Based on decades of experience and analysis, we believe the growth of private credit provides important capital that stimulates the economy without increasing risks to the financial system

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Private credit assets have been around for decades in various forms, but have been transitioning out of the banking system over the past 30 years

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Direct lending has generated higher returns with similar or better loss rates compared to the broadly syndicated loan and high yield bond markets over the past two decades and has outperformed investment grade bonds over the past two credit cycles

ARES

Direct lending remains undersized relative to other relevant loan markets, and as the asset class grows, it reduces both leverage and mismatched funding in financial markets

Private credit is regulated, but not “bank regulated” in part because it is not funded with federally insured deposits and the use of 10x or more leverage