

# Credit managers to exploit market dislocations - firms raising capital and preparing to pounce on opportunities they see in distressed sectors

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Crises going hand in hand

“We have a health crisis and an economic crisis and they go hand in hand... It’s hard to predict where the markets are going to end up,” said Olamide “Lami” Ajibesin. “If there is a second wave in the health crisis, who knows what will happen.”

In the last three months, some people have lost their jobs, while others are doing well, revealing significant economic inequalities, she said.

This all affects private equity firms and their current and potential portfolio companies. Certain industries such as aerospace are underperforming and executives are trying to recoup their investments, while technology, insurance and certain types of consumer-oriented businesses have seen revenue increases, Ms. Ajibesin said.

Even so, many private equity firms have dry powder and are waiting to deploy it, she said. Private equity managers had \$1.5 trillion in dry powder as of June 30.

So, credit managers are shifting to distressed and stressed investments as well as to concentrating on lending to companies needing capital to survive the recession or to grow.

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