

CREDIT FUNDRAISING AT A GLANCE

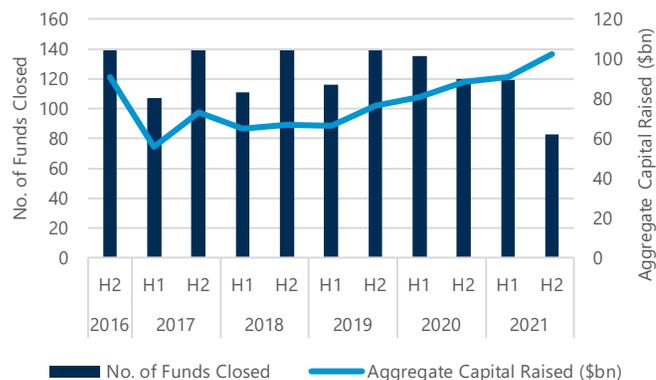
Second Half 2021

H2 Trends

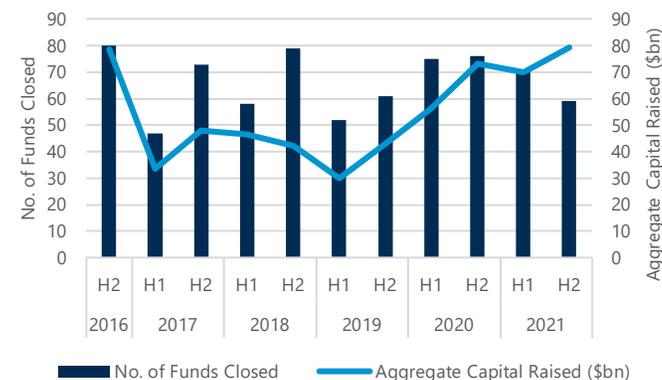
Record Fundraising Among Fewer Funds.

- A record-breaking \$193.4bn was raised across 202 funds globally in 2021, up 13% from \$169.1bn raised across 255 funds in 2020.
- Indeed, the 20 largest credit funds accounted for 60% of aggregate capital raised globally in 2021. With the average fund size of experienced credit fund managers approaching \$1bn for the first time in 2021, first-time credit fund managers faced increased competition for investors. Credit funds in their fourth or later iterations made up more than half of all credit funds closed in both 2020 and 2021.
- \$102.4bn was raised globally in H2, up 11% from \$91.1bn in H1.
- However, fewer funds (83) managed to reach a final close globally in H2 than in any other six month period in the past five years.
- Direct lending funds represented approximately 58% of capital raised globally (a record \$112bn) by credit funds closed during 2021.

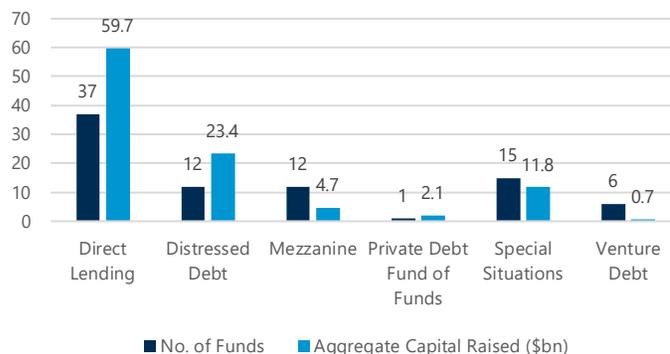
Global Biannual Credit Fundraising: H2 2016 - H2 2021



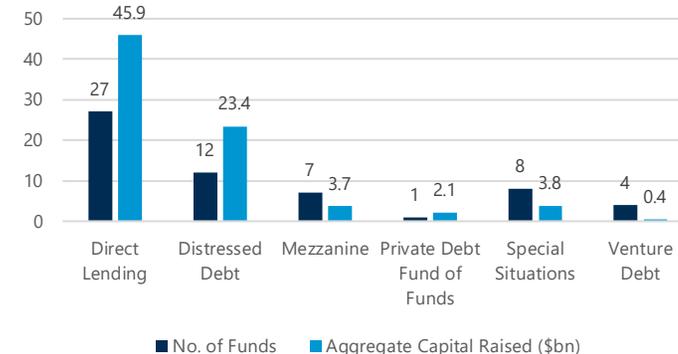
US-Based Biannual Credit Fundraising: H2 2016 - H2 2021



Global Credit Fundraising by Fund Type: H2 2021



US-Based Credit Fundraising by Fund Type: H2 2021

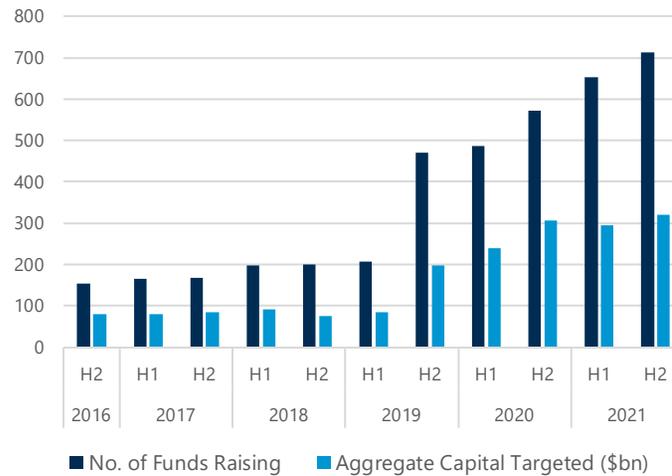


All charts were compiled by Preqin and the data contained therein have not been reviewed for accuracy by Paul, Weiss. Annualized data and projections were sourced from Preqin's 2022 Global Private Debt Report.

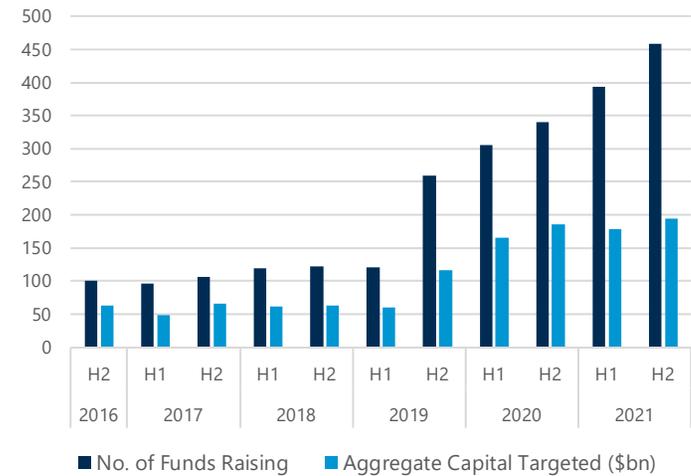
H2 Trends

- ▶ **Funds in Market.** A record number of credit funds (712) were fundraising globally in H2, an 8% increase from H1, resulting in the most funds in the market at any time over the last five years. Aggregate capital targeted in H2 was a record-breaking \$320bn, up 8% from H1.
- ▶ **AUM.**
 - ▶ Global credit fund AUM reached an all-time high of \$1.187tn at the end of H1. This means that the credit market, as measured in AUM, has more than doubled over the last five years, from \$572.9 at the end of 2016.
 - ▶ Direct lending and distressed debt funds made up approximately 65% of credit fund AUM.
 - ▶ Global credit fund AUM is predicted to reach \$1.21tn by year end 2021.
- ▶ **Dry Powder.** Similarly, global dry powder reached an all-time high of \$385.7bn at the end of H1. However, dry powder as a proportion of AUM declined slightly from 35% at the end of 2020 to 32% at the end of H1 2021, indicating that credit funds have been able to put capital to work in investments.

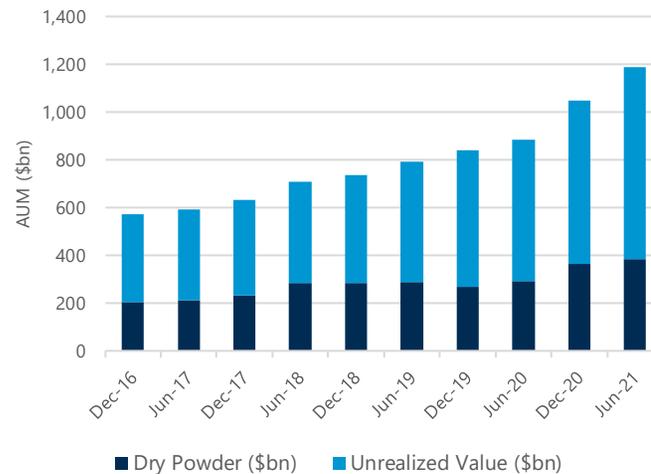
Global Biannual Credit Funds in Market: H2 2016 - H2 2021



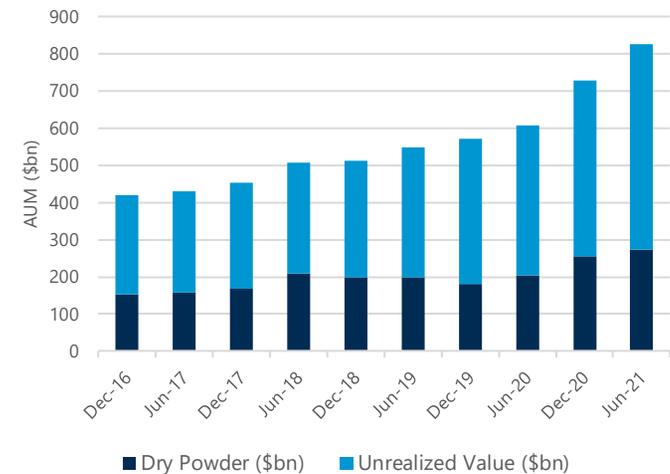
US-Based Biannual Credit Funds in Market: H2 2016 - H2 2021



Global Biannual Credit AUM: H2 2016 - H1 2021



US-Based Biannual Credit AUM: H2 2016 - H1 2021



This publication is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this publication should be directed to:

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