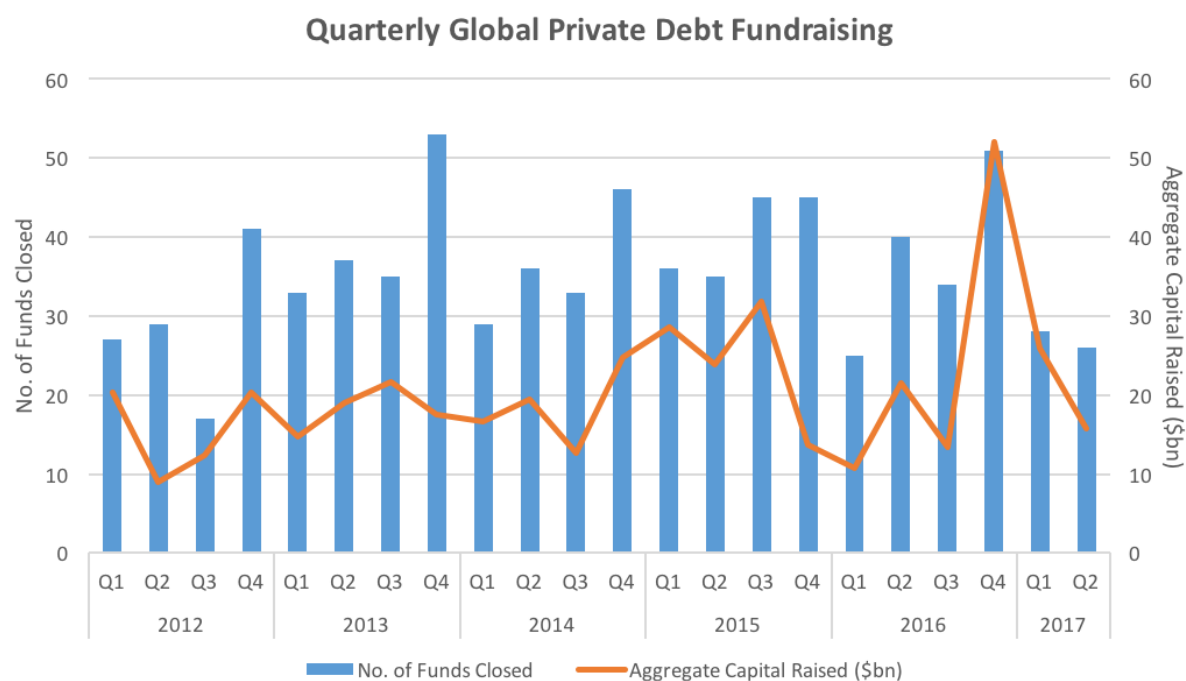


Private Debt Intelligence – 7/10/2017

THE LEAD | July 10, 2017

Private Debt Fundraising Momentum Fades in Q2

Chart



Download Data



[Download Preqin's Data – July 10 2017](#)

1 file(s) 18.59 KB

Login Required

The closed-end private debt fundraising market saw 26 vehicles reach a final close in the second quarter of 2017, securing a total of \$16bn in investor commitments. Preqin expects these figures to rise by up to 10% as more information becomes available, putting the quarter behind the strong activity seen in the first quarter of the year.

However, private debt funds marked a record fundraising quarter in Q4 2016, and this momentum seems to have been somewhat sustained through the first half of the year. In total, the industry has now seen funds closed in the past four quarters raise more than \$100bn.

Although fundraising totals through the quarter were robust, the largest proportion of activity was centred on North America-focused funds, which saw 16 vehicles raise \$13bn. By contrast, just five Europe-focused funds closed in Q2, securing a total of \$2bn, down from \$11bn raised for the region in Q1.

Similarly, the largest share of capital raised was for distressed debt funds, with three funds following this strategy raising \$7bn. Although more direct lending vehicles closed (10), they account for \$5bn, compared to \$14bn secured by 14 funds closed the previous quarter.

The bulk of activity through Q2, therefore, was focused on distressed debt in North America, arguably the most well-established segment of the market. Growth areas such as direct lending or Asia-focused funds have seen activity decline in the quarter. If the industry is to capitalize on the strong growth seen over recent quarters, fundraising activity in these sectors will need to recapture some momentum in the second half of the year.

Contact: William Clarke
william.clarke@preqin.com