
[Kamco Invest hosts Direct Lending webinar with Madison Capital Funding as presenter](#)

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The webinar covered several key topics including insights on how private debt has become an established asset class in its own, the growth drivers and opportunities, as well as the impacts of COVID-19 on the debt market. Faisal Al Othman, Director of Third-Party Solutions at Kamco Invest moderated the webinar, while Ashish Shah, Managing Director – Head of Capital Markets at Madison, and Brian Ternes, Director – Capital Markets Investment Management Group at Madison, presented an overview of the private debt market, key industry findings, and the current market conditions, including the impact of COVID-19. Mr. Shah and Mr. Ternes presented virtually from Chicago, Illinois, USA, where Madison is headquartered.

Faisal Al Othman said, “We firmly believe that different market conditions bring different opportunities. It goes without saying that the current economic landscape is one to be considered as such. Now well over six months into the pandemic, we witnessed the role private debt is playing in financing the recovery from the global slowdown.”

Al Othman noted that the asset class benefits from a stable income in a hard currency in a fully regulated jurisdiction. Distribution frequency is generally done quarterly with a yield that matches or

surpasses other asset classes such as real estate and leasing. Through private lending, an investor is the provider of the leverage versus assuming the leverage to achieve the desired return. More importantly, the risk mitigants inherent in the asset class provide protection from the biggest risk, default. This ultimately results in strong recovery rates through the enforcement mechanisms addressed by skillful lead lenders and arrangers of such transactions that do not compromise when it comes to capital preservation.

Mr. Shah and Mr. Ternes discussed in detail the mechanism of the private debt market, and more specifically how debt is underwritten. They emphasized the important role that lead lenders and arranges have in the arrangement of each loan. Madison often has a lead role in the preparation of the covenants on each transaction and providing enforcement of remedies in case of default. This in turn creates the potential for a high recovery rate on defaulted loans. Historically, Senior Secured Loans have had a very low default rate and a high degree of recovery.

Al Othman concluded, “We are pleased to have Madison present on this insightful topic that sheds light on the growing demand for private debt. Specializing in custom tailoring portfolios for our clients through exposures to third party opportunities, we will continue to explore new opportunities and monitor existing ones to deliver risk adjusted returns for our investors.”

Kamco Invest successfully hosted a webinar at which representatives from Madison Capital Funding LLC, a U.S. direct lending financing company (“Madison”), presented on Direct Lending as an asset class covering the economic landscape in the US, including 2020 market drivers and considerations, deal flow analysis and credit rating trends, in addition to possible opportunities in the asset class moving forward.