Private Debt Intelligence – 4/25/2022

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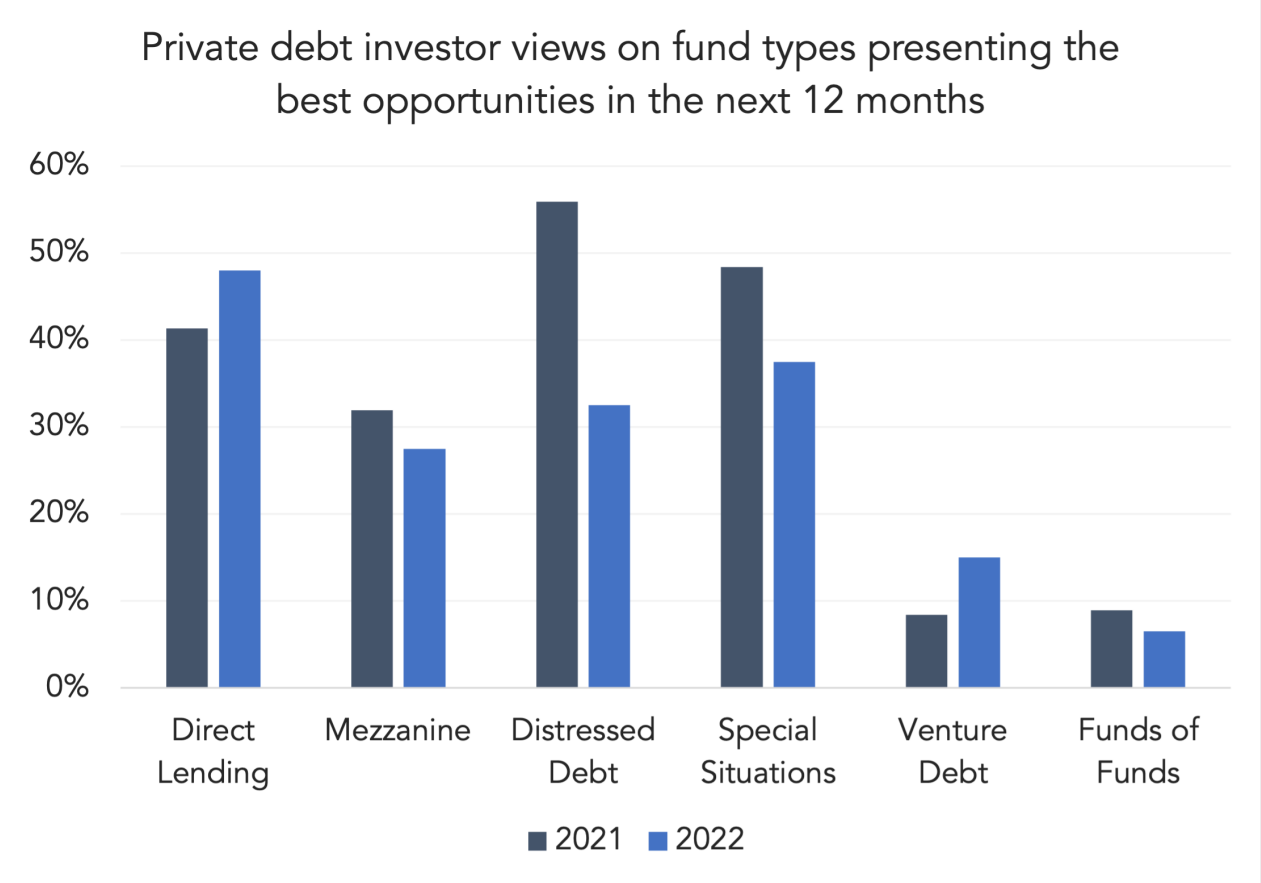
Investor outlook on private debt strategies shifts towards direct lending

Chart



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Direct lending is investors’ favoured private debt strategy in 2022, taking over from distressed debt, according to Preqin’s annual Investor Survey. Almost half of investors see direct lending as presenting the best opportunities

in 2022, in contrast to last year, where it was selected after distressed debt and special situations. This is likely a reflection of strong economic recovery post-COVID-19, combined with exceptionally strong fundraising over the pandemic years of 2020 and 2021. Over the two years, $88bn was raised for distressed debt and $49bn for special situations, meaning there is abundant dry powder for these strategies.

(Past performance is no guarantee of future results.)

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