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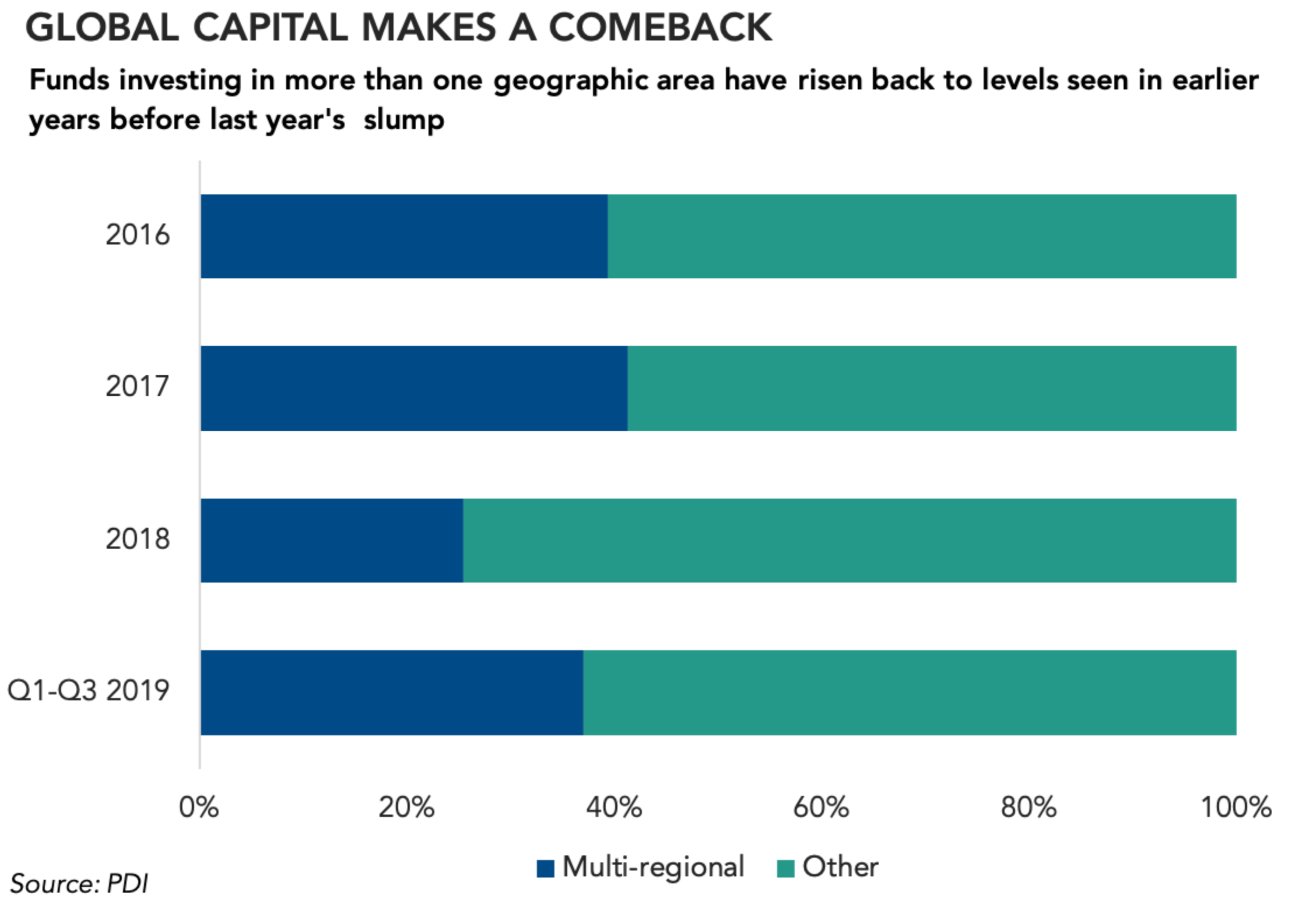
Multi-regional funds hold their own in chase for capital

Private Debt Investor | October 23, 2019



In 2019, so far, capital pools investing in more than one global region have raised more than in 2018.

Multi-regional funds – those investing across more than one geographic area – have made a comeback this year, or at least risen back in line to prior years' levels, according to PDI data.

The percentage of such vehicles rose to 36.97 percent of the $112.69 billion raised in the first nine months of the year after dropping notably in 2018. Last year, multi-regional funds collected only 25.47 percent of the $154.44 billion raised. That compared to the roughly 40 percent of all locked-down capital in 2016 and 2017.

Depending on fund closes in the fourth quarter, multi-regional funds may slip, as there is almost double the capital being sought for North America by funds in market than for multi-regional, with the former seeking $116.60 billion to the latter's $60.63 billion.

This is not necessarily a surprise, given that the US is the largest and most mature private credit market. The growth in private credit managers in the US in recent years – if you run a private equity firm in New York or Los Angeles, you've probably started a private debt platform – possibly accounts for this lopsided total.