Finance Disclosure Regulation (SFDR) and the U.S. SEC's Environmental, Social, and Governance (ESG) disclosure requirements are ushering in a new era of accountability (Fenwick, 2022). Companies will need to demonstrate their lack of negative influence on biodiversity-sensitive areas through ecological assessments, and continual monitoring of any impacts (A Guide, 2023). This evolution not only aligns financial activities with global sustainability goals but also responds to the increasing demand from investors for ethical and socially responsible investment opportunities. These regulatory shifts will contribute to a more sustainable and responsible private credit environment, providing an appealing proposition for socially responsible investors.

Additionally, ESG considerations are becoming pivotal in the world of finance. The integration of ESG principles is driving a growing demand for ESG-linked loans and bonds. The emergence of ESG-linked loans and bonds is likely to create a larger demand for private credit investments as investors seek opportunities aligned with their values and long-term sustainability goals (Private Debt, n.d.). This surge in ESG-related investments is anticipated to further fuel the demand for private credit, as investors seek instruments that align with their ethical and sustainability objectives (Celestin, 2023).

Fund managers and investors have ample opportunity to participate in the future of private credit. In the current low-interest-rate environment, private credit provides better rates and possibly larger returns than typical fixed-income investments (A Rising, 2023). By diversifying their holdings, optimizing returns, and navigating the ever-more-complex private credit market, investors and fund managers may fully realize the promise of this market.

While private credit currently remains an attractive investment option in the context of low interest rates, it's important to acknowledge that a substantial increase in interest rates could diminish its appeal. However, central banks worldwide are inclined toward gradual rate adjustments to prevent economic shocks, thus mitigating the impact of interest rate fluctuations and upholding the attractiveness of private credit (A Rising, 2023).

Conclusion

Based on rising activity in private credit markets and the increased usage of this type of financing for transactions, a continuous appetite for private credit is expected in the near future. Beyond traditional credit markets, private credit's adaptability and customization choices have proven essential in meeting a broad range of financial demands.

The trajectory of private credit points to its continued dominance in the realm of finance. As businesses and investors increasingly seek tailored financial solutions, the versatility and customizable nature of private credit investments will play a pivotal role in shaping the future of deals, projects, and economic growth. Private credit's appeal, driven by its capacity to meet ever-evolving financial needs, positions it as a cornerstone of modern investment and its importance is only set to increase in the coming years. The combination of flexibility, adaptability, and the potential for higher returns in a low-yield environment will ensure that private credit remains a fundamental and dynamic element in the investment landscape for the foreseeable future.

Acknowledgments

I would like to thank my advisor for the valuable insight provided to me on this topic.

References

Advent international and warburg pincus complete acquisition of baxter's biopharma solutions business. (2023, October 2). Advent International. Retrieved January 11, 2024, from https://www.adventinternational.com/advent-international-and-warburg-pincus-complete-acquisition-of-baxters-biopharma-solutions-business/

Aramonte, S. (2020, March). *Private credit: Recent developments and long-term trends*. Bank for International Settlements. Retrieved November 9, 2023, from https://www.bis.org/publ/qtrpdf/r_qt2003v.htm

Bass, M. D. (2023, October 8). *Private credit outlook: Room to run*. Alliance Bernstein. Retrieved November 9, 2023, from https://www.alliancebernstein.com/corporate/en/insights/investment-insights/private-credit-outlook-room-to-run.html

The benefits of a private credit allocation. (2023, January 16). Bond Capital. Retrieved October 11, 2023, from https://www.bondcapital.ca/blog/the-benefits-of-a-private-credit-allocation/

Bromberg, M. (2023, October 20). Private credit vs. private equity: Understanding the differences. Investopedia. Retrieved March 15, 2024, from https://www.investopedia.com/private-credit-vs-private-equity-7565530

Cambridge Associates. (2017, September). Cambridge Associates. Retrieved October 11, 2023, from https://www.cambridgeassociates.com/insight/private-credit-strategies-introduction/

Can private credit continue to perform? (2023, September 12). JP Morgan. Retrieved January 10, 2024, from https://privatebank.jpmorgan.com/nam/en/insights/markets-and-investing/ideas-and-insights/can-private-credit-continue-to-perform#ftnt10

Carr, E. (2023, February 24). *The new LBO market: It's gone private*. Financial Times. Retrieved November 9, 2023, from https://www.ft.com/content/0758d47f-ed50-47b5-bea1-20946271bc6a

Carrigan, M. (2021, September 7). *What is a real estate mezzanine loan or financing? (Definition)*. Dealpath. Retrieved November 9, 2023, from https://www.dealpath.com/blog/what-is-real-estate-mezzanine-loan-definition/

Celestin, T. (2023, September 25). *A new era for private credit – what does it mean for investors?* Lombard Odier. Retrieved November 9, 2023, from https://www.lombardodier.com/contents/corporate-news/investment-insights/2023/september/a-new-era-for-private-credit-wha.html

CFI Team. (n.d.). *Distressed debt*. Corporate Finance Institute. Retrieved October 11, 2023, from https://corporatefinanceinstitute.com/resources/fixed-income/what-is-distressed-debt/

Chen, J. (2022, June 22). *Volcker rule: Definition, purpose, how it works, and criticism*. Investopedia. Retrieved November 9, 2023, from https://www.investopedia.com/terms/v/volcker-rule.asp

Chen, J. (2023, August 22). *Second-Lien debt: Definition, risks, example*. Investopedia. Retrieved October 11, 2023, from https://www.investopedia.com/terms/s/secondliendebt.asp

Chen, Y., Yang, W., & Zhang, L. (2021). *The impact of the covid-19 on private equity*. Atlantis Press. Retrieved November 9, 2023, from https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwinvYfnvs6BAxWgGFkFHY1-AvYQFnoECA4QAQ&url=https%3A%2F%2Fwww.atlantis-press.com%2Farticle%2F125965974.pdf&usg=AOvVaw2Ui3VNNlLWSYl6E8H_Nivo&opi=89978449

Chesare, B. (n.d.). *The full guide to direct lending: Industry, companies, and careers*. Mergers & Inquisitions. Retrieved October 11, 2023, from https://mergersandinquisitions.com/direct-lending/

Cote, C. (2021, August 5). *What is distressed debt investing?* Harvard Business School. Retrieved October 11, 2023, from https://online.hbs.edu/blog/post/distressed-debt-investing

Covert, B. (2018). *The demise of toys 'r' us is a warning*. The Atlantic. Retrieved November 9, 2023, from https://www.theatlantic.com/magazine/archive/2018/07/toys-r-us-bankruptcy-private-equity/561758/

Dalmia, P., Pandit, V., Pinshaw, G., & Sharma, G. (2020, September 16). *A rolling disruption: COVID-19's implications for private equity and portfolio companies*. McKinsey & Company. Retrieved October 11, 2023, from https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/a-rolling-disruption-covid-19s-implications-for-private-equity-and-portfolio-companies

De Silva, H., Kraus, K., Steiner, J. R., & Gandhi, P. (2023, October 5). *Specialty finance: The $20 trillion next frontier of private credit*. Pimco. Retrieved November 9, 2023, from https://www.pimco.com/en-us/insights/viewpoints/specialty-finance-the-$20-trillion-next-frontier-of-private-credit/

Dey, P. (2023, July 17). *The growth of private credit in emerging markets*. CityWire. Retrieved November 9, 2023, from https://citywire.com/middle-east/news/the-growth-of-private-credit-in-emerging-markets/a2421743

Elliott, S. (n.d.). What is the upside potential in a preferred equity real estate investment? Goodegg Investments. Retrieved March 15, 2024, from https://goodegginvestments.com/blog/what-is-the-upside-potential-in-a-preferred-equity-real-estate-investment/

Fenwick, C. (2022, March 21). 5 Things to Know about Forthcoming SEC ESG Disclosures. Retrieved November 9, 2023, from https://www.onetrust.com/blog/forthcoming-sec-esg-disclosures-climate-change/

Four key emerging trends in private credit. (2023, August 23). UCC and Compliance Services. Retrieved November 9, 2023, from https://www.cscgfm.com/blog/four-key-emerging-trends-in-private-credit/

Guide to private credit for borrowers and investors. (n.d.). Lending for Growth. Retrieved November 9, 2023, from https://www.aima.org/asset/F9ECB49A-757A-4266-8F22BE269D2D86CC/#:~:text=First%20lien%20loans%20rank%20highest,relative%20security%20of%20the%20loan.

A guide to the EU sustainable finance disclosure regulation for financial institutions. (2023, April 4). Antithesis. Retrieved January 10, 2024, from https://www.anthesisgroup.com/a-guide-to-the-eu-sustainable-finance-disclosure-regulation/

Gunter, E., Browne, B., Caglayan, S., Muthukrishnan, R., & Savaides, E. (2023, April 18). *Private lending: Time to adjust the sails*. S&P Global. Retrieved October 11, 2023, from https://www.spglobal.com/en/research-insights/featured/special-editorial/look-forward/private-lending-time-to-adjust-the-sails

Hall, T. (n.d.). *The history of private credit: The foundation*. Percent. Retrieved September 12, 2022, from https://percent.com/blog/the-history-of-private-credit-the-foundation/

Hall, T. (2022, September 13). *The history of private credit: CLOs and the great financial crisis*. Percent. Retrieved October 11, 2023, from https://percent.com/blog/the-history-of-private-credit-clos-and-the-great-financial-crisis/

Hayes, A. (2023, June 30). *Mezzanine financing: What mezzanine debt is and how it's used*. Investopedia. https://www.investopedia.com/terms/m/mezzaninefinancing.asp

Hidalgo, K. (2023, October 27). *How private credit gives banks a run for their money*. Bloomberg. Retrieved November 9, 2023, from https://www.bloomberg.com/news/articles/2023-10-27/what-is-private-credit-and-how-does-it-work#xj4y7vzkg

Huddleston, T., Jr. (2020, April 9). How many recessions you've actually lived through and what happened in every one. CNBC. Retrieved March 15, 2024, from https://www.cnbc.com/2020/04/09/what-happened-in-every-us-recession-since-the-great-depression.html

IFM investors partners with CDPQ on the indiana toll road. (2021, April 19). Cision PR Newswire. Retrieved November 9, 2023, from https://www.prnewswire.com/news-releases/ifm-investors-partners-with-cdpq-on-the-indiana-toll-road-301271674.html

In a choppy market, preferred equity comes to the fore. (2022, November). Debevoise & Plimpton. Retrieved October 11, 2023, from https://www.debevoise.com/insights/publications/2022/11/in-a-choppy-market-preferred-equity-comes

Infrastructure debt: An emerging investment strategy among private investors. (2023, February 15). Global Infrastructure Hub. Retrieved November 9, 2023, from https://www.gihub.org/articles/infrastructure-debt-an-emerging-investment-strategy-among-private-investors/

Kelly, J. (2017, October 6). *Hudson yards wants to be new york's new money hub*. Bloomberg Markets. Retrieved November 9, 2023, from https://www.bloomberg.com/news/features/2017-10-06/hudson-yards-wants-to-be-new-york-s-new-money-hub#xj4y7vzkg

Lee, K., & Easterly, J. (2023, July 27). *How can private credit markets adapt to win in 2023?* RBC Capital Markets. Retrieved October 11, 2023, from https://www.rbccm.com/en/story/story.page?dcr=templatedata/article/story/data/2023/06/how-can-private-credit-markets-adapt-to-win-in-2023

Lewis, B., Machera, C., & Patel, S. (2023, September). *The rise of private credit & its impact on acquisition dynamics*. Bloomberg Law. Retrieved November 10, 2023, from https://www.bloomberglaw.com/external/document/X8GKQD10000000/m-a-professional-perspective-the-rise-of-private-credit-its-impa

Min, Y. M. (2023, April 25). *Private credit uncovered: Exploring different types of private credit*. Medium. Retrieved November 9, 2023, from https://medium.com/bluejay-finance/private-credit-uncovered-exploring-different-types-of-private-credit-3856393fd0c4

More borrowers turn to private markets for credit. (2022, February 23). The Economist. Retrieved November 9, 2023, from https://www.economist.com/special-report/2022/02/23/more-borrowers-turn-to-private-markets-for-credit?utm_medium=cpc.adword.pd&utm_source=google&ppccampaignID=17210591673&ppcadID=&utm_campaign=a.22brand_pmax&utm_content=conversion.direct-response.anonymous&gad_source=1&gclid=Cj0KCQiAo7KqBhDhARIsAKhZ4ugjAocOrLwvKEoiImMxoOzDcr1JhligLOCvywhZCXuqYKpZJ97VEMUaAjh8EALw_wcB&gclsrc=aw.ds

Neely, M. T., & Carmichael, D. (2021). Profiting on crisis: How predatory financial investors have worsened inequality in the coronavirus crisis. In *American behavioral scientist* (Vol. 65, pp. 1649-1670). https://doi.org/10.1177/00027642211003162

Nelthorpe, T. (2023, September 4). *Private credit: Is this infrastructure's new liquidity pocket?* Proximo. Retrieved November 9, 2023, from https://www.proximoinfra.com/articles/8302/private-credit-is-this-infrastructures-new-liquidity-pocket

Origin Investments. (2023, July 21). *What is mezzanine debt?* Origin Investments. Retrieved October 11, 2023, from https://origininvestments.com/what-is-mezzanine-debt/

Preferred equity as a substitute for a debt offering. (2023, May 3). Capital Fund Law Group. Retrieved October 11, 2023, from https://www.capitalfundlaw.com/blog/2015/04/05/preferred-equity-as-a-substitute-for-a-debt-offering

Private Credit. (n.d.). Moodys. Retrieved November 10, 2023, from https://www.moodys.com/web/en/us/private-credit.html

Private credit: A diverse and versatile toolkit for investors. (2023, May 31). M&G Investments. Retrieved November 9, 2023, from https://www.mandg.com/investments/institutional/en-us-onshore/insights/2023/q2/private-credit-finding-a-versatile-toolset-for-investors

Private credit: Evolution and opportunity in direct lending. (2022, April). BlackRock Institutions. Retrieved October 11, 2023, from https://www.blackrock.com/institutions/en-us/insights/private-credit-evolution-and-opportunity-in-direct-lending

Private credit: The $1 trillion "new 40" opportunity. (2021, July 13). Institutional Investor. Retrieved October 11, 2023, from https://www.institutionalinvestor.com/article/2bswwi53b51kgchcjr400/innovation/private-credit-the-1-trillion-new-40-opportunity

Private debt. (n.d.). Preqin. Retrieved October 11, 2023, from https://www.preqin.com/academy/lesson-4-asset-class-101s/private-debt

Private debt: An attractive investment opportunity in the current market context. (2023, February 14). Rothschild & Co. Retrieved October 11, 2023, from https://www.rothschildandco.com/en/newsroom/insights/2023/02/wm-private-debt-an-attractive-investment-opportunity-in-the-current-market-context/

Private debt: A rising star in ESG investing. (n.d.). Katch Investment Group. Retrieved November 9, 2023, from https://katchinvest.com/news/private-debt-a-rising-star-in-esg-investing/

Review of futures markets. (n.d.). The Institute for Financial Markets. Retrieved November 9, 2023, from https://theifm.org/sites/default/files/inline-files/Tale%20of%20Two%20Regulations_Mar2013_0.pdf

The rise of private debt investing. (2019, January 1). Growth Cap. Retrieved October 11, 2023, from https://growthcapadvisory.com/the-rise-of-private-debt-investing-2/

The rise of private markets. (2020, February). California Public Employees' Retirement System. Retrieved November 9, 2023, from https://www.calpers.ca.gov/docs/board-agendas/202207/full/day1/03-c-01-private-debt-background2-a.pdf

A rising tide lifts private credit. (2023, July 17). Pensions & Investments. Retrieved November 9, 2023, from https://www.pionline.com/private-credit-rt2023

Rosenbaum, J., Pearl, J., Perella, J., & Harris, J. (2020). *Investment banking: Valuation, lbos, meta, and ipos* (3rd ed.). John Wiley et Sons.

Ruckin, C., Duncan, E., & Hidalgo, K. (2023, July 19). *Banks notch up LBO deal wins from private credit firms*. Bloomberg. Retrieved November 9, 2023, from https://www.bloomberg.com/news/articles/2023-07-19/banks-are-notching-up-lbo-deal-wins-from-private-credit-firms#xj4y7vzkg

SEC finalizes changes to private fund rules. (2023, August 23). Dechert LLP. Retrieved October 11, 2023, from https://www.dechert.com/knowledge/onpoint/2023/8/sec-newsflash.html

Seligson, P. (2023, June 16). *Private credit's quiet, unstoppable rise comes with unknown risk*. Bloomberg. Retrieved October 11, 2023, from https://www.bloomberg.com/news/articles/2023-06-16/wall-street-s-hot-new-thing-is-private-credit-a-cousin-of-private-equity#xj4y7vzkg

Sen, A., & Carnevali, D. (2023, May 7). *Exclusive: Warburg and advent in the lead to acquire baxter's biopharma unit*. Reuters. Retrieved November 9, 2023, from https://www.reuters.com/markets/deals/warburg-advent-lead-acquire-baxters-biopharma-unit-sources-2023-05-07/

Snyder, M. (2023, August 17). *Private credit and asset allocations*. NewEdge Wealth. Retrieved October 11, 2023, from https://www.newedgewealth.com/private-credit-and-asset-allocations/

Trends in special situations & private credit. (2023). Akin Gump Strauss Hauer & Feld LLP. Retrieved November 9, 2023, from https://www.akingump.com/a/web/eoxk11e2Zq68SjST1qMTBz/7zFYTk/trends-in-special-situations-and-private-credit-in-2023.pdf

Understanding first lien, senior secured and subordinated debt. (2023, January 4). Yieldstreet. Retrieved November 9, 2023, from https://www.yieldstreet.com/resources/article/first-lien-senior-secured-and-subordinated-debt/

Understanding private credit. (2021, October 20). Goldman Sachs. Retrieved October 11, 2023, from https://www.gsam.com/content/gsam/us/en/advisors/market-insights/gsam-insights/2022/understanding-private-credit.html

Understanding private credit. (2023, September 15). Morgan Stanley. Retrieved October 11, 2023, from https://www.morganstanley.com/ideas/private-credit-outlook-considerations

Valladares, M. R. (2023, September 22). *Newly proposed U.S. banking rules would not reduce lending*. Forbes. Retrieved November 9, 2023, from https://www.forbes.com/sites/mayrarodriguezvalladares/2023/09/22/proposed-basel-iii-rules-update-does-not-lead-to-reduced-lending/?sh=afb9e955b1eb

Wojnilower, A. M. (n.d.). *The central role of credit crunches in recent financial history*. Brookings. Retrieved November 10, 2023, from https://www.brookings.edu/wp-content/uploads/1980/06/1980b_bpea_wojnilower_friedman_modigliani.pdf

Zhang, H. (2023, January 6). *The pandemic boosted the case for PE*. Institutional Investor. Retrieved October 11, 2023, from https://www.institutionalinvestor.com/article/2bstrn5r5qzj5uawvi39c/corner-office/the-pandemic-boosted-the-case-for-pe