In this month’s industry news, we examine private debt deal activity, recently closed funds and investor mandates.

PRIVATE DEBT DEAL ACTIVITY

At the midpoint of Q4 2017, Private Debt Online has tracked 68 private debt deals completed globally since the start of the quarter. There have been a total of 630 debt financing deals recorded in 2017 YTD, with an aggregate deal value of $86bn, including a total debt-issued value of $31bn.

According to Preqin’s private debt fund manager survey conducted in November 2017, deal pricing and deal flow are expected to be the two largest challenges facing the industry in the next 12 months, as managers are feeling pressure to put large stores of dry powder to work in the year ahead. Additionally, nearly 40% of managers suggest that lending terms have become more borrower friendly in 2017 versus 2016.

RECENTLY CLOSED FUNDS

At least 17 private debt funds have held an interim or final close in Q4 2017 as at 8 November 2017, with the largest known fund closure being HPS Specialty Loan Fund 2016, a direct lending fund which hit its hard cap of $4.5bn in October 2017. The vehicle will focus on opportunities in North America and Europe, and has issued $363mn in known debt.

Including HPS, there have been four fund closures in the quarter of more than $1bn, with CVI Credit Value Fund IV from CarVal Investors securing more than $2.3bn at its first close. At the other end of the fund size spectrum, first-time debt manager Turning Rock Partners has held a first close on $4mn for Turning Rock Fund I, which is seeking distressed and illiquid opportunities in the US.

One venture debt fund has closed recently: Multiplier Capital’s second fund, Multiplier Capital II, has secured $266mn at its final close and will seek opportunities in growth industries, with a particular focus on digital media, e-commerce, consumer web applications and cybersecurity.

INVESTOR MANDATES

Private debt funds continue to see more investor attention than ever before. Here, we take a look at a selection of recent investor updates from Private Debt Online:

- KGAL Real Investment is considering investing in private debt in the next 12 months, with a focus on aviation finance. The company is based in Germany and currently has €21.5bn in AUM.
- ABL Life Insurance, based in South Korea, will consider gaining exposure to private debt via separate accounts in the next 12 months.
- Previndai, the €10bn Italy-based public pension fund, is considering investing in private debt funds in the next 12 months as part of its asset allocation strategy. Previndai has not yet set allocations or an investment strategy.
- Credit Suisse Pension Fund will be investing in private debt in the next 12 months. It plans to invest with both new and existing managers.

SHARE YOUR NEWS

Do you have any news you would like to share with the readers of Spotlight? Perhaps you’re about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@preqin.com and we will endeavour to publish them in the next issue.
KEY TOPICS TO BE COVERED INCLUDE:

• A macroeconomic analysis and forecast of the specialty finance landscape in 2018: opportunities and challenges
• Determining the most effective asset-based lending strategies for 2018 and beyond
• Disruption and the impact of Fintech on the specialty finance market: towards openness, collaboration and investment
• Developing a model for crowdfunding in the burgeoning litigation finance industry
• Assessing the impact of the CFPB Arbitration Rule on the consumer finance market
• Middle Market M&A Outlook: towards growth and opportunity
• Navigating the myriad of new financing options and tax-exempt debt
• Spearheading securitization strategies in alternative lending

REGISTER TODAY AT www.iglobalforum.com/spfinance9

@iglobalforum /iglobalforum iglobal-forum

THE INVESTORS’ CONFERENCE ON
GREEK & CYPRIOT NPLs

29 January 2018
Athenaeum InterContinental | Athens, Greece

100+ Issuers & Investors Already Confirmed!

This event will bring together the key government entities establishing the NPL resolution framework with the bank sellers and loan investors in order to facilitate the establishment of a robust secondary market. They will be joined by experts in bankruptcy and insolvency counseling, capital markets advisory, and investment banking teams who are working on creative capital markets solutions for restoring bank balance sheets to health.

Featured Keynote Speaker:

John (Iannis) Mourmouras
Deputy Governor, Bank of Greece

Lead Sponsor:

cepal

Associate Sponsor:

Hoist Finance

Exhibitor Sponsors:

www.imn.org/greece - For sponsorship opportunities, contact Chris Arnold at carnold@imn.org or +1 212-901-0544