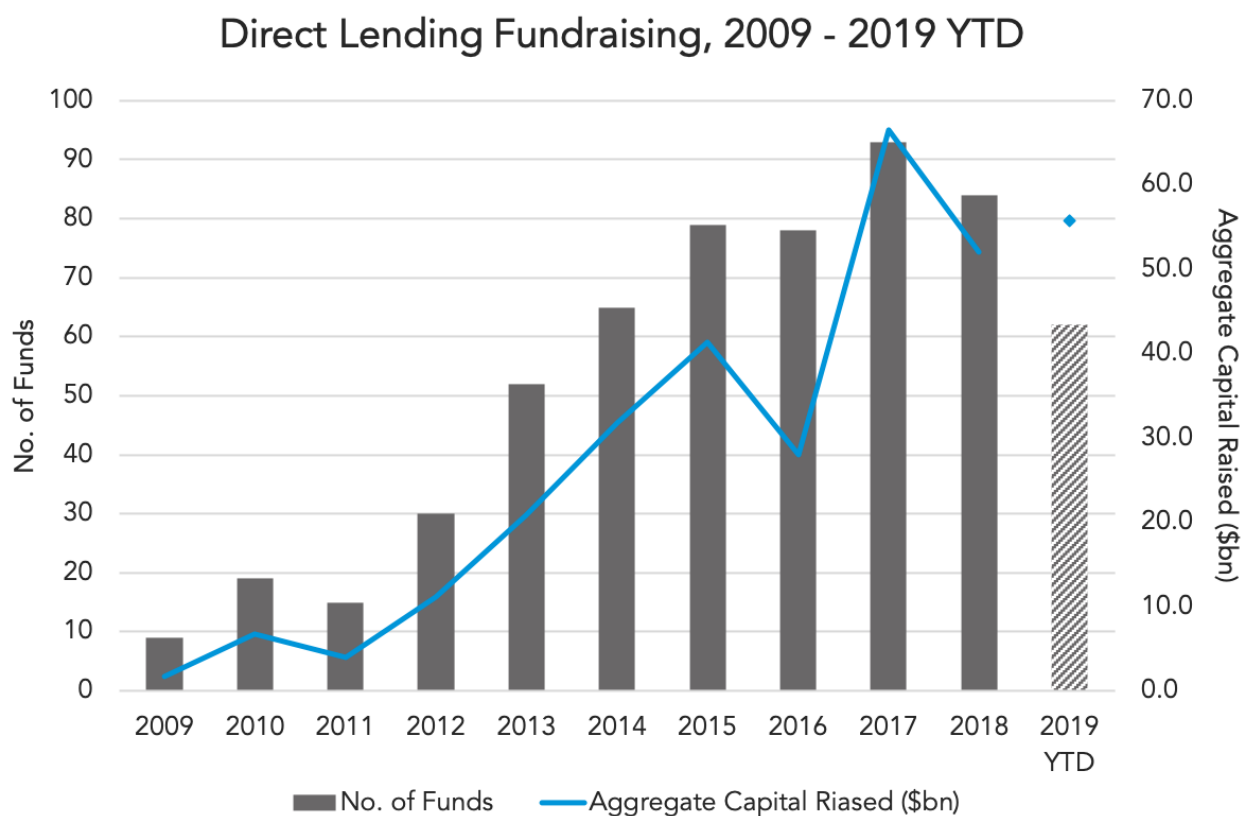


Private Debt Intelligence – 11/18/2019

THE LEAD | November 20, 2019

Direct Lending Fundraising Recovers

Chart



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Private debt fundraising kept decreasing in 2019, driven by a fall in mezzanine and distressed debt fundraising. However, direct lending continues to represent the largest bulk of fundraising activity, and 2019 has seen a big recover for this strategy. Direct lending fell in 2018 closing 84 funds securing \$52bn, after seeing the highest

peak in 2017 raising almost \$67bn with 93 funds. So far this year, the strategy has already raised \$56bn with 62 funds closed.

The leading markets for the strategy would be Europe and North America, although most of this year's recover can be attributed to Europe-focused funds. Furthermore, direct lending fundraising figures globally have followed the Europe-focused trend over the years. Funds focused on this region also reached the highest amount in 2017, and as at November 2019 the amount secured has surpassed the peak of 2017, reaching \$31bn. North America-focused direct lending shows a completely different scenario. In 2017, the strategy fundraising was up high, but since then It has been falling. From \$34.5bn reached in 2017, the capital secured stands now at \$23bn.

By the end of the year fundraising figures can significantly change. Based on Preqin's Investor Outlook H2 2019 report, direct lending remains the most sought-after strategy among private debt investors, with almost half (49%) believing the strategy presents the best opportunities for the coming year. This interest can also be reflected in the number of funds in market (202). The largest amount of these funds is targeting North America; there are 106 vehicles focusing on this region targeting an aggregate capital of \$44bn. The second most crowded market would be Europe with 60 funds in market and aiming a capital of \$42bn. Half of the funds in market for each of those regions have already held an interim close, which make them more favorable to reach a final close by the end of the year.

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