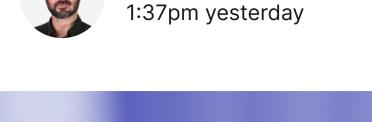
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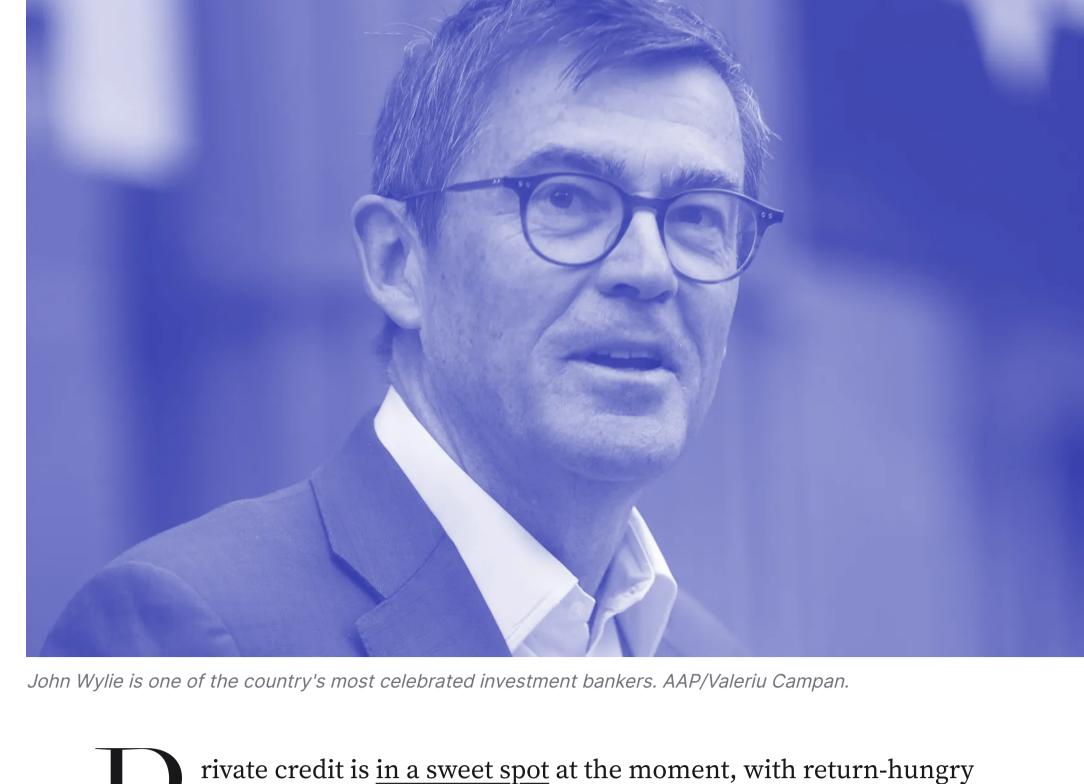
John Wylie's Tanarra looks to capitalise as private credit boom reaches Australia

with a small handful of players dominating dealflow.

Private credit is in a sweet spot globally but still in its infancy in Australia,



JAMES ARBUTHNOTT



investors boosting demand for high-yielding products and regulatory

just a few big players dominating private credit dealflow.

available to supply it.

restraints forcing banks out of riskier lending. The <u>private credit boom</u> is proving lucrative for global alternative asset managers like KKR, Blackstone and Ares, which are reaping big returns. In Australia, the players might be different but the dynamics are similar, but with

Wylie-led investment firm which manages \$3 billion for super funds and other investors. Graham Lees, a managing partner at Tanarra Credit Partners, says demand

for acquisition financing in Australia easily outweighs the number of lenders

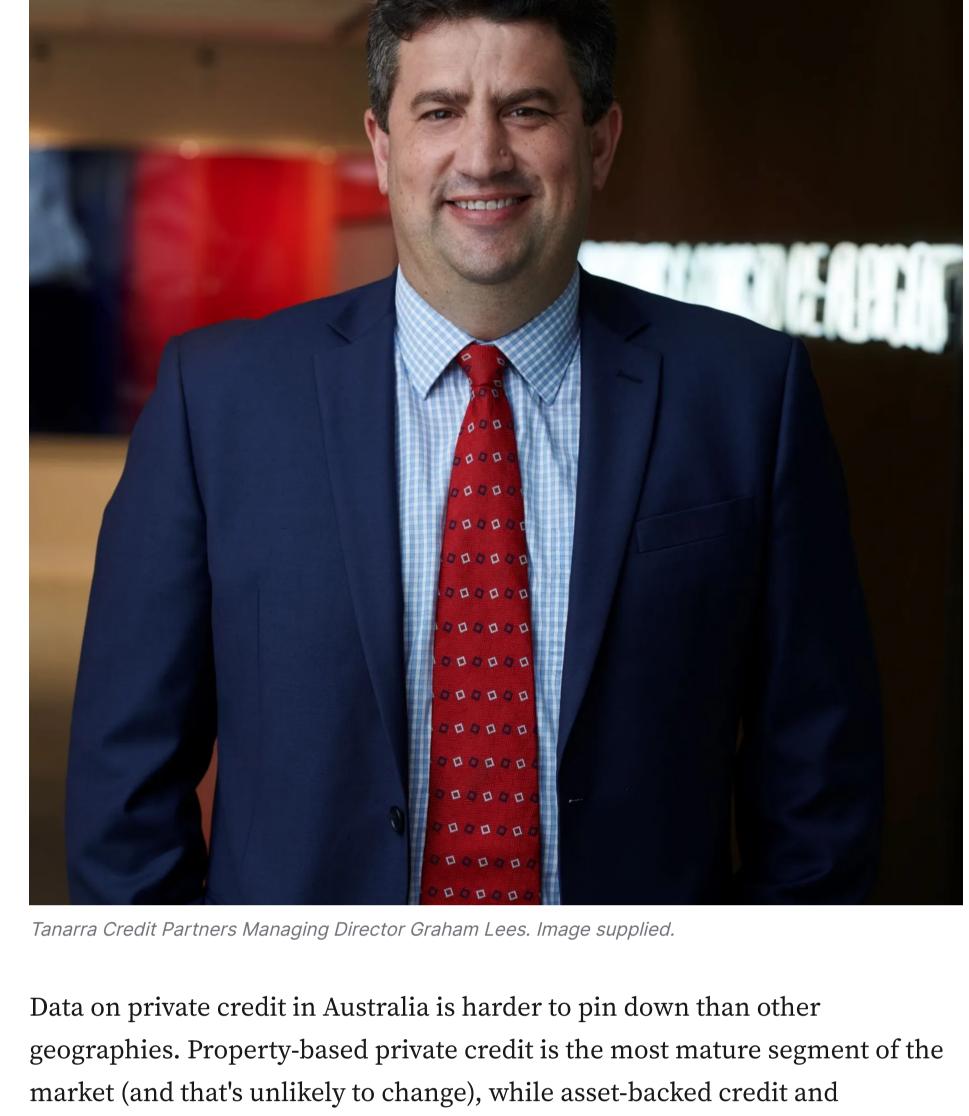
One of them is Tanarra Credit Partners, the direct lending arm of the John

"You've only got to look at the stats from offshore in the US where from a private equity or leveraged loan perspective, 80 to 90% plus of that funding is provided by private credit lenders as opposed to banks," said Lees.

"It's much more in its infancy here. It would probably be somewhere in the 30

to 40% private credit here, and that's grown meaningfully in the last couple of

years. It was a lot less than that a few years ago, so I think from that perspective, too, there's still plenty of runway for private credit to grow," he said.



"The market here is definitely in its early phases and stages versus the US and Europe. There's no doubt it's accelerated quickly in the last few years, but

selldown of its power industry in 1999.

some property yields, Szekely said.

acquisition financing are in need of more backers, he said.

there's still a long way to go. Looking at sub investment-grade lending, the market here is still heavily weighted towards the banks," he said. Wylie is one of the country's most celebrated investment bankers and known for his work on Telstra's IPO, Qantas' privatisation and Victoria's \$29 billion

around 40 private credit investments in Australia, New Zealand and Asia. Its strategy is to provide investors access to mid-market to larger corporate loans via acquisition financing for private equity and other non investment-grade corporate loans. Tanarra is currently doing the rounds on its second fund — now available to

high net worth investors — as it looks to increase its presence in private credit.

above 10% for all its senior secured loans, which is above long-term equity and

underpenetrated. So as a business, we're in a great spot. We think Australia is

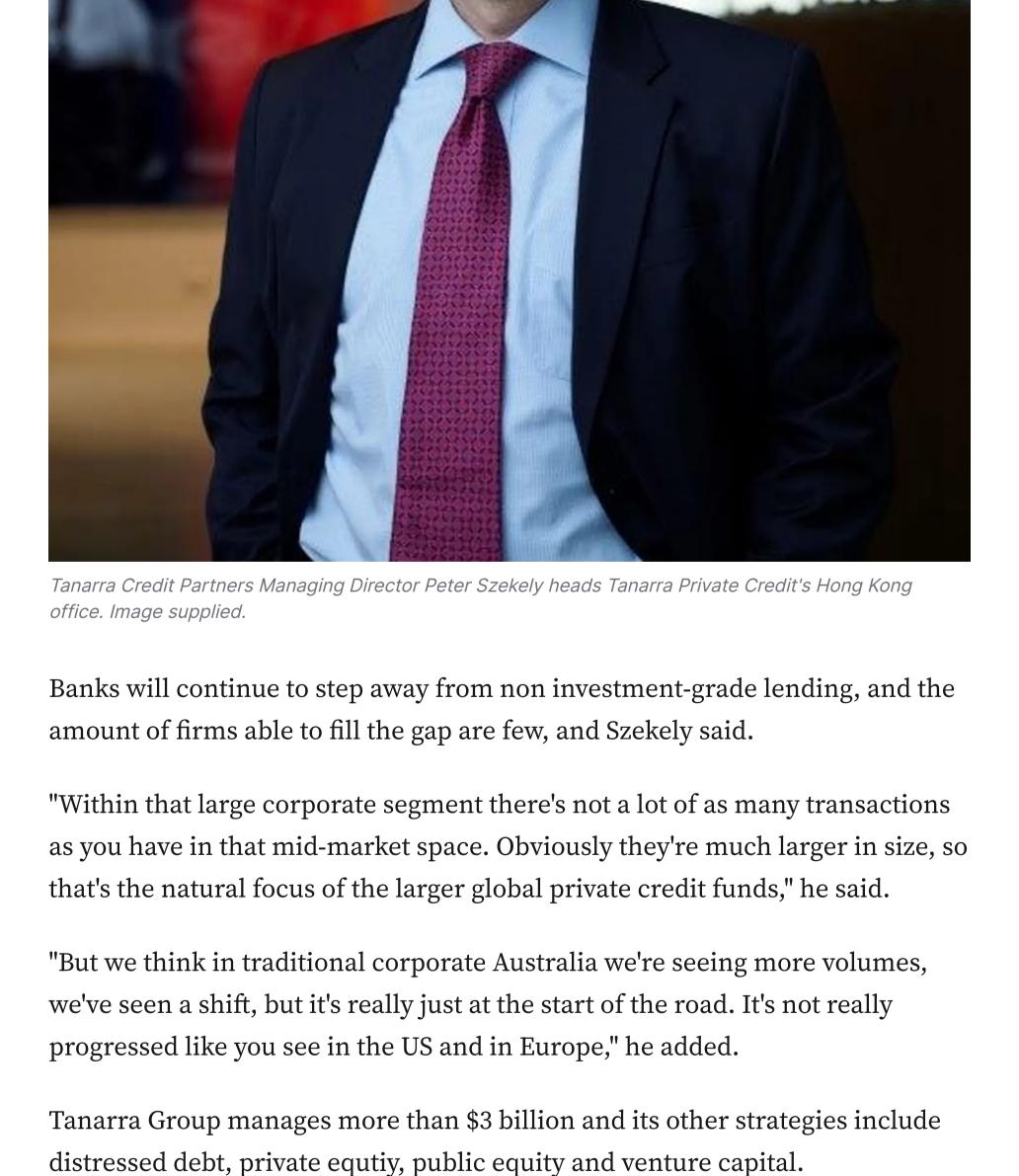
Its current backers include UniSuper and Insignia and it pulls gross yields

"Asia itself is driving global economic growth today and it's very

Graham and Peter Szekely formed a 50/50 joint venture with Wylie in 2017 to

form Tanarra Credit Partners. It now has more than \$800 million invested in

going to go from strength to strength, there we'll have a lot more regional opportunities coming up," he said.





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