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SFA Research Corner

Built for Scale: Fixing the Infrastructure for Structured Private Credit

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Structured private credit and asset-based finance (ABF) have become cornerstones of modern capital markets, evolving from a niche financing tool into a long-term solution for a growing range of borrowers. At the same time, investors are seeking customized, asset-backed exposures that offer yield, diversification, and downside protection. This convergence of borrower demand and investor appetite has fueled rapid growth. Recent fundraisers—like KKR's $6.5 billion Asset-Based Finance Partners II—underscore the momentum. As KKR notes, the global ABF market, currently estimated at $6 trillion, is projected to exceed $9 trillion by 2029. Financing "real economy" assets offers exposure to "high-quality, non-corporate collateral-backed cash flows."

But this rapid expansion is also exposing cracks in the market's infrastructure— especially around how data is reported, structured, and shared. Since every transaction is bespoke, the ability to efficiently underwrite, compare, and monitor deals depends on access to reliable, granular, and standardized data. Without it, investors face blind spots in risk assessment, operational drag in portfolio management, and limitations in scaling strategies across complex, multi-asset platforms. In this context, data isn't just infrastructure—it's the foundation that makes growth possible.

This theme resonated at 2025 SFA Research Symposium, where participants were quick to emphasize that the bespoke nature of private credit is a feature—not a bug. Unlike public markets, where terms are largely standardized, structured private credit transactions are intentionally structured to fit the specific needs of each borrower and the risk-return objectives of the investor. This flexibility allows for faster execution, better alignment between cash flows and covenants, and financing of assets with long-dated or unique profiles.

As the market grows, however, so do its operational demands – particularly in ABF, where the diversity of asset types adds another layer of complexity. Nicole Bryns, Co-Founder of Dumar Capital and who is exploring the needs of ABF infrastructure in her LinkedIn newsletter Credit Check, captures this challenge succinctly: "For private credit to scale as many have projected, we need a real solution to the data problem." She elaborated that "ABF's data complexity across sectors, products, and providers —combined with the bespoke nature of its investment structures —has prevented the industry from evolving operationally and is overall holding us back."

However, rather than building systems designed specifically for ABF, the market has often tried to adapt the products to fit legacy infrastructure meant for more traditional credit. But as Bryns noted, "investors and lenders are starting to recognize the need for ABF-tailored systems." Scalability, in this sense, will require more than capital—it will demand fit-for-purpose tools to manage granular data, streamline reporting, and maintain transparency across increasingly intricate deal structures.

Those who can meet this challenge stand to benefit. Private credit offers enhanced yields compared to similarly rated public credit, alongside structural protections such as collateral, seniority, and negotiated terms. There is also meaningful potential for alpha generation through origination, capital structuring, and access to less trafficked corners of the market.

These execution challenges span both infrastructure and workflow—from how data is collected and structured to how it's analyzed and acted upon in real time. As Jen Press, Chief Strategy Officer at RiskSpan, explains: "The challenge isn't eliminating the bespoke nature of private credit—it's building data systems that can handle that complexity without breaking at scale."

Fragmented, unstructured reporting—ranging from PDFs and Excel files to scanned loan agreements and bespoke servicer updates—create inefficiencies that slow execution and oversight. Moreover, they introduce blind spots in credit evaluation, reduce transparency, and heighten regulatory and operational risks. Press stresses "the most effective approach is designing infrastructure that's inherently flexible from the ground up, rather than trying to retrofit standardized solutions. When managers can focus their technology resources on deal sourcing and portfolio strategy instead of maintaining data pipelines, everyone benefits from that specialization."

This vision is echoed on the execution side. Analysts reviewing structured private credit deals—or even 144A transactions like middle market CLOs—still often begin with a dense legal PDF full of footnotes and customized terms. As Neil McPherson, Head of US Sales at Semeris, explains: "The smart money in this very competitive game knows that filling out a spreadsheet of questions by picking your way through a PDF with CTRL+F just doesn't cut it anymore for deal review…and even a good LLM with some clever prompt engineering can only take you so far." He adds, "…the winners delivering best-in-class AI-enabled tech solutions in the private credit arena need to offer not just good extractions but indeed a well-thought-out and customized workflow. One that delivers real productivity and insight across all of these personas and use cases."

As private credit evolves into a complex, multi-asset ecosystem, scaling will require more than ambition—it will demand infrastructure that supports both nuance and speed. AI and analytics may be powerful accelerants for underwriting, forecasting, and reporting, but their impact depends entirely on the quality of the underlying data they rely on. The old adage still applies: garbage in, garbage out. Without clean, connected, and context-rich data, even the best tools fall short. The next phase of growth won't be defined by capital alone—but by who builds the systems that turn complexity into clarity.