

# Expert Guidance in the Expanding Private Credit Market

Unlock opportunity and mitigate risk in a shifting credit landscape.

Private credit's remarkable growth and strong returns have established it as a key asset class. However, transparency regarding valuation and performance remains a concern. Independent validation can help bring greater clarity and confidence to investors. Fund managers who proactively adopt independent and regular verification of asset prices can enhance investor trust and foster sustainable growth in the private credit market.



## OUR CORE SERVICES ARE:

**Market-Based Valuation** – accounting for unique or custom features, options, and covenants for credit assets including:

- **Direct lending and hybrid debt:** senior secured, uni-tranche, mezzanine, PIK, and opportunistic loans
- **Structured & esoteric credit:** CLO equity/mezzanine tranches, residual interests, specialty finance and ABS assets, embedded derivatives, and contingent liabilities

**Risk & Performance Analytics** – performing scenario based stress testing, public market equivalent analysis, risk adjusted return metrics, portfolio optimization diagnostics, and bespoke hedging design

**Advisory & Legal Dispute Support** – provide expert testimony and damages quantification for litigation, arbitration, and investigations

## — HOW FTI CONSULTING CAN HELP

We provide valuation and risk analytics that close transparency gaps in private credit. We enable private credit lenders, asset managers, and institutional investors to manage risk, seize opportunities, and maintain portfolio resilience. Our work products—with full documentation and reproducible results—can integrate directly into audit files, LP reports, investment committee packs, and regulatory/legal submissions.



## Our Service Portfolio Include



### Market-Based Valuation

- Benchmarking pricing and risk metrics against similar instruments
- Comparative valuation based on risk assessment, collateral analysis, and pricing of instruments with similar risk profiles



### Structured Credit and Exotic Asset Valuation

- Value residuals and subordinated CLO tranches
- Estimate expected losses for CLO tranches and capital requirements
- Analyze contractual debt clauses and identify debt with similar features
- Estimate contingent liabilities and embedded contractual optionality



### Performance Verification

- Evaluate specific loan terms and conditions
- Analyze the adequacy of collateral coverage over the loan amount
- Assess active risk factors and headwinds
- Compute public-market equivalent measures



### Portfolio Monitoring & Optimization

- Custom stress testing, scenario analysis, risk assessment and mitigation
- Construct risk metrics for monitoring and reporting
- Model distance from optimal portfolios



### Hedging & Risk Management

- Estimate expected losses and capital requirements
- Propose hedging strategies against risks, including inflation and currency exchanges
- Custom stress testing, scenario analysis, risk assessment and mitigation
- Develop/enhance risk management framework



### Litigation Support

- Advise in legal disputes
- Provide expert testimony
- Conduct damages and recovery analysis

#### FRANCK RISLER

Senior Managing Director  
+1 212.841.9348  
franck.risler@fticonsulting.com

#### VOLKAN KUBALI

Managing Director  
+1 646.576.8106  
volkan.kubali@fticonsulting.com

#### CHING WATSON

Managing Director  
+1 212.850.5692  
ching.watson@fticonsulting.com

*The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.*

FTI Consulting is an independent global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. ©2025 FTI Consulting, Inc. All rights reserved. [fticonsulting.com](https://fticonsulting.com)

05132025 | VN04232-v01