Private Debt Intelligence – 6/29/2020

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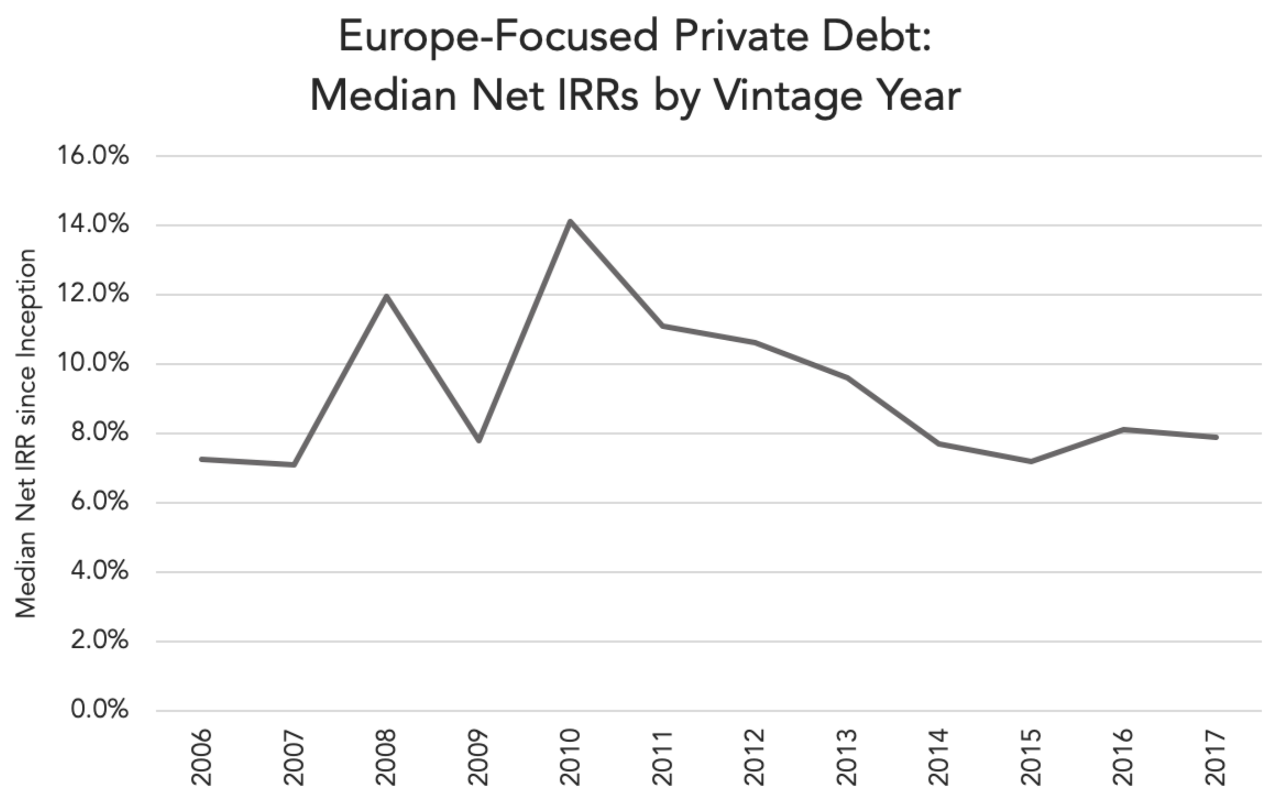
Crisis-vintage Funds Outperform in Europe

Chart



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European private debt is facing its first major test due to COVID-19. In the middle of a new crisis it's inevitable to look back and see how it might evolve in future. The private debt industry in Europe emerged following the 2008-2009 Global Financial Crisis (GFC) and funds with vintages from this time-period have now given the answer to the performance of the industry in a crisis-era.

On a median net IRR basis, Europe-focused funds from crisis-era vintages tend to outperform other vintages, specifically two vintage years – 2008, when the GFC was ongoing, and 2010, a year after the crisis ended. Vintage 2008 funds recorded a median net IRR of 12% and, vintage 2010 funds had higher median net IRR of 14.1%. But also, worth mentioning that 2009 vintage funds' performance registered a 7.8% net IRR, a significant down tick in comparison with the previous and later year.

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