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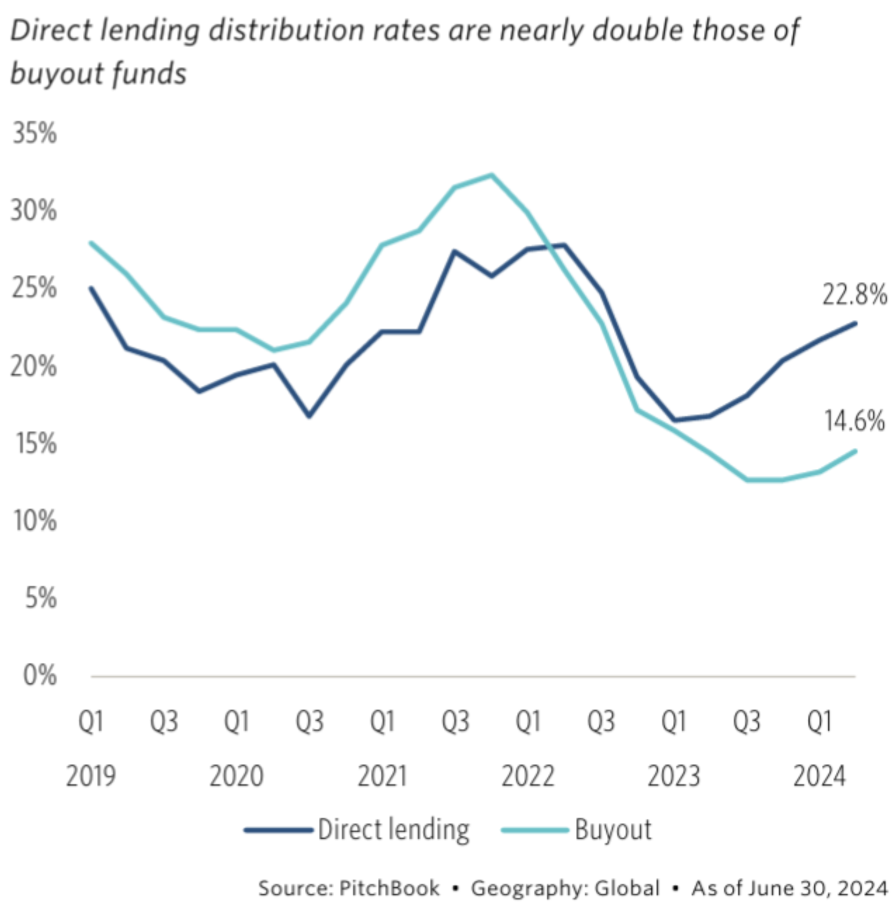
# Direct lending versus buyout fund distribution rates

PitchBook | May 1, 2025

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In the 12 months ended Q2 2024, private debt returns outpaced all other private market asset classes. As a result, the asset class experienced robust inflows as investors looked to capitalize on exposure to floating-rate debt benefiting from higher interest rates. However, the back half of 2024 was a different story, as the lower expectations for the asset class, given the less favorable interest-rate backdrop, made the strategy less attractive. Despite the more gradual rate cuts from central banks, investor demand for new funds fell short. Lower rates triggered a flight from floating-rate securities and loans in prior cycles.

*(Past performance is no guarantee of future results.)*