

MEDIA MENTIONS

Schulte partner Dan Hunter quoted in *9fin*

June 21, 2024

Schulte Roth & Zabel partner Dan Hunter recently spoke with *9fin* for their article, “Hedge funds want in on private credit – but are they ready for it?”

Private credit is highly popular on Wall Street today, as many hedge funds are seeking to enter the market. The appeal of private credit lies in its potential for higher returns, with direct lending funds showing better performance than credit hedge funds in recent years. However, the fundraising environment has become challenging, and there has been a notable drop in capital raised compared to previous years.

The issue of deploying capital and working with sponsors and lenders to do so arises when funds are building a brand for themselves. Dan explains how hedge funds’ diverse portfolios could provide managers with a broader view of market opportunities, which would allow funds to adjust their strategies to meet investor expectations for returns. With regard to the potential downsides associated with the higher flexibility to invest across the capital spectrum, Dan states, “They just have to make sure that they don’t get stuck upside down in the trades, like certain hedge fund managers did in venture capital.”

Newer private credit managers face stiff competition and must prove their track records to attract investors, potentially facing increased scrutiny from LPs as to why they are entering the market. Alternatively, new entrants can buy loans that other firms have already originated when they are beginning to build their businesses.

[Read the article here.](#)

Related People



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