



AIMA's Alternative Credit Council publishes *Guide to Private Credit for Borrowers and Investors – Canadian Edition* to Provide Education on Asset Class

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The Alternative Investment Management Association (AIMA) Canada's Alternative Credit Council (ACC) has today published a comprehensive guide to accessing private credit for both business owners and Canadian investors.

There has been consistent growth of the private credit industry both globally and in Canada over the past decade and the ACC's introductory guide highlights how the growing private credit market can provide new capital for Canadian businesses, while providing diversification, non-correlated returns and alternative investment opportunities for Canadian investors.

The guide provides an outline of how these lenders assess a business' growth potential, a jargon-busting glossary of key terms, as well as case studies highlighting real life examples of how private credit has helped businesses invest and innovate. Examples of the featured case studies are included below. As the guide highlights, private credit managers are well equipped to work in partnership with borrowers to help them grow and develop their business.

In addition, this guide will help business owners and investors understand how the asset class works, the questions private credit lenders will ask as part of their due diligence, what to expect in a loan agreement, why lenders ask questions about sustainability and what they can expect once a loan has been made.

It is more vital than ever that Small and Medium Enterprises (SMEs) across the country have access to the finance to invest and adapt to newer trends in customer demand and behaviour. This guide will help SMEs understand the range of finance options available to them and empower them make the right choices for their business, while also enhancing investor education on how the asset class works.

The full guide is available [here](#).

Jiří Król, Global Head of the Alternative Credit Council & Deputy CEO, AIMA, commented: "Private credit managers are an increasingly important part of the business finance market, providing borrowers with tailored and flexible access to credit. Our industry moved quickly to provide support to businesses during the pandemic and will be instrumental in fuelling the recovery."

Claire Van Wyk-Allan, Managing Director, Head of Canada, AIMA commented: "Private credit plays an important role in the regular functioning of the Canadian economy, financing many small and mid-sized businesses where traditional bank lending may not be available, providing important funding for jobs and growth. Private credit also delivers diversified, non-correlated returns for Canadian investors in both institutional and retail portfolios. This introductory guide serves as a comprehensive resource for investors and businesses alike to learn more about private credit."

Belle Kaura, Chair, AIMA Canada & VP Legal & CCO, Third Eye Capital, commented: "Private credit held strong through the global crisis, resoundingly proving its resilience and its value as a vital part of the ecosystem of the real economy. Private lenders support borrowers by providing flexible and creative financing that businesses need to survive, grow and create jobs. Businesses across Canada need funding but are finding that they can't turn to banks who are re-trenching to de-risk and are



unwilling or unable to be liquidity providers. The outlook for the asset class is bullish with strong investor demand driven by a need for yield, higher absolute returns and a hedge from volatility of equities and low returns of fixed income. Direct lending has had a strong start to the year with 200 billion dollars of fresh capital estimated to be deployed globally this year, but not all managers are created equal. Borrowers and investors need to focus on manager selectivity to ensure lenders are capable of supporting borrowers through challenging times and managing through complexities of restructuring scenarios. Borrowers should seek established private lenders that they can trust to understand their business and partner with to create be-spoke credit solutions.”

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Notes to Editors

About the ACC

The Alternative Credit Council (ACC) is the global body representing asset management firms in the private credit and direct lending space. It currently represents over 200 members that manage \$450 billion of private credit assets. The ACC is an affiliate of AIMA (the Alternative Investment Management Association). It is governed by its own board which ultimately reports to the AIMA Council. ACC members provide an important source of funding to the economy. They finance mid-market corporates, SMEs, commercial and residential real estate developments, infrastructure and the trade and receivables business. The ACC provides guidance on policy and regulatory matters, supports wider advocacy and educational efforts and produces industry research to strengthen the sector's sustainability and economic and financial benefits. Alternative credit, private debt or direct lending funds have grown substantially in recent years and are becoming a key segment of the asset management industry. The ACC seeks to explain the value of private credit by highlighting the sector's wider economic and financial stability benefits.

AIMA

The Alternative Investment Management Association (AIMA) is the global representative of the alternative investment industry, with more than 2,000 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than \$2 trillion in hedge fund or private credit assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 200 members that manage \$450 billion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors). For further information, please visit our website, www.aima.org. AIMA was founded in 1990, with the AIMA Canada subsidiary formed in 2003.

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