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#### **ZFX Research**

# Real Assets Credit Solutions

**2025 January 29** 

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#### **Real Assets Credit Solutions**

- Are you seeing an increased volume of incoming loan applications?
  - ZFX Research offers an outsourced investment analysis service for commercial real estate lending.
  - We provide a detailed review of the proposed deals, powered by expertise in real asset strategy, quantitative and qualitative analysis.
  - We prepare investment summaries for your lending clients and help manage your loan portfolio.
- Our service allows you to focus on capital raising and investor relations, while we take care of the deal details.



## Why ZFX Research?

- We are specialists in income investing. We provide credit research and documentation services to loan originators and asset owners, using our extensive institutional experience in real assets, lending and securitization.
- **We are credit detectives.** We use all available information and conduct fundamental and quantitative research to determine the investment risk-return trade-off.
- **We wear the investor hat.** We are cross-asset-class investor mindset, and we look beyond the narrow industry sector or asset class to obtain insights about a deal or a portfolio. We are experts at finding parallels between listed and private investments and the method of comparables.
- We help clients build better portfolios using fundamental and quantitative research.

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# Workflow example: new deal adjudication

Borrower requirements and investor preferences



Documentation intake



Collateral analysis



Borrower analysis



Structuring / structure analysis



Indicative rating +
investment
recommendation +
documentation

**Borrower:** 

Financing needs

**Investor:** 

Preferences for liquidity, credit quality and duration.

**Property:** 

Financial statements and appraisal.

**Borrower:** 

Business information, financial statements.

**Guarantor:** Personal

information.

**Property:** 

rental and resale market review and property valuation, economic scenarios. **Borrower:** 

detailed analysis of financial statements, competition analysis, Information from listed markets, economic scenarios. Loan:

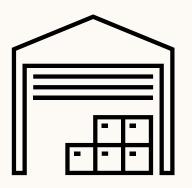
Review or choice of loan parameters (amortization, term, rate, security, covenants).

**Investment summary** 

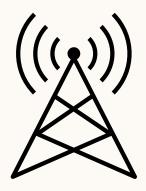
Quantitative and qualitative credit assessment and ranking.
Fast and reliable investment summary document generation.



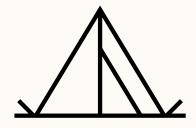
# **Examples of deal analysis**



Light industrial building in Ottawa, first lien mortgage



Telecommunications tower in Northern Ontario, acquisition loan



Campground in the Great Lakes region, first lien mortgage

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#### **Founder**

#### Andrei Ordine, Ph.D.:

Andrei is an investment professional with over 15 years of industry experience. He most recently served as a Senior Associate at CPP Investments, where he led several total fund management initiatives, performed strategic allocation across factors and investment programs, and built the real assets investment strategy.

Prior to joining CPP Investments, Andrei provided risk model validation consulting services to the Ontario Teachers' Pension Plan and was a part of a risk management group at Bank of Nova Scotia where he supported the prime brokerage business.

Andrei holds a PhD in Mathematics from Queen's University and a Master's in Applied Mathematics from Moscow State University.

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# **Appendix: Direct Lending Size**

- Large lending volume is moving from banks and traded markets to the private investment space.
  - Globally, direct lending market is projected to grow from 1T USD in 2020 to 2.8T in 2028 (\*).
  - Direct lending's share of leveraged finance has grown to 17% as of the second quarter of 2023, from 7% in 2018 (\*\*)
  - Mid-market loans in particular offer better credit covenants and higher yield (\*\*).
- => Investment opportunities abound. Taking advantage of these investment opportunities requires careful investment analysis, provided by ZFX Research.
- (\*) Source: Morgan Stanley, The Outlook for Direct Lending 2004 and Prequin
- (\*\*) Source: JP Morgan Private Bank, Investment Strategy, 2024

### Contact

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