

Private Debt Opportunities in Asia Pacific

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Asia Pacific Debt Market is well positioned for significant growth



Increase in Supply of Capital

Institutional investors allocating capital based on differentiated investment strategies for different pockets of risk-return



Robust Demand for Capital

Awareness among borrowers why private debt may be superior solution to traditional bank funding or private equity in many situations



Improvement in Legal Framework

Tangible improvement in legal frameworks in many Asian emerging markets better protects the interest of creditors



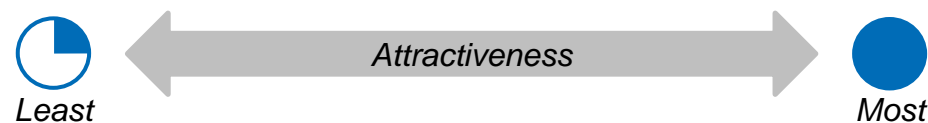
Development of Ecosystem of Service Providers

Background check firms, tax and financial due diligence firms, forensic accounting, and security trustees

Private Debt Market Opportunity Set in Asia

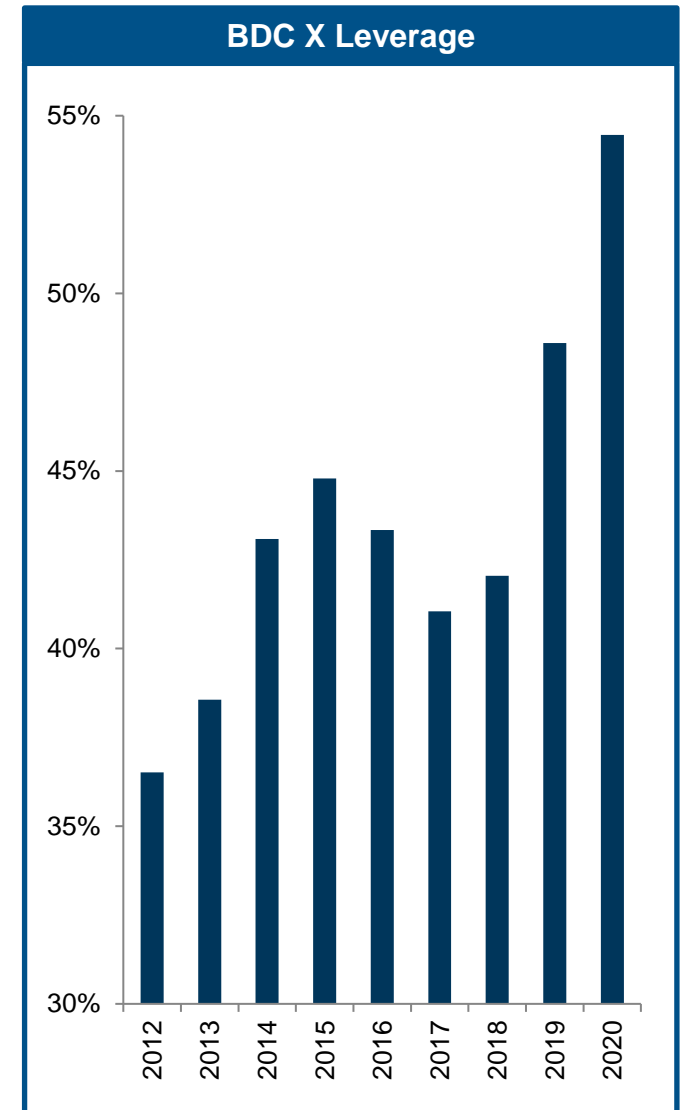
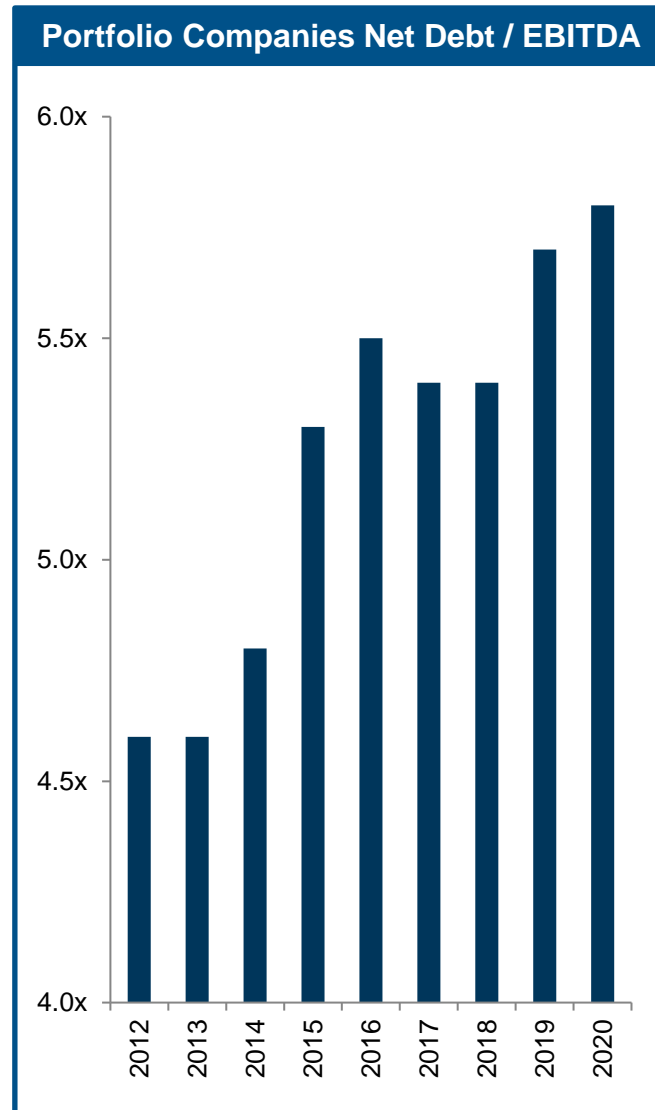
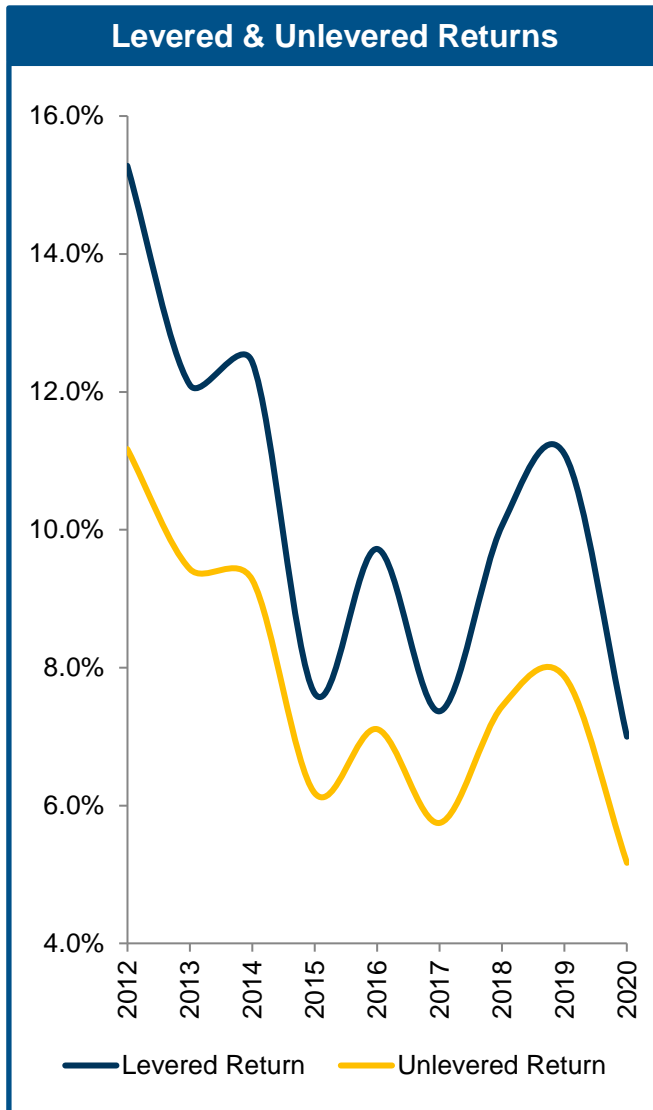
Various sub-markets with varying economic conditions provide a broad range of investment opportunities

| | China | India | South East Asia | Australia | Others |
|------------------------------------|-------|-------|-----------------|-----------|--------|
| Overall Risk-Reward Attractiveness | | | | | |
| Market Dynamics | | | | | |
| Onshore Bank Liquidity | | | | | |
| Competition from Non-bank players | | | | | |
| Economic Stability/Growth | | | | | |
| Private Debt Market Size | | | | | |
| Market Pricing | | | | | |
| Legal | | | | | |
| Enforcement Regime | | | | | |
| Regulatory Framework | | | | | |



Case Study – US Business Development Company (“BDC X”)

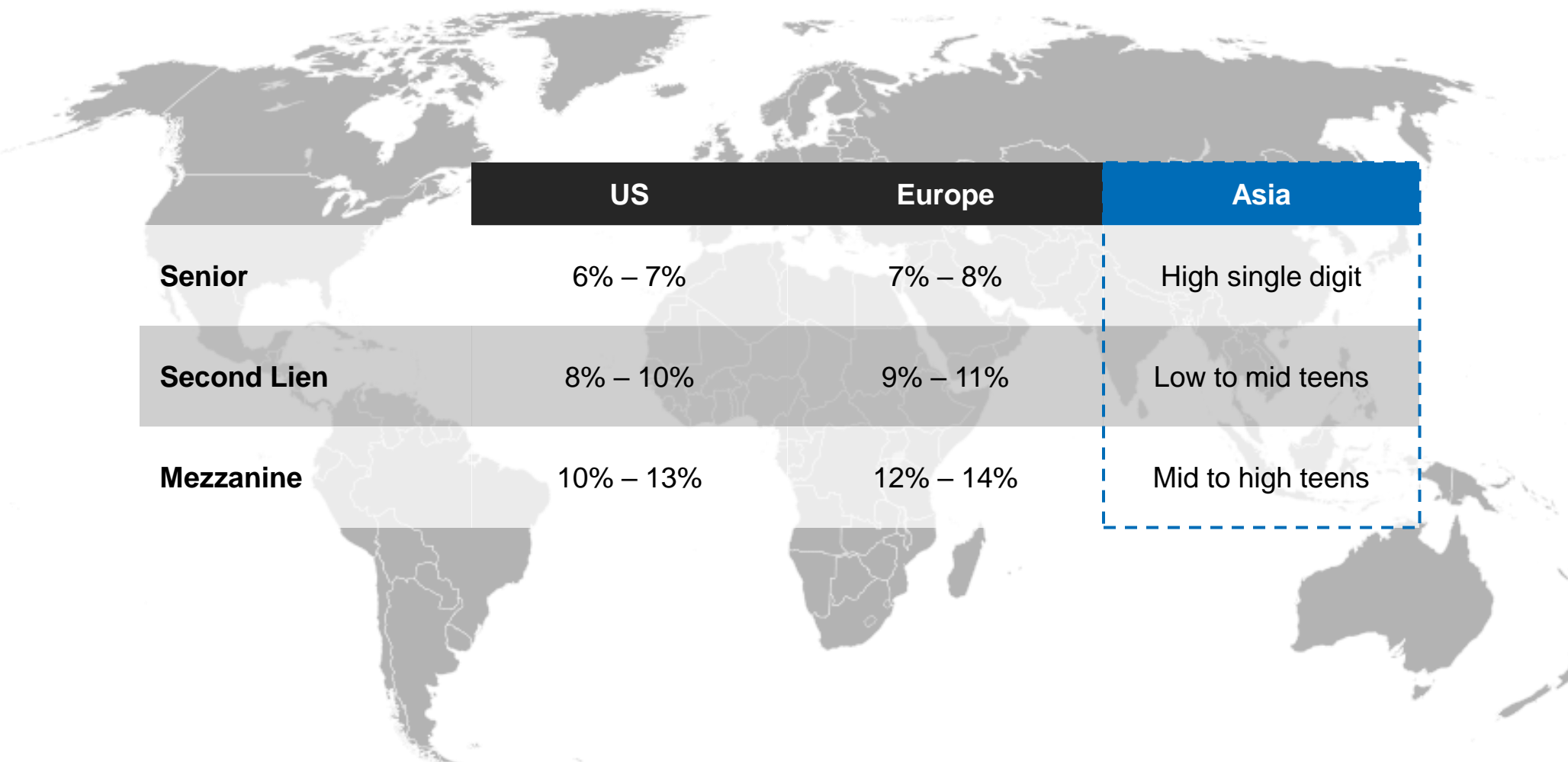
Increasing liquidity and competition in US private debt has resulted in declining returns and increase in risk metrics



Source: Public filings of a listed US Business Development Company, and Orion Analysis

Superior Risk Return in Asian Private Debt

Asia Private Debt provides a yield pick-up when compared to credits in the US and Europe



| | US | Europe | Asia |
|--------------------|-----------|-----------|-------------------|
| Senior | 6% – 7% | 7% – 8% | High single digit |
| Second Lien | 8% – 10% | 9% – 11% | Low to mid teens |
| Mezzanine | 10% – 13% | 12% – 14% | Mid to high teens |

Asian Private Debt Market...

...has evolved and matured with strong interest from global institutional investors

...is expected to grow exponentially on the back of strong demand for growth capital

...likely to outperform the other private debt markets over short / medium / long term

...requires deep local knowledge and strong structuring skills, which are critical success factors for private debt in the region

...is home to various sub-markets with different mini cycles and dislocations for a broad set of investment opportunities

...is where the US and European markets were in the early 2010's – high yields and strong bargaining power of lenders

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