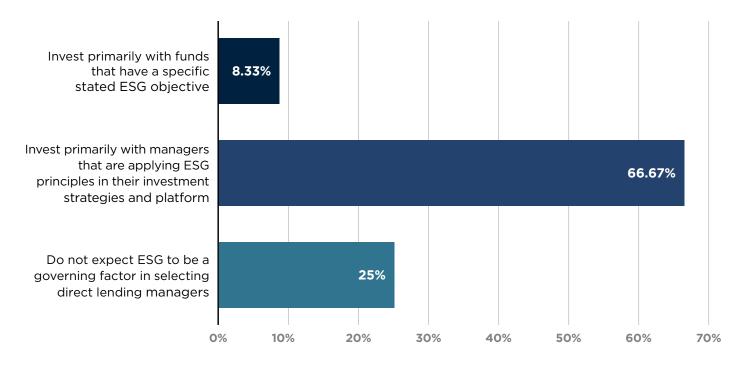




Survey Results

How does ESG play into your decision making for a direct lending manager?



ESG is a hot topic across the investment community. We asked our readers how ESG plays a role in their firms decision making when choosing a direct lending manager, 66% of respondents say they invest primarily with managers that are applying ESG principles in their investment strategies and platform. Twenty-five percent do not expect ESG to be a governing factor in selecting direct lending managers and eight percent invest primarily with funds that have a specific stated ESG investment objective.

While there are not yet standardized practices around ESG, over the last few years, we've seen significant growth in credit managers implementing industry screening, gathering data and monitoring borrowers through an ESG lens. We believe private credit's emphasis on credit quality and risk management lends well to incorporating ESG-related considerations. With active investor interest in ESG, we expect to see continued deployment and integration by managers.

Thank you to everyone who participated in the survey. If you have any recommendations, comments or feedback you would like to share please e-mail marketing@nxtcapital.com.

Survey was conducted in March 2021.

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