

# CREDIT FUNDRAISING AT A GLANCE

First Half 2024

## H1 Trends

### ► Difficult Fundraising Market.

- Credit funds raised \$74.9bn globally in H1, down 30% from \$106.4bn raised in H2 2023 and representing the weakest half year for fundraising since H1 2019.
- The pace of funds closing slowed in H1 with 77 funds reaching a final closing globally, down 36% from 120 funds that closed in H2 2023, and marking the lowest number of funds closed in any half year over the last five years.

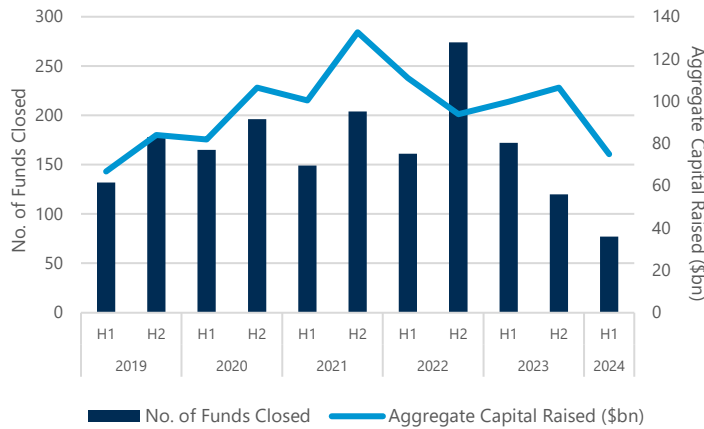
### ► Continued Interest in Direct Lending Funds.

Direct lending funds continue to be an attractive alternative to syndicated bank loans due to their efficiency, flexibility, and certainty of execution.

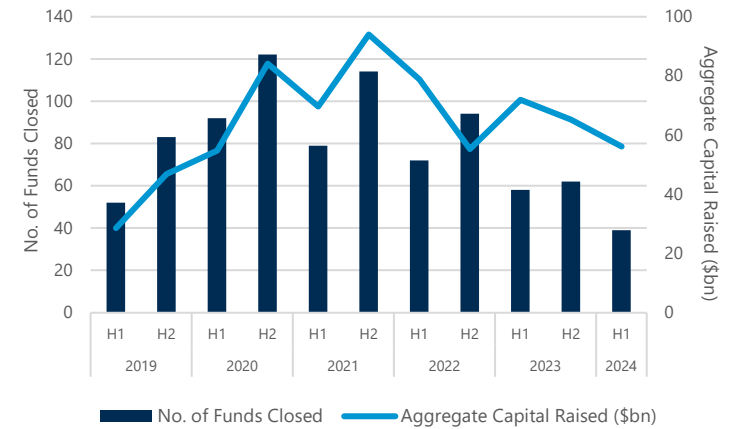
- Direct lending funds represented 81% of aggregate capital raised by credit funds and 47% of credit funds closed globally in H1, compared to 64% and 52%, respectively, in H2 2023.
- Direct lending funds raised \$60.9bn globally in H1, down 11% from \$68.6bn raised in H2 2023.

- **Larger Fund Sizes.** The average final fund size in H1 increased 9% to \$972mn from \$886mn in H2 2023.

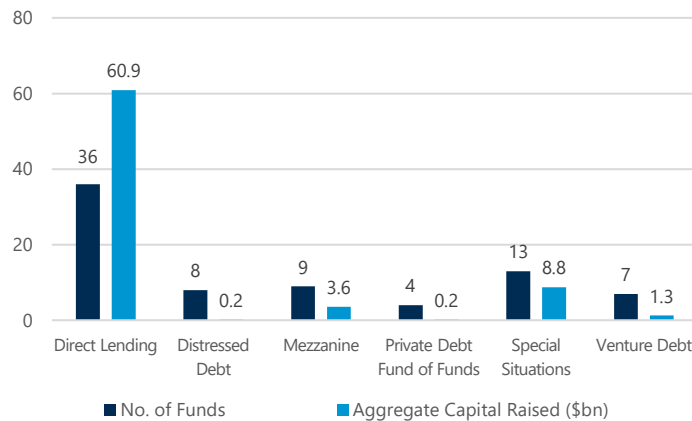
Global Biannual Credit Fundraising



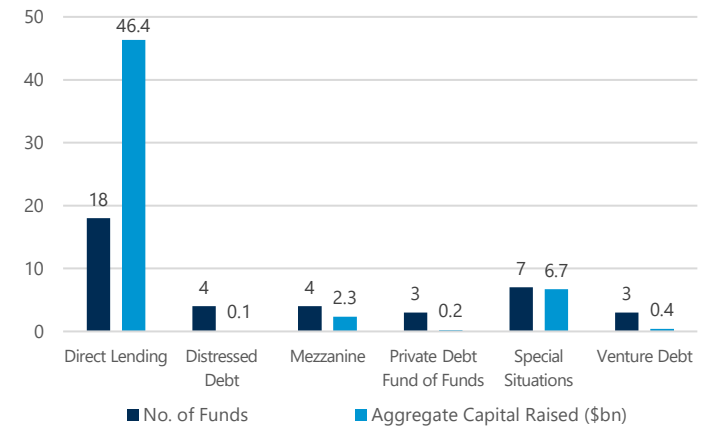
US-Based Biannual Credit Fundraising



Global Credit Fundraising by Fund Type: H1 2024



US-Based Credit Fundraising by Fund Type: H1 2024



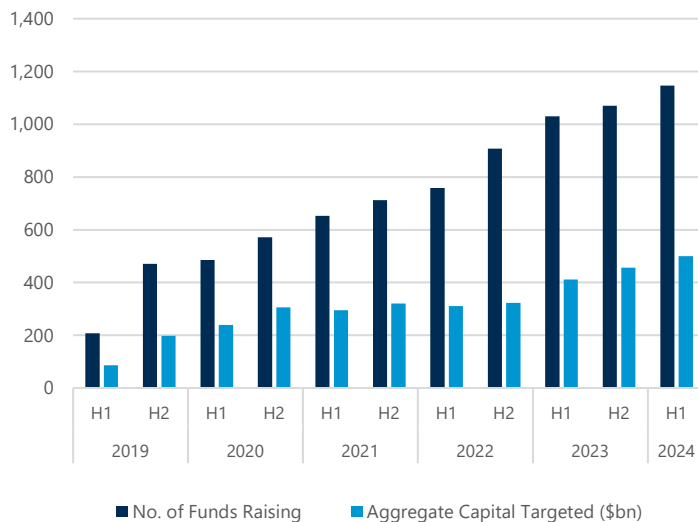
All charts were compiled by Preqin and the data contained therein have not been reviewed for accuracy by Paul, Weiss.

H1 Trends

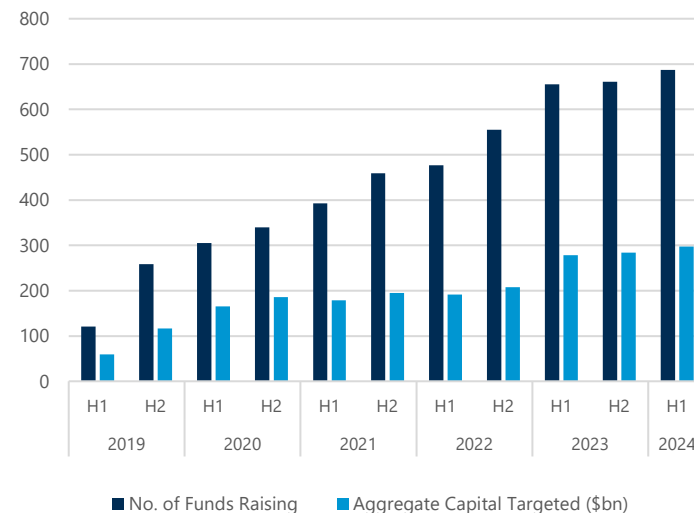
- ▶ **More Funds in Market.** A record number of credit funds (1,147) were fundraising globally in H1, a 7% increase from H2 2023.
- ▶ **More Capital Targeted.** Aggregate capital targeted globally in H1 also reached a record high of \$500bn, up 9% from H2 2023. Aggregate, biannual capital being targeted by credit funds has increased more than fivefold since H1 2019.
- ▶ **AUM.** Global credit fund AUM reached an all-time high of \$1.719tn as of H2 2023. This means that the credit market, as measured in AUM, has grown 133% over the last five years, from \$737bn at the end of H2 2018.
- ▶ **Dry Powder.** Global credit fund dry powder dropped to \$491.9bn as of H2 2023, a 1.3% decrease from the all-time high of \$498.2bn at the prior half end. As many credit funds have the ability to recycle capital as well as profits, the aggregate dry powder figure is likely higher.
- ▶ **Longer Offering Periods.** The average number of months to reach a final close increased to 24 months in 2024 YTD, up from 21 months in 2023.<sup>1</sup>

<sup>1</sup> Preqin.

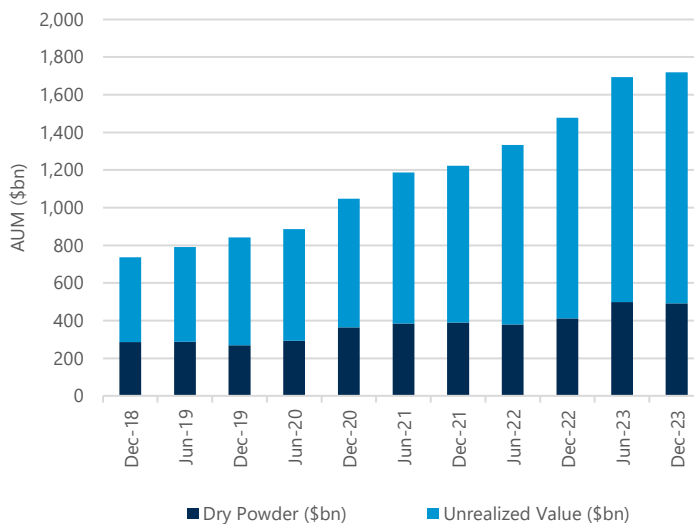
Global Biannual Credit Funds in Market



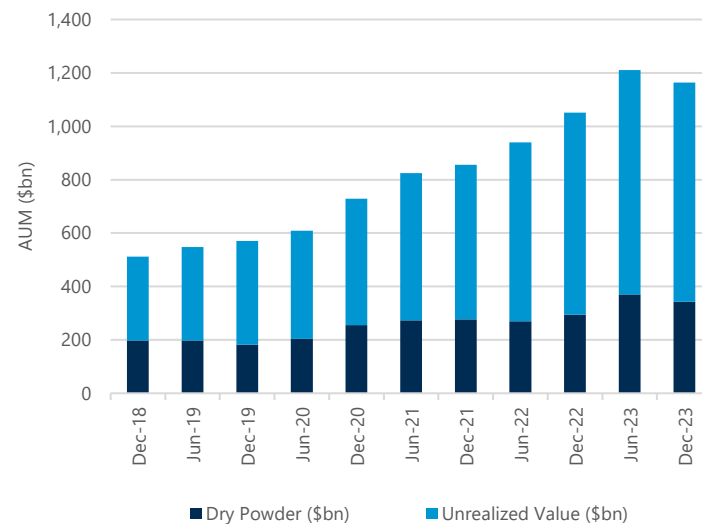
US-Based Biannual Credit Funds in Market



Global Biannual Credit AUM



US-Based Biannual Credit AUM



## Our Investment Funds Group

Recognized as one of the premier investment funds practices in the marketplace, the Paul, Weiss Investment Funds Group serves as industry-leading advisors to a diverse group of private firms, ranging from up-and-coming firms to large alternative asset managers. Our deep and sophisticated team of private funds lawyers has experience in all aspects of the organization and operation of alternative asset management products across the spectrum. Our extensive market knowledge is built on decades of experience working hand in hand with fund managers, investors and other key market participants, equipping us with unrivaled data about evolving trends and market dynamics and making us uniquely positioned to offer cutting-edge yet practical advice. We provide advice on both day-to-day questions and firm-defining decisions with respect to the full range of asset management services, including fund and management company formation, seed capital and strategic arrangements, partner arrangements and employee compensation, regulatory and compliance considerations and investment management M&A. The full suite of the firm's resources are at our clients' fingertips, and we work closely across practice areas to provide seamless advice to private funds throughout their lifecycles.

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:

Brad M. Brown  
+1-212-373-3222  
[bbrown@paulweiss.com](mailto:bbrown@paulweiss.com)

Andrew C. Day  
+1-212-373-3554  
[acday@paulweiss.com](mailto:acday@paulweiss.com)

Victoria S. Forrester  
+1-212-373-3595  
[vforrester@paulweiss.com](mailto:vforrester@paulweiss.com)

Matthew B. Goldstein  
+1-212-373-3970  
[mgoldstein@paulweiss.com](mailto:mgoldstein@paulweiss.com)

Udi Grofman  
+1-212-373-3918  
[ugrofman@paulweiss.com](mailto:ugrofman@paulweiss.com)

Marco V. Masotti  
+1-212-373-3034  
[mvasotti@paulweiss.com](mailto:mvasotti@paulweiss.com)

Caitlin Melchior  
1-212-373-3352  
[cmelchior@paulweiss.com](mailto:cmelchior@paulweiss.com)

Aaron J. Schlaphoff  
+1-212-373-3555  
[aschlaphoff@paulweiss.com](mailto:aschlaphoff@paulweiss.com)

Jyoti Sharma  
+1-212-373-3712  
[jsharma@paulweiss.com](mailto:jsharma@paulweiss.com)

Marian S. Shin  
+1-212-373-3511  
[mshin@paulweiss.com](mailto:mshin@paulweiss.com)

Anusha Simha  
+1-212-373-3632  
[asimha@paulweiss.com](mailto:asimha@paulweiss.com)

Maury Slevin  
+1-212-373-3009  
[mslevin@paulweiss.com](mailto:mslevin@paulweiss.com)

Jennifer Songer  
+1-202-223-7467  
[jsonger@paulweiss.com](mailto:jsonger@paulweiss.com)

Robert D. Tananbaum  
+1-212-373-3603  
[rtananbaum@paulweiss.com](mailto:rtananbaum@paulweiss.com)

Conrad van Loggerenberg  
+1-212-373-3395  
[cvanloggerenberg@paulweiss.com](mailto:cvanloggerenberg@paulweiss.com)

Lindsey L. Wiersma  
+1-212-373-3777  
[lwiersma@paulweiss.com](mailto:lwiersma@paulweiss.com)

Karen J. Hughes  
+1-212-373-3759  
[khughes@paulweiss.com](mailto:khughes@paulweiss.com)

*The editors of Credit Fundraising at a Glance are Udi Grofman, Caitlin Melchior and Karen J. Hughes.*