

Deal Flow and Bandwidth Issues

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Before Covid the persistent view of private credit was too much capital chasing too few deals. Transaction inflation was resulting in tight spreads, high leverage and weak terms.

When Covid hit this balance shifted dramatically in favor of the investor. Deal supply dried up, lenders retreated, and terms strengthened. But within weeks central bank liquidity ended that run.

Today the private credit pipeline is at record levels, fueled by a combination of near-zero risk free rates, low relative value for riskier assets, and volatility from more correlated strategies such as public equities...

?? Read Sept 20 2021 newsletter: [here](#)

?? Chart of the Week: [here](#) (by The Daily Shot, Bloomberg, IHS Markit, Genscape)

(Any “forward-looking” information may include, among other things, projections, forecasts, estimates of market returns, and proposed or expected portfolio composition Past performance is no guarantee of future results. Investing involves risk; principal loss is possible.)