

FUNDRAISING REPORT Q3 2019

Private Equity International's interactive and downloadable review of the latest quarter's fundraising environment

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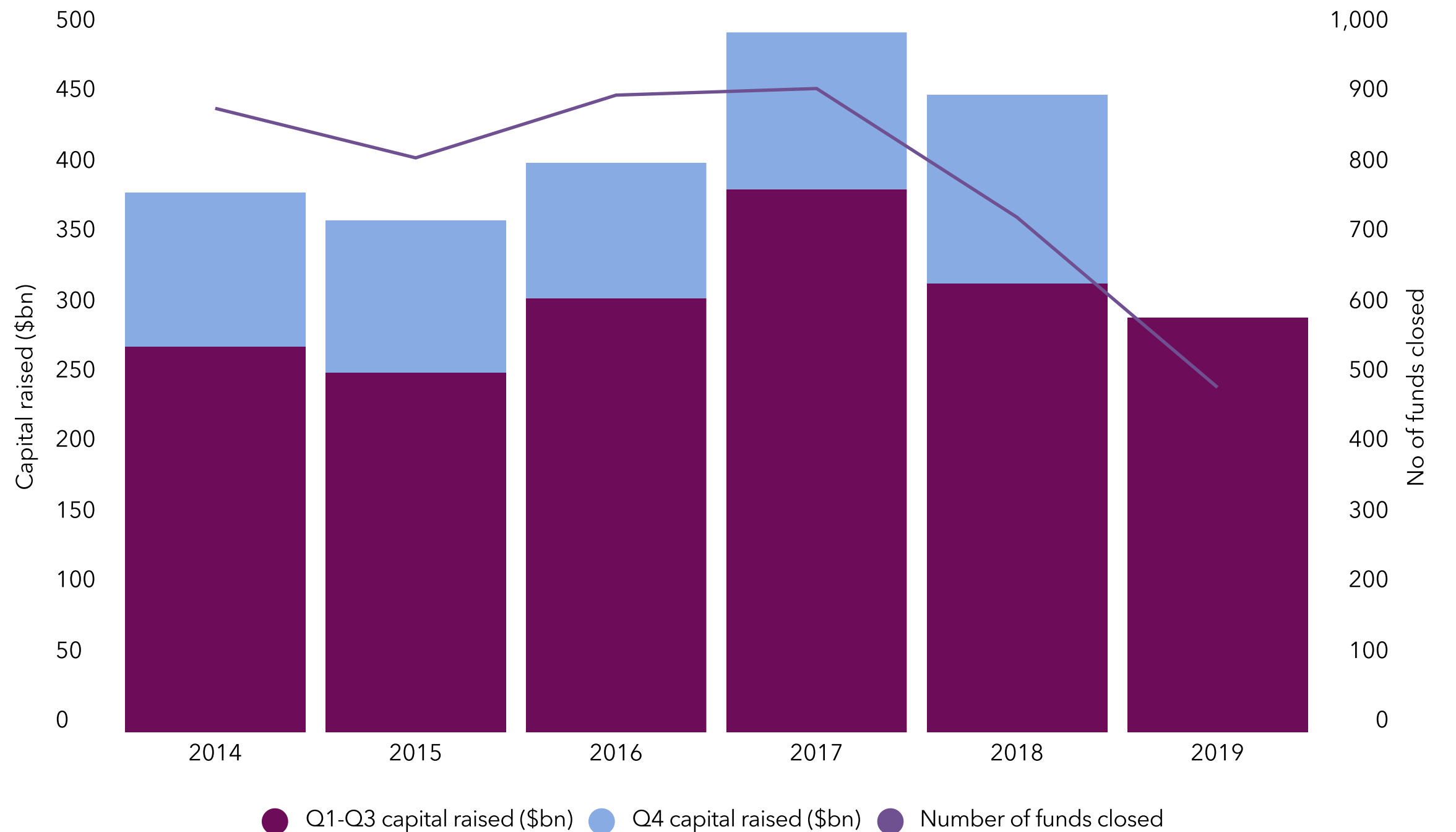
Fundraising overview

Fundraising in the first three quarters of the year reached \$296.5 billion, a decrease of nearly 8 percent from the same period in 2018.

More funds, however, held final closes for the period: 494 against 368 funds last year.

Q1-Q3 fundraising is at its lowest point since 2015, but we expect the number to rise by year-end – with more mega-funds racing towards their targets – and match total capital raising in 2018.

Year-on-year fundraising

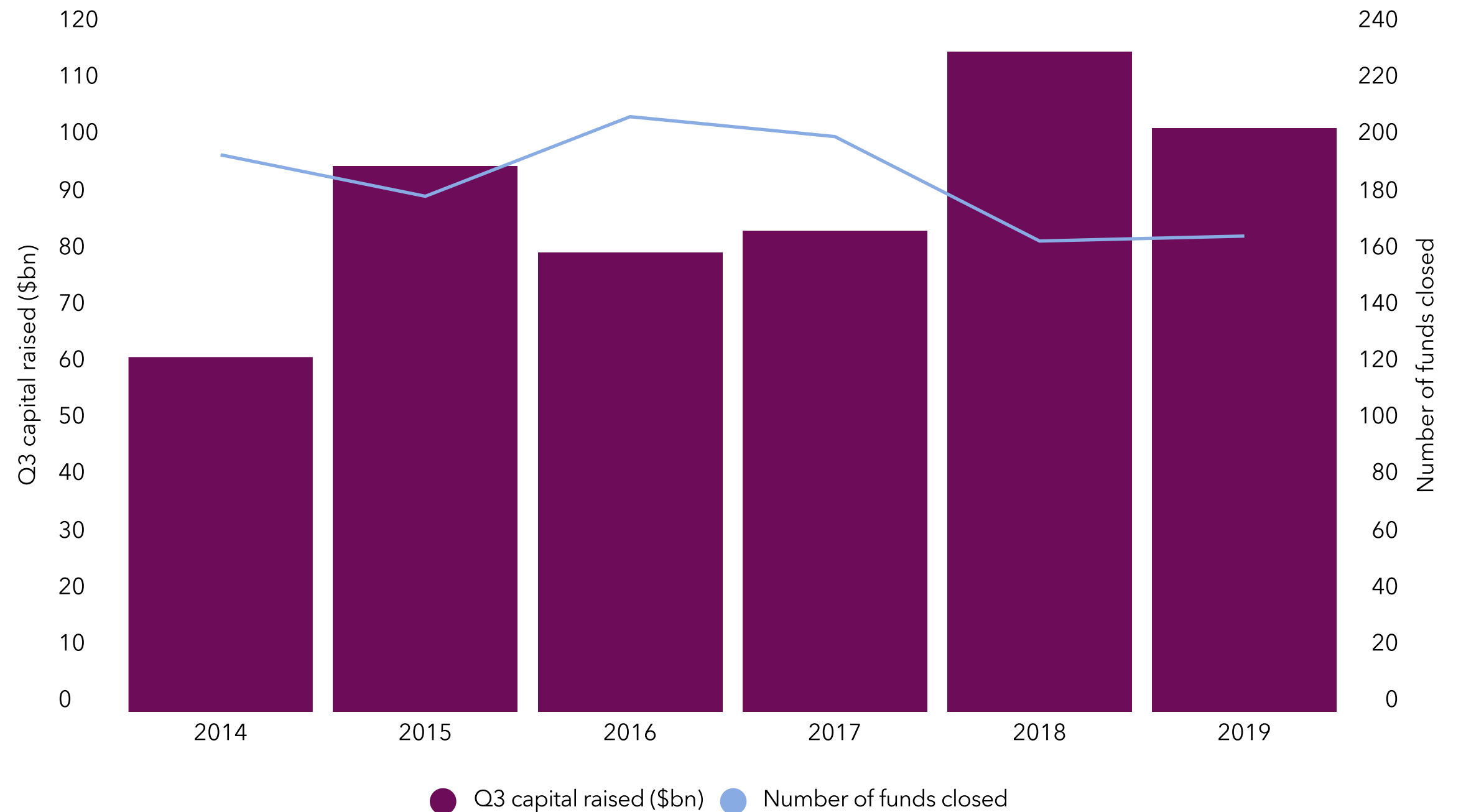


Fundraising overview

The third quarter of 2019 had the second-strongest Q3 fundraising in the last six years. The figure was still a 12 percent decrease on the previous year.

A total of \$103 billion was raised across 168 funds in the quarter, compared with \$116.6 billion across 166 funds in the same period last year. Similar to previous years, fewer and larger funds are dominating the fundraising landscape. Among the mega-funds that held final closes this quarter is the \$16 billion Vista Equity Partners VII, raising \$4 billion more than its target.

Q3 fundraising



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Fundraising overview

Buyouts remains the most attractive strategy for investors, representing 56 percent of total capital raised for Q1-Q3, followed by growth, venture capital, secondaries and co-investments.

Venture capital funds had the most number of funds closed, with 191 funds raising \$31 billion in total.

A total of 91 growth equity-focused vehicles collected \$64 billion for the strategy.

\$297bn

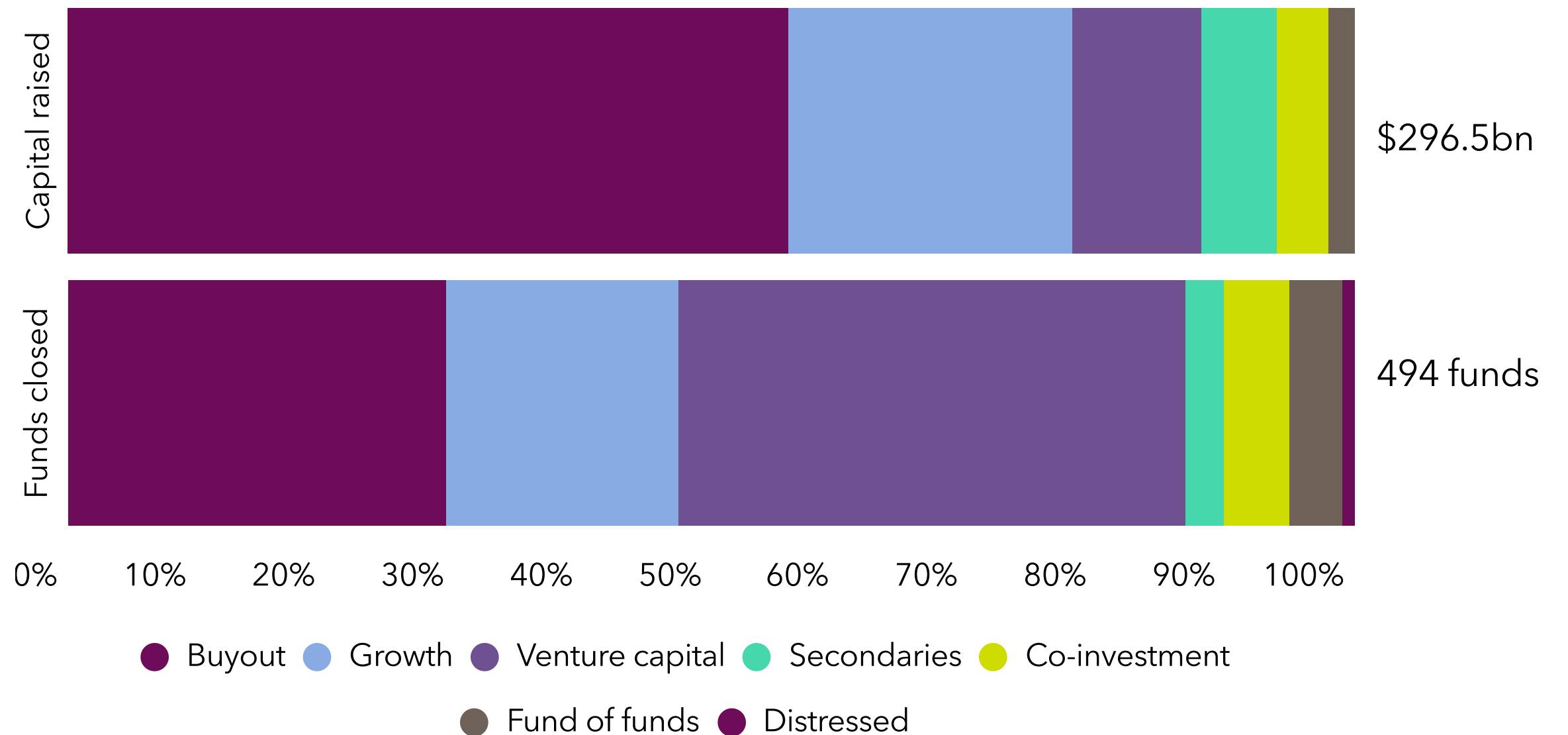
Capital raised by private equity funds in Q1-Q3 2019

\$600m

Average fund size in Q1-Q3

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Q1-Q3 2019 fundraising strategy breakdown



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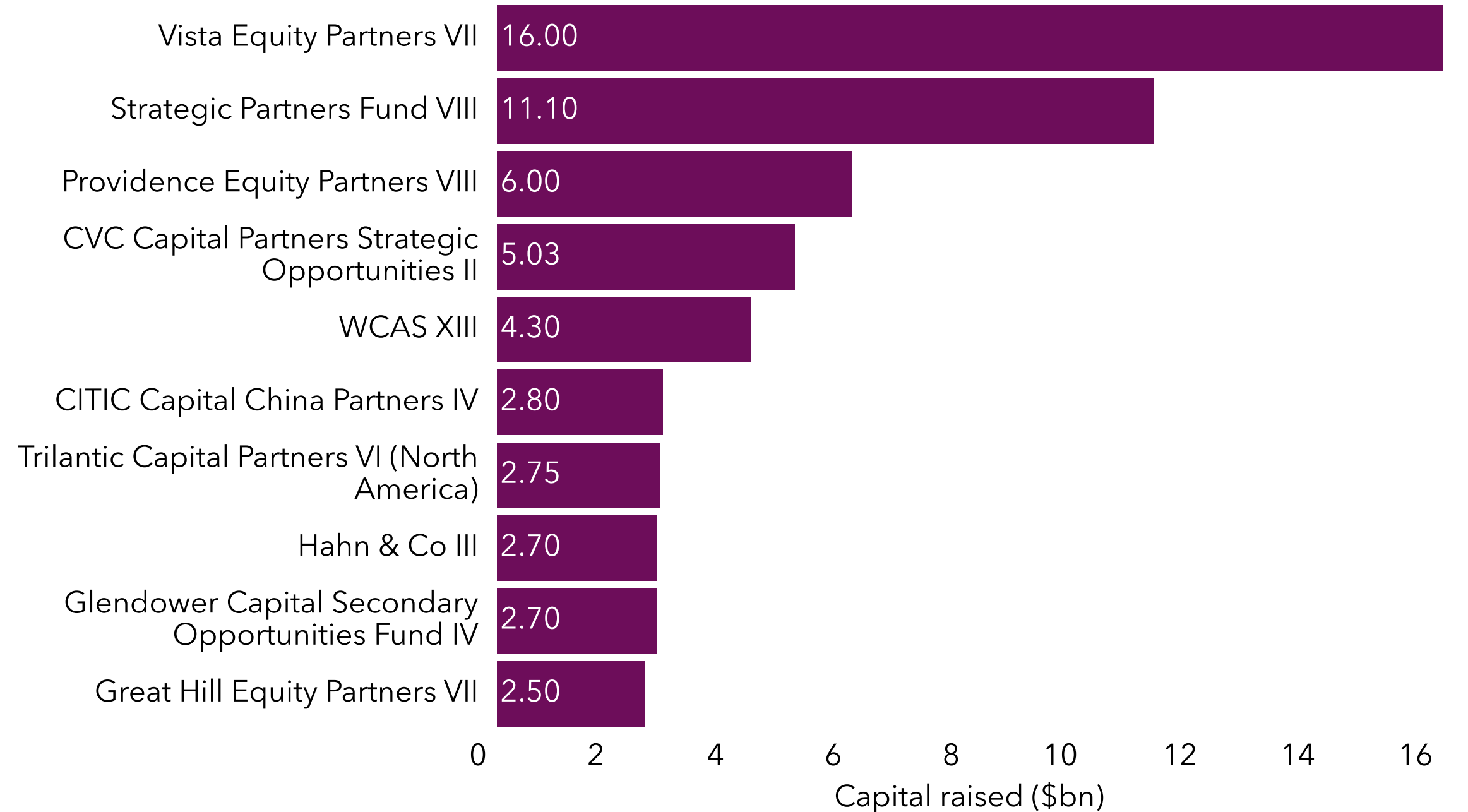
Fundraising overview

The 10 largest funds closed gathered nearly \$56 billion between them, or more than 50 percent of total capital raised for the quarter.

Eight of the largest funds focus on buyouts, while two are secondaries-focused: Blackstone's \$11.1 billion Strategic Partners Fund VIII, which collected \$3 billion more than its original target, and Glendower Capital, which raised \$2.7 billion for Secondary Opportunities Fund IV, one of the largest first-time PE funds.

Blackstone Capital Partners VIII has raised \$26 billion this year, according to co-founder Stephen Schwarzman's memoir published in September. It is unclear if the fund has held its final close.

Largest funds closed in Q3



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Fundraising overview

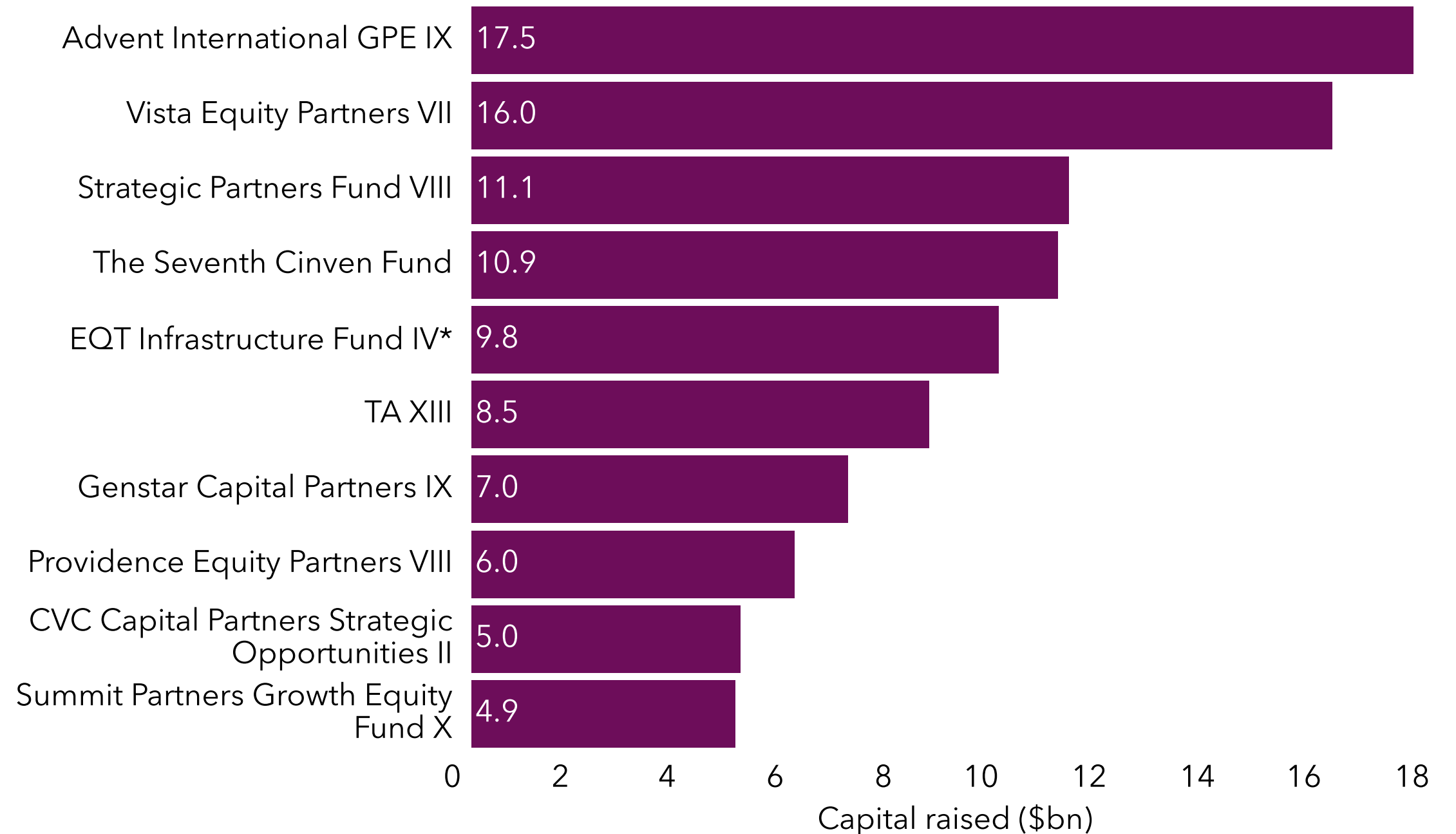
The 10 largest funds closed as of end-September amassed \$96.8 billion between them, \$8 billion more than the total capital raised by the 10 largest funds in Q1-Q3 2018.

This represents about one-third of total capital raised as of Q3 2019.

Advent's \$17.5 billion GPE IX is the largest fund raised thus far, surpassing its \$16 billion target after only six months in market.

The largest funds for the period also show a mix of strategies, from US-focused buyouts, to tech-focused funds, long-duration vehicles and secondaries.

Largest funds closed in Q1-Q3



*The fund is primarily focused on infrastructure but has been included here for its investments in energy companies

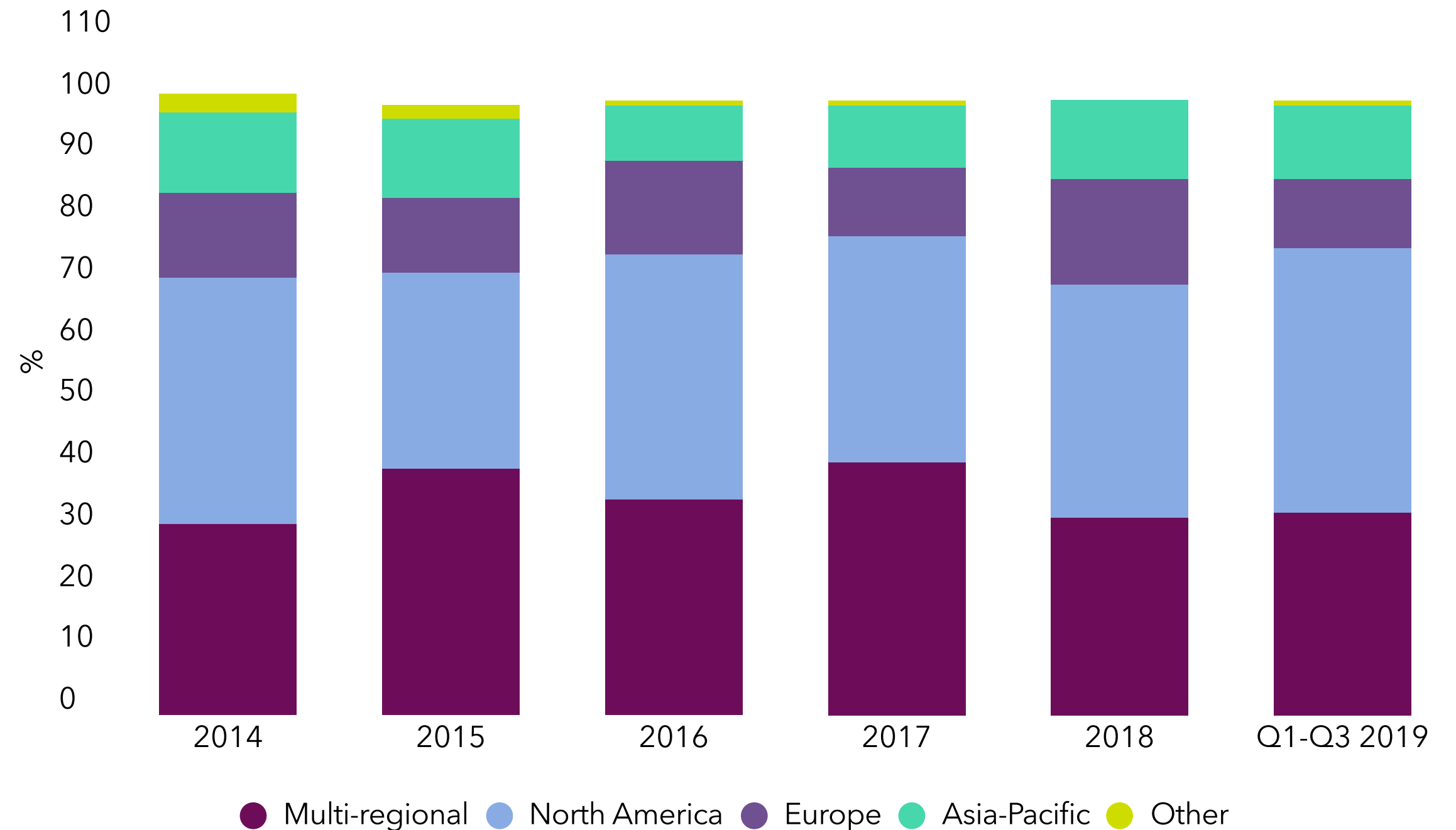
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Geography

Multi-regional funds continue to comprise the largest share of capital raising since 2014. However, North America-focused fundraising was more popular as of Q3 2019, with \$126.2 billion gathered, versus \$98.8 billion by multi-region funds.

Europe's share of capital has fallen to \$33.6 billion, representing 11 percent of total fundraising as of September as political uncertainty in the region continues to dampen investor appetite. Asia, meanwhile, comprised 12 percent or \$34.2 billion of overall fundraising.

Regional focus of capital



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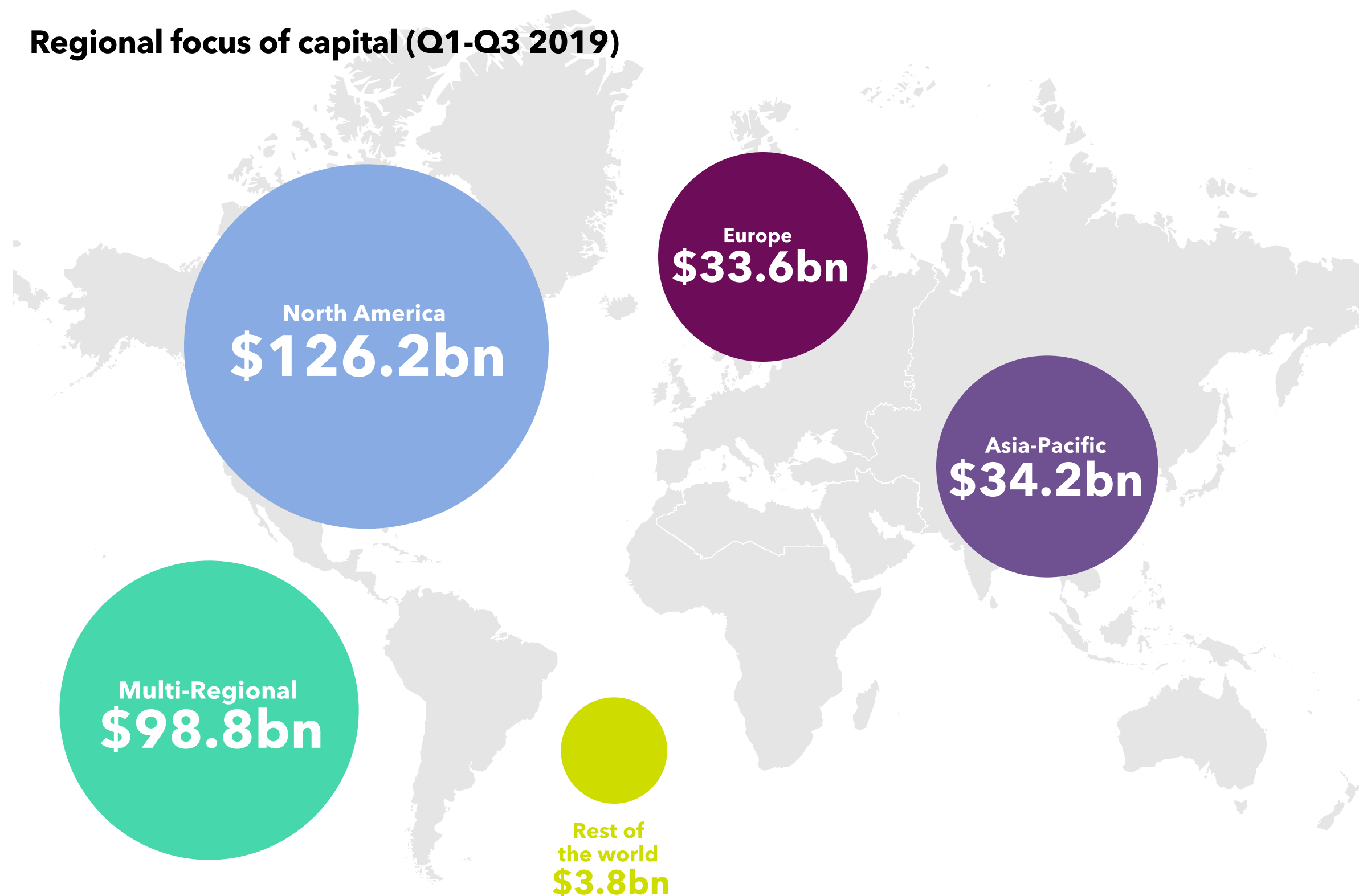


Geography

Funds focused on North America gathered more than 40 percent or \$126.2 billion of total capital raised in the first three quarters of the year, largely due to mega-funds including Advent's \$17.5 billion GPE IX and the \$16 billion Vista Equity Partners VII.

South Korea-focused Hahn & Co's \$2.7 billion Fund III and Chinese firm CITIC Capital's \$2.8 billion raise for Fund IV were the biggest contributors to Asia-Pacific fundraising. Meanwhile, Europe-dedicated funds made up a little over 11 percent of the fundraising total in Q1-Q3, the same ratio as Asian funds.

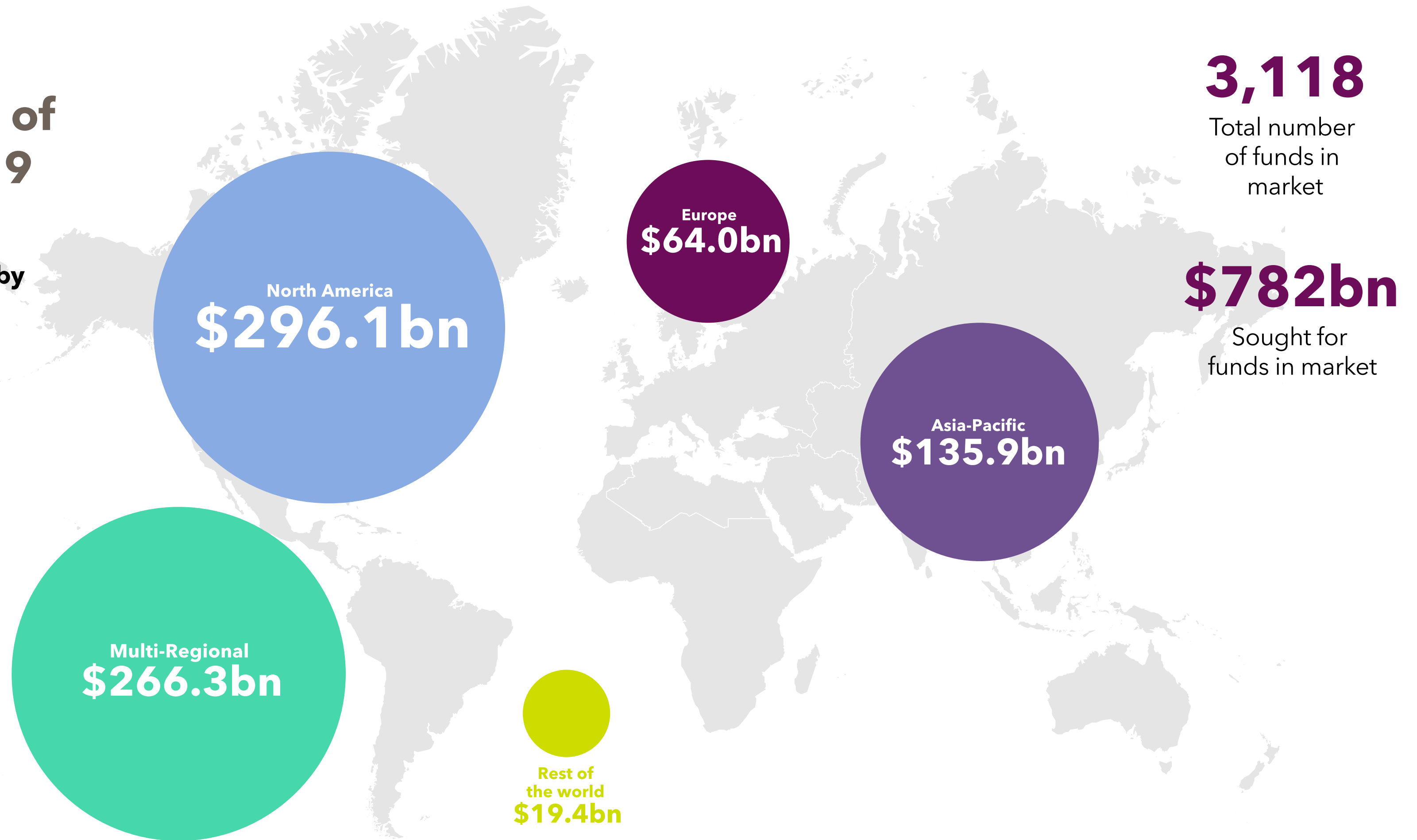
Regional focus of capital (Q1-Q3 2019)



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Funds in market as of 1 Oct 2019

Regional focus of amount targeted by funds in market



3,118

Total number of funds in market

\$782bn

Sought for funds in market

Funds in market, 1 Oct 2019

The 10 largest funds in market are targeting \$124.6bn in total

Fund Name	Fund Manager	Target Size (\$bn)	Region
Blackstone Capital Partners VIII*	Blackstone	25.00	Multi-regional
Yangtze River Delta Collaborative Advantage Fund	Shanghai International Group	13.99	Asia-Pacific
Ardian Secondary Fund VIII (ASF VIII)	Ardian	12.00	Multi-regional
BlackRock Long Term Private Capital	BlackRock	12.00	North America
Lexington Capital Partners IX	Lexington Partners	12.00	Multi-regional
TPG Partners VIII	TPG	11.00	Multi-regional
Permira VII	Permira Advisers	10.93	Multi-regional
Apax X	Apax Partners	10.50	Multi-regional
3G Special Situations Fund V	3G Capital	10.00	North America
Brookfield Capital Partners V	Brookfield Asset Management	9.00	Multi-regional

*BCP VIII raised a record \$26 billion this year, co-founder Stephen Schwarzman wrote in his memoir published in September. It is unclear if the fund has held its final close.

How can we help you?

How can PEI's Research and Analytics team help you?

Sample client case study

This quarter, we helped a capital advisory firm looking to increase its client base by providing a list of funds in the early stages of fundraising. Alongside this, we also included a list of investors interested in the placement agent's markets of focus.

Please get in touch with us if you would like to see a sample of this data.

PEI's Research and Analytics team is made up of researchers and analysts in London, New York and Hong Kong, working on a 24/5 cycle to perform bespoke research requests for you. We track the investment appetite and contact details of LPs and GPs within our fundraising data platform, to help bring together fund investors and managers with matching interests.

Platinum subscribers should email daniel.r@peimedia.com for more information on the research services available.

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Private Equity International subscriptions team
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Other questions to which we also provided solutions:

"I would like a list of all LPs in New York that would be interested in committing to Europe-focused funds"

"What fund management firms are the most active in the African investment space?"

"Could you please send me a list of all North American buyout funds that have launched in the past year?"