

Macro Roundup Article

Headline: [How Private Credit Gives Banks a Run for Their Money](#)

Article Link: <https://www.bloomberg.com/news/articles/2023-10-27/what-is-private-credit-and-how-does-it-work?srnd=economics-v2&sref;=U3dOGIDF>

Author(s)	Katharine Hidalgo
Publication	Bloomberg
Publication Date	October 27, 2023

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Summary: Private credit came of age after the 2008 financial crisis as an alternative to banks at a time when regulators were clamping down on risky lending by deposit-taking institutions. Today it's become a serious rival to mainstream lending for all kinds of businesses, from real estate firms to tech startups. Data company Preqin said closed-end private debt funds using the five lending strategies [Direct lending, Distressed debt, Venture debt, Mezzanine finance, and Special situations] had around \$1.6 trillion of assets under management globally as of March 2023, up from around \$500 billion at the end of 2015.

Related Articles: [Where Are All the Defaults?](#) and [Higher Cost of Capital Continues and Credit Normalization](#)

Primary Topic: Business Cycle

Topics: Business Cycle, Database, GDP, News article

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