



**MEDIA RELEASE**

## **Winston partners with Epsilon Direct Lending for Private Market Debt Fund**

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Winston Capital Partners (Winston) has partnered with Epsilon Direct Lending (Epsilon) to distribute its Direct Lending Fund to financial advisers, family offices, managed accounts and high net worth individuals.

The Fund provides important senior debt funding to performing middle market Australian and New Zealand companies that are generating between \$25mn and \$500mn in annual revenue, and a minimum of \$5mn in EBITDA. The loans are provided to support growth and event-driven strategies such as leveraged buyouts and acquisitions.

The Fund is targeting a total net return of BBSW + 6% with quarterly cash income of 3.25% - 4.00%, which in an environment where rates are close to zero, offers investors with an exceptional return from a defensive alternative investment that more than compensates for the illiquid nature of the strategy. The Fund does not lend to property developers or investors, biotech, special situations or turnarounds, start-ups or other risky segments of the market, instead, focusing on performing bilateral loans to high quality companies with high levels of security, which will suit more conservative investors in the private debt market segment. There are also considerable fee discounts for early stage investors in the Fund, offering a further return uplift.

Epsilon was created by the team that established Australia's leading middle market corporate finance business at CBA, helping some of Australia's most successful private companies grow and expand. Epsilon's founders have personally originated, and individually structured and documented close to 50 growth and event-driven financing transactions amounting to over \$1.6bn, none of which experienced payment defaults. The borrowers tend to be privately-owned companies that are large enough to require a bespoke financing solution, but not of a size to have meaningful access to funding from offshore or onshore bond markets or the broadly syndicated domestic loan market.

Andrew Fairweather, a Winston Founder said: "Epsilon was an attractive partner to Winston given that banks are exiting large segments of the lending market due to regulations and capital constraints, which will provide our clients exceptional risk-adjusted returns from what is a very attractive and hard-to-access segment of Australian private debt.

"Further, the Epsilon team created CBA's middle market corporate finance business and have partnered with some of Australia leading private equity firms such as Quadrant Private Equity, Next Capital, Crescent Capital Partners, The Growth Fund and Advent Partners among others, as well as helping many well-known companies expand and grow. We believe there are very few ways for investors to access private debt in a lower risk manner that Epsilon are offering versus the multiple debt funds already in the market that are focused on property, SME lending or broadly syndicated corporate debt participation."

Commenting on the partnership, Paul Nagy, an Epsilon Founder, said: “We are delighted to partner with Winston to provide wholesale investors access to a private debt investment opportunity that is generally unavailable to them currently. Our team has been operating successfully in this market for a long time and it is intended that the Fund will capitalise on our knowledge, relationships and experience as the lead financier to many transactions which, in most instances, involved us lending alongside investments from some of the best private equity investors and management teams in the market. The bespoke nature of the bilateral private loans we provide to middle market companies presents investors with the opportunity to diversify away from other debt investments and access attractive, predictable recurring cash income, with a capital preservation focus, that is not correlated to other fixed income and alternatives exposures.”

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### **About Winston**

Founded in 2012, Winston Capital Partners is a retail focused third party funds management distribution business that seeks to partner with fund managers with long term track records and a sustainable investment edge in their asset classes. Since inception, the firm has raised over \$1.25bn for its fund manager partners, with offices in both Perth and Sydney. The firm represents Coolabah Capital (Smarter Money) for short term fixed income and long short credit, Monash Investors for long short Australian equities, Realside for property and private debt, Primewest for property and RF Corval for Property.

[www.winstoncapital.com.au](http://www.winstoncapital.com.au)

### **About Epsilon**

Epsilon is a non-bank lender and private market asset manager specialising in providing bespoke financing to high quality, resilient Australian and New Zealand middle market companies. Epsilon was established in 2019, by Mick Wright-Smith, Joe Millward and Paul Nagy as a purpose-driven and customer-focussed firm. Epsilon’s aim is to support the growth of middle market companies with financing solutions, while delivering stable returns for investors, in all cases operating with the highest levels of integrity, reliability, and transparency. Epsilon has offices in Melbourne and Sydney, Australia.

[www.epsilondl.com.au](http://www.epsilondl.com.au)