A rebound in fundraising

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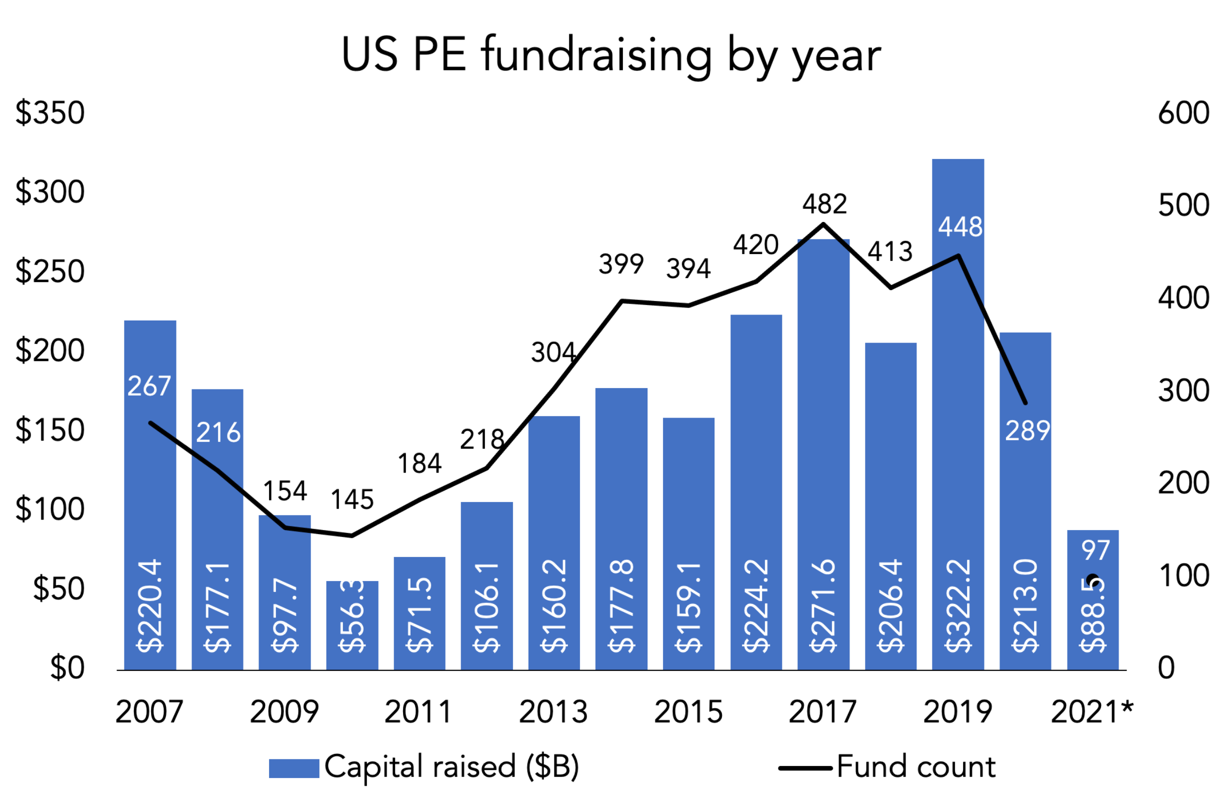

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Fundraising is rebounding, according to PitchBook's latest US PE Breakdown Report. 97 funds closed in Q1 totaling $88.5 billion, though more than half ($45.6 billion) of that dollar amount went to three massive funds raised by Silver Lake, CD&R and New Mountain Capital. At the other end of the range, sub-$100M fundraises are looking better. 41 such funds closed in Q1, a decent number considering only 101 were raised all last year. From a fundraising perspective, the lower-middle-market was hit hardest by 2020, falling 42% in fund counts YoY.

We expect to see fundraising perk up throughout the year, thanks in large part to bigger blue-chip firms. Genstar closed on $10.2 billion in early April, which will show up in the Q2 data. Elsewhere, Hellman & Friedman is still in the market for a new $20 billion fund, while growth-oriented firms TA Associates and Insight Partners are working on $10 billion+ funds of their own. KKR has reportedly launched North America XIII, seeking upwards of $15 billion. Last year, $1B+ funds made up more than 20% (by count) of all US fundraising for the first time. That prowess came at the expense of sub-$100M funds, which accounted for 44% of all 2019 vintages but only 37% last year. Hit especially hard were first-time funds, which declined by almost half, by both count and dollars raised. Through Q1, first-time fundraises totaled $2.8 billion, already at the halfway mark of a dismal 2020 ($5.9 billion).

(Past performance is no guarantee of future results.)

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