Private Debt Intelligence – 11/2/2020

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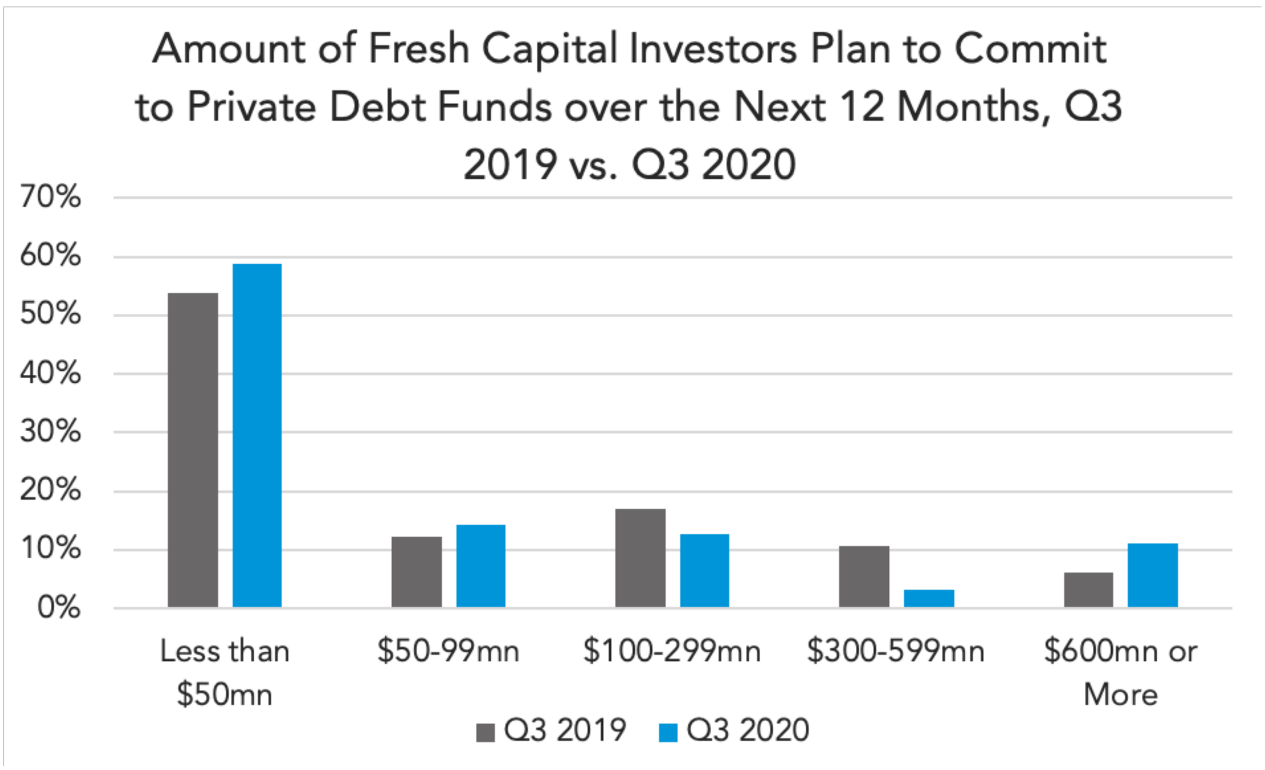
Investors Swift Their Allocation to Private Debt

Chart



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The way in which private debt investors allocate is changing. The COVID-19 pandemic has made it challenging for investors to form new relationships and they might have chosen to invest with already known fund managers. In Q3 2020, a larger proportion (76%) of investors expect to invest in a single fund in the coming 12 months, up from 63% one year ago. Regarding the amount of capital investors are targeting, 59% of investors will allocate less than $50mn to the asset class in the coming year, up from 54% in Q3 2019. However, also the proportion allocating more than $600mn increased, from 6% in Q3 2019 to 11% in Q3 2020. And among strategies, more investors are expecting to target special situations and distressed debt fund types than a year ago.

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