Private Debt Intelligence – 1/21/2019

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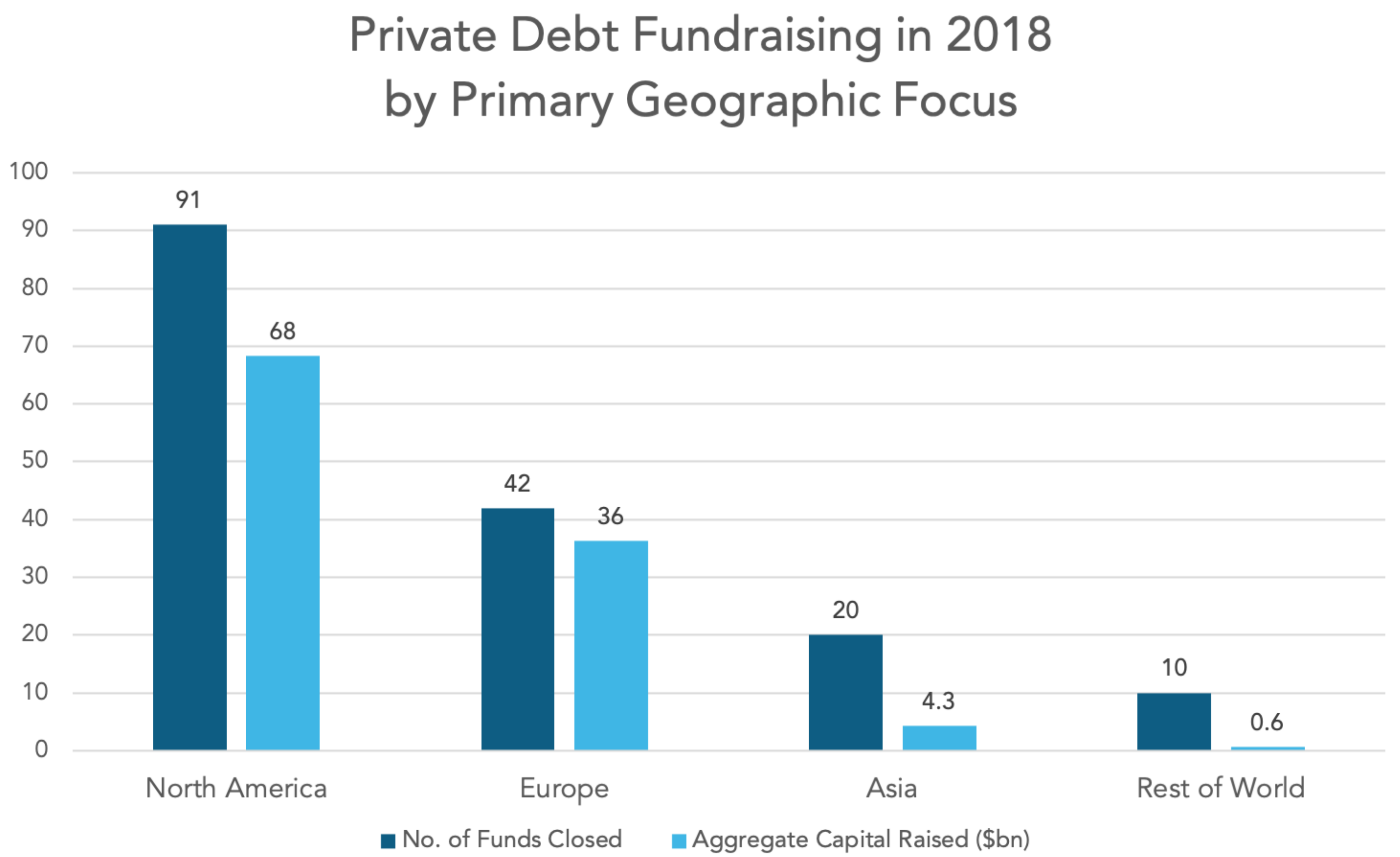
Asia-Focused Private Debt Fundraising Falters

Chart



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2018 proved to be another strong year for private debt fundraising, with the year seeing 163 funds holding a final close and securing an aggregate $110bn in capital. North America continued to represent the largest portion of the industry: 91 North America-focused vehicles raised a total of $68bn. Europe-focused funds also accounted for a large proportion of the industry, and in 2018, 42 Europe-focused vehicles raised an aggregate $36bn.

Asia, however, continues to experience volatile fundraising levels. In 2018, 20 Asia-focused funds closed and raised $4.3bn. By comparison in 2017, 27 Asia-focused funds held a final close and raised $9.1bn. However, in 2016, 21 funds raised just $3.1bn. In fact, 2017 saw the second-largest sum of capital raised for Asia after 2012, when 22 funds secured $9.3bn. The large sum of capital raised in 2012 is mostly due to one fund: Mount Kellett Capital Partners II which closed on $4.0bn and became the largest ever Asia-focused private debt fund.

In fact, none of the 20 largest private debt funds closed in 2018 were Asia-focused. Thirteen of the largest private debt funds closed in 2018 were North America-focused, including the largest closed, GS Mezzanine Partners VII which secured $13bn. This makes GS Mezzanine Partners VII tied with GS Mezzanine Partners V as the largest private debt vehicles ever raised.

As at 3rd January 2019, there are 395 private debt funds looking to raise a total of $168bn. Of the funds in market, just 36 are targeting Asia, while 197 are targeting opportunities in North America. The largest Asia-focused private debt vehicle currently in market is CDH Mezzanine RMB Fund V, a mezzanine fund seeking to raise $1.0bn. This fund is looking at opportunities exclusively in China and has held a first close, securing roughly $471mn.

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