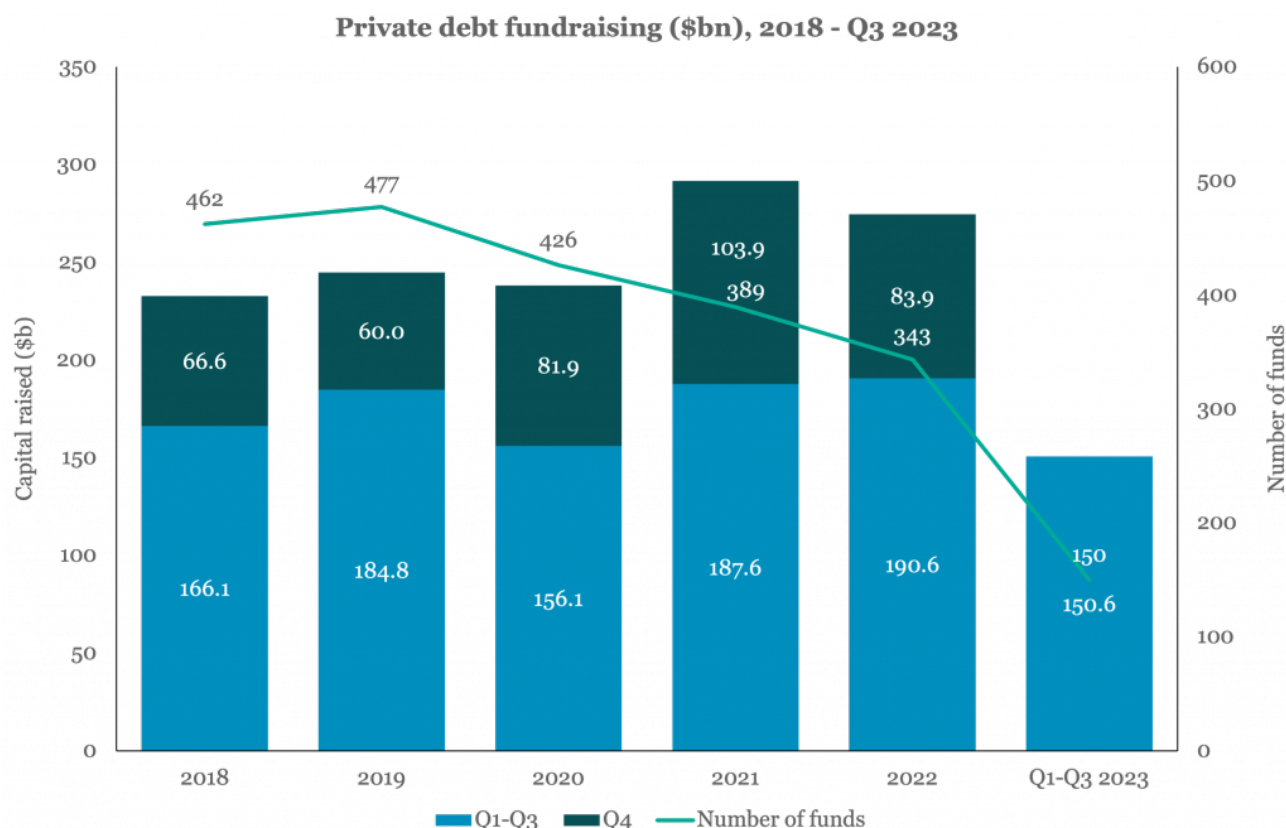


Fundraising remained weak at end of Q3

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Tough market conditions, especially in Europe, saw fundraising struggle through the first nine months of the year.

Fundraising has been subdued throughout 2023 and, while activity did pick up in the third quarter, it was not enough to make up for an exceptionally poor H1, with just over \$150 billion raised in the first nine months of the year, the lowest since 2016.

More alarmingly, the number of funds closing has continued to collapse with just 150 vehicles closed during the same period.

Subordinated strategies have seen their popularity increase during 2023, perhaps as public market debt products start to see higher yields, junior debt is seen as a better place to achieve an outsized return. While senior debt has fallen a little in popularity it is by no means outside of the normal range we have seen over the many years this report has been collated.

Average fund size has been trending up for some time and in the first nine months of the year sat at a little over

\$1 billion. We often see average fund size come down in the latter part of the year as more of the smaller funds reach a final close; however, with a number of very large vehicles still in market, 2023 may be the first year we see average fund size above \$1 billion for a full year.

North America continues to lead the pack for fundraising and has significantly increased its lead in 2023 with healthy hauls equivalent to previous years. Europe, however, is severely lagging behind with only \$32.7 billion raised this year. Difficult economic conditions, the energy crisis and the war in Ukraine have all taken their toll on European investment and there are few reasons to believe this situation will improve in the near future.