Distressed debt fundraising

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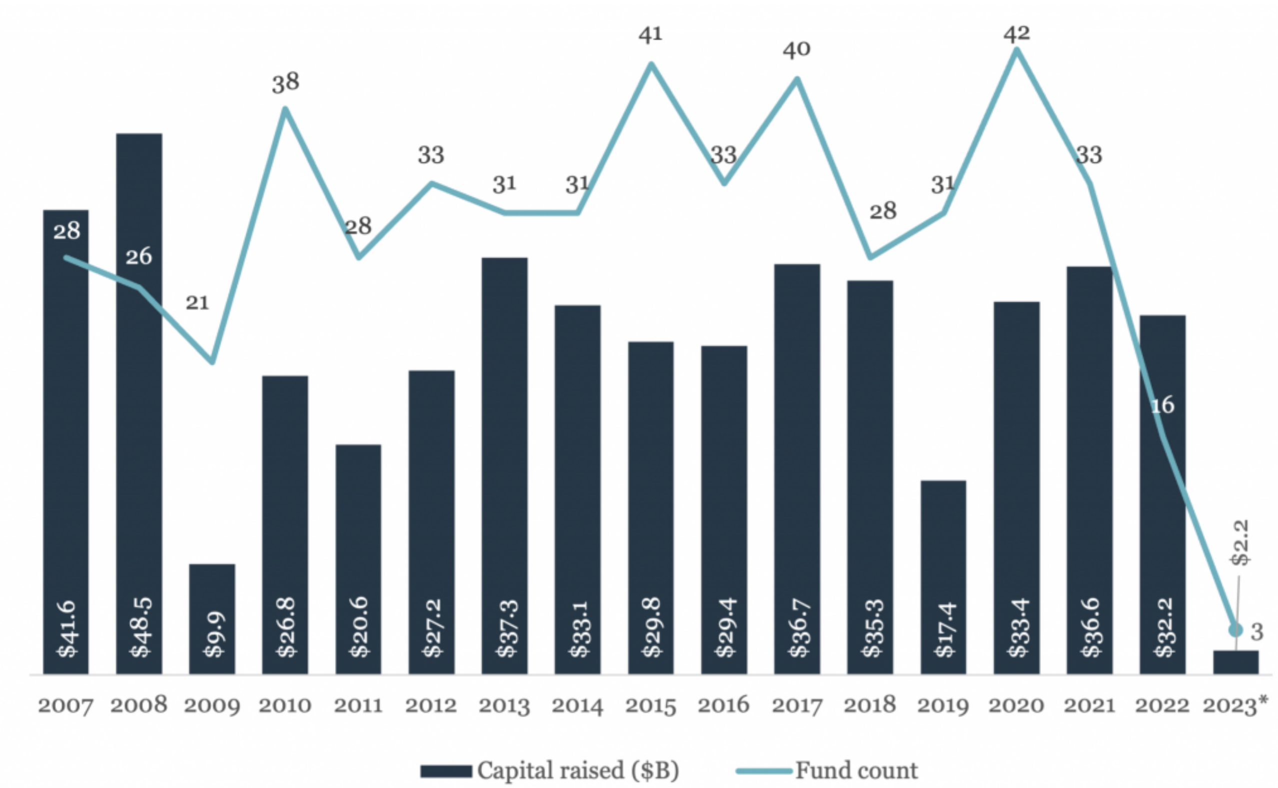

Download PitchBook's Report here.

While private debt fundraising had a strong first half, distressed debt fundraising was exempt from that trend, according to PitchBook's H1 2023 Global Private Debt Report. It's a sudden drop-off from a trend that goes back more than a decade. Through H1, three distressed debt funds have closed worth a combined $2.2 billion. That contrasts with three straight years of at least $30 billion raised. Recession anticipation has been building for some time now. Some reports have tied those expectations to stronger distressed debt fundraising, even though the downturn hasn't materialized yet.

It's important to note that PitchBook's definition of distressed debt involves buying distressed securities on the secondary market, not originating new debt for companies in distress. Those scenarios fall into PitchBook's "special situations" definition, and special situations fundraising is stronger than ever. $21.2 billion was raised through H1, which is on pace to eclipse the $35.9 billion raised in 2020. Since 2020, over $117 billion has been raised for funds that can originate new distressed debt, more than the entire special situations fundraising total going back to 2007.

(Past performance is no guarantee of future results.)