

Power Up: Asset-Backed Finance

A quick primer to charge your private markets portfolio

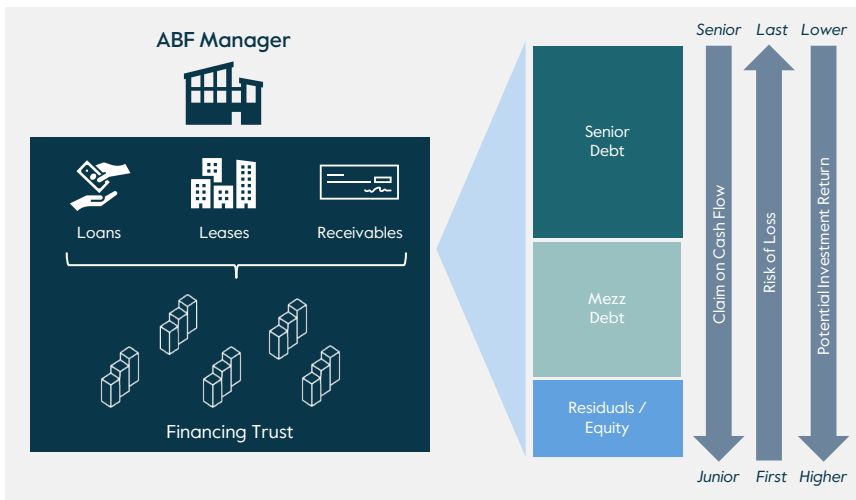
THE CONCEPT

We define **Asset-Backed Finance (ABF)** as buying diversified pools of hard and financial assets or lending against quality assets with contractual cash flows

WHY CONSIDER ASSET-BACKED FINANCE?

- Seeks to provide exposure to quality borrowers across diverse “real economy” financing markets that are central to everyday life
- Seeks to provide a steady stream of current income and repayment through contractual recurring cash flows
- Helps to mitigate idiosyncratic credit risks through asset pool diversification, often across hundreds or thousands of individual borrowers,
- Increased interest from asset owners, banks and originators such as specialty finance companies seeking tailored financing solutions to optimize their balance sheets

ASSET-BACKED FINANCE: HOW IT WORKS



For illustrative purposes only.

OUR ASSET-BACKED FINANCE TEAM¹

Financing the Real Economy

25+

Average years of experience of senior leadership team

\$6.9BN

AUM in Asset-Backed Finance

15+

Asset-backed finance professionals

KEYS TO OUR APPROACH²

Carlyle’s Asset-Backed Finance strategy seeks to acquire and lend against quality, diversified portfolios of collateral with contractual current cash flows.

Diversification

Access to investment opportunities across sectors and risk factors, combined with structural protections and quality collateral, helps achieve potentially lower correlation to private corporate credit and historical resilience through market cycles.

Underwriting and Due Diligence

Our efforts are amplified by cross-collaboration and knowledge sharing across Carlyle’s global platform which presents investment opportunities where Carlyle has established sector expertise³.

Structuring

We seek to mitigate losses through a robust structuring process spanning strategic asset-liability matching, flexible amortization profiles, and other structural assessments to enhance risk-adjusted returns relative to the public markets.

“We’re seeing a confluence of factors driving high-quality lending away from deposit-backed bank balance sheets and into private markets.”



Akhil Bansal
Head of Asset-Backed Finance at Carlyle

1. Source: Carlyle. As of June 30, 2024. 2. There is no assurance that any portfolio construction objectives can be achieved or that any such portfolio will be profitable or have similar characteristics. Diversification does not eliminate the risk of loss. 3. Certain communications between Carlyle Global Credit and investment professionals in other business segments may be restricted in accordance with Carlyle’s information barrier policy.

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