Private Debt Intelligence – 9/18/2017

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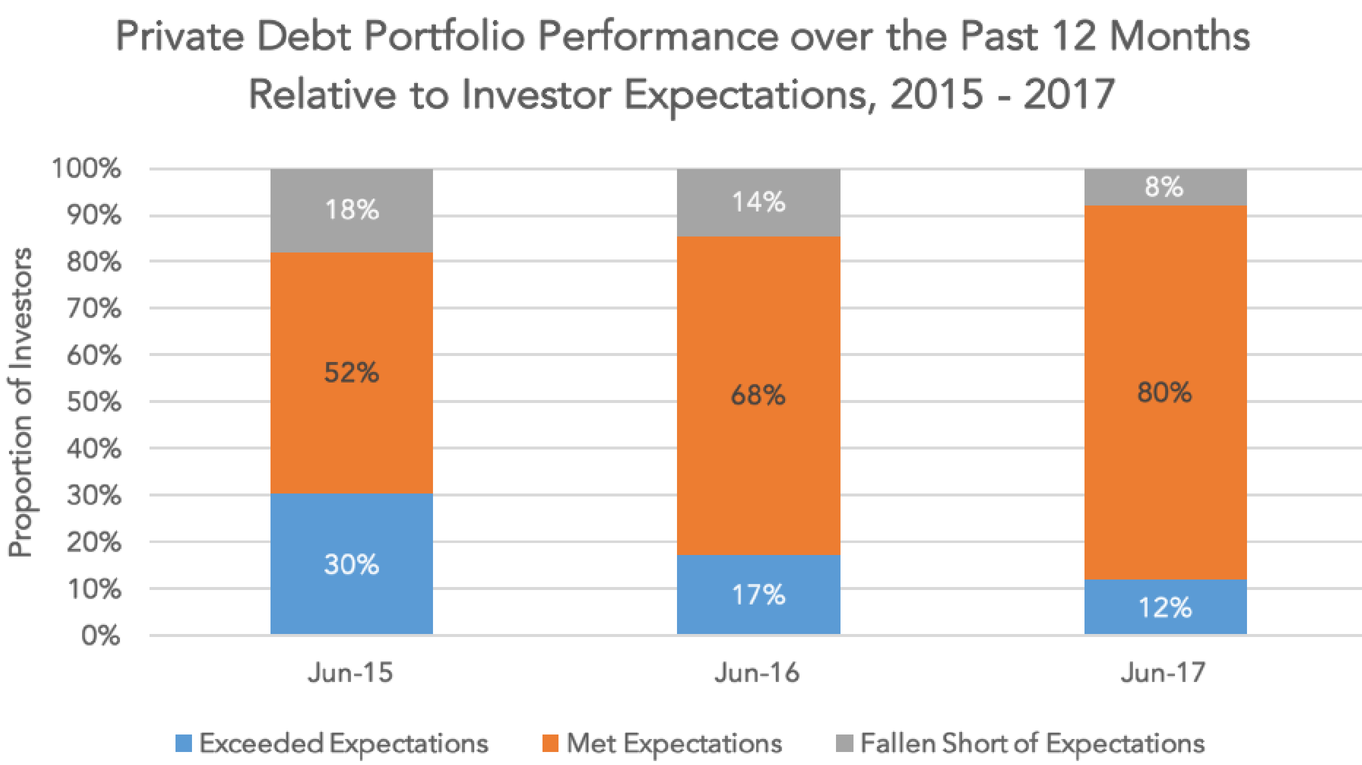
Investors Satisfied with Private Debt Performance

Chart



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Investors' positive perception of the private debt industry remains strong moving into H2 2017, as cited by more than half (57%) of survey respondents. Potentially more telling, however, is the consistently low reports of any negative perception from investors. When combined, the proportion of investors reporting positive or neutral attitudes towards the private debt asset class has remained at or over 86% since 2015.

Reflecting on the year to June 2017, investor respondents are more satisfied with private debt performance than ever before. As investors become increasingly familiar with the maturing asset class, significantly more are reporting that their portfolios have met expectations over the preceding 12 months, with 80% having responded this way in H2 2017 compared to 52% just two years earlier. A further 12% of investors reported their private debt investments exceeded expectations over the past 12 months, while the proportion saying that performance has underwhelmed has declined from 18% in June 2015 to just 8% two years later.

Looking back on the past three years, investors' views on private debt performance are even more positive: 21% have seen the asset class outperform expectations, and just 6% signalled that their allocations have fallen short of expectations. As a result, over time investors have become increasingly confident in private debt's ability to meet their portfolio objectives. Only 11% of investors reported that their confidence in the asset class has decreased over the past year, while 18% said that they had become more confident in that time.

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