Private Debt Intelligence – 12/4/2017

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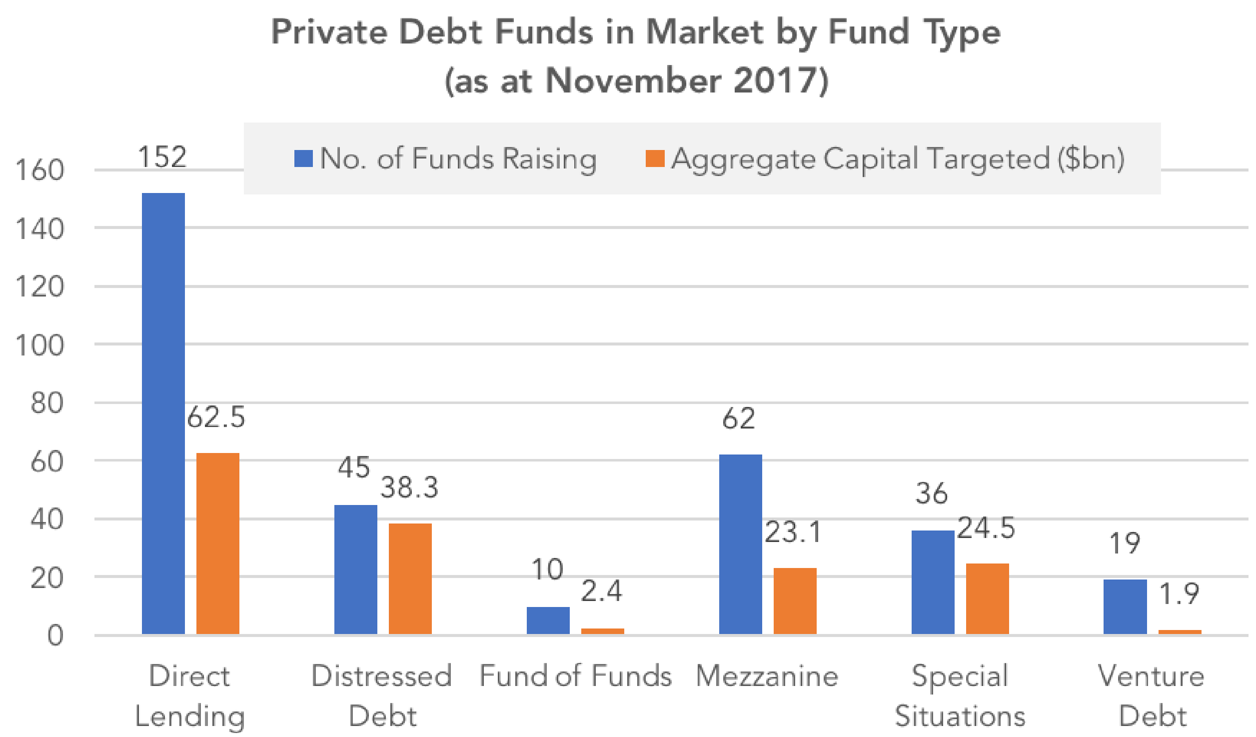
Private Debt Funds in Market

Chart



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As at November 2017, there is a record 324 private debt funds in market, seeking a combined $153bn in capital commitments. This represents a 12% increase in the number of funds raising capital and a 21% rise in targeted capital compared to the beginning of 2017. Interestingly, 104 of the 324 funds in market are being raised by first-time private debt managers.

Direct lending vehicles represent the largest portion of private debt funds in market, with 152 funds targeting an aggregate $63bn. These vehicles comprise almost half of the funds being raised and 41% of total capital sought by private debt funds. Mezzanine funds represent the next largest number of funds in market, with 62 funds seeking $23bn in capital, however they only account for 15% of total targeted capital. In fact, almost half of the capital sought by mezzanine vehicles is accounted for by GS Mezzanine Partners VII. With a target size of $10bn, the fund is one of the two largest private debt funds in market, the other being 3G Special Situations Fund V. Additionally, despite distressed debt vehicles making up just 14% of total number of funds, they are seeking $38bn, a quarter of the total targeted capital.

The majority of private debt funds in market have a North America focus, with 172 vehicles seeking $94.3bn in capital. Seventy-seven Europe-focused funds are seeking $39.2bn, while 33 vehicles with a primary focus on Asia have an aggregate target of $11.3bn. There are 42 Rest of World-focused funds seeking $7.8bn, which is more than double the targeted capital of $3.0bn at the start of 2017.

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