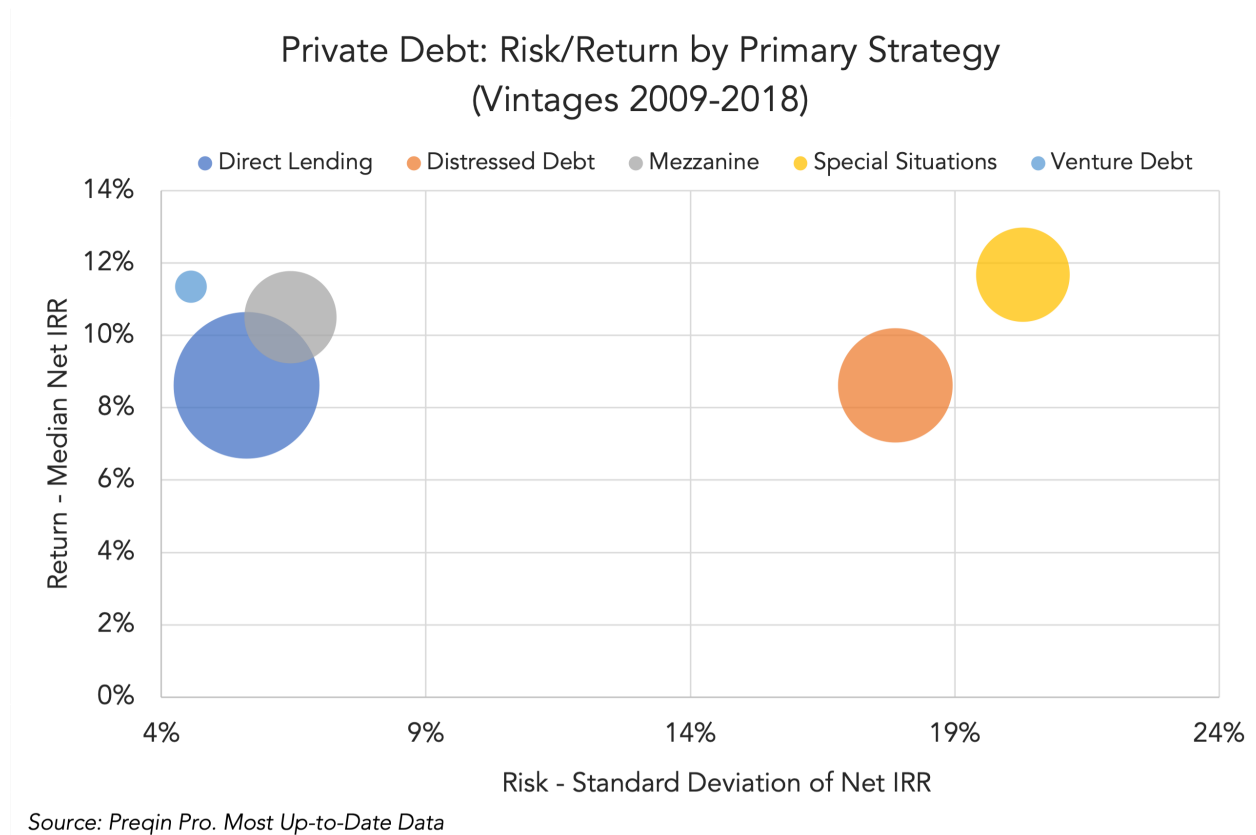


Private Debt Intelligence – 12/6/2021

THE LEAD | December 8, 2021

Distressed Debt Volatility Doesn't Hamper Closing Large Funds

Chart



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[wpdm_package id='50651?']

Distressed debt returns have been volatile over the past 10 years, with median net IRRs moving between 6.3% and 14.6%. This gives the strategy a median net IRR of 8.62% over 2009 to 2018 (the most recent vintage for which return data is meaningful), very similar to direct lending's return of 8.63%, but with a standard deviation of 17.87% in contrast to direct lending's standard deviation of 5.61%. Despite the variance of returns across

different funds, distressed debt remains one of the largest strategies in the asset class, with the [Oaktree Opportunities Fund XI](#) closing at \$15.9bn, making it the largest private debt fund worldwide.

(Past performance is no guarantee of future results.)

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