The rise of the few in Europe

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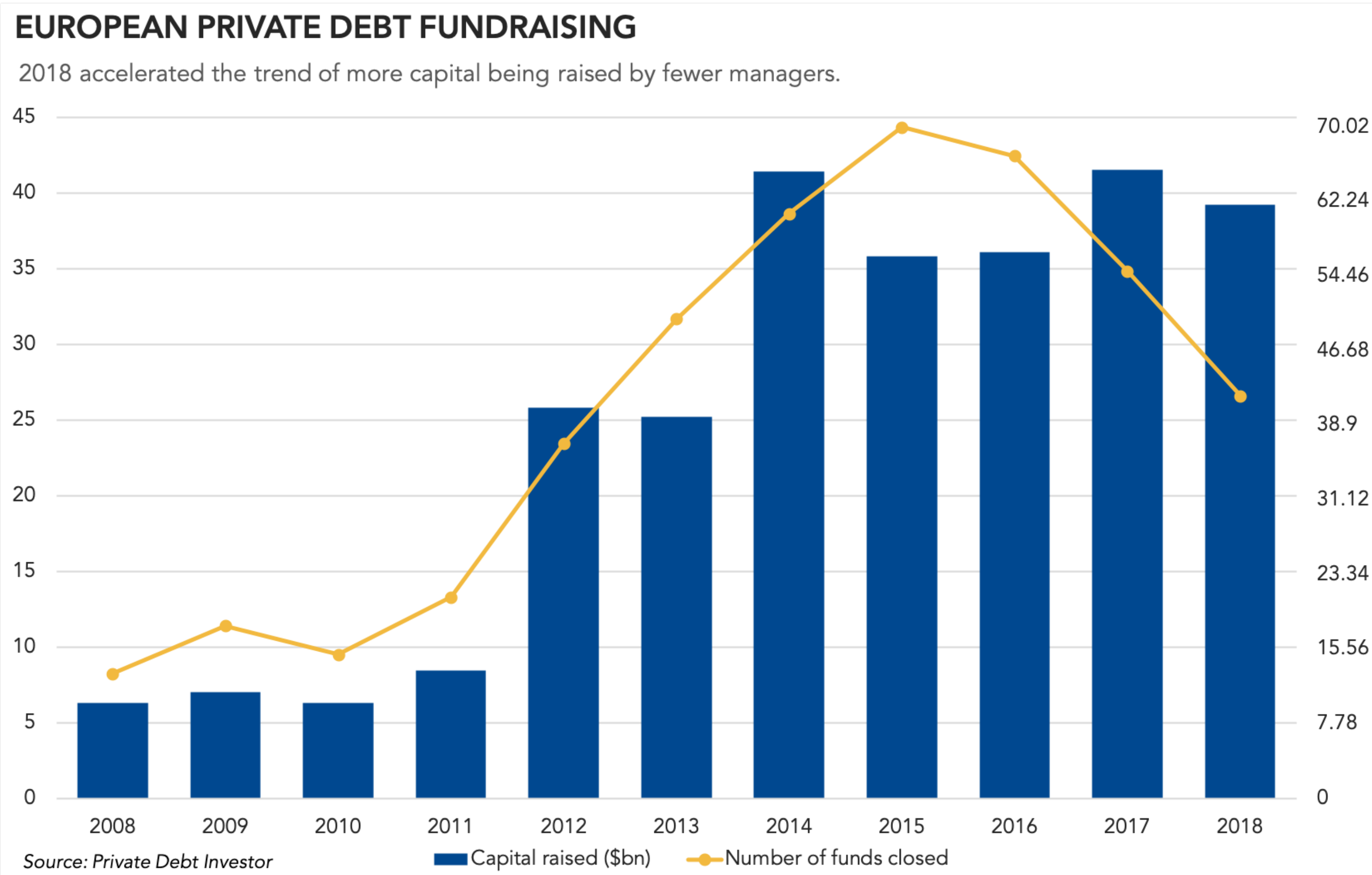

In 2018, three European mega-funds raised more than one out of every three dollars focused on the region.

A dominant theme in recent headlines has been concentrated wealth in the hands of the very few – and I'm not talking about income status. I'm talking about private credit.

Capital raising across Europe has become a dash for dollars among the largest credit managers, PDI data show. In 2017, private debt firms collected $41.55 billion across 55 vehicles. Last year, alternative lenders collected a similar amount, $39.23 billion, across 42 vehicles.

Three of the top 10 vehicles are targeting Europe, with Ares Management raising $7.45 billion for its Ares Capital Europe IV, Intermediate Capital Group collecting $5.15 billion for its ICG Europe Fund VII and EQT locking down $2.63 billion for EQT Mid-Market Credit II. Just this week, BlueBay Asset Management closed on more than $6.76 billion for its BlueBay Direct Lending Fund III.

North America has seen marquee names in credit growth at a clip over the past several years, raising billions of dollars and successor funds that are more than double the size of their predecessors. Europe in particular began to show signs of such a phenomenon in 2018. If BlueBay sets any precedent for the year, 2019 could even further that trend.