



## Financing the Economy 2019

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**The Alternative Credit Council (ACC) has launched its fifth annual private credit survey. We are pleased to be partnering with Dechert on the latest edition of this survey, which will inform our annual Financing the Economy research on the state of the global private credit industry. To mark the 5th anniversary of this research, we will be focussing on the future of private credit and the key trends that will shape the development of the market in coming years.**

1. Please provide your name and contact details

Name:

Email:

Firm:

\* 2. What is the estimated deployed capital (i.e. excluding dry powder) allocated to private credit (broadly defined as investments in loans, private bank debt, private debt securities and similar instruments, but excluding publicly traded bonds or more liquid fixed income strategies) across all vehicles/accounts?

- No allocations currently to private credit
- \$1m - \$99m
- \$100m - \$249m
- \$250m - \$499m
- \$500m - \$999m
- \$1bn - \$2.49bn
- \$2.5bn - 4.99bn
- \$5bn - \$9.99bn
- \$10bn - \$20bn
- Greater than \$20bn

\* 3. How much undrawn capital (or dry powder) do you have to allocate to private credit investments (as defined above) across all vehicles/accounts?

- None
- \$1m - \$99m
- \$100m - \$249m
- \$250m - \$499m
- \$500m - \$999m
- \$1bn - \$2.49bn
- \$2.5bn - 4.99bn
- \$5bn - \$9.99bn
- \$10bn - \$15bn
- Greater than \$15bn

\* 4. How do you see your investment in these private credit markets changing over the next three years?

|                                       | More investment       | Same level of investment | Less investment       | N/A - I do not invest in these markets |
|---------------------------------------|-----------------------|--------------------------|-----------------------|--|
| Large Corporates                      | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| SME/Mid-market                        | <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"/>                  |
| Infrastructure                        | <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"/>                  |
| Structured products (e.g. CLOs, CDOs) | <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"/>                  |
| Receivables                           | <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"/>                  |
| Other                                 | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |

\* 5. How do you see your investment in these markets changing over the next three years?

|                                    | More investment       | Same level of investment | Less investment       | N/A - I do not invest in these markets |
|------------------------------------|-----------------------|--------------------------|-----------------------|--|
| US                                 | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| North America (ex. US)             | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| UK                                 | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Europe (ex. UK)                    | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Middle East/Africa                 | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Asia Pacific (ex. China and India) | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| China                              | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| India                              | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| South America                      | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |

\* 6. Which of these factors will have a significant impact on the future growth of your business? (select all that apply)

- The economic/credit cycle
- Deal origination capacity/competition for deal flow
- Ability to raise additional capital
- Sourcing and retaining the necessary talent to execute investment strategy
- Operational capacity/ability to scale
- Regulatory and tax policy
- Other (please specify)

\* 7. What are the biggest challenges in the operational side of your business? (select all that apply)

- Increasing legal and compliance costs
- Lack of off-the-shelf IT, technology and operational service provider support
- Risk management, monitoring and reporting requirements
- Other (please specify)
- Valuation
- Understanding and use of alternative data
- Ability to deal with default situations

\* 8. What are the biggest regulatory challenges facing your business? (select all that apply)

- Local lending licensing/conduct requirements
- Cross border issues
- Insolvency and creditor protection
- Tax and fund structuring
- Privacy/data protection
- Other (please specify)

\* 9. How do you plan to develop your origination channels for potential credit opportunities over the next three years?

|                                     | Greater volume of credit opportunities to be originated via this channel | Smaller volume of credit opportunities to be originated via this channel | Same volume of credit opportunities to be originated via this channel | N/A - I do not invest in these markets |
|-------------------------------------|--|--|---|--|
| Direct relationship with a borrower | <input type="radio"/>  | <input type="radio"/>  | <input type="radio"/>   | <input type="radio"/>                  |
| Consultants                         | <input type="radio"/>  | <input type="radio"/>  | <input type="radio"/>   | <input type="radio"/>                  |
| Banks/credit institution            | <input type="radio"/>  | <input type="radio"/>  | <input type="radio"/>   | <input type="radio"/>                  |
| Private equity firms                | <input type="radio"/>  | <input type="radio"/>  | <input type="radio"/>   | <input type="radio"/>                  |
| Peer-to-peer platforms              | <input type="radio"/>  | <input type="radio"/>  | <input type="radio"/>   | <input type="radio"/>                  |
| Other industry relationships        | <input type="radio"/>  | <input type="radio"/>  | <input type="radio"/>   | <input type="radio"/>                  |
| In-house advisory                   | <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"/>                  |

\* 10. What are your expectations around default rates on defaulted loans during the next three years?

- Likely to be higher than historical averages
- Likely to be lower than historical averages
- Likely to be broadly the same as historical averages

\* 11. Which sectors are you primarily competing with for talent? (select all that apply)

- Banks
- Hedge funds
- Private equity
- Real estate
- Technology/digital
- Other (please specify)

\* 12. How do you expect allocations from these types of investors to change over the next three years?

|                            | More investment       | Same level of investment | Less investment       | N/A - I do not invest in these markets |
|----------------------------|-----------------------|--------------------------|-----------------------|--|
| Pension funds              | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Insurers                   | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Sovereign wealth funds     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| High-net-worth individuals | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Private banks              | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Family offices             | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Employees and staff        | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |
| Other (please specify)     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/> | <input type="radio"/>                  |

\* 13. What are the most important factors in achieving alignment of interest between you and your investors? (select all that apply)

- Right structure of fees
- Right level of fees
- Ability to co-invest
- High level of transparency and reporting
- Enhanced communication and strong relationships
- Other (please specify)

\* 14. Which of the following best describes your firm's approach to Responsible Investment (RI)/ESG?  
(select more than one where necessary)

- Negative screening of companies
- Using RI/ESG factors to evaluate investment opportunities
- Direct engagement with borrowers on RI/ESG issues
- Impact investing
- RI/ESG factors do not affect our investment process
- Other (please specify)

\* 15. What are the biggest challenges to the adoption of RI/ESG factors into a private credit strategy? (select all that apply)

- Limited track record to assess investments on RI/ESG factors
- Lack of attractive investment opportunities when assessed against RI/ESG factors
- Skepticism regarding the viability of RI/ESG factors being able to deliver expected returns
- Shortage of knowledge or expertise on use of RI/ESG in the market
- Lack of relevant disclosures from borrowers
- Lack of standardisation across the data/reporting of RI/ESG factors
- Costs involved relative to the scale of your company
- Other (please specify)