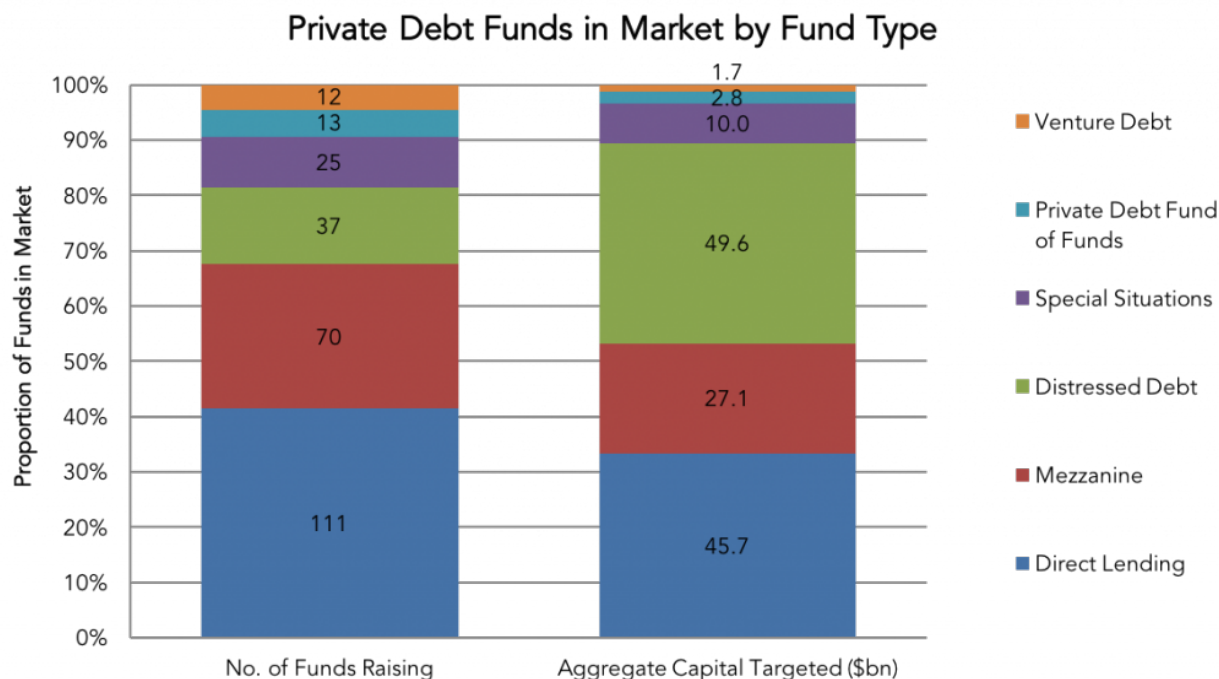


Private Debt Intelligence – 4/11/2016

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Private Debt Fundraising: Will the Momentum Continue This Year?

According to Prequin's Private Debt Online, the level of aggregate capital raised (\$93bn) in the private debt industry in 2015 reached its highest level since 2008 (\$99bn), with this momentum set to continue as we enter the second quarter of 2016. Twelve months ago, there were 234 private debt vehicles on the road collectively looking to raise just over \$130bn; fast-forward to today and both the number of funds in market and the targeted aggregate capital have increased to 268 and \$137bn respectively, highlighting the continued momentum in private debt fundraising.



As shown in the chart above, the largest proportion of funds in market are direct lending vehicles, with 111 funds currently seeking an aggregate \$45.7bn in institutional capital commitments. The pipeline for mezzanine funds also looks strong, with 70 funds in market looking to raise a combined \$27.1bn. Interestingly, despite representing just 14% of funds in market, distressed debt funds are seeking the largest proportion (36%) of targeted capital.

Experienced fund managers are continuing to raise capital for large private debt funds; of the top 10 private debt funds currently in market, eight are the third fund in their respective series or more. GSO Capital Partners is in market with its third mezzanine strategy fund, GSO Capital Opportunities Fund III, which is looking to raise a total of \$6bn, while Centerbridge Capital Partners is targeting \$5bn for Centerbridge Special Credit Partners III, which will take non-control positions in distressed companies. Also continuing their fundraising efforts this year

is Oaktree Capital Management, which is seeking a combined total of \$10bn for its distressed funds Oaktree Opportunities Fund Xb and Oaktree Opportunities Fund X.

Fundraising activity is also being fuelled by the growing investor appetite for private debt strategies. According to the [2016 Preqin Global Private Debt Report](#), 46% of private debt LPs that responded to an investor survey in December 2015 are planning to commit more capital to private debt opportunities in the coming year than they did in the past 12 months, while just 13% of investors are looking to reduce their commitments to the asset class. With more activity from fund managers and a growing appetite from investors, the strong fundraising seen in 2015 looks set to continue over 2016.

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