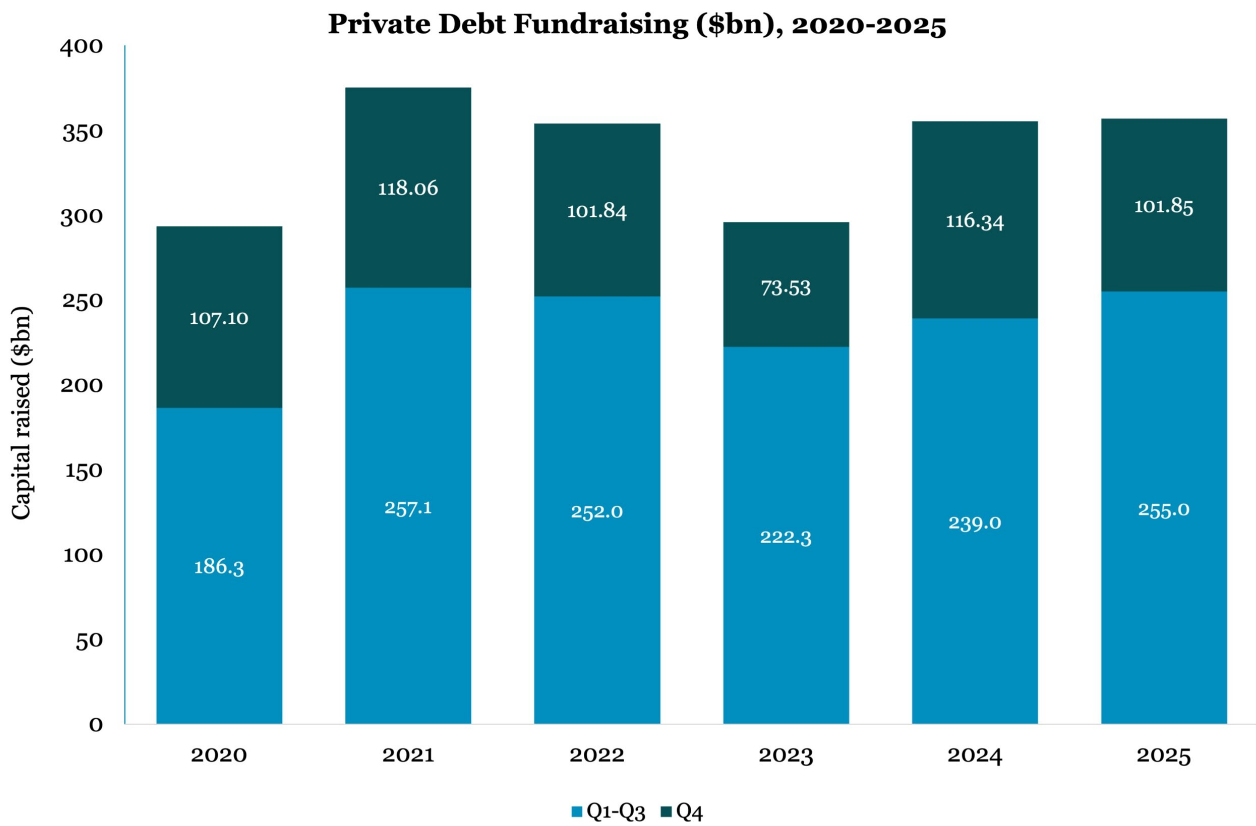
THE LEAD
https://theleadleft.com/pdi-picks-1-5-2026/

Capital flowing into private debt funds

Private Debt Investor | January 7, 2026



Preliminary data shows capital raising enjoyed a reasonably prolific year in 2025, nudging ahead of the previous year's total.

Last year turned out to be a strong, if not spectacular, year for private debt fundraising globally. With the fourth quarter ending up the most prolific quarter of the year, 2025 was able to edge past the 2024 total – with $356.9 billion raised versus $355.3 billion, according to preliminary data from *Private Debt Investor*.

This provides further evidence that, amid tough times for fundraisers in some asset classes, private debt continues to be a popular choice for investors. The 2025 total was not far short of the record $375.2 billion recorded in 2021.

Following the striking dominance of senior debt strategies in 2024, when they accounted for 62 percent of total capital raised, last year saw the capital more evenly distributed. Senior debt was still the top choice with 41 percent of the total, but subordinated/mezzanine debt saw its share rise from 16 percent to 26 percent. In addition, secondaries funds became significant fundraising players for the first time, with an 11 percent share.

Funds focused on corporate loans continued to dominate, with more than 80 percent of the total but a recovery in real estate debt saw that part of the market increase its share from 10.4 percent in 2024 to 14.1 percent in 2025.

In terms of the regional focus of funds, there was some evidence here of investors seeking diversification. While North American strategies were still top of the tree, accounting for $151.6 billion, multi-regional strategies were not far behind on $120.8 billion. Despite much talk of Europe being favoured, the data showed it lagging on $78.6 billion.

One trend that shows no sign of stopping is the ever-larger size of private debt funds raised. The average size last year breached $1 billion for the first time at nearly $1.1 billion – moving past the previous record in 2024 of $937 million.