



# 2025 Private Credit

Magellan  
**Private Credit**  
Newsletter

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## Market News

### Private credit firms boost leverage to compete for PE-backed deals

Private credit managers are increasing leverage ratios and offering more flexible structures to win mandates from private equity sponsors, as competition with the resurgent broadly syndicated loan (BSL) market heats up, according to a report by Bloomberg.

Direct lenders are now commonly offering leverage in excess of six times EBITDA — and in some sectors like software and business services, leverage is pushing past eight times — to secure financing opportunities, particularly for sponsor-backed deals. According to sources cited by Bloomberg, several recent transactions have featured leverage stacks nearing pre-GFC levels, albeit with lower loan-to-value ratios.

With pricing pressure limiting lenders' ability to compete on spread alone, leverage has become a key differentiator. Some firms are also loosening terms by underwriting on adjusted earnings, offering delayed draw term loans (DDTLs), or including payment-in-kind (PIK) features to improve borrower appeal.

Despite the bullish push, risks are rising. According to MSCI, nearly 45% of private debt-financed companies are at risk of breaching leverage covenants — triple the rate seen in buyout vintages from 2010–2019. Higher leverage can strain cash flow, particularly in a muted M&A market where bolt-ons and capex-driven growth are constrained.

*Source: Private Equity Wire & Structured Credit Investor*

### ABF emerges as go-to strategy for evergreen private credit funds

Asset-Backed Finance (ABF) strategies are gaining more momentum in the growing market for evergreen funds — open-ended vehicles that are increasingly appealing to both institutional investors and private credit managers.

In March 2025, AXA IM Alts launched a Diversified Evergreen Private Credit Strategy combining ABF and Direct Lending across sectors such as consumer debt, mortgages, and infrastructure assets.

With the growing push towards retail access in private credit shaping the evergreen fund landscape, the trend is driving demand for repeatable, income-generating strategies such as ABF.

At the same time, institutional interest in evergreen private credit funds is on the rise. With LPs seeking long-term access to private markets without the frictions of vintage-based fundraising cycles.

Evergreen structures allow LPs to allocate once and exit with notice, while managers can raise new capital continuously or adopt a 'rolling vintage' model that reinvests capital from maturing assets into new deals. However, despite the growing popularity, evergreen structures are not a universal solutions and won't replace closed-end structured entirely.

## European direct lending volume grows in Q2

*Source: Pitchbook Data*

In the second quarter, sponsor-backed direct lending deal volume neared 2024 quarterly highs, while total volume and deal count continued to show year-over-year gains, according to data from PitchBook LCD's recently published European Private Credit Monitor.

Jumbo issuance supported Q2 estimated buyout volume, which rose by 61% to €6.14 billion, while the deal count fell by 21%. Sponsor-backed M&A deal flow by count meanwhile dropped in Q2 but remains elevated relative to 2022-2023. There were 23 M&A-related deals in Q2, versus a quarterly average of 13 in 2022-2023.

At €9.43 billion, estimated PE-backed direct lending volume in Europe was supported by large transactions and was in line with the 2024 quarterly average. Deal count was down, however, at 32 deals, from 40 in Q1. Total direct lending volume and count were down for the quarter as well.

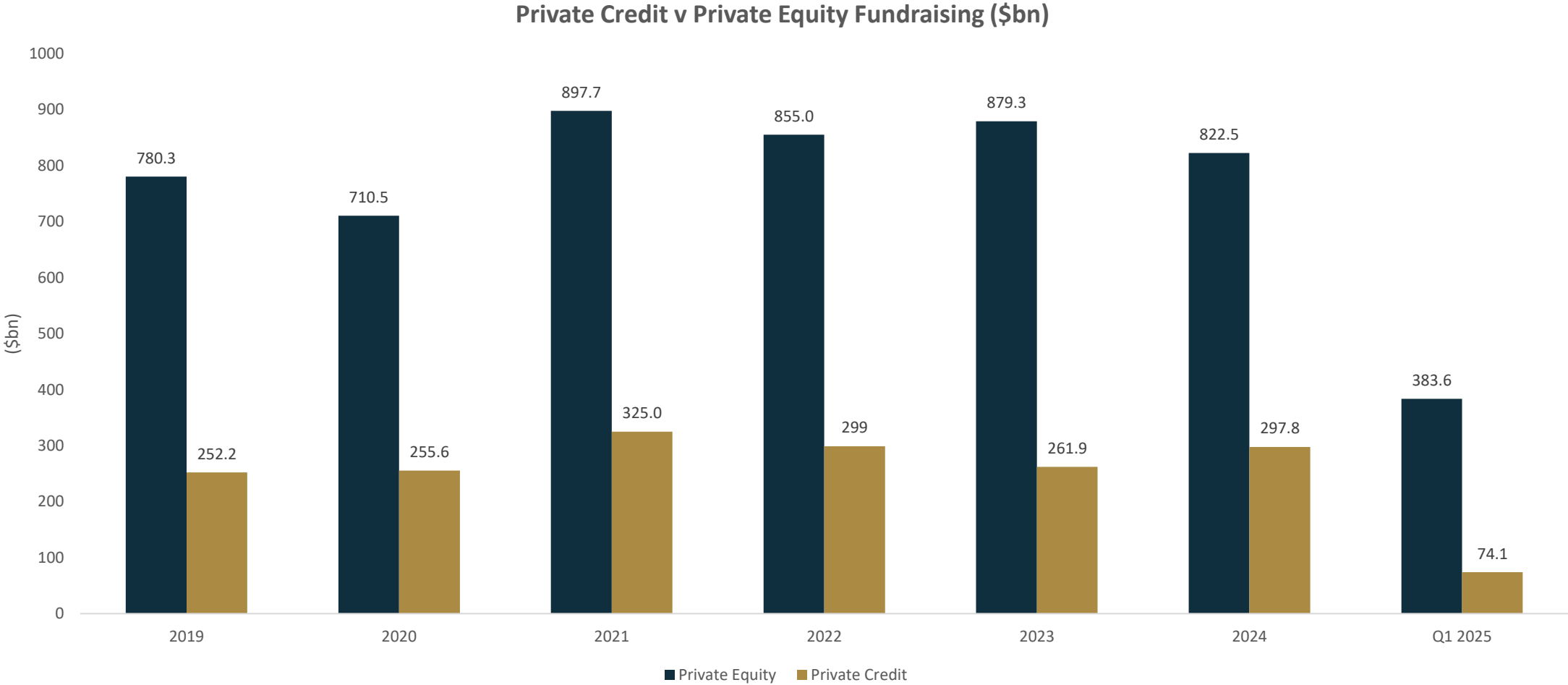
However, the total volume and deal count continue to be up year over year. Total volume and deal count in H1 are 33% and 47% ahead of the same period in 2024, respectively.

### Default rates rising among middle market issuers

*Source: Alternative Credit Investor*

Default rates are rising among middle-market issuers and further deterioration in overall credit quality is expected over the next year, according to a new report by Morningstar. The firm said it has seen defaults within its private credit portfolio "double" over the past 18 months, with default activity among rated middle market issuers having "accelerated year to date".

Global Fundraising



Source: PEI & PDI

## Investments Hiring

### Thoma Bravo bolsters private credit platform with senior hires from Morgan Stanley

Thoma Bravo has expanded its credit team with the addition of Jeff Levin and Kunal Soni, two senior executives previously with Morgan Stanley's private credit group, according to a report by Bloomberg citing sources familiar with the matter.

Levin, who served as Head of Direct Lending and Co-Head of North America Private Credit at Morgan Stanley, also held the role of CEO at the firm's business development company (BDC), Morgan Stanley Direct Lending Fund. Soni held dual responsibilities as Head of Direct Lending for the Western US and Head of Direct Lending Technology.

The hires mark a notable step in the expansion of Thoma Bravo's credit platform, which targets senior secured lending opportunities across the enterprise software sector. The firm closed its third credit fund in January with \$3.6bn in total capital, inclusive of leverage.

Levin's departure from Morgan Stanley was disclosed earlier this month in a regulatory filing, which also confirmed Michael Occi as the new CEO of the BDC.

### Carlyle hires Goldman Sachs Executive to lead direct lending unit

Carlyle Group has hired a Goldman Sachs Executive to lead its direct lending arm, as it looks to expand its private credit offering.

Alex Chi, who most recently held the role of Co-Head of Americas Private Credit at Goldman Sachs Asset Management, will join Carlyle in early 2026, according to an internal memo seen by Bloomberg.

He will reportedly join Carlyle as Partner, sit on the firm's leadership committee and also hold the position of Co-Deputy Investment Chief for the asset manager's \$199bn (£147bn) credit unit.

Chi has worked at Goldman Sachs since 1994, having started out as a Programmer Analyst before moving into debt capital markets, corporate finance and leveraged finance.

Carlyle is keen to expand its private credit. Since early 2023, credit has grown from 46 per cent of Carlyle's fee-earning assets to 51 per cent in the first quarter of this year, although direct lending remains a small part of its business.

## Other hiring activity

✘ **Laura Coady** | Global Head of CLOs & Head of Liquid Credit: Europe | Jefferies to Blackstone

✘ **Mark Jenkins** | Head of Global Credit & Insurance | Carlyle – Appointed

✘ **Jurij Puth** | Head of European Private Credit Origination | Blackstone – Departed

✘ **Todd Marr** | Managing Director: Private Credit | JPMorgan to 26North Partners

✘ **Ravi Suresh** | Managing Director: Private Credit | Deutsche Bank to 26North Partners

✘ **Peter Scaturro** | Vice Chairman | Star Mountain Capital – Appointed

✘ **Jeddy Lee** | Head of Credit | Z Capital Group – Appointed

✘ **Paul Mark Kelly** | COO: Credit | DWS Group to Bain Capital Credit

✘ **Will Zvara** | Managing Director: Private Credit | GoldenTree to Barings

✘ **John Lee** | Vice President: Direct Lending | Ares to Sixth Street

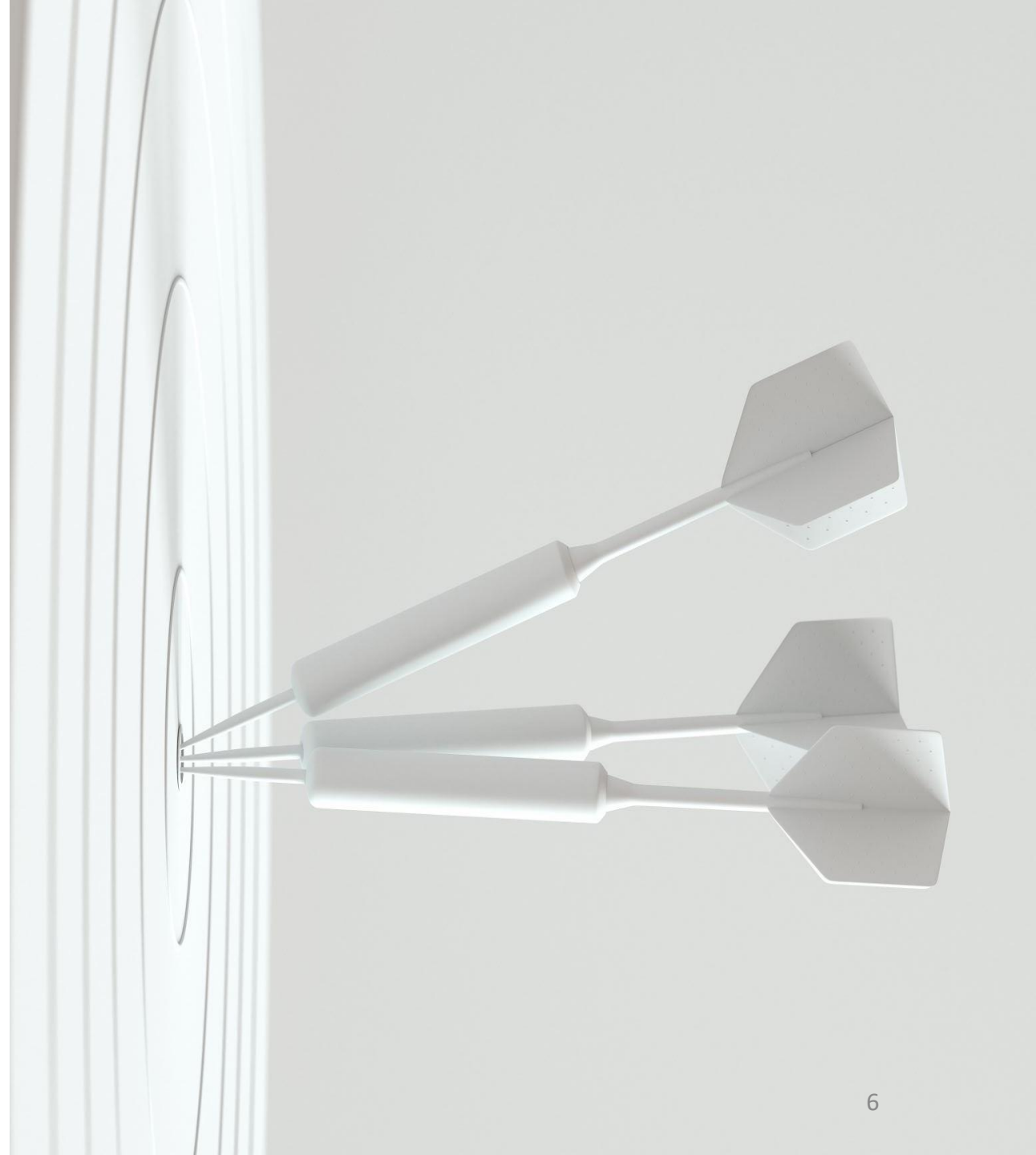
✘ **Charlie Newman** | Associate: Private Credit | BSP Alcentra to Apollo

✘ **Jack Sullivan** | Associate: Private Credit | Lincoln International to Corinthia

## Investor Relations

### Private Credit Investor Relations hiring

- ✕ **Stuart Wrigley** has been appointed as Head of International Investor Relations at private markets firm, Sixth Street. In this newly created role, Wrigley will be responsible for leading the expansion of Sixth Street's client franchise across Asia Pacific, Europe and the Middle East. Wrigley joins from Goldman Sachs Asset Management where he was previously Head of its Client Solutions Group in Asia-Pacific.
- ✕ **Venu Krishnamurthy** has been appointed as Managing Director and Head of Global Private Wealth at global private markets firm, HarbourVest Partners. Venu will report to the firm's CEO and will oversee all aspects of the wealth business including global sales, marketing, operations, and client service. Venu joins from BlackRock, where he was most recently Global Head of Aladdin Wealth.
- ✕ **Nick Gray** has been appointed as a Managing Director at \$28 billion credit and real estate platform, Canyon Partners, to lead its Insurance business. Gray brings nearly 20 years of experience in insurance capital formation, most recently leading Bain Capital Credit's insurance solutions efforts in North America. Gray will report to Georg Machinist, Head of Americas Capital Formation.
- ✕ **Alessandro Verdirrame** has been appointed as Head of Italy for Ares Management's EMEA Wealth Solutions business. Verdirrame joins Ares after over a decade at Goldman Sachs Asset Management where he worked as an Executive Director in the EMEA Client Solutions Group. He will be based in the firm's new Milan office and report to Mark Sercolod, Head of EMEA Wealth Management Solutions.



## Fundraising

### Coller Capital raises record \$6.8 billion for Private Credit Secondaries platform

Coller Capital, the world's largest dedicated private market secondaries manager, announced the final closing of Coller Credit Opportunities II (CCO II), bringing a record total of \$6.8 billion raised for Coller's credit platform in its latest fundraising cycle.

Coller's credit platform includes commingled funds, co-investment vehicles, separately managed accounts, and its credit-focused perpetual funds.

The successful capital raise follows the firm's pioneering \$1.4 billion first credit fund, CCO I, which previously set the benchmark as the largest private credit secondaries fund at the time. Coller Capital's robust fundraising reflects its established global presence, innovative approach, and deep specialist expertise in secondaries.

CCO II targets senior direct lending and high-quality performing credit investments across LP-led and GP-led opportunities. The fund seeks to deliver strong risk-adjusted returns and stable, resilient performance through market cycles by providing investors diversified exposure to premium credit assets.

### 17Capital closes Strategic Lending Fund 6 at \$5.5 billion

17Capital, the world's largest dedicated NAV finance provider, announced the final closing of 17Capital Strategic Lending Fund 6, with approximately \$5.5 billion of commitments, including co-investment and affiliated vehicles.

The Fund follows its predecessor, 17Capital Fund 5, which closed at \$2.9 billion in July 2021, and is one of the five largest private credit funds closed so far in 2025. The Firm has now raised \$19 billion since its inception. Fund 6 attracted a global, blue-chip investor base comprising pension funds, insurance companies, sovereign wealth funds, prominent family offices and endowments across North America, Europe, the Middle East and Asia.

Fund 6 has already committed \$2.5 billion across ten investments, split evenly between the US and Europe. In addition to Strategic Lending, 17Capital also manages a dedicated Credit program focused on providing NAV loans to private equity buyout funds. Since launching its inaugural Credit Fund in 2020, which closed at €2.6 billion, the Firm has deployed \$6.7 billion in NAV loans through its Credit program.

Source: Coller Capital & 17 Capital

## Other fundraising activity

- ✘ **Pantheon** | Raises USD 2.2 billion for Credit Opportunities III
- ✘ **Kartesia** | Raises UER 1.3 billion for Credit Opportunities Fund (KCO) VI
- ✘ **Partners Group** | Raises EUR 1 billion for first close of European Direct Lending strategy
- ✘ **Blue Owl** | Launches U.S. Diversified Direct Lending Strategy with Koda Capital
- ✘ **Blackstone** | Considering launching a dedicated Private Credit Secondaries strategy
- ✘ **HarbourVest Partners** | Launches first dedicated Private Credit Secondaries strategy
- ✘ **Invesco** | Looks to launch European Evergreen Private Credit strategy
- ✘ **SAB Invest** | Launches Shariah-compliant open-ended Private Credit strategy
- ✘ **Third Point** | Raises USD 400 for first close of Private Credit strategy
- ✘ **Aberdeen** | Raises GBP 233 for first close of Global Fund Finance Fund
- ✘ **Equita Capital** | Raises EUR 160 million for third Private Credit strategy
- ✘ **Flow Capital** | Raises USD 125 million for Asia-focused Private Credit strategy

## Strategic Initiatives

### L&G and Blackstone announce strategic partnership to accelerate growth ambitions

Legal & General (L&G) and Blackstone have announced a long-term strategic partnership that combines the strength of L&G and Blackstone's respective credit platforms to enhance L&G's competitive advantage in annuities and bolster its asset management proposition in key geographies and channels.

L&G's annuities business will leverage Blackstone's private credit origination platform to access a pipeline of diversified investment-grade assets, predominantly from the US. This partnership will complement L&G's existing capabilities to gain competitive advantage, enhanced returns, and support its growth ambitions.

L&G will invest up to 10% of anticipated annuities new business flows. This will add to the \$237 billion in third-party insurance assets Blackstone manages across investment-grade private credit, liquid credit, and other strategies.

Additionally, L&G's asset management business will develop public/private hybrid credit solutions that combine Blackstone's leading private credit platform with L&G's best-in-class active fixed income capabilities. This will accelerate L&G's ambitions to expand into highly attractive global wealth and wholesale channels.

*Source: Blackstone & Man Group*

### Man Group acquires US Private Credit manager Bardin Hill

Man Group, the global alternative investment management firm, has announced it has entered into an agreement to acquire Bardin Hill, a US private credit manager with approximately \$3.0 billion in assets under management (AUM).

Based in New York City, Bardin Hill is an opportunistic and performing credit manager. Its opportunistic credit platform focuses on US distressed and special situations investments and US non-sponsor backed direct lending, while its performing credit platform focuses on broadly syndicated loan CLOs.

Led by a highly experienced management team with an average industry tenure of 22 years, Bardin Hill has significant expertise in managing credit strategies and a sophisticated global client base including pension funds, endowments, foundations, insurance companies and consultants.

Jason Dillow, CEO of Bardin Hill, will continue to lead the Bardin Hill business with the support of its nine Partners. Bardin Hill's investment capabilities will complement Man Group's existing private credit offering, which includes direct lending, credit risk sharing and residential real estate lending strategies.

## Mubadala and AXA IM Prime partner with Hayfin

*Source: Hayfin*

Hayfin has announced it has entered into strategic partnerships with Mubadala Investment Company (Mubadala) and AXA IM Prime, a business unit of AXA IM – part of BNP Paribas Group (AXA IM Prime), on behalf of one of its investment funds. As part of the agreement, each firm will acquire a minority interest from Arctos Partners (Arctos) in Hayfin and leverage their capabilities and expertise to support Hayfin's investment strategies.

The transaction builds on the partnership between Hayfin and private investment firm Arctos. In February, Hayfin completed a management buyout supported by Arctos via its Keystone strategy, which provides strategic partnerships to leading financial sponsors, through bespoke growth capital and liquidity solutions. The transaction facilitated the Hayfin team becoming majority owners of the firm's common equity.

Hayfin will remain focused on generating superior and consistent risk-adjusted returns for its clients. As with the Arctos-backed buyout, the transaction will lead to no changes in Hayfin's strategy, investment process, leadership or day-to-day operations. Completion remains subject to customary regulatory approvals.

### Carlyle targets wealth with Clearstream partnership

*Source: CityWire Selector*

Private markets firm Carlyle has teamed up with Clearstream to expand its distribution network in wealth management. The companies have stated that they aim to optimise efficiency and reduce costs.

The partnership gives Carlyle access to accredited investors through Clearstream's network of over 300 distribution partners. The media announcement highlighted a strong presence in Switzerland, Germany and Asia Pacific, as well as the access to large global wealth managers.



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**Sources**

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