

CREDIT FUNDRAISING AT A GLANCE

H2 Trends

Second Half 2024

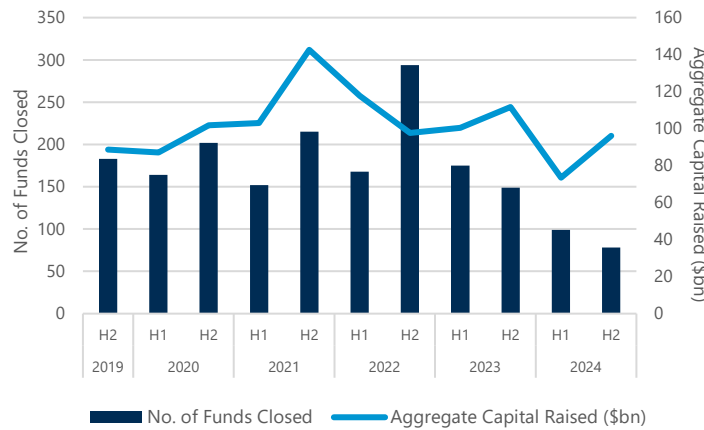
▶ Improving Fundraising Market.

- ▶ In H2, credit funds raised \$96bn globally, up 23% from \$73.5bn raised in H1, and \$62.3bn domestically, up 11% from \$55.2 in H1. However, annual, global fundraising for credit funds in 2024 (\$170.11bn) was at the lowest level since 2019.
- ▶ The pace of funds closing slowed in H2 with 78 funds reaching a final closing globally, down 21% from 99 funds that closed in H1, and marking the lowest number of funds closed in any half year over the last five years. Domestically, 49 funds reached a final closing in H2, down 4% from 51 funds in H1.

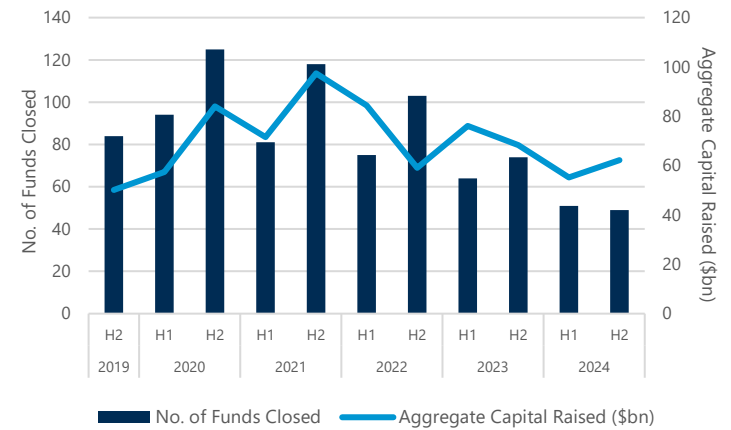
▶ Continued Interest in Direct Lending Funds.

- ▶ Direct lending funds represented 69% of aggregate capital raised by credit funds and 58% of credit funds closed globally in H2, compared to 81% and 47%, respectively, in H1. Domestically, direct lending funds represented 61% of aggregate capital raised by credit funds and 60% of credit funds closed in H2, compared to 83% and 46%, respectively, in H1.
- ▶ In H2, direct lending funds raised \$66.2bn globally, up 8% from \$60.9bn raised in H1, and \$38bn domestically, down 18% from \$46.4bn raised in H1.

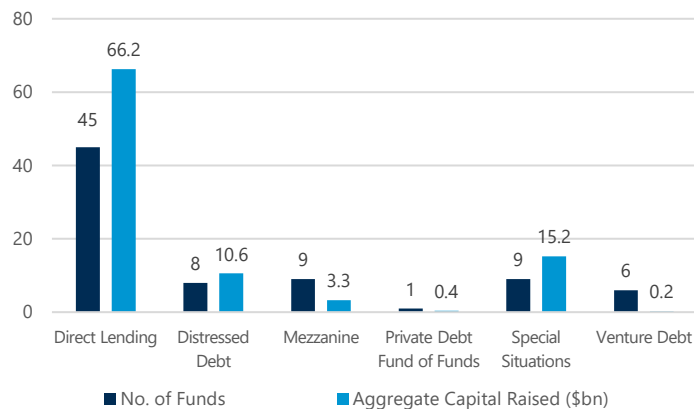
Global Biannual Credit Fundraising



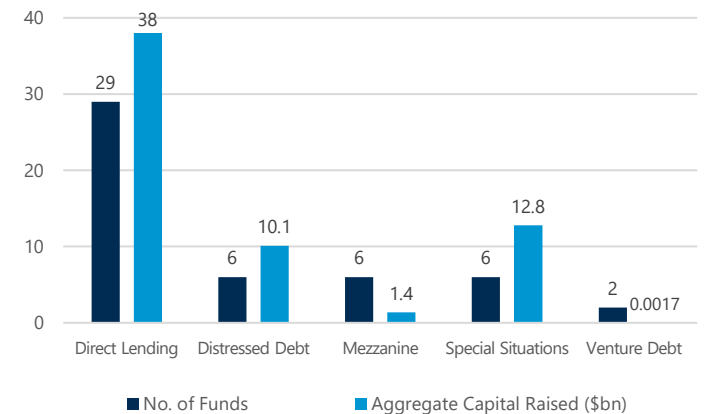
US-Based Biannual Credit Fundraising



Global Credit Fundraising by Fund Type: H2 2024



US-Based Credit Fundraising by Fund Type: H2 2024



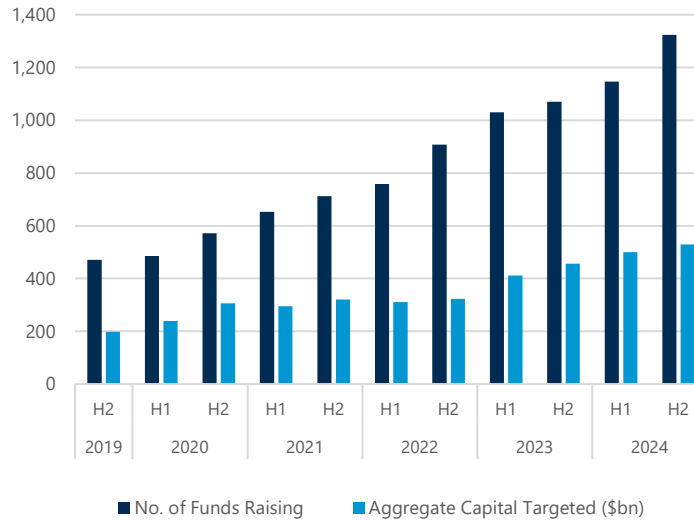
All charts were compiled by Preqin and the data contained therein have not been reviewed for accuracy by Paul, Weiss.

H2 Trends

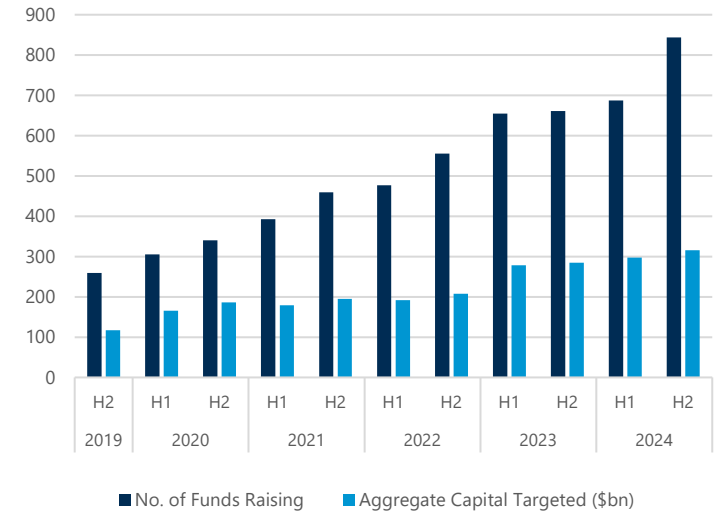
- ▶ **Larger Fund Sizes.** The average final fund size in H2 increased 40% to \$1.23bn from \$742mn in H1.
- ▶ **More Funds in Market.** A record number of credit funds (1,323) were fundraising globally in H2, a 13% increase from H1.
- ▶ **More Capital Targeted.** Aggregate capital targeted globally in H2 also reached a record high of \$529.2bn, up 5% from H1. Aggregate, biannual capital being targeted by credit funds has almost tripled since H2 2019.
- ▶ **AUM.** Global credit fund AUM was \$1.587tn as of H1 2024, down 2% from \$1.622tn as of H2 2023. Nonetheless, the credit market, as measured in AUM, has grown 206% over the last five years, from \$517bn at the end of H1 2019.
- ▶ **Dry Powder.** Global credit fund dry powder dropped to \$424.7bn as of H1 2024, a 7% decrease from \$455.1bn as of H2 2023. 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 25 months in 2024, up from 22 months in 2023 and marking the longest average period to reach a final close to date (other than 2021).¹

¹ Preqin.

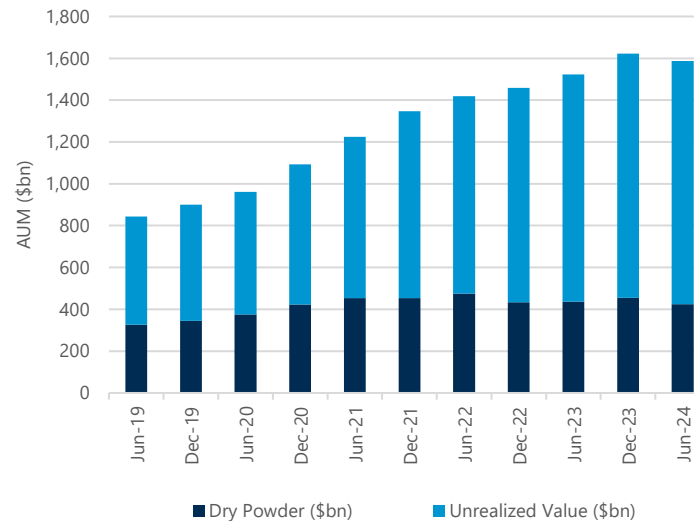
Global Biannual Credit Funds in Market



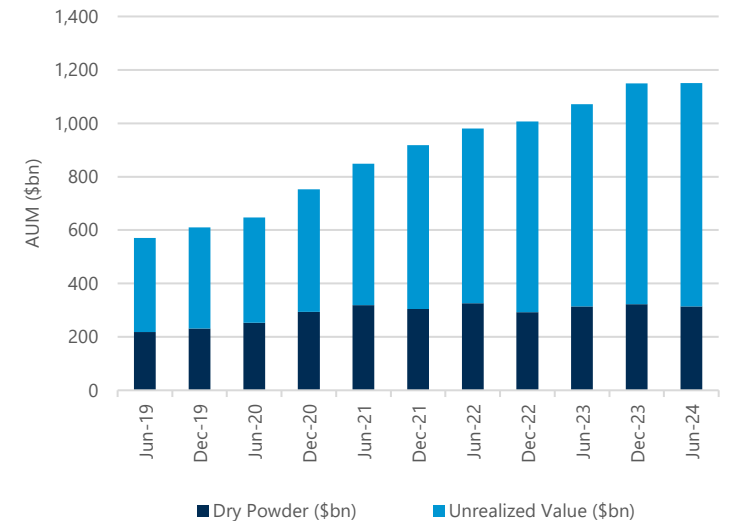
US-Based Biannual Credit Funds in Market



Global Biannual Credit AUM



US-Based Biannual Credit AUM



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

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