Special Situations Credit in MENA

Pricing Distress, Complexity and Time Pressure

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Abstract

Special situations credit is the capital of last resort and first opportunity: the financing of situations that are too complex, too time-pressured or too distressed for conventional lenders, provided by specialists who price the difficulty and accept the risk. This paper examines special situations credit in the Middle East and North Africa (MENA), where the maturing capital market is developing a specialist segment to fund the situations that banks and conventional private credit avoid. Using an indicative dataset calibrated to 2026 conditions, it sets out what defines a special situation, develops a pricing framework that decomposes the special-situations return into a base rate plus premiums for complexity, time pressure and illiquidity, and maps the principal situation types from rescue financing to distressed refinancing. It examines the structuring of special situations credit, the perspective of the specialist provider, and the distinctive risks of the segment. The analysis finds that special situations credit is priced for the difficulty it absorbs rather than for the borrower creditworthiness, that its returns are driven above all by the recovery achieved and the time to resolution, and that it provides essential capital to viable situations that conventional lenders cannot serve. Three indicative case studies, a sensitivity analysis, an international comparison and an implementation roadmap support the analysis, which is intended for borrowers facing situations conventional lenders avoid and for investors considering the specialist segment.

Keywords: Distress, MENA, pricing, private credit, recovery, rescue financing, special situations, time pressure

1. Introduction

Most financing serves the straightforward: a creditworthy borrower, a sound asset, a standard structure, a relaxed timeline. But not every situation is straightforward. Some are complex, with structures or assets that conventional lenders cannot easily assess; some are time-pressured, requiring capital faster than conventional processes allow; and some are distressed, with the borrower or the asset under strain. These situations, too difficult for banks and often for conventional private credit, are the domain of special situations credit, the specialist capital that prices the difficulty and accepts the risk.

This paper examines special situations credit in MENA, where the maturing capital market is developing a specialist segment to fund the situations that conventional lenders avoid. As the regional market deepens, specialist providers are emerging to serve complex, time-pressured and distressed situations, providing essential capital to viable situations that would otherwise go unfunded. Understanding this segment, how it prices, how it structures, and how it serves the difficult situations, is increasingly important for borrowers facing such situations and for investors considering the specialist capital.

The central argument is that special situations credit is priced for the difficulty it absorbs, the complexity, the time pressure, the distress, rather than for the borrower ordinary creditworthiness, and that its returns are driven above all by the recovery achieved and the time to resolution. A borrower facing a special situation pays a premium for the difficulty, but it obtains capital that conventional lenders will not provide, and a provider that prices the difficulty correctly and resolves the situation well earns an attractive return. The paper develops the pricing framework and examines the segment from both perspectives.

The figures used throughout are indicative, calibrated to observable MENA conditions in early 2026 but not drawn from any specific transaction. The paper proceeds from the definition of a special situation (Section 2), through the pricing framework (Section 3), the situation types (Section 4), the structuring (Section 5), the borrower decision (Section 6), the provider perspective (Section 7), risk (Section 8), MENA-specific considerations (Section 9), three case studies (Section 10), sensitivity analysis (Section 11), an international comparison (Section 12), common errors (Section 13), an implementation roadmap (Section 14), a strategic perspective (Section 15), a conclusion (Section 16) and limitations (Section 17).

2. What Defines a Special Situation

A special situation is defined not by the borrower being uncreditworthy but by the situation being difficult in a way that conventional lenders cannot accommodate. Three dimensions of difficulty define the segment: complexity, where the structure, the asset or the legal situation is too intricate for a conventional lender to assess; time pressure, where capital is needed faster than conventional processes allow; and distress, where the borrower or the asset is under financial strain. A situation may exhibit one, two or all three of these, and the more it exhibits, the more squarely it sits in the special-situations domain.

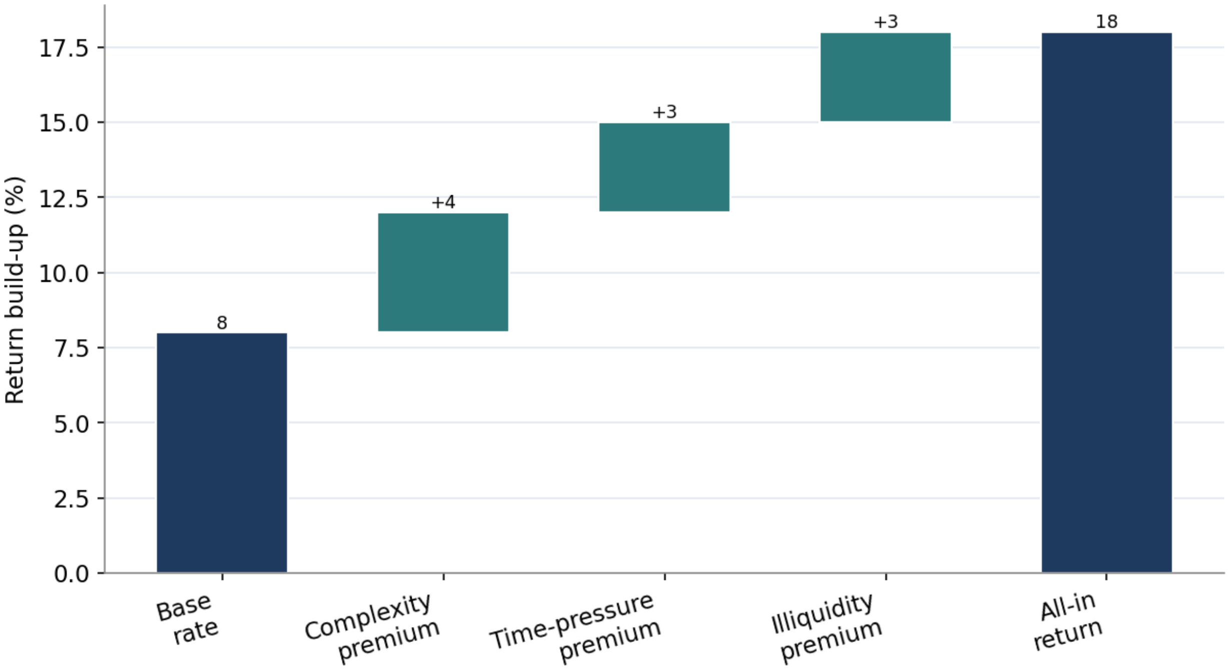
What unites these situations is that conventional lenders, banks and standard private credit, avoid them, not because they are necessarily unviable but because they fall outside the conventional lender comfort zone. A bank cannot assess a complex carve-out, cannot fund on a compressed timeline, and will not lend into distress; a conventional private credit fund may stretch further but still avoids the most complex, pressured and distressed situations. This avoidance creates the gap that special situations credit fills, and it means that special situations capital often faces little competition, which is part of why it can command its premium.

It is important to distinguish a special situation, which may be entirely viable, from a bad situation, which is not. A complex carve-out may be a sound business wrapped in a difficult structure; a time-pressured acquisition may be an excellent opportunity that simply cannot wait; a distressed borrower may have viable assets behind a strained balance sheet. Special situations credit funds the viable situations that are merely difficult, not the unviable ones that are genuinely bad, and the skill of the specialist provider is in telling the two apart, funding the difficult-but-viable and avoiding the genuinely-bad. This discernment is the core competence of the segment.

3. The Pricing Framework

Special situations credit is priced for the difficulty it absorbs, and Figure 1 decomposes the special-situations return into its components. The return builds from a base rate, reflecting the general cost of capital, plus a complexity premium for the difficulty of assessing and structuring the situation, a time-pressure premium for the speed required, and an illiquidity premium for the bespoke, hard-to-exit nature of the position. The sum is an all-in return well above conventional lending, reflecting the difficulty rather than necessarily the borrower creditworthiness.

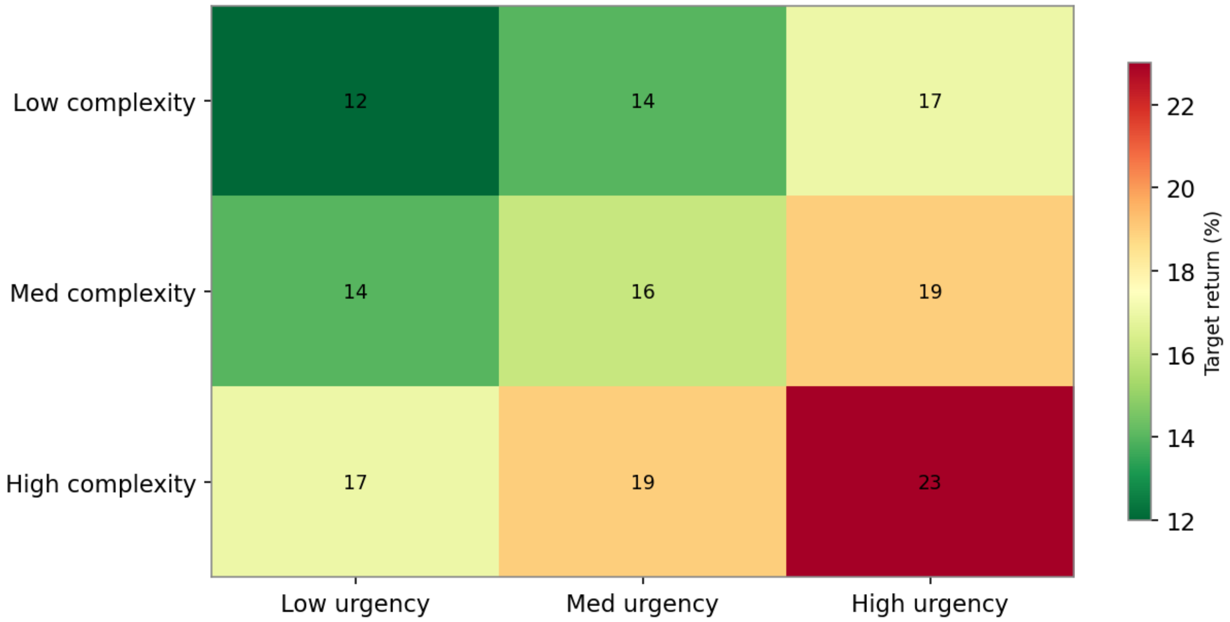
Figure 1. Decomposition of the Special-Situations Return



The return builds from a base rate plus premiums for complexity, time pressure and illiquidity. Not a forecast.

The pricing framework makes clear that the special-situations premium is a price for difficulty, not a penalty for bad credit. A viable situation that is merely complex or time-pressured pays a premium for the difficulty it presents, even though its underlying credit may be sound, because the difficulty imposes costs and risks on the provider that conventional lending does not. Understanding this distinction matters for the borrower, because it means a borrower with a sound but difficult situation should not regard the special-situations premium as a judgement on its creditworthiness but as the price of the difficulty, which may be worth paying to access the capital.

Figure 2. Target Return by Complexity and Urgency



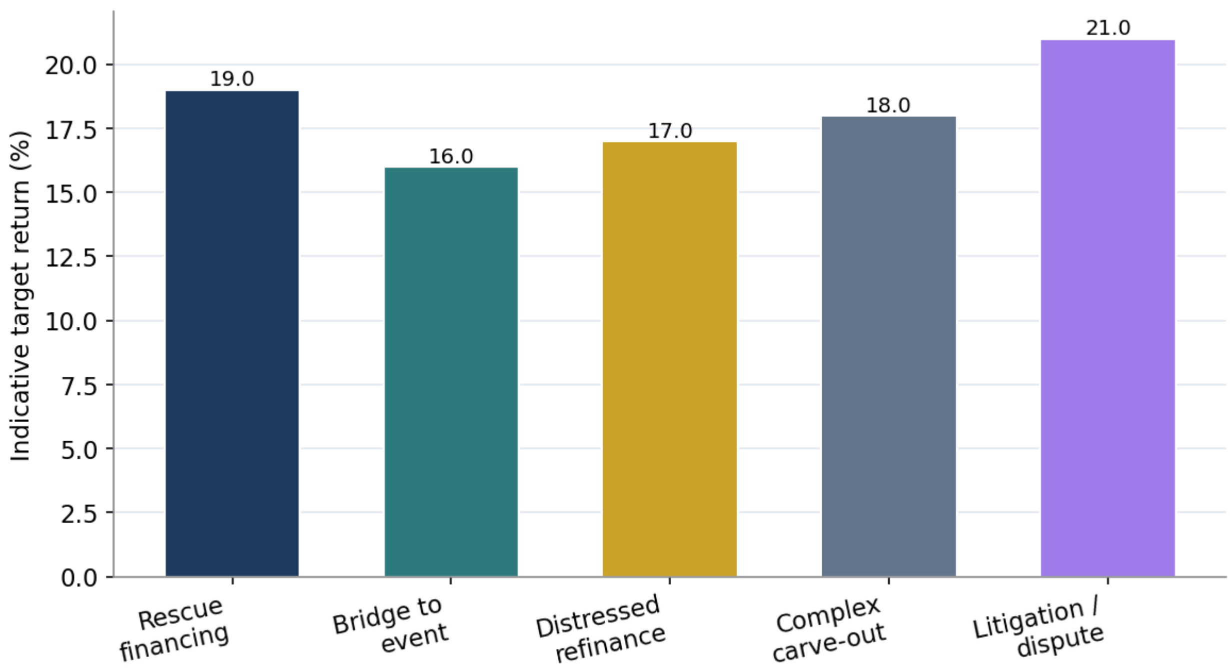
The return rises with both complexity and urgency. Not a forecast.

Figure 2 shows how the target return rises with both complexity and urgency, the two dimensions that most drive the special-situations premium. A situation that is both highly complex and highly urgent commands the highest return, because it presents the most difficulty on both dimensions; a situation low on both would be served by conventional lending and would not be a special situation at all. The matrix helps locate a situation in the pricing space and understand the premium it will command, and it underlines that the premium is a function of the specific difficulties the situation presents rather than a single fixed rate for the segment.

4. The Situation Types

Special situations credit serves a range of situation types, illustrated in Figure 3, each with its own profile of complexity, urgency and distress. Rescue financing funds a borrower in distress that needs capital to avoid failure, the most distressed end of the segment. Bridge-to-event financing funds a borrower that needs capital quickly to reach a defined event, a refinancing, a sale, a milestone, that will repay it, the most time-pressured end. Distressed refinancing replaces the debt of a stressed borrower that conventional lenders will not refinance.

Figure 3. Special Situation Types and Target Returns



Complex carve-outs fund the separation of a business or asset from a larger group, where the complexity of the carve-out deters conventional lenders. Litigation or dispute-related financing funds situations clouded by a legal dispute, where the uncertainty deters conventional lenders and the resolution of the dispute is central to the outcome. Each type presents a different profile of difficulty, and the specialist provider that understands the type can price and structure for it, while a conventional lender, unable to assess the type, avoids it. Table 1 summarises the types and their drivers.

Table 1. Special Situation Types

Type	Dominant difficulty	Target return	Key driver
Rescue financing	Distress	~19%	Recovery achieved
Bridge to event	Time pressure	~16%	Event occurs on time
Distressed refinance	Distress + complexity	~17%	Stabilisation
Complex carve-out	Complexity	~18%	Carve-out executes
Litigation / dispute	Legal uncertainty	~21%	Dispute resolves

Each type presents a distinct difficulty profile. Not transaction-specific.

The variety of situation types means that special situations credit is not a single product but a family of bespoke financings, each tailored to the specific difficulty. This bespoke nature is part of why the segment commands a premium and why it requires specialist providers: each situation is different, each must be assessed and structured individually, and the standardisation that allows conventional lending to be cheap is impossible. The specialist provider value is in its ability to assess and structure these bespoke situations, which is a scarce skill, and the premium it earns reflects the scarcity of that skill as well as the risk it absorbs.

5. Structuring Special Situations Credit

Special situations credit is structured to manage the specific difficulty of the situation and to protect the provider in the bespoke, often distressed, context. The structuring typically seeks strong security and priority, because the provider is taking elevated risk and needs protection; control or influence rights, because the provider often needs to steer the situation toward resolution; and a return structure, frequently combining a coupon with an exit fee or an equity upside, that compensates for the risk and aligns the provider with the resolution.

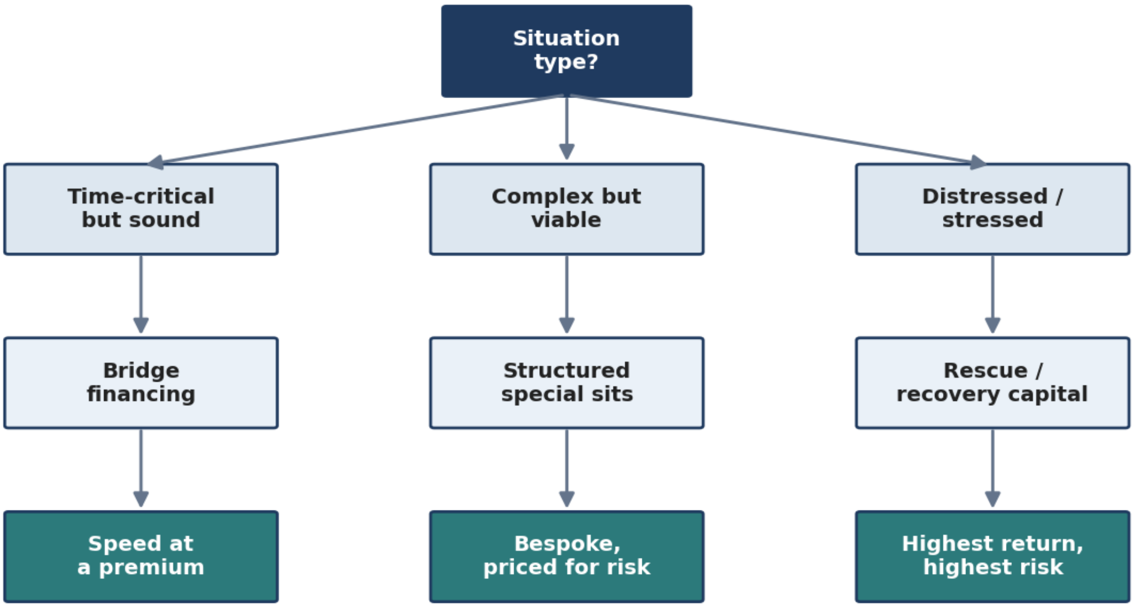
The provider often takes a more active role than a conventional lender, because the resolution of the situation, the recovery, the event, the carve-out, the dispute, frequently requires active involvement rather than passive lending. A special situations provider may negotiate with other stakeholders, drive a restructuring, or steer a process, and its structuring gives it the rights to do so. This active, hands-on approach is a feature of the segment, and it requires the provider to have the expertise and capacity to engage actively, not merely to lend, which is part of what distinguishes a specialist from a conventional lender.

The structuring must also manage the downside, because special situations carry elevated risk of loss. The provider protects itself through the security, the priority, the entry discount where it acquires existing debt below par, and the control rights that allow it to influence the outcome, and it sizes its exposure conservatively against the recovery it expects in a downside. A well-structured special situations financing protects the provider in the downside while positioning it to benefit from the resolution in the upside, and the skill of the structuring is in achieving this protection in a difficult, bespoke context where conventional structures do not fit.

6. The Borrower Decision

For a borrower facing a special situation, the decision is whether to pay the special-situations premium to access the capital, and Figure 4 presents a framework. A borrower with a time-critical but fundamentally sound situation may need only bridge financing, paying a premium for speed to reach an event that will repay it. A borrower with a complex but viable situation needs structured special-situations capital that can assess and fund the complexity. A borrower in genuine distress needs rescue or recovery capital, the most expensive but, where the alternative is failure, the most valuable.

Figure 4. Special Situations Financing by Situation Type



Indicative framework. The situation type determines the appropriate capital.

The borrower decision turns on the alternative. For a borrower that conventional lenders will not serve, the alternative to special situations credit is often no capital at all, and the failure or loss that would follow, so the premium, however high, may be worth paying to access the only available capital. The borrower should compare the cost of the special situations capital not against conventional lending, which is unavailable to it, but against the consequence of having no capital, which is frequently far worse than the premium. Viewed this way, the special situations premium is often clearly worth paying.

The borrower should also recognise the value the specialist provider brings beyond the capital. A specialist provider that takes an active role can bring expertise, relationships and credibility to the resolution of the situation, helping to steer it toward a good outcome in ways a passive lender could not. For a borrower in a difficult situation, this active, expert partner can be as valuable as the capital itself, and a borrower should choose a specialist provider not merely on the cost of the capital but on the expertise and the constructive engagement it brings to the resolution. The right specialist partner improves the outcome, not merely funds it.

7. The Specialist Provider Perspective

Special situations capital is provided by specialists, and understanding their perspective is essential to the segment. The specialist provider underwrites the recovery: it assesses whether the difficult situation is viable, what it will take to resolve it, and what the recovery will be, and it provides capital where it sees a viable situation that can be resolved at an attractive return. It is comfortable with the complexity, time pressure and distress that conventional lenders avoid, because that is its specialism, and it prices the difficulty into its return.

The specialist provider core competence is discernment and resolution: the ability to distinguish the difficult-but-viable situation from the genuinely-bad one, and the ability to resolve the difficult situation through active engagement. This competence is scarce, requiring deep expertise, experience across many situations, and the capacity to engage actively, and it is what justifies the provider premium and distinguishes the successful specialist from the unsuccessful. An investor in special situations capital is, in effect, backing the provider discernment and resolution skill, which is why the track record and capability of the provider are the central considerations.

For the specialist provider, the segment offers high returns but carries high risk, and the dispersion in outcomes is wide: a well-assessed and well-resolved situation produces an excellent return, while a misjudged or poorly-resolved one produces a loss. The provider success depends on its discernment in selecting situations and its skill in resolving them, and the best providers, with the strongest discernment and resolution capabilities, earn attractive returns through cycles, while the weaker ones suffer losses. The segment rewards skill and punishes its absence, which is why it is the domain of specialists rather than generalists.

8. Risk Considerations

Special situations credit carries the highest risk in the credit spectrum, and its risks deserve careful attention. The principal risk is that the situation does not resolve as expected, the recovery falls short, the event does not occur, the carve-out fails, the dispute is lost, leaving the provider with a loss. Because special situations are difficult and uncertain by definition, this risk is elevated, and the provider must price and structure for it, accepting that some situations will not resolve well.

A second risk is the time risk: special situations often take longer to resolve than expected, and a delayed resolution erodes the return, as the capital is tied up longer and the costs accrue. The time to resolution is, as the sensitivity analysis shows, one of the principal drivers of the realised return, and a provider that misjudges the timeline, or a situation that drags on, can see an attractive expected return erode into a poor realised one. Managing the time to resolution, through active engagement, is part of the provider skill.

A third risk is the execution risk of the active role: because the provider often engages actively to resolve the situation, the outcome depends partly on the provider execution, and a provider that mismanages the resolution can turn a viable situation into a loss. This makes the provider capability central not only to selecting situations but to resolving them, and it means that the segment risk is partly within the provider control, rewarding skill and punishing its absence. For an investor, this underlines that backing a skilled provider is the principal risk management in the segment, because the provider skill determines whether the elevated risk translates into attractive returns or losses.

9. Considerations Specific to MENA

The MENA special situations segment is developing as the regional capital market matures, and it has distinctive features. The regional insolvency and restructuring frameworks, which are maturing, shape the resolution of distressed situations, and a special situations provider must understand them to assess the recovery it can achieve. The frameworks improvement is supporting the development of the segment by making recoveries more predictable, which allows providers to price and structure with greater confidence.

The relative scarcity of specialist providers in the region means that special situations capital faces little competition, which supports its premium but also means that viable difficult situations sometimes go unfunded for want of a provider. As the segment develops and more specialists enter, the competition will increase and the premium may compress, but for now the scarcity of providers is a feature of the regional segment, creating an opportunity for the specialists that are present and a gap for the situations that cannot find a provider. The development of the segment is, on balance, improving the regional market by funding viable situations that would otherwise fail.

The compliant dimension applies here as elsewhere: special situations capital can be structured in compliant form, and the compliant segment is part of the developing market. A provider able to offer compliant structures serves the compliant capital and borrowers that conventional structures cannot, which is an advantage in the region. The development of both conventional and compliant special situations capital is broadening the segment and serving the full range of difficult situations in the regional market, which is a sign of the market maturation.

10. Indicative Case Studies

Three indicative cases show special situations credit in action. The figures are synthetic and constructed for analytical clarity, not drawn from any specific transaction.

10.1 Case A: bridge to refinance

Case A is a fundamentally sound borrower facing a maturity it cannot meet on time because its refinancing is delayed, which secures bridge financing from a special situations provider to cover the gap until the refinancing completes. The bridge is priced for the time pressure rather than for distress, since the borrower is sound, and it is repaid when the refinancing completes shortly after. The case illustrates time pressure as the dominant difficulty, with the borrower paying a premium for the speed that bridges it to the event that repays the financing.

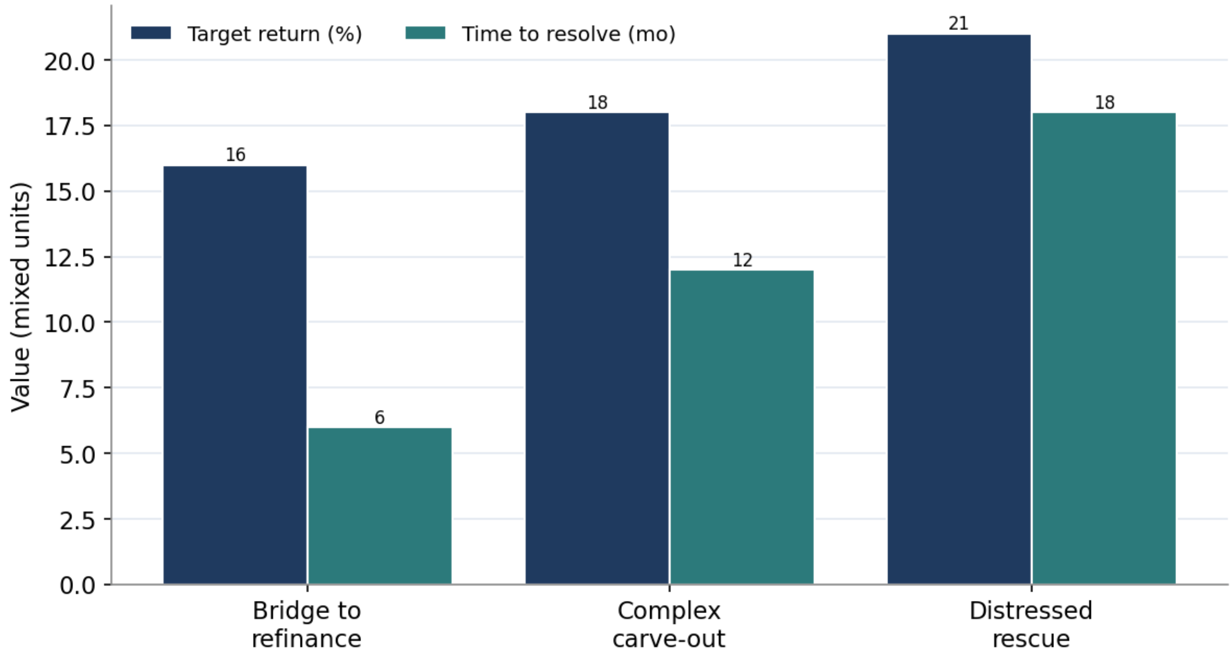
10.2 Case B: complex carve-out

Case B is the carve-out of a viable business from a larger group, where the complexity of separating the business deters conventional lenders, which secures structured special situations capital to fund the carve-out. The provider assesses and structures the complex situation, funds the carve-out, and is repaid as the carved-out business stabilises and refinances into conventional debt. The case illustrates complexity as the dominant difficulty, with the borrower paying a premium for the provider ability to assess and fund the complex situation that conventional lenders avoid.

10.3 Case C: distressed rescue

Case C is a distressed borrower with viable assets but a strained balance sheet that needs rescue capital to avoid failure, which secures rescue financing from a special situations provider that takes strong security, priority and control rights. The provider funds the rescue, engages actively to stabilise the borrower, and recovers its capital and return as the borrower recovers. The case illustrates distress as the dominant difficulty, with the borrower paying the highest premium for the rescue capital that saves it from failure, and the provider taking the highest risk for the highest return.

Figure 5. Target Return and Time to Resolve by Case



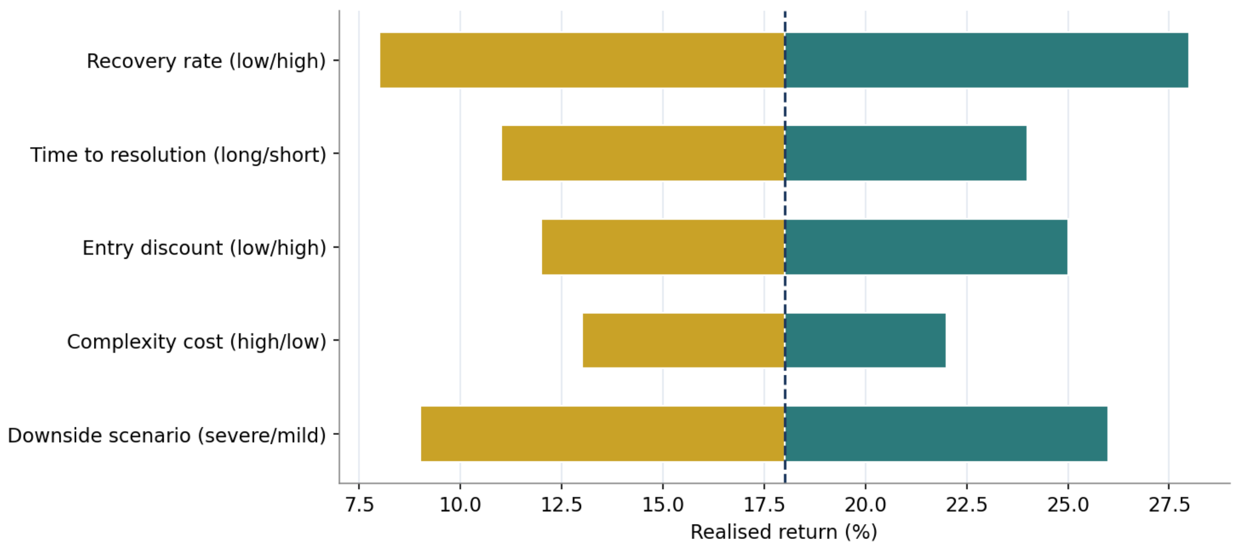
Synthetic figures for analytical comparison. Not a forecast.

Figure 5 compares the three cases on the target return and the time to resolve. The bridge resolves quickly at a moderate premium; the carve-out takes longer at a higher premium; and the rescue takes longest at the highest premium, reflecting the rising difficulty and risk across the cases. The comparison illustrates that the premium and the time to resolution both rise with the difficulty of the situation, and that the provider return depends on resolving the situation within the expected time, which the active engagement seeks to ensure.

11. Sensitivity and Scenario Analysis

A tornado analysis identifies the variables that most influence the realised return on special situations credit. Figure 6 presents the result.

Figure 6. Sensitivity of Realised Return to Key Variables



Each bar shows the realised return when the labelled variable moves to its low or high case. Dashed line is the base case. Indicative.

The analysis shows that the recovery rate and the time to resolution dominate the realised return, with the entry discount and the complexity cost also significant. The prominence of the recovery rate reflects the central uncertainty of the segment: the return depends above all on how much is recovered from the difficult situation, and a high recovery produces an excellent return while a low recovery produces a loss. The time to resolution matters because a delayed resolution erodes the return, and the entry discount matters because acquiring existing debt below par improves the return. The sensitivity confirms that the segment return is driven by the resolution of the situation, which the provider skill seeks to achieve.

Table 2. Scenario Matrix for Realised Return

Scenario	Recovery	Time to resolve	Realised return
Strong resolution	High	Short	~26%
Base	Moderate	On plan	~18%
Slow resolution	Moderate	Long	~12%
Poor outcome	Low	Long	~4% or loss

Indicative scenarios. Not a forecast.

The scenario matrix shows the wide dispersion in outcomes that characterises the segment. A strong resolution produces an excellent return; a poor outcome produces a loss; and the difference depends on the recovery and the time to resolution, which the provider discernment and resolution skill seek to influence. The wide dispersion underlines that special situations is a skill-dependent segment, where the provider capability determines whether the elevated risk produces attractive returns or losses, and where diversification across situations is essential to manage the risk that any single situation resolves poorly.

12. International Comparison

Special situations and distressed credit is a large, mature segment in the United States and Europe, where specialist funds have built substantial businesses funding complex, time-pressured and distressed situations through cycles. The segment is well understood, with established structures, experienced providers, and a track record through multiple downturns that has demonstrated both its returns and its risks. The MENA segment is developing toward this maturity, with specialist providers emerging and the frameworks improving.

The international experience offers lessons for the developing MENA segment. It shows that special situations is a durable, skill-dependent segment that provides essential capital to viable difficult situations, that the provider discernment and resolution skill are the central determinants of success, and that the segment performs through cycles, indeed often best in downturns when difficult situations proliferate. As the MENA segment develops, it can draw on the mature-market structures and disciplines while adapting them to the regional frameworks and the compliant dimension. The countercyclical nature of the segment, thriving when difficult situations multiply, means it is likely to grow in importance through the region next downturn.

13. Common Errors and How to Avoid Them

A recognisable set of errors recurs in special situations credit.

- **Misreading the premium.** For borrowers, regarding the special-situations premium as a judgement on creditworthiness rather than the price of difficulty can deter access to needed capital. The remedy is to compare the premium against the consequence of having no capital.
- **Misjudging viability.** Confusing a difficult-but-viable situation with a genuinely bad one, in either direction, leads to mispriced or missed financing. The remedy is rigorous discernment of viability.
- **Underestimating time.** For providers, underestimating the time to resolution erodes the expected return. The remedy is to underwrite the timeline conservatively and engage actively to resolve quickly.
- **Ignoring provider capability.** Selecting a special situations provider on cost alone, ignoring its resolution capability, risks a poorly-resolved situation. The remedy is to choose a provider on its expertise and constructive engagement.

Each of these errors is avoidable through the disciplined approach the framework encourages: read the premium correctly, discern viability rigorously, underwrite the timeline conservatively, and choose providers on capability. The participant that does so uses the segment well, while the one that does not misprices, misjudges or mismanages the difficult situations the segment exists to serve.

14. Implementation Roadmap

1. For a borrower, assess whether the situation is genuinely a special situation, complex, time-pressured or distressed, that conventional lenders will not serve, and whether it is fundamentally viable.
2. Compare the special-situations premium against the consequence of having no capital, recognising that the premium prices difficulty, not necessarily bad credit.
3. Choose a specialist provider on its expertise, track record and constructive engagement, not on cost alone.
4. For a provider, discern the viability of the situation rigorously, distinguishing the difficult-but-viable from the genuinely-bad.
5. Price the difficulty through the complexity, time-pressure and illiquidity premiums, and structure for strong security, priority and control.
6. Engage actively to resolve the situation within the expected time, since the recovery and the timeline drive the return.
7. Diversify across situations to manage the wide dispersion in outcomes that characterises the segment.

15. Strategic Perspective: A Maturing Segment

The development of a special situations segment is a sign of a maturing capital market, because it means the market can fund the full range of situations, not merely the straightforward ones. A market that can fund only the easy situations leaves viable difficult situations to fail; a market with a developed special situations segment funds them, preserving value that would otherwise be lost. The emergence of special situations capital in MENA is therefore a positive development for the regional economy, improving its capacity to fund and resolve difficult situations.

For the specialists that develop the segment, the opportunity is significant, because the scarcity of providers and the difficulty of the situations support attractive returns for those with the discernment and resolution skill to capture them. The specialists that establish themselves early, building the expertise, the relationships and the track record, position themselves to lead the segment as it grows, and to benefit from the countercyclical demand that downturns bring. Building a special situations capability is a strategic investment in a developing, high-return, skill-dependent segment, and the specialists that make it well will be among the most valuable providers in the regional market.

The broader strategic point is that the special situations segment, by funding and resolving difficult situations, performs an economic function beyond the returns it earns: it preserves value, sustains viable enterprises through difficulty, and improves the resilience of the regional economy to the difficult situations that cycles inevitably produce. The development of the segment is therefore valuable not only to its participants but to the region, and supporting its development, through the frameworks, the expertise and the capital it requires, is in the broader interest. The segment is a mark of maturity, and its development is a sign of the regional market coming of age.

16. Conclusion

Special situations credit funds the situations that conventional lenders avoid, the complex, the time-pressured and the distressed, pricing the difficulty and accepting the risk. This paper has argued that the segment prices for difficulty rather than for ordinary creditworthiness, that its returns are driven above all by the recovery achieved and the time to resolution, and that it provides essential capital to viable difficult situations that would otherwise fail. For a borrower facing such a situation, the premium prices the difficulty and is often worth paying against the alternative of no capital; for a provider, the segment offers high returns to those with the discernment and resolution skill to capture them.

The MENA special situations segment is developing as the regional market matures, and its emergence is a positive sign, improving the market capacity to fund and resolve difficult situations. The specialists that develop the segment, building the discernment and resolution capability it requires, position themselves in a high-return, skill-dependent segment with countercyclical demand, while serving an economic function that preserves value and sustains viable enterprises through difficulty. The frameworks in this paper are intended to help borrowers facing difficult situations access the capital they need, and investors and providers understand the segment that funds them.

17. Limitations and Directions for Further Research

This paper is framework-oriented and relies on indicative data, and its conclusions are directional rather than precise. The returns, premiums and recovery rates are calibrated to observable conditions but are not empirical estimates, and they vary widely across situations. The MENA segment is developing, and its depth, pricing and recovery experience are evolving.

Several extensions would strengthen the analysis. An empirical study of realised returns and recoveries in MENA special situations would replace the indicative figures with data. An analysis of the regional insolvency and restructuring frameworks and how they shape recoveries would sharpen the analysis. And a study of how the segment performs through a downturn, when difficult situations proliferate, would illuminate its countercyclical character. Each is a natural subject for a later paper in this series.

Appendix A. Base Case Assumptions

Table 3. Base Case Assumptions

Parameter	Value	Parameter	Value
Base rate	~8%	Complexity premium	~3-5%
Time-pressure premium	~2-4%	Illiquidity premium	~2-4%
All-in target return	~16-23%	Recovery (base)	Moderate
Time to resolve	6-18 months	Provider role	Active
Currency	AED / regional	Compliant option	Available
Segment	Developing	Demand	Countercyclical

Indicative parameters used to generate the figures and case studies. Not transaction-specific.

Appendix B. Glossary of Terms

Table 4. Glossary of Key Terms

Term	Definition
Special situations	Financing of complex, time-pressured or distressed situations.
Rescue financing	Capital to a distressed borrower to avoid failure.
Bridge to event	Capital to reach a defined repaying event.
Carve-out	The separation of a business or asset from a group.
Recovery	The amount realised from a difficult situation.
Entry discount	Acquiring existing debt below par.
Complexity premium	The return premium for difficulty of assessment.
Time-pressure premium	The premium for speed required.
Illiquidity premium	The premium for a bespoke, hard-to-exit position.
Discernment	Distinguishing viable difficult situations from bad ones.

Definitions provided for reference.

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