

Apollo Launches Non-Traded BDC with More Than \$1 Billion in AUM

Apollo Debt Solutions BDC, a non-traded perpetual-life business development company, has launched with more than \$1 billion in assets under management.

The fund, which is the first non-traded BDC sponsored by Apollo affiliates, broke escrow on Friday with approximately \$657 million in equity net proceeds for its continuous public offering. In connection with breaking escrow, it has issued and sold nearly 26.3 million Class I shares in the offering. Apollo and its employees own approximately \$3 million of interests in the fund.

Apollo Debt Solutions BDC invests primarily in directly originated assets, including debt securities, and in particular, large-cap origination.

“Individual investors have long been under-allocated to alternatives, and we believe this strong initial fundraise for [Apollo Debt Solutions] demonstrates the pent-up demand investors and their wealth advisors have for strategies of this kind,” said Stephanie Drescher, Apollo’s chief client and product development officer.

According to the prospectus, the \$5 billion offering includes three classes of common stock: Class S, Class D, and Class I shares that were initially priced at \$25.00 each, and later at the net asset value per share plus different ongoing shareholder servicing and/or distribution fees.

No upfront sales load will be paid with respect to Class S, Class D or Class I shares. However, certain financial intermediaries that sell Class S or Class D shares may

directly charge transaction or other fees, including upfront placement fees or brokerage commissions. These are capped at 1.5 percent of NAV for Class D shares and 3.5 percent for Class S shares.

Shareholder servicing and/or distribution fees will equal 0.85 percent per year of the total NAV for Class S shares and 0.25 percent per year for Class D shares, paid monthly.

Apollo said that its Global Wealth business, which focuses on developing and distributing products for individual investors, is one of its “key strategic growth areas.” In December 2021, Apollo agreed to buy the wealth distribution and asset management [businesses of Griffin Capital](#). Recently, it also made venture equity investments in CAIS and iCapital, two technology platforms helping wealth and financial advisors access alternative investments.

Apollo Debt Solutions BDC focuses on senior secured large corporate direct origination, broadly syndicated loans, and, to a lesser extent, middle market direct lending. The fund is managed by an affiliate of Apollo (NYSE: APO), which has one of the world’s largest alternative credit businesses with approximately \$341 billion in credit AUM.

Apollo is a global alternative asset manager with approximately \$481 billion of assets under management, as of September 30, 2021.

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