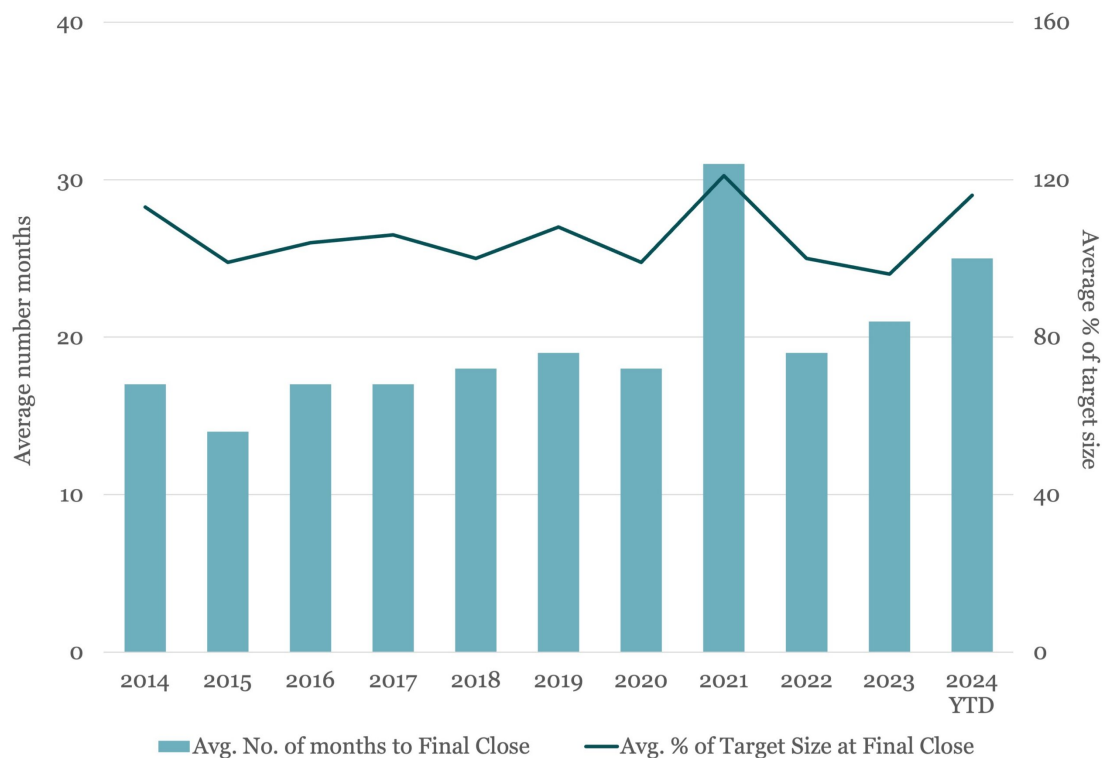


Private Debt Intelligence – 10/21/2024

THE LEAD | October 24, 2024

Management fees for private debt second lowest in private markets

Chart



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Read more in Preqin's [Private Capital Fund Terms Advisor 2024 report](#)

Although private debt has been the hot ticket for investors for the past few years, fund managers are now finding it harder to raise funds. The average size of the final close compared to the target size fell from a high of 121% in 2021 to 100% in 2023, while the average time in market has been rising since 2022. This is translating into

downward pressure on fees.

For raising and closed funds with 2023 and 2024 vintages, management fees private debt are the second lowest in private markets, ahead of real estate. Direct lending funds have the lowest mean investment period (IP) headline rates among the four private debt strategies, whilst mezzanine and special situation funds strategies have the highest median and mean management fee.

Contact: William Bennett-Lynch
william.bennett-lynch@preqin.com