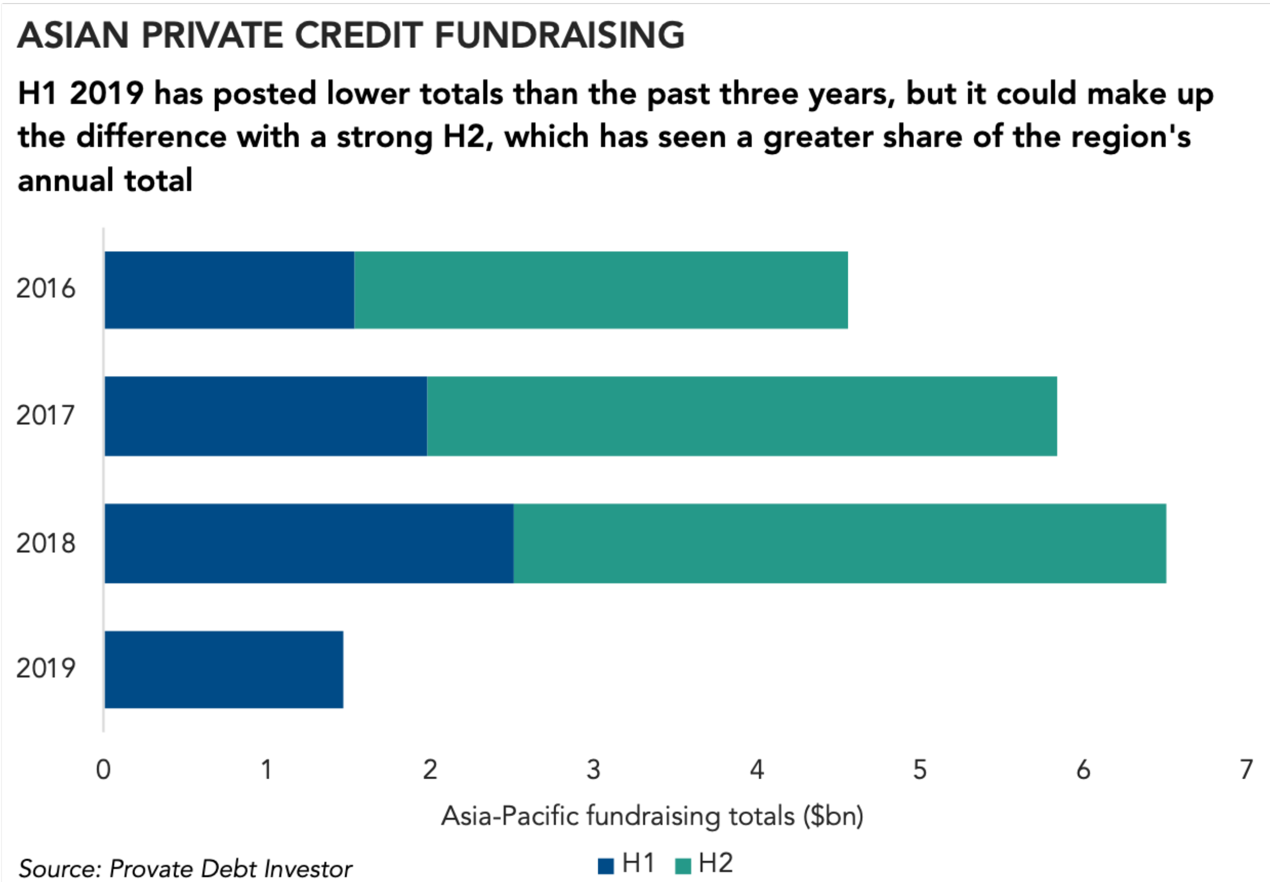
Asian credit fundraising is a drag

PEI Private Credit | October 2, 2019



A dip in H1 2019 private debt fundraising numbers doesn't mean the year's total will finish less than prior years, as the second half of the year is typically stronger than the first.

Capital raising in the Asia-Pacific region has lagged in the first half of the year, pulling in $1.47 billion, compared to the previous three years, according to *PDI* data.

In the first half of last year, Asia-Pacific funds closed on $2.51 billion; for 2017 and 2016 those figures were $1.98 billion and $1.53 billion, respectively. In all three prior years though, second-half fundraising totals were considerably stronger.

One harbinger for the geography is private equity fundraising, assuming private equity-backed deals become as integral in the region as they are in both North America and Europe. What do the tea leaves read? It looks to be a mixed bag.

Recent cause for optimism comes as a former Morgan Stanley banker collected $3.2 billion for funds focused on South Korea, the largest fundraise focused on the country. TPG Capital and Warburg Pincus raised $4.6 billion and $4.25 billion, respectively, for funds focused on the Asian market, two of the 10 largest private equity fund closes in H1 2019.

However, Emerging Markets Private Equity Association statistics showed a decrease in Chinese fundraising and deal activity. South-East Asia fundraising for private credit also posted a lacklustre $20 million after collecting $150 million last year, though, of course, with the caveat that there are still another six months of fundraising.