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Investors want more info on fees

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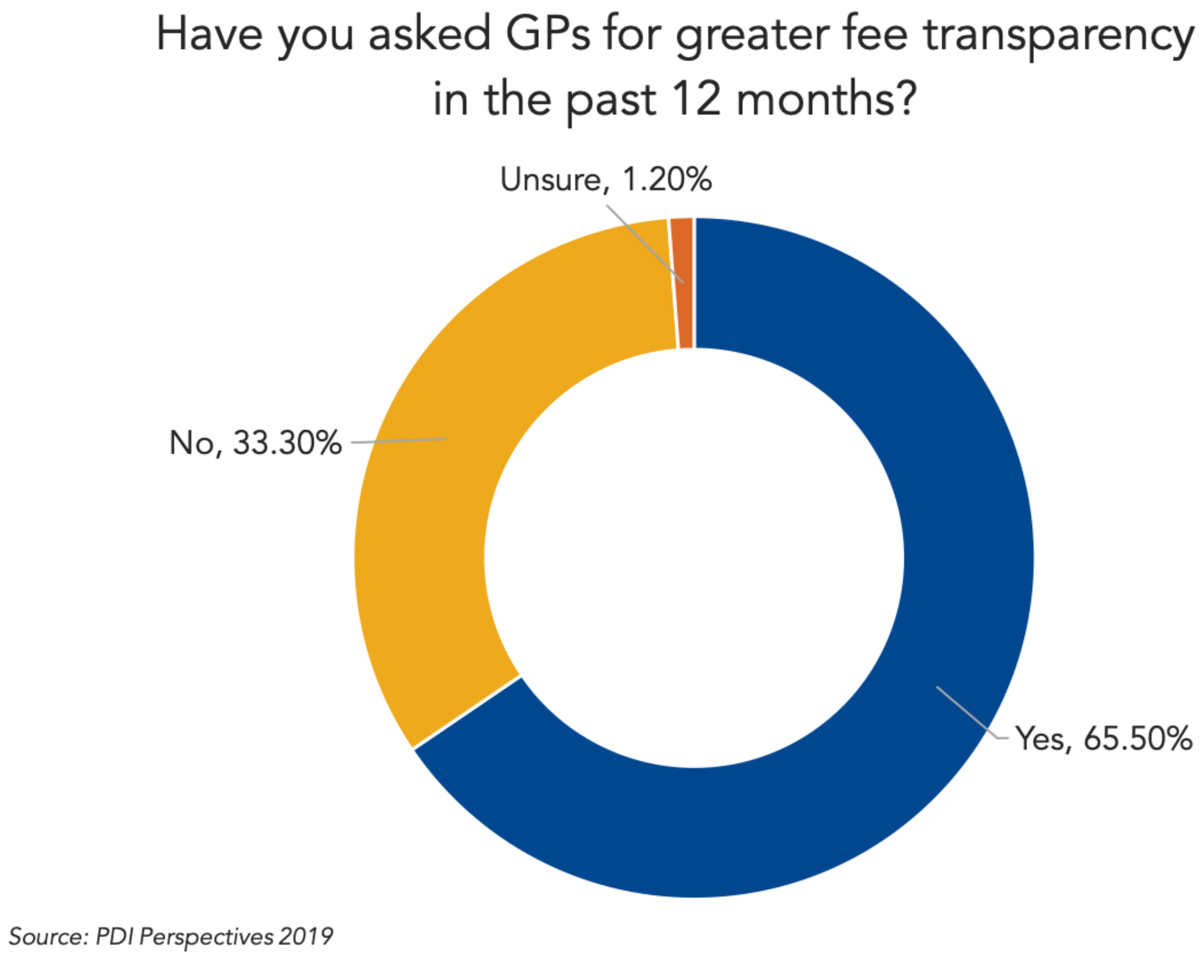

LPs said they often have a hard time justifying them within their organisations.

More than half of investors in the past 12 months have asked for greater fee transparency and disclosure from their general partners, according to PDI Perspectives 2019, our annual survey of limited partners.

Almost two-thirds of private market investors have made requests for more information. Respondents to the questionnaire not only invest in private debt but also private equity, private real estate and infrastructure.

It's clear that fees are something LPs are zeroing in on. Not only have most sought more details about fees, but in a separate question, a vast majority of investors said they believe private equity fund fees are difficult to justify internally. Some 63 percent of respondents said they either "agree" or "strongly agree" with that sentiment.

One panellist at a conference for CFOs and COOs said that the Securities and Exchange Commission has been making disclosure a priority recently, noting that it’s better to have too much than too little offered to investors.

With many different credit managers out there, and direct lending becoming what a source called a “beta play”, differentiation is becoming more difficult. But being responsive to investors and their concerns is always a good reputation to have.