PitchBook

Q3 2023

GLOBAL

Private Market Fundraising Report

Contents

YoY fundraising changes by strategy (trailing four quarters)*

Strategy	Capital raised ($B)	YoY change
Private equity	$510.4	-6.5%
Venture capital	$170.2	-53.5%
Real estate	$134.9	-8.9%
Real assets	$24.9	-85.6%
Debt	$201.8	-24.4%
Fund of funds	$38.7	-24.1%
Secondaries	$83.1	57.2%
Private capital	$1,164.0	-27.4%

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

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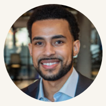

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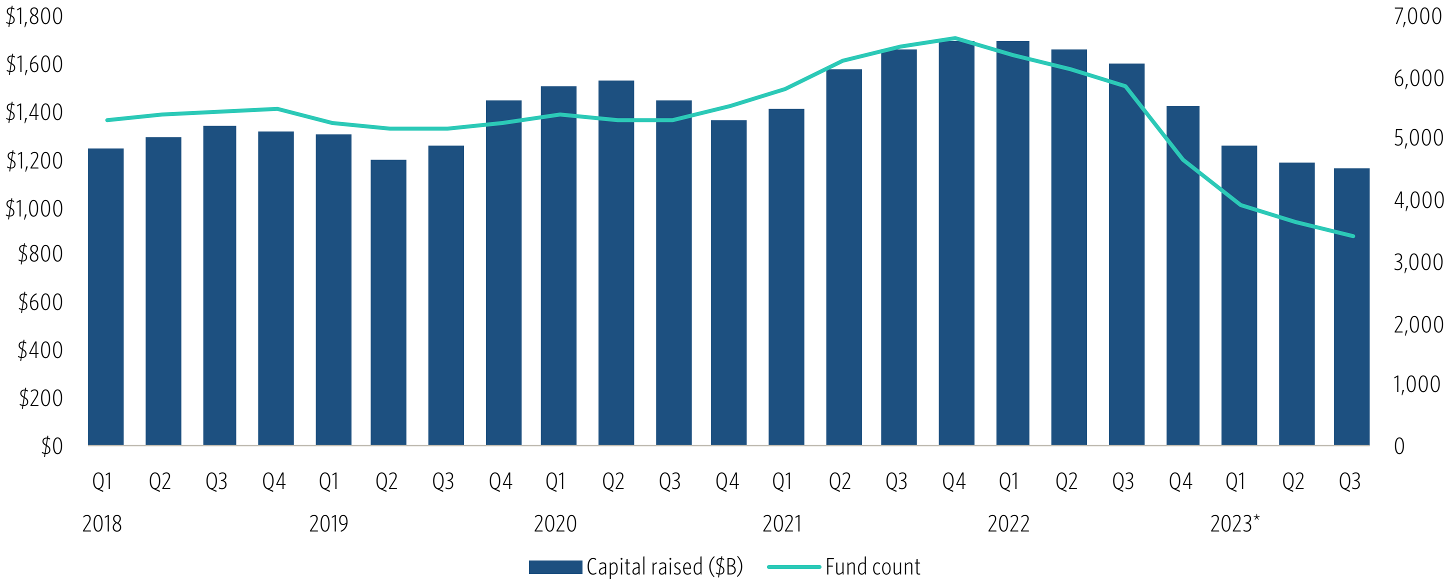
Click here for PitchBook's report methodologies.
Click here for PitchBook's private market glossary.

Overview

Rolling 12-month private capital fundraising activity



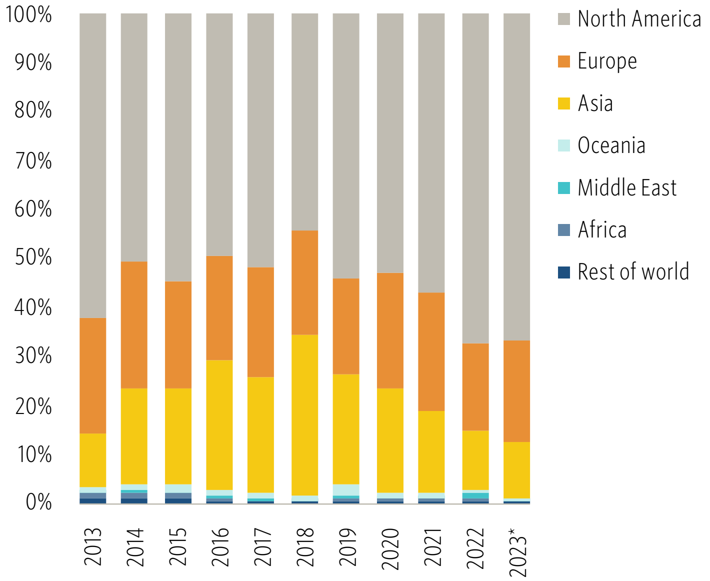
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Hilary Wiek, CFA, CAIA
Senior Strategist

It appears that fundraising has continued to be difficult in the year through September 2023, with the usual caveat that our most-recent fundraising data is understated due to the difficulty of quickly uncovering fund closings, particularly on smaller funds and smaller managers. But to make an apples-to-apples comparison, contrasting the current one-year figures to what we were reporting a year ago, overall private capital raised is down about 14%, with the number of funds raised only down about 2%. Interestingly, despite industry-wide complaints about how tough the fundraising environment is, over 3,400 funds have closed in the past year. It may be tough, but many funds have managed to reach the finish line.

By share of capital raised, Europe grew in 2023, reversing the steep decline from 2021 to 2022. At 20.9%, Europe crept back toward its more typical share of around 23%. Recently, North America has garnered an outsized share of fundraising flows, coming in at 67.6% in 2022 and 66.8% in 2023 thus far. Asia is still well off its 32.9% high in 2018, coming in with only an 11.1% share of capital raised. Given geopolitical

Share of private capital raised by region



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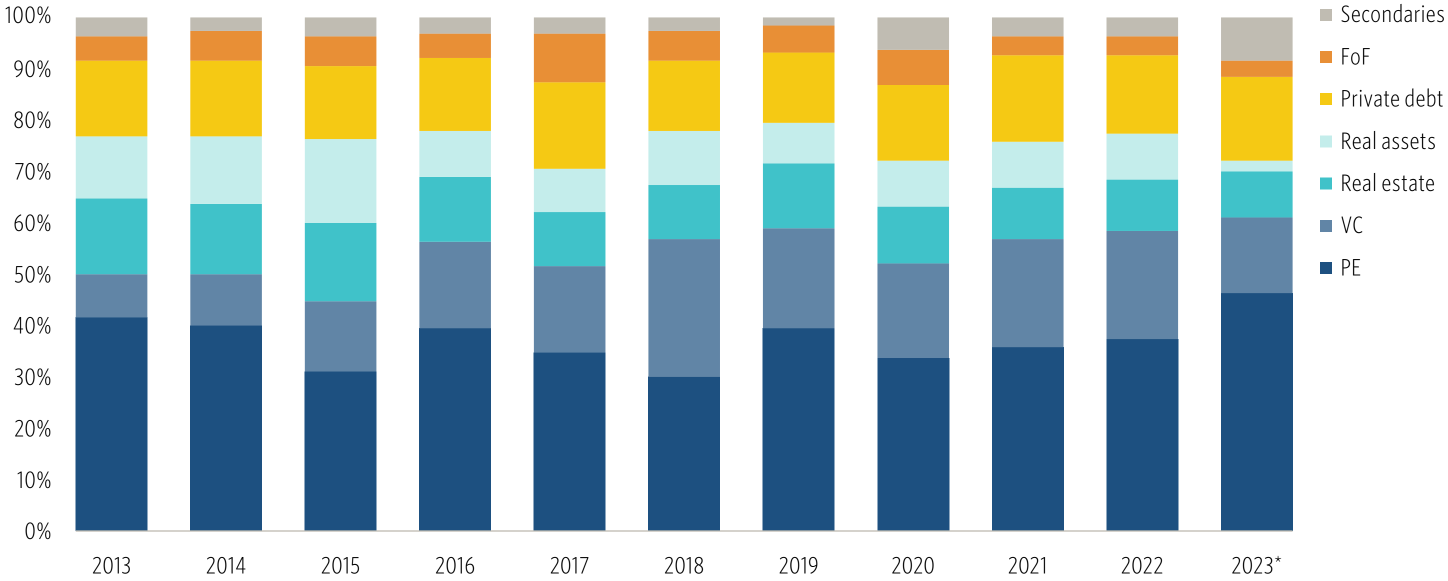
*As of September 30, 2023

Share of private capital raised by type



Source: PitchBook • **Geography:** Global
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rumblings and the US-based Outbound Investment Program Executive Order,[1] it is not surprising to see a further fall in the Asian share of private fund commitments. Other regions have accounted for only miniscule amounts of fund commitments, but the criteria used for sorting a fund into a geography only allows one location, so the fact that many of the global megafunds may be slotted into North America or Europe means that the rest of the world likely has more capital available than shows up in the regional numbers.

Looking across strategies, PE has gained share in 2023, while VC has fallen well off. VC peaked at 26.6% of capital raised in 2018 but dropped down to 14.8% in the aftermath of the short-lived pandemic-era froth. Despite rising interest rates, LPs appear to be favoring re-ups to PE over taking a chance on VC when valuations still seem to be inflated. With more and more funds despairing of the extended cessation of exit activity, secondaries funds have come to the fore in fundraising, hoping to capitalize on a wave of continuation vehicles set up to allow fund managers to make an orderly exit at a more profitable time in the future. Secondaries hit a record 8.6% share of fundraising in 2023 through September. Private debt, which seems to be on everyone's mind this year, has not quite matched its 2017 record share of 16.7%, but we do show that seven private debt funds of over $1 billion from the likes of Ares, Brookfield, and Oak Hill Advisors have closed since the end of September, which may put this asset class into a record position by year-end.

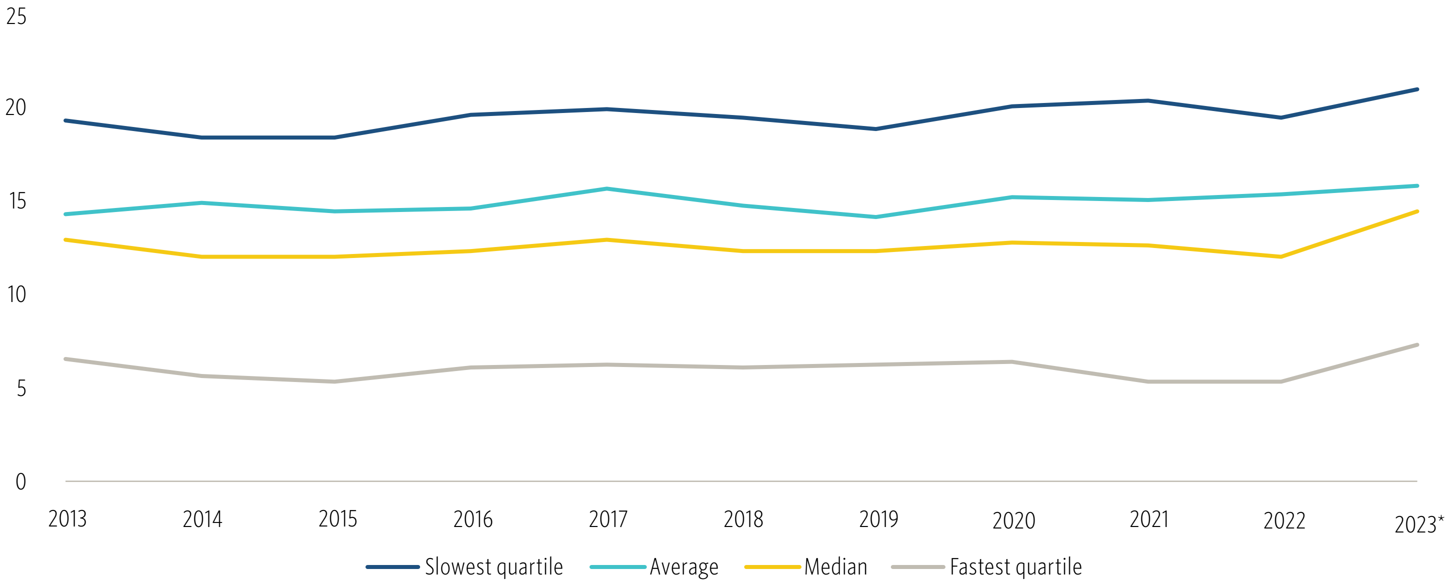
While six of the top 10 funds raised in Q3 2023 were buyout funds, two were private debt and two were secondaries, showing that those two strategies are now firmly ensconced among the ranks of the megafunds. Every fund in that top 10 was larger than $5 billion in capital commitments. It may be a difficult fundraising environment for most, but a lot of money is still flowing to some players.

1: "Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern," The White House, Joseph R. Biden Jr., August 9, 2023.

SPOTLIGHT

To the GPs—it is going to take longer than you may think

Time (months) to close for private capital funds



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

Hilary Wiek, CFA, CAIA
Senior Strategist

When I first started reading PE limited partnership agreements (LPAs) in the late 1990s, it was typically stated that the fund manager would cease fundraising activities within one year of the first close of the fund. This was to ensure that the time and attention of the investment team would not be unduly absent from the running of the fund's investments, particularly given that funds tend to overlap, and the fund being raised typically has a predecessor also needing time and attention. Large LPs and investment consultants usually expect to meet with members of the investment team when prospecting a fund, which can be a distraction from sourcing, managing, and exiting portfolio companies. The due-diligence process is necessary to build trust with prospective LPs, but it is a time-consuming exercise for fund managers, so the LPAs attempted to contain this period to 12 months.

During the Global Financial Crisis (GFC), many managers in the market with their next fund had to go to their LPs to ask for an amendment to the LPA to allow for more time to fundraise as commitments slowed dramatically and the initial timeline was deemed insufficient. Even after the GFC, the dramatic increase in the size of funds at the top end, combined with the scaling back of corporate pensions, kept the time to fundraise longer than before the GFC. Funds either kept the one-year language and delayed the first closing as long as possible or changed the language in the LPAs to extend the allowable period. In reviewing the Model Limited Partnership Agreement document provided by Institutional Limited Partners Association,[2] the one-year language is still recommended, but it is apparent that this guidance has not been universally adopted, based on the time-to-close data.

2: "Model Limited Partnership Agreement," Institutional Limited Partner Association, n.d., accessed November 16, 2023.

Time (months) to reach a final close for funds closed in 2023*

	Fastest quartile	Median	Slowest quartile
Private equity	7.2	13.9	21.1
Venture capital	5.5	12.8	19.4
Real estate	7.6	13.4	19.7
Real assets	14.1	17.2	36.0
Private debt	14.6	19.2	24.7
Funds of funds	17.9	21.7	24.0
Secondaries	12.6	18.9	25.2
All private capital	7.4	14.5	21.1

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

Looking across the whole private capital funds universe in 2023, we show that, of the funds that closed (there is a downward bias here, as it does not include the funds that are still open and languishing), the average time to close was 15.8 months, while the median time to close was 14.5 months. In the chart illustrating months to close, the funds in the slowest quartile have little to celebrate, as they took 21.1 months or more to close, while the fastest quartile funds took up to 7.4 months. That said, 2012 was the last time the fastest quartile's time to close a fund was that long, showing that even the funds with the easiest time raising a fund are taking a little longer.

There has been some variation in the time it takes to raise a fund across different strategies. PE, which tends to have fund-size targets well above VC, has had a higher median time-to-close figure this year. But FoF have had the most difficult time, taking nearly two years to close. This may be by design, as some FoF have annual or biannual programs to nearly always have a fund in the market so that their LPs never have to look anywhere else for their vintage year diversification. It is surprising that the median time for 2023's private debt funds to close is 19.2 months, given how hot the topic has been on the conference circuit. Some private debt funds likely launched early for the trend but were happily able to reach a close now that LPs have set their sights to these funds on the back of high interest rates.

It should be noted that the first Form D filing,[3] particularly for US funds, is the typical moment when we start the timer on the time to close a fund. A fund can be in the market for some time before it schedules the initial closing, so the one-year-until-final-close provision may technically still be the practice in many cases. This technicality may not be well understood by first-time fund managers, however. Over and over, we hear from first-time or emerging fund managers that they are surprised how long it takes to raise a fund, with the expectation seeming to be that one year is a good rule of thumb. Our data shows that one year is likely unrealistic.

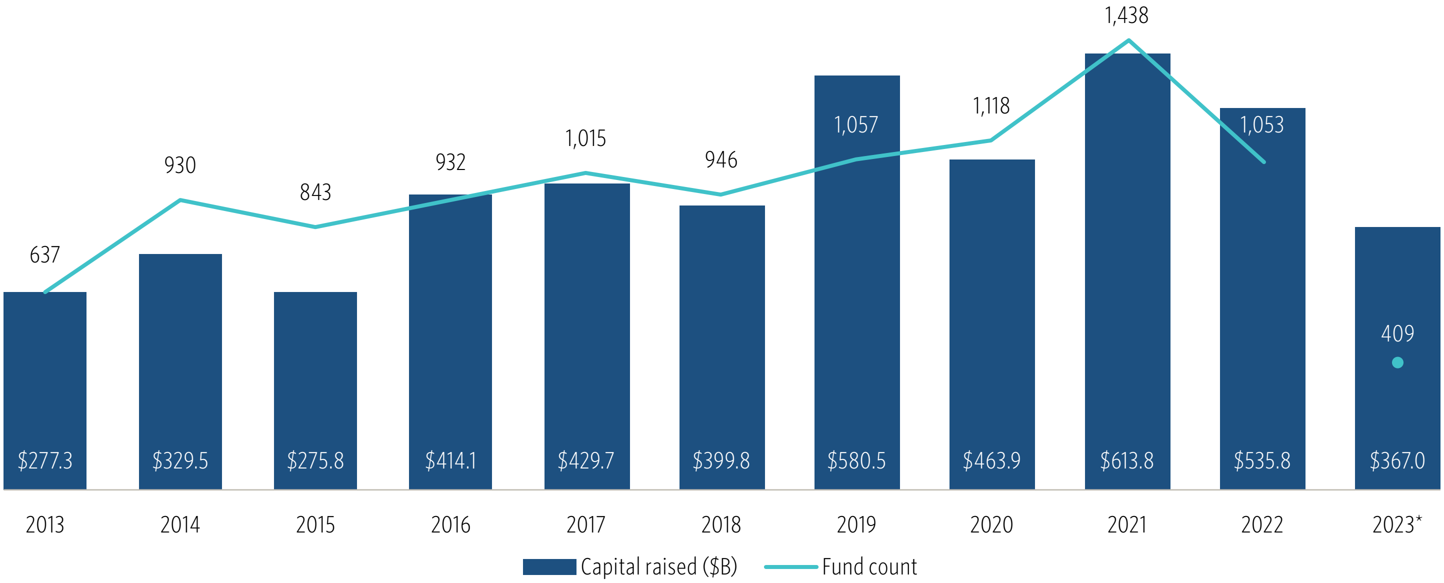
In an analysis of the 274 first-time funds that had a final closing in the first nine months of 2023, the largest ones to close had some sort of pedigree, backing, or focus area, such as climate, that drew investors. The largest, Patient Square Equity Partners, launched with several members who had been part of a large PE firm's healthcare team. The firm raised $3.9 billion for its inaugural buyout fund, but it took 1.6 years to close the fund. Infranity Senior Infrastructure Debt Fund not only hit the hot spots of infrastructure and private debt, but is also part of the Generali Investments ecosystem in Europe. That fund closed above target at $1.8 billion, but it took over 2 years to close. The largest first-time fund to close in less than a year was Rakiza Fund, which raised $1 billion for its infrastructure strategy. One LP, Saudi Arabia's Public Investment Fund, made up $778 million of the total, but we show it still took 231 days to close.

When asked by emerging fund managers for fundraising advice, the first piece of wisdom is to be patient. First-time funds will always have a difficult time, but in a year when even experienced managers are complaining about their time to close, resetting expectations will be important for appropriate planning.

3: "Filing a Form D Notice," US Securities and Exchange Commission, April 6, 2023.

Private equity

PE fundraising activity



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

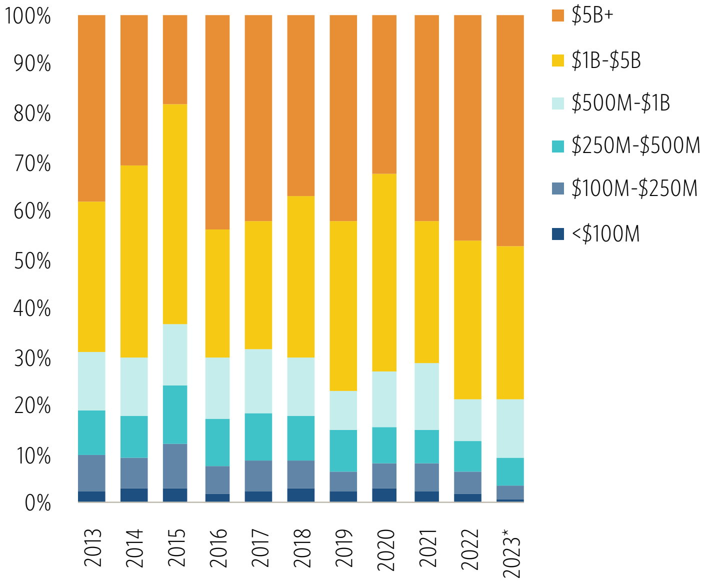
Kyle Walters
Associate Analyst, Private Equity

Private equity fundraising kept chugging along in Q3, with 129 funds raising $133.4 billion. Despite Q3 being the year's lowest quarter for the total number of funds closed, it was the year's best quarter in terms of total capital raised. Taking a broader view of the year, capital raised in 2023 is tracking to finish from flat to approximately 5% higher compared with last year. In 2023, megafunds—funds sized $5 billion or larger—have accounted for 47.2% of all capital raised. Q3 witnessed the successful closing of six megafunds, with the standouts being CVC Capital Partners' mammoth Fund IX, which secured a record-setting $28.6 billion, and Clayton, Dubilier & Rice's Fund XII, which raised $26.0 billion, making it the second-largest buyout fund ever raised, tied with Blackstone's Capital Partners VIII from 2019. The remaining four funds were considerably smaller at between $5 billion and $5.5 billion each. Q3 megafund closings surpassed Q2 to the tune of $7.0 billion.

Middle-market PE fundraising is highly elevated at 64.0% of all PE funds closed YTD by count. This is compared with a 10-year average of 50.1% and may result in 2023 setting an all-time high for middle market's share of funds closed. This growth can be attributed, in part, to more favorable valuations in the lower end of the market, and also to the search by LPs for strategies that specialize in certain niches. Additionally, traditional LPs face constraints in the commitment amounts they can make to sponsors. While middle-market fundraising remains in favor, there are several open megafunds from the likes of Blackstone, EQT, and Vista Equity Partners that have already surpassed $17 billion in size. Each of these fund managers has indicated it will extend into 2024 before holding a final closing.

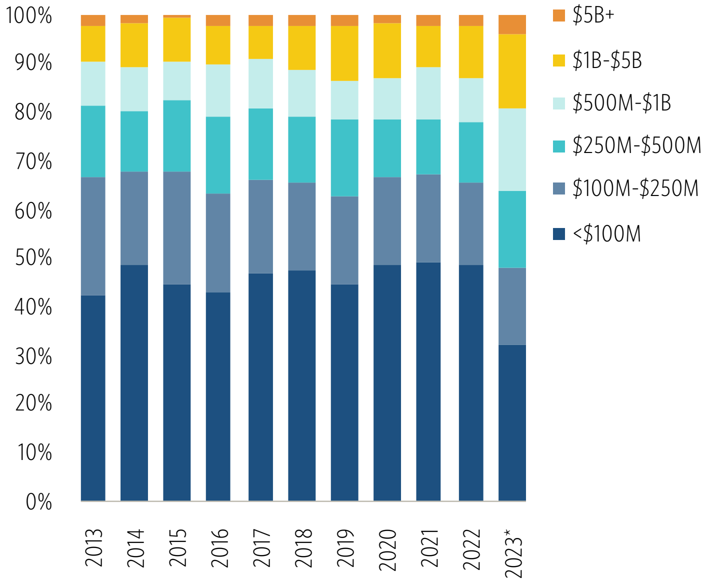
North America has led in global fundraising, accounting for 68.5% of all capital raised, totaling $251.6 billion YTD. However, Europe's share of raised capital has witnessed a surge, nearly doubling from 15.4% in 2022 to 26.4% through Q3 2023. Europe has already amassed $96.9 billion, surpassing the total raised in 2022, with a large chunk of this coming from the CVC fund as well as Permira's Fund VIII, which raised $17.8 billion earlier this year.

Share of PE capital raised by size bucket



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

Share of PE fund count by size bucket



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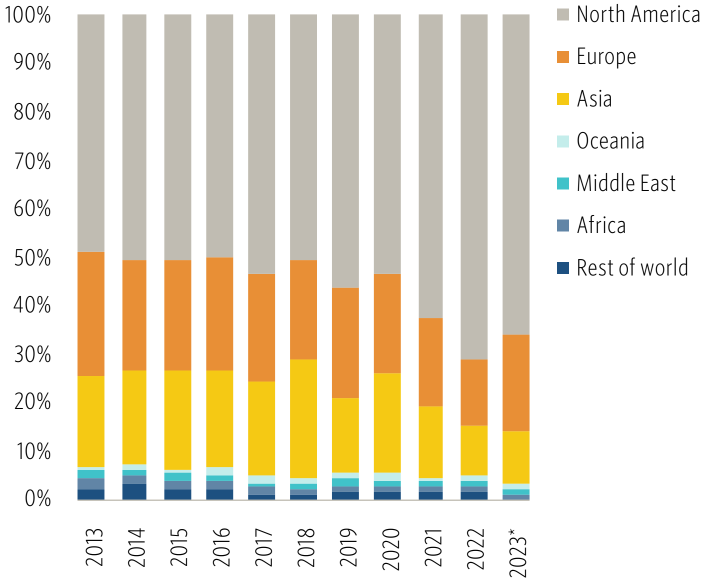
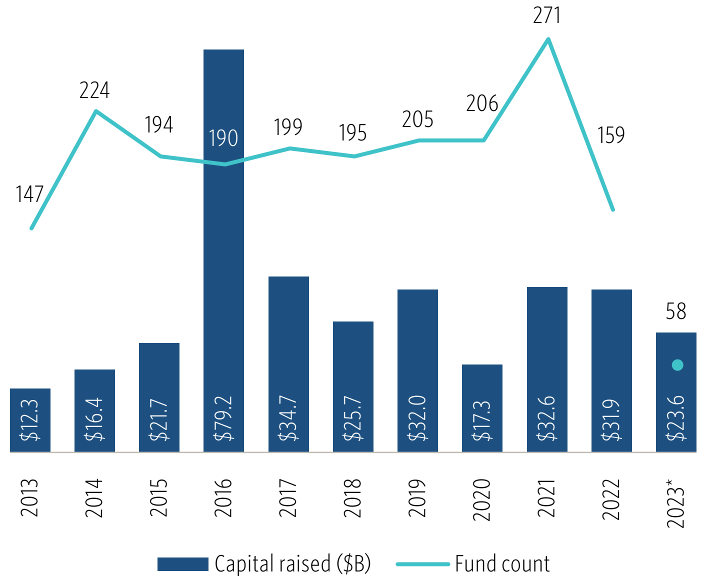
Share of PE capital raised by region



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

PE first-time fundraising activity



Source: PitchBook • **Geography:** Global
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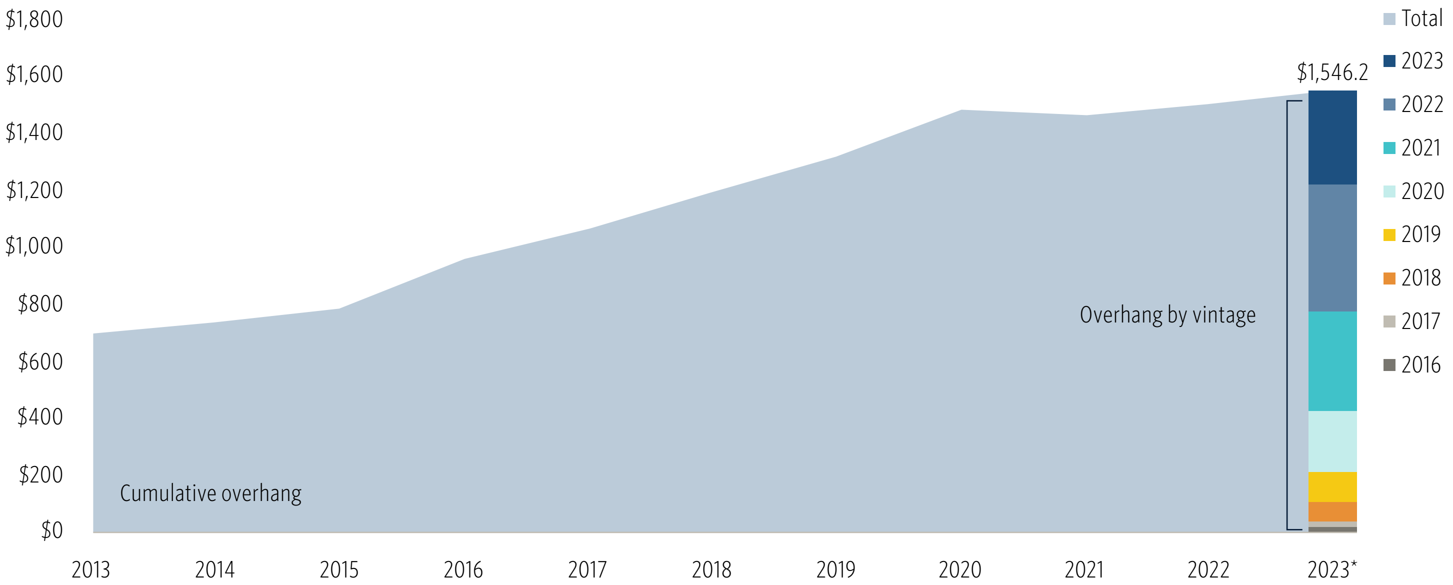
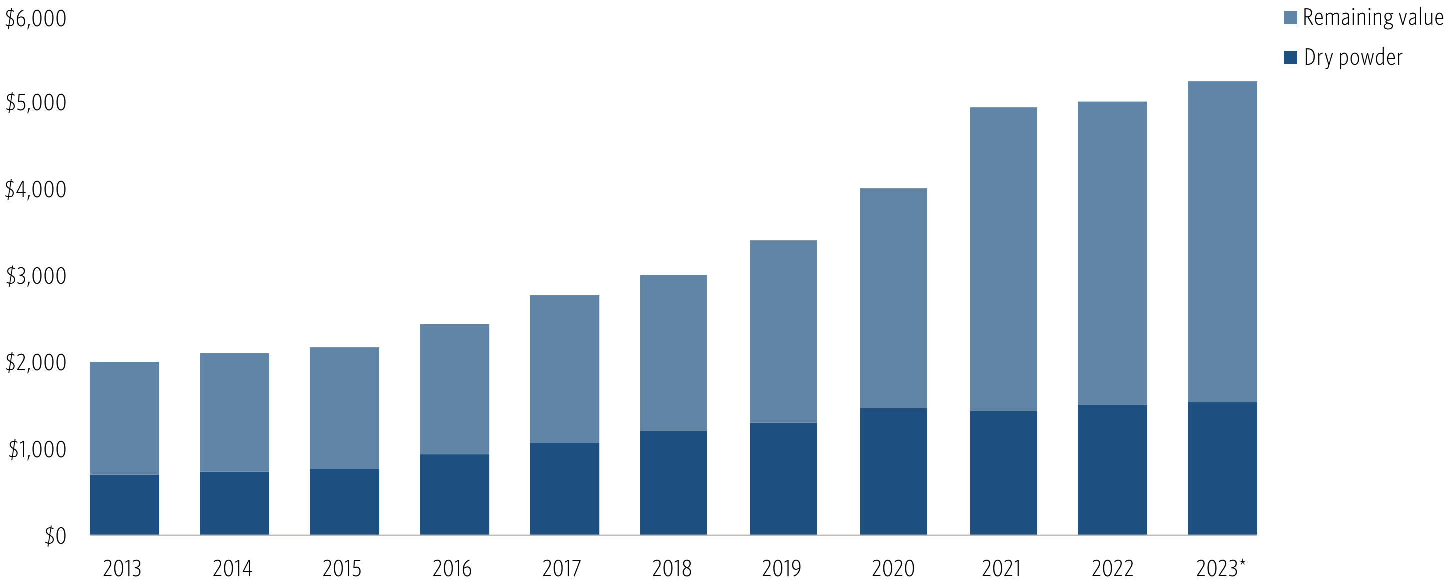
PE dry powder ($B) by vintage



Source: PitchBook • **Geography:** Global
*As of March 31, 2023

PE AUM ($B)



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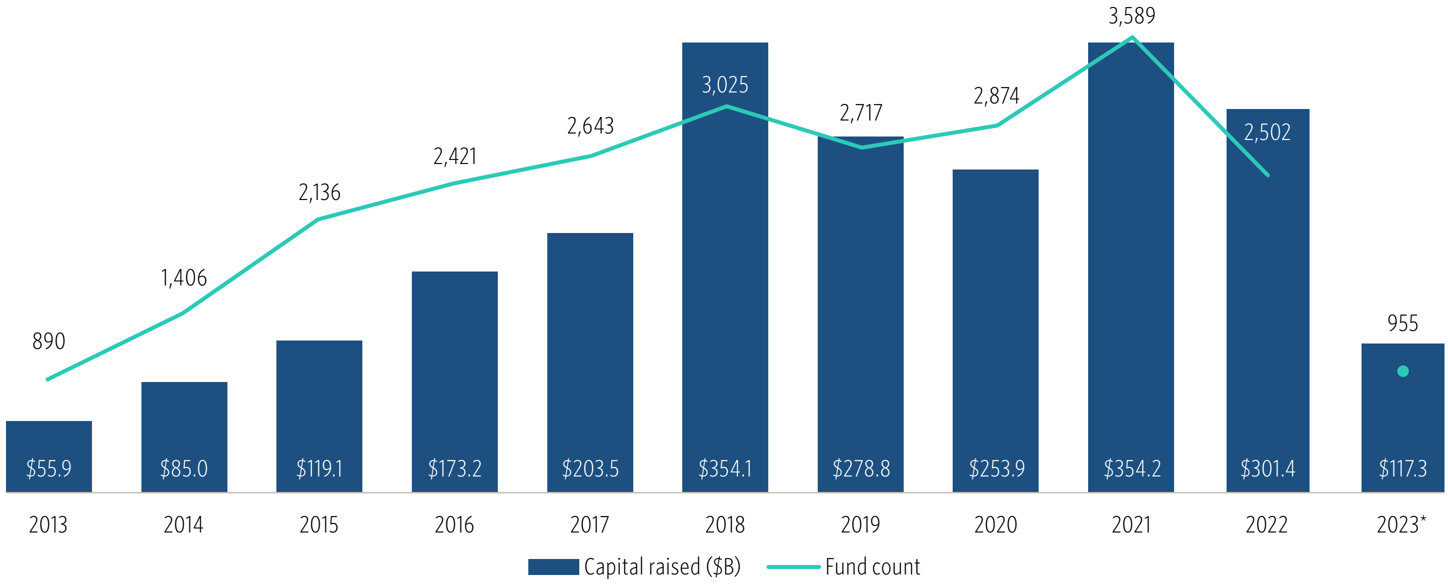
Venture capital

VC fundraising activity



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

Vincent Harrison
Analyst, Venture Capital

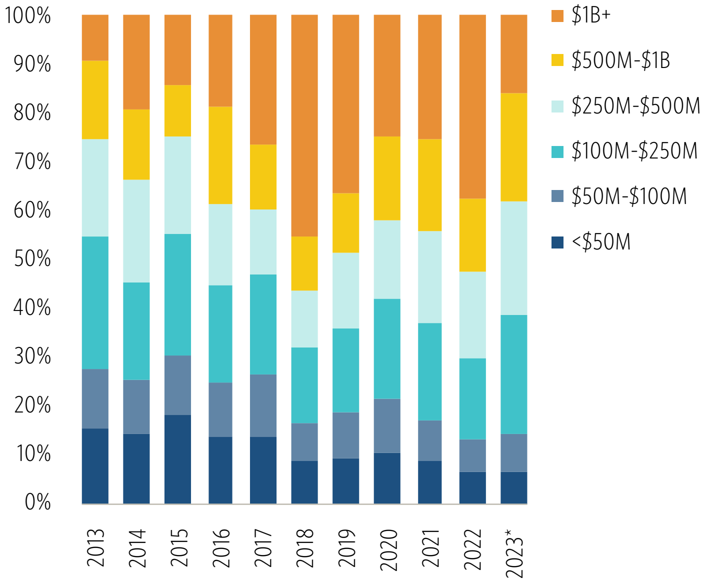
Global VC fundraising has continued to decline through the third quarter of the year. As of Q3, we have observed just $117.3 billion of capital raised across an estimated 955 funds; even considering impending Q4 data and the data lag from funds being added to our data set over time, it is likely that the annual fundraising figure for 2023 will hover around $150.0 billion, marking the lowest total since 2015.

As covered in our Q2 2023 Analyst Note: The Transient Era of Billion Dollar Funds, a predominant factor has been the decline in the number of the $1 billion-plus funds that have historically made up a significant portion of total capital commitments. From 2017 to 2022, funds of more than $1 billion have accounted for anywhere between 26.8% and 45.6% of the total amount raised by fund managers. However, in 2023, just 16.3% of total commitments have come from funds of this size, the smallest proportion since 2015. This decline, stemming from several factors, is notably influenced by the dearth of exit opportunities for VC-backed startups, which, since the second half of 2022, has curtailed the return potential for funds and constrained the volume of capital that can be recycled back into the VC ecosystem.

The current economic environment has presented significant challenges for first-time VC fund managers. Given the prevailing economic uncertainty, LPs are particularly inclined to seek out funds with established track records and demonstrated success in navigating challenging market conditions. These elements are often underrepresented in first-time and emerging fund managers, especially amid a scarcity of exit opportunities. 2023 YTD data indicates a substantial decline in first-time VC fund manager fundraising, with only $11.6 billion raised across 183 funds, marking a stark downturn from the $25.6 billion amassed by 556 funds in 2022 and representing the lowest annual fundraising total for first-time managers since 2013.

With just one quarter remaining in 2023, we anticipate fundraising to remain sluggish through the end of the year as prevailing economic conditions are unlikely to change. However, should we observe a resurgence in the IPO market or a decline in interest rates in 2024. It is possible that an upturn in LP sentiment will follow soon after, resulting in an influx of capital into the VC ecosystem.

Share of VC capital raised by size bucket



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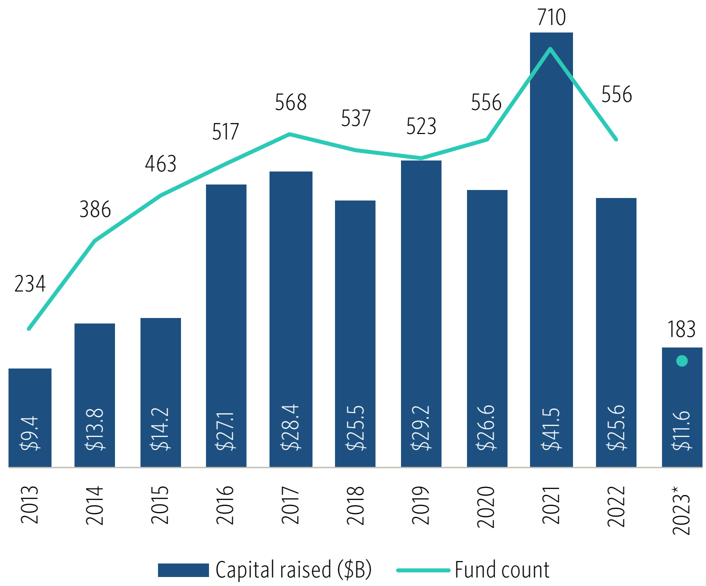
VC first-time fundraising activity



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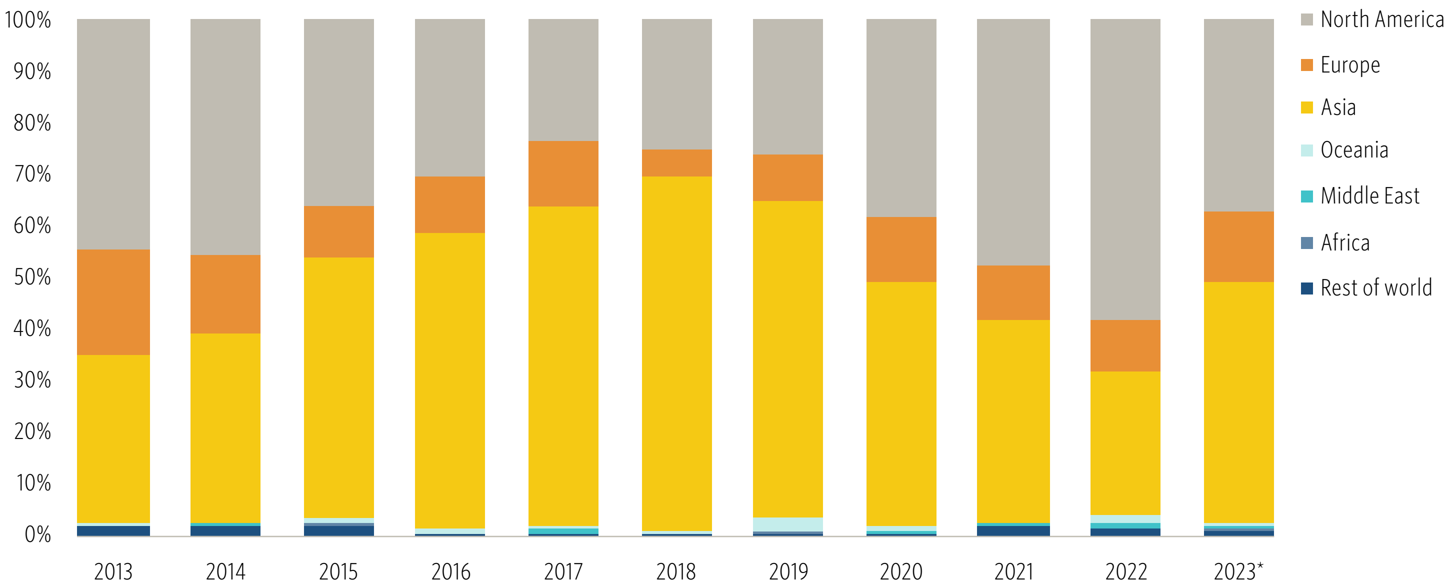
Share of VC capital raised by region



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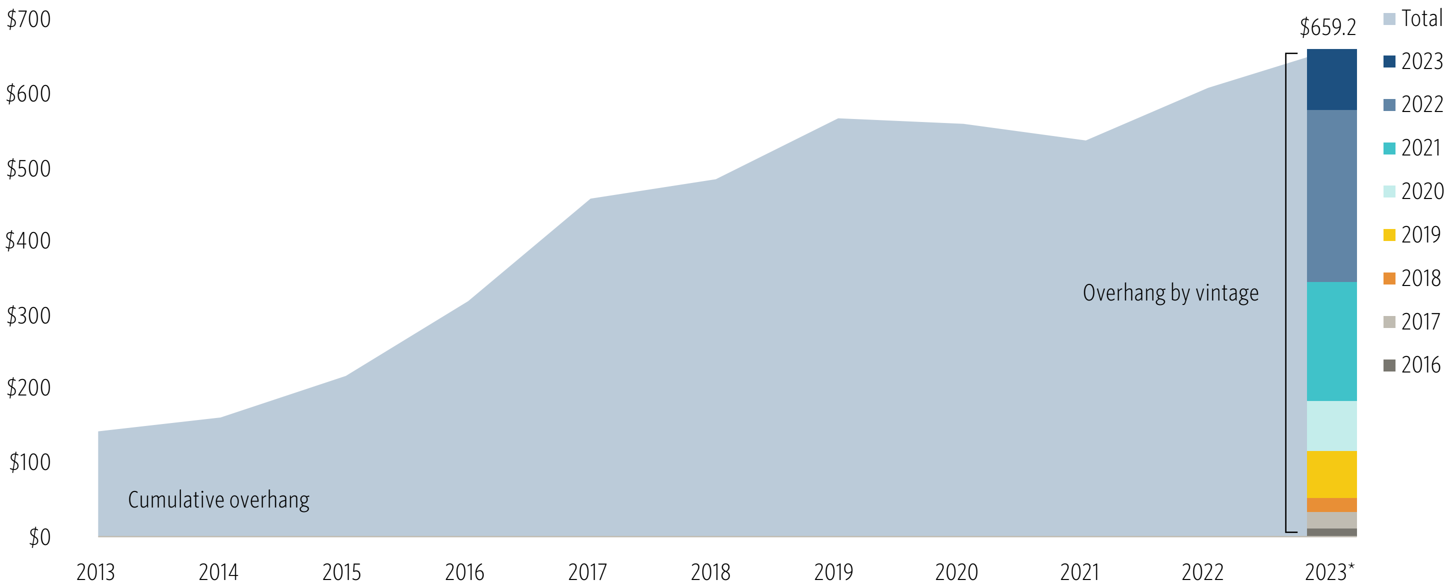
VC dry powder ($B)



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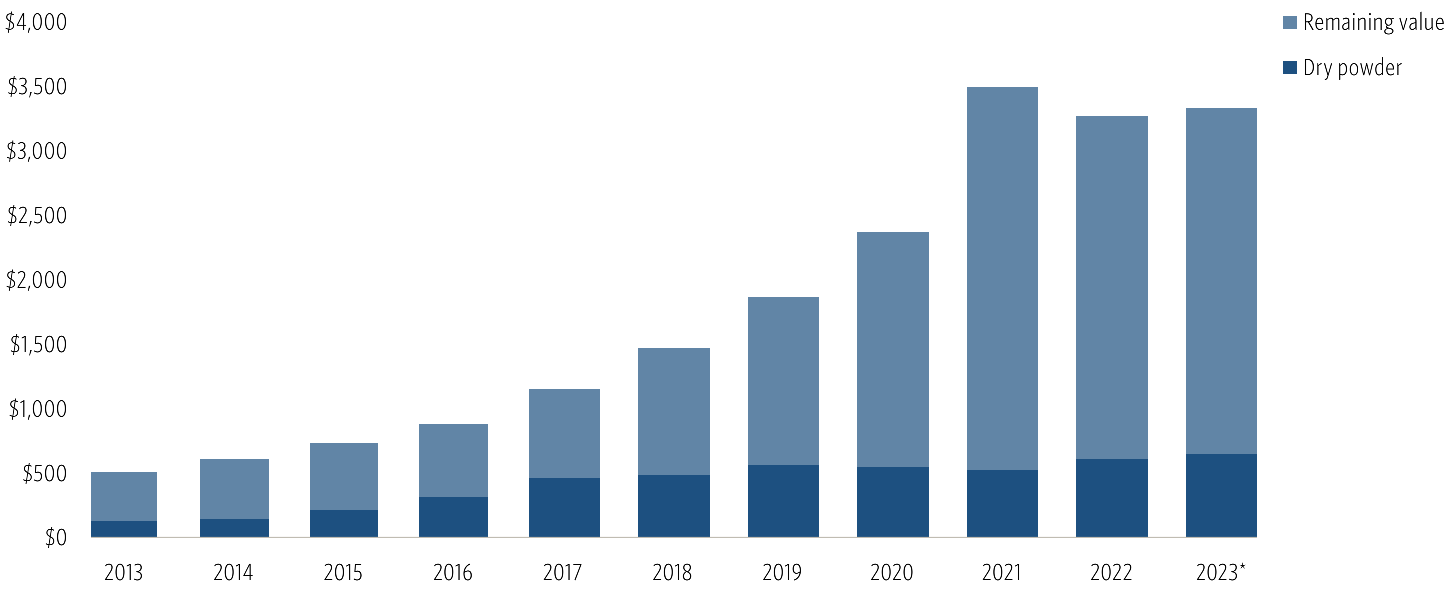
VC AUM ($B)



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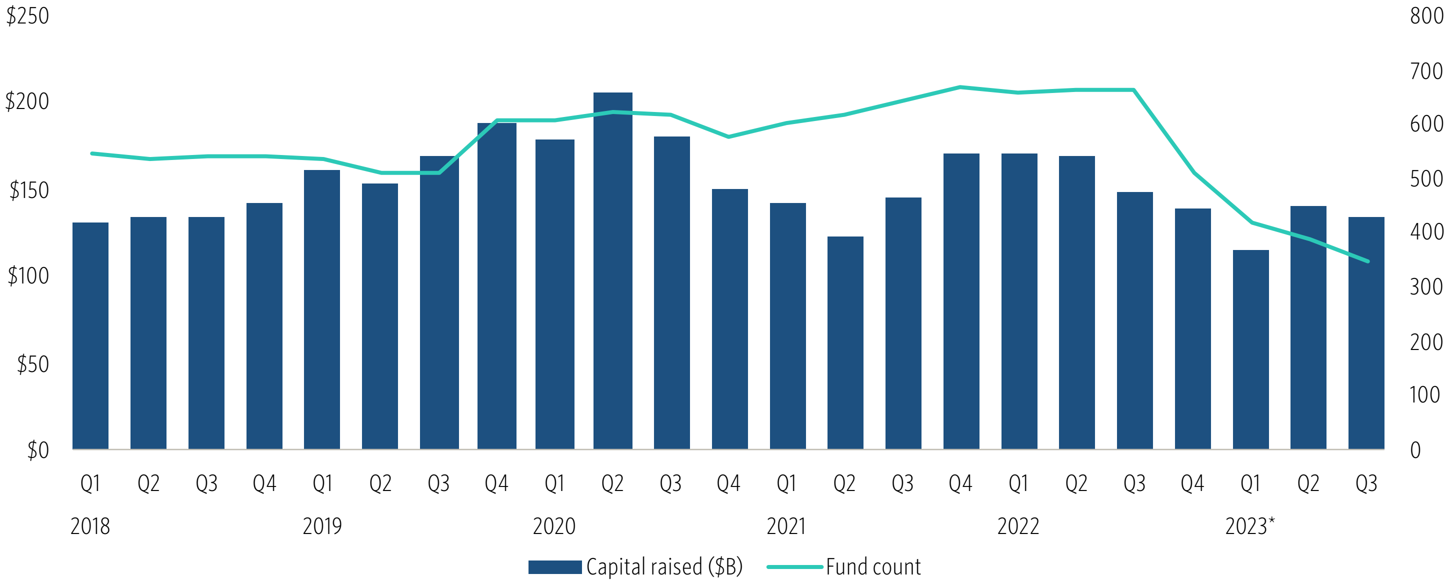
Real estate

Rolling 12-month real estate fundraising activity by quarter



Source: PitchBook • **Geography:** Global
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Anikka Villegas
Analyst, Fund Strategies & Sustainable Investing

Private real estate fundraising remained slow, but not fully stagnant, through Q3 2023, with $70.1 billion raised by 115 vehicles in the first three quarters of the year. As LPs attempted to select the GPs that were best equipped to brave the macroeconomic environment and the knock-on effects of anticipated real estate market corrections, experienced managers were favored heavily. The category received 96.3% of commitments, a higher proportion than in any previous full year. Allocators gravitate to experienced managers in unfavorable conditions for multiple reasons, with one of the most significant being access to seasoned investment professionals that have been through—and learned from—multiple economic and real estate market cycles. Tried-and-true fund strategies also dominated, with an uncharacteristically high 72.2% of capital allocated to funds that were fifth or later in their fund family, as did large funds, with 84.8% of capital in those over the $1 billion mark. With investors assuming more risk to achieve their desired returns, opportunistic and value-add funds received an even greater percentage of capital than usual, with 61.4% and 35.5%, respectively, while core-plus and distressed vehicles garnered 2.4% and 0.7%, respectively, and core funds received none within the closed-end fund universe.

Looking at the ten-largest real estate vehicles to close in Q3, industrial and residential themes were the most prolific by far, listed as areas of investment by seven funds each. More specifically, five of the vehicles targeting industrial will focus on logistics, with three doing so exclusively. Logistics rents are still growing across the globe, albeit more slowly than in previous years, and structural return drivers remain intact.[4] On the residential front, six of the largest funds are targeting multifamily properties, while one invests in single-family rental. Although discourse about housing-market downturns has deterred some investors, others have been drawn in by an undersupply of housing. Similarly, despite some concerns about the futures of the office and retail sectors, both made an appearance among the investment focuses of three vehicles in the top 10, indicating enduring interest.

4: "Activity Squeezed by Slowing Economy," JLL, n.d., accessed November 16, 2023.

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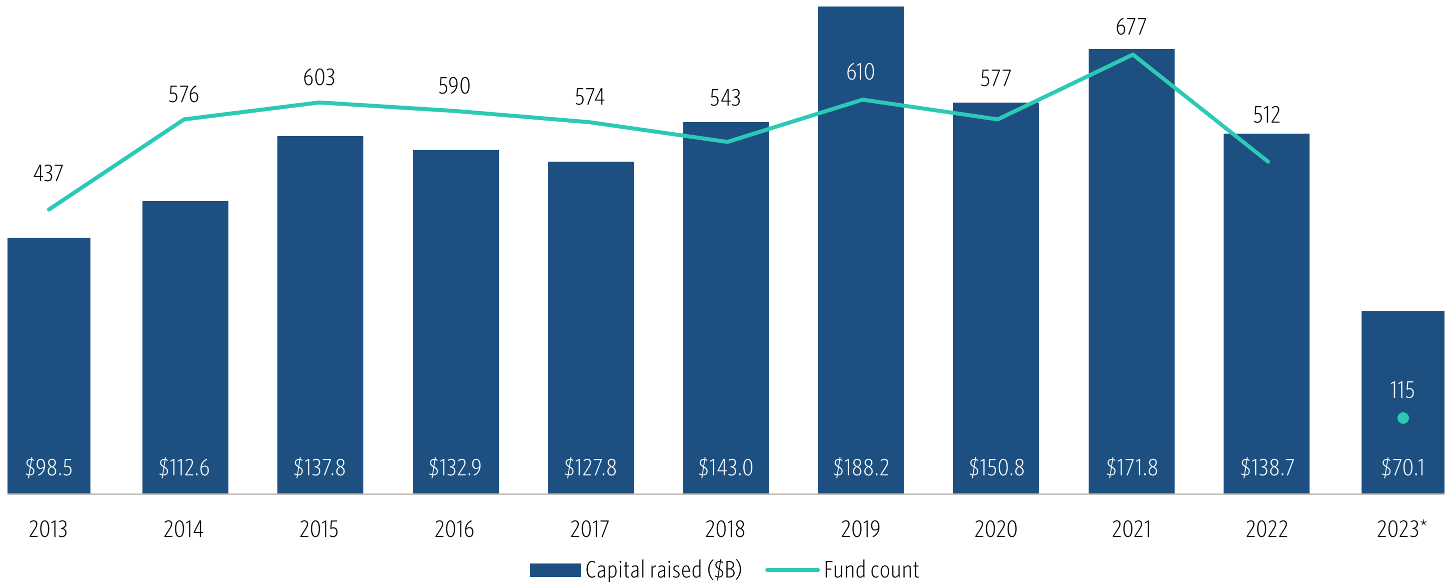
Real estate fundraising activity



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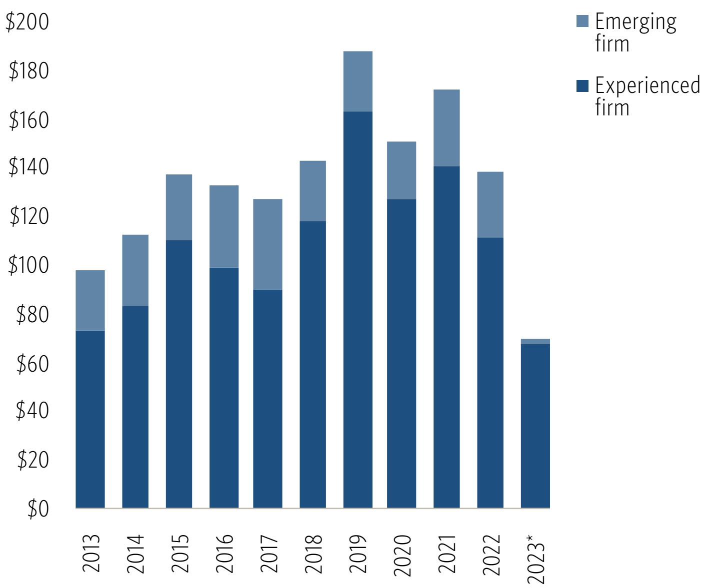
Real estate capital ($B) raised by manager experience



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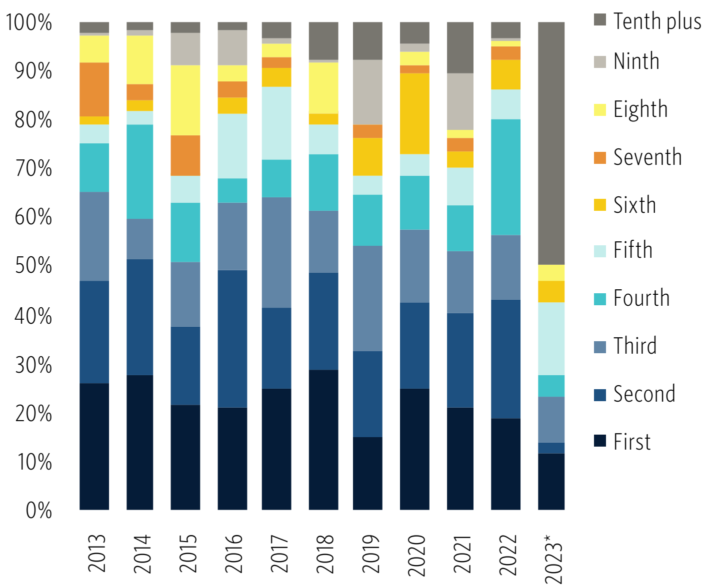
Share of real estate capital raised by fund number in family



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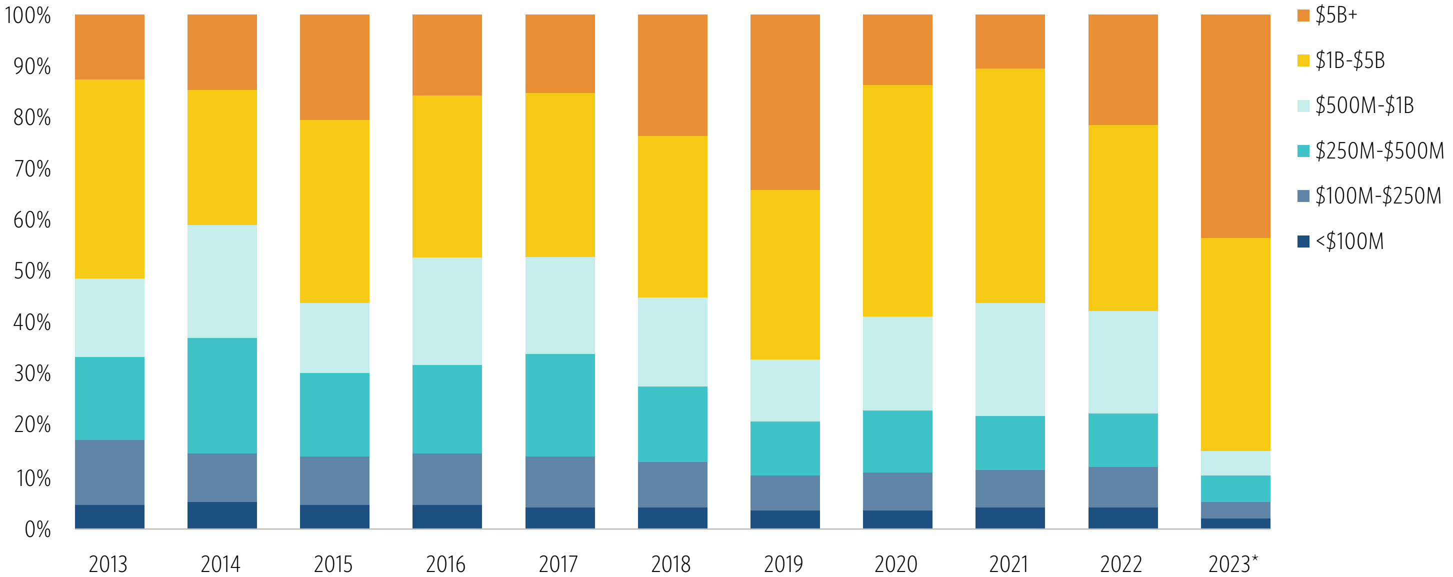
Share of real estate capital raised by size bucket



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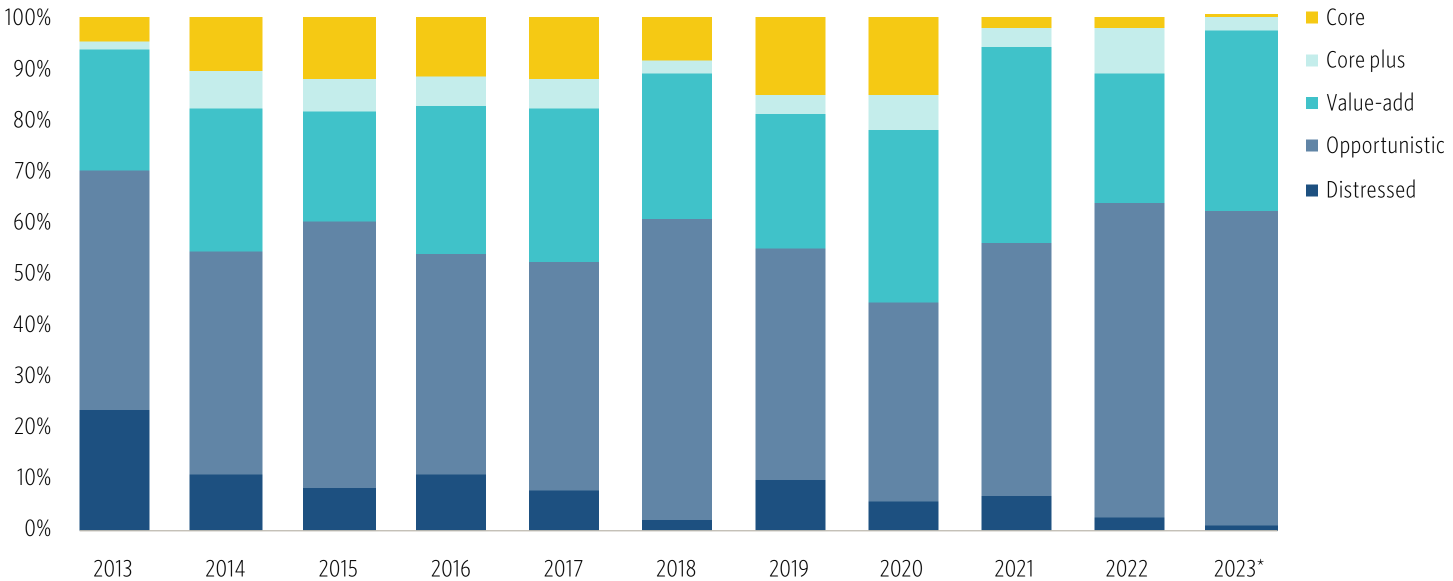
Share of real estate capital raised by type



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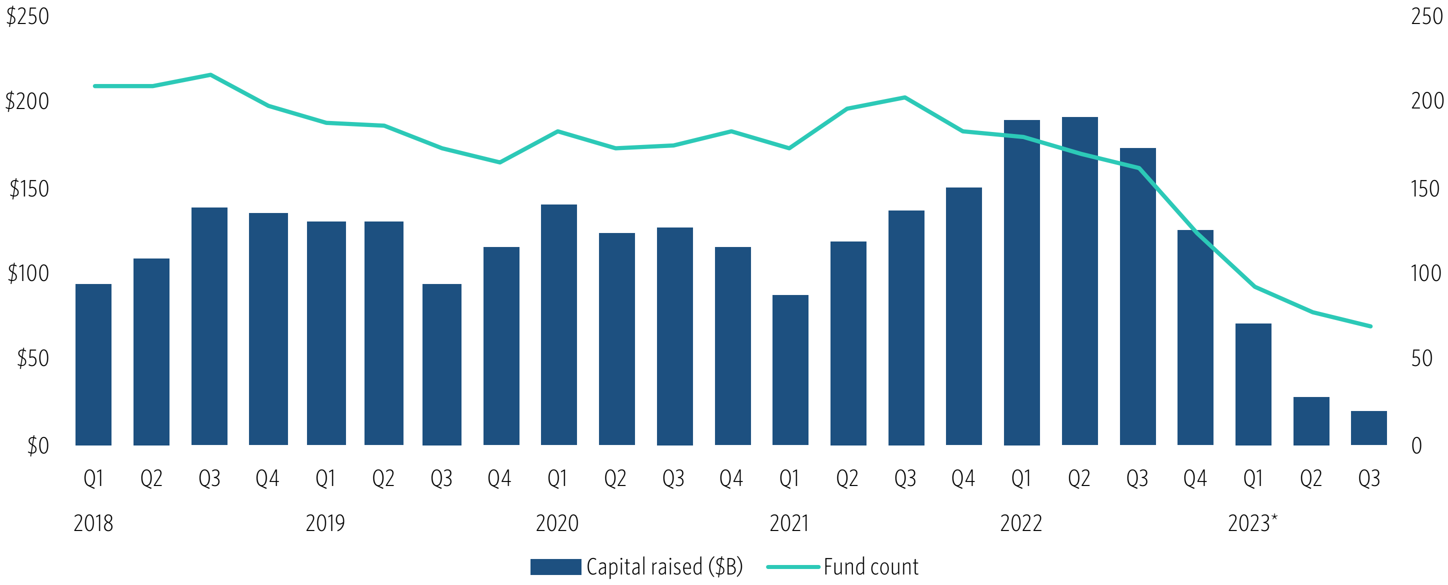
Real assets

Rolling 12-month real assets fundraising activity



Source: PitchBook • **Geography:** Global
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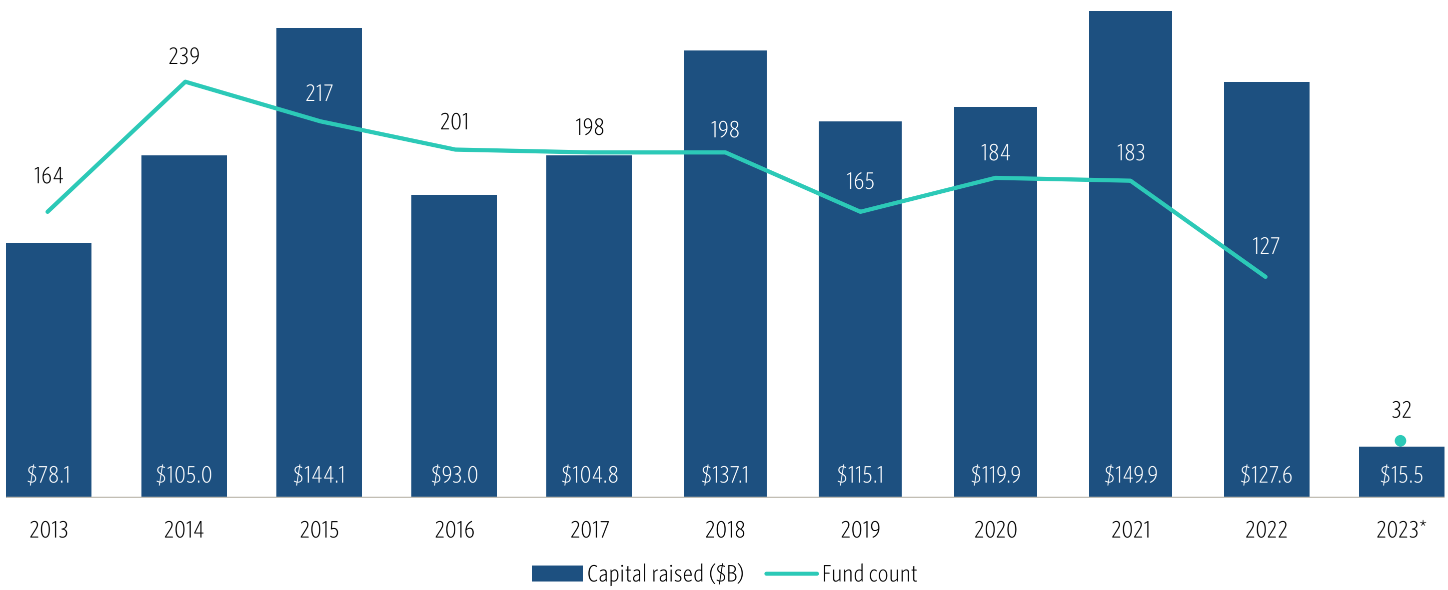
Anikka Villegas
Analyst, Fund Strategies & Sustainable Investing

Real assets fundraising had yet to pick up by the end of Q3 2023, with just $15.5 billion in commitments split among the 32 vehicles that closed in the first three quarters of the year. While these numbers will climb as more funds raised during the quarter are captured in our data, the asset class is on track to receive its lowest amount of committed capital in at least 15 years. For context, the $40.5 billion raised by 129 vehicles in 2011 was the previous post-GFC nadir. This divergence from the fundraising norms of recent years began in Q1 2023 and continued through Q3, with emerging firms earning half of the total commitments and megafunds being notably absent among funds closed, possibly because so many of the players raised massive funds in 2022, particularly for infrastructure. Geographically, fundraising was down across all major regions, but North American commitments appeared to be shrinking most dramatically. In 2022, the region closed on $85.8 billion, and in 2023 through Q3, that figure was $6.2 billion. Dividing by fund type, infrastructure comprised a much lower percentage of capital raised through Q3 than in previous full calendar years, at 57.6%, and oil & gas and the "other" category of real assets funds made up far higher proportions at 21.7% and 13.3%, respectively.

There were eight real assets funds raised in Q3 2023; four were infrastructure vehicles, two were oil & gas funds, one targeted timber, and one was a metals & mining fund. All four of the infrastructure funds intend to invest in the energy transition, targeting assets across renewable natural gas, solar, and wind, among other opportunities. The timber fund utilizes circular forestry principles to generate carbon credits. On the other side of the coin, the two largest vehicles to close in Q3 were oil & gas funds seeking to take advantage of the supply-demand imbalance stemming from underinvestment and the Russia-Ukraine war.

Real assets fundraising activity



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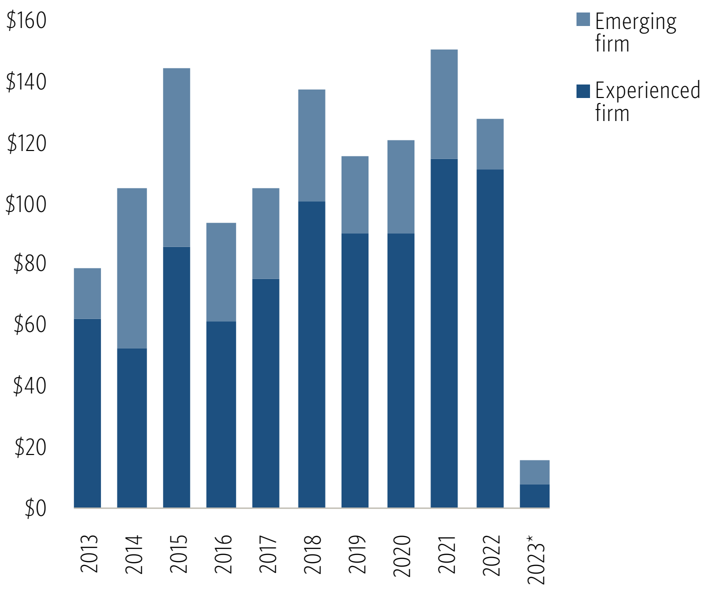
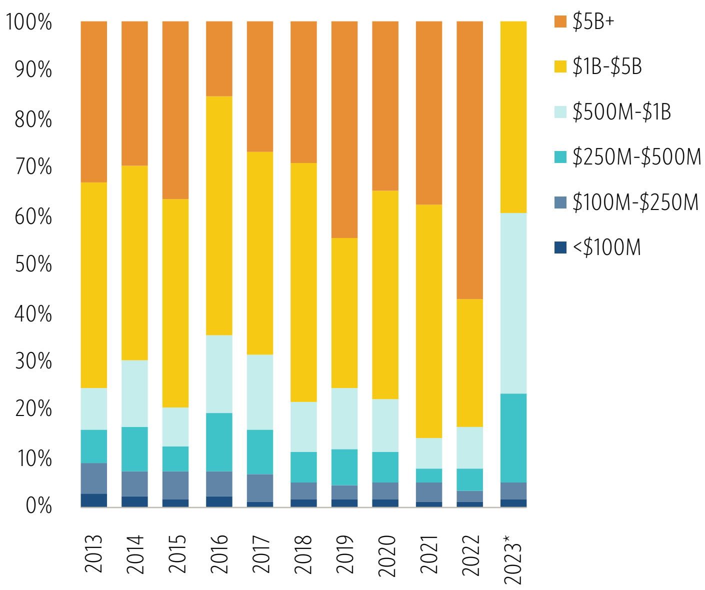
*As of September 30, 2023

Real assets capital raised ($B) by manager experience



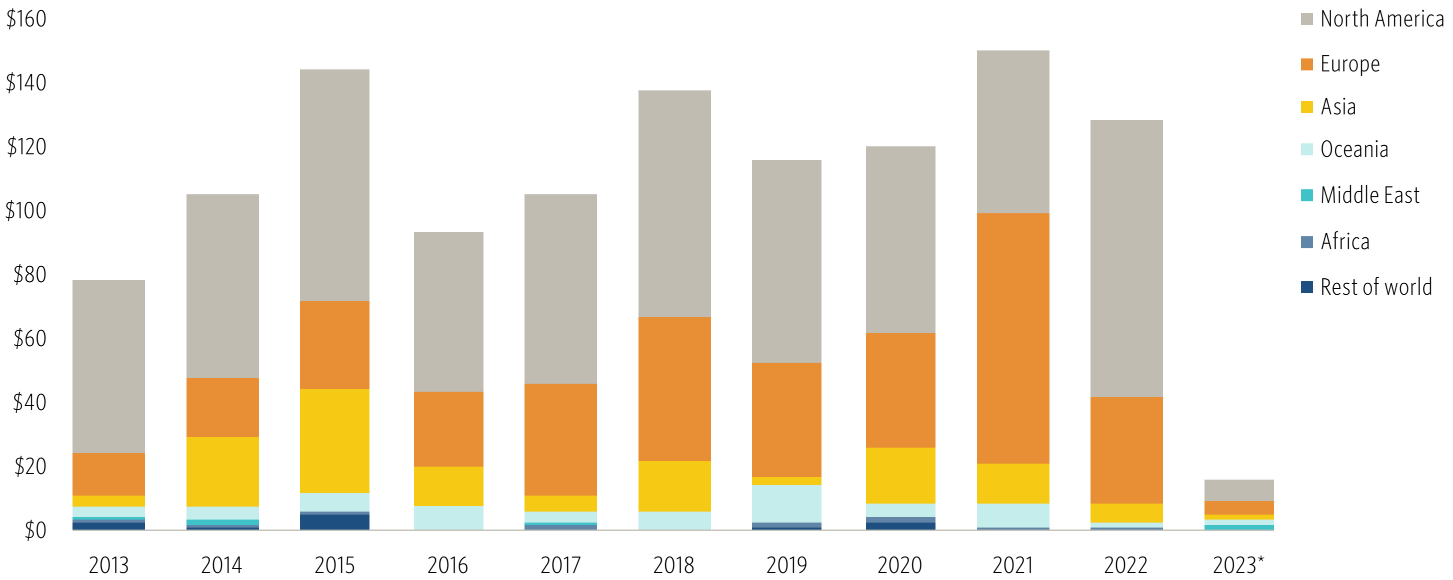
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of real assets capital raised by size bucket



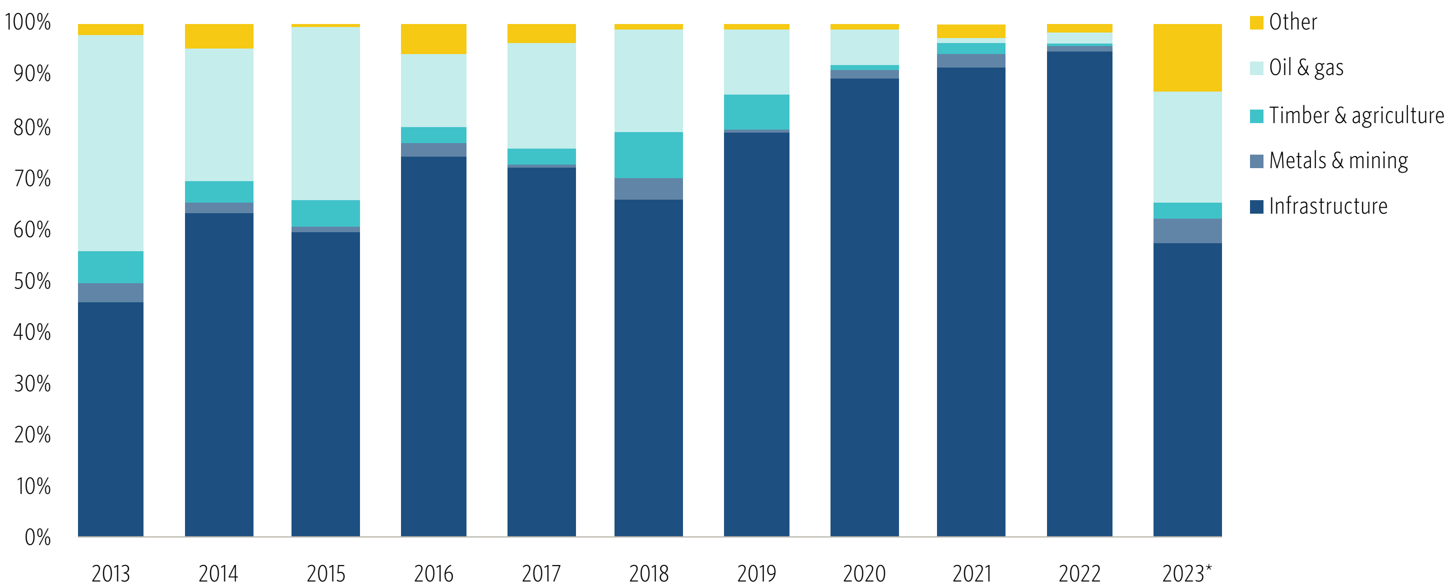
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Real assets capital raised ($B) by region



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

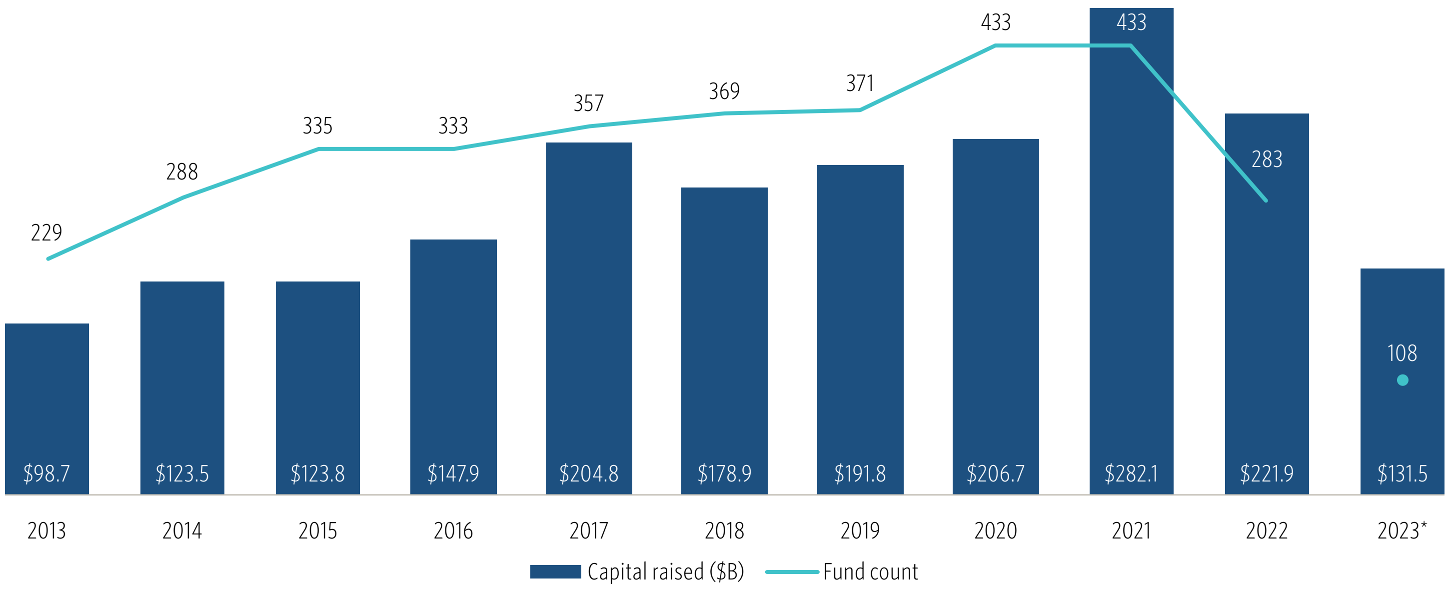
Share of real assets capital raised by type



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

Private debt

Private debt fundraising activity



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

Tim Clarke
Lead Analyst, Private Equity

Private debt fundraising in closed-end vehicles slowed in Q3. A total of $31.7 billion of private debt funds closed during the quarter. Even after adjusting for late-reporting funds, it was the slowest private debt fundraising quarter since Q3 2020. As a result, 2023 fundraising has gone from being moderately ahead to moderately behind 2022's with one more quarter to go. The industry will need to sprint to surpass the $200 billion mark for the fourth consecutive year. That is certainly plausible, however. The final quarter has never failed to deliver at least 30% of annual fundraising in each of the last 10 years, and at an average of 36%, that would be enough to just squeak by.

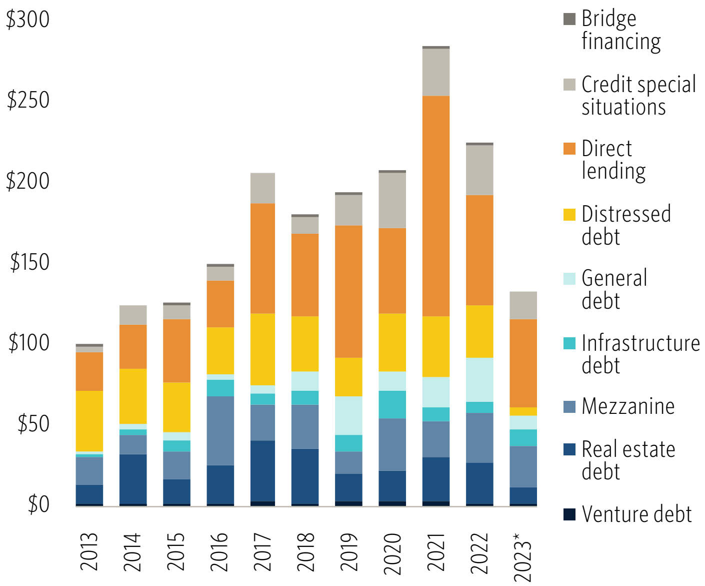
The Q3 swoon can be attributed in part to large funds staying open for longer. The top 10 open funds by amount already raised $45.7 billion in committed capital subject to a final close—a significant expansion from the prior-year total of $17.5 billion. In some cases, this is being done to allow more time to reach very ambitious targets, which are also up twofold from predecessor funds. In other cases, fund closings may be extended to align with slower deployment and loan origination rates, which have contracted in line with sluggish M&A deal flow.

Private debt AUMs crossed the $1.5 trillion mark in 2023, coming in at $1.8 trillion, inclusive of retail flows to evergreen funds as covered in the H1 2023 Global Private Debt Report. Looking just at institutional drawdown funds, growth has been most explosive in direct lending, private debt's largest substrategy. Total AUM in direct-lending funds has crossed the $500 billion mark, up ninefold in the past 10 years for a CAGR of 24.6%.

Direct lending's spectacular growth and stellar performance in a rising-rate environment has attracted a myriad of new managers, fueling recent concerns that any outsized returns may be competed away. In the last three years, a total of 54 emerging managers—which we define as managers having launched three or fewer funds since inception—have brought new direct-lending funds to the market and successfully closed. That is on a base of 268 active managers, or approximately 20%. To the extent that private debt is filling the void left by banks retreating from large swaths of the lending market, its expanding ranks may be warranted.

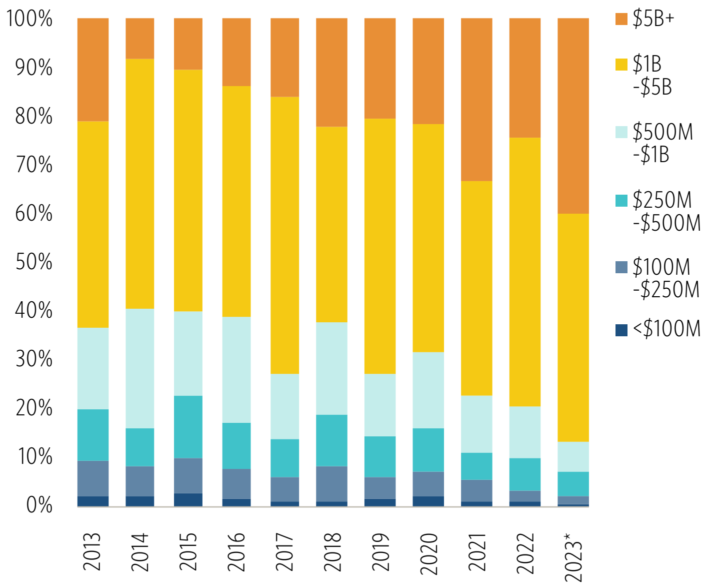
PitchBook

Private debt capital raised ($B) by type



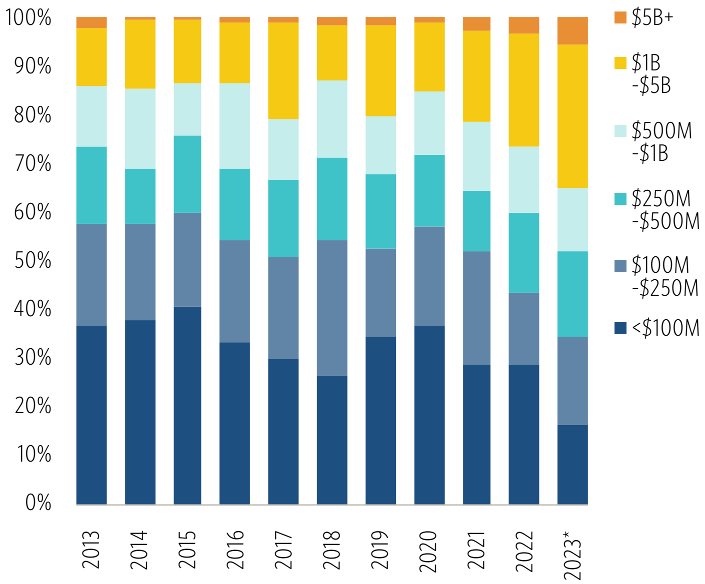
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of private debt capital raised by size bucket



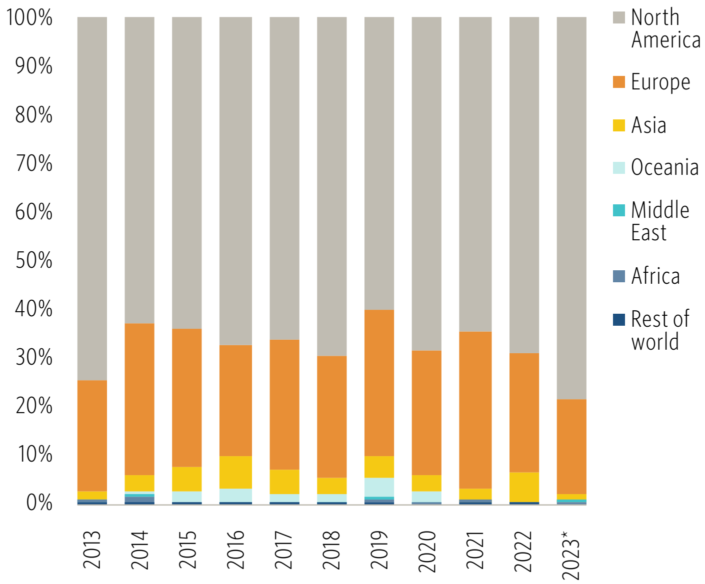
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of private debt fund count by size bucket



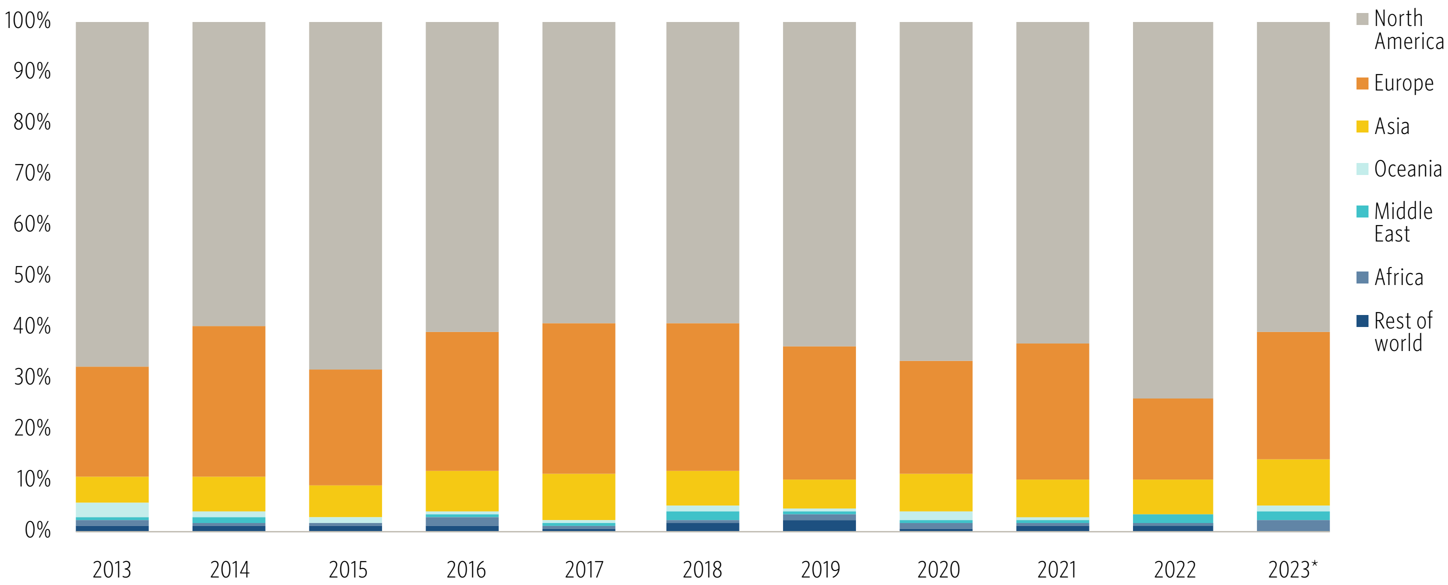
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of private debt capital raised by region



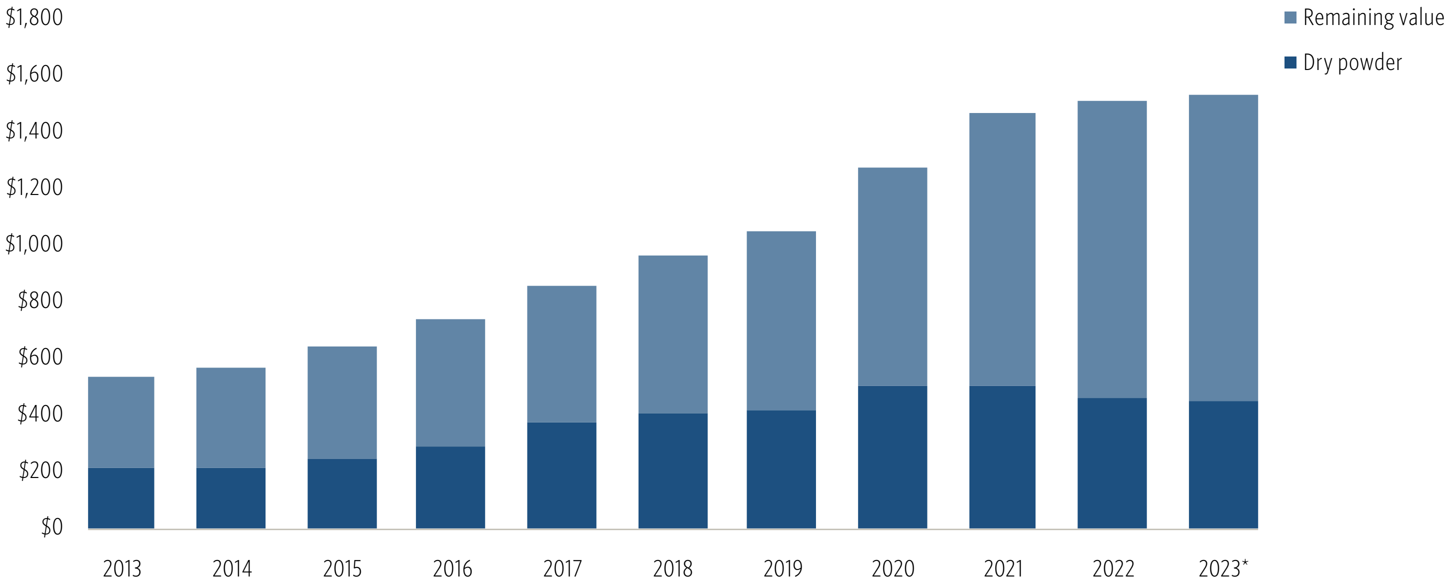
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of private debt fund count by region



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

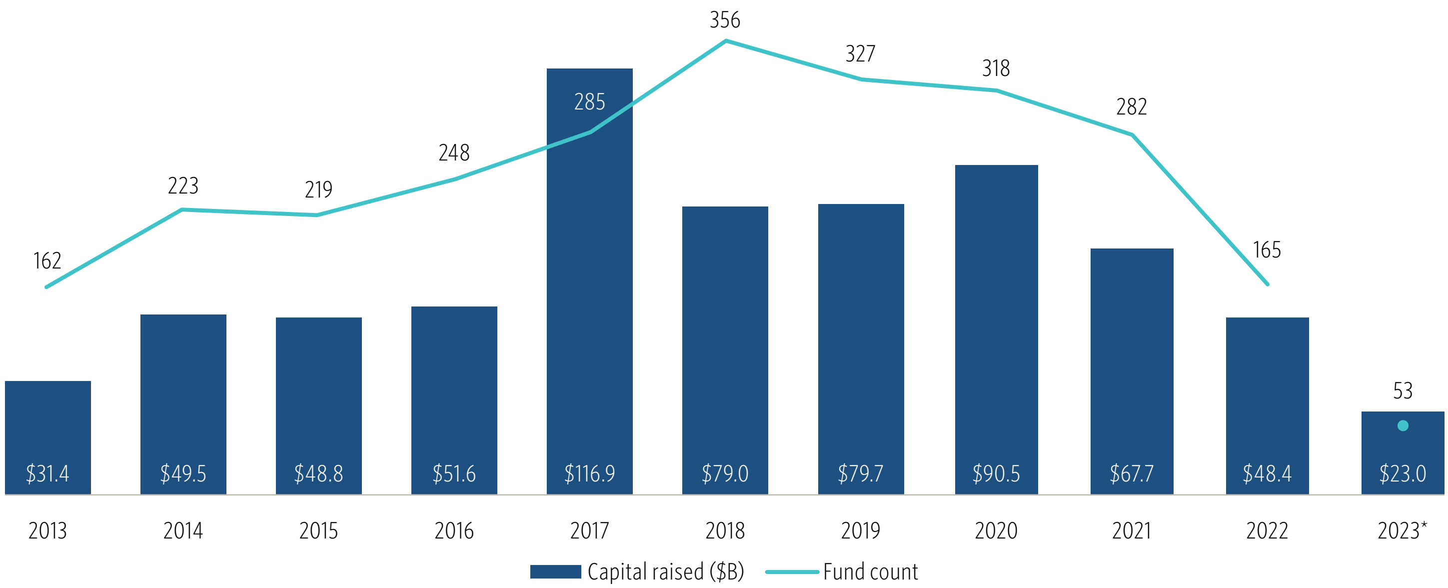
Private debt AUM ($B)



Source: PitchBook • **Geography:** Global
*As of March 31, 2023

Funds of funds

FoF fundraising activity



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

Juliet Clemens
Analyst, Fund Strategies

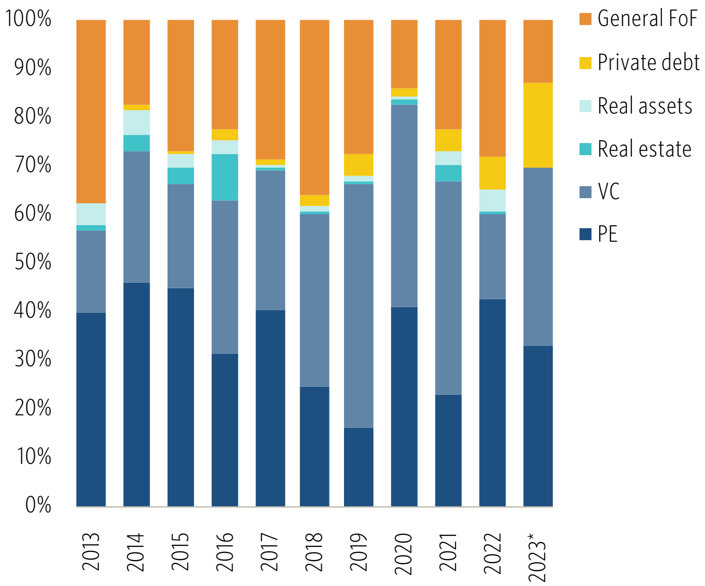
Nine months into 2023, funds-of-funds (FoF) strategies have raised $23.0 billion across 53 funds and are unlikely to outraise 2022's annual fundraising total of $48.4 billion, which itself was already a recent fundraising low; 2015 marked the last time that fundraising totals were around the $45 billion level.

As fund managers launch more evergreen vehicles and retail-focused platforms expand their semiliquid offerings, fewer of the historically typical investors in FoF are utilizing closed-end vehicles. Within the last several months, there has been increased activity on the part of private market participants to offer products built out for qualified retail investors. Both Stepstone and JP Morgan Asset Management launched evergreen vehicles enabling investors to access private market opportunities with a minimum investment of $25,000—Stepstone's STRUCTURE vehicle will target infrastructure investments while the JPMorgan Private Markets Fund will invest in private equity. In October, Endowus, a digital platform based out of Singapore, announced that it was now offering investments into several EQT funds for private wealth clients based in the region. These examples are not an exhaustive list, and regulatory developments suggest that this trend will only continue: In Europe, a number of changes to the European Long-Term Investment Fund will take effect in 2024 that will further encourage retail investments into private markets, though not through the closed-end vehicles tracked currently in this report.

FoF targeting opportunities in VC have secured the largest proportion of capital by strategy with $8.4 billion raised, representing 36.5% of overall commitments. While significantly down from the $39.5 billion VC FoF collected in 2019, given the turmoil VC valuations underwent in 2022, some FoF investors may be betting that valuations have bottomed and investments made into a diversified roster of VC managers may translate to attractive future upside with relative downside protection. Buyout FoF followed closely behind with $7.4 billion raised so far this year, a steep decline from the total $18.0 billion raised for the strategy in 2022.

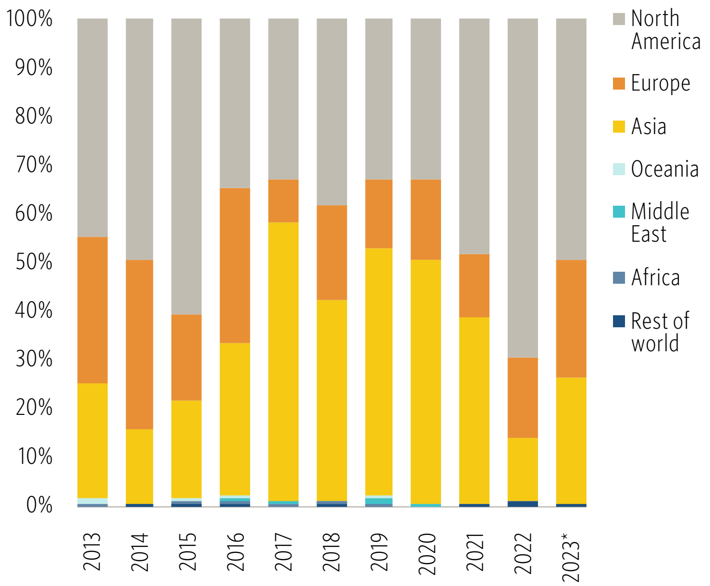
PitchBook

Share of FoF capital raised by type



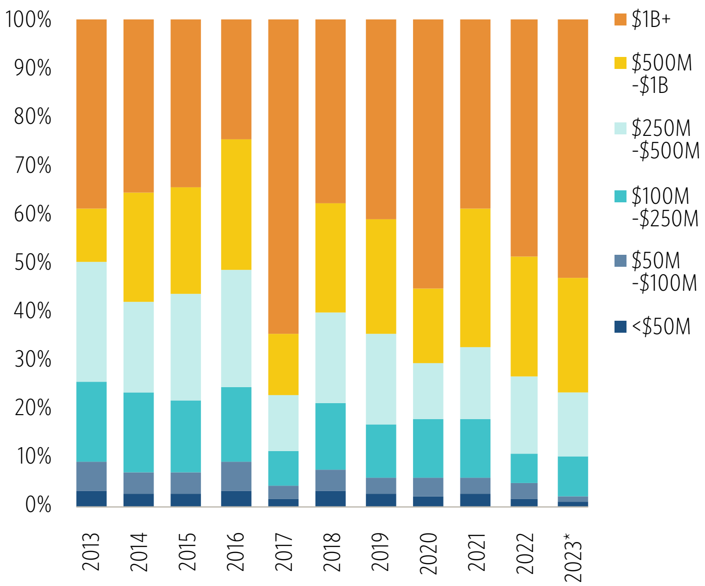
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of FoF capital raised by region



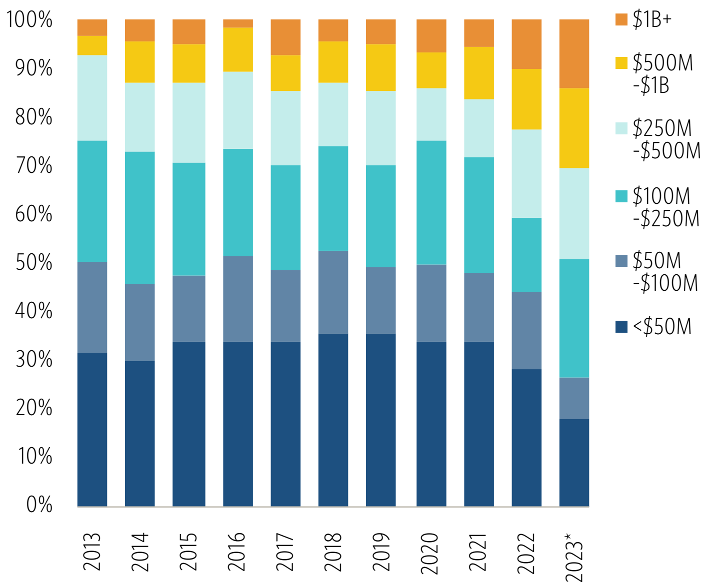
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of FoF capital raised by size bucket



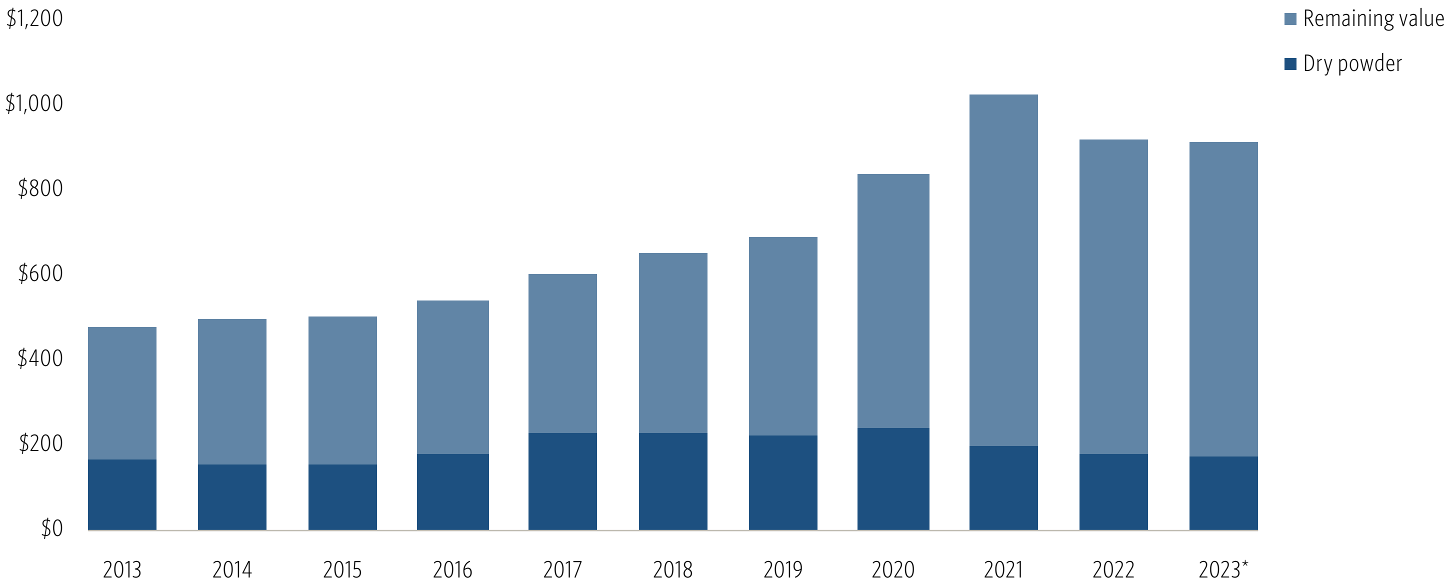
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of FoF count by size bucket



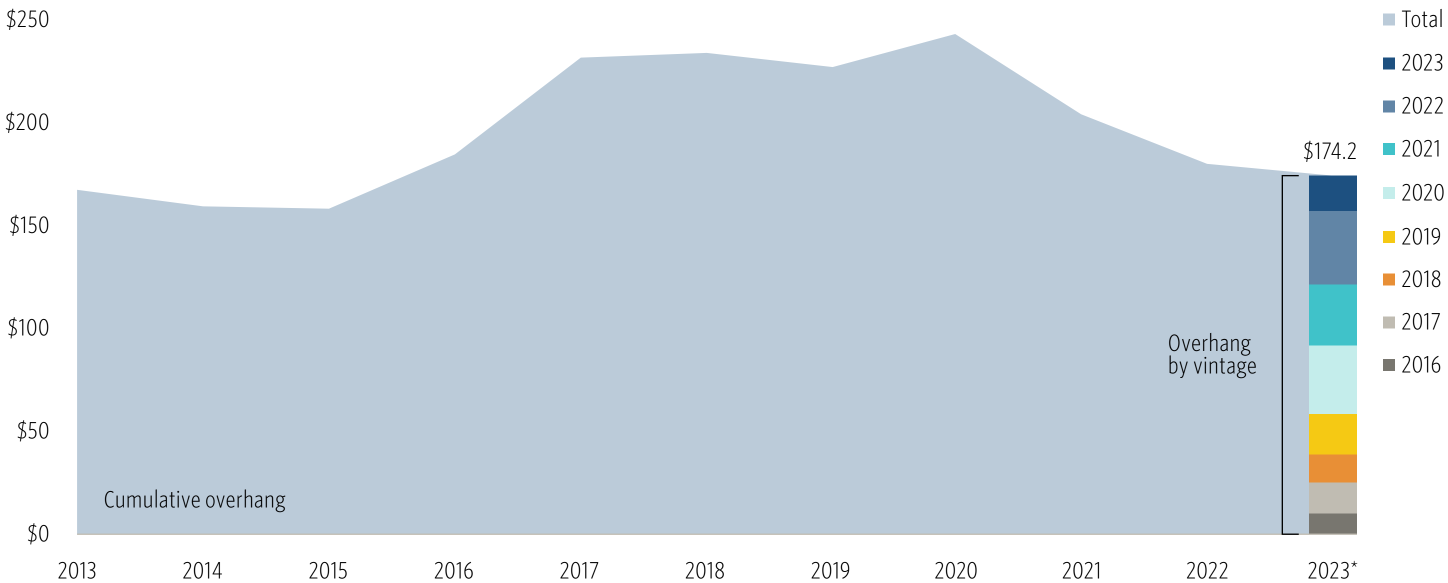
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

FoF AUM ($B)



Source: PitchBook • **Geography:** Global
*As of March 31, 2023

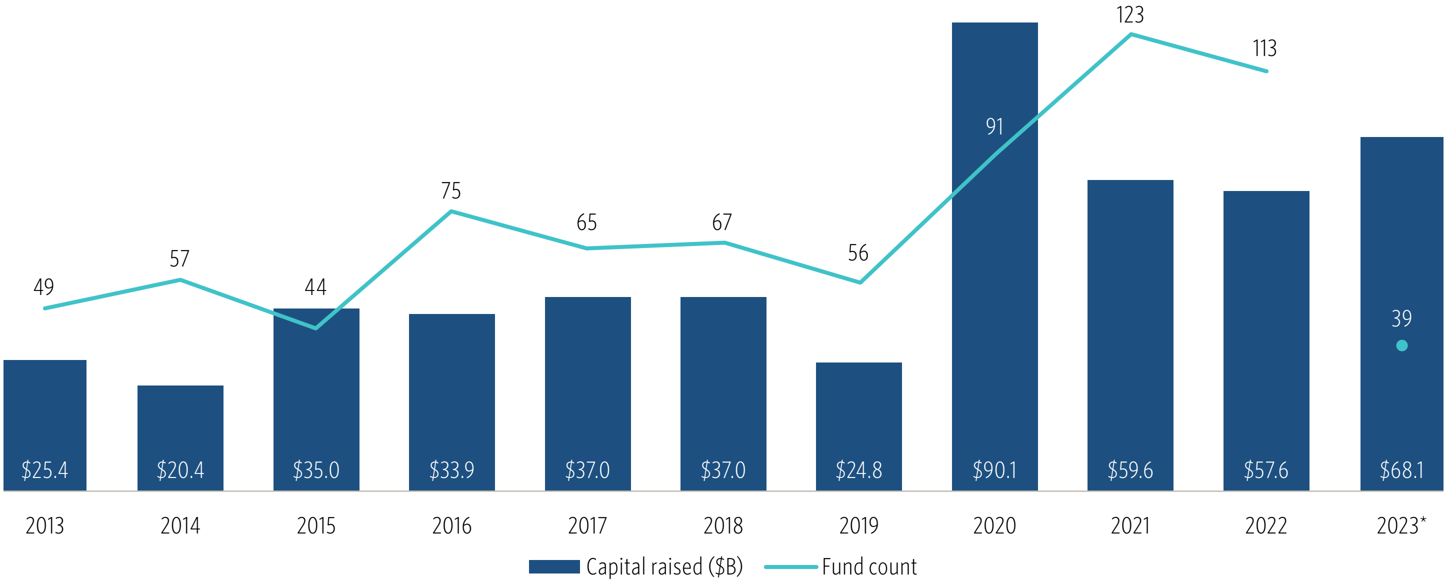
FoF dry powder ($B) by vintage



Source: PitchBook • **Geography:** Global
*As of March 31, 2023

Secondaries

Secondaries fundraising activity



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

Juliet Clemens
Analyst, Fund Strategies

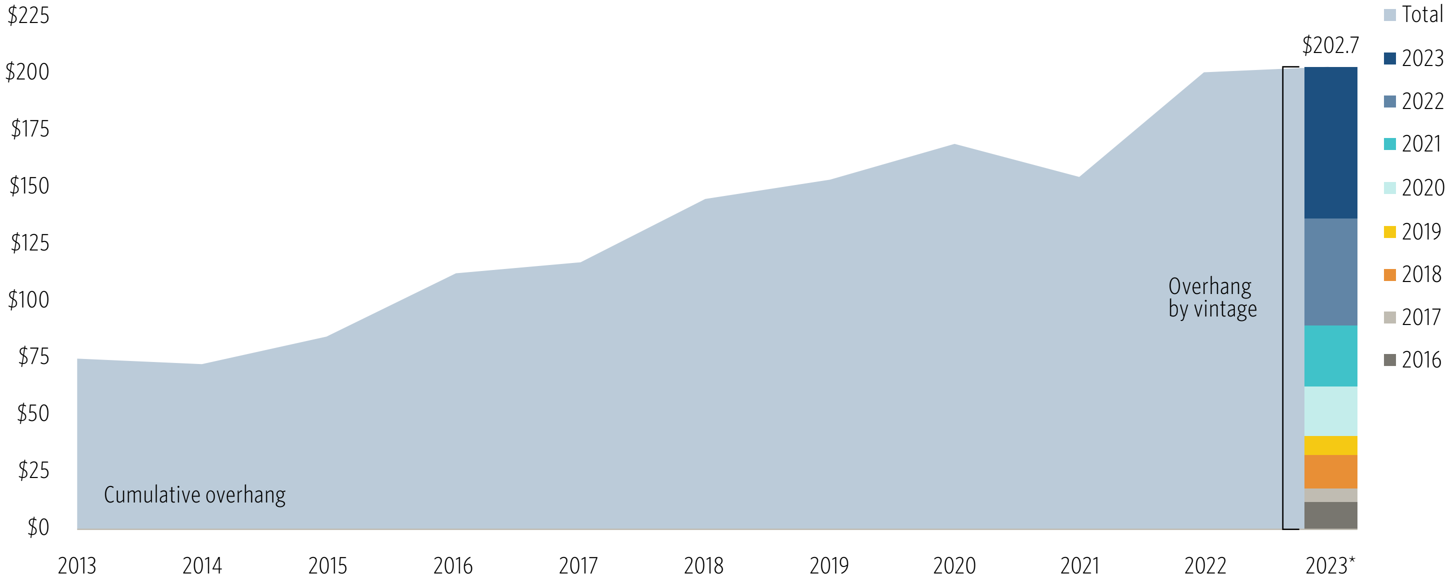
Secondaries fundraising, in just the first nine months of 2023, has surpassed annual fundraising totals for every calendar year except 2020, hitting $68.1 billion across 39 funds. As a comparison, 2022's total was $57.6 billion raised by 113 funds, exemplifying how secondaries fundraising in 2023 has been driven by a concentrated number of large secondaries players. $47.5 billion—or 69.8%—of 2023's current total has been raised by just four funds in the $5 billion-plus size bucket, three of which closed in Q3: Goldman Sachs Vintage Fund IX, Glendower Capital Secondary Opportunities Fund V, and Whitehorse Liquidity Partners V, which raised $14.2 billion, $5.8 billion, and $5.3 billion, respectively. Given the large fundraises that have occurred through 2023, the $202.7 billion of secondaries dry powder is at its highest-ever level.

This increased momentum in secondaries fundraising can be explained by the confluence of two main factors. First, many of the large funds that closed in 2020 have come back to market this year. Second, the gap is narrowing between buyer and seller expectations in the LP-led market. As public markets have largely recovered in 2023, valuations of LP-led portfolios in most asset classes outside of venture capital have also rebounded enough that sellers are willing to transact while still providing enough of a discount to entice buyers.[5] Several funds are still in the market targeting over $10 billion—including those of Lexington Partners, Ardian, HarbourVest, and Coller Capital—suggesting that fund managers continue to see plenty of opportunities to acquire attractive assets with attractive pricing.

While 84.3% of capital in 2023, or $57.4 billion, has gone toward general secondaries, a handful of funds within Q3's top 10 list closed on targeted strategies. In addition to closing the largest fund in the category during the quarter, Goldman Sachs also raised its inaugural infrastructure secondaries vehicle with $1.0 billion in commitments. Meanwhile, Madison International Realty and Industry Ventures raised funds for secondaries opportunities in real estate and venture, respectively, illustrating how some fund managers are developing niches within the asset class.

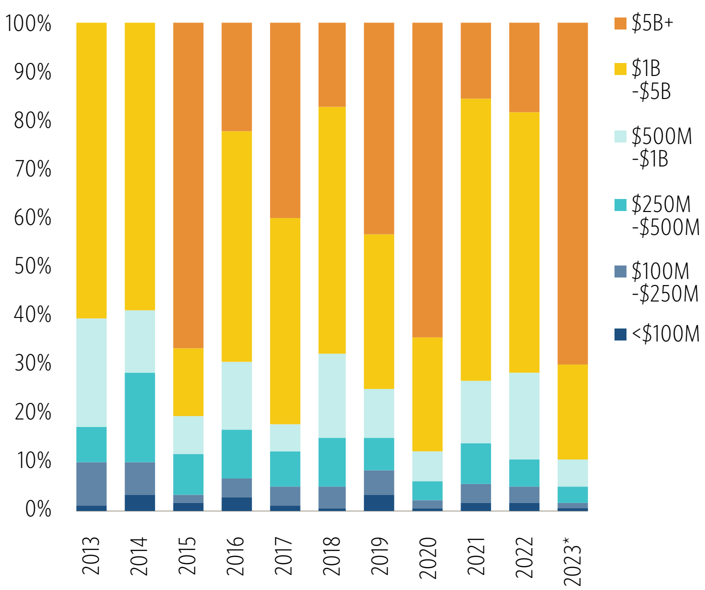
5: "Q3 2023 Secondary Market Insight," PJT Partners, October 2023.

Secondaries dry powder ($B) by vintage



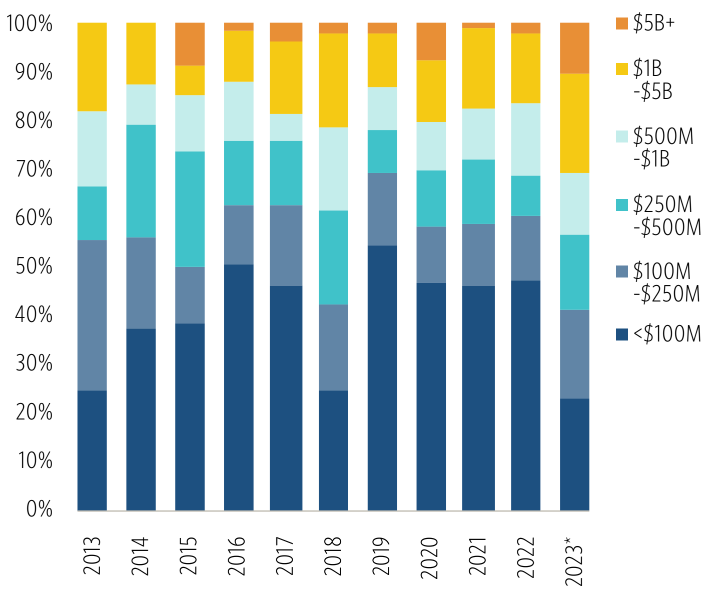
Source: PitchBook • **Geography:** Global
*As of March 31, 2023

Share of secondaries capital raised by size bucket



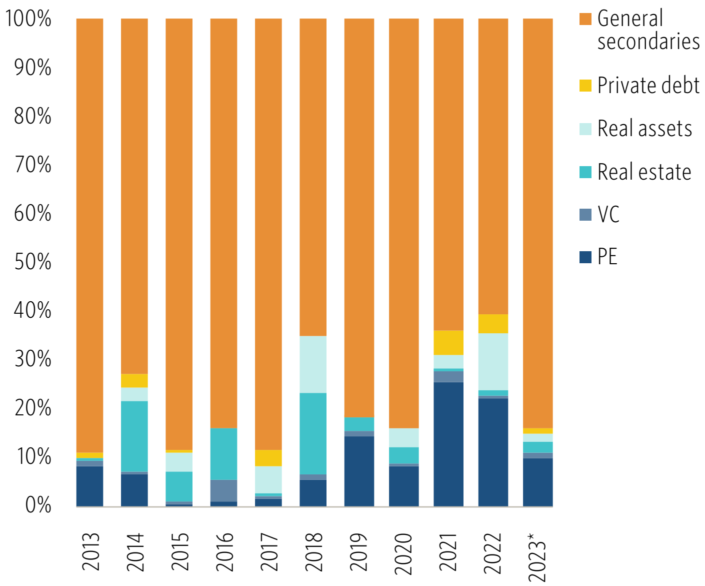
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of secondaries fund count by size bucket



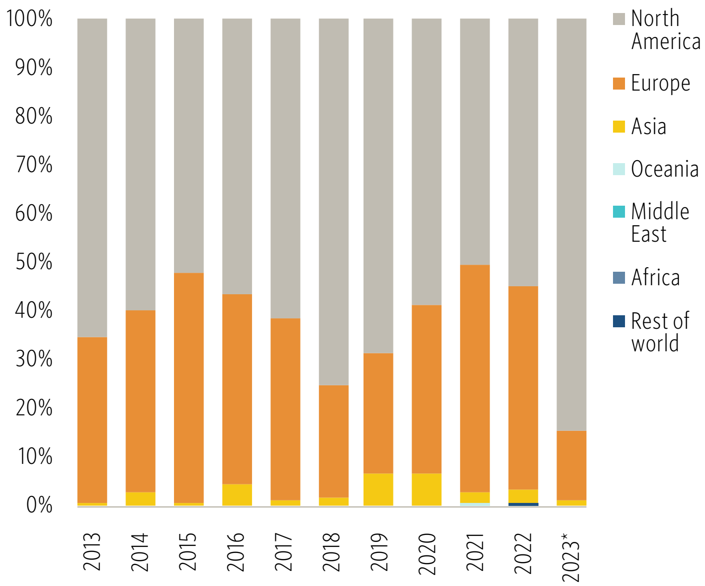
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of secondaries capital raised by type



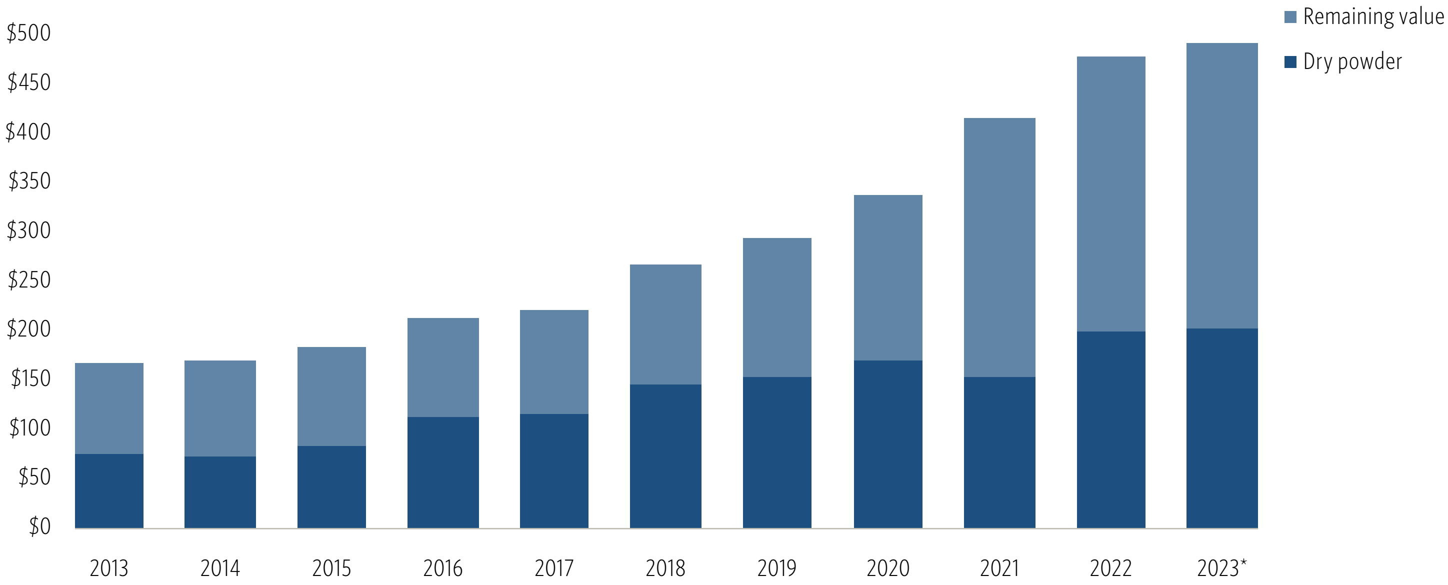
Source: PitchBook • **Geography:** Global
*As of September 30, 2023

Share of secondaries capital raised by region



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

Secondaries AUM ($B)



Source: PitchBook • **Geography:** Global
*As of March 31, 2023

Top funds by size

Top PE funds to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
CVC Capital Partners IX	$28,616.7	July 20	1.2x	Luxembourg, Luxembourg
Clayton, Dubilier & Rice XII	$26,000.0	August 23	1.6x	New York, US
H.I.G. Middle Market LBO IV	$5,500.0	September 12	1.8x	Miami, US
Audax Private Equity VII	$5,250.0	July 11	1.5x	Boston, US
Blackstone Tactical Opportunities IV	$5,200.0	August 21	1.2x	New York, US

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

Top VC funds to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
Matrix Partners China VII	$1,600.0	July 31	1.3x	Beijing, China
Shanghai Guofu Linghang RMB	$1,395.8	August 10	N/A	Shanghai, China
NATO Innovation	$1,106.2	August 1	N/A	Amsterdam, Netherlands
Crown Growth Opportunities Global IV	$930.0	July 17	3.7x	Pfäffikon, Switzerland
Shanghai SAIC Xinju Venture	$837.1	August 3	N/A	Shanghai, China

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

Top real estate funds to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
EQT Exeter Industrial Value VI	$4,900.0	July 6	2.5x	Radnor, US
PAG Real Estate Partners III	$1,800.0	August 8	0.8x	Hong Kong, Hong Kong
CrossHarbor Institutional Partners 2021	$865.0	August 16	1.4x	Boston, US
Farallon Real Estate Partners IV	$650.0	July 31	7.9x	San Francisco, US
Endeavor Opportunity Partners III	$610.0	July 6	1.6x	Austin, US

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

Top real assets funds to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
Kimmeridge VI	$1,000.0	August 2	1.3x	New York, US
Formentera Partners II	$828.5	July 10	N/A	Austin, US
Ancala Essential Growth Infrastructure	$697.5	July 5	N/A	London, UK
Taurus Mining Finance AIV	$676.0	September 26	N/A	Sydney, Australia
AIMPERA III	$475.0	July 11	N/A	San Francisco, US

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

Top private debt funds to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
Blackstone Green Private Credit III	$7,100.0	August 10	N/A	New York, US
Antares Senior Loan II	$6,000.0	July 11	2.0x	Chicago, Us
Davidson Kempner Opportunities VI	$3,000.0	July 18	3.4x	New York, US
NB Credit Opportunities II	$2,500.0	July 27	2.3x	New York, US
ComVest Credit Partners VI	$2,000.0	July 26	1.5x	West Palm Beach, US

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

Top FoF to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
Commonfund Capital Venture Partners XIV	$774.0	August 2	1.2x	Wilton, US
Galdana Ventures III	$709.4	August 30	1.3x	Barcelona, Spain
Top Tier Venture Capital X	$623.6	July 7	1.0x	San Francisco, US
YIELCO Special Situations Europe II	$304.6	September 30	1.3x	Munich, Germany
Hauser Private Equity Core IV	$300.0	July 18	1.8x	Cincinnati, US

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

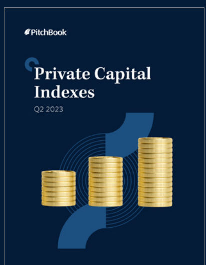
Top secondaries funds to close in Q3 2023 by value*

Fund	Value ($M)	Close date (2023)	Step-up	HQ location
Goldman Sachs Vintage IX	$14,200.0	September 20	1.4x	New York, US
Glendower Capital Secondary Opportunities V	$5,800.0	July 31	2.1x	London, UK
Whitehorse Liquidity Partners V	$5,300.0	August 1	1.3x	Toronto, Canada
Madison International Real Estate Liquidity VIII	$1,700.0	September 5	1.4x	New York, US
Verdane Capital XI	$1,188.8	September 14	1.8x	Stockholm, Sweden

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

Additional research

Private markets



Q2 2023 PitchBook Private Capital Indexes

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Q1 2023 Global Fund Performance Report (with preliminary Q2 2023 data)

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PitchBook Benchmarks as of Q1 2023 (with preliminary Q2 2023 data)

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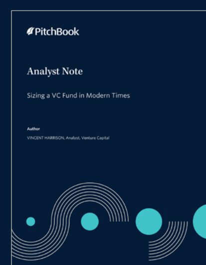

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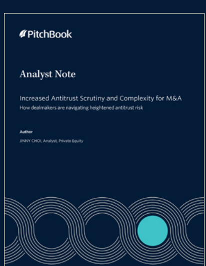

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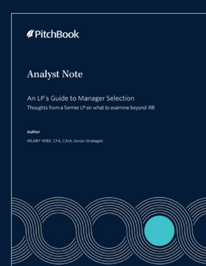

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