



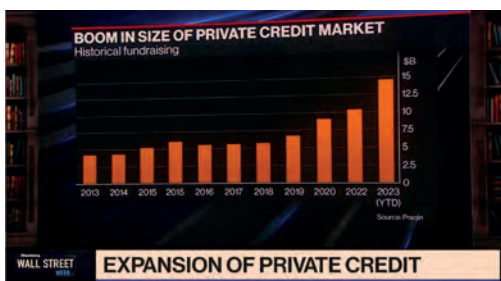
How Private Credit became the Apex investment on Wall Street?

Since 2020 the burgeoning private credit market has flourished from USD875 billion to USD1.4 trillion in 2023, and is estimated to grow to a staggering \$2.3 trillion by 2027. This emerging asset class is compelling for investors seeking diversification, attractive yields, and risk mitigation. Here is why investors should consider allocating capital to this growing asset class.

Private credit presents a compelling opportunity for investors for several reasons. Firstly, it aligns with the growing market trend, capable of absorbing institutional-sized fund flows, providing ample room for investment growth and liquidity. Secondly, it offers a hedge against emerging market currency fluctuations by providing yields in USD, thus mitigating currency risk and enhancing portfolio stability. Thirdly, as a new asset class in portfolio construction, it offers low correlation with existing portfolio constituents, facilitating diversification and reducing overall portfolio risk. Additionally, private credit typically offers attractive yields in USD, often exceeding 8%, providing investors with a source of steady income. Finally, the predictable nature of fixed income yields associated with private credit further enhances its appeal, offering investors clarity for optimal treasury management.

Substantial Growth and Increasing Asset Size

The private credit market has witnessed a significant expansion, reflecting its growing prominence within the broader investment landscape. This surge in asset size highlights the increasing recognition of private credit's role in filling funding gaps and providing opportune financing solutions in today's dynamic economic environment.



Source: Bloomberg

Bloomberg statistics report a staggering recent growth in private credit.

Empowering Small Businesses and Mitigating Risks:

One of the standout features of private credit is its ability to support small and medium-sized enterprises (SMEs), that may face challenges accessing traditional bank financing. As banks tighten their lending criteria, many viable businesses find themselves underserved or overlooked. Private credit fills this void by offering tailored financing solutions, including asset-based lending, mezzanine financing, and direct lending, thereby fostering entrepreneurship and fueling economic growth. Small and mid-sized businesses often consider private credit as their savior for continued growth and expansion mainly when bigger banks are not meeting their funding needs.

Private credit investments often come with built-in risk mitigation mechanisms offering fixed income yields to investors. Private credit instruments typically offer contractual protections, collateralization, and covenant structures that provide downside protection for investors. This focus on capital preservation, coupled with the potential for attractive risk-adjusted returns, makes private credit an appealing proposition for investors seeking stable income streams and reduced volatility in their portfolios.

Diversification across different segments of the private credit market can help mitigate concentration risk and enhance portfolio resilience. By carefully assessing risk-return profiles and aligning investment strategies with their broader financial objectives, investors can position themselves to capture the potential upside of private credit while safeguarding against downside risks.

Selecting the Right Private Credit Investments with yields in USD

While the growth prospects of private credit are enticing, selecting the right investments is fundamental for maximizing returns and managing risks effectively. Investors should conduct thorough due diligence, evaluating factors such as the credit quality of underlying assets, the expertise and track record of fund managers, and the structural protections embedded within the investment vehicle.

Investors are provided with the opportunity to earn fixed income yields in USD on a regular basis, which mitigates local currency devaluation and provides some currency hedge within the portfolio. Specialized structured offerings, such as the Apex Structured Liquidity Offering, give investors the opportunity to benefit from this growing asset class while offering fixed income returns exceeding those of traditional bank deposits.

Among the successful direct funding companies, US-listed FAVO Capital Inc. stands out for its impressive growth trajectory and performance, making it a noteworthy choice for investors to consider.

The Opportune Time to Invest

The growth of the private credit asset class presents compelling opportunities for investors seeking to enhance their portfolios with fixed income yields and risk-adjusted returns. By providing essential financing to underserved segments of the market and offering robust risk mitigation features, private credit has earned its place as a valuable component of a well-rounded investment strategy. As the market continues to evolve and expand, investors who embrace the potential of private credit stand to benefit from the unique advantages of this fixed income strategy.

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