Private Debt Intelligence – 5/2/2022

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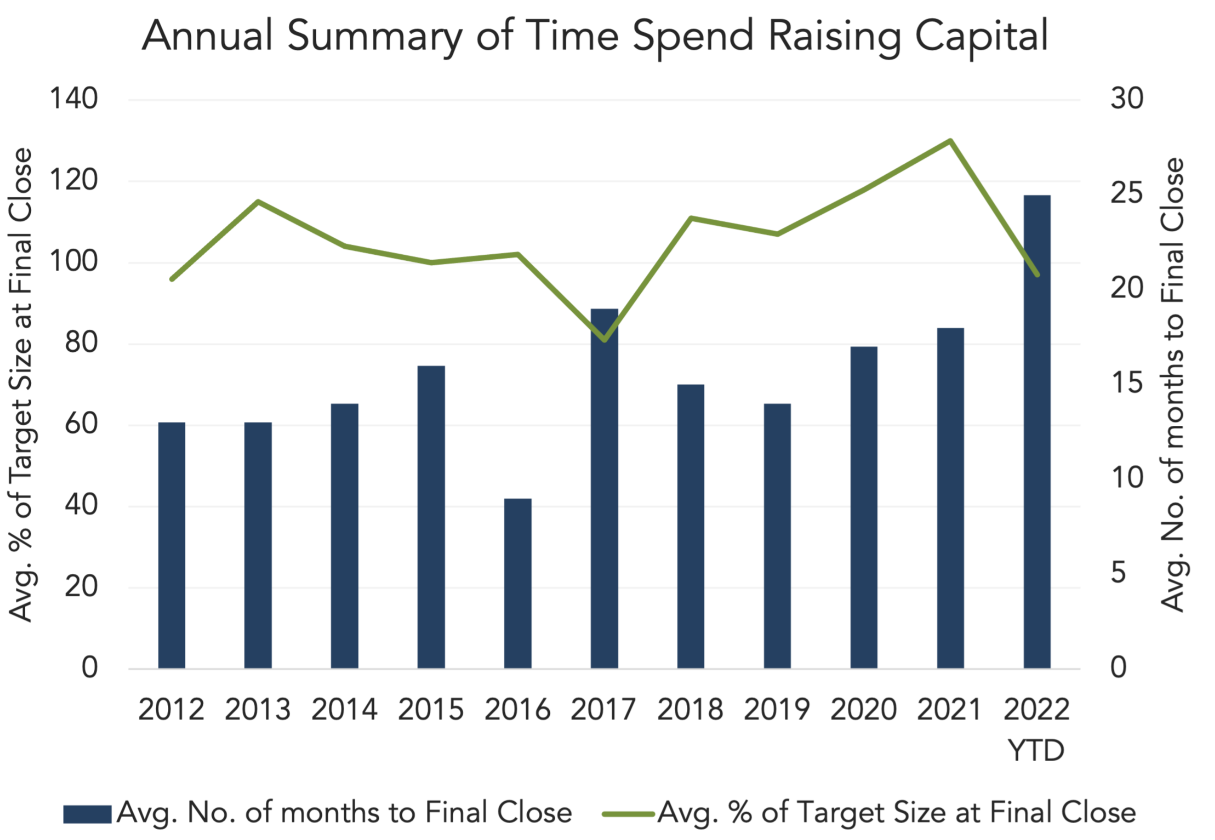
Special situations fundraising momentum slows

Chart



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Special situations is a niche – but important – segment of the private debt market and attracted interest during the COVID-19 pandemic. Have investors now cooled on the strategy? Early indications from Preqin data suggest that may be the case. Despite consistent levels of aggregate capital raised, special situations fundraising momentum has slowed down in 2022. The average percentage of target size at final close, which had been rising since 2019 from 107%, dropped from 130% last year to 97% in year-to-date 2022. Furthermore, the average number of months to final close increased from 18 months in 2021 to 25. This could be a sign of the market stabilizing as much of the uncertainty around COVID-19 is resolved.

(Past performance is no guarantee of future results.)

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