

FUNDRAISING

Mizzen Capital launches SBIC strategy

Marilyn Adler's firm markets new private debt strategy

[Meng Shi](#) December 7, 2020, 9:35 am

Mizzen Capital, a New York-based middle-market lender, is in the market with a new fund investing in lower middle-market companies, *Alt Credit* has learned.

The fund is structured as a small business investment company (SBIC), and can tap into leverage from the **US Small Business Association (SBA)** to invest along with the private capital it raised.

Firms that obtain an SBIC license typically can leverage up to two times the raised capital, and the maximum amount they can borrow for single SBIC tops out at \$175m.

Mizzen held a first sale for its SBIC fund on 12 November, and has collected at least \$44.8m to-date, according to a regulatory filing.

Mizzen focuses on debt investments in US lower middle-market companies across different sectors, including manufacturing, industrials, business services, healthcare, IT and software, and alternative energy.

The firm targets companies with \$1m to \$10m in earnings before interest, taxes, depreciation and amortization (EBITDA), and leverage below four times.

Mizzen primarily provides senior secured debt and unitranche debt with equity upside for borrowers seeking capital for growth, acquisition, and recapitalizations, or to engage in management buyouts and liquidity events. Typical investment size ranges from \$2m to \$15m, though the firm also does larger deals on a syndicated basis.

Mizzen was founded by a trio of veteran middle-market investors, including former **Medley Management** executives Marilyn Adler and Annie Li, who previously managed **Medley's** debt fund investing in lower middle-market companies in the US. [Alt Credit first reported on the firm in October last year.](#)

The founding team also includes Liddy Karter, a former managing director at **Enhanced Capital Partners**, which provides equity and debt financing to small and mid-sized businesses.

Earlier this year, **Mizzen** launched the *Mizzen Bridge Fund*, which provides bridge loans to previously healthy companies that need liquidity to recover from the Covid-19 crisis.

Mizzen declined to comment.

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DIRECT LENDING

LOWER MIDDLE MARKET

SBIC

MIZZEN CAPITAL

MARILYN ADLER