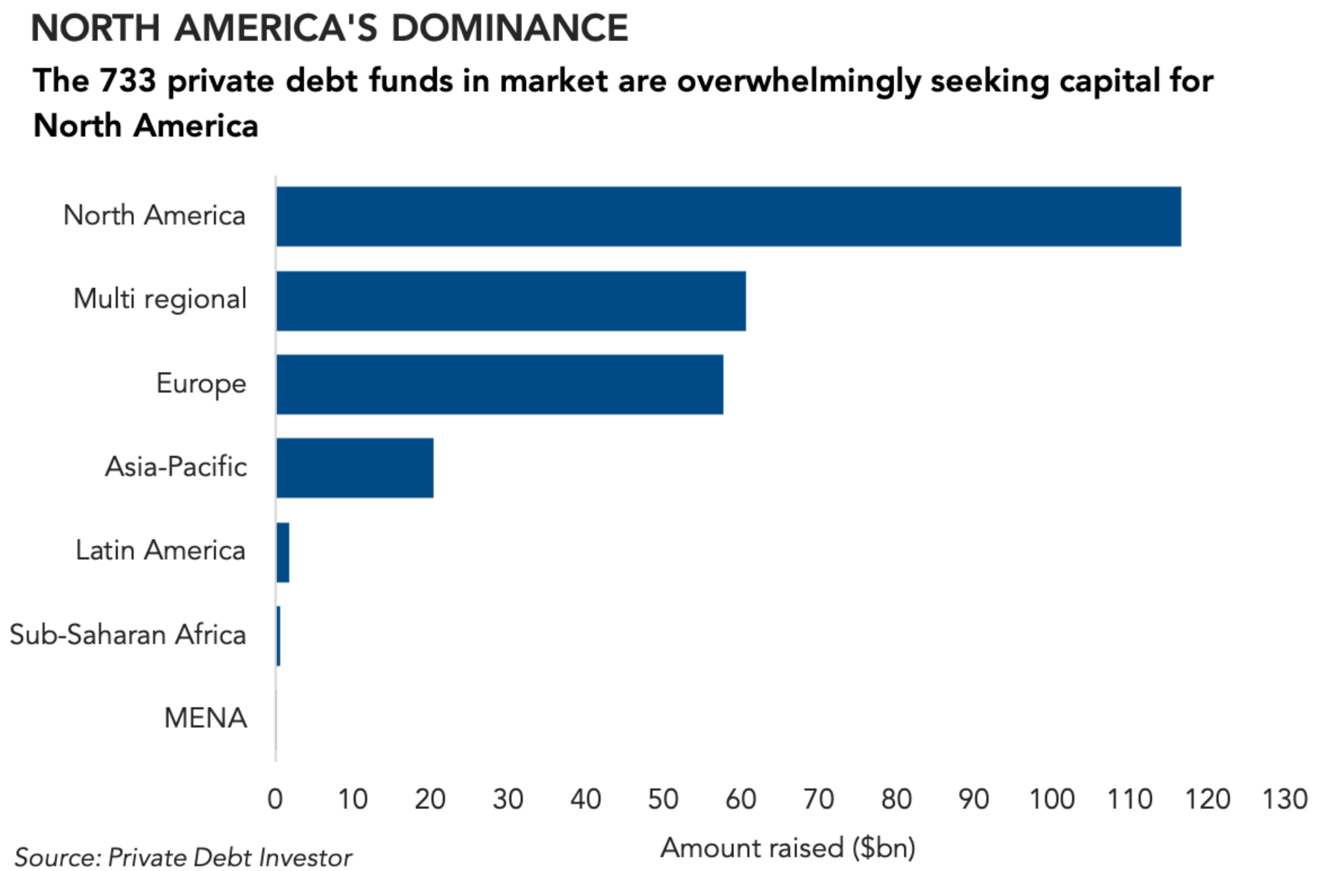
THE LEAD
https://theleadleft.com/pdi-picks-9-16-2019/

North America ascendant in rat race for capital

Private Debt Investor | September 18, 2019



Many smaller private debt funds may be targeting the continent, but that is at odds with the trend toward more capital in the hands of fewer managers.

North America may be rising in private credit fundraising – funds targeting the continent are seeking $116.6 billion.

Funds investing in multiple geographic areas have collected the most this year, raising $36.43 billion. North America takes second place with $25.16 billion, but those vehicles may raise more than multi-regional funds by the end of the year.

What’s notable about the almost $120 billion fundraise target for private credit in North America is that there is a lack of mega-funds in market. Of the top 10 funds in market, only two are targeting the continent: 3G Capital, the owners of Burger King and Tim Horton’s, which is seeking $10 billion for its fifth special situations fund, and Goldman Sachs, which is looking for $3 billion for an energy-focused fund.

The gargantuan amount of capital comes from a consortium of smaller funds, and perhaps a large number of them: there are a total of more than 700 private debt vehicles currently raising capital. And of course, a firm setting out with a fundraising target is nowhere near a guarantee they can raise it.

The trend is toward fewer managers raising more capital – in last year's PDI 50, the top 10 managers raised more than half the total capital collected ($383.8 billion out of $708.3 billion). So, whether the smaller funds can carve out a place in the market remains to be seen.

Contact: Andrew Hedlund
andrew.h@peimedia.com