

Asfandyar Uppal, Founder of ADS.finance, on Navigating the Private Credit Jungle

Founder of ADS.finance and private credit investor Asfandyar Uppal explains why true alpha comes from downside protection - not simply chasing higher yields.

NEW YORK, NY, UNITED STATES, July 13, 2026 /EINPresswire.com/ -- Private credit has become one of the fastest-growing asset classes in global finance. As banks continue operating under tighter regulatory frameworks and investors search for alternatives to traditional fixed income, institutional capital has continued flowing into private credit markets across Australia and internationally.

Yet according to [Asfandyar Uppal](#), founder of [ADS.finance](#) and a private credit investor, one of the biggest risks facing investors today is not market volatility - it is misunderstanding the type of investment they are actually buying.



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He believes this misconception has become increasingly common as private credit expands and attracts investors searching for higher yields without fully understanding the underlying risks.

"Finding superior risk-adjusted returns in credit is like swinging through a jungle," Uppal explains. "You have to distinguish between investments that genuinely provide

downside protection and those that simply pay a higher coupon because they carry significantly more risk."

Private credit fundraising exceeded US\$200 billion globally in 2024 as institutional investors continued increasing allocations to the asset class. But according to Uppal, growth alone should not be mistaken for investment quality.

"In credit, alpha isn't about finding the highest return," he says. "It's about generating returns above market expectations without taking equity-like risk."

For Uppal, the ideal private credit investment should remain largely independent of equity market movements.

"The best credit investments should be as close to beta neutral as possible," he explains. "What happens in the S&P 500 or broader equity markets shouldn't materially determine the return investors receive unless something truly catastrophic occurs."

This is where he believes many investors make costly mistakes.

"As more money flows into private credit, we're increasingly seeing equity risk packaged and marketed as credit," Uppal says. "Many investors don't recognise the difference."

The distinction, he explains, is fundamental.

Traditional credit investing relies on contractual repayment supported by collateral, legal security and disciplined underwriting. Equity investing, on the other hand, depends on future business performance, development success or asset appreciation.

"The more your investment depends on future growth rather than the strength of your collateral, the more equity-like your risk becomes."

According to Uppal, one of the clearest examples can be found in real estate lending.

While many lenders finance property developments at relatively high loan-to-value ratios, his investment philosophy favours lending against completed assets with conservative leverage.

"We generally prefer lending below 65% loan-to-value," Uppal explains. "That provides enough headroom to recover the loan, legal costs and enforcement expenses without impairing investor capital."

This conservative approach, he says, becomes particularly valuable during periods of market stress.

"If property values fall by twenty percent, a loan written below 65% LVR can still remain well protected because the borrower's equity absorbs much of the decline first."

He believes many investors underestimate how quickly additional yield can become poor compensation for additional risk.

"Once leverage moves materially above conservative levels, the incremental return often isn't worth the additional downside exposure," Uppal says.

Every opportunity, he explains, is evaluated using three fundamental principles: cash flow, character and collateral.

"If a borrower stopped responding tomorrow, would the collateral be sufficient to recover investor capital? That's the question we ask before every investment."

As the private credit industry continues to mature, Uppal expects investors to become increasingly sophisticated.

Greater regulatory oversight, improved transparency and stronger underwriting standards, he believes, will gradually separate disciplined investment managers from those relying on increasingly aggressive lending structures.

"The market will continue growing," he says. "But I also think we'll see a natural filtering process. Investors will become better at distinguishing genuine private credit from investments that simply carry a debt label."

For Uppal, generating alpha ultimately comes down to disciplined risk management rather than chasing headline returns.

"The objective isn't simply to earn more," he says. "It's to generate superior returns while protecting capital when markets become uncertain."

About Asfandyar Uppal

Asfandyar Uppal is the founder of ADS.finance, a financial technology platform focused on connecting borrowers, brokers and lenders through digital infrastructure. He is also an active private credit investor with expertise in real estate lending, alternative finance and risk-adjusted investment strategies.

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