

# Brookfield, SocGen to Start \$10.7 Billion Private Debt Fund

- Investors like insurers targeted with investment-grade options
- The private credit market has seen a boom in recent years

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Brookfield Asset Management Ltd. and [Societe Generale SA](#) plan to raise as much as €10 billion (\$10.7 billion) for a “high-quality” private debt fund, joining peers seeking to capitalize on what’s projected to be a multi-trillion dollar boom.

The initial fund is targeting a total of €10 billion over the next four years and will have €2.5 billion of seed financing at inception, the Canadian asset manager and the French bank said in a [statement](#) Monday.

The seed fund will focus on two strategies: one for real assets credit across the power, renewables, data, midstream and transportation sectors, and another one for fund finance, they said. In particular, the fund is expected to meet the needs of insurance companies with

investment-grade products tailored to meet their ratings and duration requirements.

The private credit market — which began by catering to private equity businesses and grew rapidly as banks pulled back after the global financial crisis — has roughly tripled in size since 2015 to \$1.5 trillion. Apollo Global Management, the biggest alternative credit manager, says the industry could grow to replace as much as \$40 trillion of the debt markets.

Offering rich returns, the market has remained relatively insulated as central banks around the world raise borrowing costs to fight inflation. In the second quarter, there were 34 new private credit funds that raised about \$71 billion, more than double the previous three months, according to data from industry research firm Preqin.

Brookfield and SocGen are the latest to unveil such a fund, weeks after Bloomberg News reported [Oaktree Capital Management](#)'s plans for a \$18 billion [pool](#), which would be the largest the industry has ever seen.