

FUND FINANCE FRIDAY

A Worthwhile Read: The PGIM Private Markets Annual Report

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Total private capital assets management have doubled in the past six years to reach \$12 trillion. In *The New Dynamics of Private Markets*, PGIM analysts take a long-term view of the context of this growth and the future direction mainly as it affects investors. Highlights of the report include the discussion on private credit where there appears to be plenty of runway for further growth and the estimate for potential overall private capital growth from retail participation through, for example, greater defined contribution plan participation.

We do have one small bone to pick: As *FFF* readers know, we don't love it when subscription lending is described as leverage, much less when it's classified as a "source of hidden leverage." A fund's total buying power is the same after incurring a subline as before – it's capped at the total capital commitments to the fund. Many of the dark insinuations about sponsor motivations fall away once that little point is clarified. Along the same lines, the comments on lack of disclosure strike us as out of date with current investor reporting on sublines. These nits aside, the [PGIM report](#) is certainly a worthwhile read.