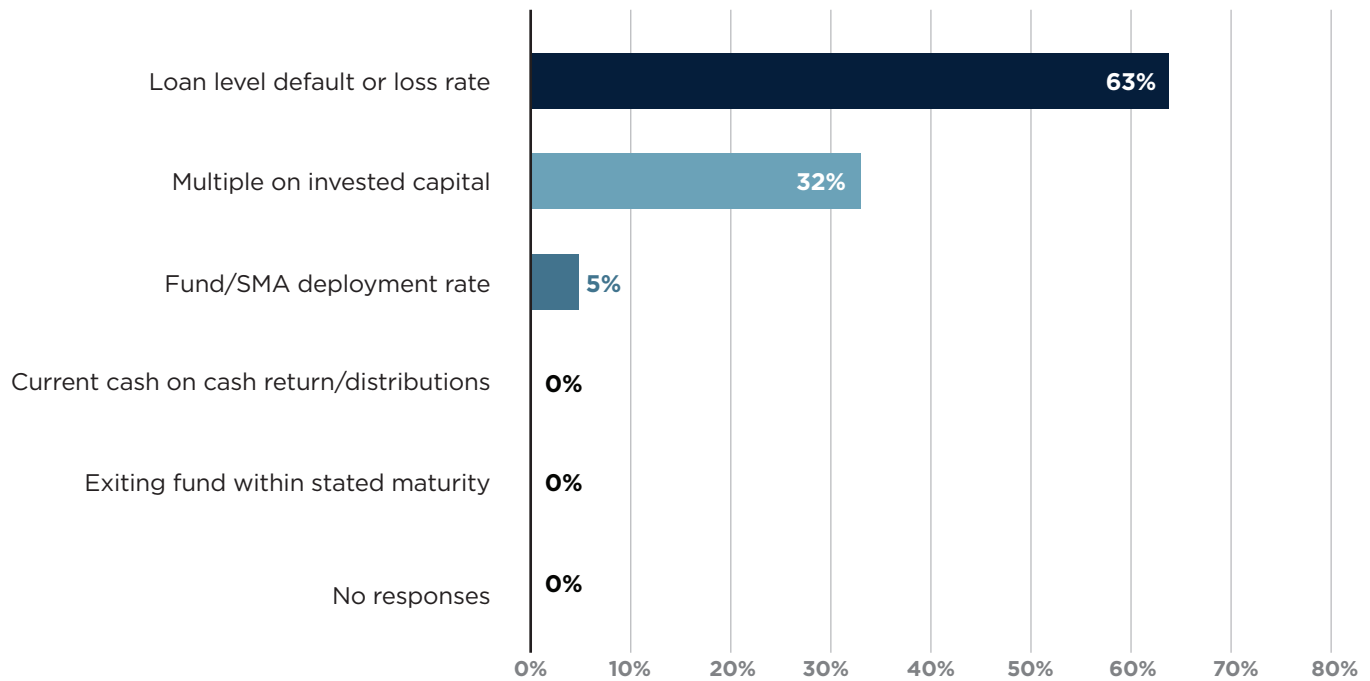




Survey Results

What metric/factor in addition to IRR is most important for measuring a private debt manager’s performance?



Internal rate of return is typically the first metric investors consider when evaluating a private debt manager’s performance. As our recent Eye on Private Credit survey shows, other measures investors use provide interesting insight into their priorities.

Sixty-three percent of participants in our recent survey consider a manager’s loan-level default or loss rate in addition to IRR. This is a clear reflection of investors’ focus on a manager’s fundamental strategy in today’s more competitive private debt market and the importance they place on a manager’s underwriting, portfolio management and workout capabilities. Another 32% of survey respondents review a manager’s multiple on invested capital, which we believe to be consistent with an expectation that private credit offers significant downside protection in terms of preservation of capital.

Thank you to everyone who participated in the survey.

If you have any other question recommendations, comments or feedback you would like to share please e-mail marketing@nxtcapital.com.

Survey was conducted in October and November 2019.

Loans will be arranged or made pursuant to a California Financing Law License.

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