IGUAKO CAPITAL · Sector brief

Structured Credit: sector brief

Structured credit is where proceeds go when the firm wants a return without ownership. Commercial Finance lends senior and secured against assets the origination divisions can value without help: pharmaceutical receivabl

KIND	EXPOSURE	POSITIONS
Deployment	US$118 million across 3 positions	3

DIVISIONS

Commercial Finance, Quantitative Strategies, Investment Banking

Overview

Structured credit is where proceeds go when the firm wants a return without ownership. Commercial Finance lends senior and secured against assets the origination divisions can value without help: pharmaceutical receivables, equipment under lease, inventory in bonded storage and contracted freight. The collateral is understood before the borrower is. That order has not changed since the first facility was written in 2020.

The 3 positions total US$118 million and are programmes rather than single loans. One is a receivables facility for distributors of registered medicines. One is an equipment lease book covering processing and laboratory plant. The third is a mezzanine position behind senior lenders in founder-owned industrial businesses. Committed but undrawn facilities of US$215 million sit alongside these programmes.

Structured credit is the only sector where the arithmetic is fully visible in advance. Advance rates, covenants, amortisation and the loss the firm will accept are all fixed at signing. Facilities are sized so that a total loss on the largest single exposure would cost less than one year of interest across the book. Nothing is priced on sentiment.

Thesis

Credit is the discipline that keeps the equity book honest. Lending against the same collateral the firm buys elsewhere forces a written view on value, recovery and timing. IGUAKO Capital runs structured credit as a permanent allocation rather than a market call, and takes the yield while equity positions convert on their own timetable.

Themes

- Receivables facilities for distributors of registered medicines
- Equipment leasing against processing and laboratory plant
- Mezzanine positions behind senior lenders
- Inventory finance in bonded storage
- Advance rates and covenants fixed at signing

Case studies

Case	Year	Jurisdiction
Windward Row Receivables	2023	Barbados

Research

- 2022-05-18: Advance rates on living inventory
- 2022-08-16: Dilution is a product event: lending to veterinary distributors
- 2024-04-09: Private credit in specialist markets: lending where the collateral is a licence
- 2025-03-25: Families alongside the balance sheet: co-investment in private credit
- 2025-12-09: Borrowing against an illiquid estate

Colophon

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