PE exit/investment ratio

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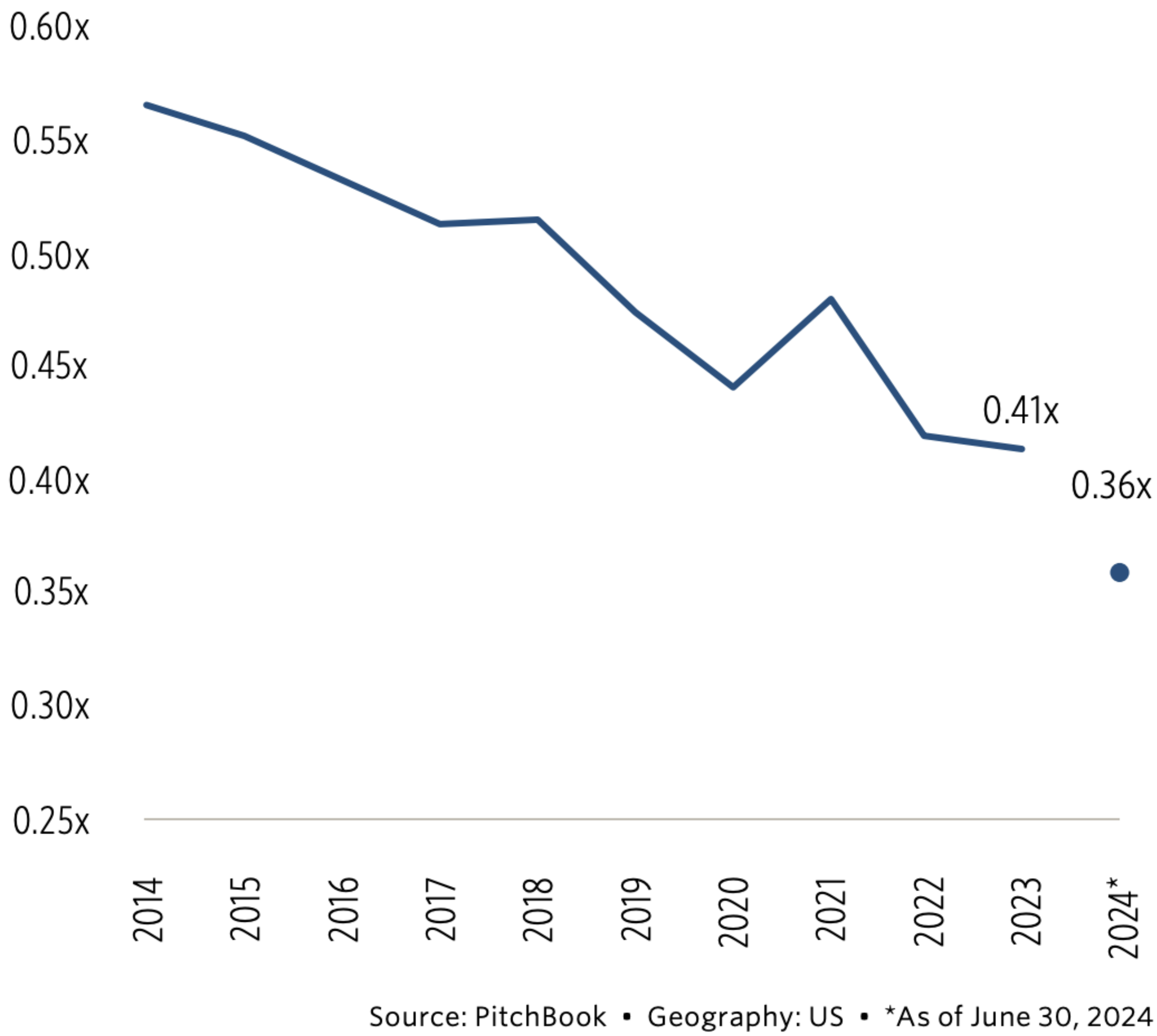

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GPs that have held out for better exit conditions stretched out the median holding period of PE investments, which reached a record of 6.4 years for US PE middle-market assets in 2023. GPs have alleviated some of the pressure mounting from a backlog of exits, rolling back the median holding period to 5.4 years for assets that have exited this year so far. The same trend can be seen in the broader PE market as well. Still, the exit/investment ratio fell to 0.36x in Q2, a new low that reflects the beleaguered state of exits. Thus, we can assume that GPs are bringing their highest-quality assets to market to secure favorable exits while holding off on the rest of their portfolios. We expect holding periods of PEbacked exits to remain drawn out until the exit environment improves meaningfully.

(Past performance is no guarantee of future results.)