

Monarch Alternative Capital Raises \$3 Billion for Fifth Fund

MCP V is Positioned to Capitalize on Unprecedented Opportunity in Distressed and Opportunistic Credit

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Monarch Alternative Capital LP, a leading distressed and opportunistic credit investment firm, today announced the final close of Monarch Capital Partners V. Monarch raised approximately \$3 billion of capital for its oversubscribed fifth closed-end fund, which is poised to capitalize on the vast amount of distressed opportunities in the current market.

Monarch Capital Partners V launched in early 2020, ahead of the COVID-19 pandemic, given the evolution of Monarch's closed-end funds and the firm's expectations of a growing pipeline. The fund began investing upon the first close in May 2020 and has been actively deploying capital. Monarch's seasoned team, which has been together through multiple distressed cycles, is well positioned to capitalize on the dynamic and unpredictable environment arising from COVID-19. MCP V will leverage Monarch's long-standing and disciplined approach, which focuses on investments in the top of a capital structure to allow for downside protection and event-driven situations where Monarch can take a leadership role in the process. The team expects to find opportunities in all five verticals it focuses on within distressed: corporate credit, structured credit, real estate, government debt and special situations.

"COVID-19 created clear disruption across the global economy, which has translated into an unprecedented amount of opportunities in our space," commented Michael Weinstock, CEO of Monarch Alternative Capital. "While we don't know how this all ends, the ongoing uncertainty around the new 'normal' will keep us quite busy for a long time."

Today's opportunities are predominantly centered around mid-market corporate credit, as forced shutdowns, decreased revenue and high leverage have left companies with limited options other than to restructure. Smaller companies and lower-rated issuers are generally not benefitting from federal intervention that has supported larger borrowers, investment grade and higher quality high yield instruments. As a result, the Monarch team sees a clear bifurcation exacerbating the troubles faced by companies in Monarch's core market of mid-sized capital structures. Monarch also believes the current environment has created opportunities in structured credit, particularly in commercial mortgage-backed securities and aircraft securitizations.

Through October 31, 2020, MCP V has deployed \$1.1 billion of capital across 38 different investments. Firm-wide, Monarch has invested over \$3.5 billion into the distressed asset class, the most capital the firm has deployed in a year since 2008.



Monarch Capital Partners V

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About Monarch Alternative Capital LP

Monarch Alternative Capital LP is a global investment firm founded in 2002 with offices in New York and London. The firm manages approximately \$8.3 billion across its closed-end funds, open-ended fund, and customized solutions. Monarch focuses primarily on distressed situations and opportunistic credit across corporate debt, structured credit, real estate, government debt, and special situations. Monarch draws on the skills and experience of 68 employees across its offices in New York and London. For more information, please visit www.monarchlp.com.