Private Debt Intelligence – 10/28/2019

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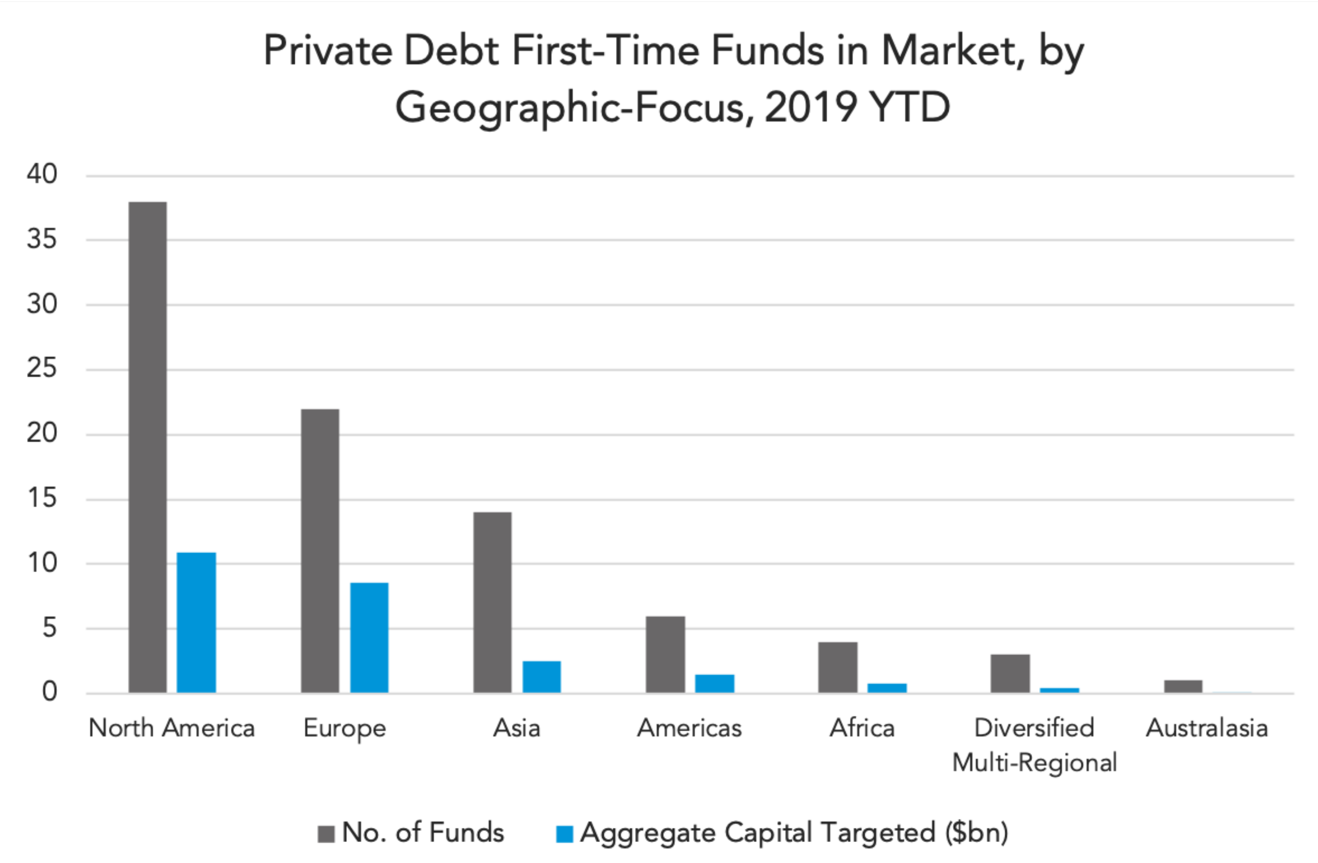
Private Debt First-Time Funds in 2019

Chart



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2019 has been a slow fundraising year for private debt – so far this year just 118 funds have been closed, raising an aggregate capital of $81bn. Fund managers are finding difficult to attract investors and the private debt market remains crowded – there are currently 427 funds seeking an aggregate $183bn in capital. With numbers being so low, compared to previous years, how is the scenario for first-time funds this year?

Following the market fundraising trend, figures for private debt first-time funds closed have been falling. 2016 would have recorded the largest amount of first-time funds closed, being 54 with an aggregate value of $9.6bn. Since then the number of funds has decreased, closing 31 funds so far this year valuing $7.2bn. If we look into the geographic focus, the developed regions would be the most targeted. North America will account with the largest amount of funds (12), raising $1.9bn and Europe would have been the region securing the highest amount of capital ($3bn). Standing out, Asia-focused first-time funds have been almost reached North-America, securing $1.7bn. Strategy wise, direct lending has closed 16 funds, being the strategy with the largest amount of funds closed, but, special situations would have surpassed direct lending capital secured, raising $3.3bn, 46% of the total capital raised so far this year by first-time funds.

Regarding funds in market, 20% of them are first-time funds – there are 88 funds seeking an aggregate $24.7bn. Within region-focus, North America and Europe would remain the strongest, targeting a combined of almost $20bn. Focusing on the Americas, there are currently 16 private debt funds in market targeting $2.6bn; six of them are first-time funds, targeting $1.4bn. Similarly, first-time funds focusing on Africa are seeking more than half of the capital targeted in the region. Among strategies, direct lending and special situations will remain the strongest in the asset class, targeting an aggregate of $18.7bn.

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