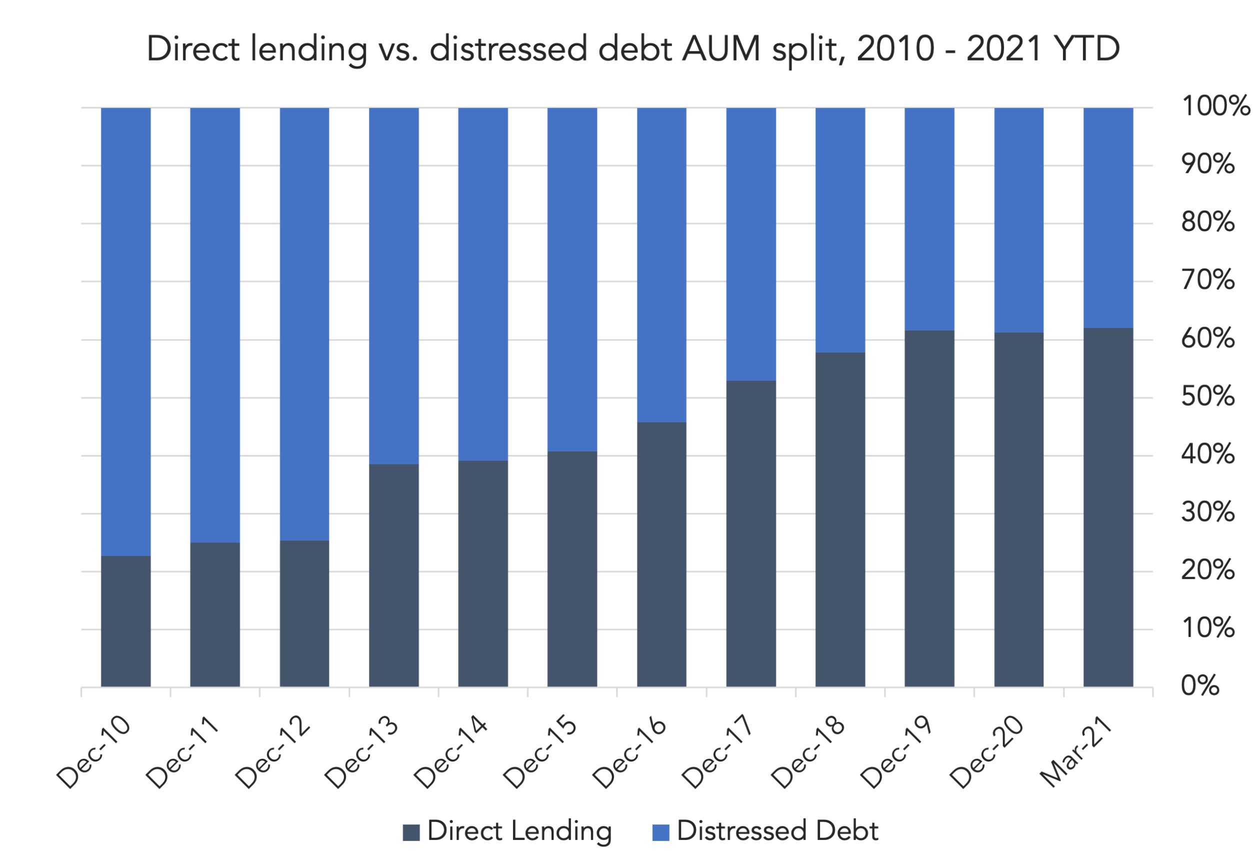
Private Debt Intelligence – 11/29/2021

THE LEAD | December 1, 2021

Direct Lending vs. Distressed Debt

Chart



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Over time, direct lending has slowly taken over from distressed debt as private debt's largest strategy. At the end of 2016, direct lending had AUM of $156bn compared to distressed debt's $185bn. But since then, direct lending has grown steadily to $452bn while distressed debt had grown more slowly, hitting $277bn as of March 2021. Returns for direct lending have remained relatively stable, staying between 8.6% and 9.0% between 2011 and

2018, while distressed debt has been more volatile, ranging between 6.3% and 14.6%.

(Past performance is no guarantee of future results.)

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