

Asset Based Finance Q1 2026 Outlook with Oliver Nisenson

In ABF, we remain in a unique environment with continued flows into our asset class, coupled with increased demand from borrowers.

Amongst investors, we're especially seeing continued interest from liability-driven portfolios, responding to the need to diversify their corporate credit exposures and enhance yields within investment-grade fixed income allocations. Meanwhile, capital and funding demand continues to grow from borrowers seeking to migrate towards more asset-light balance sheets and meet CapEx needs.

This includes a broad range of companies, from home builders willing to offer a material spread premium versus liquid market comparables to mega-cap tech players facing unprecedented CapEx needs and who are willing to pay a premium to access bespoke solutions.

While we are focused on offering borrowers a range of financing options, we note that forward flow agreements continue to be a strategic solution for loan origination platforms seeking long-term, efficient capital options.

More broadly, in this environment, we do expect bifurcation amongst high- and low-quality borrowers to continue as rising corporate layoffs and housing affordability concerns weaken marginal credit borrowers, particularly those who are not homeowners. Finally, as macroeconomic uncertainty continues, we are targeting structures that can perform through the cycle.

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