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## The Quiet Strength of Syndicated Loans in a Noisy Private Credit Market

By IAM Debt Capital Markets team

Private credit has recently seen accelerated growth as a result of increased regulatory constraints on banks facing more stringent lending criteria, together with investors seeking portfolio diversification and enhanced yields<sup>1</sup>.

The term private credit is however very broad, and not all private credit is created equal. Private credit includes strategies such as venture debt, special situations, direct lending, distressed debt, real estate financing, or structured products. There are risks associated and the asset class is far more complex than investors may think.

Some private credit funds are growing so quickly that in order to deploy their cash, they must say yes to riskier deals they may have said no to in the past. Another reason investors are drawn to private credit is diversification. However, in our experience, Australian investors are overweight in equities and property as it is. So, if your private credit fund is investing in real estate, then you might not be getting those benefits of diversification that you may think you are.

The corporate syndicated loan market is part of the private credit sector; however, syndicated term loans are of the highest quality credits supported by Australasia's largest debt investors.

The corporate syndicated loan market—a space traditionally reserved for institutional investors—is quietly offering some of the most compelling opportunities in private credit to wholesale investors.

This is a true professional market, with minimum ticket sizes of \$10 million to \$20 million, led by major banks who conduct extensive due diligence before committing capital. Supported by teams of analysts and legal experts, these investors operate under rigorous governance frameworks. While mistakes can happen, the breadth of resources available to banks generally allows them to make more informed investment decisions compared to private investors over the long term.

Income Asset Management (IAM) provides private wholesale high-net-worth investors access to these opportunities alongside Australia's biggest banks, offering large, senior secured syndicated loans to corporates with strong assets, cash flows, and equity.

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<sup>1</sup> <https://www.monashmsmf.org/institute/publications/the-rise-of-private-credit-in-australia>

By participating in \$20 million portions of \$500 million bank-funded term loans, IAM ensures access to high-quality credit while benefiting from the due diligence and post-issuance surveillance conducted by major banks.

IAM currently has two live institutional senior secured loan transactions, both offering superior returns compared to publicly traded fixed-income securities. These opportunities also provide enhanced downside protection through stronger covenants and structural advantages.

Issuer	Margin / Term	Yield	Structure	Notes
Large domestic sports and entertainment streaming company	12.5% Fixed / 4 years	~9.00%	Senior Secured	Privately owned Australian company providing solutions and capital for regional infrastructure.
Large privately owned domestic freight company	BBSY + (500-600) / 3 years	~7.00%	Senior Secured	Well-established Australian alternative asset manager for over 70 years.

**If you're interested in learning more about our Syndicated Loans, please contact one of our Relationship Managers.**

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