



**ASHTON**  
GLOBAL

# Ashton Global Direct Lending

*We provide customized and efficient capital to support small and middle market businesses.*



**Ashton Global**



*“Our mission is to generate strong risk-adjusted returns by financing sustainable businesses run by exceptional management teams.”*

*Kijana A. Mack, Portfolio Manager*



# Ashton Global Direct Lending

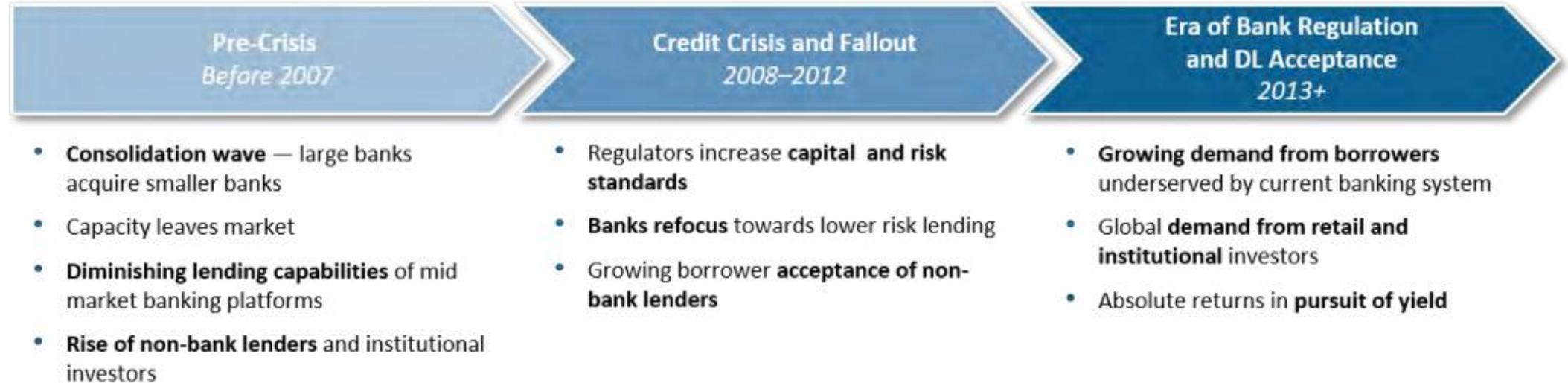
An investment advisor specializing in providing secured loans to support the growth and financing needs of small and medium enterprises (“SMEs”) throughout their lifecycle.



# The Direct Lending Opportunity

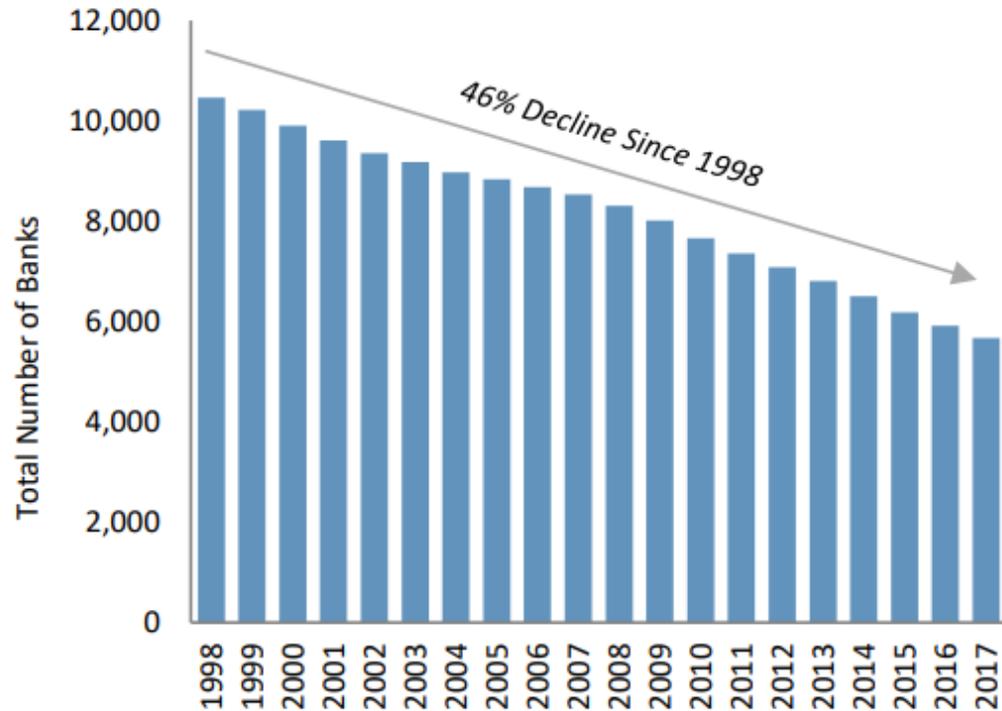
*Direct lending is a fixed income opportunity that takes advantage of the liquidity premium in the credit market.*

# Evolution of the US direct lending market



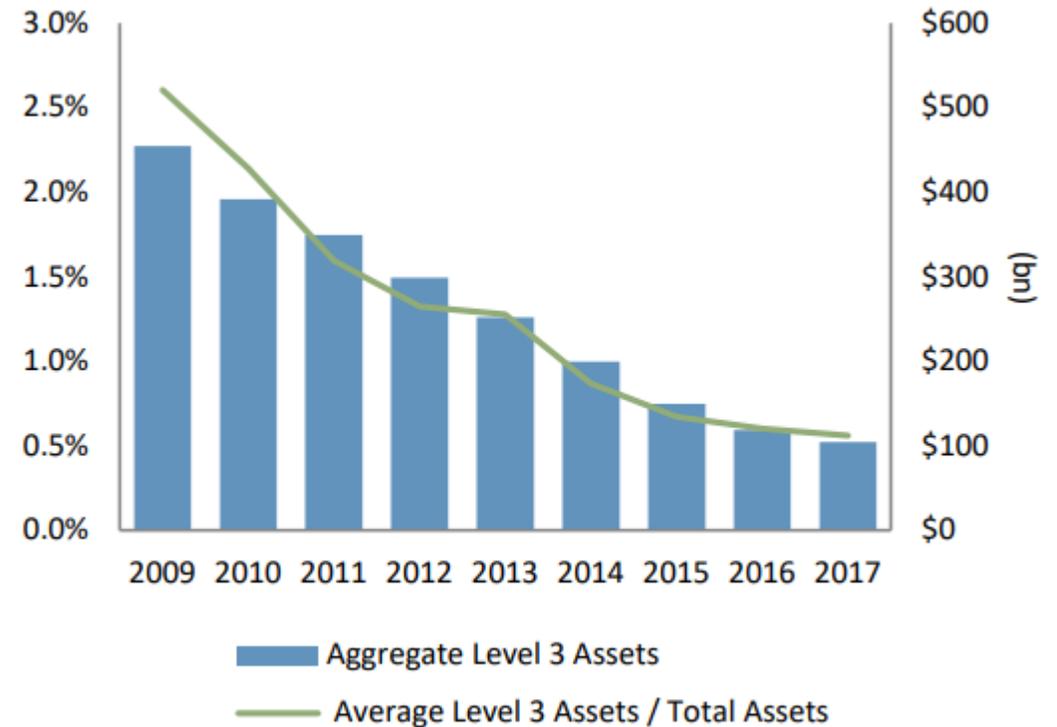
# Regulations have expanded the opportunities for non-bank lenders

## Number of Banks in the US



Source: Federal Deposit Insurance Corp.

## Level 3 Assets Held by Major Banks



Source: SNL Financial.

# Solid returns with low default rates, illiquidity tradeoff



## Benefits of Direct Lending

- Direct lending may provide a stream of current income
- Middle-market loans have historically generated lower default rates and higher recovery rates than broadly syndicated loans
- Direct lending offers investors a substitute for traditional fixed income (if current income is a goal)
- Manager selection is key to success as the market offers a range of risk/return expectations

## Direct lending returns in the US market

Returns		
	Pricing	Effective Yield*
Senior 1 <sup>st</sup> Lien	L + 3.75–4.25%	6.50%–7.25%
Unitranche	L + 5.25–6.00%+	8.00%–9.25%
2 <sup>nd</sup> Lien	L + 7.25–8.25%+	10.00%–11.50%
Subordinated	10.50%–12.00%+	11.00%–13.00%

\* Assumes fee income of 2–3%, 3-month LIBOR of 2.3% and amortizes fees.  
Target returns are estimated market pricing in the U.S.

# Risks associated with direct lending to SMEs



## ○ Credit Risk

- Companies are smaller and typically “non-bankable”
- Borrowers more susceptible to event and regulatory risks
- Borrowers have smaller revenue and assets bases, less optionality during times of distress
- Borrowers typically have fewer sources of available liquidity

## ○ Illiquidity Risk

- No active trading in the loans
- Loans are held to maturity
- No mark-to-market valuation
- Returns are generated from origination fees and interest received as the loan repays over time



# Ashton Global Direct Lending I L.P.

An investor should consider the fund's investment objectives, risks, charges and expenses carefully before investing or sending money. This and other important information about the fund can be found in the fund's prospectus, or, if applicable, the summary prospectus. Any decision to invest should be made on the basis of the current prospectus, which is available on request at [info@ashtonglobal.com](mailto:info@ashtonglobal.com). Read the prospectus carefully before investing. All investing involves risk, including potential loss of principal.

# Ashton Global Direct Lending Fund



## Term Loans

Secured loans for growth, acquisition, buyouts, recapitalization and working capital



## Asset Based Lending

Financing provided against strategic corporate fixed assets and real estate



## Equipment Leasing and Financing

Growth capital secured by relevant assets is provided to healthcare providers and senior care facilities



## Trade Finance

Short-term USD-denominated transactions that are self-liquidating and supported by physical goods and/or receivables



## Factoring

Working capital financing provided against receivables due from high-quality counterparties



# Four Pillar Investment Strategy

Disciplined underwriting, better structuring, intensive loan monitoring and workout capabilities

## Short Term



2-3 year loan average life



## Asset-Based



Highly negotiated, well-structured legal documents



## Self-Liquidating



Loan is used to generate proceeds that are in turn used to repay the loan



## Floating Rate



Floating rate (LIBOR-based) interest



# Investment Process

Substantive In-House Due Diligence, Structuring and Risk Management Expertise

## Sourcing Ongoing

- Deals are sourced from internal global network of finance professionals, bankers, accountants, and entrepreneurs across five continents
- No third-party brokers or deal commissions are used



## Diligence and Structuring 30-45 days

- A rigorous process starting with background checks, AML, KYC, and criminal and fraud due diligence
- Financial statement and fundamental analysis
- Top-down and bottom-up risk assessments
- ESG framework



## Monitoring Ongoing

- Transactions are assigned to an underwriter for ongoing monitoring
- Weekly and monthly credit meetings
- Covenant monitoring and analysis
- Routine contact with management teams

# Ashton Global provides businesses with secured term loans for growth

## Ashton Global Direct Lending

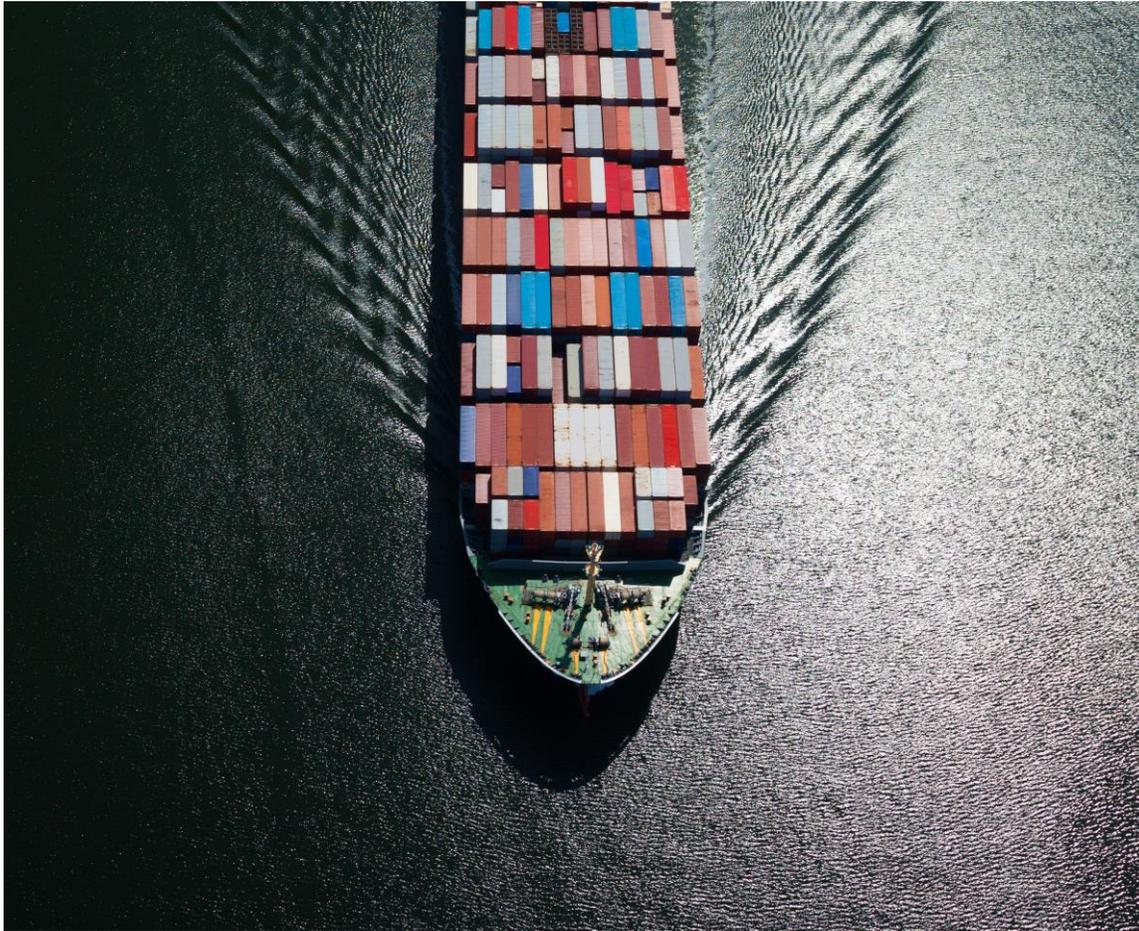


## Term Loans

- Our investment team specializes in customized financing solutions designed to achieve our borrowers' objectives
- Borrowers with EBITDA between \$5 million and \$25 million, competitive positions within their respective markets and excellent management teams
- We work with companies across various industries to structure effective solutions to provide medium-term capital, while mitigating risks to stakeholders

# Ashton Global provides businesses with reliable working capital for growth

## Ashton Global Direct Lending



## Trade Finance

- We provide a variety of trade finance solutions to producers, distributors and trading companies within the commodities and global supply chain
- Target short- to medium-term USD-denominated transactions that are self-liquidating and supported by the physical goods and/or receivables being financed
- Our financings are in the \$3 million to \$5 million range, typically less than one year in length, and underwritten based on the underlying fundamentals of the transaction

# Ashton Global provides businesses with leasing solutions for growth

## Ashton Global Direct Lending



## Equipment Financing

- Our investment team specializes in providing working capital solutions for healthcare providers
- Financing is used for fixed asset purchases to expand service offerings and revenue opportunities for healthcare operators
- We work with medical office buildings, hospitals, surgery centers, dialysis, and senior care facilities
- Facilities range from \$500,000 to \$1 million and borrowers can choose from loan or lease options

# Ashton Global can finance mezzanine and sale-leaseback transactions

## Ashton Global Direct Lending



## Real Estate

- Fund will provide \$5 million to \$15 million (up to 70% LTV) in senior secured funding
- Transactions located in areas with favorable demographics
- Properties that can benefit from tax-free zones or tax credits
- Assets being sold as part of litigation or restructurings

# Projected Mix of Assets Provides Diversification and Income



# Benefits of partnering with Ashton Global

## Ashton Global Direct Lending



## Why work with Ashton Global?

- Ability to address complex situations within short time frames and close transactions quickly
- Experience in emerging markets and with SMEs
- Broad experience across industry sectors and financing structures
- Lend-and-hold strategy allows us to support and grow with a company over time
- Fully transparent investment committee process

# Representative Transactions

## Trade Finance and Factoring - Macadamia Nuts

- Revolving credit and factoring facility to macadamia nut producer (Libor + 12.50%)
  - Financing provided working capital to enable purchases or more raw materials which increased sales
  - Financing was secured by accounts receivables with US wholesalers paid directly to a US-based bank account, fixed assets and inventory
  - Collateral manager provided weekly verifications of inventory values
  - Excess cash flow will help Company expand into avocado production

## Term Loan - Emerging Markets Private School

- Term loan and revolving credit facility to private school (Libor + 13.50%)
  - Financing provided working capital to help the school construct new buildings and expand enrollment
  - Financing was secured by tuition fees directly paid to a US-based bank account, and fixed assets
  - Excess cash flow will help Company expand into new locations and online classes



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**Thank you for learning more about us and how we may serve you.**

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