Private Debt in the UK

We take a look at the private debt industry in the UK, including investors, fund managers, fundraising and more. To arrange a demonstration of Preqin’s award-winning Private Debt Online, please visit: www.preqin.com/demo

Fig. 1: Five Largest UK-Based Investors by Current Allocation to Private Debt

<table>
<thead>
<tr>
<th>Investor</th>
<th>Type</th>
<th>Location</th>
<th>Current Allocation to PD (As a % of AUM)</th>
<th>Current Allocation to PD ($mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altius Associates</td>
<td>Private Equity Fund of Funds Manager</td>
<td>London</td>
<td>12</td>
<td>3,100</td>
</tr>
<tr>
<td>Pension Protection Fund</td>
<td>Private Sector Pension Fund</td>
<td>Croydon</td>
<td>7</td>
<td>1,900</td>
</tr>
<tr>
<td>Mineworkers Pension Scheme</td>
<td>Private Sector Pension Fund</td>
<td>Crawley</td>
<td>8</td>
<td>1,100</td>
</tr>
<tr>
<td>HSBC Bank UK Pension Scheme</td>
<td>Private Sector Pension Fund</td>
<td>London</td>
<td>3</td>
<td>900</td>
</tr>
<tr>
<td>Wellcome Trust</td>
<td>Foundation</td>
<td>London</td>
<td>2</td>
<td>500</td>
</tr>
</tbody>
</table>

Source: Preqin Private Debt Online

The average current allocation to private debt for UK-based investors is 6% of total assets.

Fig. 2: Five Largest UK-Based Private Debt Fund Managers by Total Capital Raised in the Last 10 Years

<table>
<thead>
<tr>
<th>Firm</th>
<th>Estimated Dry Powder ($bn)</th>
<th>Total Capital Raised in Last 10 Years ($mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate Capital Group</td>
<td>9.2</td>
<td>18,600</td>
</tr>
<tr>
<td>Park Square Capital Partners</td>
<td>2.3</td>
<td>5,800</td>
</tr>
<tr>
<td>M&amp;G Investments</td>
<td>1.3</td>
<td>4,800</td>
</tr>
<tr>
<td>Hayfin Capital Management</td>
<td>2.3</td>
<td>4,100</td>
</tr>
<tr>
<td>BlueBay Asset Management</td>
<td>2.2</td>
<td>4,100</td>
</tr>
</tbody>
</table>

Source: Preqin Private Debt Online

The UK is home to 133 of Europe’s 334 private debt firms. All but 23 of these firms are based in London.

Fig. 3: Five Largest UK-Based Private Debt Funds in Market (As at 22 August 2016)

1. Hayfin Direct Lending Fund II
   Direct Lending Target Size: $2.5bn

2. Alcentra European Direct Lending Fund II
   Direct Lending Target Size: $2.2bn

3. LCM Credit Opportunities Fund III
   Distressed Debt Target Size: $2.0bn

4. Cross Ocean Partners European Special Situations II
   Special Situations Target Size: $2.0bn

5. Hayfin Special Opportunities Fund II
   Special Situations Target Size: $1.4bn

Source: Preqin Private Debt Online

Fig. 4: Five Largest UK-Based Private Debt Investors by Assets under Management

1. Legal and General Group Insurance Company
   AUM: $969bn

2. UBS Global Asset Management
   Asset Manager AUM: $650bn

3. Barclays Wealth and Investment Management
   Wealth Manager AUM: $253bn

4. Santander Asset Management
   Asset Manager AUM: $195bn

5. HSBC Private Bank
   Wealth Manager AUM: $144bn

Source: Preqin Private Debt Online
**Fig. 5:** Annual UK-Based Private Debt Fundraising, 2006 - 2016 YTD (As at 22 August 2016)

**Fig. 6:** Annual Europe-Based Private Debt Fundraising, 2006 - 2016 YTD (As at 22 August 2016)

**Fig. 7:** Europe-Focused Private Debt Fundraising in 2016 YTD by Fund Type (As at 22 August 2016)

**Fig. 8:** Europe-Focused Private Debt Funds in Market by Fund Type (As at 22 August 2016)

**Fig. 9:** Investors Targeting UK-Focused Private Debt Funds by Investor Location

**Fig. 10:** UK-Based Investors by Source of Private Debt Allocation