Private Debt Intelligence – 12/9/2019

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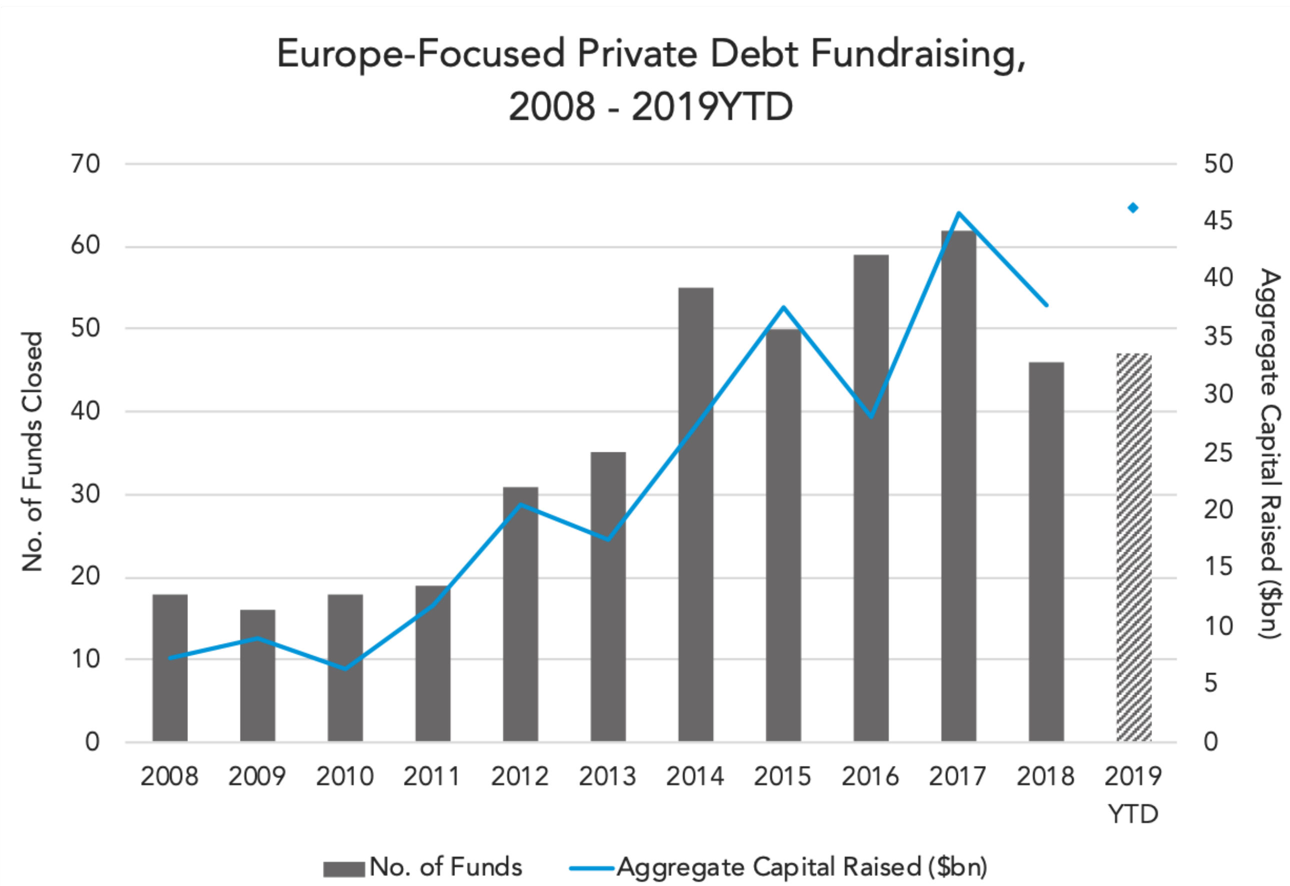
Europe-Focused Private Debt Fundraising Hits Record High

Chart



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Private debt fundraising has been slowing down globally since 2017 – so far this year the asset class has raised $92.7bn, the lowest fundraising figure seen since 2014. Normally, a big proportion of private debt trends are attributed to the most developed markets of North America and Europe, but while North America-focused private debt fundraising is descending, Europe-focused has increased and reached record high fundraising figures this year.

Fund managers focusing on Europe have attracted attention form investors and have been able to secure an aggregate capital of $46.2bn, half of the amount raised for private debt globally. So far this year, 13 funds raising over $1bn have been closed, which have been crucial to reach the amount of capital secured in 2019. These funds have raised $36bn of this year's fundraising, being the two largest funds of $6bn each. The highest amount has been raised in Q3, with $14.5bn, which has also been the second quarter raising the highest amount of capital ever in Europe-focused private debt.

But fundraising figures can still get higher as we reach the end of the year. As seen in the previous record year, 2017, the last quarter of the year saw the highest cash flow. There are currently 123 funds in market seeking for $64bn. Sixty of those funds have already held an interim close, with an aggregate capital secured of almost $25bn. Five of those are seeking for more than $1bn and, specifically, there is one fund in market that has held its fourth close and is targeting $5bn. Will Europe-focused private debt fundraising reach $50bn in 2019?

Fundraising is increasing and so does the Europe-focused private debt market – by June 2019 (the most recent available data), fund managers held $241bn in assets – two times more than five years ago. This includes $88bn in dry powder which fund managers may want to start deploying to maintain investors' interest.

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