



GLOBAL

Private Market Fundraising Report



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YoY fundraising changes by strategy (trailing four quarters)

Strategy	Capital raised (\$B)	YoY change
Private equity	\$454.6	-16.6%
Venture capital	\$185.3	-47.0%
Real estate	\$134.7	-19.2%
Real assets	\$26.8	-84.5%
Debt	\$215.2	-18.8%
Fund of funds	\$31.2	-37.8%
Secondaries	\$58.7	13.5%
Private capital	\$1,106.6	-30.9%

Source: PitchBook • Geography: Global
*As of June 30, 2023

The accompanying Excel file contains additional charts and all underlying data for this report. Download the XLS summary [here](#).

PitchBook Data, Inc.

John Gabbert Founder, CEO

Nizar Tarhuni Vice President, Institutional Research and Editorial

Daniel Cook, CFA Head of Quantitative Research

Institutional Research Group

Analysis



Hilary Wiek, CFA, CAIA
Senior Strategist
hilary.wiek@pitchbook.com



Tim Clarke
Lead Analyst, Private Equity
tim.clarke@pitchbook.com



Kyle Stanford, CAIA
Lead Analyst, Venture Capital
kyle.stanford@pitchbook.com



Jinny Choi
Analyst, Private Equity
jinny.choi@pitchbook.com



Anikka Villegas
Analyst, Fund Strategies & Sustainable Investment
anikka.villegas@pitchbook.com



Juliet Clemens
Analyst, Fund Strategies
juliet.clemens@pitchbook.com

Data

TJ Mei
Data Analyst

pbinstitutionalresearch@pitchbook.com

Publishing

Report designed by **Julia Midkiff**, **Megan Woodard**, and **Jenna Pluimer**

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Click [here](#) for PitchBook's private market glossary.
Click [here](#) for PitchBook's report methodologies.

Overview

Rolling 12-month private capital fundraising activity



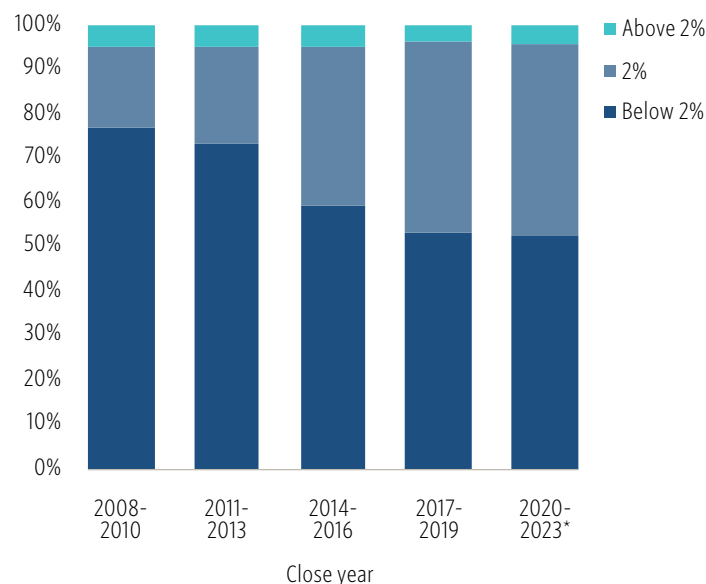
Source: PitchBook • Geography: Global
*As of June 30, 2023

Hilary Wiek, CFA, CAIA
Senior Strategist

Private capital fundraising has been in decline since Q4 2021, with a sharper drop in the rolling 12-month fundraising figures starting in Q4 2022. While recent figures will most certainly rise as more fund closings are surfaced, it has been tougher out there for those seeking LP commitments, as examined in our recent analyst note, [How Tough Is the Fundraising Environment Actually?](#) That said, much of the language discussing the fundraising situation has sounded dire, even though most people would agree that \$1.1 trillion in annual commitments to private market fund strategies does not remotely indicate a closing of the taps from LPs. Allocators have continued to make commitments, both because vintage year diversification is important but also because many hope that down markets will produce the best-performing funds.¹

One might think that with LP capital being scarcer, LPs might be in a better position to vie for more favorable terms as they negotiate their limited partnership agreements. Anecdotally, we have heard that the best managers aren't budging and

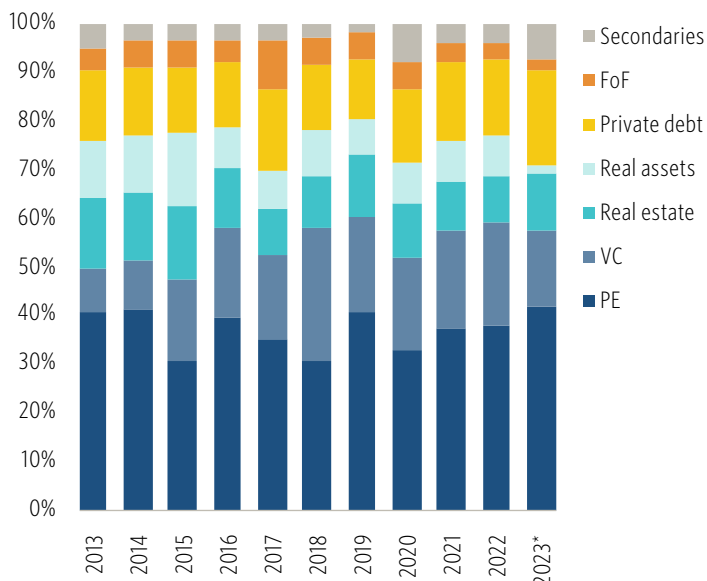
Share of private capital management fund count by fee range



Source: PitchBook • Geography: Global
*As of June 30, 2023

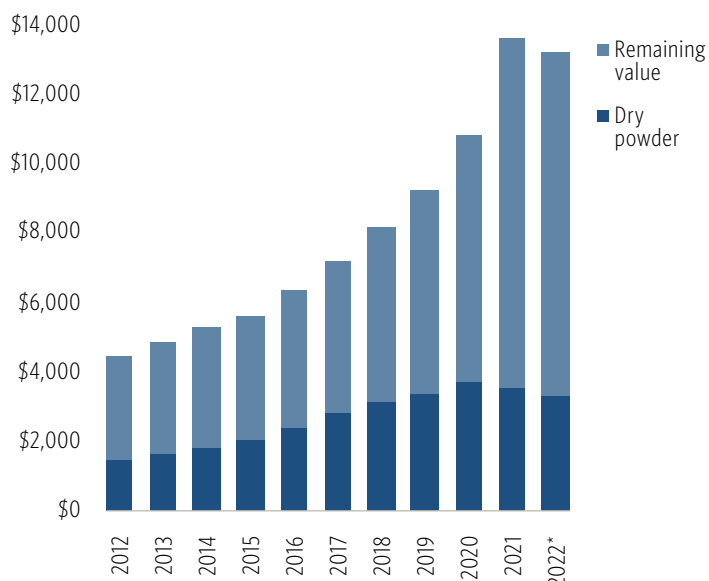
¹: In our research, the results have been mixed. Please peruse our [Benchmarks Report](#) for vintage-year return statistics by different private fund strategies.

Share of private capital raised (\$B) by strategy



Source: PitchBook • Geography: Global
*As of June 30, 2023

Private capital AUM (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

some believe that the best managers are worth terms that are more GP-friendly. Even when LPs have made attempts to negotiate for better terms, it is often on something other than the economics paid to the fund manager.² Fee data reported to PitchBook shows that the number of funds charging less than 2% has been shrinking over time, not growing, indicating that even with capital being more scarce than usual, this has not translated into bargaining power with GPs thus far.

In terms of share of capital raised in the first six months of 2023, private debt funds took in 19.7%, which is much more than usual. The rise in interest rates has meant that banks can earn decent returns on lower-risk lending areas, while private debt fund managers are happy to fill the void while earning excellent yields. More scrutiny on banks in the wake of the Q1 2023 failures of SVB and others has also led to a decline in banks offering to lend, thus creating less competition for private debt managers.

Secondaries, too, garnered a greater share of overall capital raised in the first half of 2023, second only to the record year for secondaries fundraising that was 2020. This is likely not coincidental, as enormous amounts of capital were raised that year by many of the largest secondaries fund managers. Our data shows that the median time between secondaries funds within fund families has been 4.0 years, so the 2023 bump in secondaries fundraising is right on schedule.

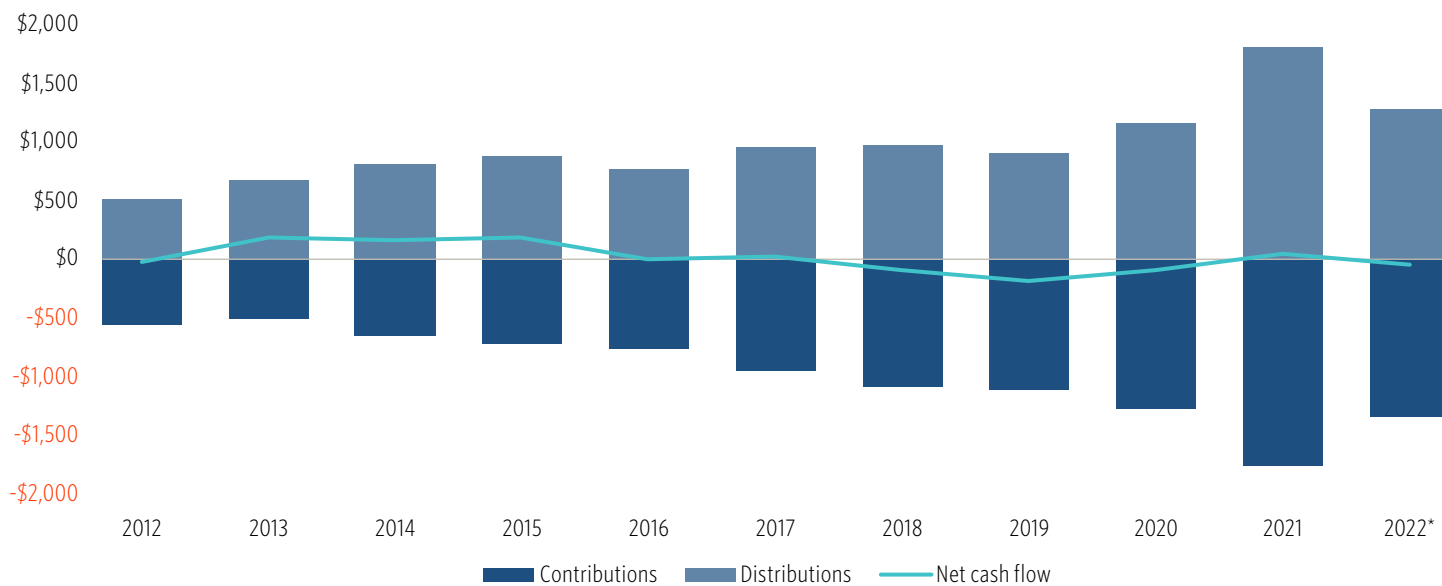
Real assets declined in share of funds raised in 2023, barely making a showing with only 1.8% of the overall private capital assets raised. The VC share was down roughly the same amount, but still garnered 15.5%, a figure that would have been very high prior to the start of the VC fundraising heyday in 2015.

²: "Tight Fundraising Market Prompts Moves to Alter Private Equity's Balance of Power," Wall Street Journal, Rod James, April 10, 2023.

SPOTLIGHT

Private capital cash flows

Private capital cash flows (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

Hilary Wiek, CFA, CAIA
Senior Strategist

One of the reasons that has been cited for the drop in fundraising is that GPs aren't returning cash to LPs due to the slow exit environment—both IPOs and M&A. We discuss the exit environment in numerous other publications, but is it true that money isn't coming back to investors, making them less happy about making new commitments in the current environment?

As with many questions relating to data and industry views, it depends. Looking at the overall private capital cash flow chart, we see that there are times when private capital investors as a whole are in a net positive or net negative position—meaning that the movement of funds between LPs and GPs is flowing more in one direction or the other. When net cash flows are negative, distributions are less than capital calls, so LPs must free up capital from other parts of their portfolio to meet calls. In these situations, it is conceivable that some LPs may slow the pace of their commitments to avoid putting themselves into a more deeply negative position. When it is positive, LPs are receiving more cash than is being called from them. For

many, the goal is to make the private capital program self-funding and provide profits on top of capital committed that will either fund other parts of the portfolio or justify growing commitment sizes going forward.

Based on the data we have on the funds universe at the aggregate level, we can see a sizable drop in distributions in 2022 from the prior record-setting year, but it was still the second-best level we've ever seen for distributions. For those concerned about slowing distributions and being able to fund commitments, however, contributions also slowed in 2022, as a poor exit environment is generally the result of a slow dealmaking environment where little is transacting—neither acquisitions nor exits. Combined, 2022 saw only a minor negative overall cash flow situation. In fact, 2021 was the first positive-cash-flow year since 2017, so allocators should be used to having more called than returned, particularly those still growing their commitments year over year.

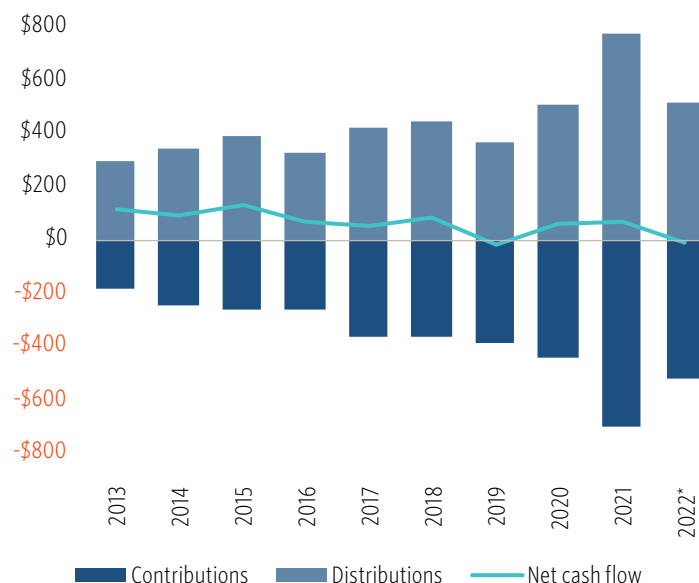
If net cash flows in the aggregate are negative more often than they are positive, does this mean that private markets are losing money in aggregate? No. The primary reason for the phenomenon is that with fund sizes and the number of

funds rising nearly every year, newer funds are calling capital off larger commitment bases, while older, smaller vintages are distributing back capital on smaller invested capital amounts. To clarify this, assume an LP committed \$10.0 million to a 2015 fund and \$18.3 million to another fund in 2021, figures that reflect the actual growth of fundraising across all private capital strategies in that time frame. Then assume 25% of the 2021 fund gets called in 2022, so \$4.575 million is transferred from the LP to the GP. We'll say the 2015 fund is in a harvest period and sold 20% of its holdings for two times invested capital, or \$4.0 million, in 2022. That would be a nice return for the 2015 investments, but would result in this two-fund LP having to wire \$575,000 more out than it took in that year.

Another important point is that the view we show in our net cash flow charts is a macro view; every LP will be having a unique experience based on what funds they have committed to over the years. One could find a cash-flow-positive LP out there invested in funds with abnormally high 2022 distributions—potentially IPO proceeds from 2021 VC exits that were in lockup for six months, pushing those distributions into 2022. That same LP may also be in newer funds that are putting lower-than-usual amounts of capital to work as it waits for sellers to agree on what their businesses are valued after the market turmoil of the last 12 months. Other LPs may have newer private market programs and few, if any, funds that are harvesting assets. These LPs are still working to build their private market exposure, with the expectation that cash flows will be negative for them for several years.

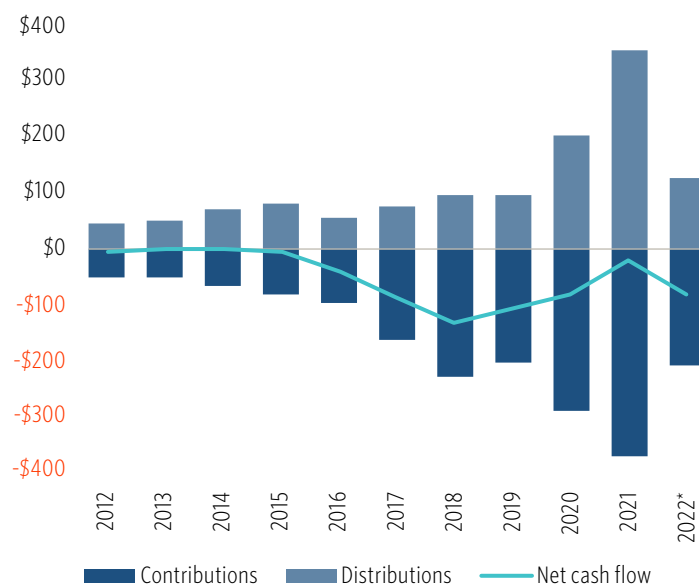
Beyond the overall private capital view, we encourage readers to look at the overhang tabs in the data pack linked in the table of contents to see the overhang and net cash flow positions for each of the private fund strategies we follow. PE has been net positive every year since 2011 except 2019, so LPs with mature PE portfolios might expect their portfolios to be self-funding, all other factors being equal. VC, on the other hand, has been cash-flow-negative every year except 2014 in our records dating back to 1998. The relentless increase in fundraising by VC since 2008 has contributed to this situation. Even in 2021, when distributions were well above any prior year, the large amount of capital in young funds was such that calls were still much greater in aggregate. Private debt has also been growing at a rapid clip in terms of funds entering the market and total commitments, so net cash flows have been particularly negative for that strategy recently. FoF, which have seen steady-to-declining fundraising amounts for a decade, have been significantly net-cash-flow-positive nearly every year since 2012.

PE cash flows (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

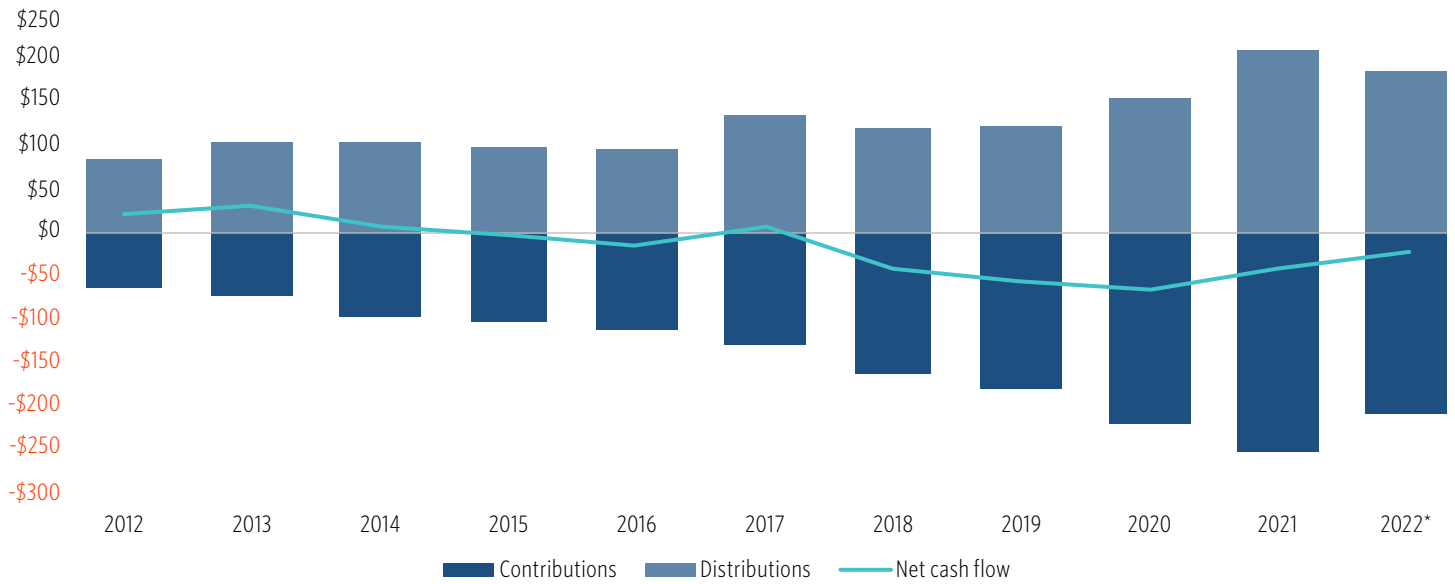
VC cash flows (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

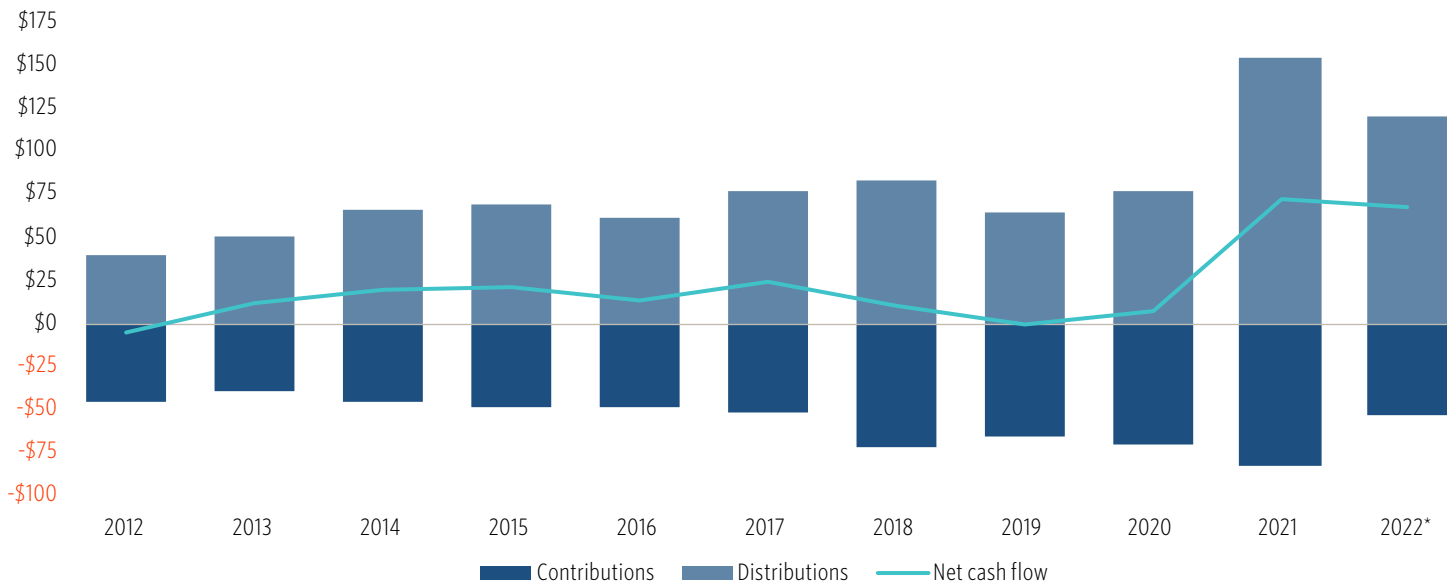
While certain individual investors may be feeling the pinch and have been slowing commitments because exit markets are not providing opportunities for distributions from their funds, overall, there does not appear to be a strong case that this is a widespread or even unusual situation. In aggregate, the drop of distributions has largely been paced by a drop in capital calls while few deals are closing.

Private debt cash flows (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

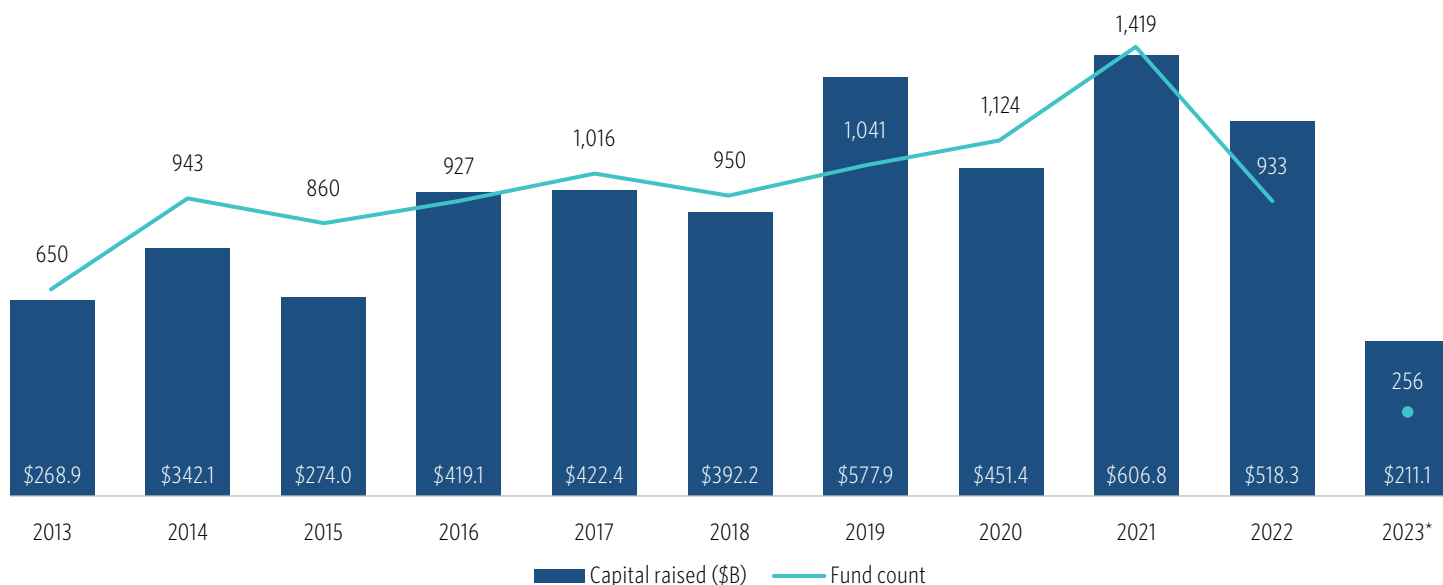
FoF cash flows (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

Private equity

PE fundraising activity



Source: PitchBook • Geography: Global
*As of June 30, 2023

Jinny Choi

Analyst, Private Equity

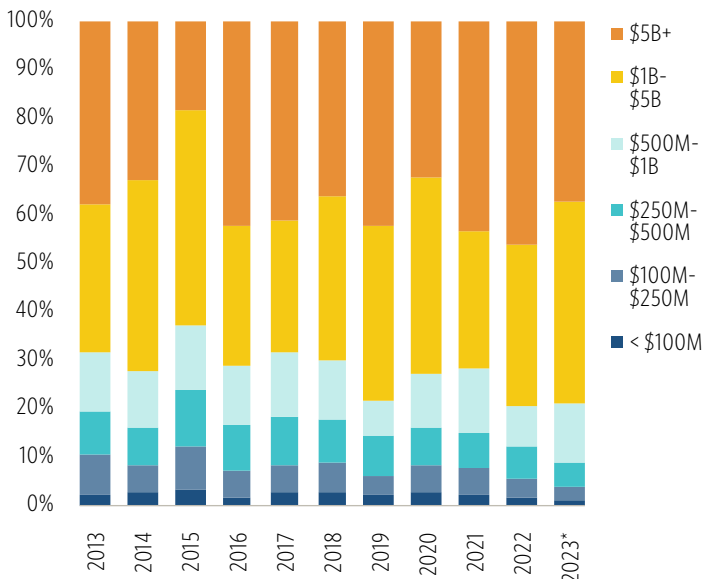
PE fundraising activity marched on in Q2 2023 as 129 funds raised \$107.1 billion in aggregate, which was a slight improvement from Q1 activity. The fundraising environment remains challenged, with the number of funds closed tracking just 27.4% of the levels seen in 2022. Fundraising value is also pacing below the halfway point of capital raised in 2022, but at 40.7%, large funds have evidently been elevating the stunted fundraising market. The biggest fund close in the quarter was TA Associate’s \$16.5 billion TA XV, which was oversubscribed and at a 1.3x step-up to its \$12.5 billion predecessor.

Three other megafunds closed in Q2, but year-to-date, megafunds saw a decline in share of PE fundraising value. Fatigued allocators are retreating from the trend of megafund dominance and increasing step-ups, as shown by the slower fundraising paces of gargantuan funds and reduced fund targets by some of the largest PE shops. On the other hand,

middle-market funds (between \$100 million and \$5 billion) accounted for over 60% of both fund count and value YTD compared to the roughly 50% share seen in 2022. LPs may be turning to smaller funds for several reasons: They can have a more meaningful stake in the fund, they believe valuations are better at the smaller end of the market, or they are seeking strategies that specialize in some corner of the market. Although middle-market funds are poised for a strong year, numerous open megafunds are seeking to take back their share of fundraising in the second half of the year.

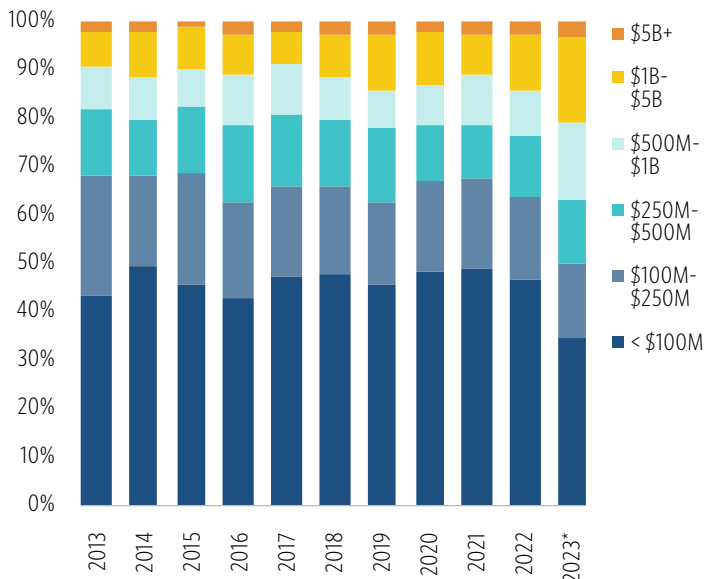
North America continued to take a majority share of global fundraising, accounting for 69.9% of capital with \$147.6 billion raised YTD. Europe’s share of capital jumped 10.2% since the end of 2022, and at \$54.3 billion, is on pace to exceed 2022’s total. Quarter-to-quarter, European fundraising declined, sliding from \$29.2 billion in Q1 to \$25.1 billion in Q2. PE fundraising in Europe is expected to remain strong and exceed 2022 levels thanks to a major boost in European megafunds and anticipated large fund closes in H2 2023.

Share of PE capital raised by size bucket



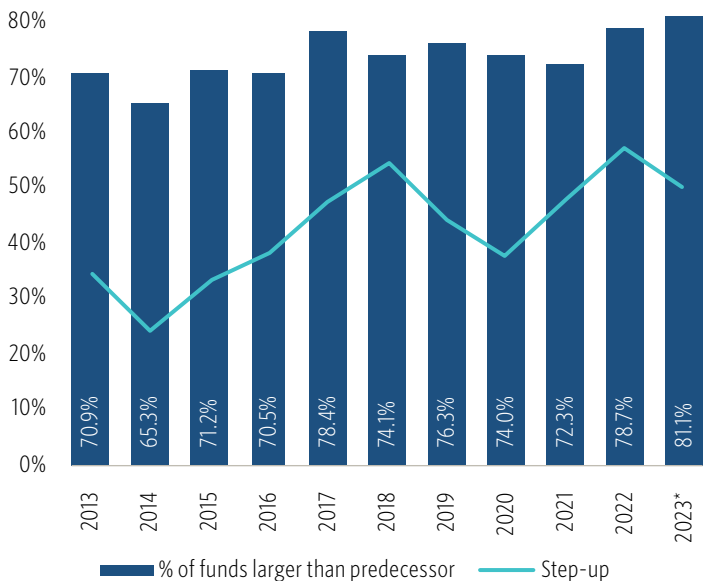
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of PE fund count by size bucket



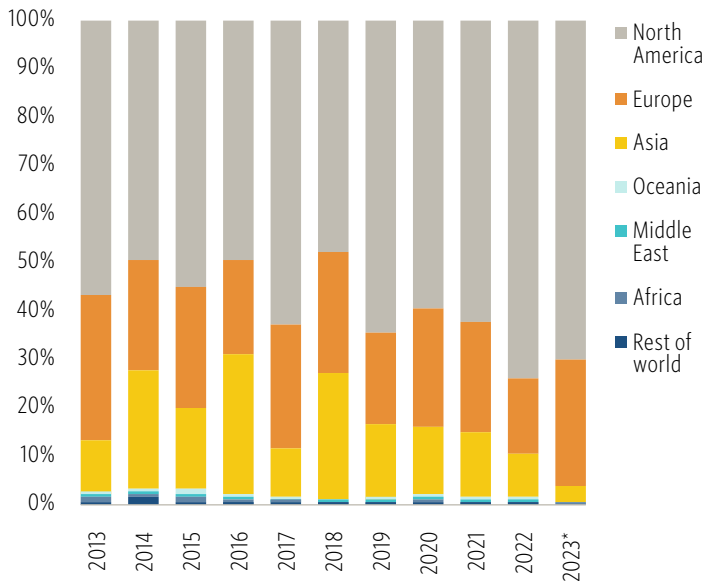
Source: PitchBook • Geography: Global
*As of June 30, 2023

Median step-up from previous PE fund in fund family



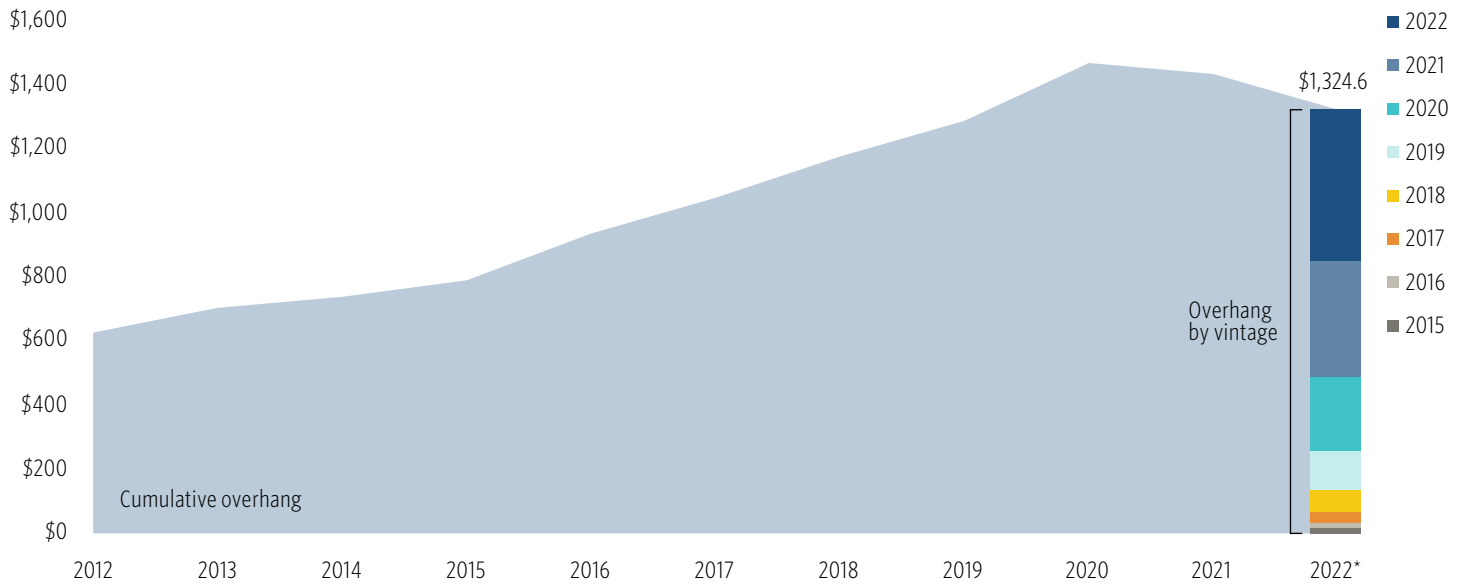
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of PE capital raised by region



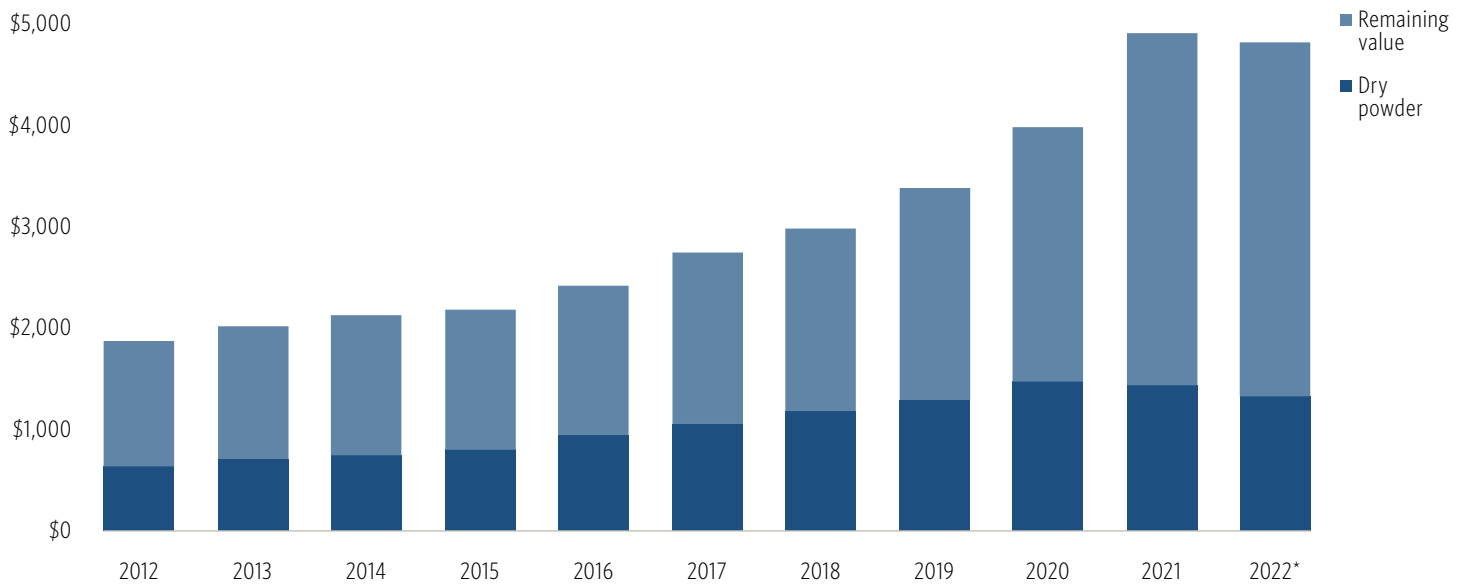
Source: PitchBook • Geography: Global
*As of June 30, 2023

PE dry powder (\$B) by vintage



Source: PitchBook • Geography: US
*As of December 31, 2022

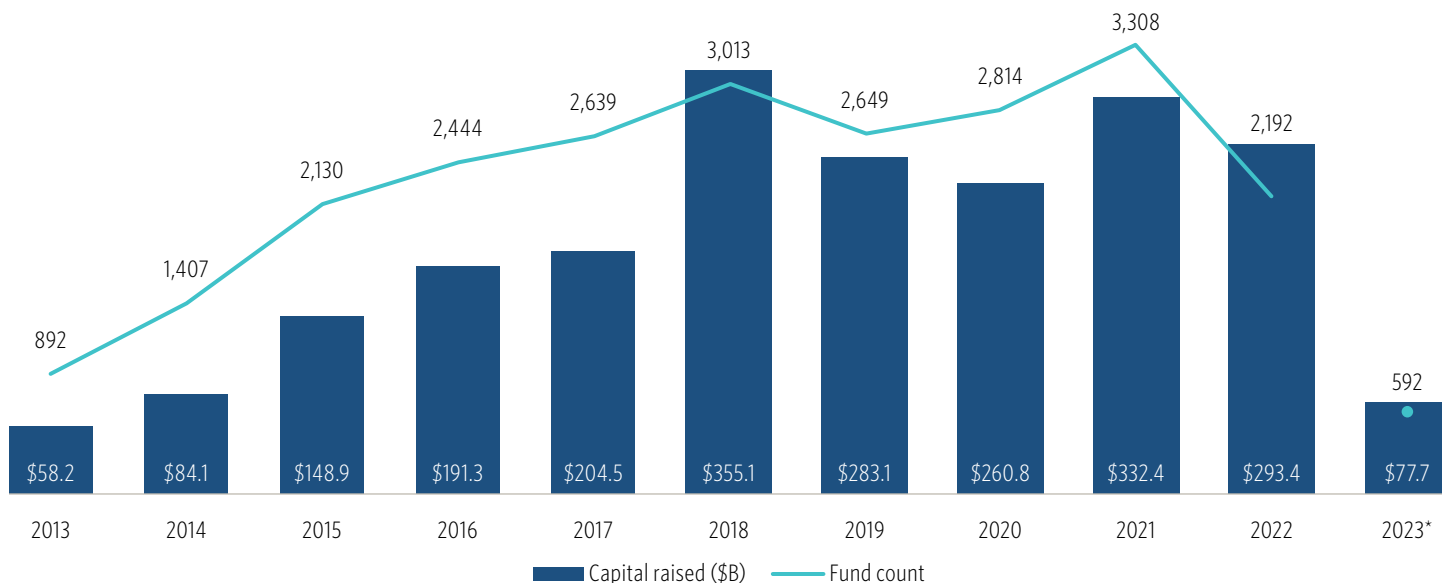
PE AUM (\$B)



Source: PitchBook • Geography: US
*As of December 31, 2022

Venture capital

VC fundraising activity



Source: PitchBook • Geography: Global
*As of June 30, 2023

Kyle Stanford, CAIA
Lead Analyst, Venture Capital

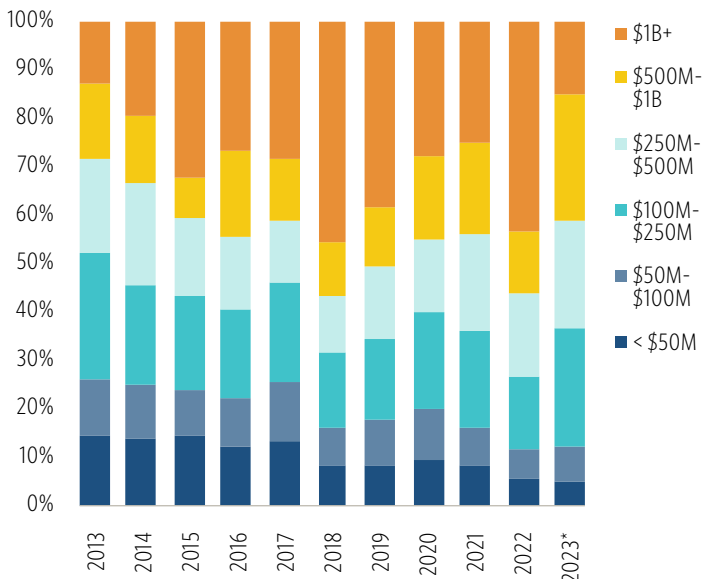
Global VC fundraising has declined significantly during 2023. Even allowing for the likelihood of additional fund closings being added to the dataset over time, the drop is extraordinary. The major factor has been the absence of many \$1 billion-plus funds, which accounted for more than 40.0% of commitment totals in 2018 and 2022. At just 15.0% of total commitments in 2023, these funds accounted for the lowest percentage of the total since 2013, at 12.9%. The largest fund to close in the first half of the year was just over \$2.0 billion, while 2022 had 20 funds close on at least that figure. Because of their tendency to deploy capital much later in the venture lifecycle, larger funds have underperformed their smaller counterparts, making them less appealing to LPs in the current poor exit environment. Highlighting the impact on fundraising that these large vehicles have, their increased closings in recent years have led to a concentration of capital into the hands of a relatively small number of investors.

More than one-third of dry powder now sits within just 1.4% of funds.

Commitments to VC funds globally have topped \$260 billion for each of the past five years, as LPs chased the high returns generated by the industry. Over the past 18 months, as public markets slipped more than VC valuations, many LPs found themselves overallocated to a market characterized by few exits and dropping valuations. We expect fundraising to remain slow for the rest of 2023 as managers target 2024 for final closes, providing time for the venture market to reset and hopefully for LPs to regain their appetite.

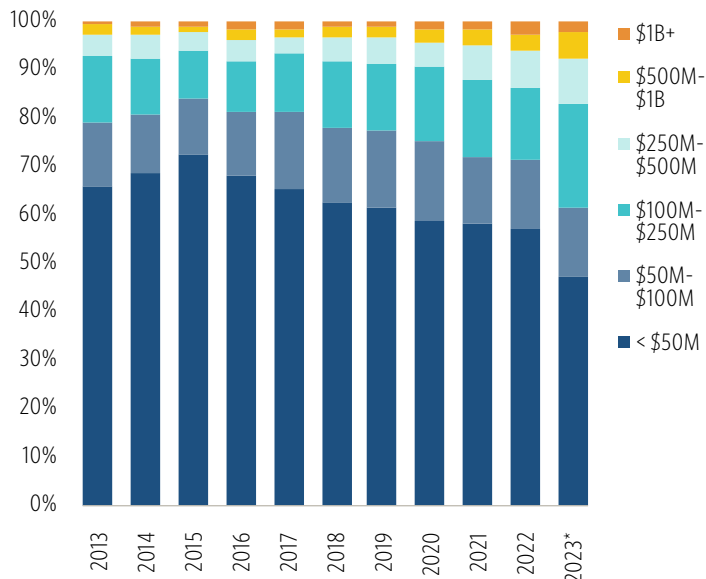
Through the end of 2022, global VC AUM fell for the first time in our dataset. While fundraising will contribute to a drop in AUM, the real factor in 2022 was the \$300 billion fall in remaining value held within funds—a movement we should also expect into 2023, as valuations have continued their decline this year.

Share of VC capital raised by size bucket



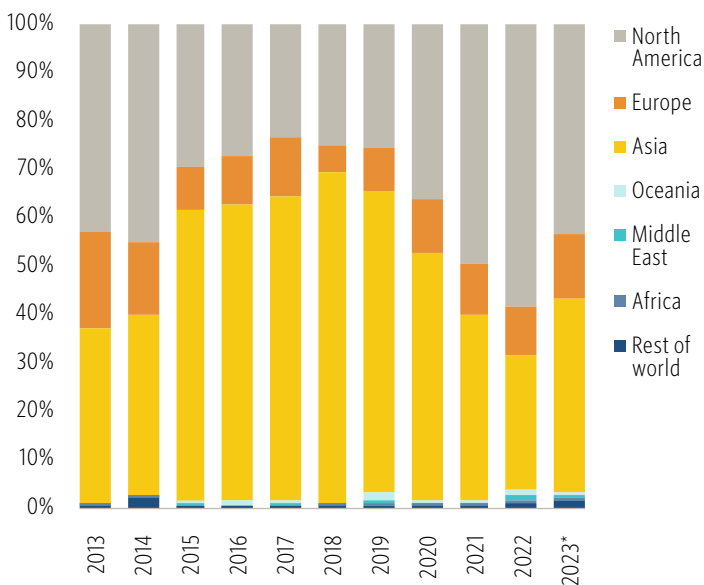
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of VC fund count by size bucket



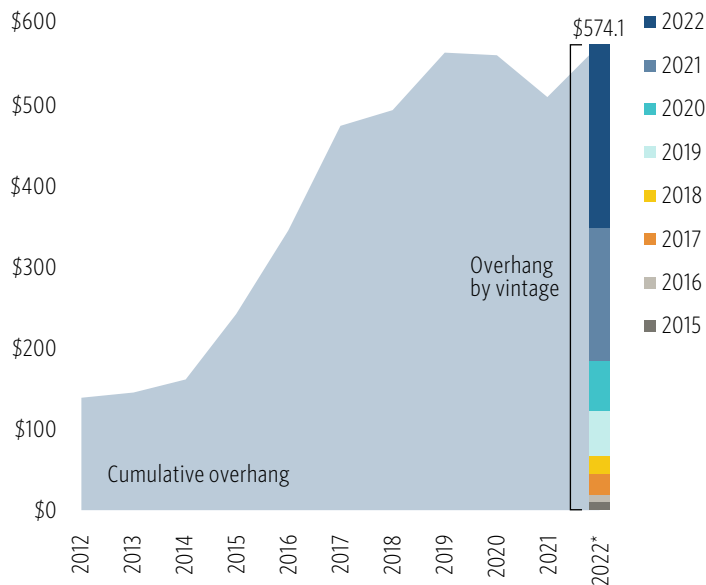
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of VC capital raised by region



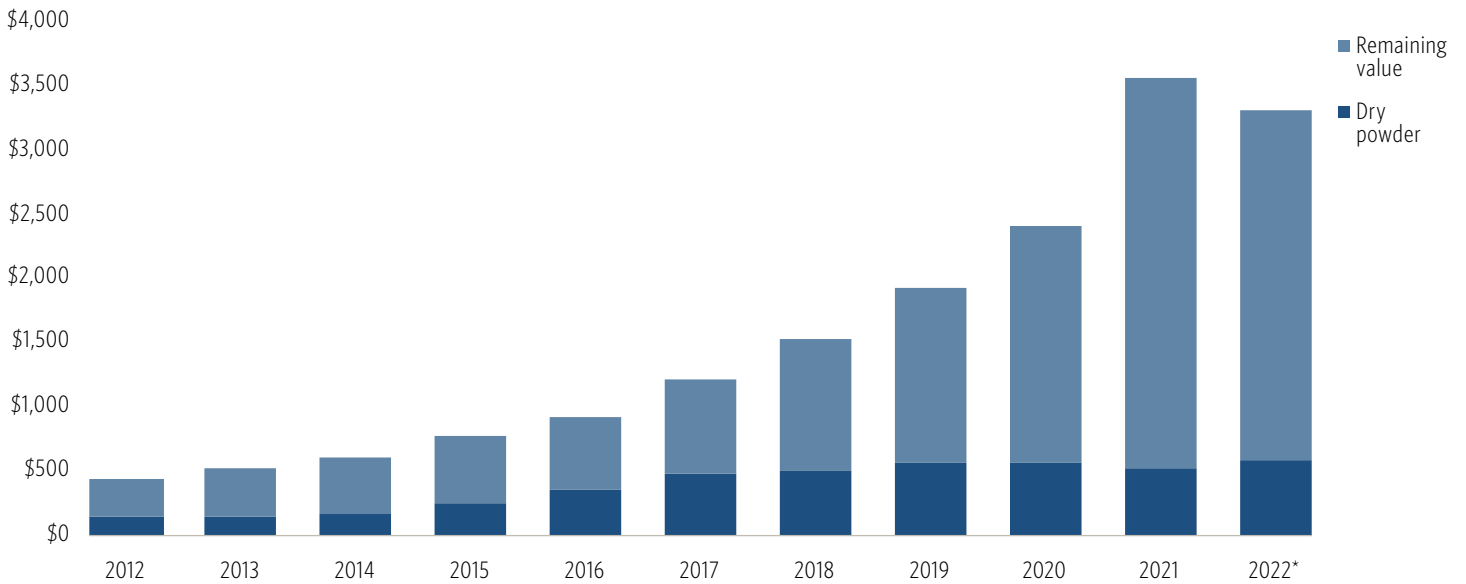
Source: PitchBook • Geography: Global
*As of June 30, 2023

VC dry powder (\$B) by vintage



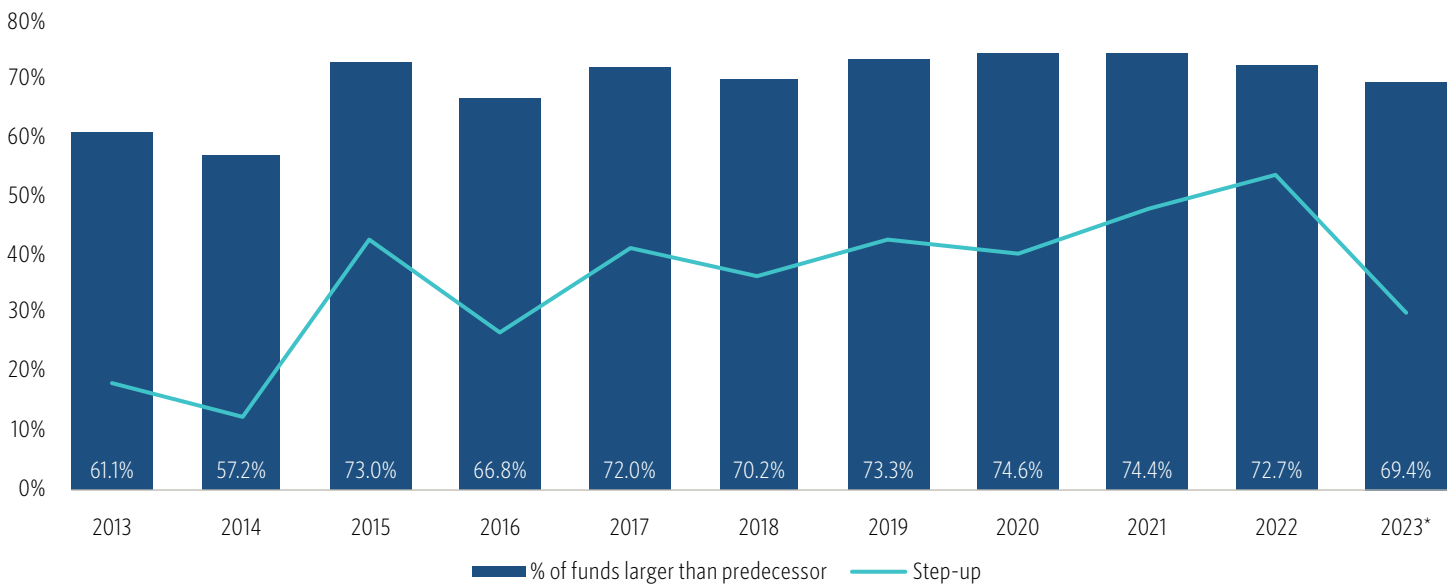
Source: PitchBook • Geography: Global
*As of December 31, 2022

VC AUM (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

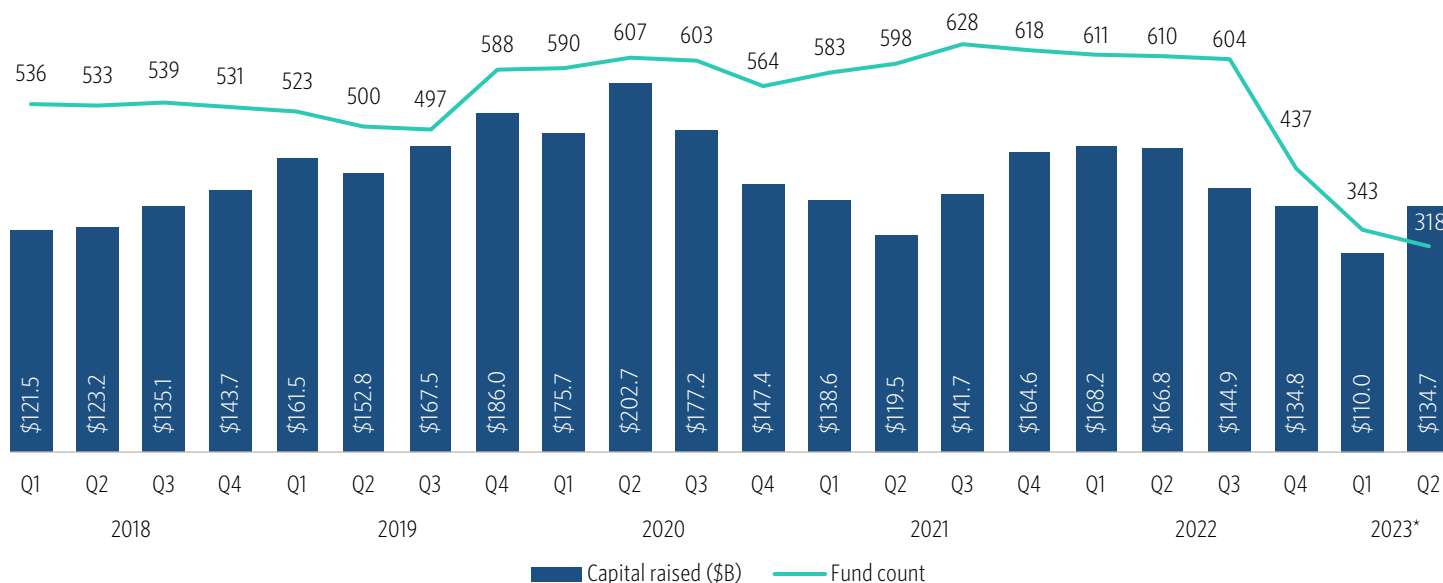
Median step-up from previous VC fund in fund family



Source: PitchBook • Geography: Global
*As of June 30, 2023

Real estate

Rolling 12-month real estate fundraising activity by quarter



Source: PitchBook • Geography: Global
*As of June 30, 2023

Anikka Villegas

Analyst, Fund Strategies & Sustainable Investment

On the surface, real estate fundraising appears to have normalized at the close of H1 2023 after a dismal Q1, but activity in the space has been far from typical. Of the 78 funds that closed, Blackstone Real Estate Partners X was responsible for over half the \$58.3 billion raised. At \$30.4 billion, it is the largest closed-end private real estate vehicle raised to date, investing in logistics, rental housing, hospitality, lab office, and data centers.³ Experienced firms, which can often raise bigger funds, received a whopping 96.7% of capital in H1 2023, as LPs sought to invest with familiar and trusted names, largely in North America. By strategy, opportunistic funds received 69.9% of raised capital; value-add, 24.1%; distressed, 4.3%; and, surprisingly, core-plus came out with just 1.8%, while core received none. The low core and core-plus totals may be the result of a shift of those strategies to fund structures other

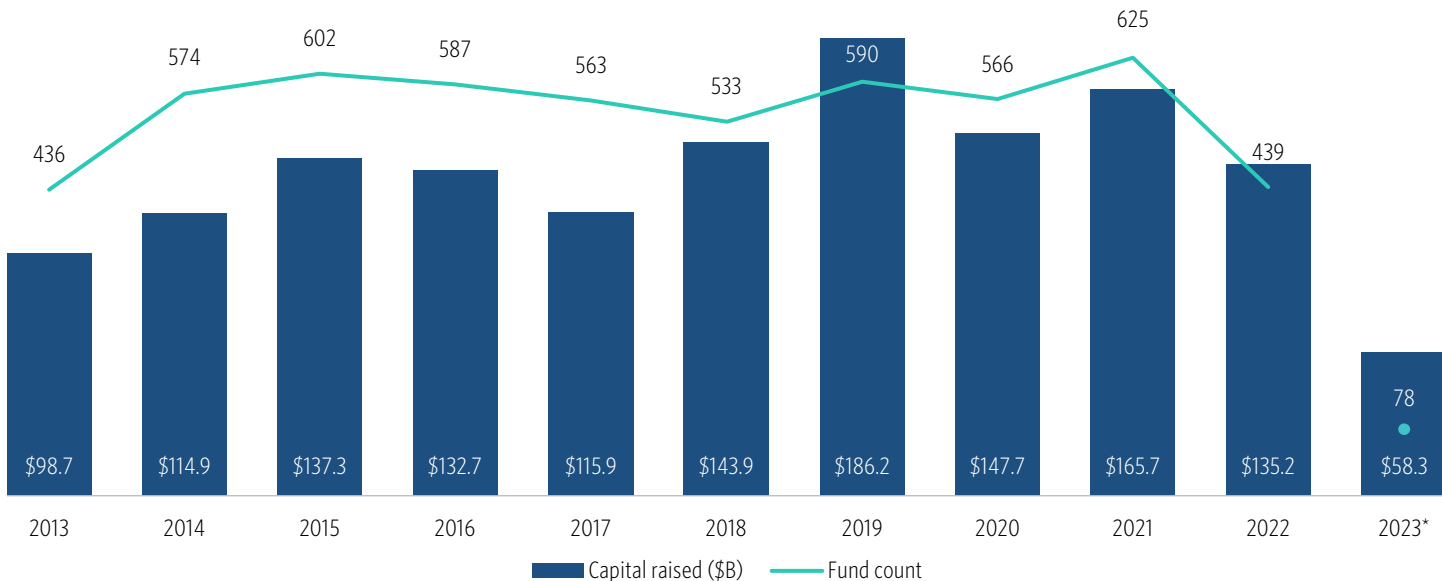
than closed-end call-down funds rather than an abandonment of the approach itself.

Of the top 10 largest real estate vehicles to close in Q2 2023, there was an approximately 50-50 split between funds that invested across sectors and those with a particular focus. Of the latter group, three invest solely in multifamily properties in the US and one targets life science and STEM office space. Multifamily has continued to have fundraising success, with a total of seven of the top 10 investing in the sector. As a US recession has become less likely,⁴ worries about a long-term hit to consumer demand have been partly assuaged, and industrial, which includes warehouse facilities for consumer goods, has shown up as an area of investment among five of the top 10 list. As for the other sectors, four funds indicated that they would invest in life sciences, three in hospitality, and two each in data centers and retail, for a fairly diverse mix.

3: "Blackstone Announces \$30.4 Billion Final Close for Largest Real Estate Drawdown Fund Ever," Yahoo! Finance, Business Wire, April 11, 2023.

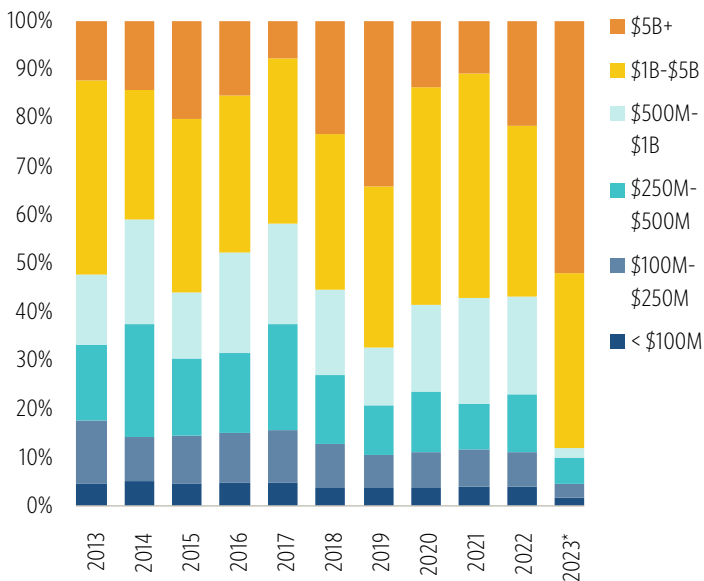
4: "Why a US Recession Has Become Less Likely," Goldman Sachs, June 8, 2023.

Real estate fundraising activity



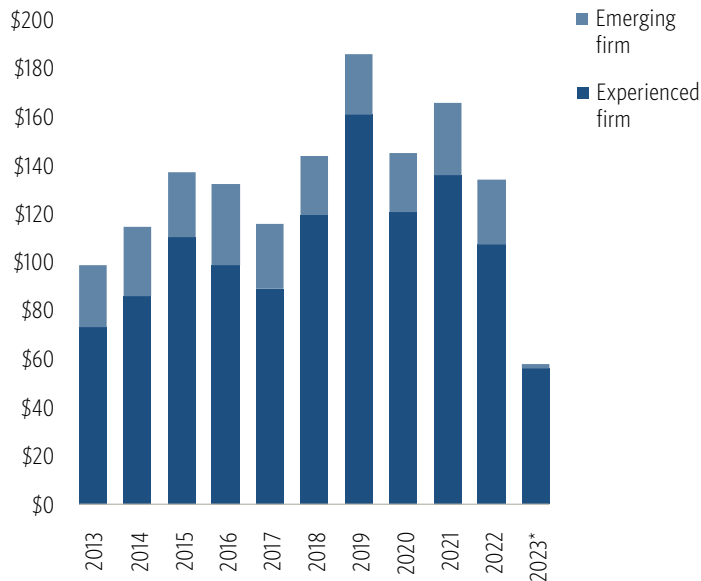
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of real estate capital raised by size bucket



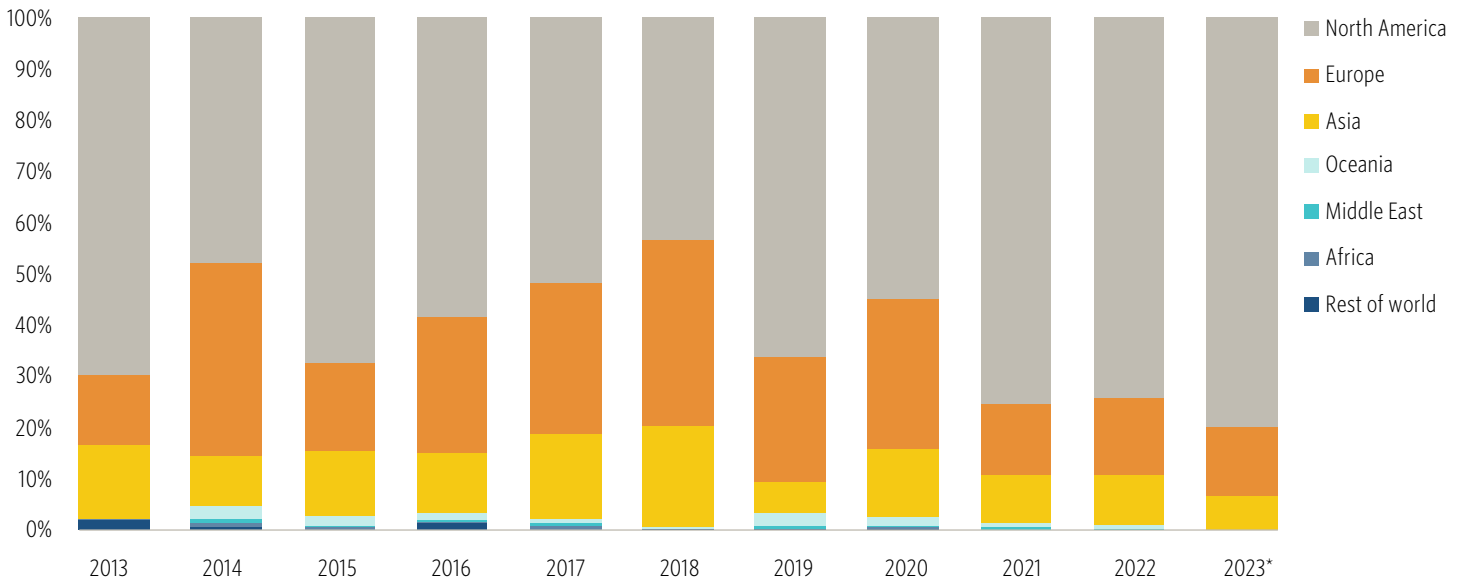
Source: PitchBook • Geography: Global
*As of June 30, 2023

Real estate capital raised (\$B) by manager experience



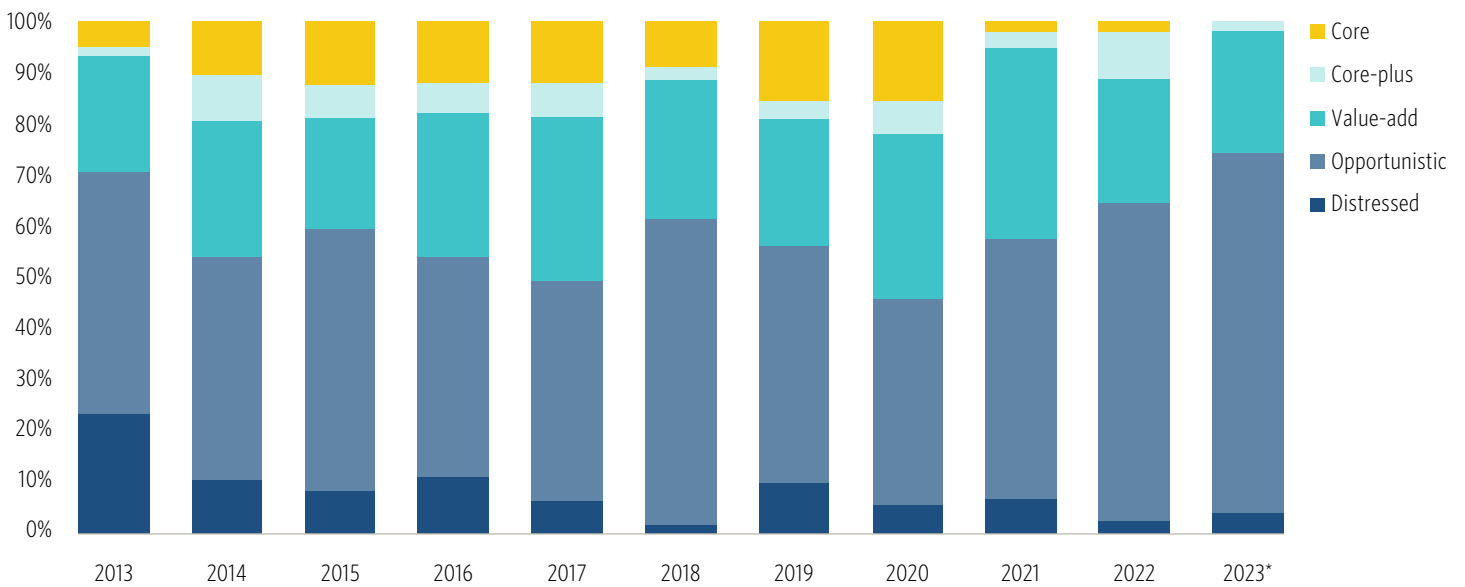
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of real estate capital raised by region



Source: PitchBook • Geography: Global
*As of June 30, 2023

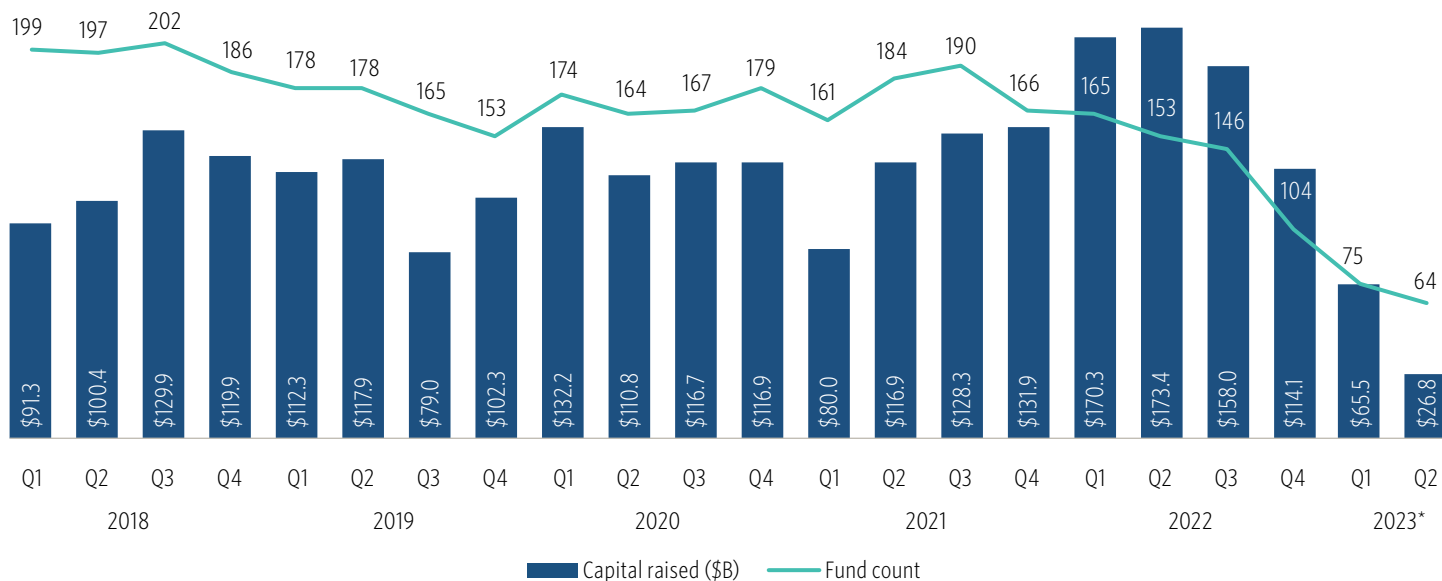
Share of real estate capital raised by type



Source: PitchBook • Geography: Global
*As of June 30, 2023

Real assets

Rolling 12-month real assets fundraising activity by quarter



Source: PitchBook • Geography: Global
*As of June 30, 2023

Anikka Villegas

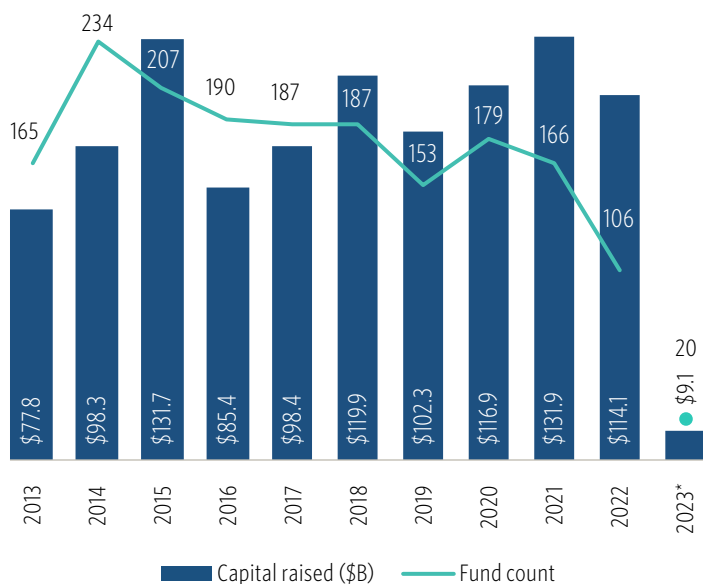
Analyst, Fund Strategies & Sustainable Investment

In the first half of 2023, GPs raised 20 closed-end real assets funds, totaling \$9.1 billion in commitments. This was so far off pace that it is possible that real assets fundraising will have its worst year in 10 years—though there are five infrastructure funds currently in market seeking more than \$10 billion, so the tide may still turn. Thus far, the year’s fundraising has been characterized by a preponderance of anomalies. Through H1 2023, 97.1% of commitments went to vehicles that were the first, second, or third in their fund family, a grouping that in recent years has made up around 50% to 60% of raised capital. This shift is counterintuitive, as many would expect tried-and-true strategies to dominate in the current fundraising environment and unpredictable economic landscape. However, emerging managers received more commitments than experienced managers for the first time in nearly a decade, and asset managers based outside of North America and Europe garnered a greater proportion of capital than they ever have, suggesting greater risk tolerance. Fund sizes have scaled back, with none larger than \$1.3 billion yet raised this year and a much greater proportion

of commitments made to vehicles in the \$500-million-to-\$1-billion bucket than in previous years as infrastructure funds shrank.

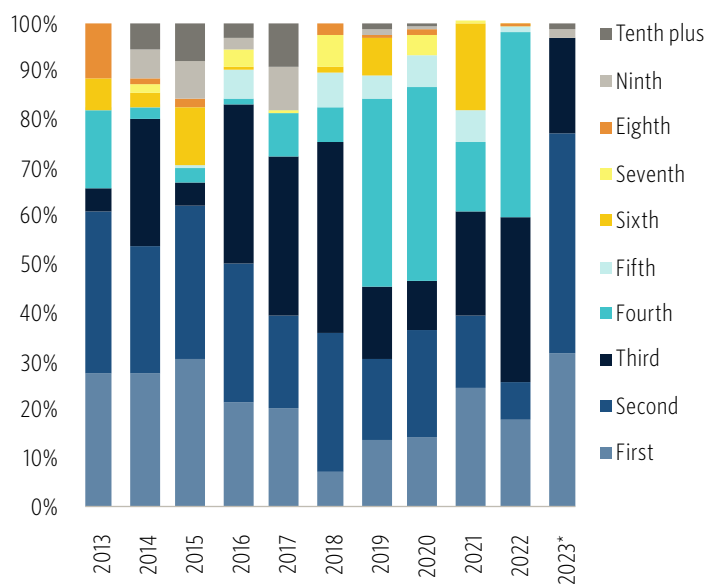
There were also some unusual appearances in the top 10 largest funds to close in Q2 2023, which are generally almost exclusively infrastructure vehicles. The largest fund was Ospraie Real Assets Fund, a \$1.3 billion vehicle from commodities-focused Ospraie Management, and the fourth-largest was Pearl Energy Investments III, an oil & gas fund. One common thread among many of the top funds raised was investment in opportunities related to the energy transition, a persistent trend in infrastructure. Yet not only were there funds targeting renewables and carbon emissions management, but one fund, Vision Blue Resources, invests in energy transition commodities like graphite, vanadium, and rare earth metals—a less common spin on the theme. Another interesting sector focus for three funds was transportation & logistics, with one maritime logistics fund and another dedicated airport fund. It should be noted that the 10th-largest fund raised in real assets was only \$120 million—versus \$1.5 billion in PE—as this strategy draws far fewer players.

Real assets fundraising activity



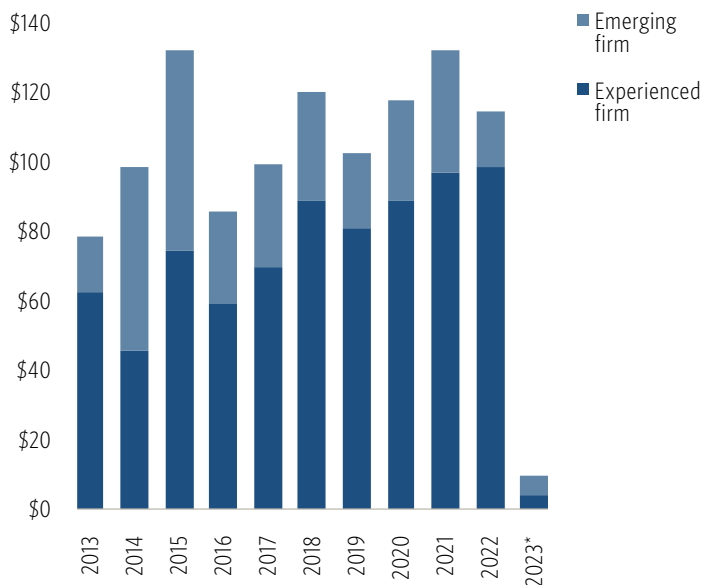
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of real assets capital raised by fund number in family



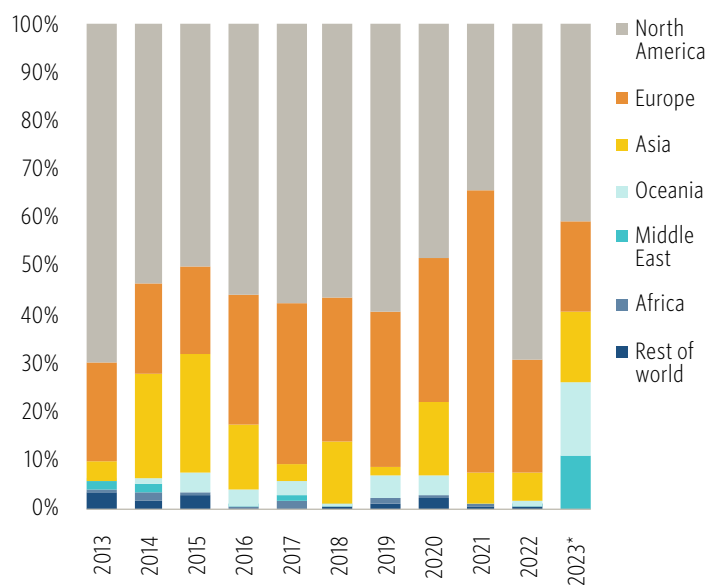
Source: PitchBook • Geography: Global
*As of June 30, 2023

Real assets capital raised (\$B) by manager experience



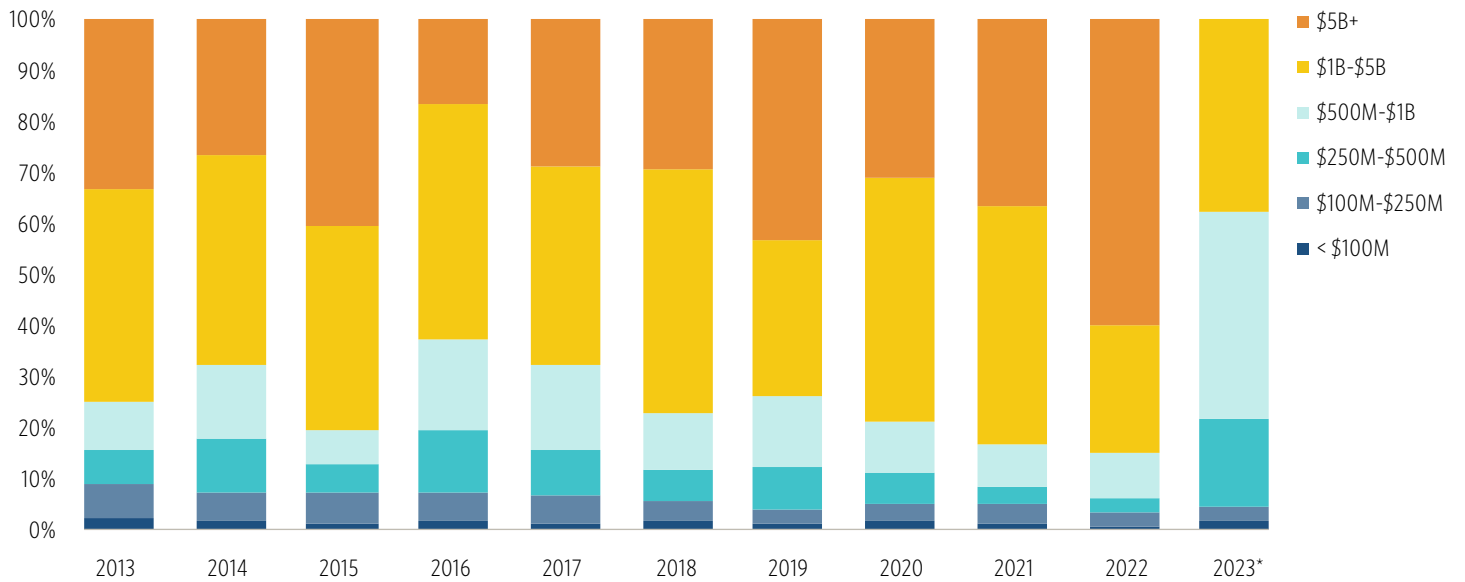
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of real assets capital raised by region



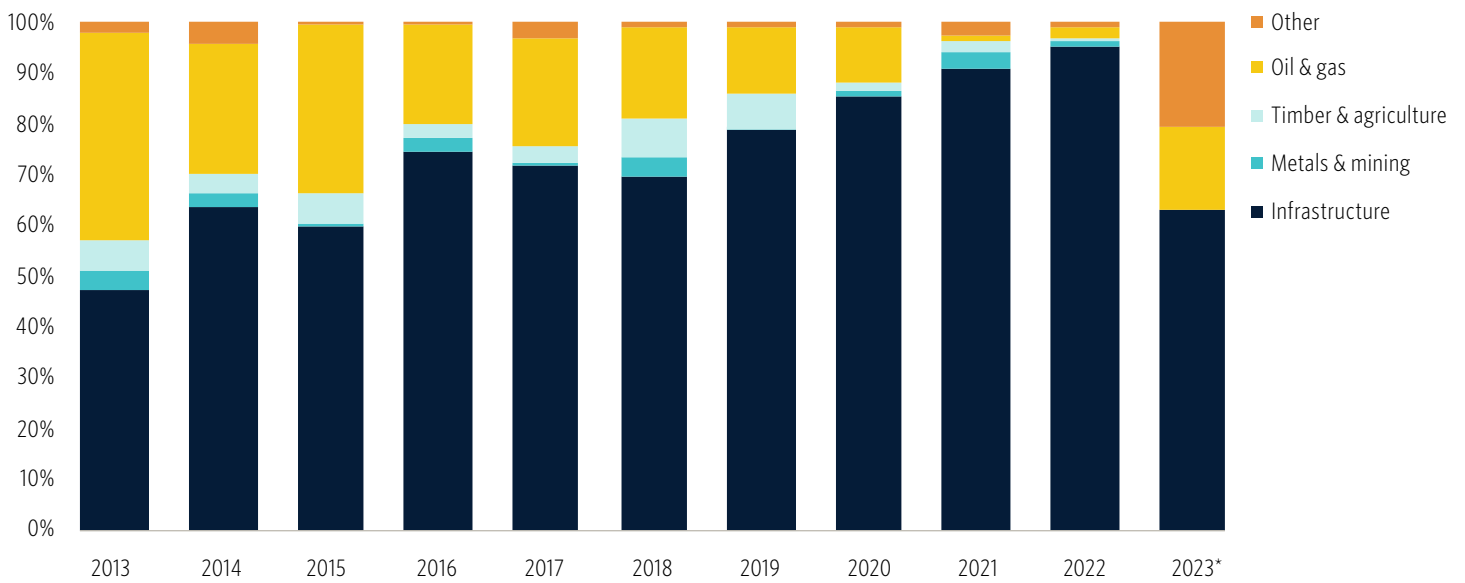
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of real assets capital raised by size bucket



Source: PitchBook • Geography: Global
*As of June 30, 2023

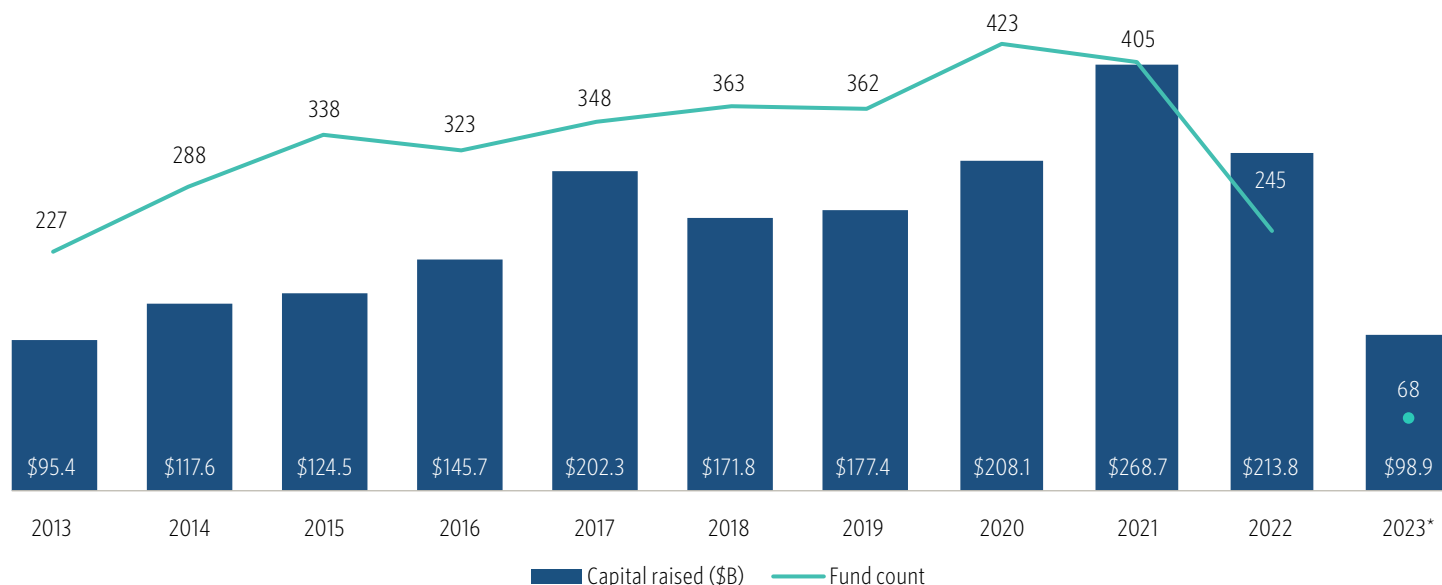
Share of real assets capital raised by type



Source: PitchBook • Geography: Global
*As of June 30, 2023

Private debt

Private debt fundraising activity



Source: PitchBook • Geography: Global
*As of June 30, 2023

Tim Clarke

Lead Analyst, Private Equity

Private debt fundraising is tracking moderately ahead of 2022 and is likely to exceed \$200 billion for the fourth consecutive year. A total of \$98.9 billion in funds was closed in the private debt space in the first half of the year, a strong start given that H2 is often the stronger of the two. While not tracked in this report, fundraising for retail-oriented vehicles such as nontraded business-development companies and interval funds slowed significantly.⁵ An estimated \$15.0 billion in retail capital was reportedly raised by private debt sponsors in H1 2023, down from 2022's \$10.0 billion quarterly average.⁶ This did not slow the flow of sponsors attempting to gain entry into this market, with KKR, PIMCO, and Variant all launching new credit-oriented perpetual vehicles during the quarter.

At 29.8%, direct lending has trailed the 30.5% going to mezzanine fundraising this year. Given mezzanine has averaged only 12.5% of private debt fundraising over the past five years, this has been a banner year for the strategy.

These funds originate loans that are in high demand by private equity sponsors, which have seen access to senior secured loans significantly curtailed in 2023 even within private credit. Mezzanine lenders provide junior subordinated loans, which don't count against senior loan leverage ratios, and they are more amenable to paid-in-kind structures—a popular feature at present.

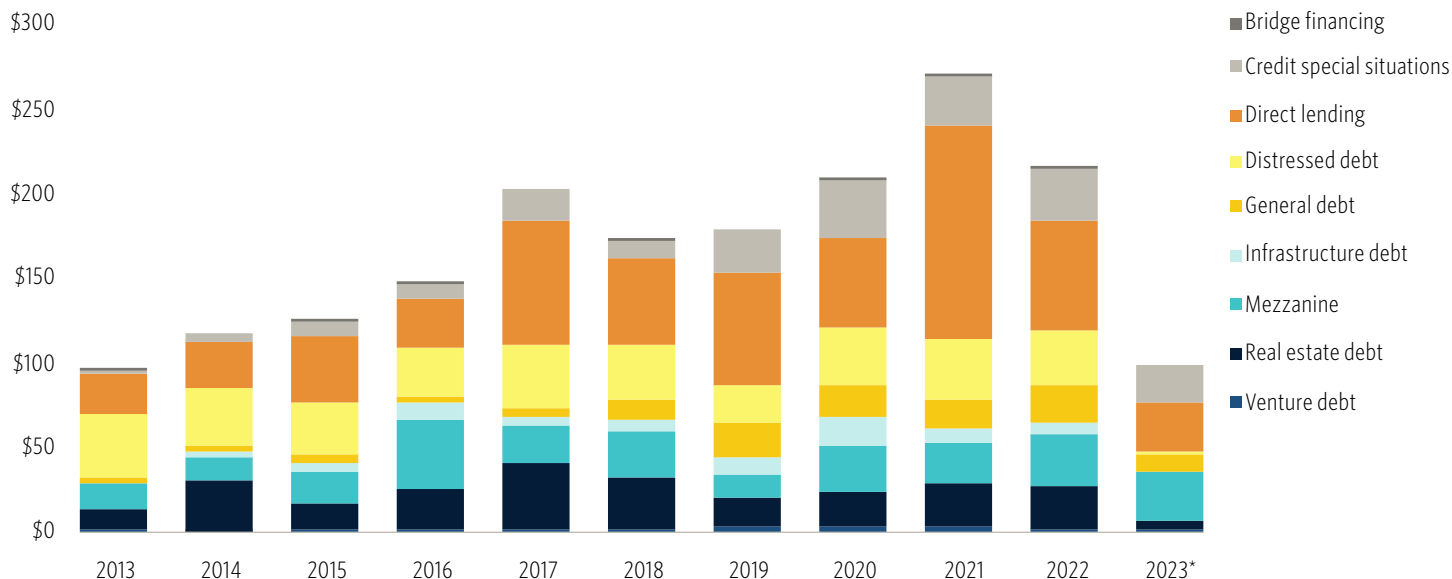
Pure distressed strategies have fallen off sharply, garnering just 2.5% of fund closings YTD. However, its close cousin, special credit situations, saw elevated fundraising, at 22.5% of total. This strategy provides structured debt and structured equity alternatives, which are also gaining popularity among borrowers.

HPS Investment Partners was the top fundraiser in Q2, closing a total of \$19.3 billion between its fifth mezzanine flagship (\$12 billion) and its second senior direct lending fund (\$7.3 billion). Notable launches this quarter include Ares, with two funds seeking a total of \$15 billion (its third direct lending fund and Pathfinder, a special situations fund that will donate a portion of its performance fee to social impact causes).

5: For more on this trend, please read our [Public PE and GP Deal Roundup](#).

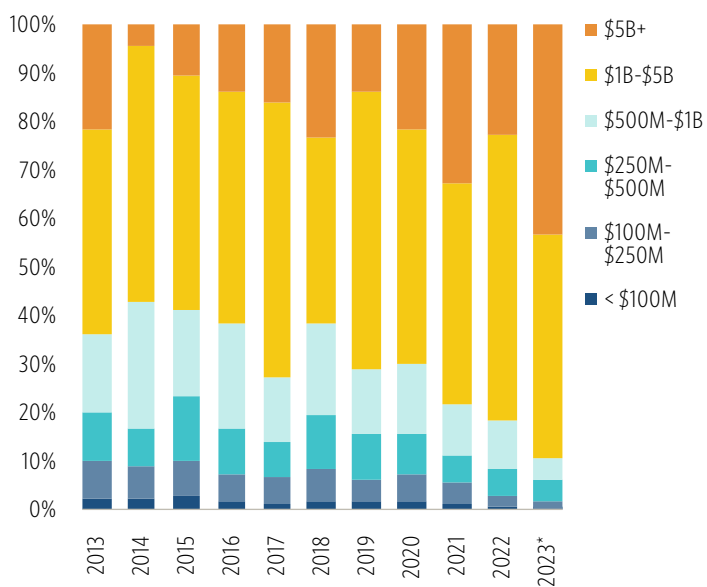
6: "Non-Traded REIT Fundraising Rebounds to \$597 Million in June, BDCs Raise \$1.3 Billion," [The DI Wire](#), July 26, 2023.

Private debt capital raised (\$B) by type



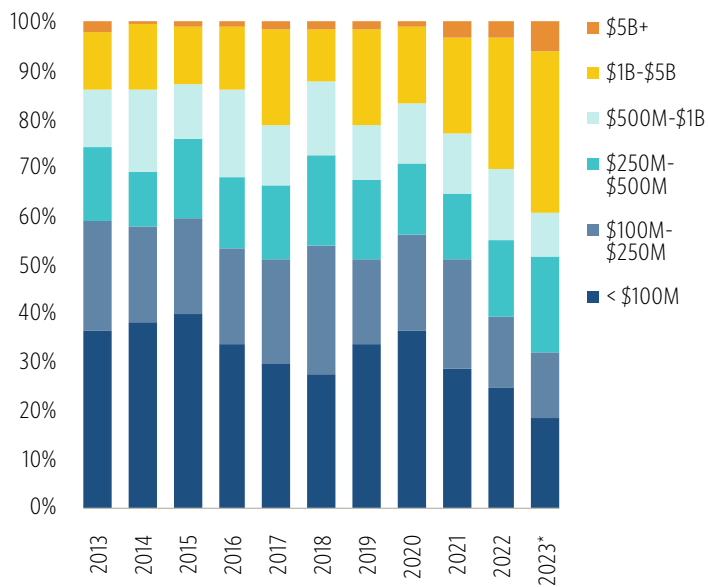
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of private debt capital raised by size bucket



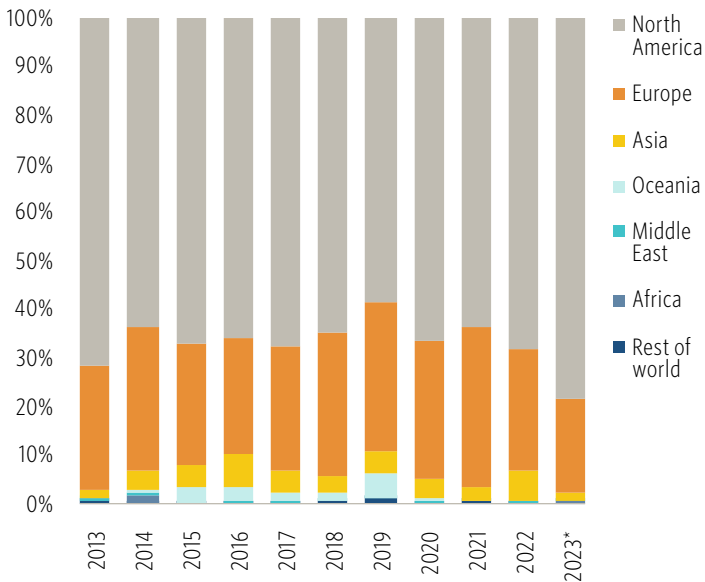
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of private debt fund count by size bucket



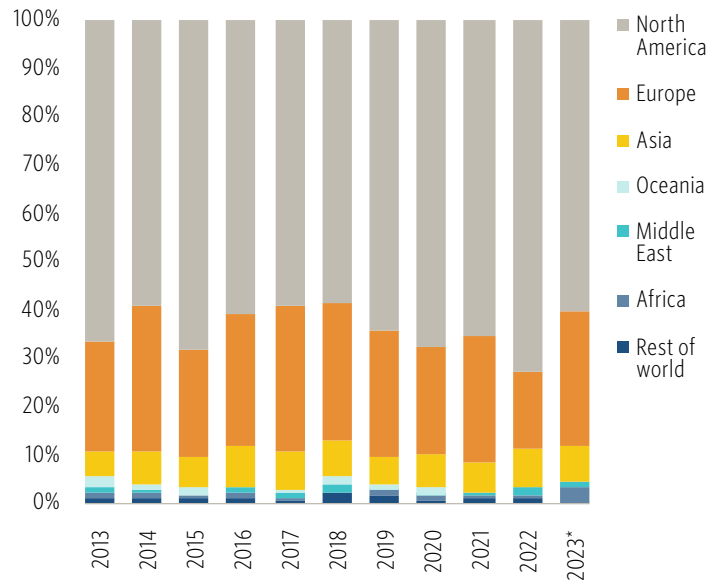
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of private debt capital raised by region



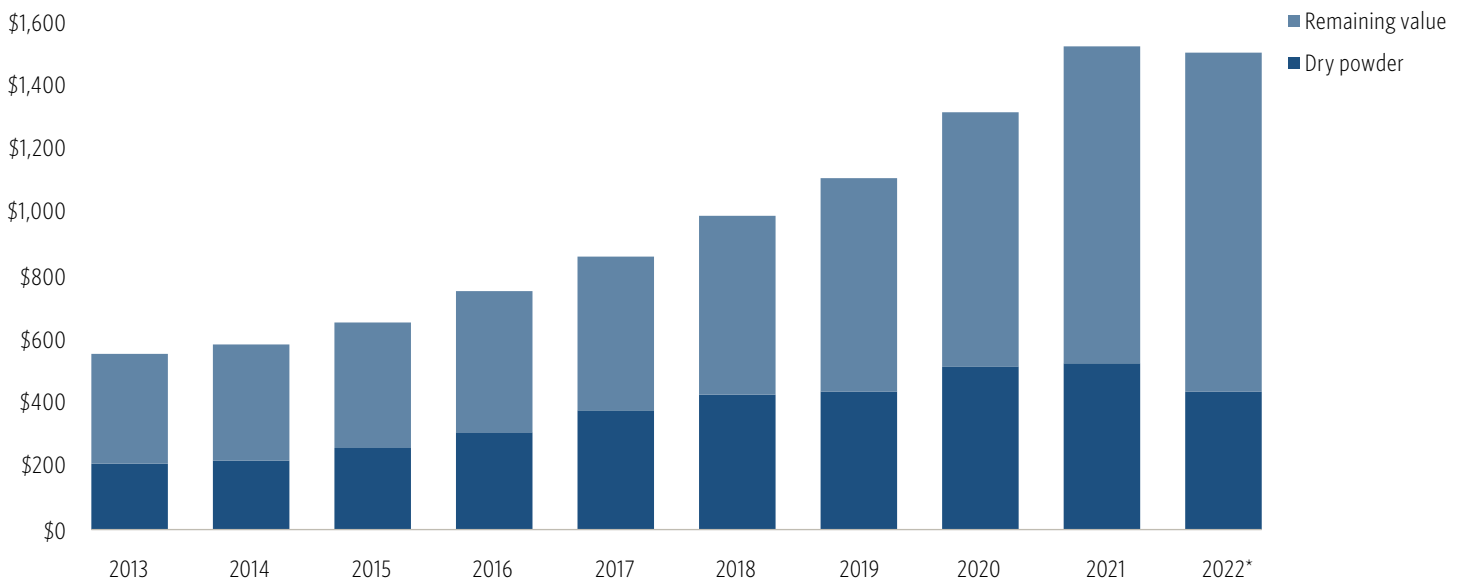
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of private debt fund count by region



Source: PitchBook • Geography: Global
*As of June 30, 2023

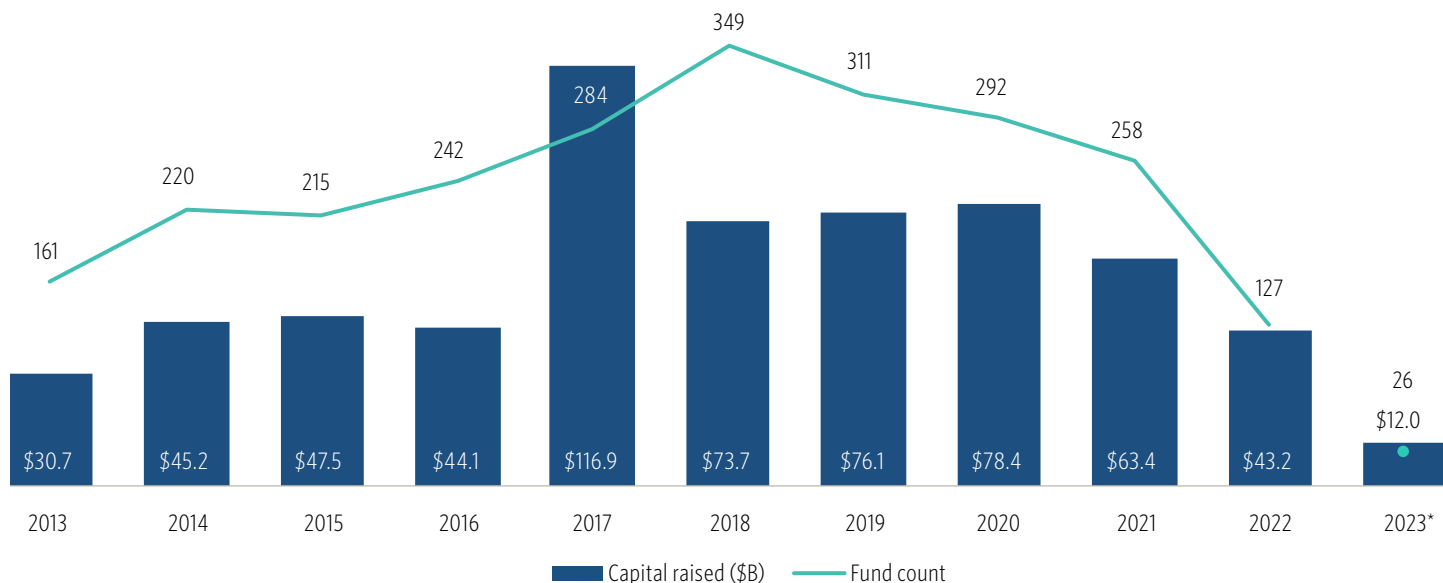
Private debt AUM (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

Funds of funds

FoF fundraising activity



Source: PitchBook • Geography: Global
*As of June 30, 2023

Juliet Clemens

Analyst, Fund Strategies

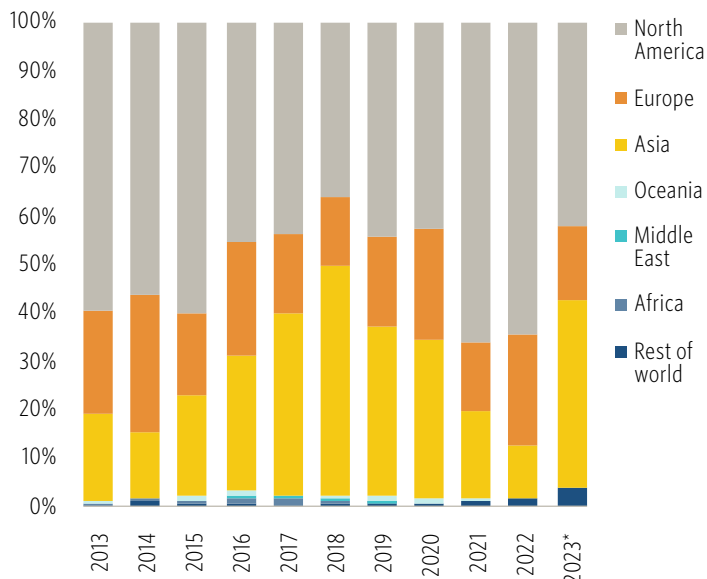
FoF strategies raised \$7.4 billion across 12 funds in Q2 2023, a 60.9% QoQ increase from the \$4.6 billion raised in Q1, but a YoY decline of 22.1% when compared to Q2 2022's \$9.5 billion.

FoF fundraising peaked in 2017 at \$116.9 billion and has been on a downward trend since. The drop in FoF fundraising is partially attributable to the decline in capital raised for VC FoF strategies. As recently as 2019, VC FoF had been as high as \$40.2 billion. By 2022, this dropped to \$9.5 billion as tumult hit the broader VC universe. Halfway through 2023, VC FoF figures stand at a moderate \$4.1 billion. However, several funds in market are currently raising capital for VC FoF strategies, including the Korea New Deal Fund, targeting \$4.4 billion, and HarbourVest Partners XII Venture Fund, seeking \$2.0 billion. Should these larger funds close in the second half of this year, VC FoF fundraising may experience a rebound.

Another reason why FoF fundraising figures may have declined is because capital has been directed toward structures that are not captured by our data. For instance, while PitchBook does track primary fund commitments, it does not yet track the growing number of evergreen vehicles and digital platforms. Smaller investors and newer entrants to the private markets, who often get their start with FoF, now have a plethora of options to consider outside of traditional FoF vehicles.

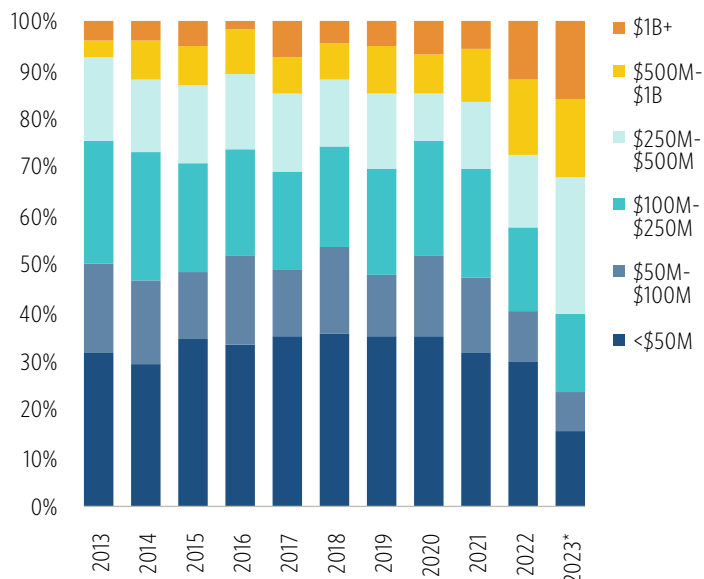
Within the top 10 largest funds raised in Q2 2023, four were VC FoF raised out of China with fund sizes between \$427.0 million and \$1.8 billion. One fund closed out of Europe—Pictet's Monte Rosa Fund VI—on a total of \$1.6 billion. The remaining five funds were raised out of the United States within a range of \$168.0 million to \$982.9 million. Hamilton Lane Impact Fund II, which closed on \$370 million, experienced the largest step-up, at 3.9x larger than its predecessor fund.

Share of FoF count by region



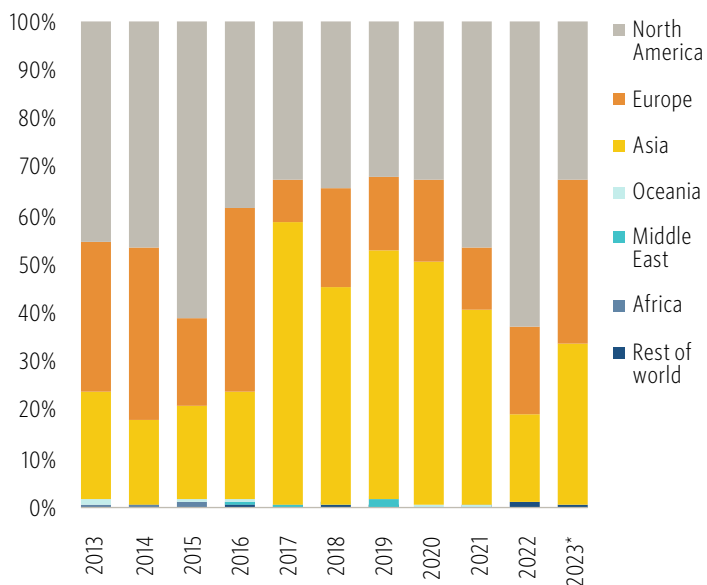
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of FoF count by size bucket



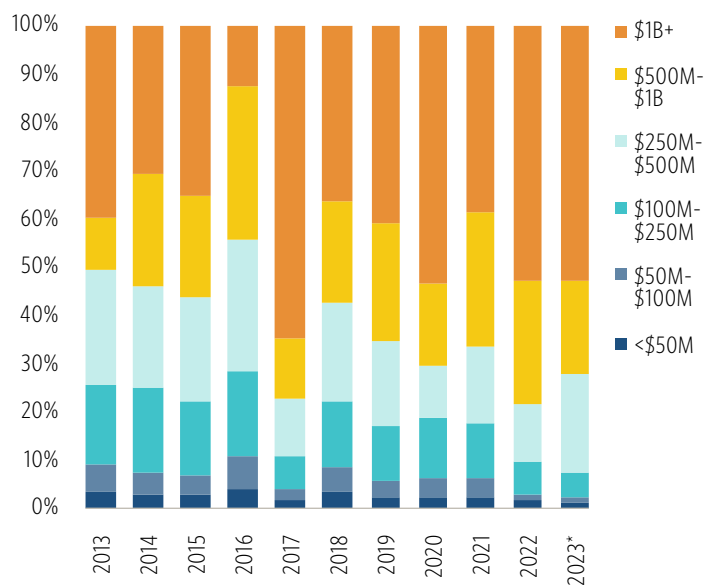
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of FoF capital raised by region



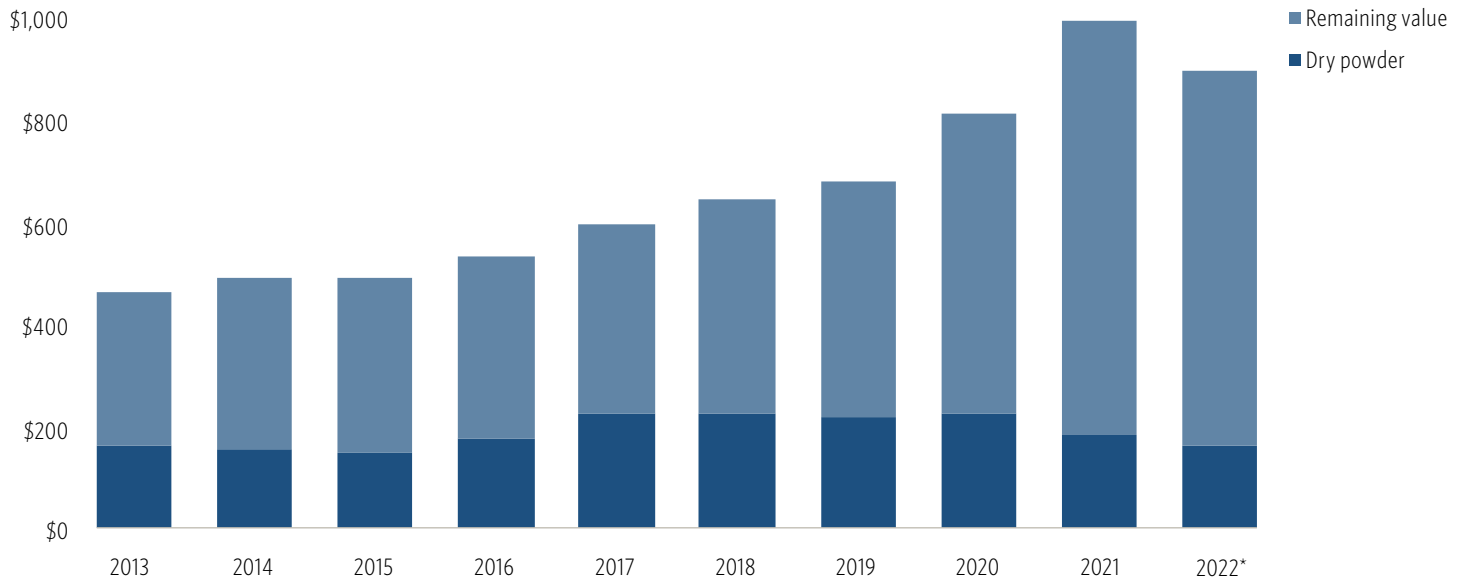
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of FoF capital raised by size bucket



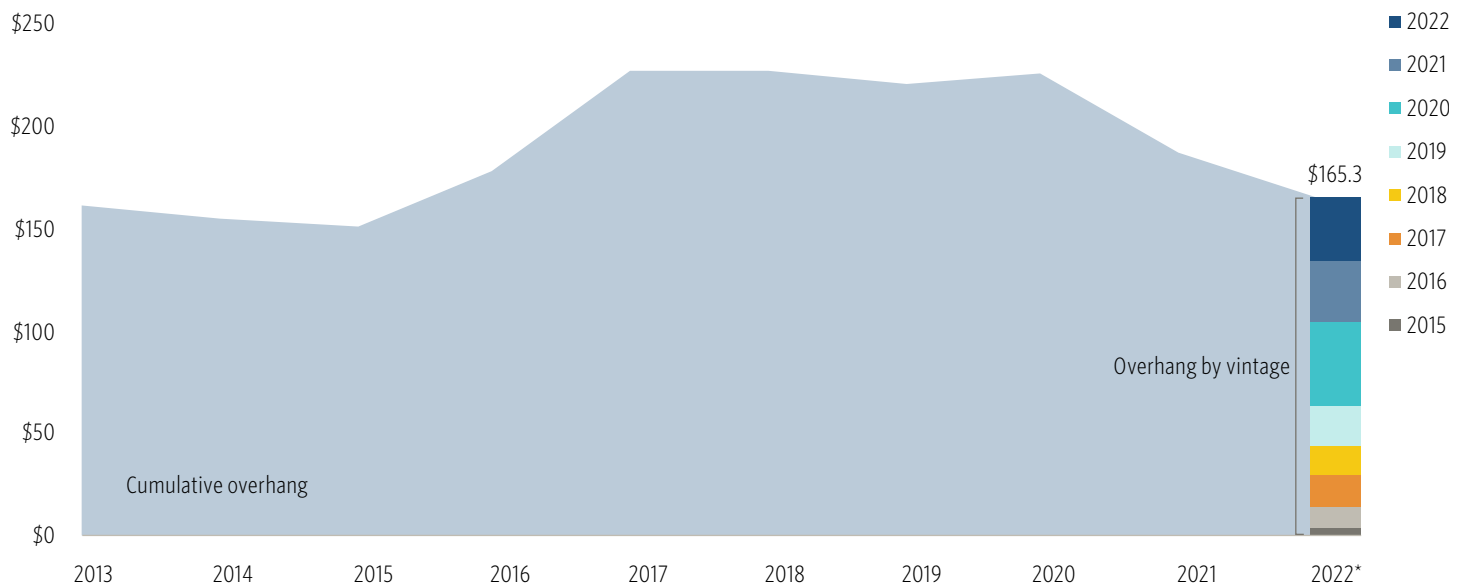
Source: PitchBook • Geography: Global
*As of June 30, 2023

FoF AUM (\$B)



Source: PitchBook • Geography: Global
*As of December 31, 2022

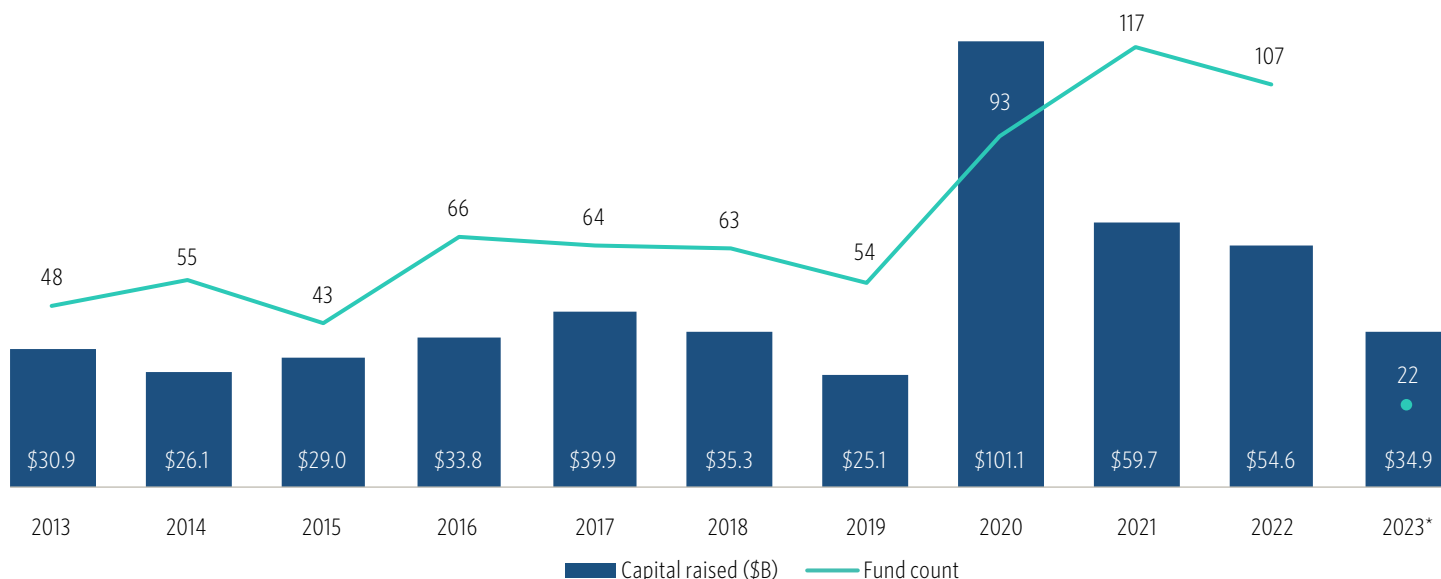
FoF dry powder (\$B) by vintage



Source: PitchBook • Geography: Global
*As of December 31, 2022

Secondaries

Secondaries fundraising activity



Source: PitchBook • Geography: Global
*As of June 30, 2023

Juliet Clemens

Analyst, Fund Strategies

Though H1 2023, secondaries fundraising has already reached \$34.9 billion—approximately 64% of 2022’s annual fundraising total of \$54.6 billion—though there was a significant drop-off between Q1 and Q2 figures. In Q1, 17 funds closed on \$32.2 billion in aggregate, driven by the closings of two Blackstone funds totaling \$24.9 billion. By contrast, secondaries funds raised only \$2.7 billion across five funds in Q2, with the largest fund, Adams Street Global Secondary Fund 7, closing on \$1.5 billion.

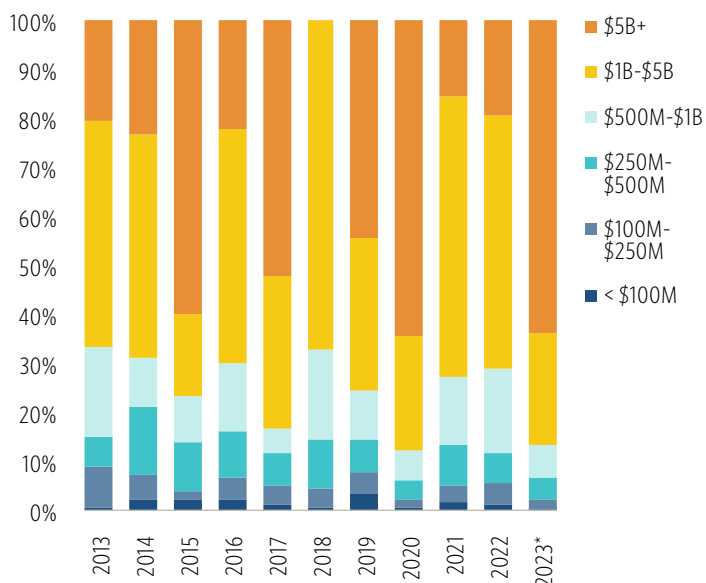
This fundraising ebb likely reflects the general trend of private funds taking longer to close, rather than an indication of waning interest in secondary funds. The median time to close for secondary funds so far in 2023 is 19.1 months, compared to 13.5 months in 2022. Given that the number of secondaries funds raised each year is relatively small, a drop in Q2 is likely due to a lack of large funds in the quarter boosting results rather than the start of a trend.

Supporting this theory is that there are several secondary funds currently in market targeting over \$10 billion, suggesting continued confidence in secondaries opportunities. As covered in our recent webinar, [Private fund secondaries: Liquifying Illiquid Investments](#),⁷ LP-led secondary volume is expected to surge in the second half of the year as pricing for LP transactions has recovered, leading more LPs to bring their portfolios to market after a tumultuous 2022 kept them waiting on the sidelines. Secondary funds are seemingly gearing up to take advantage of this anticipated influx of LP-led opportunities. For more information on the differences between LP-led and GP-led secondaries, read our analyst note, [The Evolution of Private Market Secondaries](#).

Of the five funds to close this quarter, three were raised in the US. Pantheon Credit Opportunities Fund II, raised out of the UK, closed on \$590 million and was the only private credit secondaries fund to close in Q2. Aquilius Investment Partners, based in Singapore, raised its inaugural fund, AIP Secondary Fund I, closing on \$400 million.

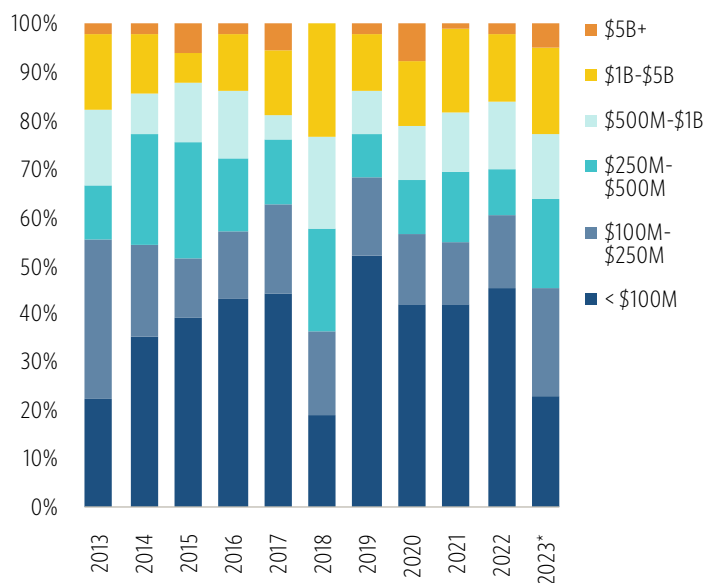
7: If you would prefer to read the recap of the webinar, please find it [here](#).

Share of secondaries capital raised by size bucket



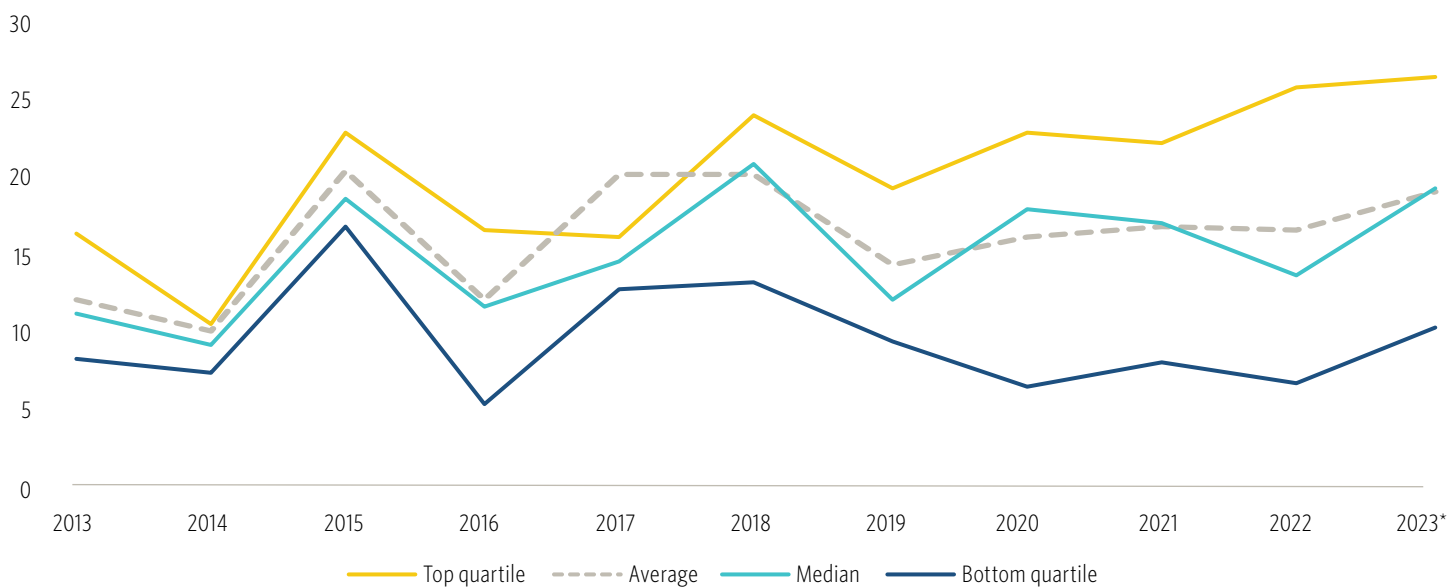
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of secondaries fund count by size bucket



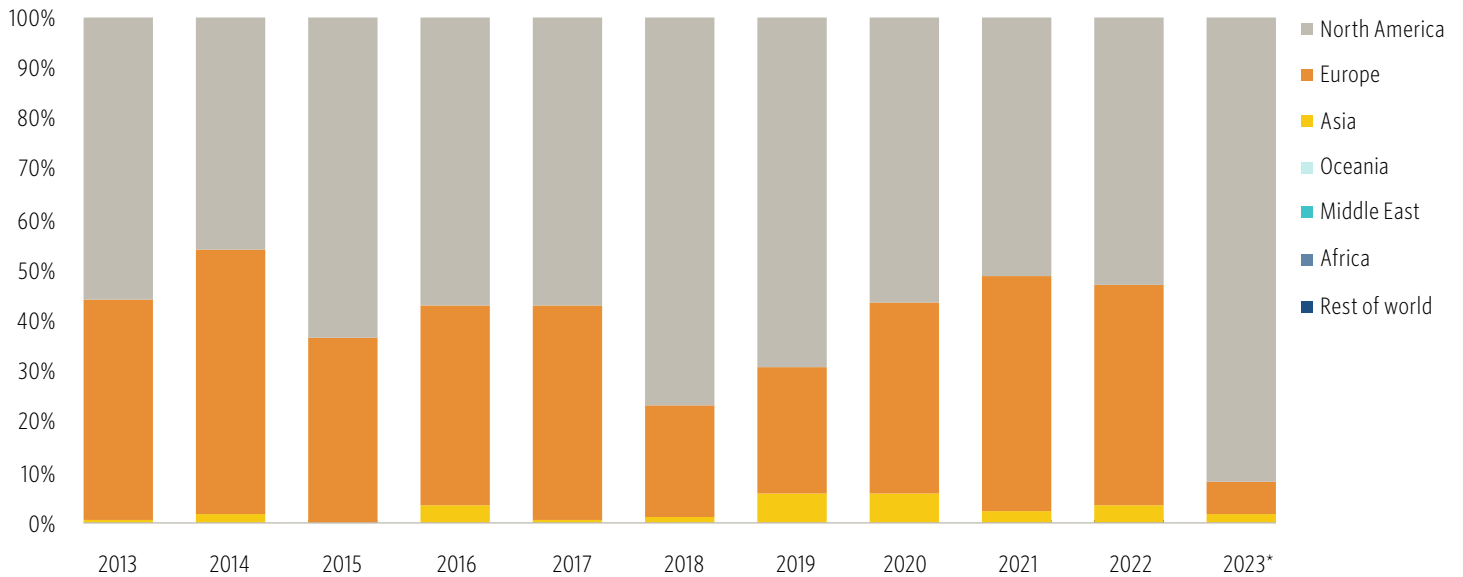
Source: PitchBook • Geography: Global
*As of June 30, 2023

Dispersion of time (months) to close for secondaries funds



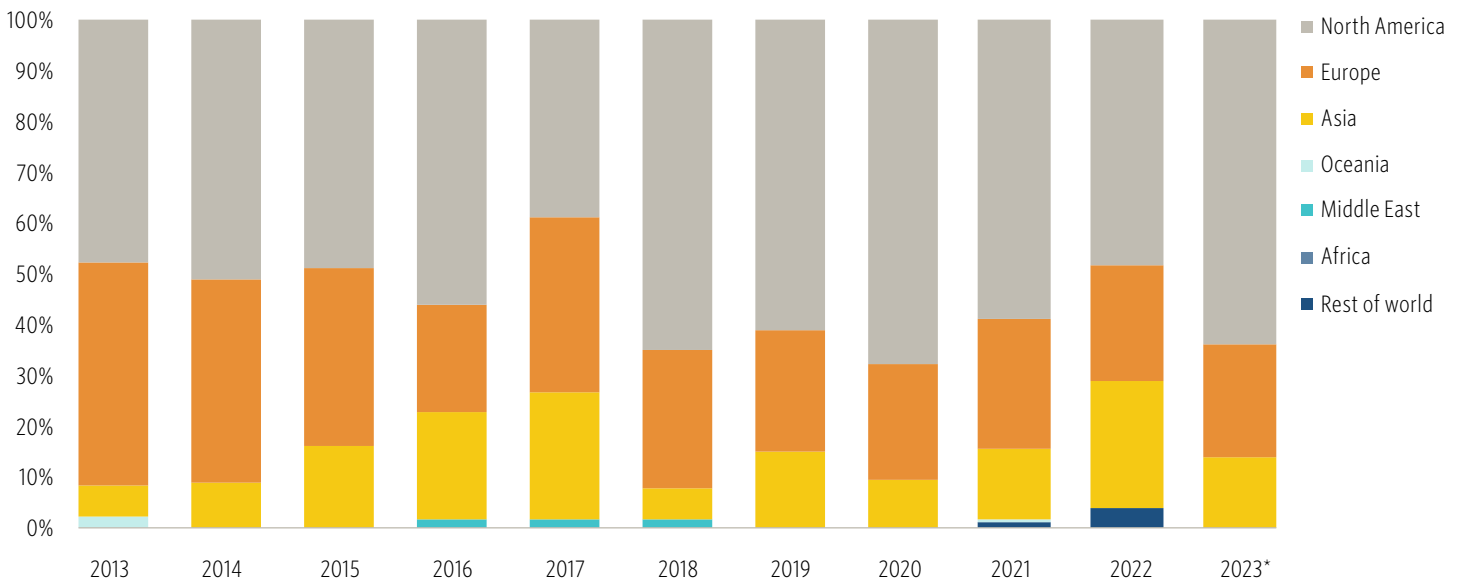
Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of secondaries capital raised by region



Source: PitchBook • Geography: Global
*As of June 30, 2023

Share of secondaries fund count by region



Source: PitchBook • Geography: Global
*As of June 30, 2023

Top funds by size

Top PE funds to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
TA XV	\$16,500.0	June 15	1.3x	Boston, US
Genstar Capital Partners XI	\$12,600.0	April 27	1.2x	San Francisco, US
GTCR Fund XIV	\$11,500.0	May 23	1.5x	Chicago, US
KKR European Fund VI	\$8,000.0	April 4	1.2x	London, UK
Jiuzhou Qihang (Beijing) RMB Fund	\$4,927.4	April 25	N/A	Beijing, China

Source: PitchBook • Geography: Global
*As of June 30, 2023

Top VC funds to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
Lux Ventures VIII	\$1,145.6	April 13	1.7x	New York, US
RTP IV	\$1,000.0	June 28	1.5x	New York, US
270 Growth Fund I	\$1,000.0	April 1	N/A	New York, US
C2 Investments	\$1,000.0	June 21	N/A	San Francisco, US
Shenzhen Hongtu RMB Fund I	\$961.7	June 8	N/A	Shenzhen, China

Source: PitchBook • Geography: Global
*As of June 30, 2023

Top real estate funds to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
Blackstone Real Estate Partners X	\$30,415.9	April 11	1.5x	New York, US
NREP Nordic Strategies Fund V	\$3,900.0	May 25	1.7x	Copenhagen, Denmark
Gaw Gateway Real Estate Fund VII	\$3,000.0	June 30	1.4x	Hong Kong
Artemis Real Estate Partners Fund IV	\$2,200.0	June 4	2.2x	Chevy Chase, US
Invesco Real Estate US Fund VI	\$1,980.0	May 9	2.2x	Dallas, US

Source: PitchBook • Geography: Global
*As of June 30, 2023

Top real assets funds to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
Ospraie Real Assets Fund	\$1,248.2	June 29	N/A	New York, US
KDB Smart Ocean Infrastructure Fund Program	\$1,200.0	June 26	N/A	South Korea
Pacific Equity Partners Secure Assets Fund II	\$939.4	April 6	5.2x	Sydney, Australia
Pearl Energy Investments III	\$705.0	May 15	1.2x	Dallas, US
NGP Energy Transition IV	\$700.0	June 1	N/A	Dallas, US

Source: PitchBook • Geography: Global
*As of June 30, 2023

Top private debt funds to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
HPS Strategic Investment Partners V	\$12,000.0	April 11	N/A	New York, US
HPS Core Senior Lending Fund II	\$7,300.0	June 5	N/A	New York, US
Permira Credit Solutions V	\$4,519.9	June 13	1.1x	London, UK
LCM Credit Opportunities Fund IV	\$4,433.6	April 11	2.1x	London, UK
Allianz Global Diversified Private Debt Fund	\$3,599.0	April 20	1.9x	Frankfurt, Germany

Source: PitchBook • Geography: Global
*As of June 30, 2023

Top FoF to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
Anhui New Generation Information Technology Fund of Fund	\$1,780.9	June 5	N/A	Hefei, China
Monte Rosa Fund VI	\$1,600.0	May 4	1.4x	London, UK
Private Equity Core Fund X	\$982.9	June 26	1.6x	Chicago, US
Anhui Conch Cement Haitong Industrial Internet Fund of Fund	\$711.0	June 7	N/A	Wuhu, China
Anhui Advanced Manufacturing FoF	\$470.8	June 30	N/A	Beijing, China

Source: PitchBook • Geography: Global
*As of June 30, 2023

Top secondaries funds to close in Q2 2023 by size*

Fund	Size (\$M)	Close date (2023)	Step-up	HQ location
Adams Street Global Secondary Fund 7	\$1,500.0	May 31	1.4x	Chicago, US
Pantheon Credit Opportunities fund II	\$590.0	May 15	N/A	London, UK
AIP Secondary Fund I	\$400.0	April 19	N/A	Singapore
Velocis Secondary Partners III	\$170.0	April 21	4.1x	Dallas, US
Novirian Palomar III	\$30.0	June 29	1.0x	San Francisco, US

Source: PitchBook • Geography: Global
*As of June 30, 2023

Additional research

Private markets



2023 Global Fund Performance Report as of Q4 2022 with preliminary Q1 2023 data

Download the report [here](#)



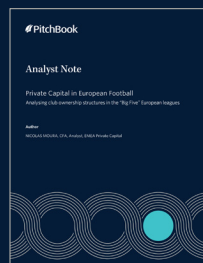
July 2023 Global Markets Snapshot

Download the report [here](#)



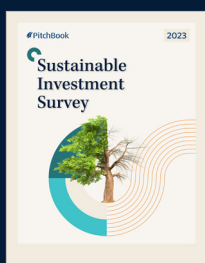
2022 Global Manager Performance Score League Tables

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Q3 2023 Analyst Note: Private Capital in European Football

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2023 Sustainable Investment Survey

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Q2 2023 Analyst Note: How Tough Is the Fundraising Environment Actually?

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