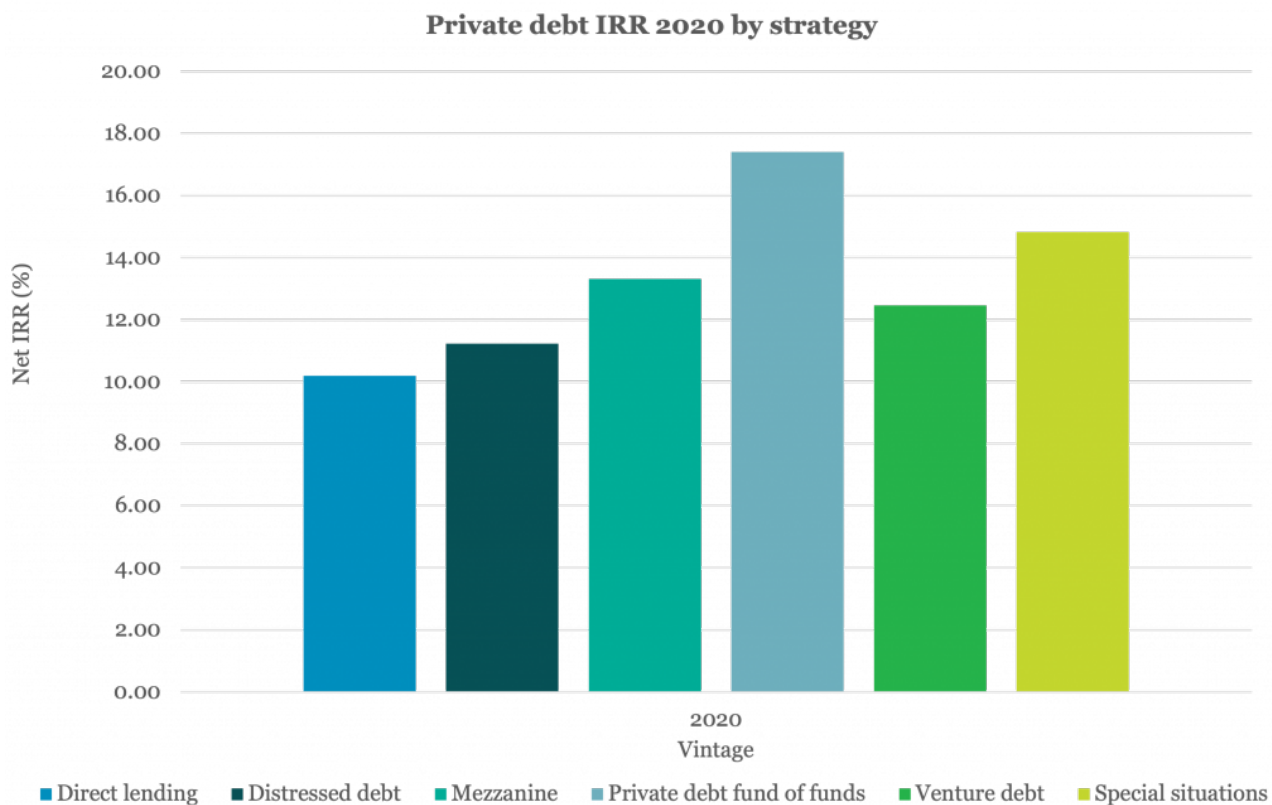


Private Debt Intelligence – 11/6/2023

THE LEAD | November 8, 2023

Private debt nears its ‘golden moment’

Chart



Download Data

[wpdm_package id='67201?']

With performance data arriving now for recent private debt vintages it seems that double-digit net IRRs are within reach for many strategies tracked by Preqin.

In 2020 – the most recent year for which performance data is meaningful – all US strategies posted net IRR over 10%. The most popular strategy, direct lending posted performance of 10.19% while fund of funds posted an average of over 17% net IRR.

According to our *Preqin Global Report 2023: Private Debt*, investors able to embrace the illiquidity of private debt investments have seen a five-year horizon IRR of 7.0%. However, in line with interest rate rises, Preqin is forecasting higher returns globally of average 9.81% for the five-year period ending 2028. By then investors will have had enough time to truly test Blackstone president Jonathan Gray’s “golden moment” for private credit claim as progress for 2021 and 2022 vintages matures.

(Past performance is no guarantee of future results.)

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