

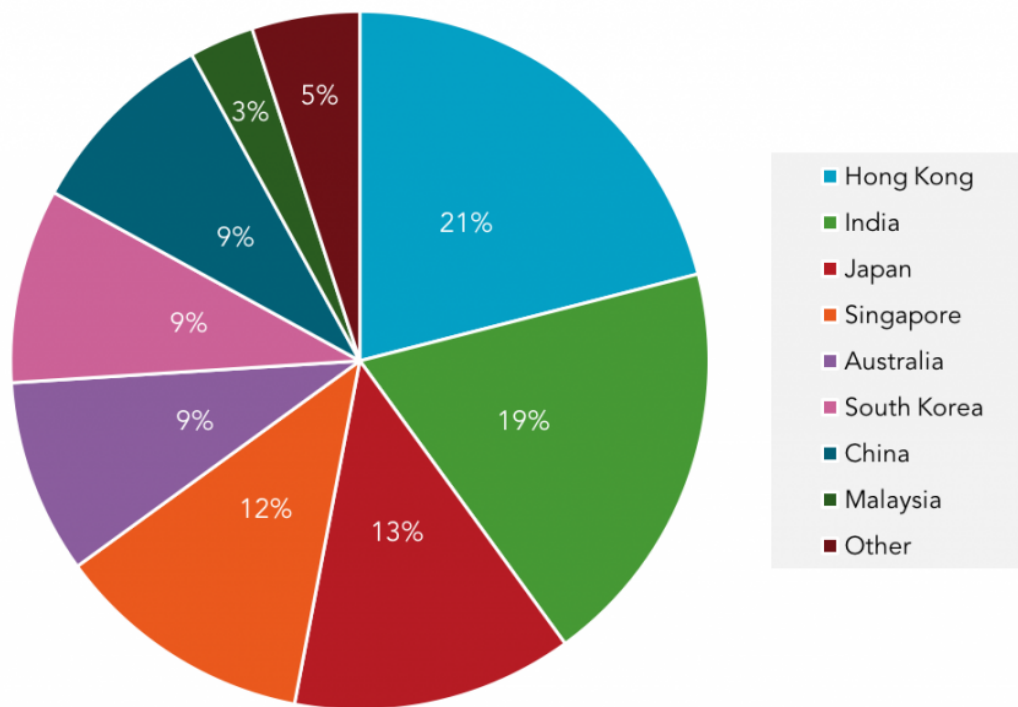
Preqin Private Debt Intelligence – 9/19/2016

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The Private Debt Universe in Asia-Pacific

Preqin's Private Debt Online tracks 152 Asia-Pacific-based private debt fund managers, of which 32 are located in Hong Kong, the most of any country. However, with regulators such as the Securities and Exchange Board of India requesting the Reserve Bank of India to ease regulations on Alternative Investment Funds (AIFs), there is a chance that India may replace Hong Kong as the most prevalent country for private debt fund managers in the Asia-Pacific region. India currently accounts for 19% of firms within the region, only slightly fewer than the 21% located in Hong Kong.

Breakdown of Asia-Pacific-Based Private Debt Fund Managers by Location



Private Debt Online also tracks 249 private debt investors based in Asia-Pacific. Preqin data shows that Japan is home to the largest proportion (21%) of active institutional investors in private debt, which in turn could incentivize more non-traditional lenders to set up headquarters in the country. The three nations of Hong Kong, India and Japan together make up over half of all private debt fund managers in Asia-Pacific by number.

Of the remaining Asia-Pacific markets that are home to private debt fund managers, Singapore comes in next, accounting for 12% of firms in the region. It is interesting to note that although China is home to just 9% of

private debt fund managers in Asia-Pacific, it is responsible for 24% of aggregate capital raised for private debt in the region in the past 10 years, and currently holds an estimated 25% of all dry powder in the region. Australia also accounts for 9% of fund managers headquartered in Asia-Pacific. However, with a wide variety of institutional investors such as superannuation funds, it accounts for a fifth of private debt investors in the region.

Private debt as an asset class is still relatively new in the Asia-Pacific region, and as countries provide differentiated offerings, such as tax breaks, to alternative lenders and institutional investors, the popularity of the asset class may yet increase.

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