

# Business Loans

## What are Business Loans?

Business loans are structured credit instruments that provide capital to companies for working capital, expansion, equipment purchases, or other operational needs. These loans may be secured by assets such as real estate, equipment, or receivables, or may be unsecured depending on borrower credit-worthiness. Loan structures vary, including term loans, lines of credit, and asset-backed facilities, offering investors diversified exposure to small and mid-sized enterprises (SMEs) and commercial borrowers.



## Why invest?

- **Secured and collateralized options:** Many business loans are backed by tangible assets, reducing potential loss in default scenarios.
- **Predictable cash flows:** Loans typically provide steady principal and interest payments, supporting income generation.
- **Diverse borrower base:** Exposure spans multiple industries and business sizes, enhancing credit diversification.
- **Short-to-medium duration:** Loan terms usually range from 6 months to 7 years, providing flexibility across market cycles.

## Risks to consider

- **Credit risk:** Borrower financial performance may deteriorate, impacting repayment.
  - **Mitigation:** Underwriting considers cash flow coverage, collateral quality, guarantor strength, and industry trends.
- **Interest rate sensitivity:** Sensitivity: Rising rates can affect both borrower cost of capital and investor demand.
  - **Mitigation:** Mix of fixed and floating rate structures helps manage interest rate exposure.
- **Economic cyclical:** Business activity may decline during economic slowdowns.
  - **Mitigation:** Sector and borrower diversification, along with conservative loan structuring, can reduce cyclical impact.

## Conclusion

Business loans offer investors a structured credit opportunity with strong collateral backing, consistent cash flow, and broad sector exposure. As a core component of private credit strategies, they can enhance portfolio yield while supporting real economy growth across industries.

### Common sectors or products in Business Loans



**Small and Medium Enterprises (SMEs):** Financing for growth, working capital, or equipment purchases



**Commercial real estate:** Loans for property acquisition, development, or refinancing



**Healthcare and professional services:** Supporting medical practices, law firms, and other service businesses



**Industrial and manufacturing:** Funding for production inputs and capital expenditures

## About MA Asset Management

We have a 10+ year track record of investing in directly originated private asset-backed credit across differentiated lending strategies.

The team are focused on income generating assets that provide investors with a steady stream of monthly income. Beyond traditional private credit, we also negotiate both long-term loan flow agreements and credit facilities with originators.

MA Asset Management, LLC is a wholly owned subsidiary of MA Financial Group, a publicly listed company on the Australian Securities Exchange (ASX).

## More information

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