Private Debt Intelligence – 8/12/2024

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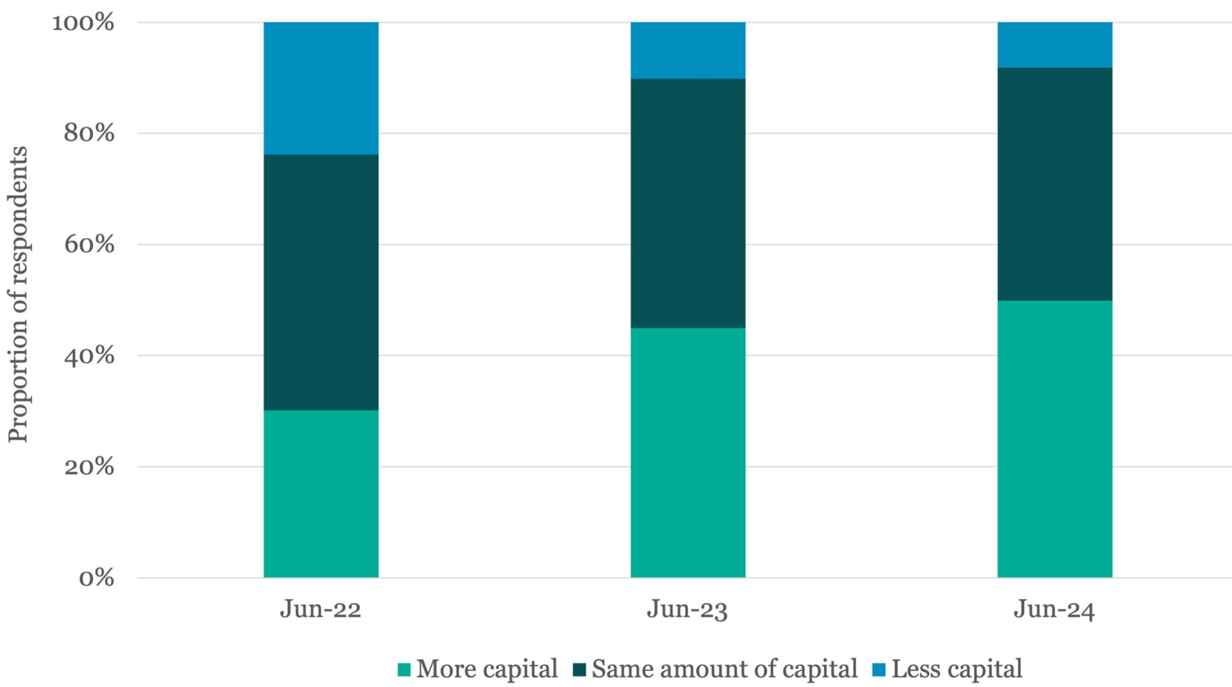
Private debt fundraising recovers toward trend

Chart



Source: Preqin Investor Surveys, June 2022 – 2024

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Half of LPs surveyed in June for Preqin’s Investor Outlook plan to commit more capital to private debt over the next 12 months. The 49.9% planning increased commitments is a big jump over the 30.2% planning increases two years ago, in June 2022. This led to drop in the proportion of LPs planning to maintain allocations from 46.0% to 41.9%.

As investments continue to meet and exceed expectations, investor concerns about how the asset class would fare in a more challenging economic environment have diminished – only 8.2% of LPs are looking to reduce allocations in the next 12 months, and over the long term this falls to just 1.4%. Investors continue to value private debt for its reliable income stream and diversification benefits, with returns boosted by higher interest rates because of the floating rate structures common in private credit.

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