Private Debt Intelligence – 9/25/2017

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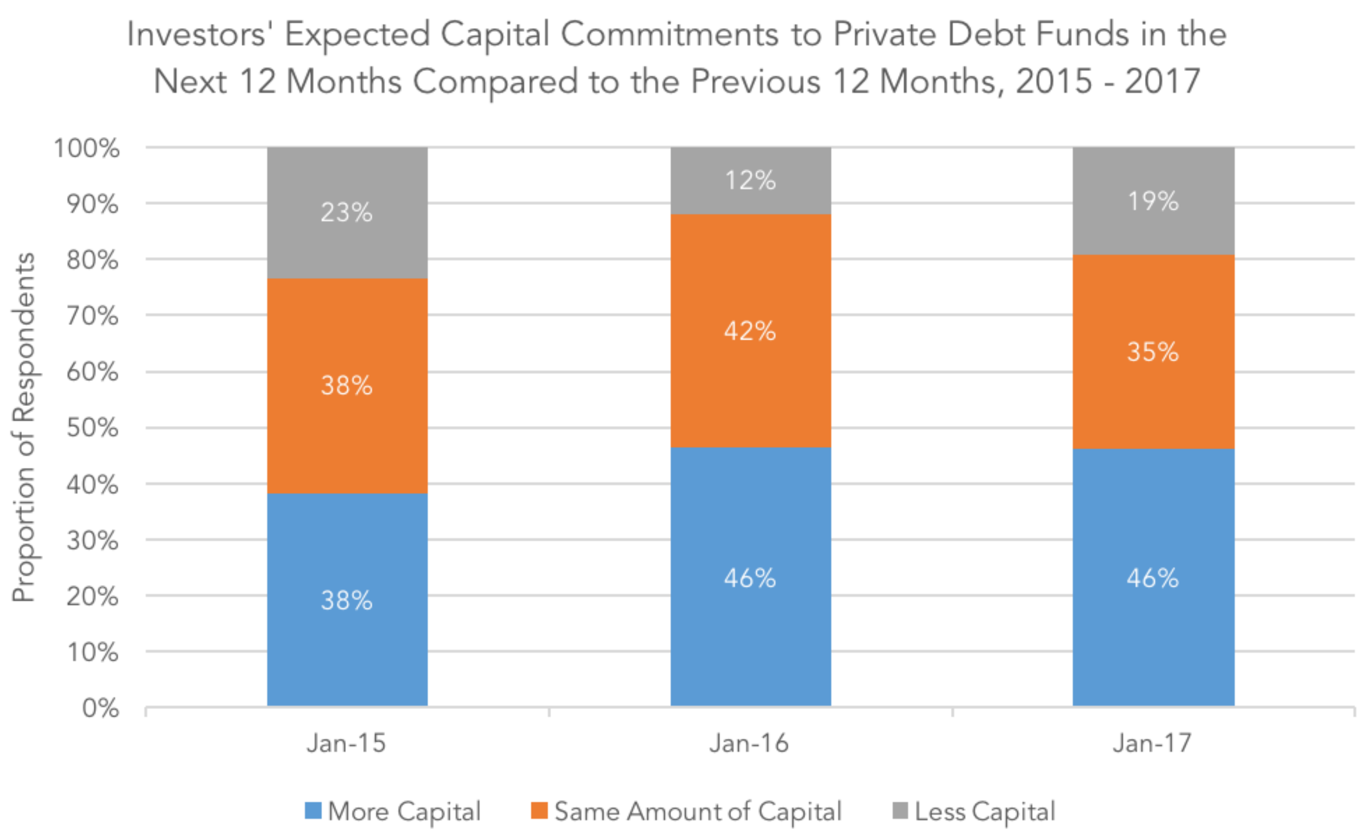
Private Debt Investors' Plans for the Next 12 Months

Chart



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The large majority of investors surveyed by Preqin in June 2017 are satisfied with private debt: 80% report that their portfolios have met expectations over the past 12 months. However, the proportion of investors who expect to decrease capital commitments to the asset class in the coming year has increased.

While the largest proportion (46%) of investors plan to commit more capital to private debt funds in the next 12 months, there has been a jump in the proportion of investors who plan to commit less capital. In June 2016, 12% of investors reported that they planned to commit less capital in the next 12 months compared to the previous year. But a year later, this proportion has risen to 19%. However, this is still a smaller proportion than seen in June 2015, when almost a quarter (23%) of investors were planning to commit less capital in the next 12 months.

By contrast, the proportion of investors which intend to decrease allocation to private debt over the longer term has fallen from 16% as at June 2016 to 9% in June 2017. The largest proportion (62%) of investors intend to increase their private debt allocations over the longer term, and this figure remains unchanged from June 2016.

Thirty one percent of investors plan to invest less than $20mn in private debt funds over the next 12 months, followed by 24% which intend to invest between $20mn and $49mn, and 19% which plan to invest between $50mn and $99mn. Over a quarter (27%) plan to invest more than $100mn into private debt funds over the next 12 months.

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