



## **Patria Prepares Next Vintage of Latin America Private Credit Strategy to Capture Structural Scarcity in Corporate Lending**

February 11, 2026

*Builds on successful close of US\$314 million dedicated Latin America private credit vintage and expands Patria's 26-year, US\$12.3\* billion AUM regional credit platform*

### **Highlights:**

- Patria is preparing the next vintage of its Latin America private credit strategy, targeting an under-levered corporate credit market where **reliable capital is scarce**.
- Across more than 210 private credit and structured transactions, Patria has deployed more than US\$3.1 billion across 24 industries and seven countries and delivered a historical unlevered IRR of 14.3% (USD deals), with consistent performance driven by structure and selectivity, not macro timing.
- The portfolio reflects a focus on senior secured, US dollar-denominated loans structured with robust collateral, covenants, and cash-flow protections for mid-market and family-owned borrowers.
- As of 31 December 2025, the fund deployed more than 70% of capital into 14 transactions.
- Private credit represents less than 1% of a roughly US\$2.3 trillion Latin American corporate credit system<sup>1</sup>, reflecting limited institutional allocation and a small number of scaled, dedicated managers.

LONDON--(BUSINESS WIRE)--Feb. 11, 2026-- Patria Investments Limited ("Patria") (NASDAQ: PAX), a global alternative asset manager with more than US\$60.1\* billion in AUM, announced today that it is preparing the next vintage of its Latin America private credit strategy.

The strategy will be designed to give global institutional investors access to a large, structurally under-levered corporate credit market where reliable capital remains scarce. Patria believes this structural scarcity, combined with a persistent, perception-based regional risk premium, can keep spreads elevated even when borrower fundamentals are resilient, supporting attractive yield without relying on higher leverage. The proposed vehicle builds on Patria's 26-year, approximately US\$12.3 billion\* credit platform in Latin America.

The planned fund follows the successful close of Patria's first dedicated private credit fund and related vehicles in May 2025 which raised US\$314 million in commitments. As of 31 December 2025 the fund has already deployed more than 70% of capital into 14 transactions, generating a gross unlevered IRR of 15.6% with an average duration of 2.5 years. The portfolio reflects a focus on senior secured, US dollar-denominated loans structured with robust collateral, covenants, and cash-flow protections for mid-market and family-owned borrowers.

Latin America combines resilient corporate fundamentals with a persistent, perception-based risk premium that often keeps spreads elevated. Corporate leverage<sup>2</sup> in the Latin American High Yield market is around 2.8x net debt to EBITDA versus 5.5x in U.S. High Yield, interest coverage<sup>2</sup> 5.4x versus 4.5x, and long-term default rates<sup>3</sup> in the hard currency public credit market are less than two-thirds of global high yield, yet spreads<sup>4</sup> remain approximately 100–150 basis points wider than US High Yield credits. In addition, sovereign rating ceilings (the so-called "zip code effect") can constrain issuers domiciled in high-yield sovereigns, contributing to wider spreads even when company-level fundamentals would support higher ratings elsewhere.

While the opportunity set is long-standing, the institutional category remains nascent. Private credit represents less than 1% of a roughly US\$2.3 trillion Latin American corporate credit system, reflecting limited institutional allocation and a small number of scaled, dedicated managers. Traditional channels have not closed the financing gap: bank lending to corporates has been broadly flat for more than a decade, and regional corporate bond markets have generated cumulative net negative financing of approximately US\$175 billion<sup>5</sup> since 2017, as maturities and buybacks have exceeded new issuance. The result is a structural imbalance: constrained supply of reliable longer-tenor capital alongside persistent demand for US dollar-linked financing. That dynamic can sustain a scarcity premium for well-structured bilateral private credit, particularly in the mid-market.

### **Javier Montero, Partner and Head of Private Credit at Patria, said:**

"Latin America is a large, under-levered corporate credit market where reliable capital remains scarce. That scarcity, combined with a persistent regional risk premium, can keep spreads elevated even when fundamentals are resilient, supporting attractive yield without relying on higher leverage. Patria is built to convert this structural inefficiency into repeatable alpha through proprietary origination at scale, structuring-first underwriting, and a long-memory information edge under one risk framework."

Patria's credit platform integrates public credit research, private credit underwriting and structured-credit analytics under a unified risk framework, supported by deep on-the-ground teams across six markets.

Patria has also strengthened its credit franchise through the acquisition of a 51% stake in Brazil's Solis Investimentos. The transaction adds approximately US\$3.5 billion in fee-earning AUM and expands Patria's capabilities in asset-backed and structured credit, including securitization and ongoing monitoring, further reinforcing Patria's ability to originate, structure, and distribute credit exposure at scale while maintaining underwriting discipline.

The next private credit vehicle is expected to continue Patria's focus on senior secured corporate lending and asset-backed structures, with strong collateral packages, cash-flow protections and covenant-heavy documentation designed to prioritize downside protection, governance and predictable cash-flow generation.

### **About Patria Investments**

Patria is a global middle market alternative asset manager, specializing in key resilient and growth sectors. We are the leading asset manager in Latin America and have a strong presence in Europe through our extensive network of General Partners relationships. Our on-the-ground presence combines investment leaders, sector experts, company managers, and strategic relationships, allowing us to identify compelling investment opportunities accessible only to those with local proficiency. With 37 years of experience and over US\$60.1 billion in assets under management, we consistently deliver attractive returns through long-term investments, while promoting inclusive and sustainable development in the regions where we operate. Further information is available at [www.patria.com](http://www.patria.com).

\*Pro-Forma aggregate AUM includes 1 acquisition announced, WP Global Partners, and 2 completed, Solis and RBR by February 3 2026

1. Moneda Patria Investments internal reports, JP Morgan, McKinsey Global Private Credit Markets Reports.
2. Source: Financial Statements of Companies, Capital IQ, Bloomberg and Moody's High-Yield Covenant Database. Note: LatAm HY: Output based on the J.P. Morgan CEMBI Broad Div. LatAm HY Index. US HY: BBG Barclays US High Yield Index. Weighted Leverage and Interest Coverage for LatAm HY are as of March 31, 2025. Weighted Leverage and Interest Coverage for US HY are as of June 30, 2025.
3. Moody's: Latin America and Caribbean corporate default and recovery rates, 1990 to 2021
4. Source: Bloomberg. LatAm Hy: JPMorgan CEMBI Broad Diversifies Latin HY Index; US HY: BBG Barclays US High Yield Index. Data from 31 December 2005 to 31 December 2025.
5. Bond Radar, Goldman Sachs, Bloomberg L.P, Brazil Central Bank, CMF, among others. Net Financing 2017 – 2023 =  $\Sigma$  (Bond Issuances (-) Amortizations (-) Tender/calls/buybacks (-) Coupons paid).

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Source: Patria Investments