

The Case for Junior Capital (Last of Four Parts)

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In early 2020, just before Covid came crashing down on our heads, we were in the middle of a Lead Left series called “Ten Top Myths About Private Credit”. Myth #5, published on February 20, was “No one uses mezzanine debt anymore.”

We felt compelled, after a decade of increasingly aggressive senior and unitranche financings, to point out how private equity sponsors had never stopped using junior debt as “patient capital” to help stretch leverage and provide a cushion to banks and other senior lenders...

?? Read July 31 2023 newsletter: [here](#)

?? Chart of the Week: [here](#) (by PE Buyout & Mezzanine – Cambridge Associates, MM direct lending; Cliffwater CDLI, High yield; ICE BofA US High Yield Index, Broadly syndicated; S&P/LSTA LL)

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