Private Debt Intelligence – 11/19/2018

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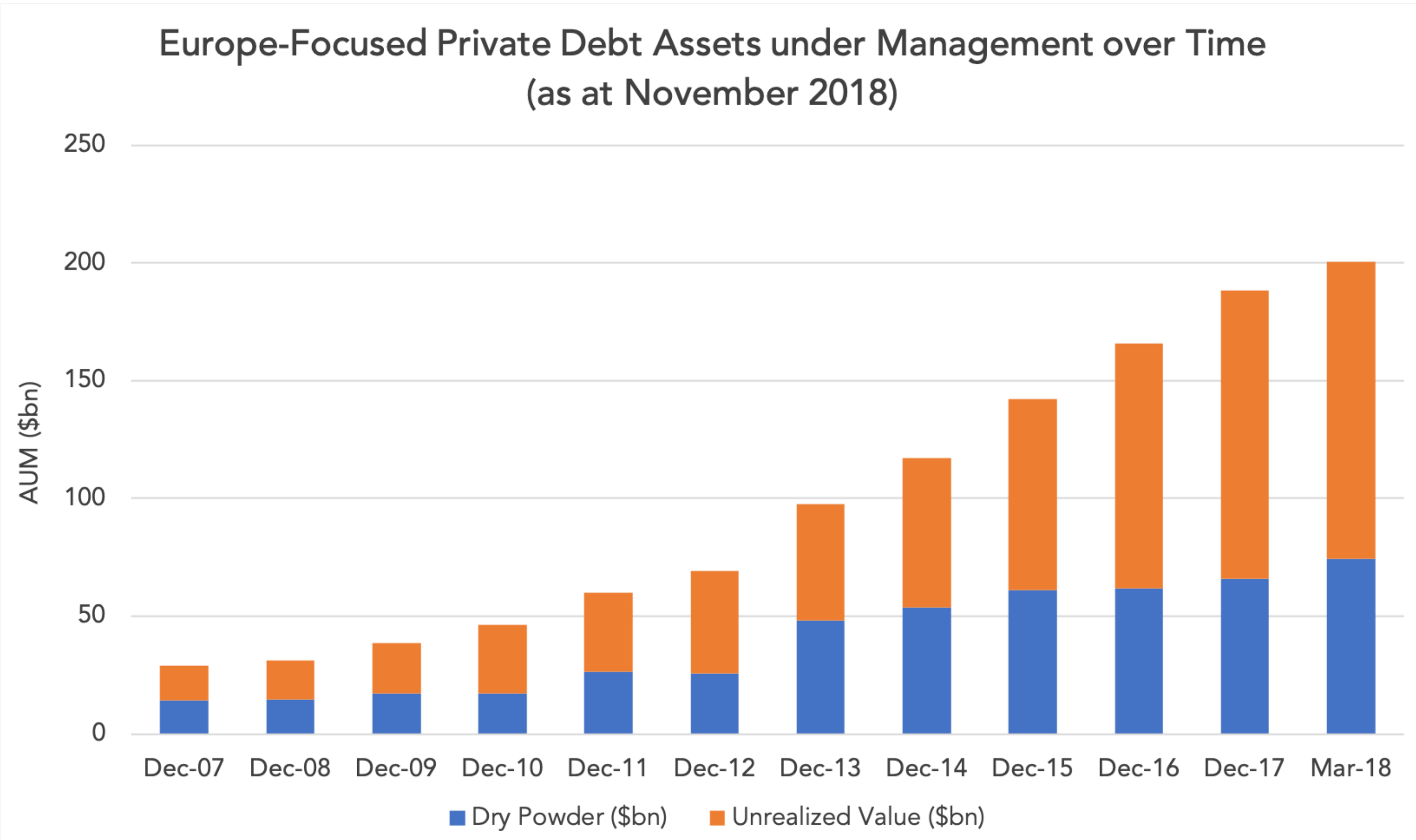
Europe-Focused Private Debt Assets under Management Reach $200bn

Chart



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The European private debt universe has exploded over the last decade, and funds focused on the region now hold $200bn in assets under management. Europe has been a key area of interest for investors in private debt. In fact, almost half (47%) of private investors surveyed by Preqin in June view Europe as presenting the best opportunities – the largest proportion of investors showing preference for any region. Furthermore, the number of investors allocating to Europe has risen to 1,755 as of November 2018 – a new high.

Investor interest has spurred a boom in fundraising. 2017 was a record year and 56 Europe-focused funds held a final close and raised an aggregate $45bn. 2018 looks also to be a strong fundraising year, as 35 funds have raised a total of $27bn as at November.

Strong fundraising levels in turn have helped Europe-focused private debt assets under management spike. As at March 2018 – the latest data available – the industry holds a record $200bn in assets. This includes $74bn in dry powder and $126bn in unrealized value. This represents a significant jump of $12bn in assets under management since the end of 2017. This also represents a decade of consecutive year-on-year growth in Europe-focused private debt assets under management.

This growth goes to show that although Europe is a developed credit market with many opportunities for investment, it is not as saturated with industry participants as the North American market. This has created ideal circumstances for the European industry to grow, and those conditions don't look likely to abate in the near future. With the largest proportion of investors citing Europe as a continued area of interest, it is likely that capital will keep flowing into the region in the coming months.

Contact: Naomi Feliz
Naomi.Feliz@preqin.com