Seeking Fund VII or greater

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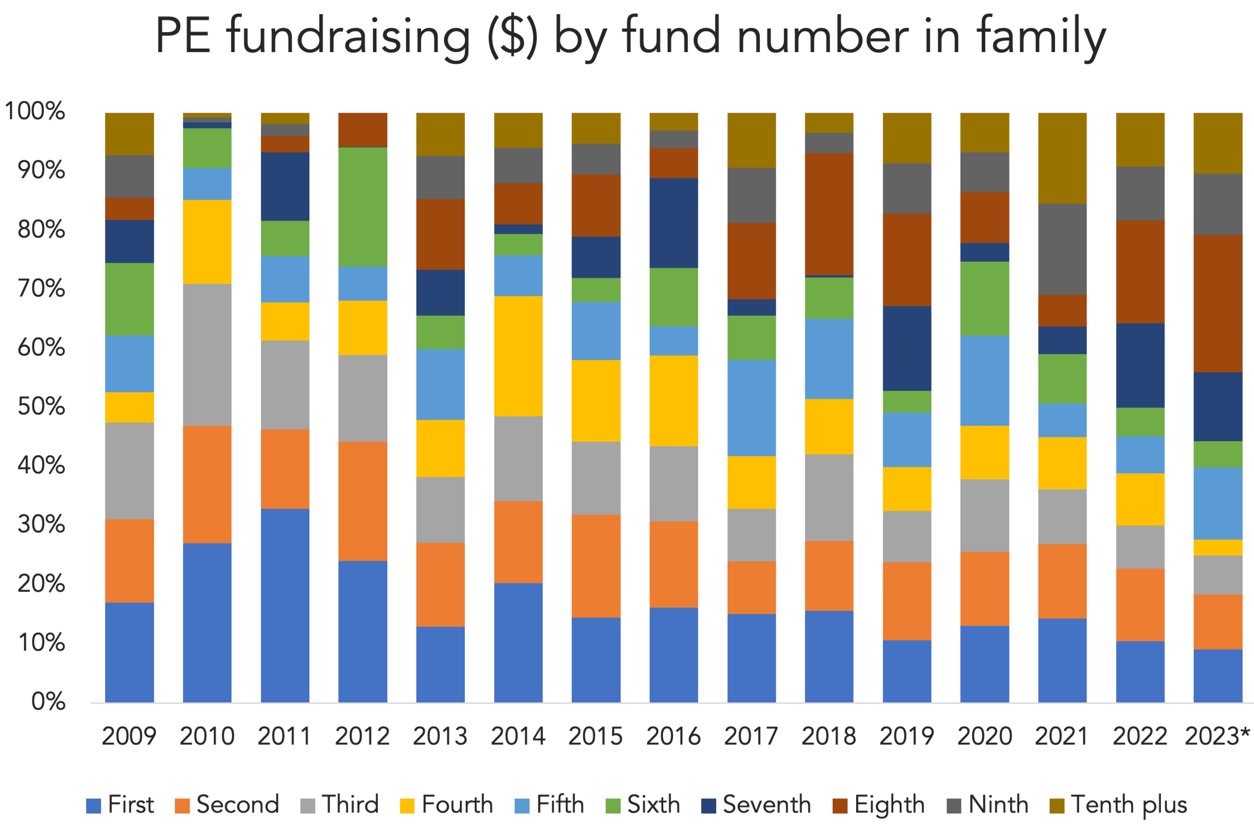

Download PitchBook's Report here.

Yet another piece of evidence about today's fundraising challenges—more than half of 2023 dollars have been committed to funds VII or greater. According to PitchBook's Global Private Markets Fundraising Report, 56% of PE fund closings this year have gone to the seventh, eighth, ninth or tenth funds within a PE firm's family. PEGs that are raising a seventh flagship fund have been around awhile. Q1 numbers are a continuation of 2022 trends, when half of PE fundraising numbers went to funds VII and above.

It hasn't always been this way. For most of the past decade, funds of VII and above represented 30% or less of PE fundraising. As recently as 2020, they represented 25% of fundraising. But the shift toward experienced managers is pronounced right now. It's a nuanced way of interpreting today's fundraising climate, but it feels like a reflective one. The report also found that first-time fundraising is in a rut, with only 16 closings through Q1. Between 2015 and 2021, it was more common to see 200 first-time funds close each year. Last year there were only 103 first-time fund closings, the fewest in over a decade, but 2023 could go even lower.

(Past performance is no guarantee of future results.)