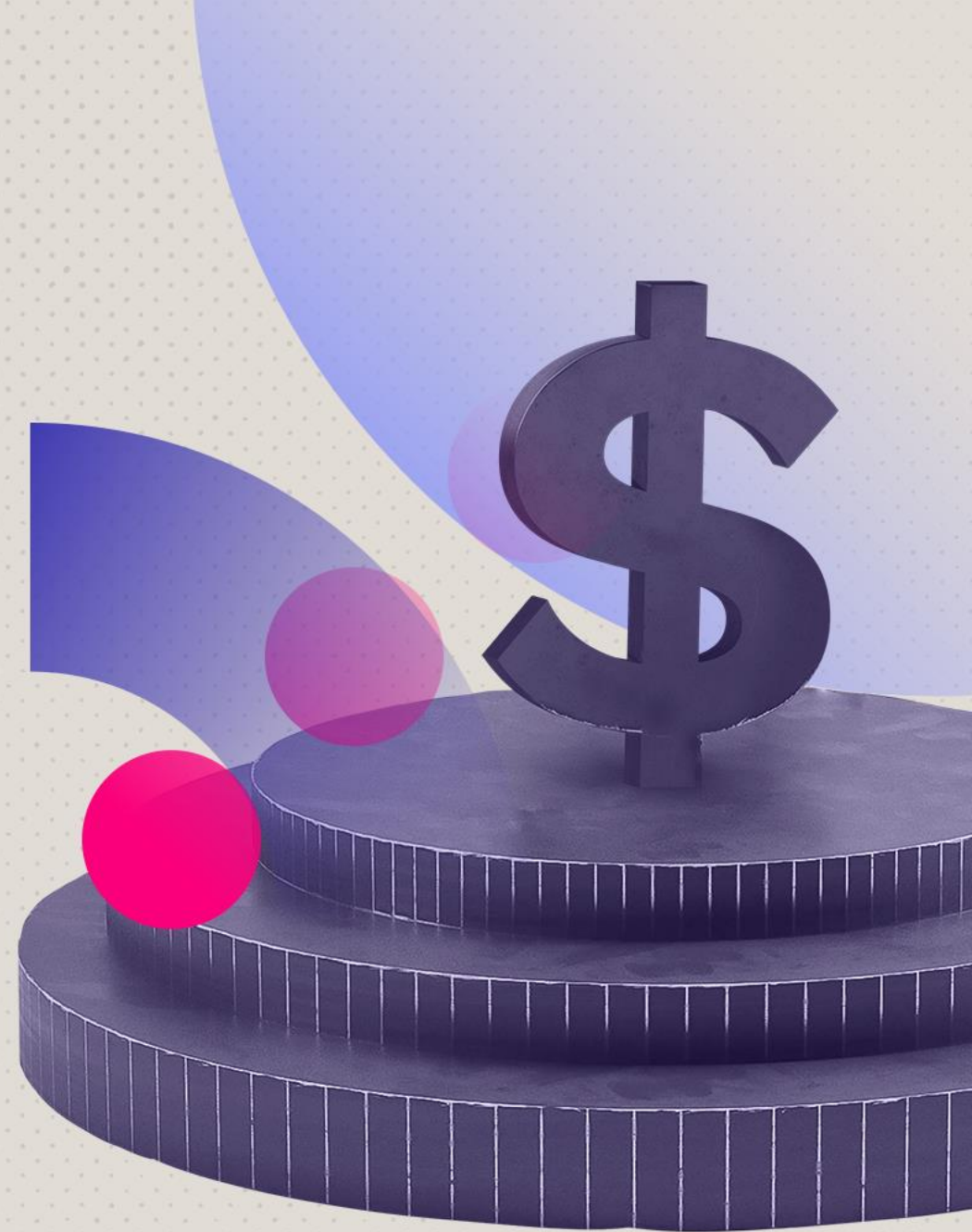


Webinar

Fund Terms Advisor 2025

November 6, 2025

PREQIN
a part of BlackRock



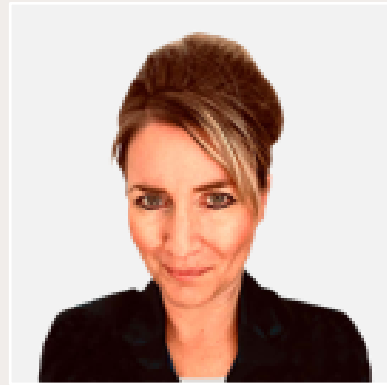
Speakers



Brigid Connor,
CFA, CAIA

BlackRock

Vice President,
Research Insights



Heather Heys

BlackRock

Director,
Legal Insights



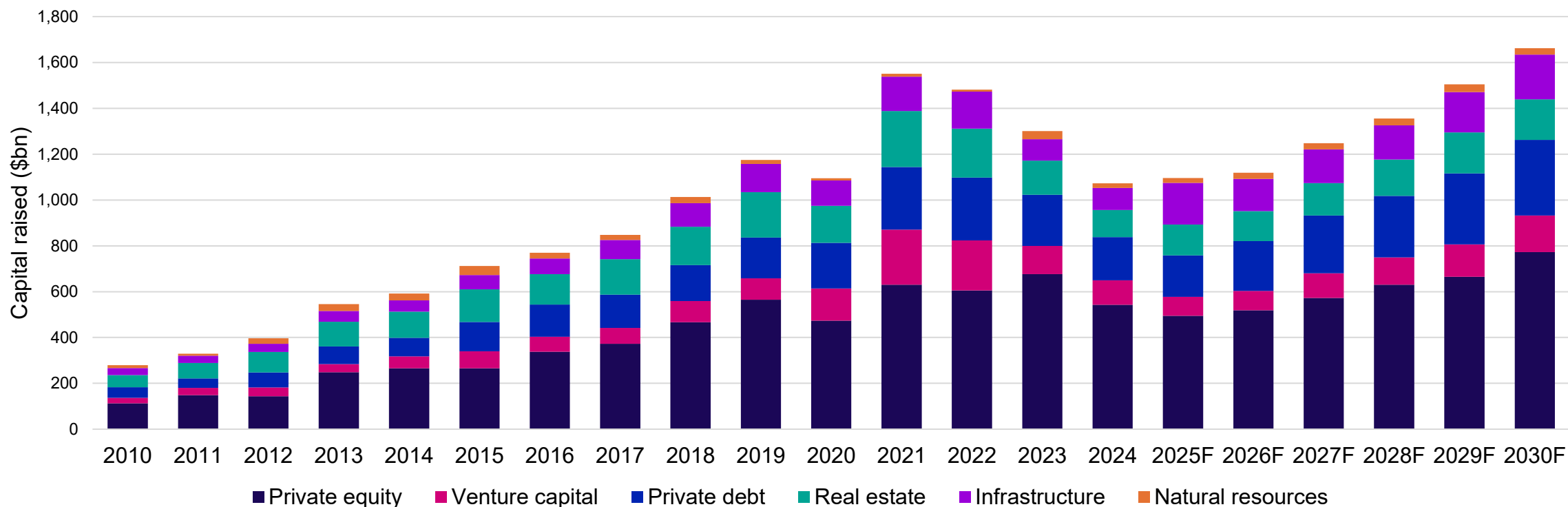
Nicholas Donato

BlackRock

Managing Director

Fundraising expected to improve in 2027, with a new record in 2030

Fundraising by asset class



Annualized growth (%)**	Private equity	Venture capital	Private credit	Real estate	Infrastructure	Natural resources	Fund of funds	Secondaries****	Total***
2012–2018	21.73%	15.56%	15.86%	11.04%	19.00%	2.01%	7.54%	5.23%	16.91%
2018–2021	10.51%	37.64%	20.24%	13.44%	13.53%	-21.88%	11.95%	11.11%	15.24%
2021–2024	-4.88%	-23.69%	-11.53%	-21.48%	-13.71%	14.41%	-20.24%	20.66%	-11.57%
2018–2024	2.53%	2.49%	3.14%	-5.62%	-1.02%	-5.46%	-5.50%	15.79%	0.95%
2024–2030F	6.08%	6.90%	9.73%	6.92%	12.52%	6.30%	14.88%	5.93%	7.58%

**Values are nominal and relate to end of year

***To avoid double-counting, Total column excludes secondaries and funds of funds

****Excludes APAC real estate secondaries

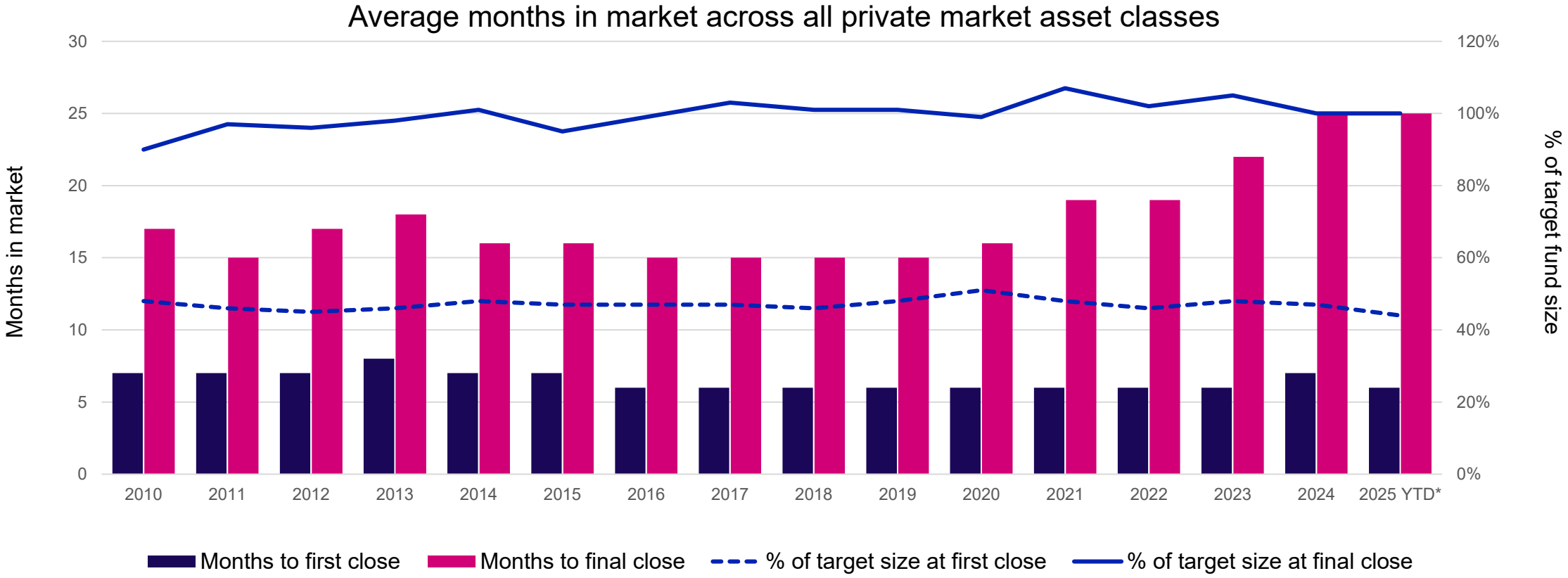
[Methodology here.](#)

Source: Preqin's Private Markets in 2030.

There is no assurance any forecasts will be attained
AUM figures exclude funds denominated in yuan renminbi³

All figures are nominal

Months in market has increased since 2019

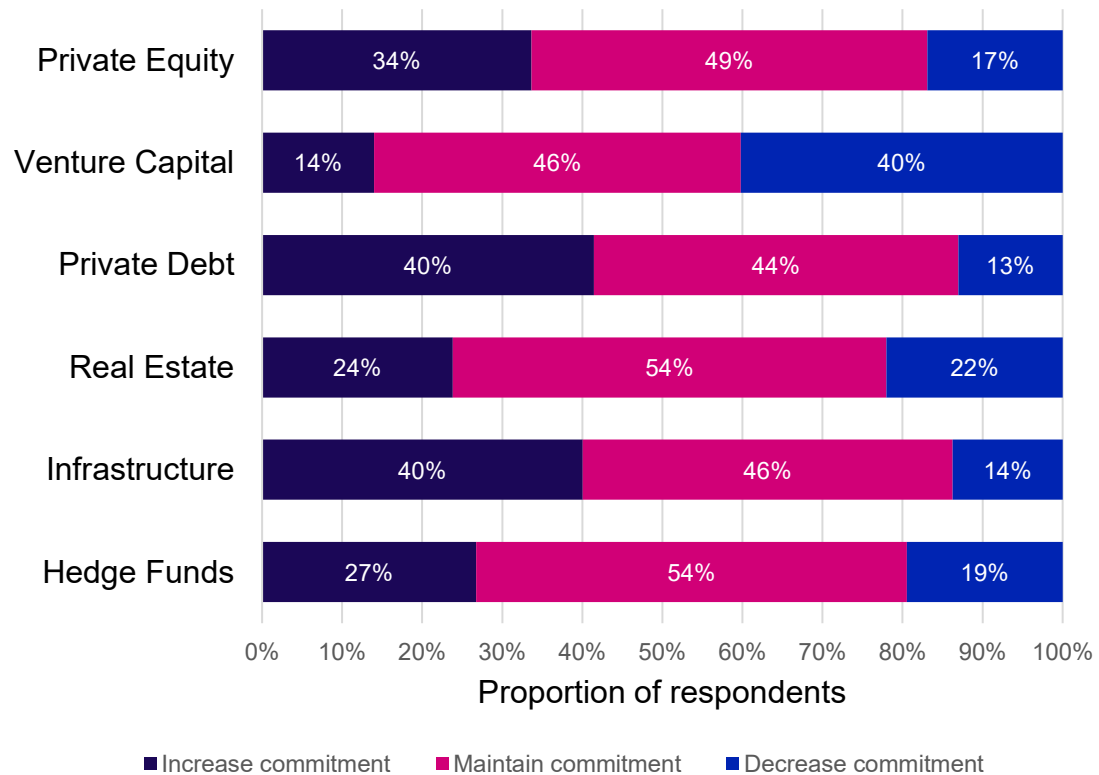


Source: Preqin Pro
As of August 2025

Most investors intend to continue allocating to private assets

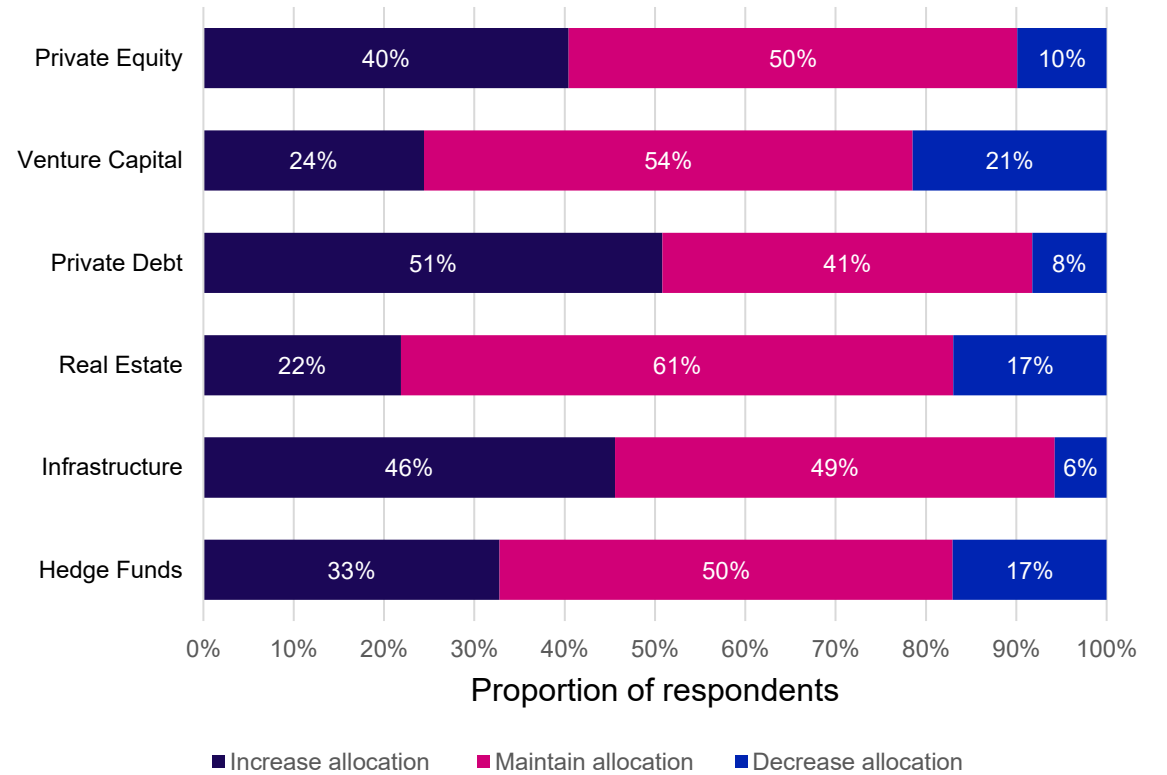
Investor short-term commitment intentions

Investors were asked: What are your capital commitment plans over the next 12 months, compared with the previous 12 months?



Investor long-term allocation intentions

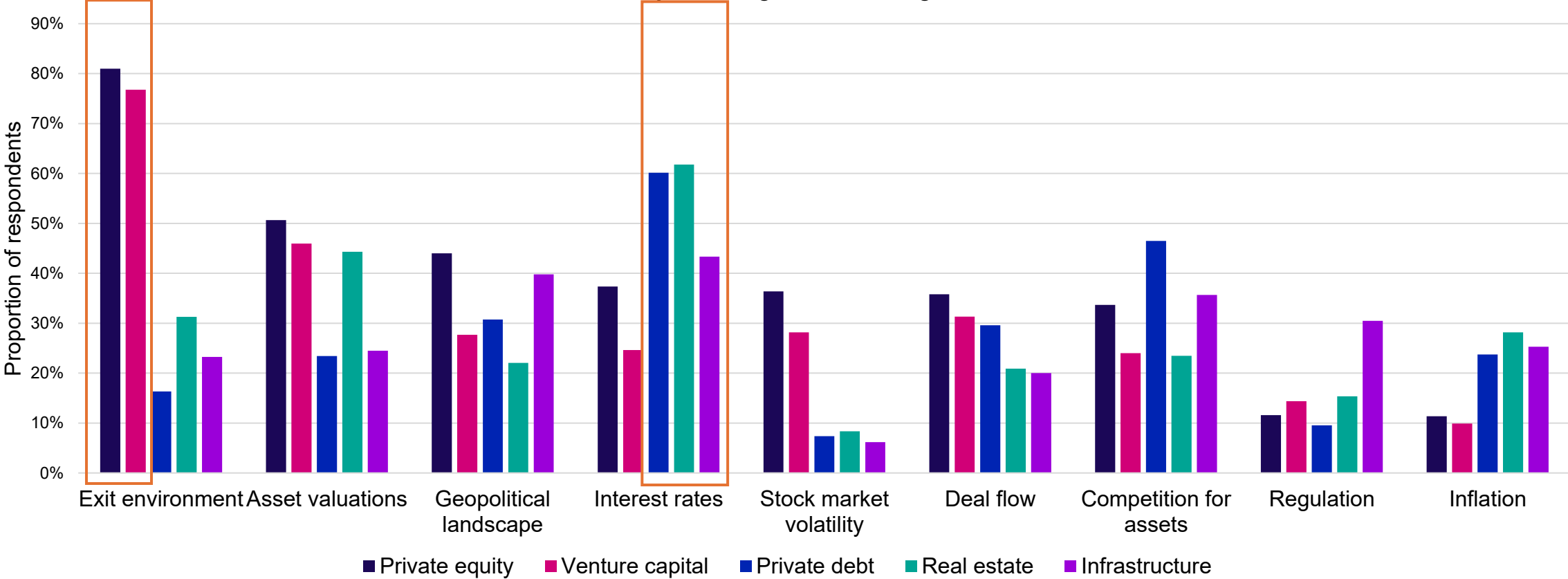
Investors were asked: how will you allocate over the longer term?



Source: Preqin's Global Investor Survey.
June 2025.

Investors' biggest concerns are the exit environment and interest rates

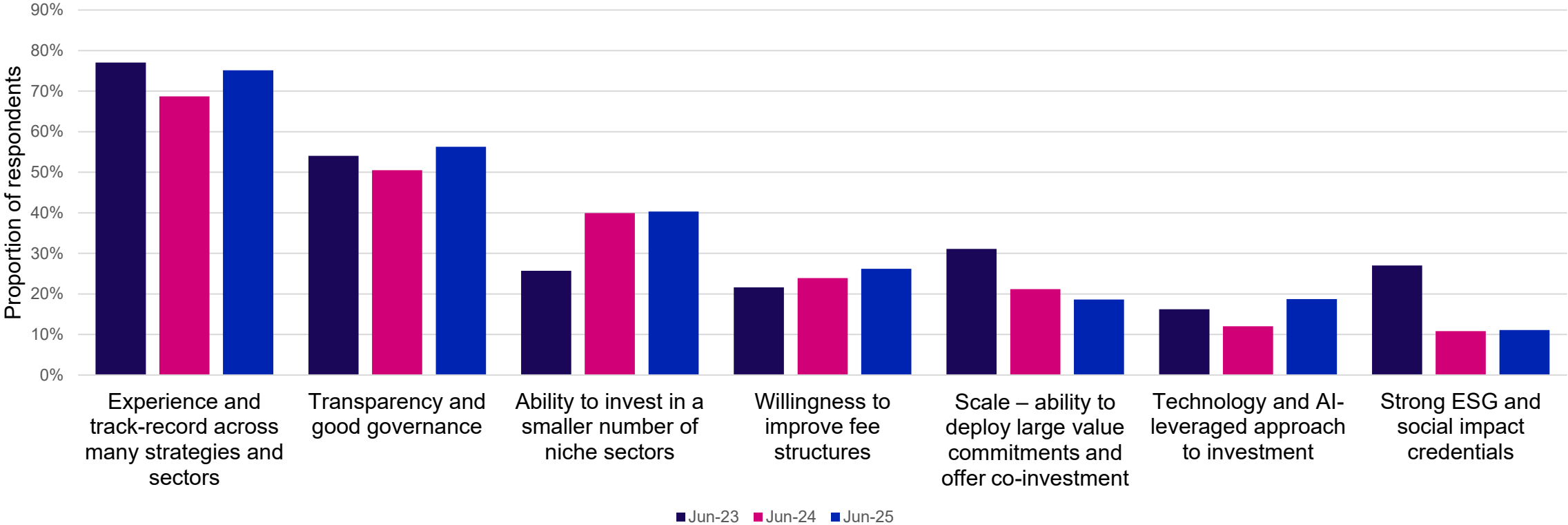
Investors were asked: What are key challenges for return generation in the next 12 months?



Source: Preqin's Global Investor Survey, June 2025.

Interest in sector expertise rises, but track record most valuable

Investors were asked: 'What characteristics in a private capital manager are investors valuing the most highly in the current market environment?'

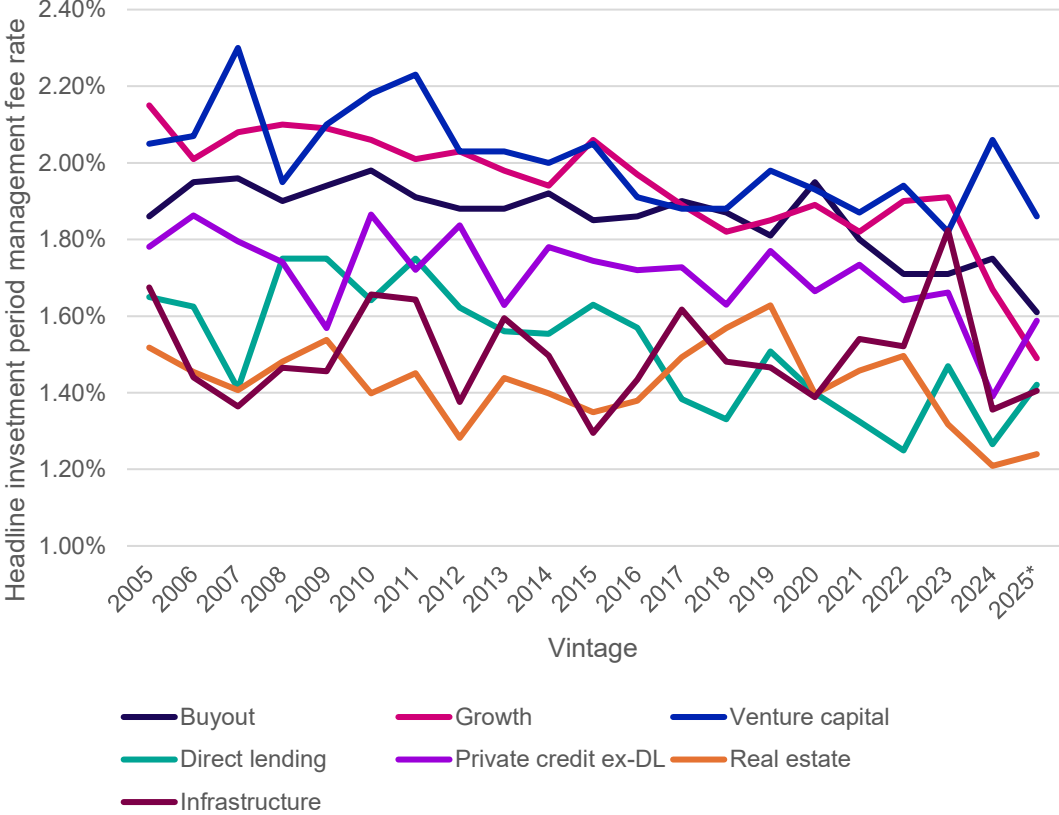


Source: Preqin's Global Investor Survey. June 2025

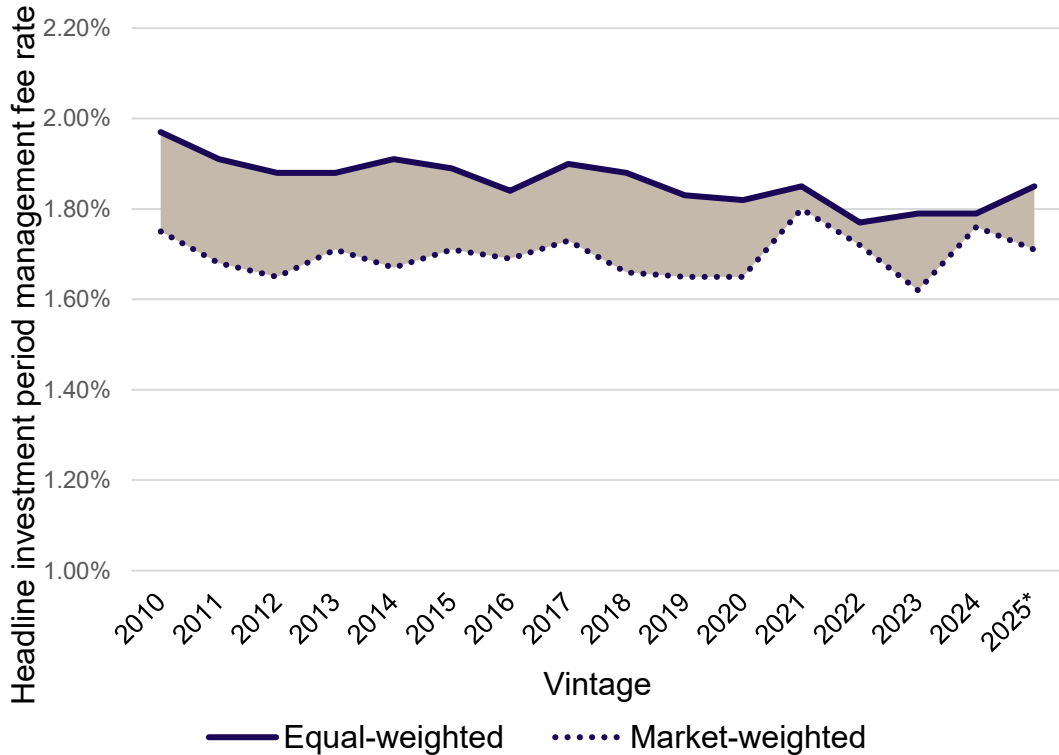
Discussion

Private equity management fees continue to decline

Mean management fee rates



Comparison of equal-weighted and market-weighted management fee rates in buyout



* As of June 30 plus funds raising.

Source: Preqin's Fund Term Advisor 2025

Poll question #1

Where have you observed management fees trending within a given strategy?

A

Downward for headline rates

B

Downward because of special benefits or negotiation

C

No change

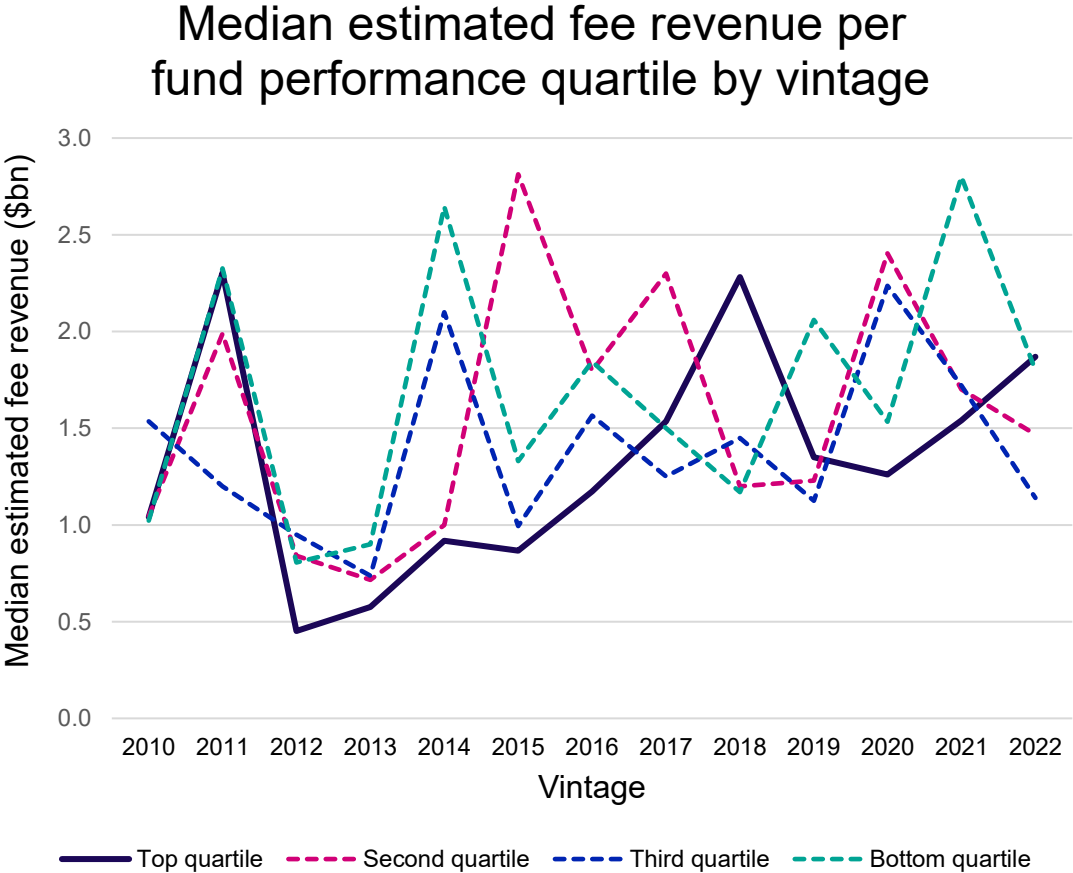
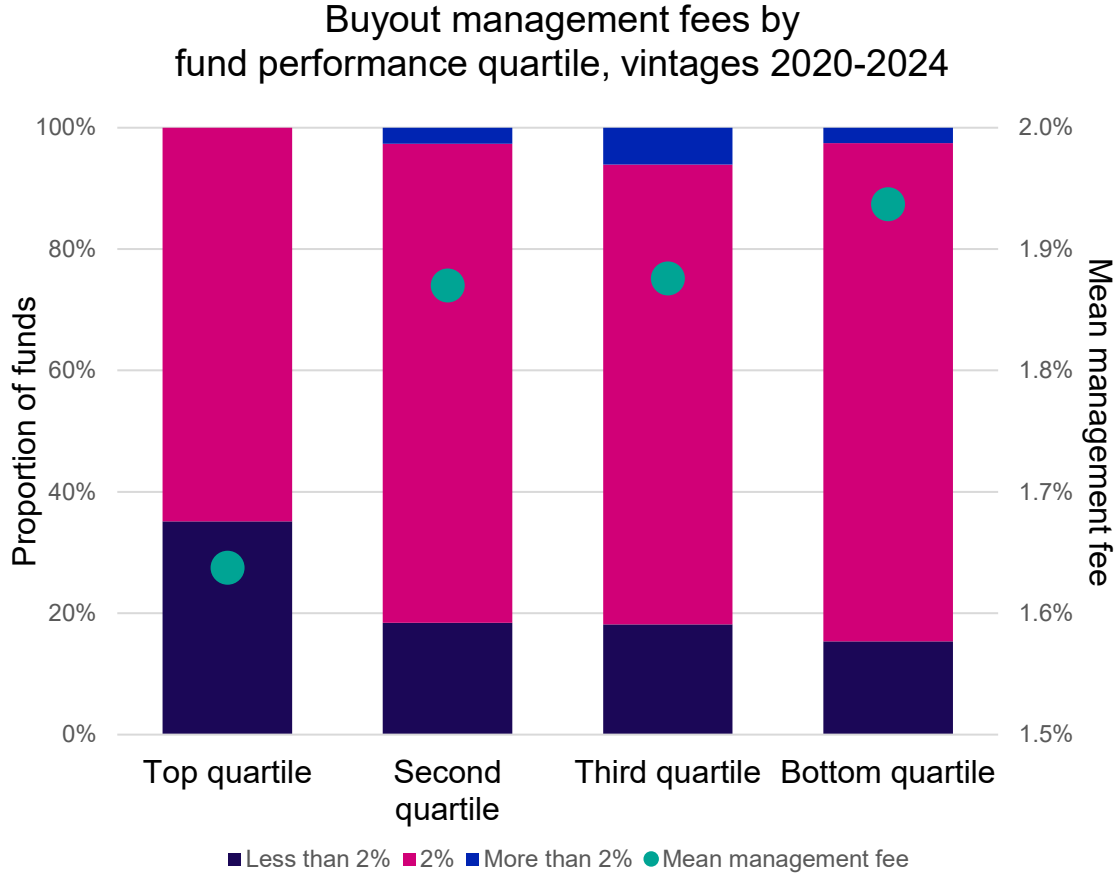
D

Upward

E

Volatile/ unpredictable/ no trend

Top quartile buyout funds have lower average management fee rates but majority still charge 2%

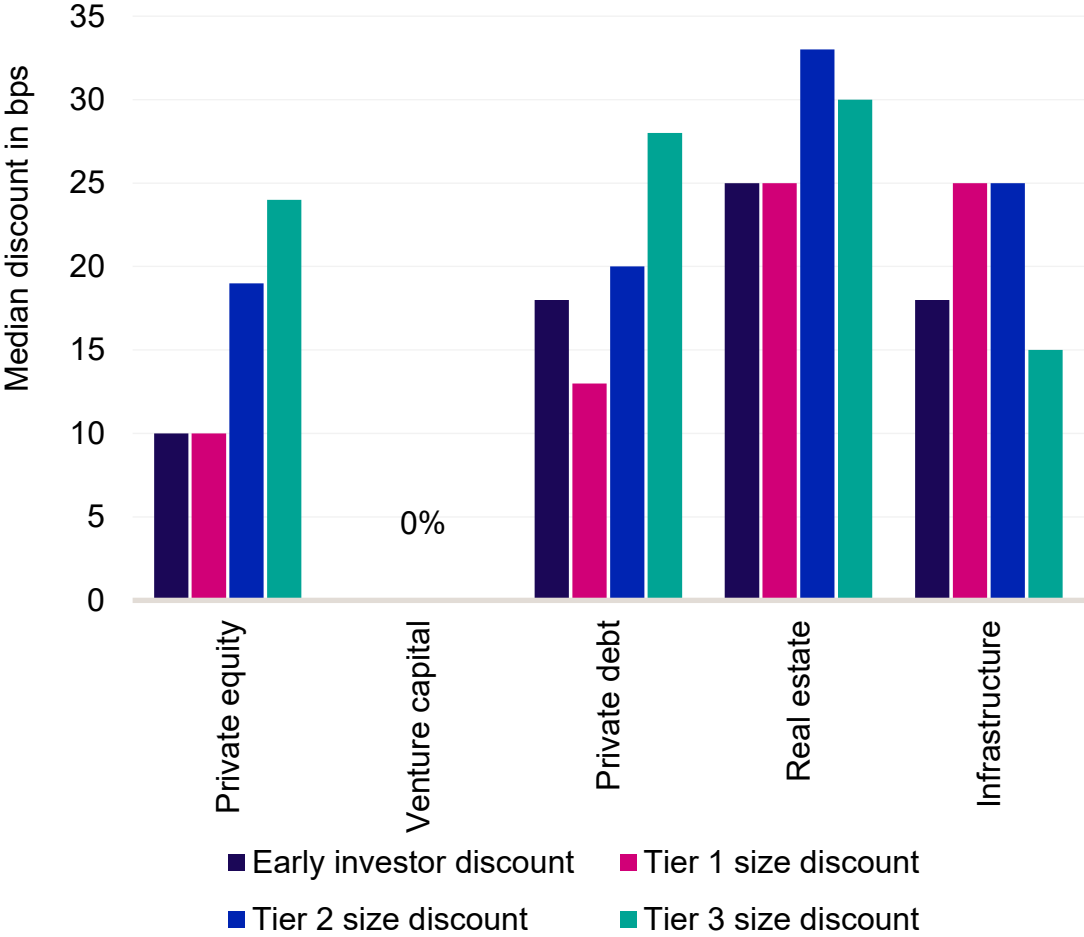


Preqin, data as of June 30, 2025

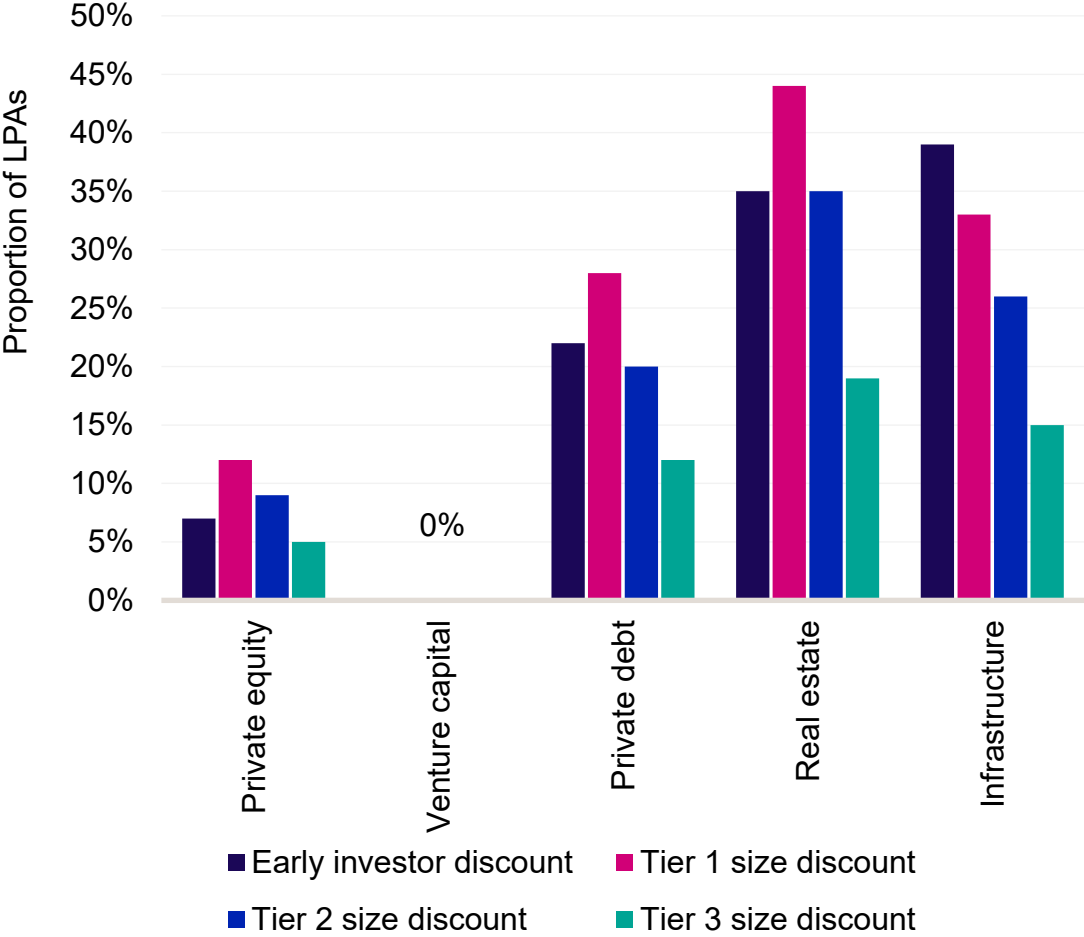
Preqin's Term Intelligence, Preqin, data as of June 30, 2025

Management fee discounts across asset classes

Management fee rate discount amounts

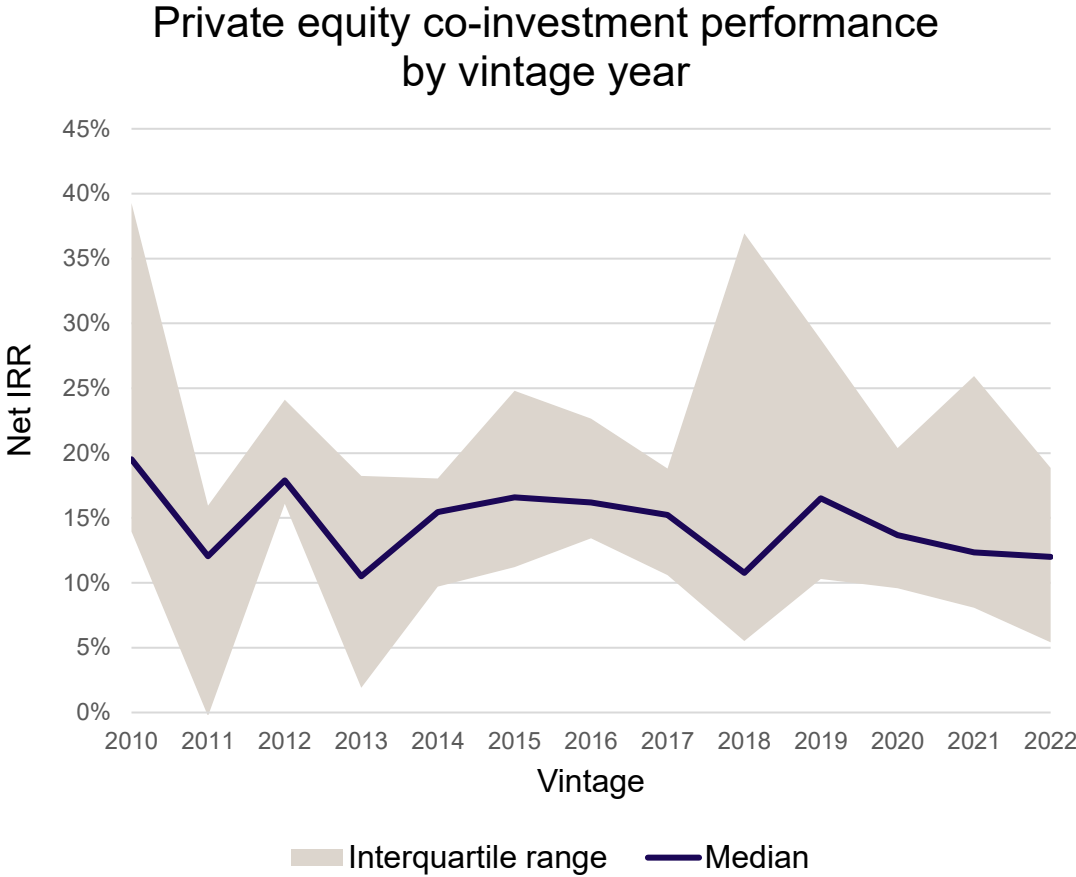
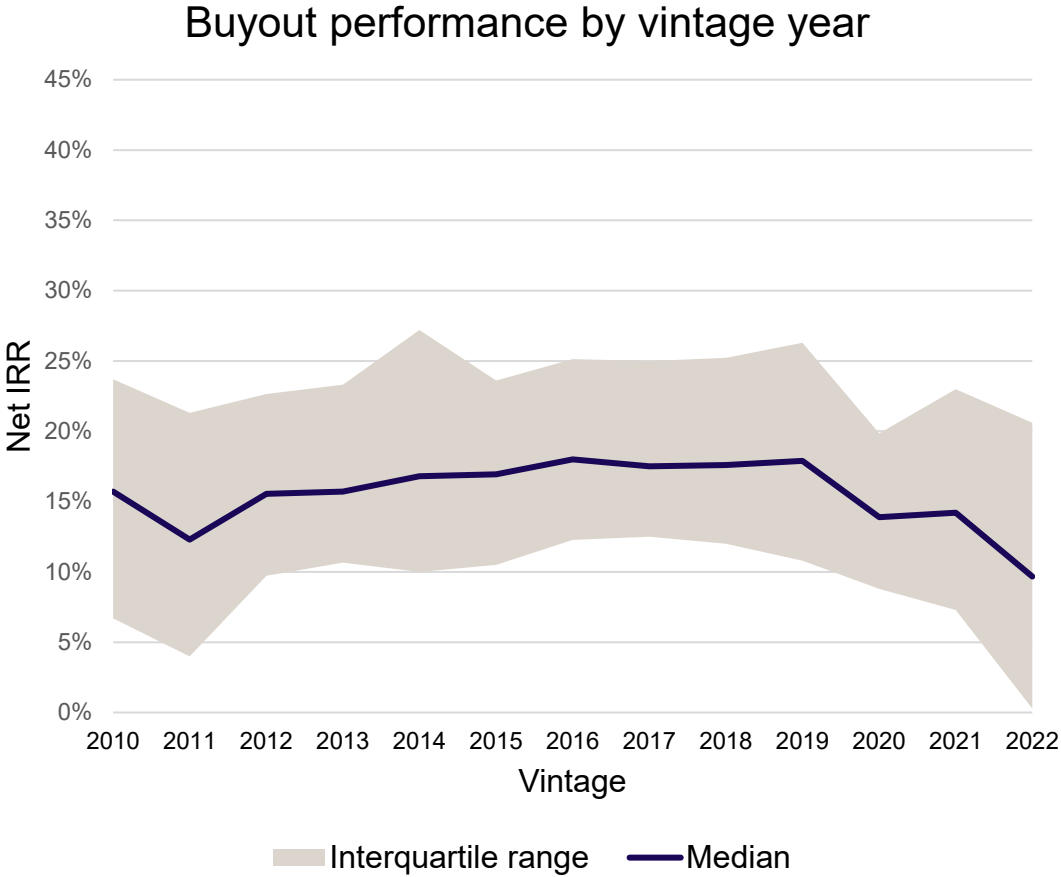


Management fee rate discount incidence



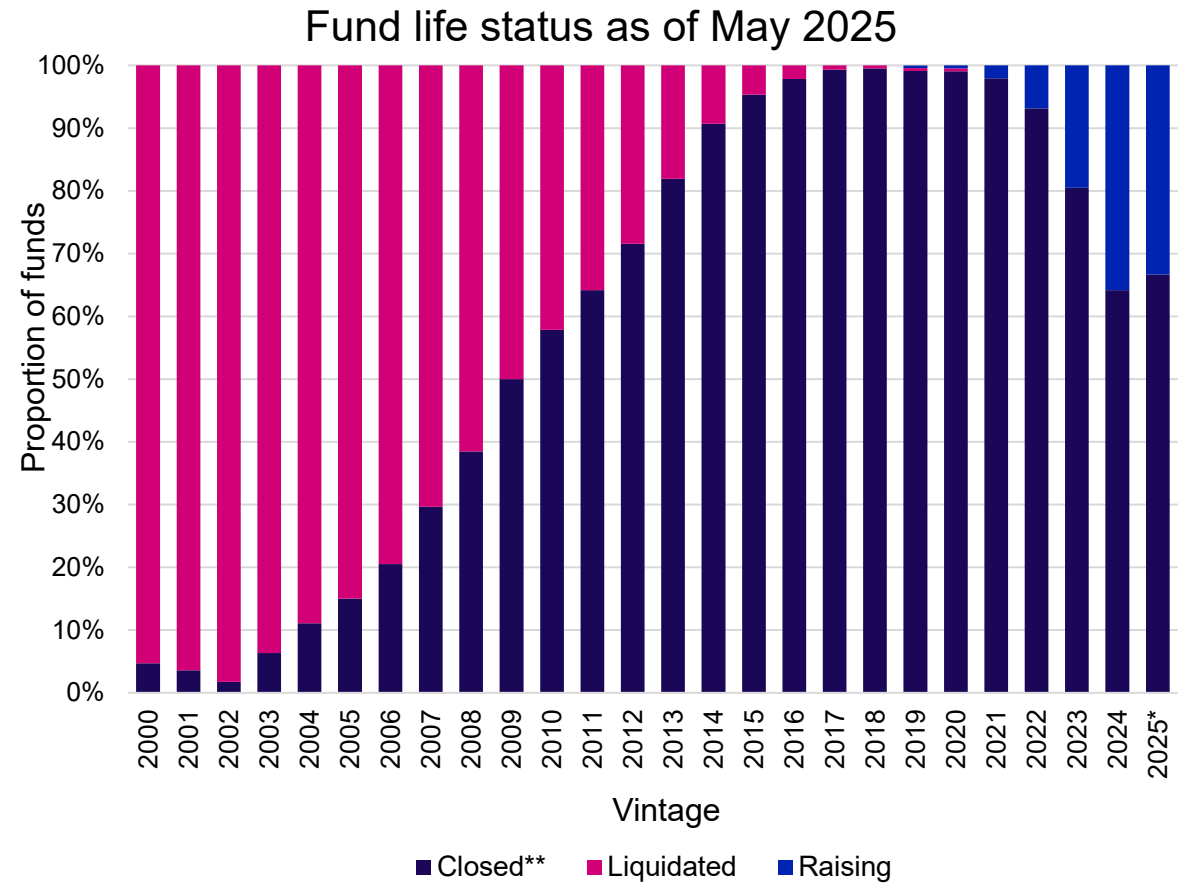
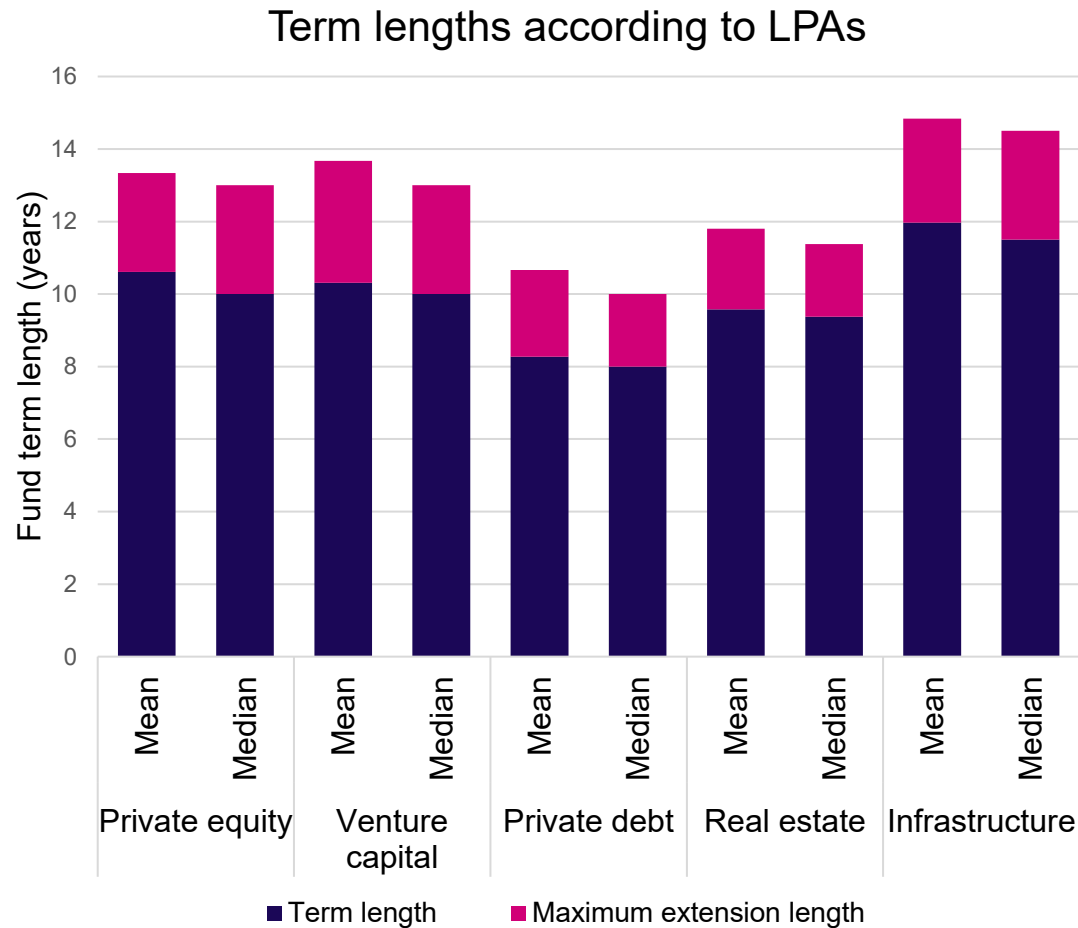
Source: Preqin's Term Intelligence, as of August 2025

Co-investments show wider dispersion of returns



Source: Preqin's Fund Term Advisor 2025

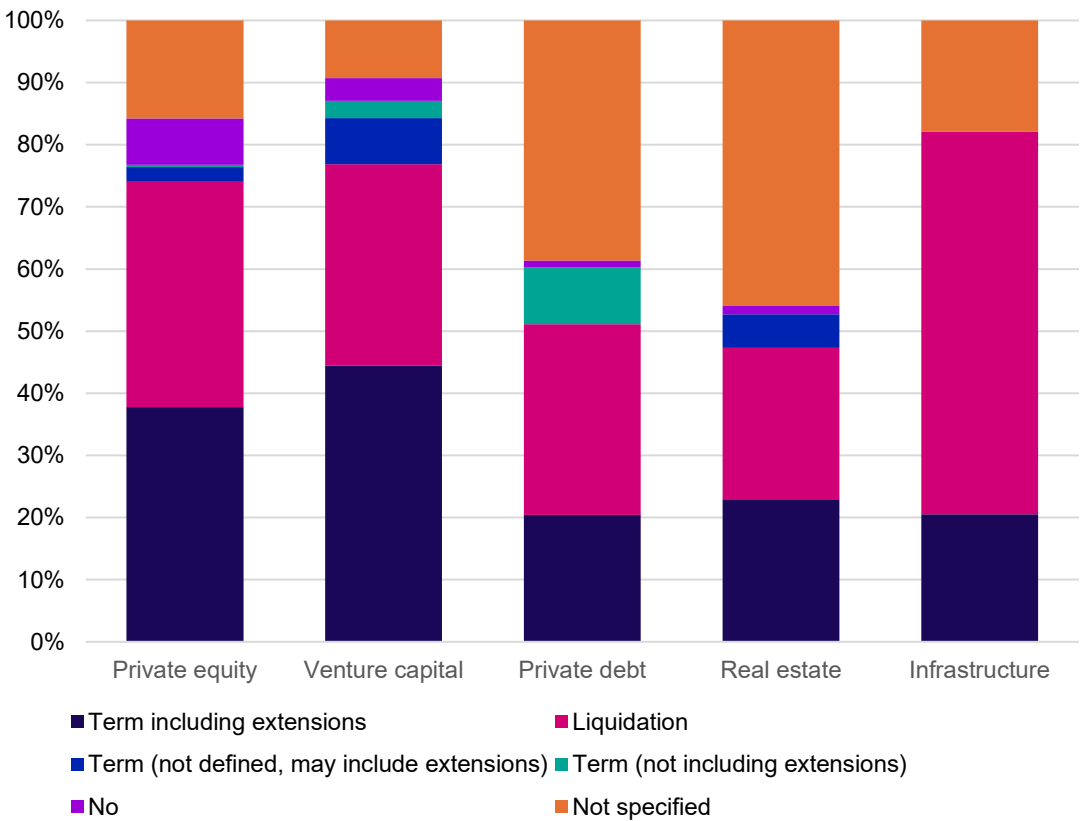
Average fund life is longer than anticipated



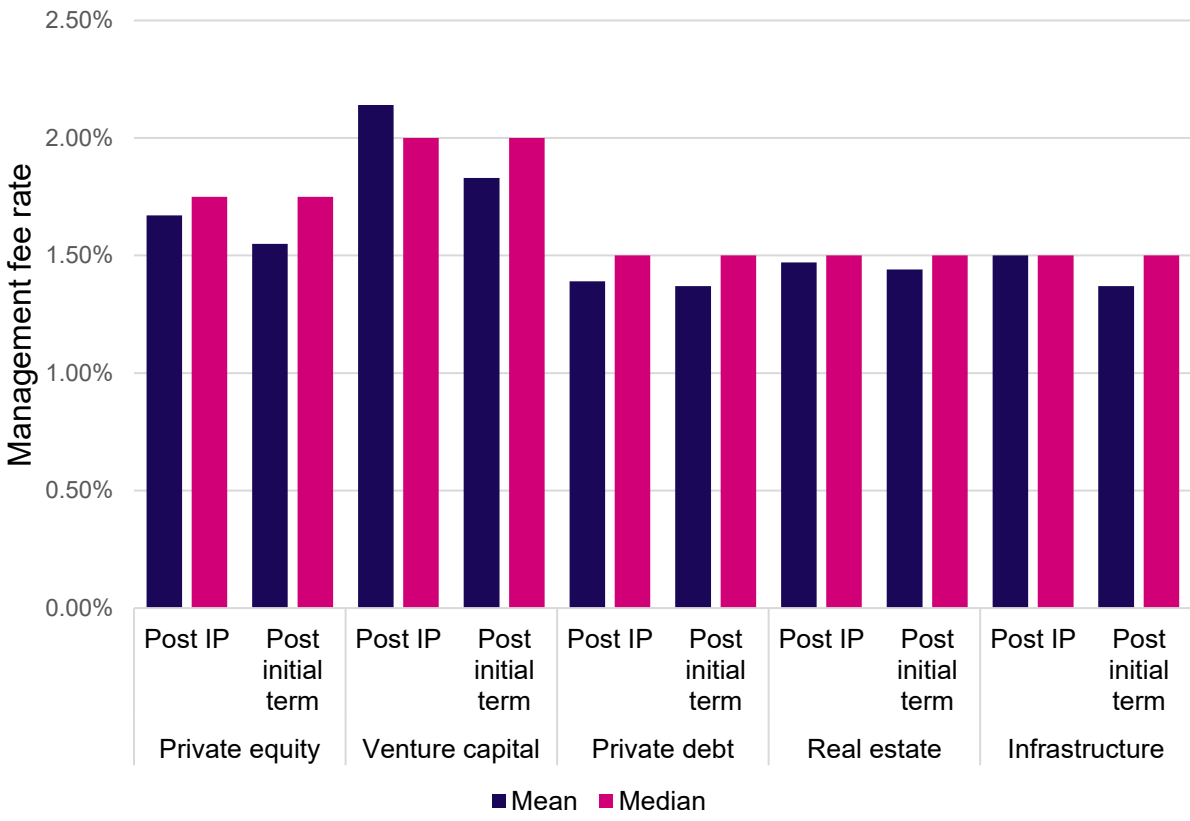
Source: Preqin's Fund Term Advisor 2025 and Preqin's Term Intelligence, as of April 2025
[Insights+: What longer fund terms mean for management fees](#)

Management fees in term extensions look similar to post-IP fees

Management fee payable past initial term?



Management fee rates on actively invested capital



Source: Preqin's Term Intelligence. As of May 2025.

[Insights+: What longer fund terms mean for management fees](#)

Poll question #2

In the past three years, I have seen the biggest LP gains in terms relating to:

A

Fund formation (late interest payable, LP minimums)

B

Governance / transparency

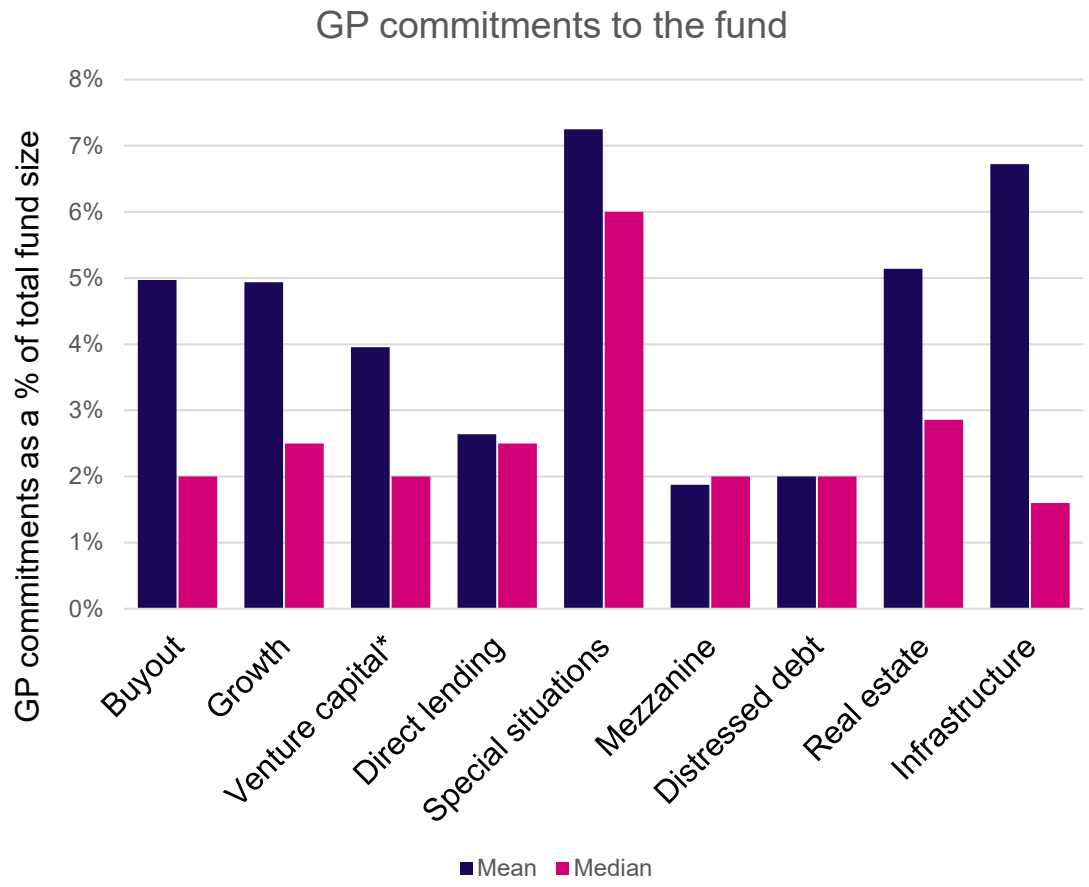
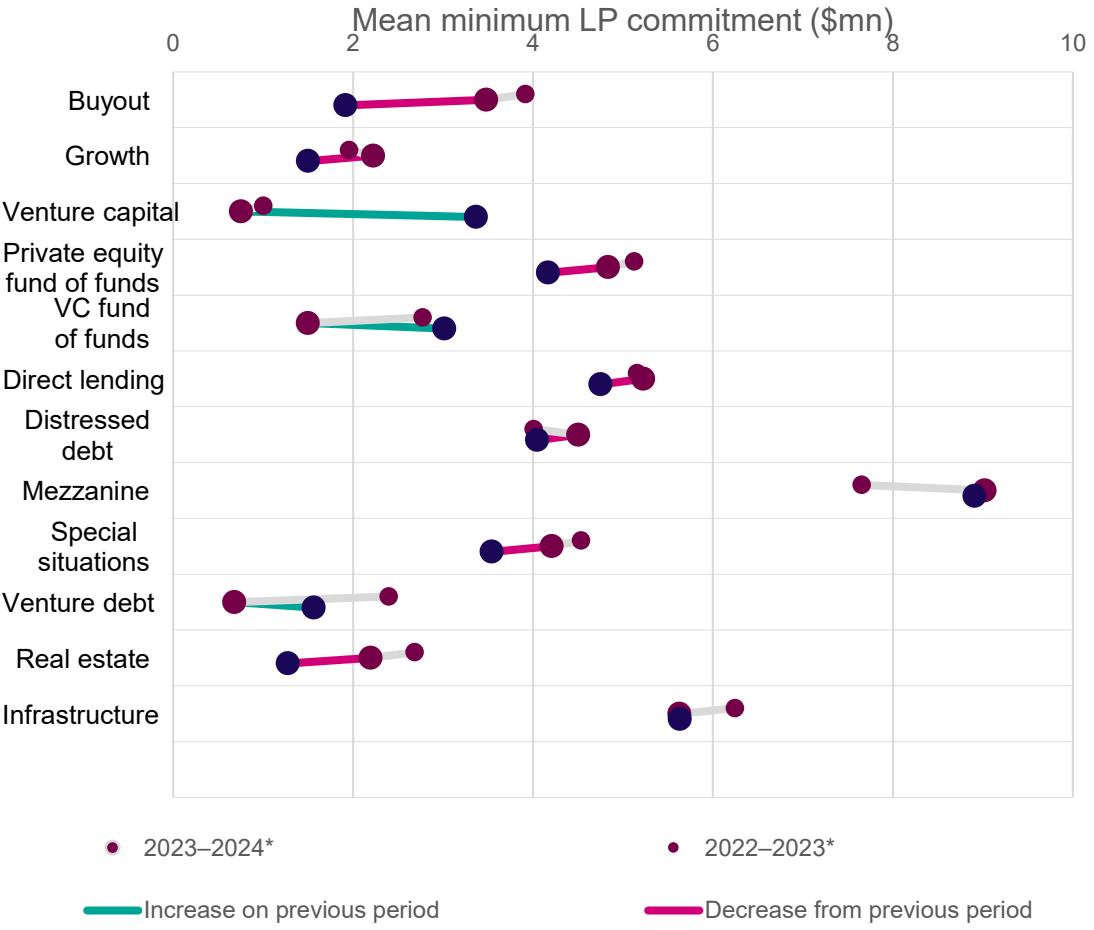
C

Fee reductions

D

Other

LP minimum commitments down while GP minimums generally over 2%

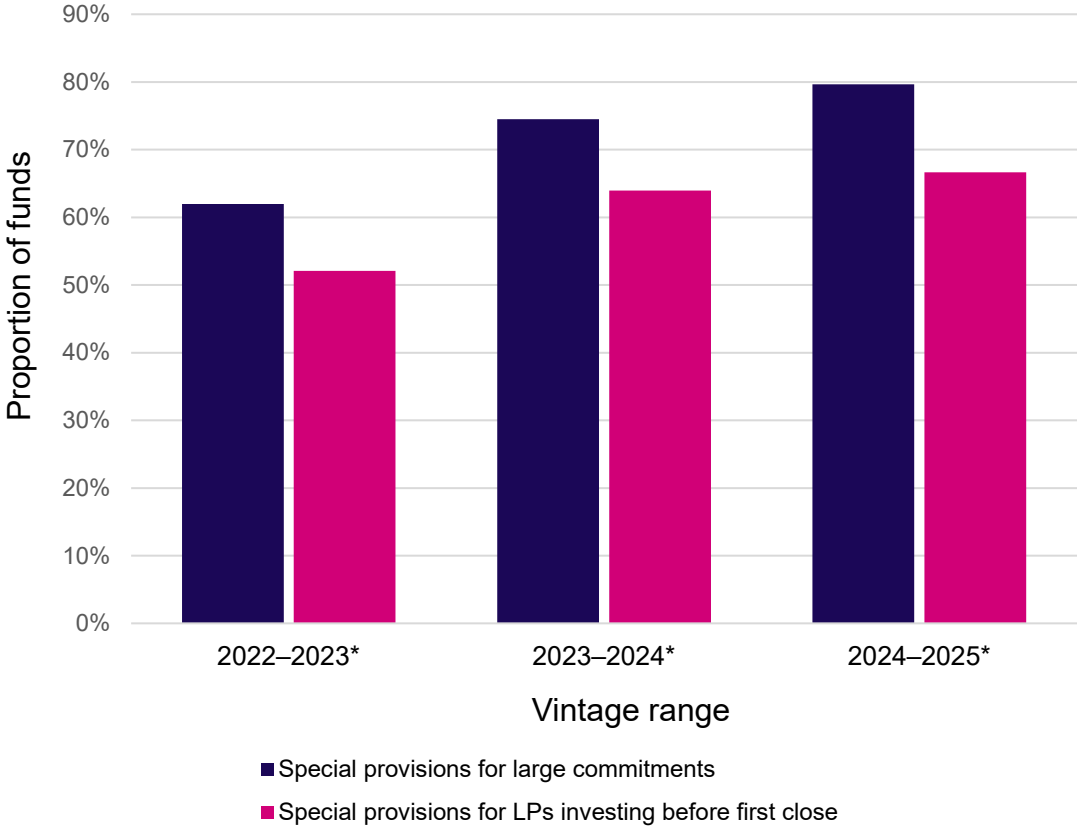


* Includes funds raising as of June of the second year in the range

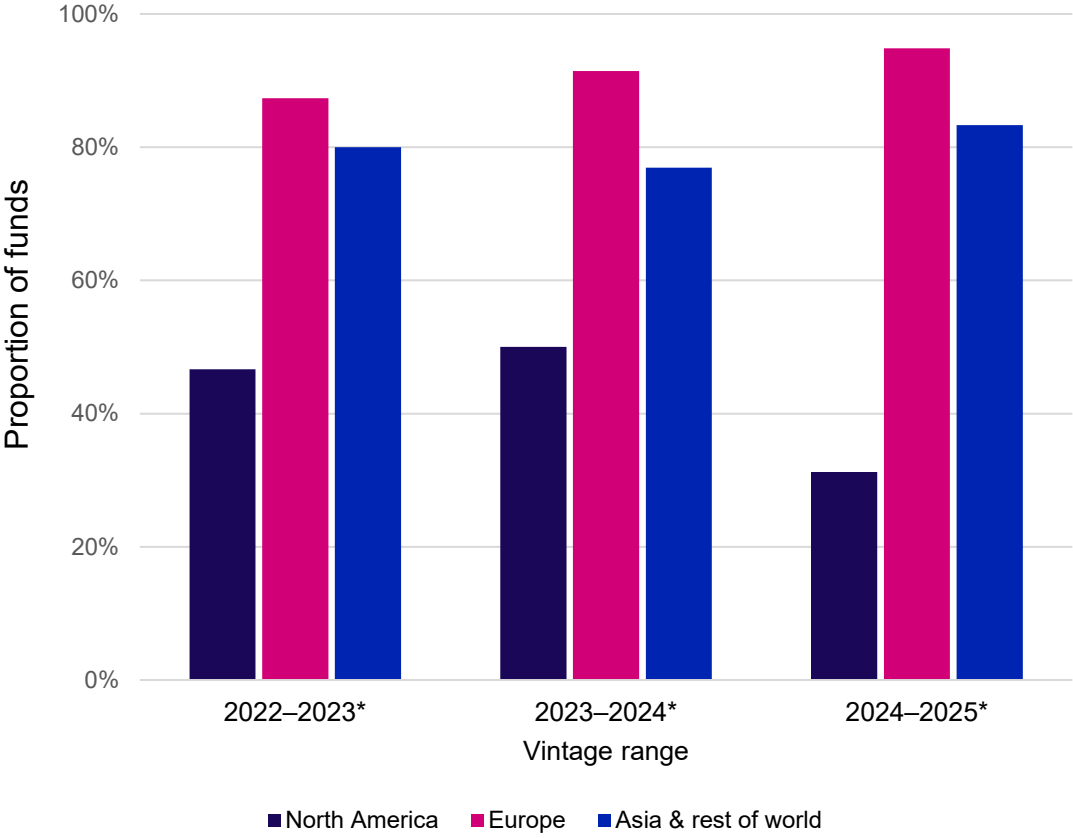
Source: Preqin's Fund Term Advisor 2025

LPs continue to make gains in economic and governance terms

Funds with special provisions by vintage range



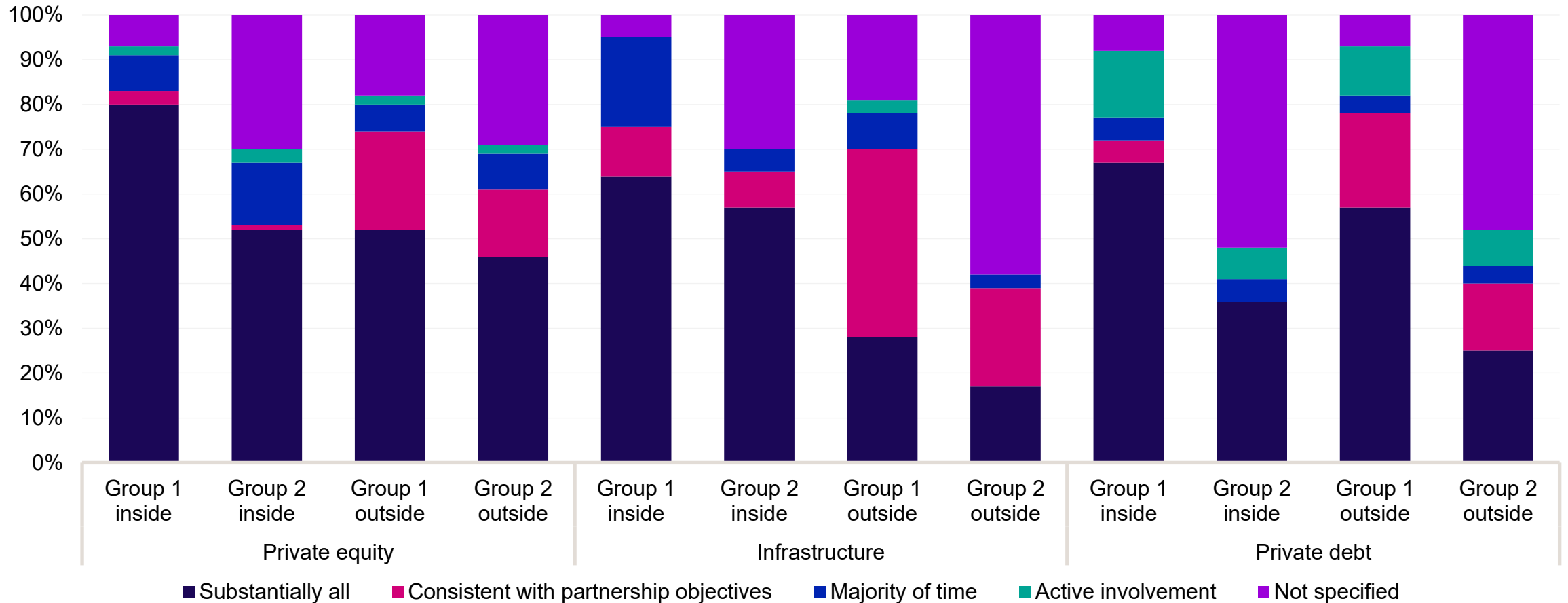
No-fault divorce clause incidence by primary geographic focus



* Includes funds raising as of June of the second year in the range

Source: Preqin's Fund Terms Advisor 2025. Data as of June 2025.

Significant variances in time and attention drafting in key person provisions

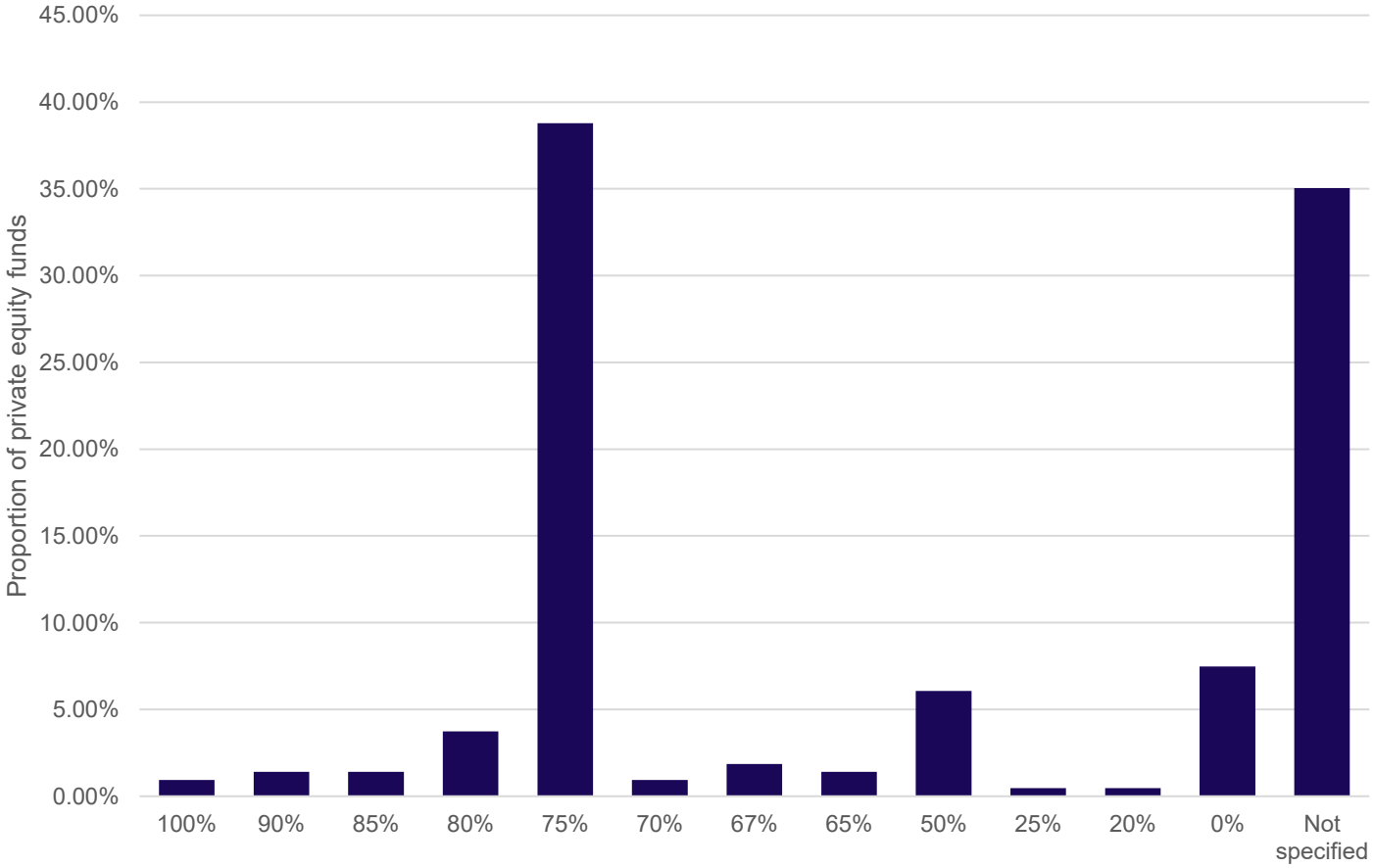


*Limited partnership agreements typically distinguish between “primary” or “Group 1” key persons and “secondary” or “Group 2” key persons. Group 1 key persons are those whose departure or diminished involvement would fundamentally alter the fund’s direction. “Group 2” key persons are those whose responsibilities, while important, are more limited in scope.

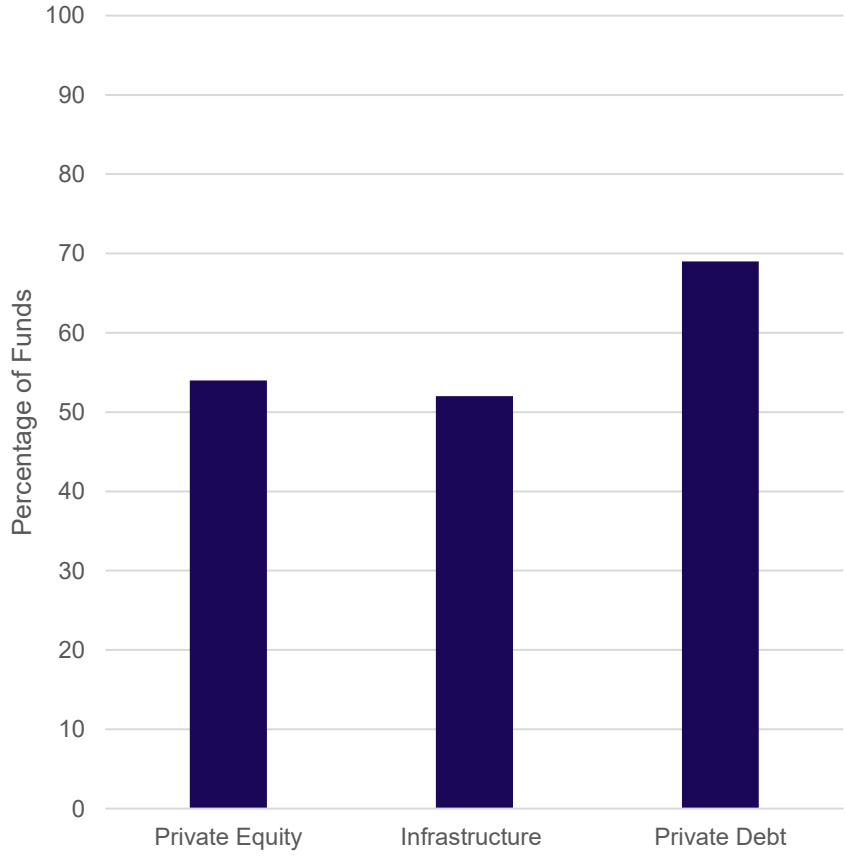
Source: Preqin’s Term Intelligence, as of August 2025

Can GPs be held accountable for key persons?

Percentage of carry GP entitled to where for-cause GP removal



GP removal for key person improper conduct



Poll question #3

In the past three years, I have seen GP gains in:

A

LP commitment size

B

Fee margin growth

C

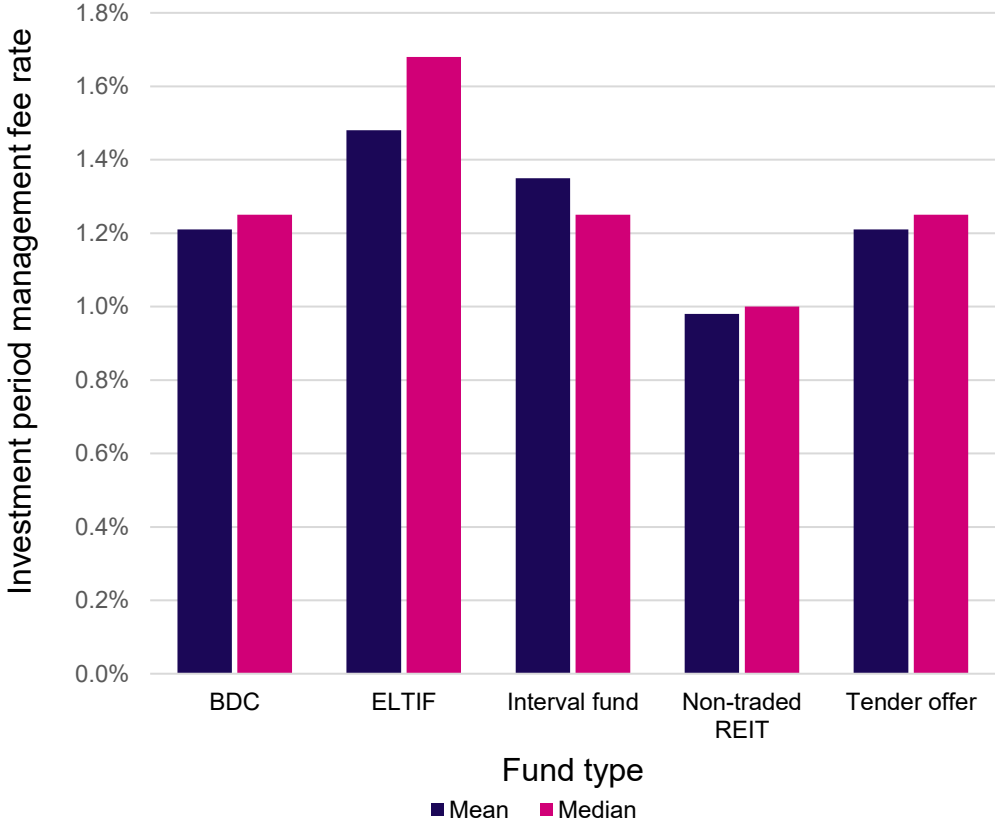
Other

Open-ended structures' management fee rates look similar to closed-end fee rates

Open-ended fund management fee rates



Semi-liquid fund management fee rates



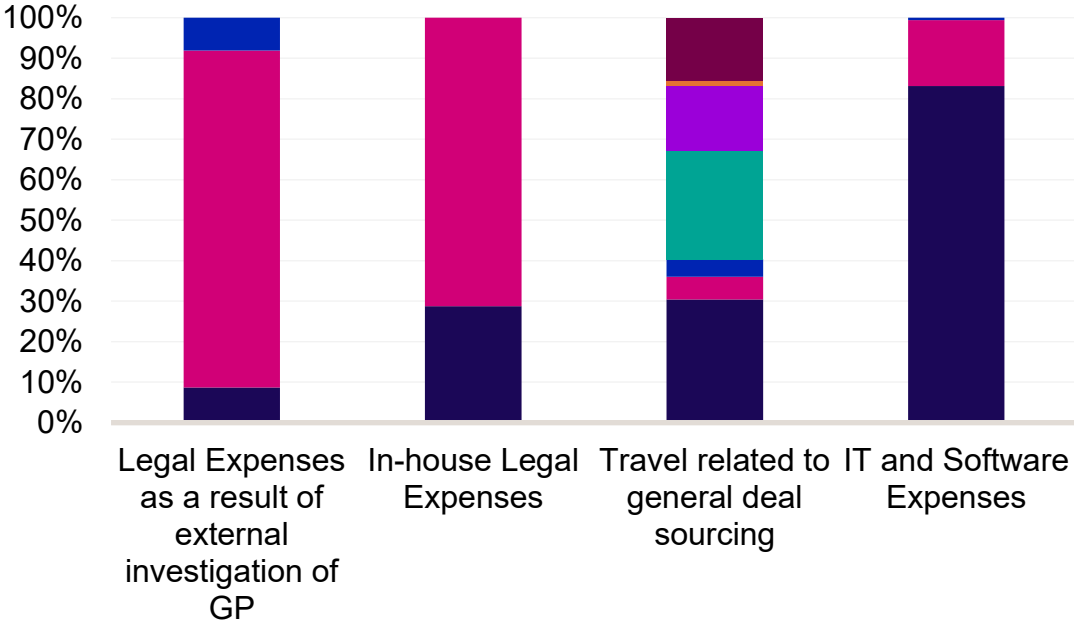
Source: Preqin's Term Intelligence. As of May 2025.

[Insights+: What longer fund terms mean for management fees](#)

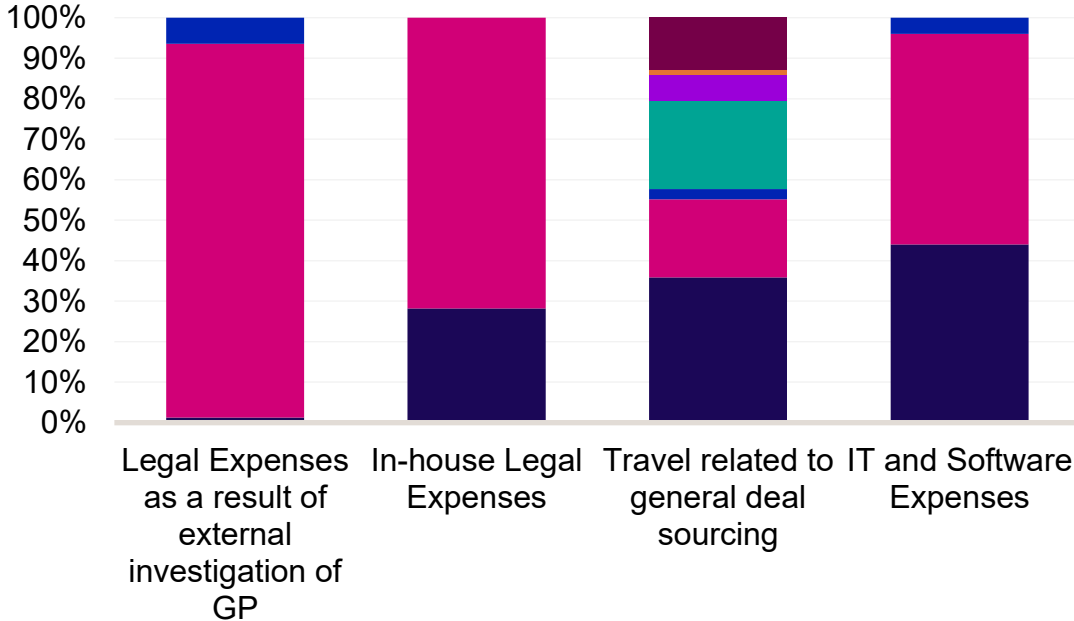
Funds are 'silent' for certain expense categories

Partnership expenses in private equity funds by region

North America



EMEA



- Yes
- Not Specified
- No
- Yes - Up to cost of commercial airfare
- Yes - limited private airtravel
- Yes - unlimited private airtravel
- Yes - no LPA provision for private airtravel
- Yes - subject to organizational cap
- Yes - subject to rationale and market basis

Source: Preqin's Term Intelligence, as of August 2025

Q&A

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