Private Debt Intelligence – 7/13/2020

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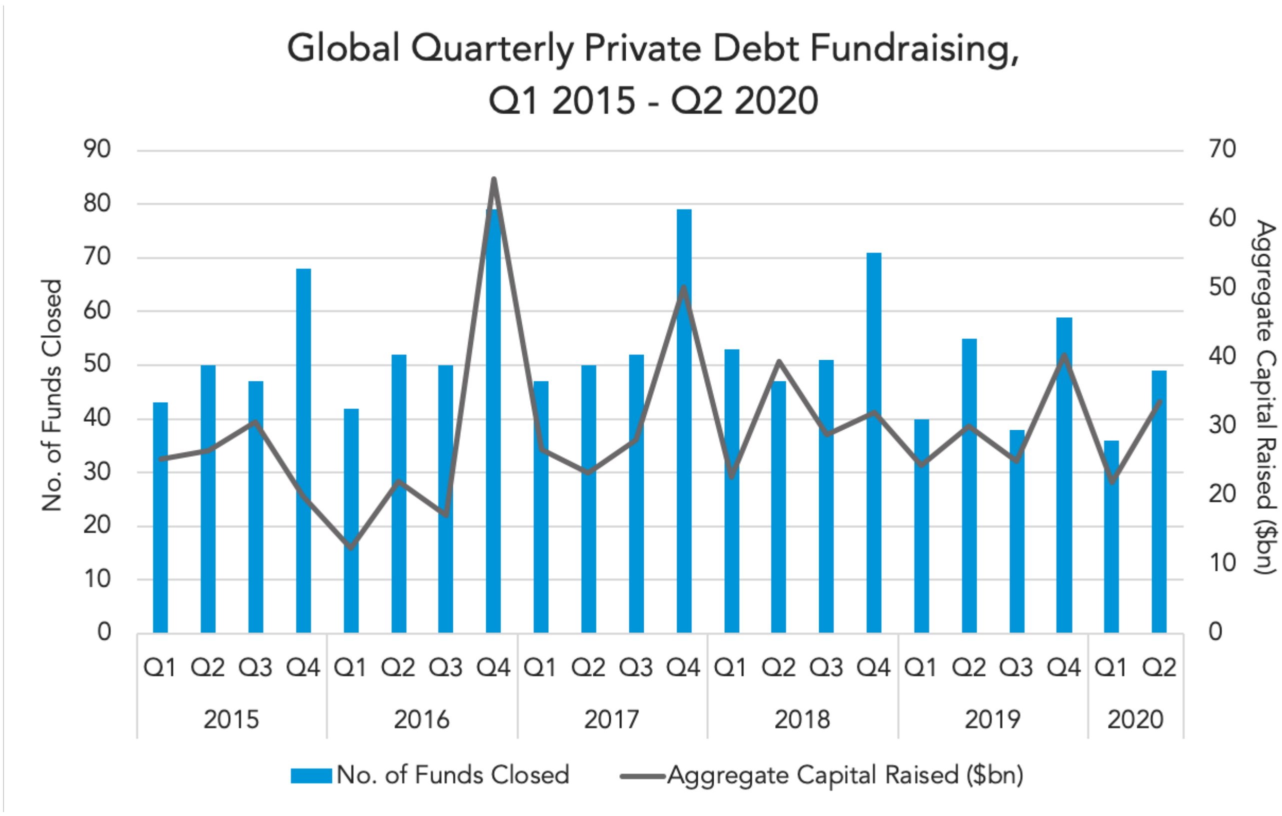
Private Debt Fundraising in Q2

Chart



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The outlook for private debt is slightly more promising at the midpoint of the year. A total of $34bn was raised over Q2 from 49 private debt funds closed, which compares with 36 funds securing $22bn in the first quarter of 2020. What's more, an increasing number of funds are coming to market: there are now a record-high 486 funds on the road, seeking $239bn in aggregate capital.

A growing interest in distressed debt and special situations strategies has been the catalyst for this bounce-back. With the IMF forecasting a 4.9% fall in real GDP amid the devastating impact of COVID-19 on global economies, the number of defaults is expected to rise significantly over the coming months. And the data shows that managers and investors are allocating accordingly. Special situations funds raised the most capital ($12bn) of any strategy over Q2, despite only five funds closing. Meanwhile, distressed debt funds account for 28% of aggregate capital targeted across private debt.

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