

Private Fund Strategies Report

Q1 2021

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

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

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



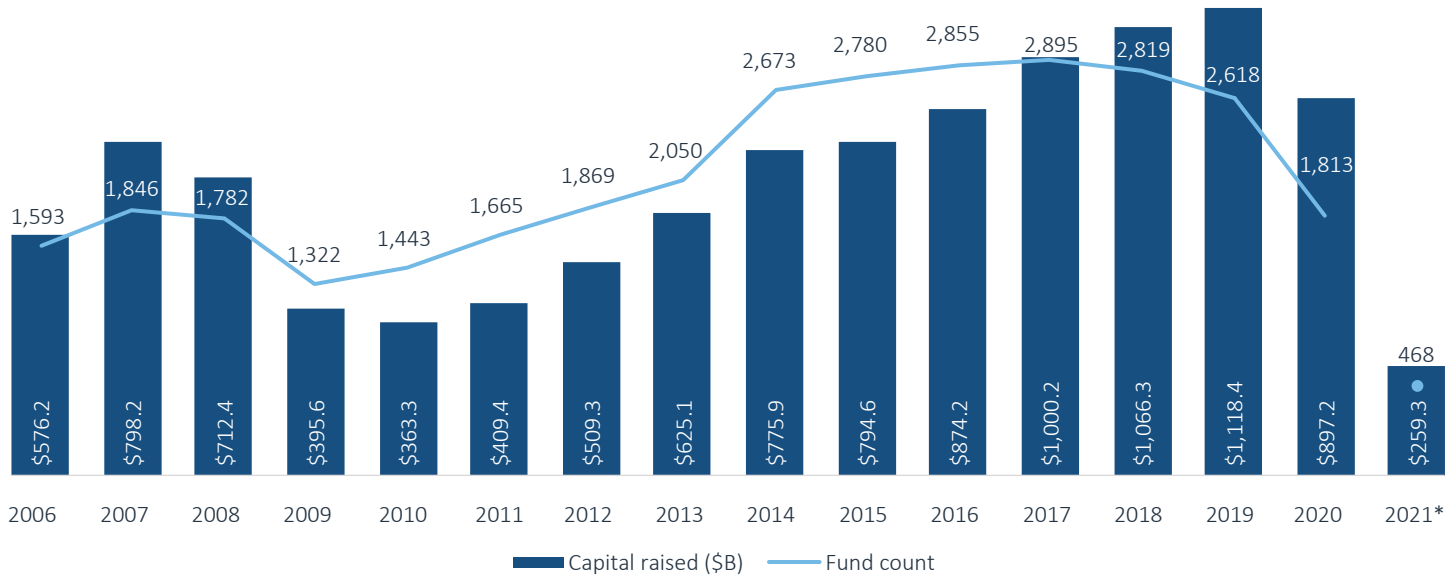
YoY fundraising changes by strategy (trailing 4-quarters)*

	Capital raised (\$B)	YoY change	Fund count	YoY change
Private capital	\$889.0	-22.0% ▼	1,662	-36.5% ▼
Private equity	\$399.1	-23.2% ▼	473	-35.5% ▼
Venture capital	\$126.6	4.3% ▲	732	-30.9% ▼
Real estate	\$81.9	-48.5% ▼	171	-48.6% ▼
Real assets	\$50.6	-54.8% ▼	55	-47.1% ▼
Private debt	\$120.2	-16.4% ▼	130	-40.1% ▼
Funds of funds	\$24.9	-40.4% ▼	66	-48.8% ▼
Secondaries	\$85.7	98.9% ▲	35	-20.5% ▼

Source: PitchBook | Geography: Global
 *As of March 31, 2021

Fund overview and LP perspective

Private capital fundraising activity



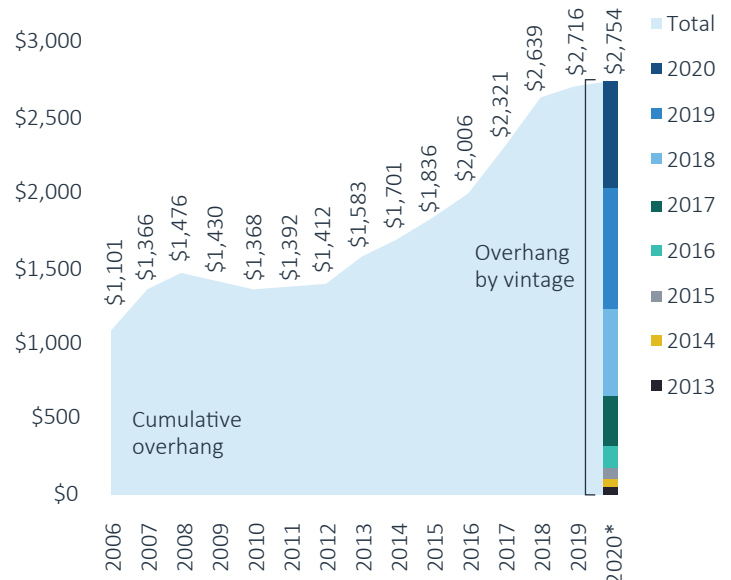
Source: PitchBook | Geography: Global
*As of March 31, 2021

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In Q1 2021, private capital funds posted respectable fundraising figures that, if annualized, would position capital raised for the full year under 2019’s peak but above 2020’s total. This indicates that some investors’ hesitancy to make fund commitments during a pandemic bled into 2021. That said, Q1 2020 had been influenced by a hot 2019 fundraising environment and yet pulled in only \$7.4 billion more than Q1 2021 did. In the trailing 12 months (TTM) through March 2021, 1,662 private capital funds closed, far fewer than the 2,619 closed over the same period last year. While this fund count was down 36.5%, commitments fell only 22.0%, highlighting one of last year’s themes of LPs focusing on larger, more established GPs.

The strength of fundraising was not the same across strategies, however. Secondaries saw capital commitments grow 98.9% over the TTM through March 2020, but real assets saw a decline of 53.1%. VC eked out an increase in capital raised, but the other strategies raised significantly less in commitments than in the year prior. Interestingly,

Private capital overhang (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

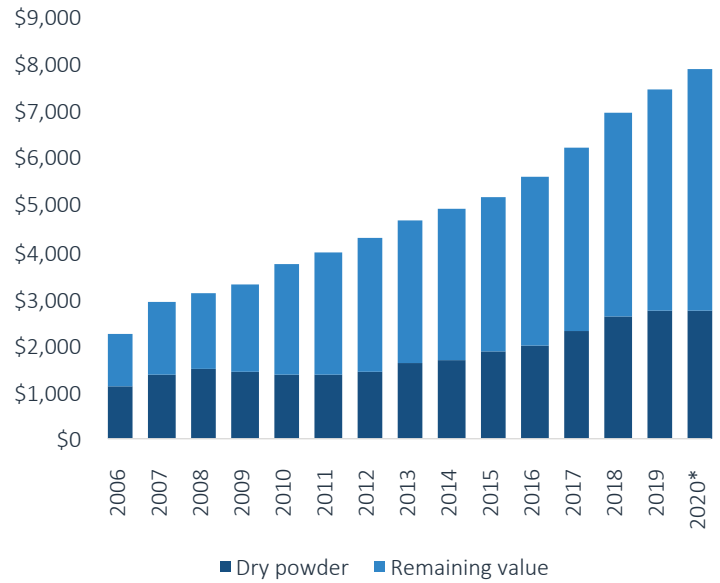
all of the strategies closed fewer vehicles, but some large funds in the secondaries and VC spaces successfully closed to bring the change in capital raised into positive territory.

Overview

The amount of money committed but not yet called by private market funds continued its nearly 10-year-long march upward, but the pace of increase hit an inflection point in 2019. The capital committed in the first three quarters of 2020 only barely overcame calls made from preexisting funds to provide a slight lift to total overhang. Private capital funds' AUM, or dry powder plus the remaining value of fund investments, also increased, largely due to the snapback of valuations following the depths of the pandemic markdowns as of March 31, 2020.¹

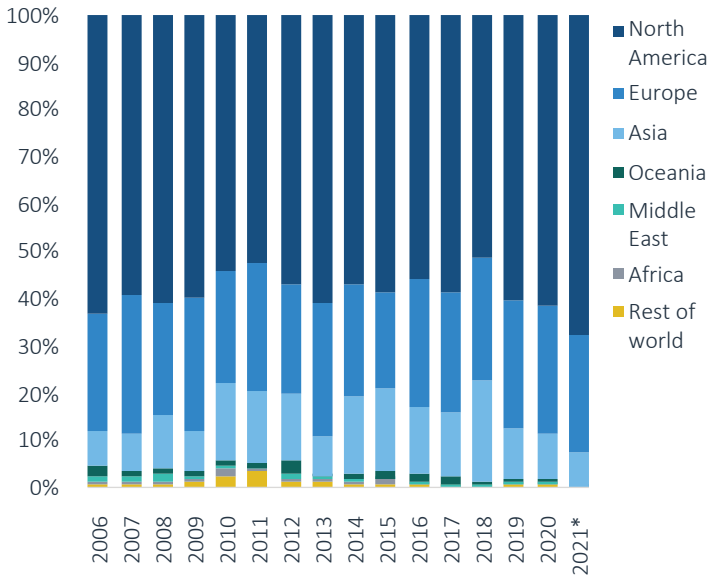
Despite being a more mature market when it comes to the history of private market funds, North America continued to take share both in terms of capital raised and fund count. North America represented over 60% of total commitments in each of the past two calendar years and in Q1 2021. In a year of risk aversion, such as we saw in 2020, investors shied away from less mature private markets. Last year, the share of commitments going to regions other than North America or Europe fell to the lowest annual level since 2013 at 11.2%. In Q1 2021, it fell

Private capital AUM (\$B)



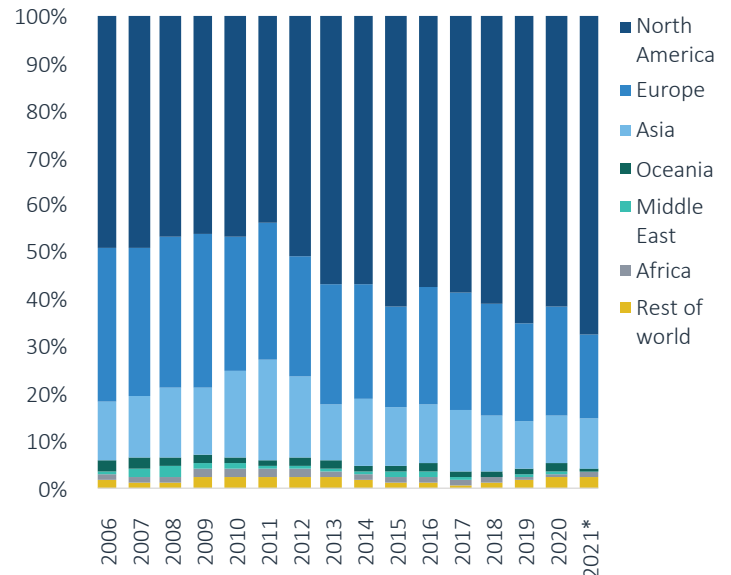
Source: PitchBook | Geography: Global
*As of September 30, 2020

Private capital funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

Private capital funds (#) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

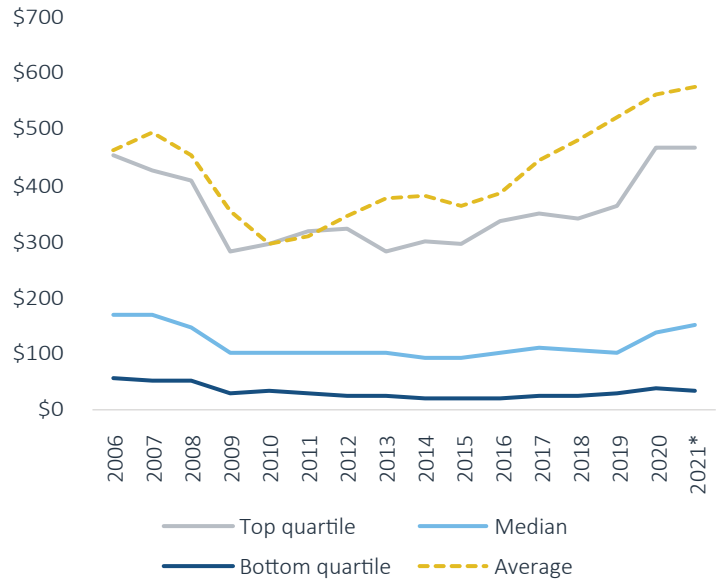
1: For private market performance, we recommend readers reference the latest PitchBook Benchmarks report.

Overview

even further to 7.6%. However, given the share was 22.8% in 2018 and funds often come back to market every three to four years, we expect to see this trend reverse in the coming quarters.

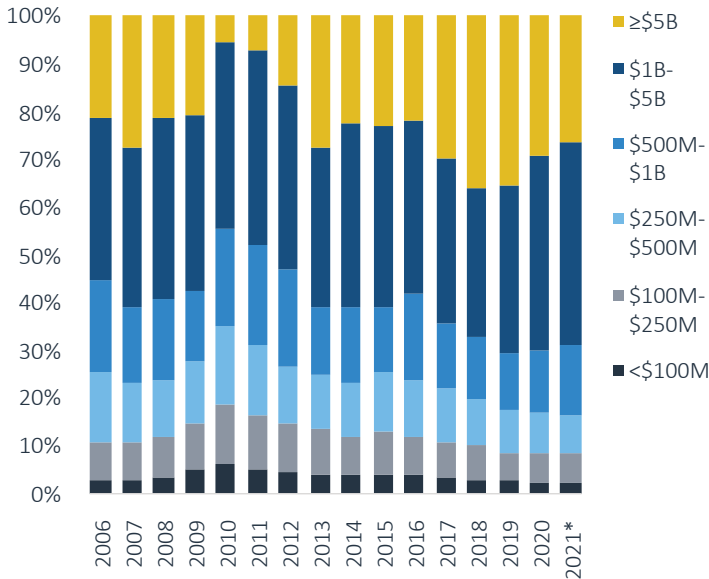
As we will cover in the spotlight of this report, mega-funds have not missed a step in quite some time, garnering a greater share of fund commitments, though this is partly because more of these funds are being raised and partly because many successor funds are getting larger. The definition for mega-funds varies by strategy, but funds sized between \$1 billion and \$5 billion have definitely found the most success in recent years, even taking share from \$5 billion+ funds. Should SoftBank close its Vision Fund II around its target of \$100 billion, that would put a large sum into the \$5 billion+ bucket in whatever year it closes. Vision Fund I added \$100 billion to the 2018 total, accounting for nearly one-tenth of the total capital raised that year across all private capital strategies.

Private capital fund sizes (\$M)



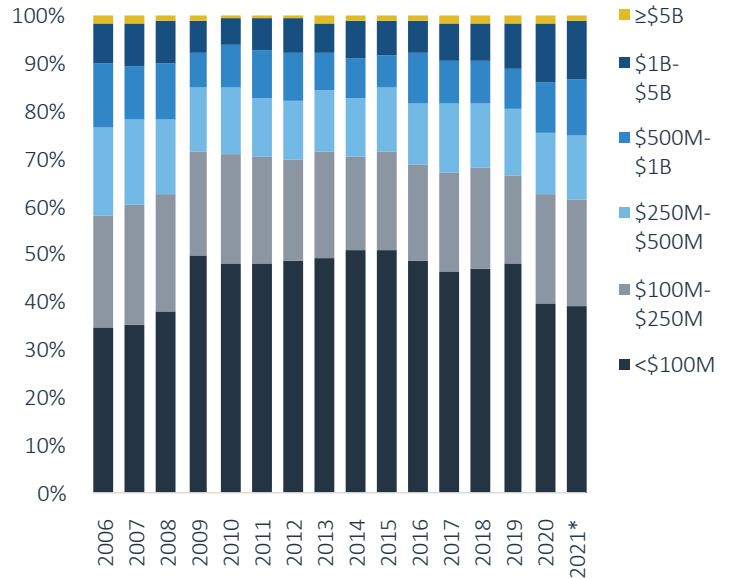
Source: PitchBook | Geography: Global
*As of March 31, 2021

Private capital funds (\$) by size



Source: PitchBook | Geography: Global
*As of March 31, 2021

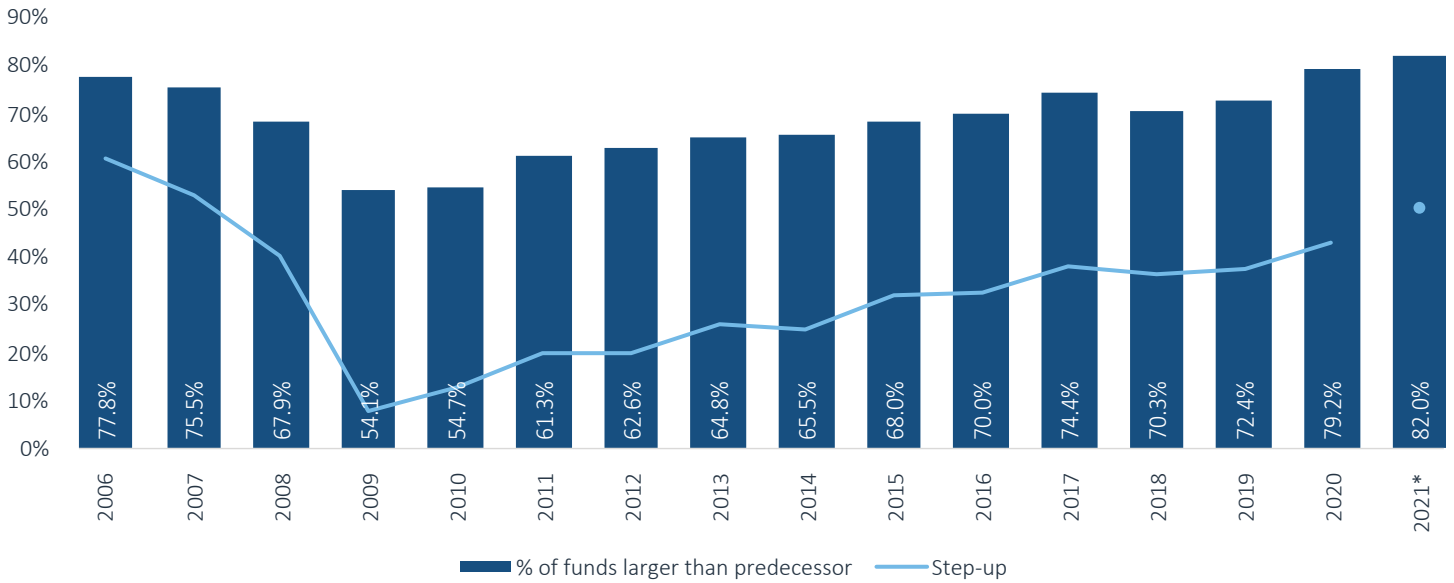
Private capital funds (#) by size



Source: PitchBook | Geography: Global
*As of March 31, 2021

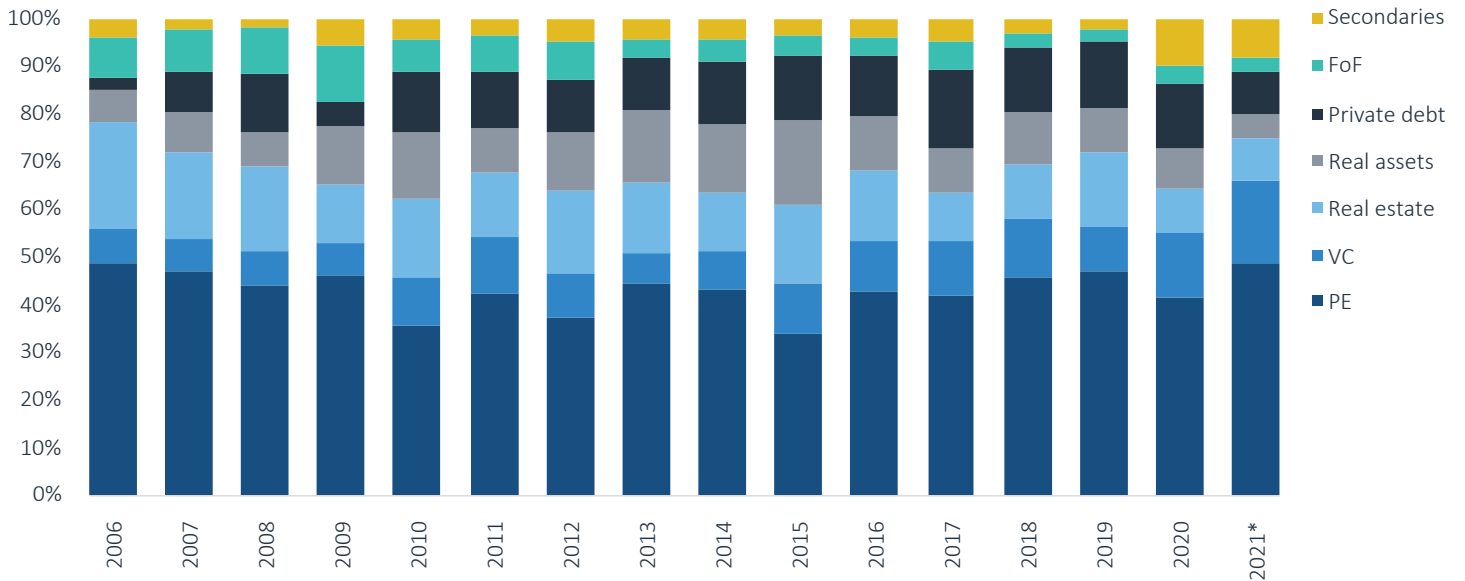
Overview

Median step-up from previous capital fund in fund family



Source: PitchBook | Geography: Global
*As of March 31, 2021

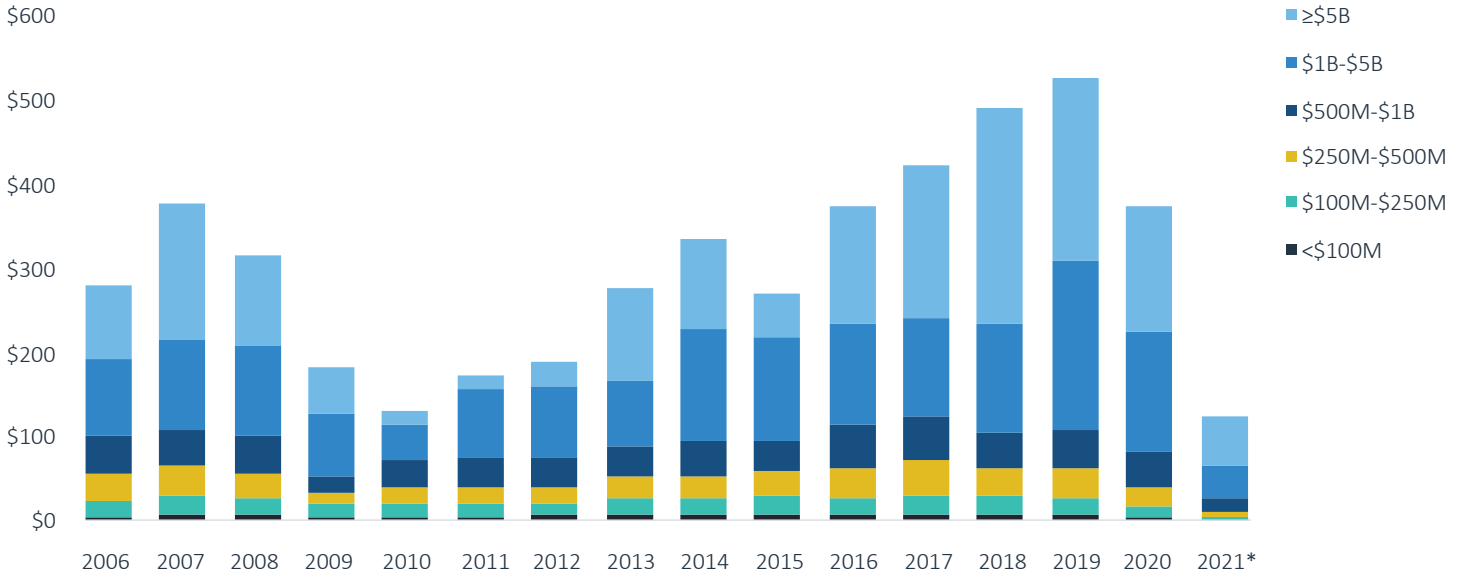
Private capital funds (\$) by type



Source: PitchBook | Geography: Global
*As of March 31, 2021

Spotlight: Mega-funds

PE funds (\$B) by size



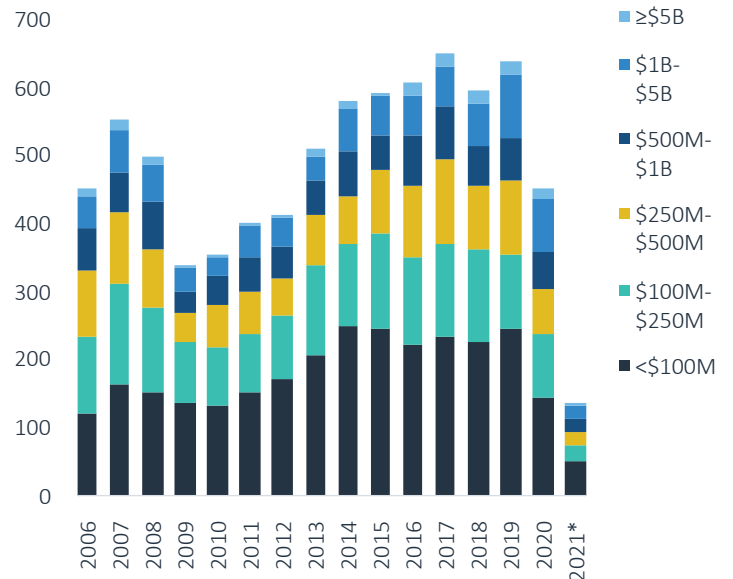
Source: PitchBook | Geography: Global
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For several years now, mega-funds have increasingly dominated PE and VC fundraising.² For PE, these are funds over \$5 billion, while for VC, the cutoff is \$500 million. The events of 2020 exacerbated this trend, as LPs seemed more willing to commit to name brand and very large asset managers rather than take a chance on the return potential that highly motivated emerging fund managers could represent.

Since 2016, only 3.2% of PE funds raised fit into the mega-fund category, but the dollars they garnered amounted to 43.3% of assets raised. In the five calendar years prior to 2016, mega-funds represented 1.4% of fund count and 25.5% of capital raised. While some of this trend can be explained by steadily increasing fund sizes at the top end, it is interesting to note that the median fund size has actually remained around \$200 million as the average moved from \$457.5 million in 2015 up to \$935.9 million in the first quarter of 2021. We should also note that the mega-fund threshold has shifted over time. 20 years ago, a \$1 billion PE fund was considered mega. Since the biggest year for mega-fund closes was 2019,

PE funds (#) by size



Source: PitchBook | Geography: Global
*As of March 31, 2021

in which 20 closed, we feel that the current definition should stand for the time being. In terms of absolute numbers, only one mega-fund closed in 2010, but by 2020, there were 16 (down from 20 in 2019).

2: PitchBook published a series of notes in 2019 about PE mega-funds, including [one with a focus on performance](#).

Spotlight: Mega-funds

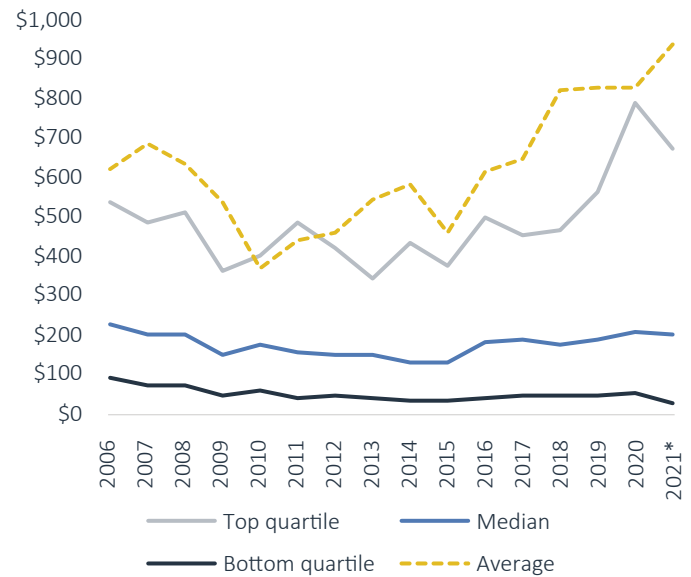
PE took a pause from mega-funds following the global financial crisis (GFC) as new banking regulations caused leverage to be scaled back, making the equity checks required to do the largest deals less likely to provide significant returns. In addition, the “club deals” that also helped to facilitate massive deals prior to the GFC had fallen out of favor as GPs negotiated in the unsteady environment. These GPs had also found that they did not enjoy sharing control of companies when faced with a challenging economic environment. The 32 \$5 billion+ PE-backed deals done since the start of 2020, including those of Dunkin’ Brands and Michaels Stores, indicate that big deals are back.

VC has seen similar trends at the large end of the size spectrum. Unlike PE, however, as the top end has increased, so has the median fund size. In 2009, the median was \$30.0 million, and by Q1 2021, it had grown to \$83.9 million. Mega-funds represented 6.5% of the number of funds raised between 2016 and Q1 2021, up from 4.2% in the prior five years. VC fund count was up enormously at all size levels, however. From 2011 to 2015, 106 mega-funds had final closings of 2,524 VC funds overall, while between 2016 and Q1 2021, 262 mega-funds closed out of 4,051 overall. In terms of assets raised, though, the share going to VC mega-funds rose to 48.8% since 2016, up from 39.4% between 2011 and 2015. Put plainly: Since 2016, almost half of the assets committed to VC went to just 6.5% of the vehicles.

It is interesting to note that, for many years, the most prominent VCs would not accept commitments from investors subject to the Freedom of Information Act (FOIA) rules.³ This has been changing, often because US states have legislated that commercially sensitive information may be withheld from FOIA requests, allowing state pensions to once more be acceptable to VCs and making it easier to raise larger VC funds.

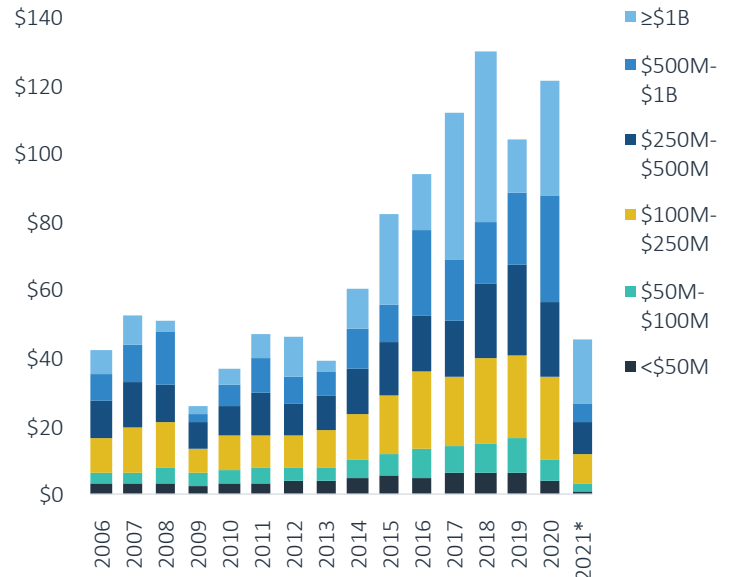
VC mega-funds used to be looked on with skepticism due to the difficulty of putting such large sums to work in high-quality deals. With the advent of longer holding periods and larger late-stage rounds, many VCs believe they must have larger funds to continue maintaining their stakes in existing deals.

PE fund sizes (\$M)



Source: PitchBook | Geography: Global
*As of March 31, 2021

VC funds (\$B) by size



Source: PitchBook | Geography: Global
*As of March 31, 2021

3: FOIA is a US rule (though other countries have similar laws) that requires that governmental groups serving the public provide any information that is specifically requested, as long as it does not require the creation of new documents. Many VCs were concerned that public pensions subject to FOIA would have to turn over documents received from VCs, thus giving away things meant to stay secret to protect fledgling investments.

Spotlight: Mega-funds

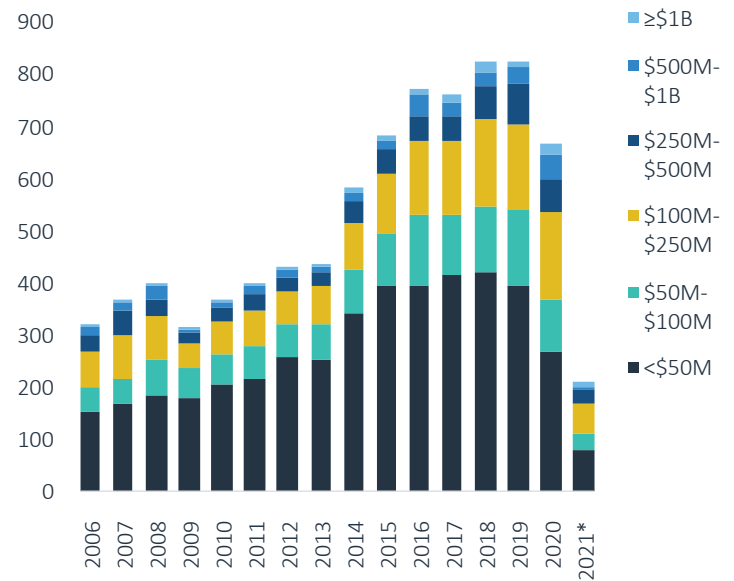
While mega-funds attract the most attention because of their gargantuan sizes and the headline-grabbing deals they can do, the vast majority of funds are still sized under \$1 billion. This explains why the dashed line in the VC fund sizes chart shows average fund sizes above even the top quartile line and significantly above the median fund size line.

Exceptionally large funds do not exist solely in PE and VC, of course. In the first quarter, Collier International Partners VIII closed on \$9.0 billion to invest in secondaries, and Oaktree secured \$4.7 billion in commitments for its Real Estate Opportunities Fund VIII. Proving that, even in a pandemic, a name brand can do a successful fundraise, KKR was able to raise \$3.9 billion for its first Asia Pacific infrastructure fund. As we noted in [last quarter's edition](#), fund managers who were less established and not household names had a much more difficult time attracting commitments in 2020.

At the ultra end of the size spectrum, at least 10 funds currently in the market are targeting over \$10 billion in commitments; they range in strategy from EQT's fifth infrastructure offering to the second SoftBank Vision Fund. Other big-name firms currently raising mega-funds include KKR, Hellman & Friedman, Oaktree Capital, Stonepeak Infrastructure Partners, and Hillhouse Capital.

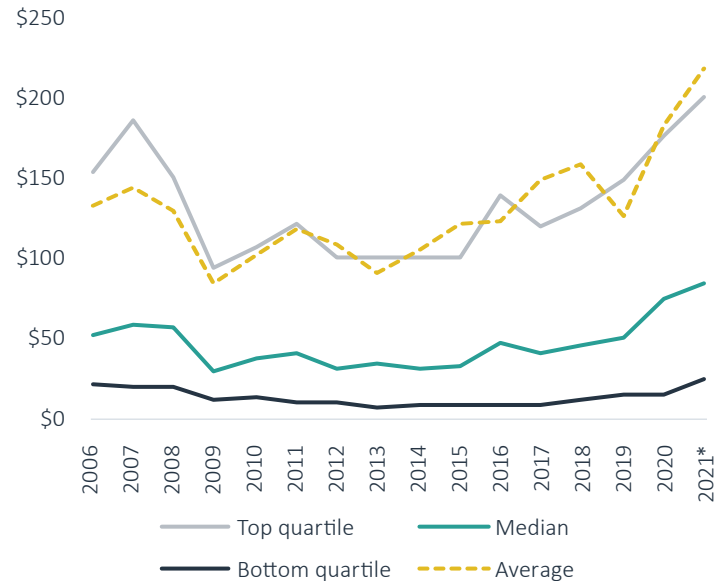
Real estate mega-funds had a banner year in 2019, closing on nearly \$130 billion in aggregate. There has been a sharp pullback recently, however, with only \$60.5 billion raised since the beginning of 2020—and not a single fund of \$5 billion or more.

VC funds (#) by size



Source: PitchBook | Geography: Global
*As of March 31, 2021

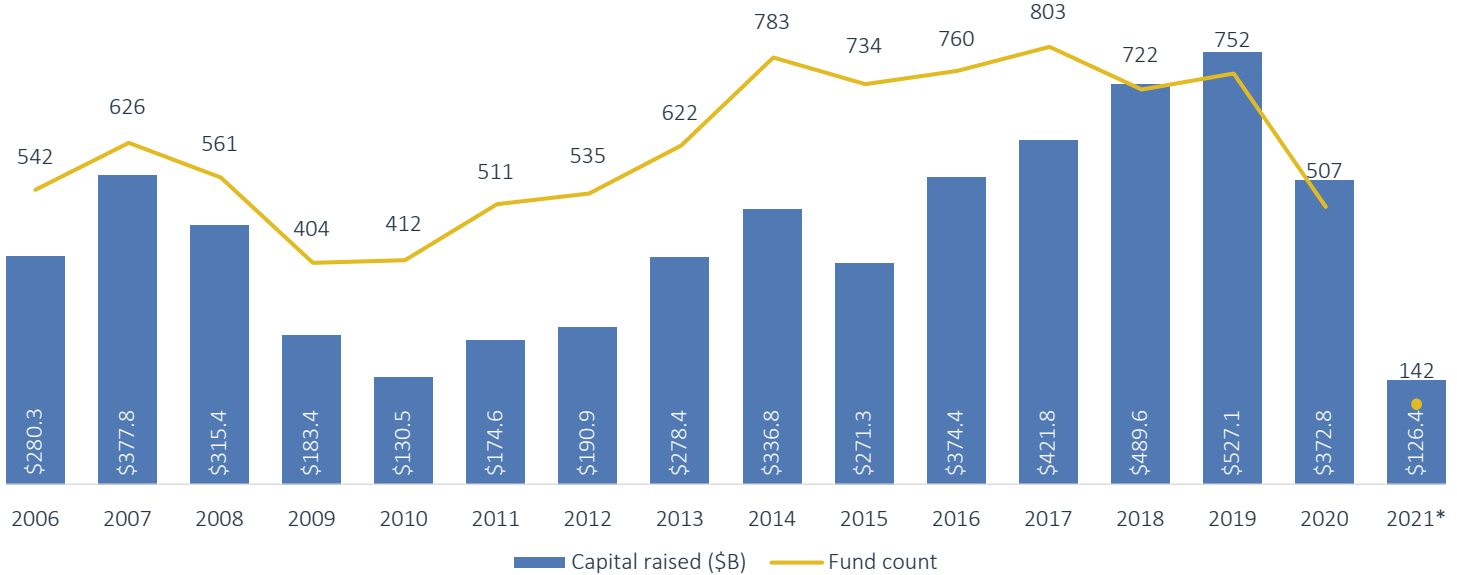
VC fund sizes (\$M)



Source: PitchBook | Geography: Global
*As of March 31, 2021

Private equity

PE fundraising activity



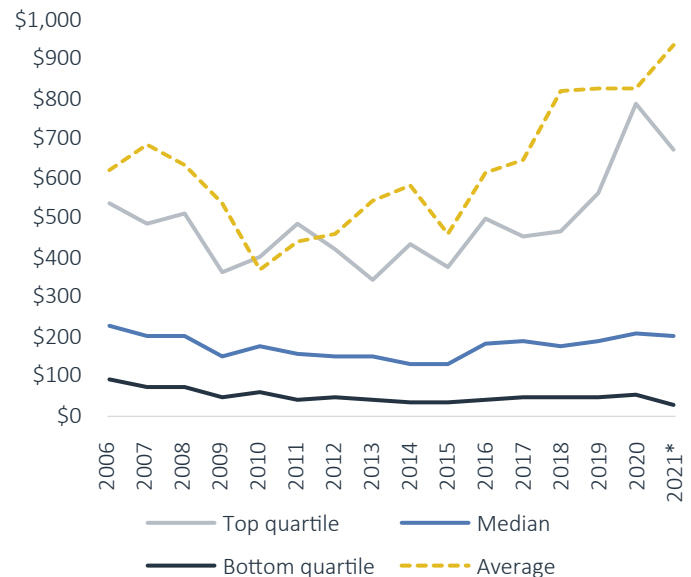
Source: PitchBook | Geography: Global
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After a subdued 2020, capital raised for PE funds came roaring back in the first quarter of the year. In Q1 2021, 142 PE funds closed on \$126.4 billion, marking the highest first quarter figure for PE capital raised ever and a healthy 26.2% increase from the same quarter last year. The fundraising market has experienced its own version of a K-shaped recovery: The largest and most experienced managers increased their LP wallet share, while smaller managers found the environment more challenging. For instance, the top five largest closed funds of Q1 accounted for over 50% of total capital raised for the strategy, including mega-funds from Silver Lake Partners, CD&R, and Apax Partners, among others. That being said, we do expect the fundraising market to significantly improve for smaller managers through the remainder of 2021, as people resume travel and as LP risk appetite increases.

A multitude of additional factors have contributed to the impressive capital raised total of Q1. Strong structural tailwinds in PE are assisting higher fundraising totals, including the sustained low-interest rate environment, public market volatility, and PE’s continued outperformance over public market peers. Additionally, GPs are expanding into more fund strategies, which is

PE fund sizes (\$M)



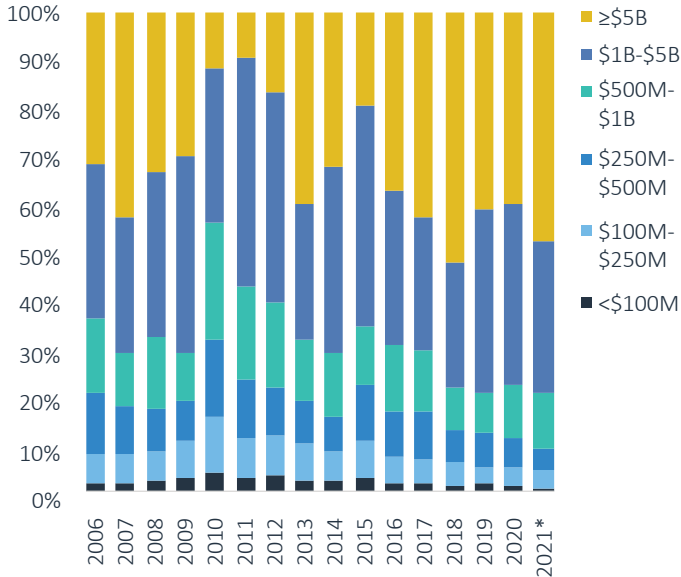
Source: PitchBook | Geography: Global
*As of March 31, 2021

Private equity

driving fundraising growth and fee-paying AUM. For example, Blackstone closed on \$4.5 billion in Q1 for its inaugural growth equity fund. Step-ups within flagship fund families are also growing fast. For instance, CD&R Fund XI closed on \$16.0 billion, which was a considerable 1.6x step-up from its predecessor.

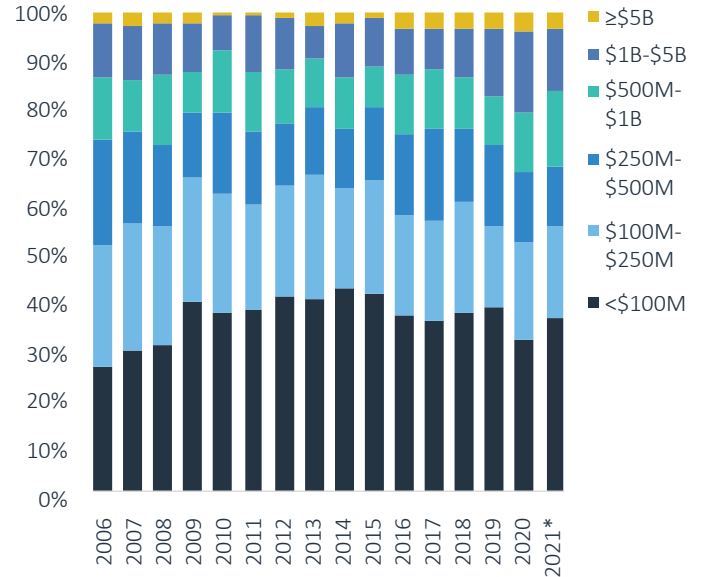
Also factoring into fundraising activity levels are the continued rounds of fiscal-monetary support, the commencement of mass inoculations in the US and Europe, and an accelerating economic recovery. Finally, the exceptionally strong recovery in the public markets has resulted in a short-lived denominator effect.⁴ As a result,

PE funds (\$) by size



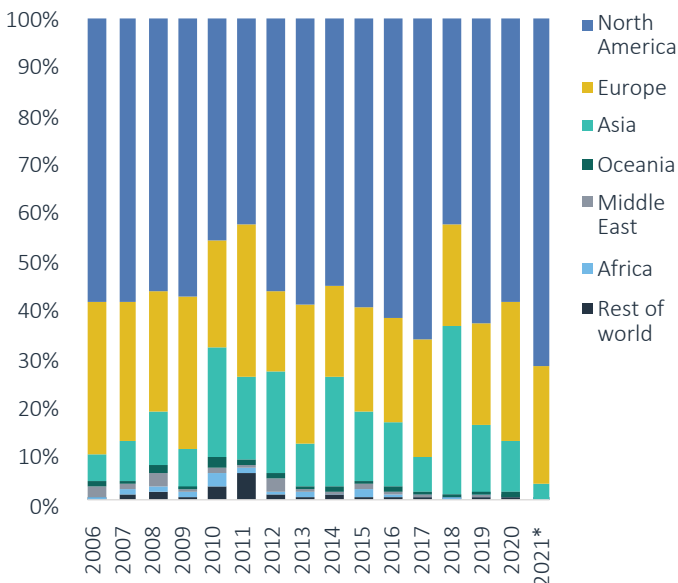
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PE funds (#) by size



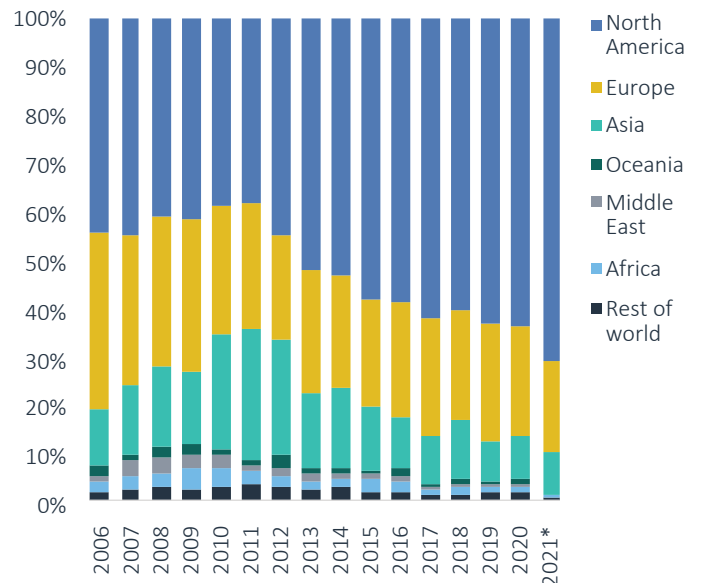
Source: PitchBook | Geography: Global
*As of March 31, 2021

PE funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

PE funds (#) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

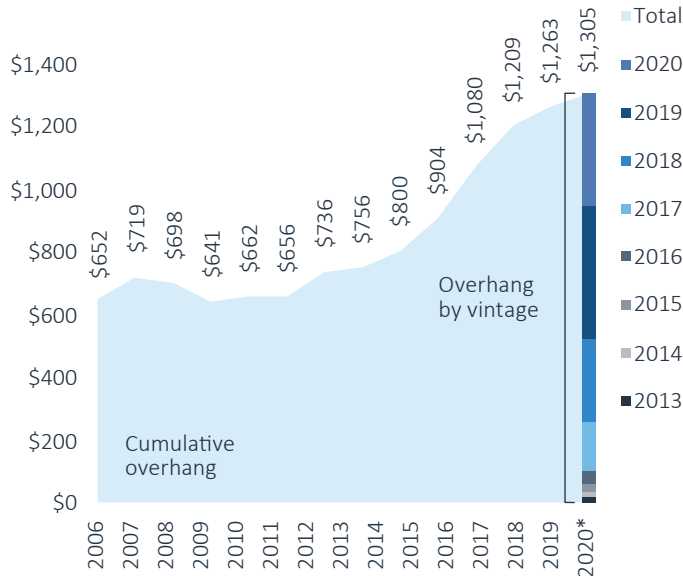
4: LPs experience the denominator effect when the daily valued assets fall dramatically, causing the infrequently revalued private market portion to rapidly become a larger percentage of the total portfolio, potentially causing LPs to hit allocation limits that may require trades to rebalance.

Private equity

LPs appear to have a much stronger risk appetite for PE than they did during the GFC and have learned lessons from a decade ago, such as not missing a vintage and keeping commitment pacing consistent. Q1's capital raised figure tells us allocator appetite seems largely undiminished

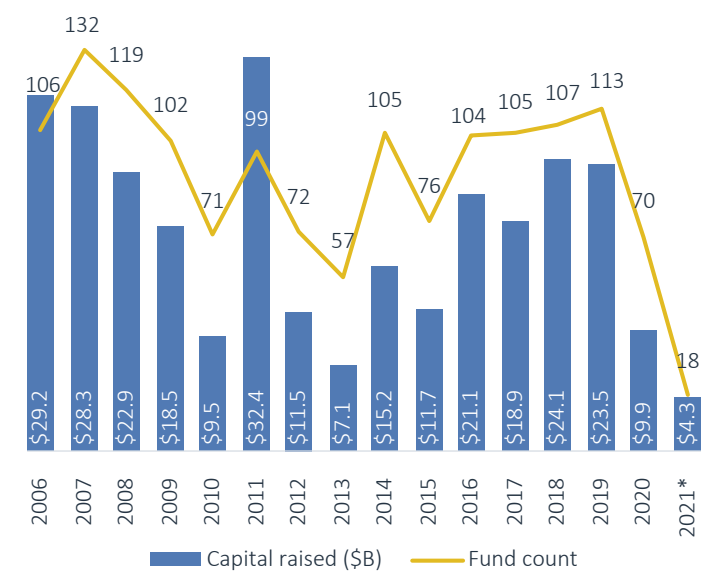
following 2020's volatility, as LPs turn to PE for higher risk-adjusted returns. We anticipate 2021 will be another robust PE fundraising year, as a number of open mega-funds are in the market, including The Carlyle Group's reported \$22.0 billion eighth flagship vehicle.

PE overhang (\$B)



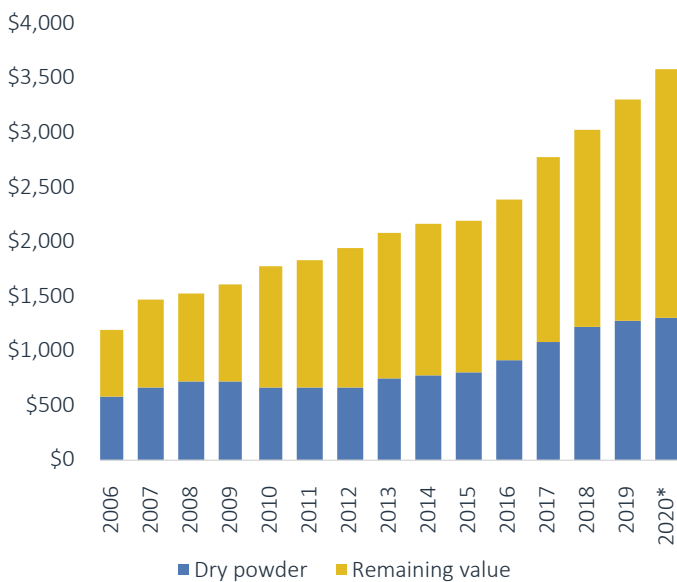
Source: PitchBook | Geography: Global
*As of September 30, 2020

PE first-time fundraising activity



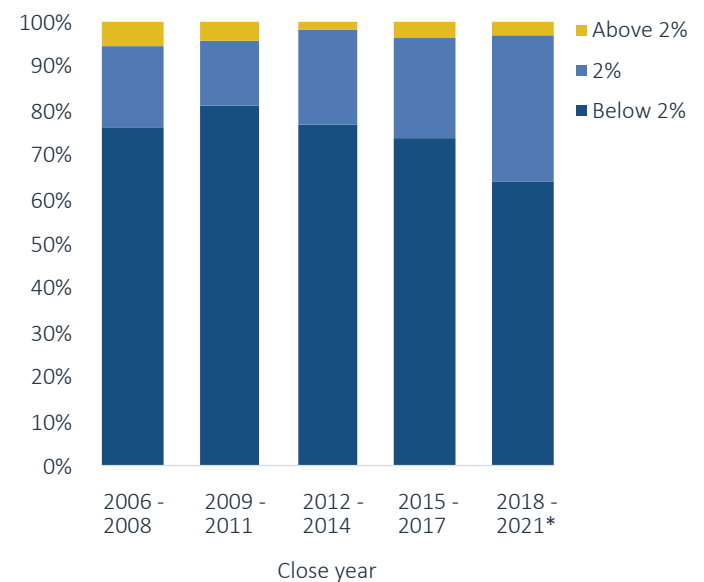
Source: PitchBook | Geography: Global
*As of March 31, 2021

PE AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

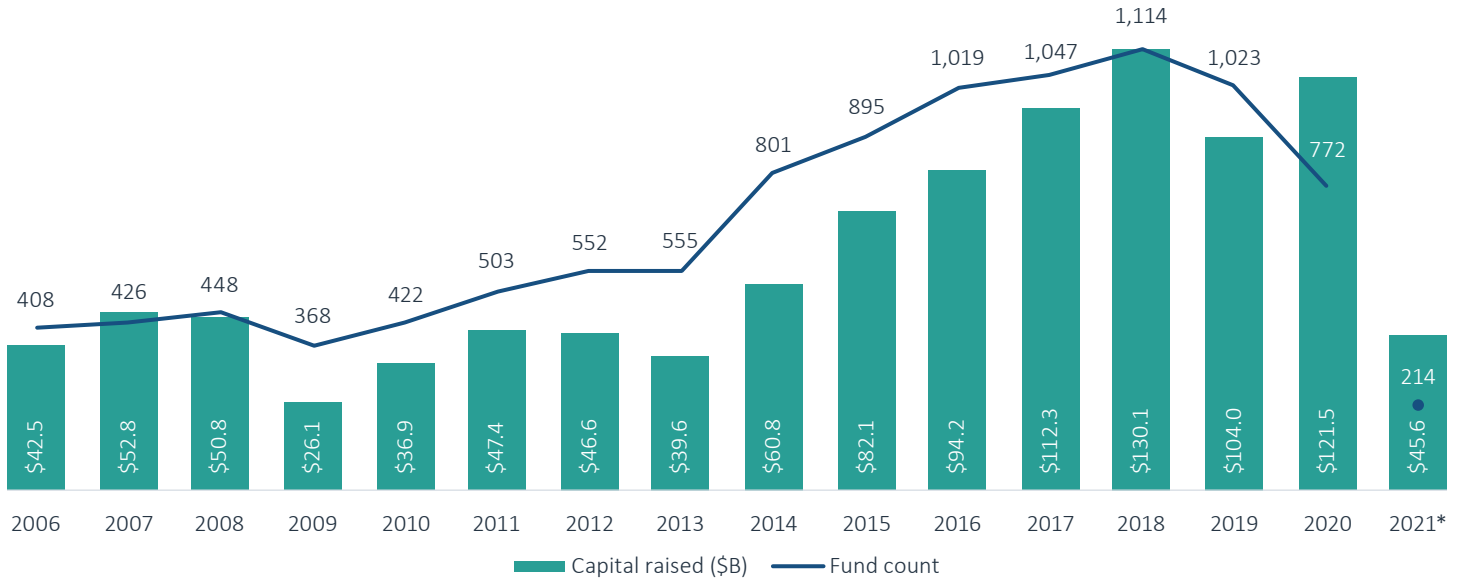
Management fee percentage for PE funds by vintage year cohort



Source: PitchBook | Geography: Global
*As of March 31, 2021

Venture capital

VC fundraising activity



Source: PitchBook | Geography: Global
*As of March 31, 2021

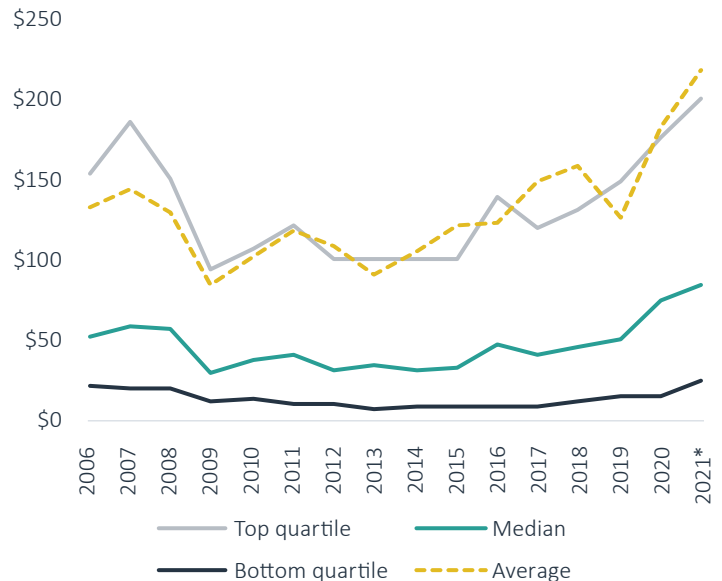
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Venture funds raised a lofty \$45.6 billion in Q1 2021, the second-highest quarterly figure on record. If the current fundraising pace persists, VC funds could surpass the record \$130.1 billion raised in 2018. Robust fundraising figures illustrate that healthy capital flows within the VC ecosystem have continued into 2021 after an unexpectedly bumper year for VC funds in 2020.

Amid the increase in overall capital raised, VC fund sizes have developed strongly. Lucrative return profiles, low interest rates, and considerable liquidity from exit events have enticed capital commitments into larger VC funds. In Q1 2021, investors committed \$18.7 billion, equivalent to 41.0% of capital raised, to 10 funds over \$1 billion. By year-end, capital raised in funds over \$1 billion could exceed the record \$49.7 billion raised in 2018, provided the existing pace continues throughout 2021. Furthermore, fund sizes across all quartiles in Q1 2021 are pacing higher than full-year 2020 figures; however, fluctuations are expected as the year progresses.

The three largest mega-funds (for VC, those exceeding \$500 million) to close in Q1 2021 were TCV XI at \$4.0 billion, Bessemer Venture Partners XI at \$2.5 billion,

VC fund sizes (\$M)



Source: PitchBook | Geography: Global
*As of March 31, 2021

and Bond Capital Fund II at \$2.0 billion, all of which are based in the US. North America-based VC funds remained the largest share of VC raised globally and secured \$34.7 billion, equating to 76.2% of overall capital

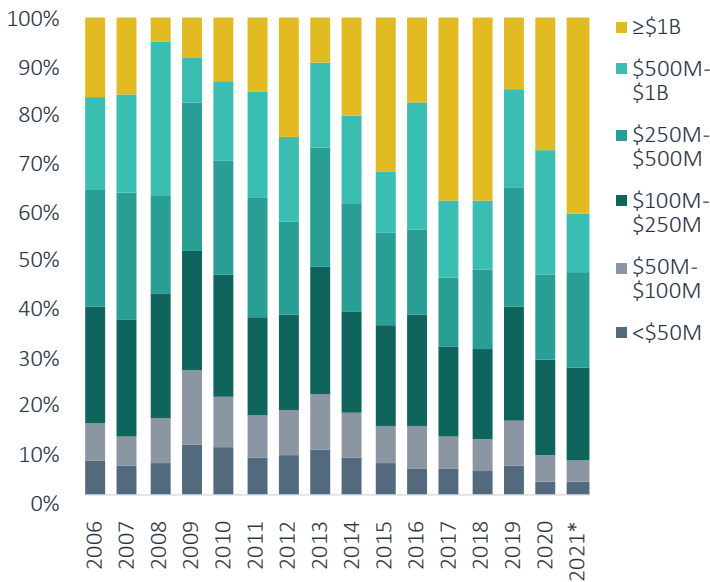
Venture capital

raised in the quarter. The largest VC funds closed outside North America were China-based LAV Fund XI at \$1.4 billion and Matrix Partners China VI at \$1.2 billion.

Cumulative VC dry powder figures continued to grow in 2020 as VC funds have expanded fund sizes to meet the capital demands from more developed companies

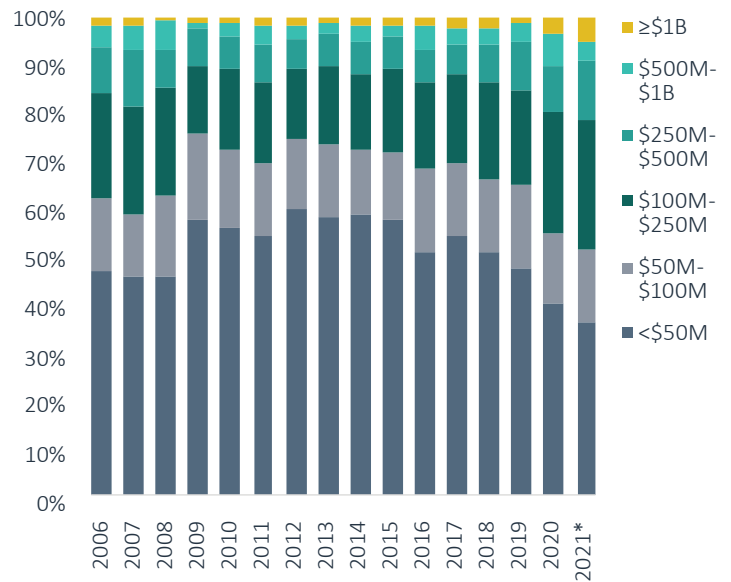
staying private. Nontraditional investors have continued to pump capital into the VC ecosystem during the pandemic, which has allowed companies to expand in size and maximize their VC investment runways. LPs have demonstrated strong appetite to commit to larger funds, as they seek returns from a growth investment strategy in a challenging macroeconomic environment.

VC funds (\$) by size



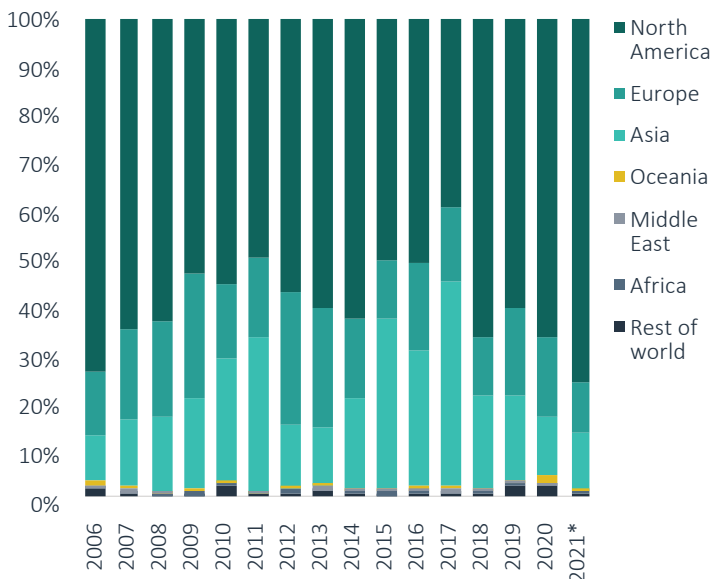
Source: PitchBook | Geography: Global
*As of March 31, 2021

VC funds (#) by size



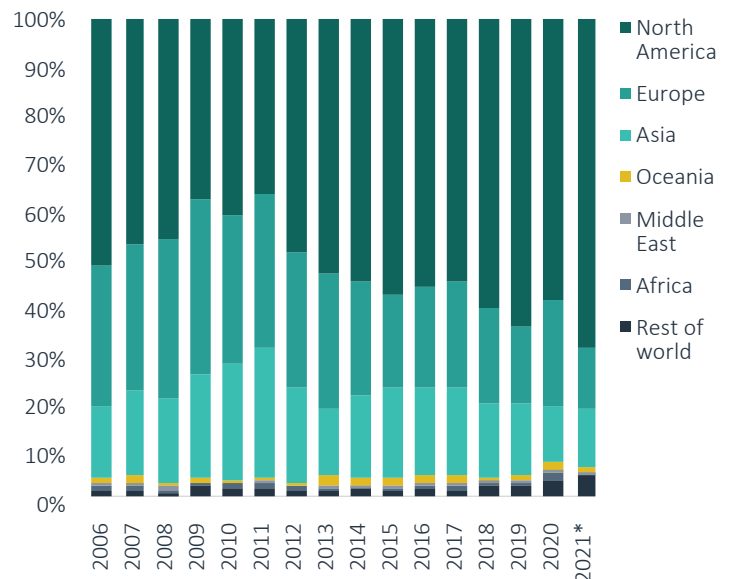
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*As of March 31, 2021

VC funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

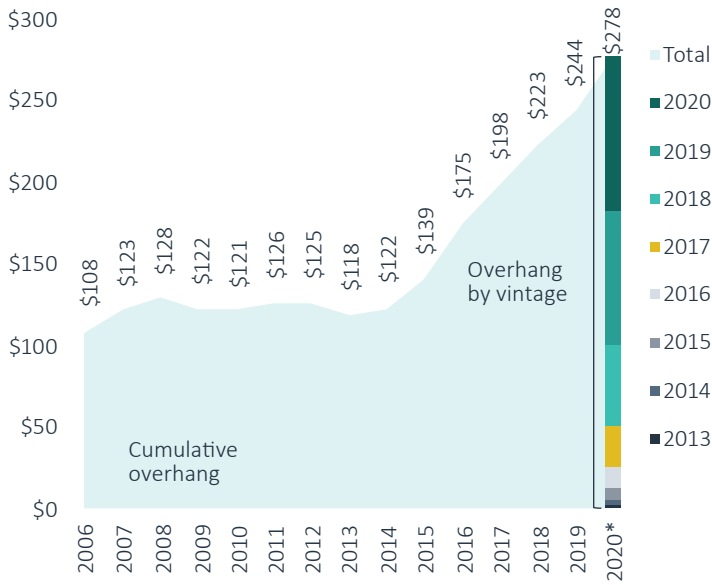
VC funds (#) by region



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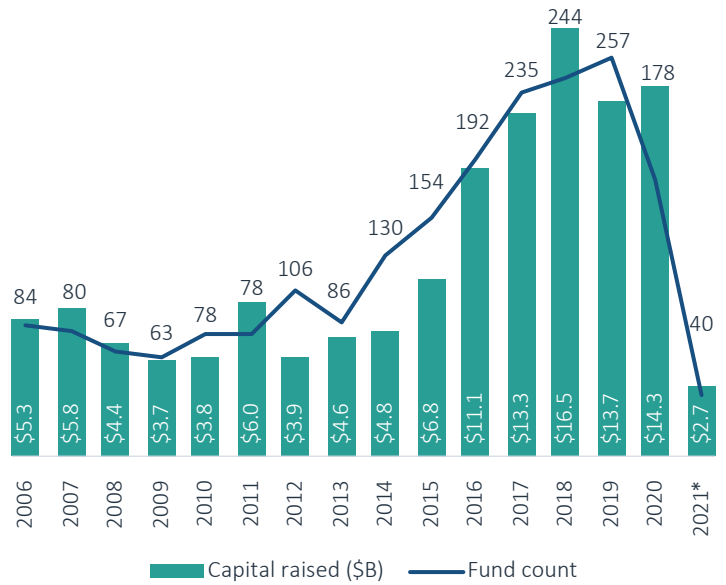
Venture capital

VC overhang (\$B)



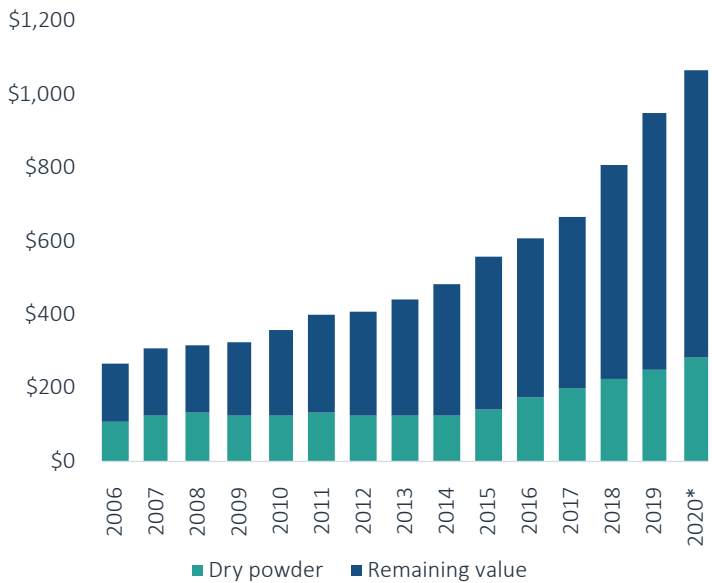
Source: PitchBook | Geography: Global
*As of September 30, 2020

VC first-time fundraising activity



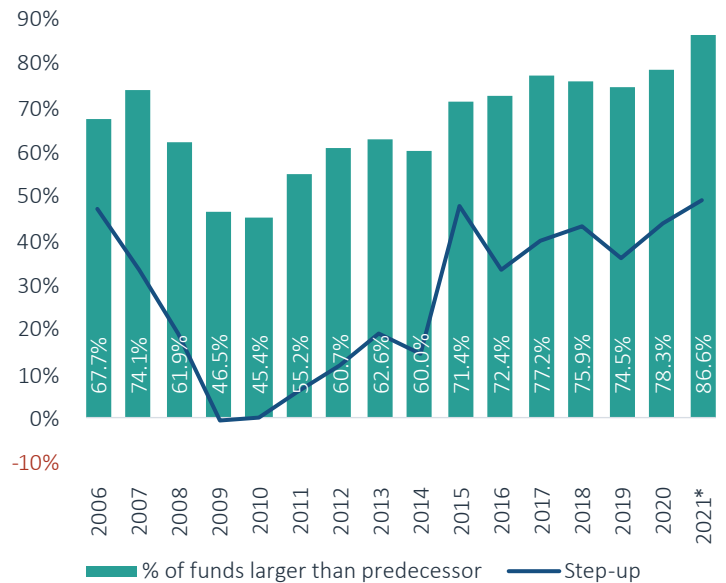
Source: PitchBook | Geography: Global
*As of March 31, 2021

VC AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

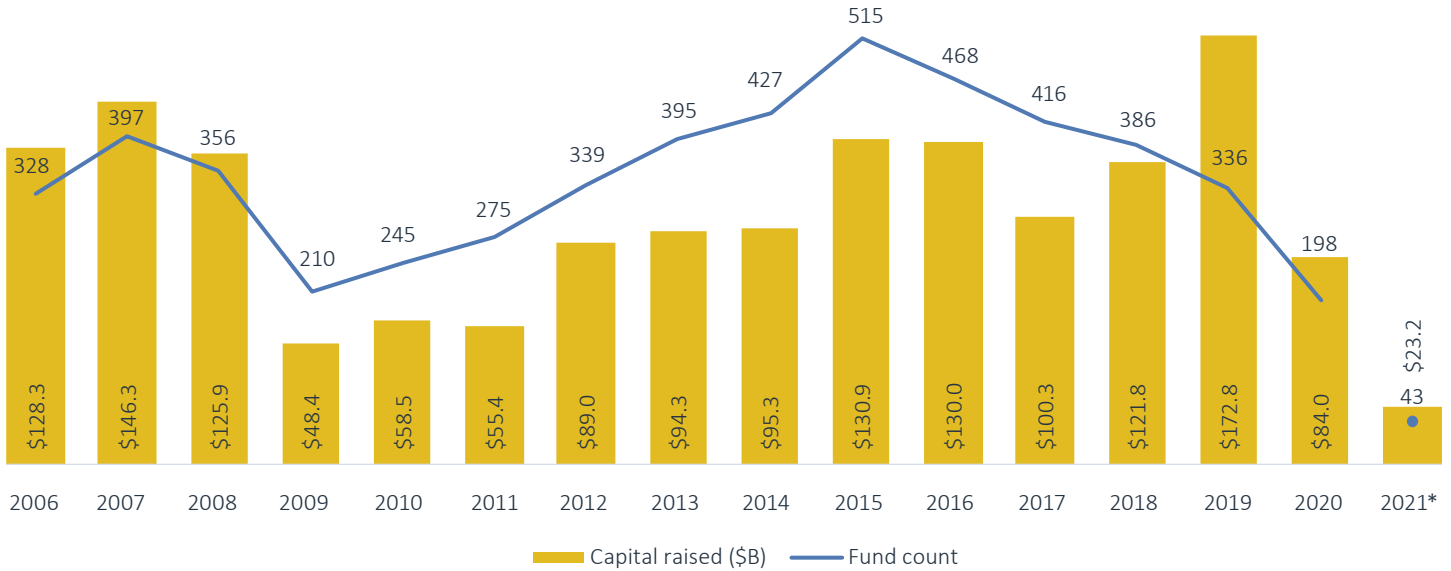
Median step-up from previous VC fund in fund family



Source: PitchBook | Geography: Global
*As of March 31, 2021

Real estate

Real estate fundraising activity



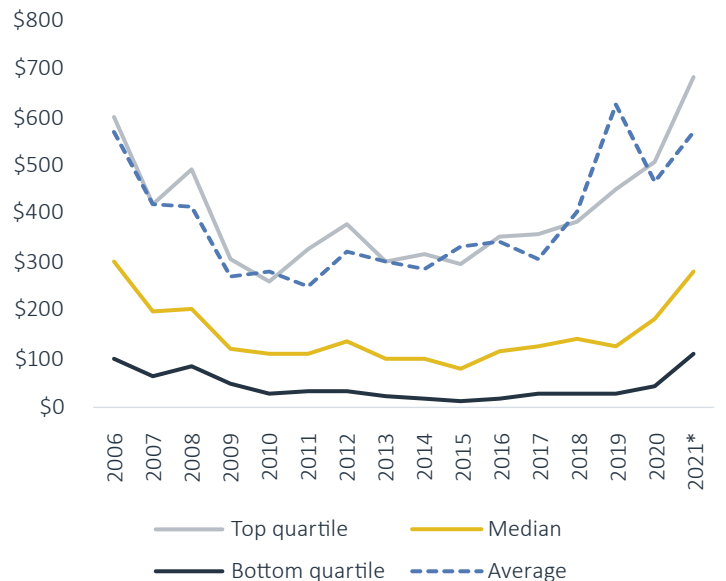
Source: PitchBook | Geography: Global
*As of March 31, 2021

James Gelfer Head of US Private Markets Research
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Real estate fundraising remained sluggish in Q1 2021, with the headwinds from COVID-19 continuing to deter investors. In addition to ongoing questions about the long-term prospects of commercial real estate, the strategy is also competing for capital with other private market strategies—namely PE and VC—that have posted stellar returns in recent quarters and offer attractive risk/return prospects given the current macro backdrop. Real estate fundraising appears primed for a rebound in the coming quarters, with a handful of funds having already held initial closes on \$2 billion or more. The most notable launch of the quarter came from Carlyle, which is seeking \$6 billion for its ninth flagship real estate fund.

Where there has been activity, fundraising continues to concentrate in the value-add and opportunistic spaces, with only four core or core-plus funds closing during the quarter. And while the headwinds of the COVID-19 pandemic would seemingly make it an appealing time for distressed funds, just a single fund pursuing the strategy closed in Q1 2021. Funds targeting multi-family assets were in favor during the quarter, accounting for the lion's share of both fund count and capital raised, as housing has proved particularly resilient over the last year.

Real estate fund sizes (\$M)



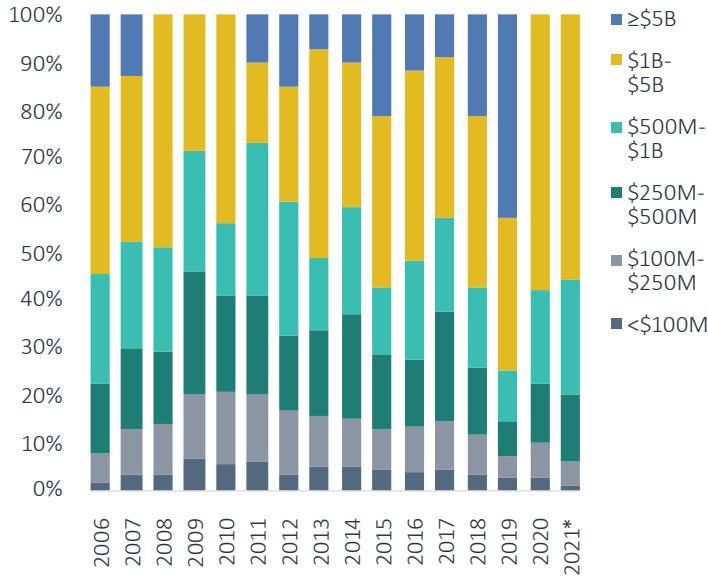
Source: PitchBook | Geography: Global
*As of March 31, 2021

Real estate

While real estate fund count wanes, fund sizes have been swelling in large part due to veteran GPs having success on the fundraising trail. The average size step-up between funds has been trending upward over the last decade and has accelerated even more quickly since

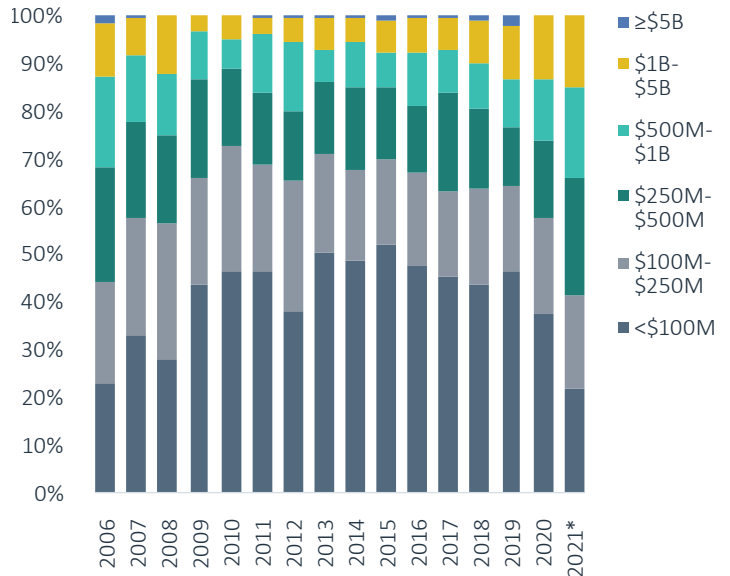
2018, spiking from 38% in 2020 to 59% in Q1 2021. These substantial step-ups are even occurring at the top end of the market, with three of the four largest funds being at least 55% larger than their predecessor.

Real estate funds (\$) by size



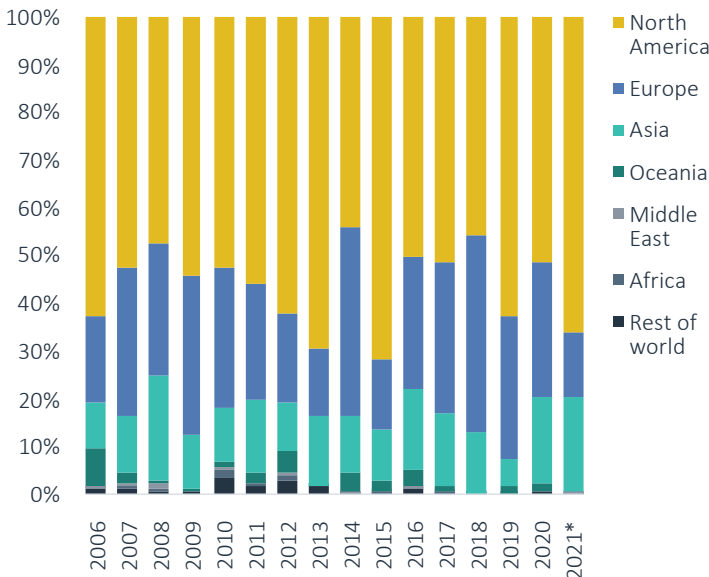
Source: PitchBook | Geography: Global
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Real estate funds (#) by size



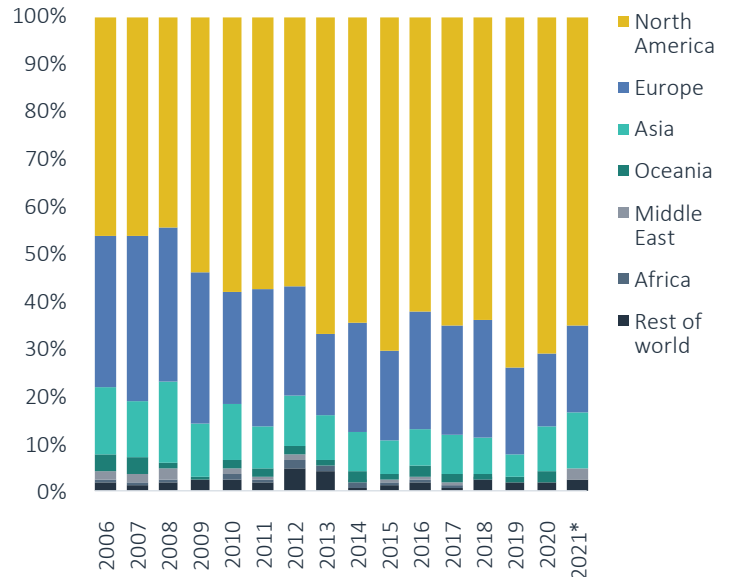
Source: PitchBook | Geography: Global
*As of March 31, 2021

Real estate funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

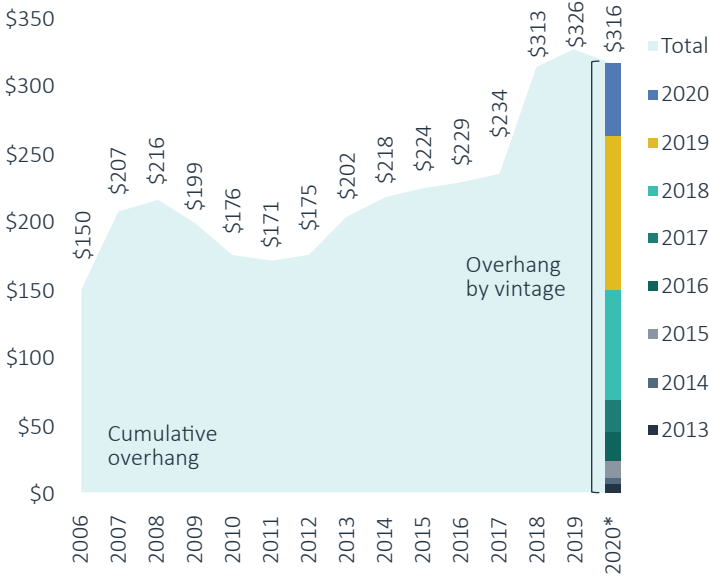
Real estate funds (#) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

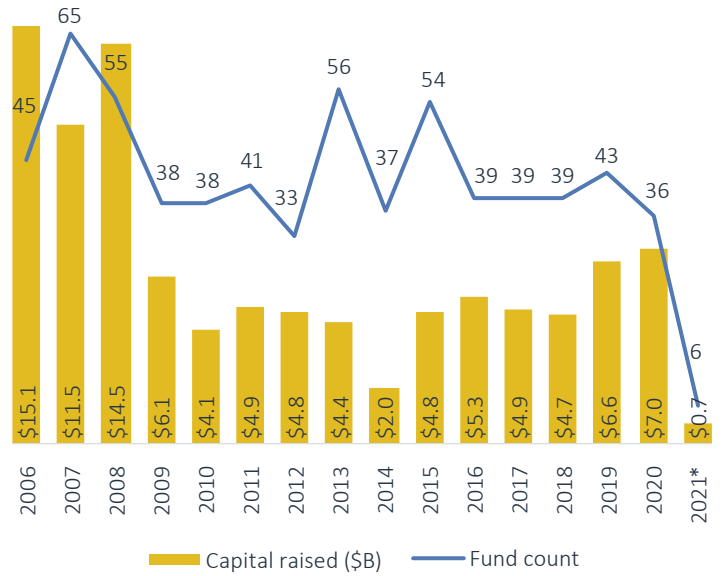
Real estate

Real estate overhang (\$B)



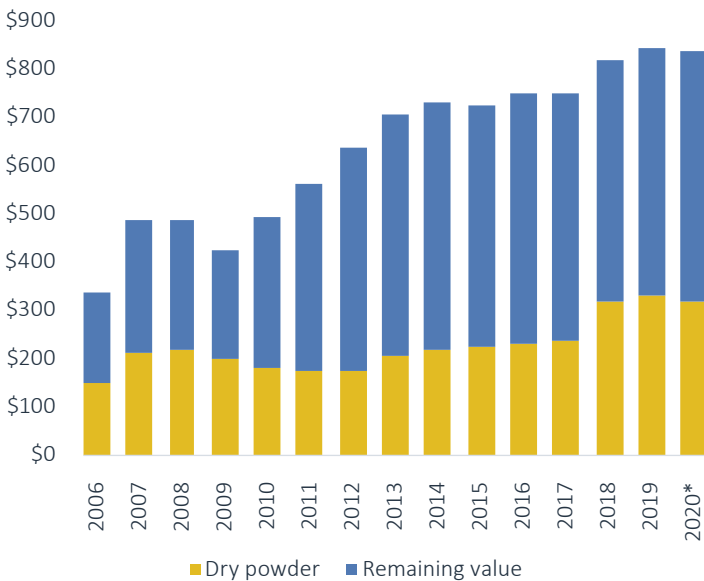
Source: PitchBook | Geography: Global
*As of September 30, 2020

Real estate first-time fundraising activity



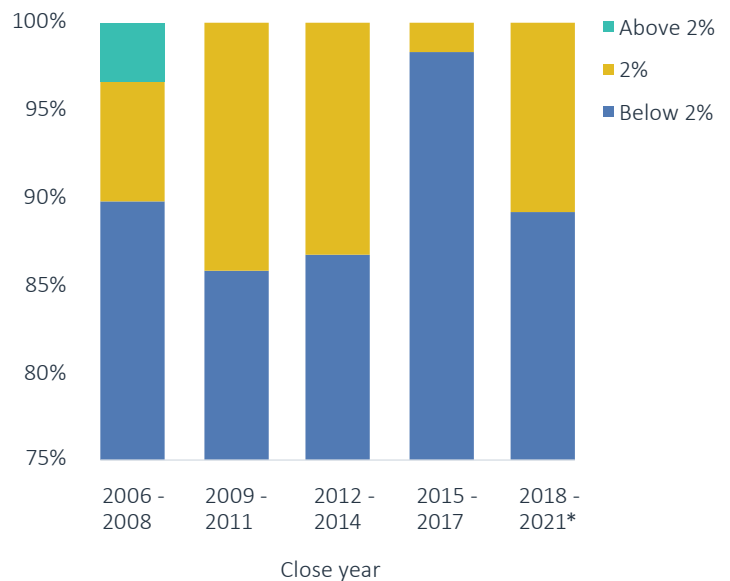
Source: PitchBook | Geography: Global
*As of March 31, 2021

Real estate AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

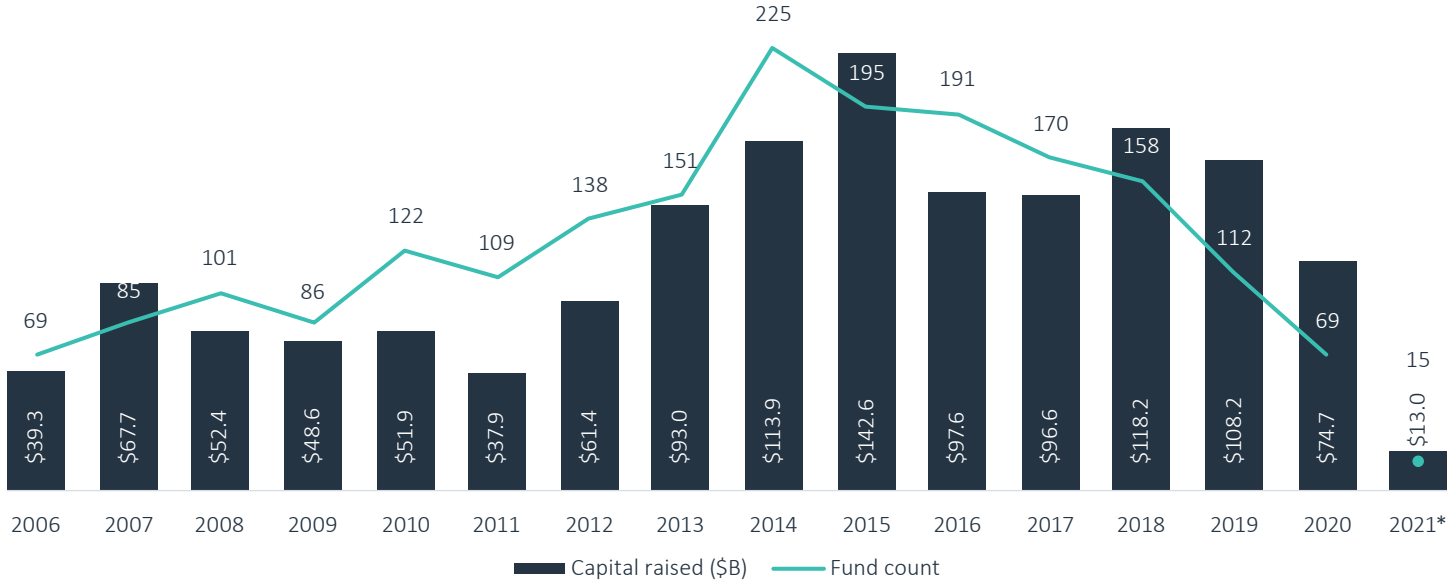
Management fee percentage for real estate funds by vintage year cohort



Source: PitchBook | Geography: Global
*As of March 31, 2021

Real assets

Real assets fundraising activity



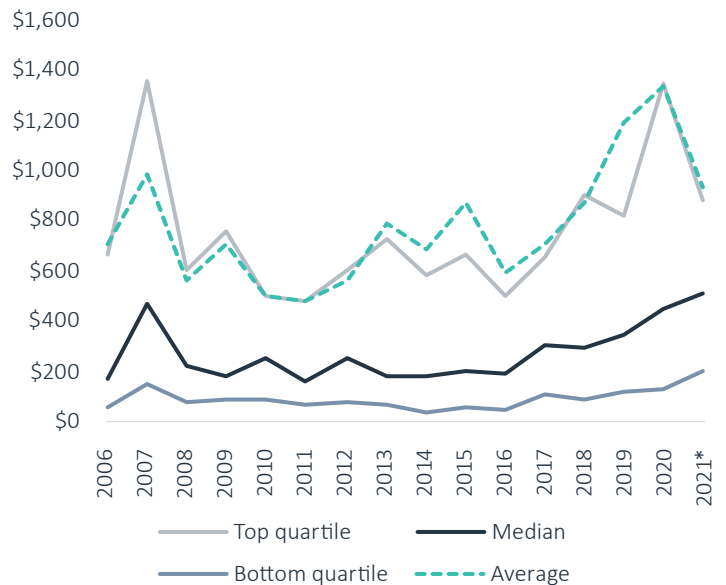
Source: PitchBook | Geography: Global
*As of March 31, 2021

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Infrastructure and renewable energy/power funds continue to dominate real assets fundraising. With infrastructure, the same investment thesis continues to ring true. Governments around the world are strapped for cash and are increasingly turning to public-private partnerships to update infrastructure. Due to the size of the assets they purchase, these funds are almost by necessity near the largest of any private capital strategy. The largest of which, Copenhagen Infrastructure IV, closed on €7.0 billion (\$8.3 billion) in April, so it is not included in this report’s datasets. Another interesting fund was the \$1.0 billion Digital Alpha Fund II. The fund is slated to invest in cloud technology, networking equipment, and IoT, and it is one of just a handful of players solely targeting digital infrastructure.

Funds targeting renewables have continued to gain steam. BlackRock’s Global Renewable Power Fund III was the largest to close in the quarter at \$4.8 billion. Macquarie-owned Green Investment Group also raised €1.6 billion (\$1.9 billion) in the quarter. With LPs and corporations focusing more on their carbon footprint, we expect this segment to have tailwinds for quite some time. On the flip side, investors concerned about ESG risks are causing the major oil producers to divest

Real assets fund sizes (\$M)



Source: PitchBook | Geography: Global
*As of March 31, 2021

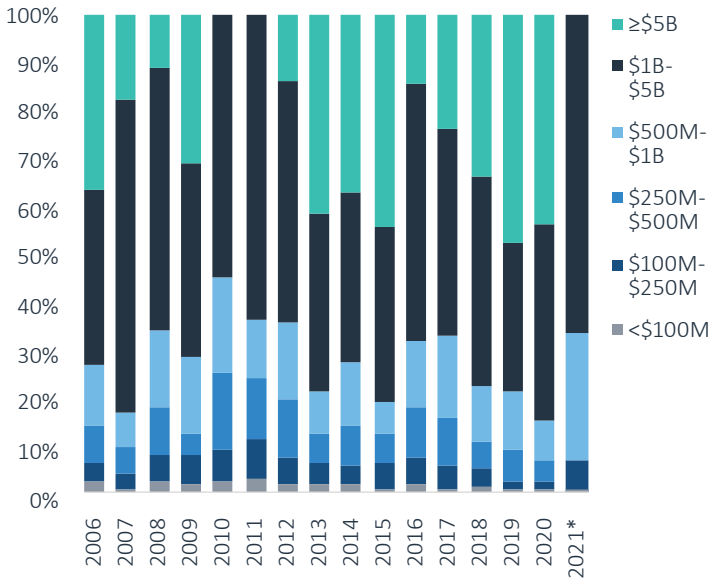
fossil fuel assets. Across the spectrum, this is providing an opportunity for smaller competitors and private capital. Due to the severe underinvestment in expanding production for years, the price of oil is expected to remain elevated for the coming years, particularly if

Real assets

demand rises with people returning to the roads and the skies following the pandemic. This is because it takes time and money to bring new assets online. All of this to say, there could be an attractive opportunity for oil & gas funds to deploy capital in the current environment.

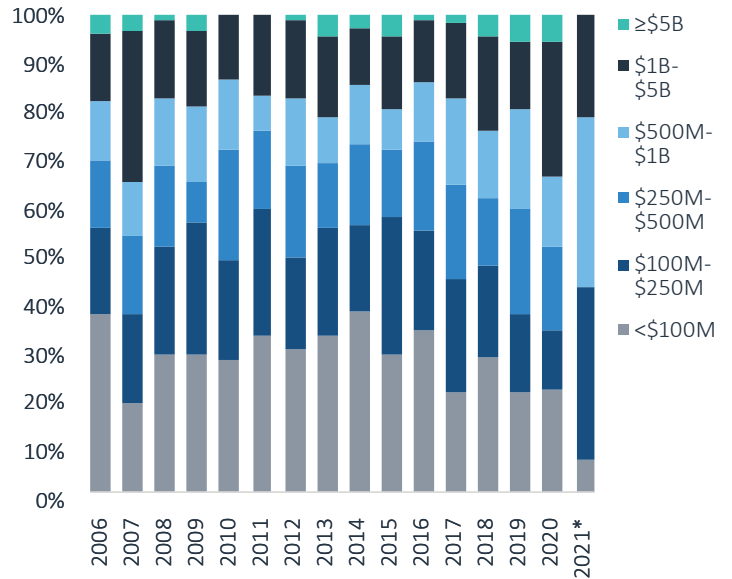
However, as the world continues to move away from carbon-intensive energy production, the cost of capital and the appropriate discount rate on these projects will rise. Oil & gas funds will need to be nimble and perhaps alter their strategies.

Real assets funds (\$) by size



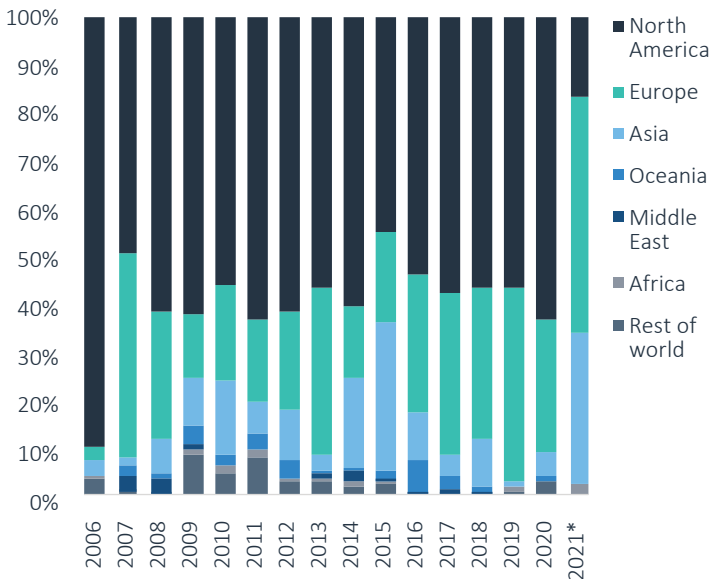
Source: PitchBook | Geography: Global
*As of March 31, 2021

Real assets funds (#) by size



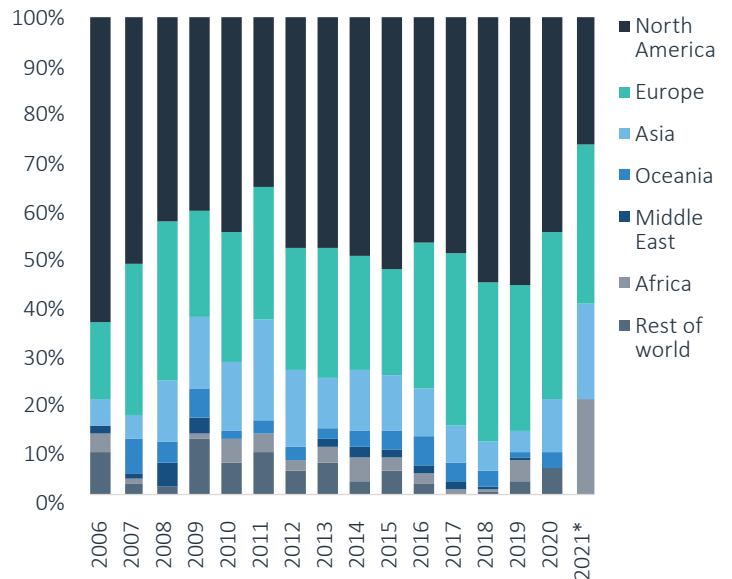
Source: PitchBook | Geography: Global
*As of March 31, 2021

Real assets funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

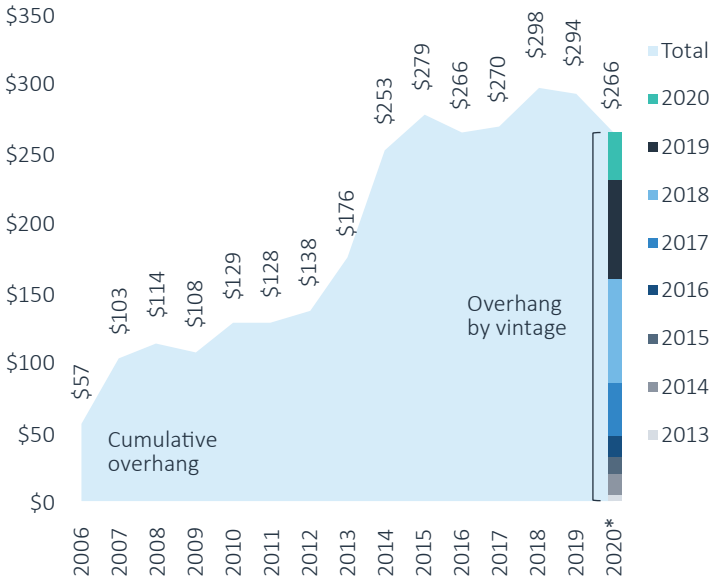
Real assets funds (#) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

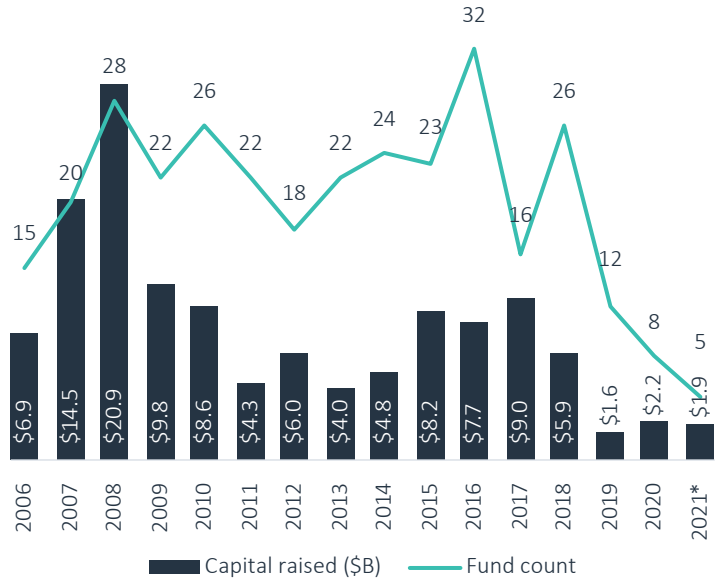
Real assets

Real assets overhang (\$B)



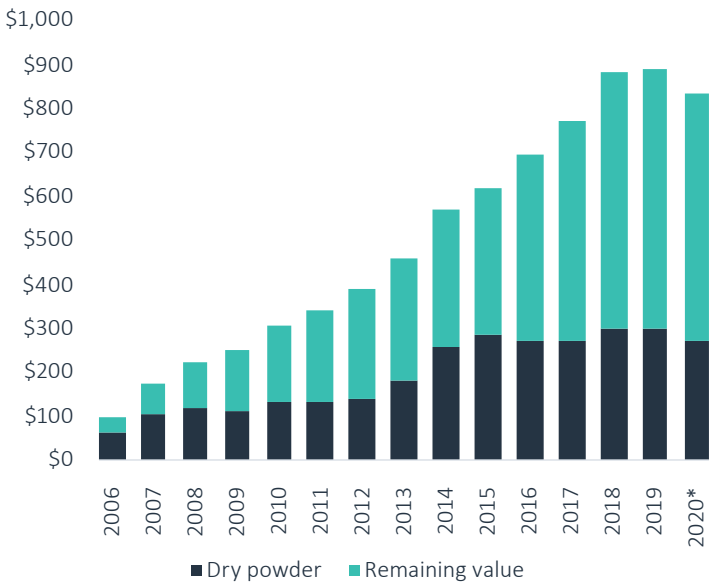
Source: PitchBook | Geography: Global
*As of September 30, 2020

Real assets first-time fundraising activity



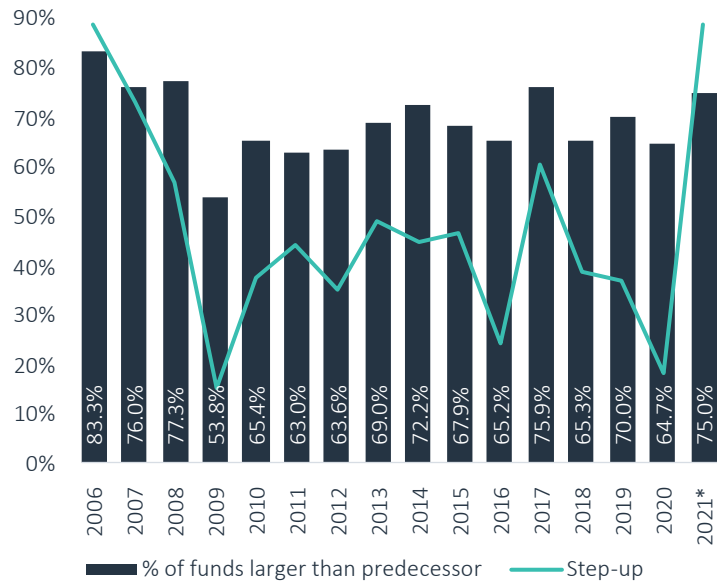
Source: PitchBook | Geography: Global
*As of March 31, 2021

Real assets AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

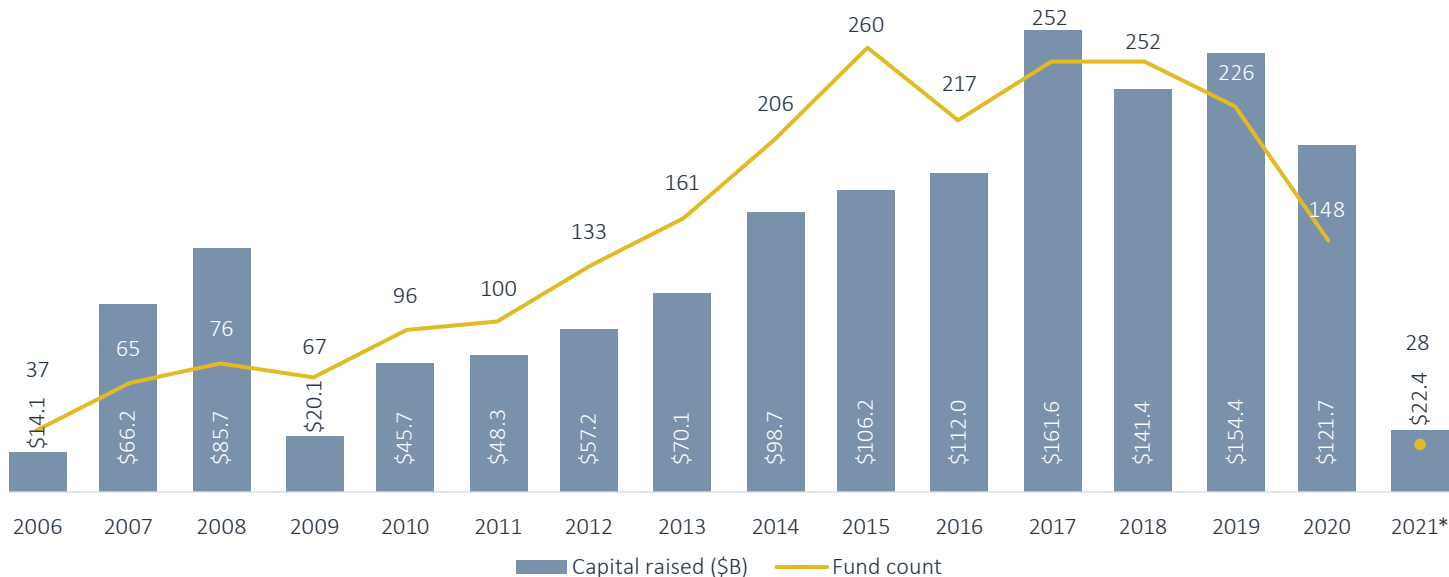
Median step-up from previous real assets fund in fund family



Source: PitchBook | Geography: Global
*As of March 31, 2021

Private debt

Private debt fundraising activity



Source: PitchBook | Geography: Global
*As of March 31, 2021

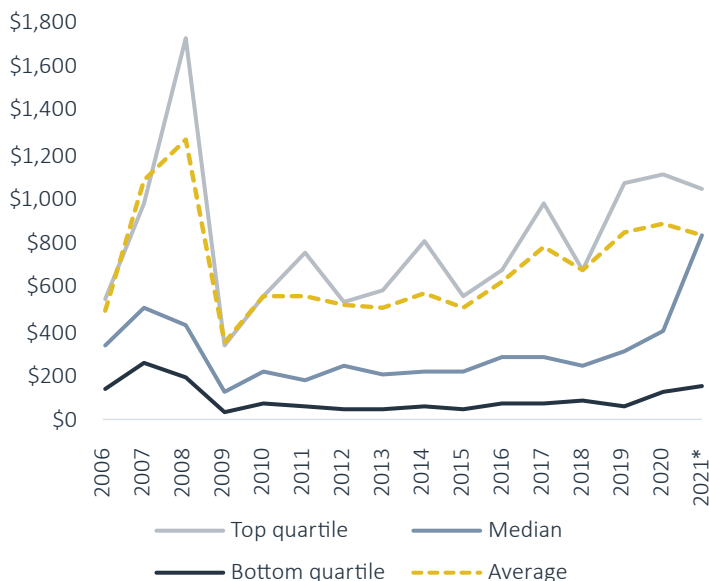
Dylan Cox Lead Analyst, EMEA Private Capital
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Private debt fundraising continued to stagnate in Q1 2021, putting capital raised and fund count on pace with quarterly totals from the back half of last year. Direct lending funds, which had record-setting years in 2018 and 2019, still account for most of the pullback. Since direct lending funds tend to be large, so as to keep pace with the PE funds requiring their funding, the absence or delay of just a few can have a disproportionate effect on aggregate capital raised. In all, private debt fundraising totaled \$22.4 billion across 28 vehicles in Q1 2021.

Despite the sluggish figures over the last few quarters, we expect fundraising figures to rebound in the remainder of 2021. Several multibillion-dollar funds across a variety of substrategies began fundraising in the middle of last year and should bolster aggregate figures once they hold a final close. Among the largest of these funds is Ares Capital Europe V, which has already raised more than \$11 billion in a first close.

Another noteworthy development in the industry has been the compression of management fees and carried interest. From 2018 to 2021, one hundred percent of reporting funds (n=28) listed management fees below

Private debt fund sizes (\$M)



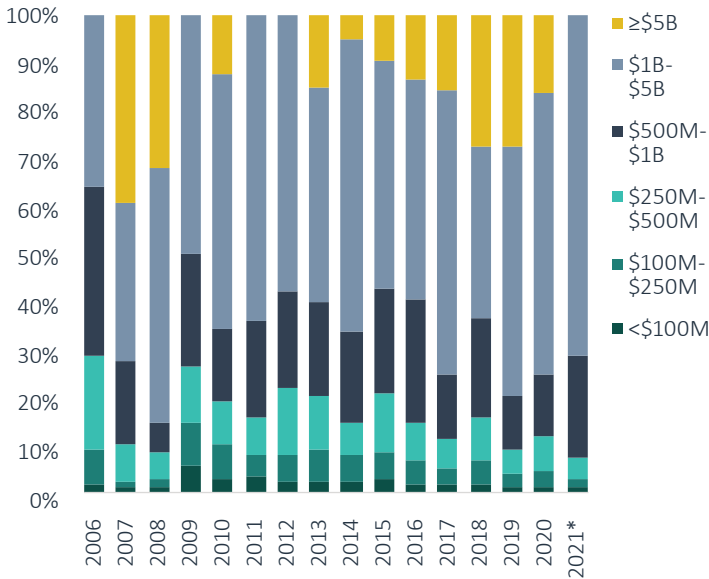
Source: PitchBook | Geography: Global
*As of March 31, 2021

Private debt

2%. Over the same period, more than 60% of funds reported a carry below 20% (n=13). Sample sizes are rather low, and undoubtedly there are still managers with higher fees and carry, but the difference when compared to prior periods is striking. We suspect that the growth

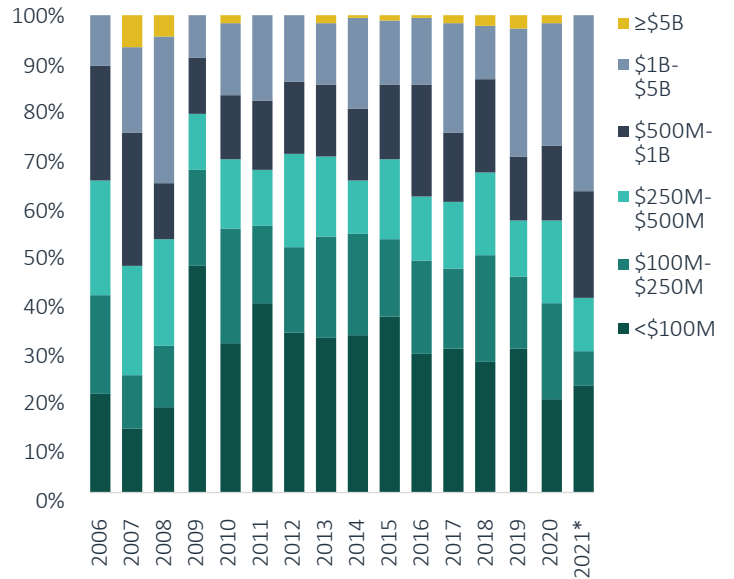
in fund sizes, increased prevalence of direct lending strategies compared to more opportunistic ones, and standardization of fees across private markets more generally have all contributed to this fee compression in the last few years.

Private debt funds (\$) by size



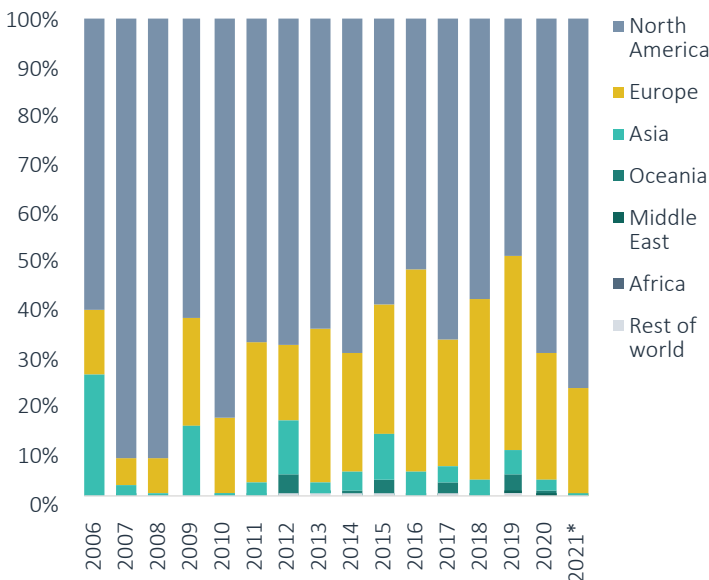
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Private debt funds (#) by size



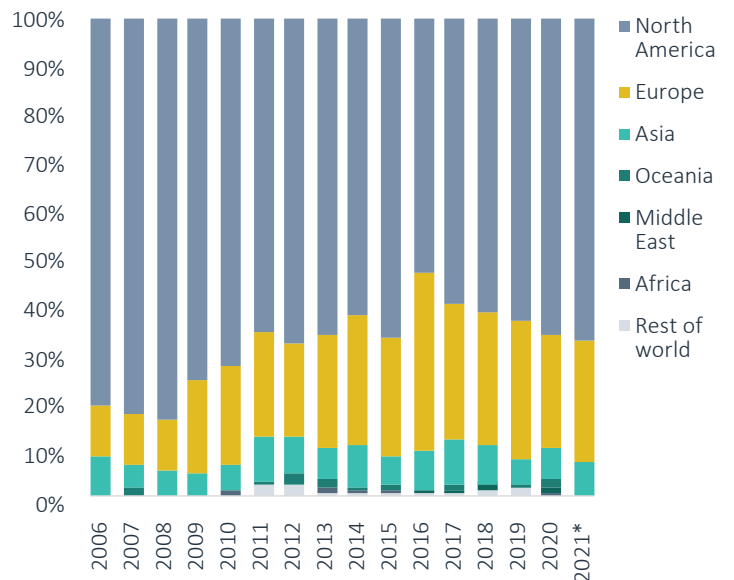
Source: PitchBook | Geography: Global
*As of March 31, 2021

Private debt funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

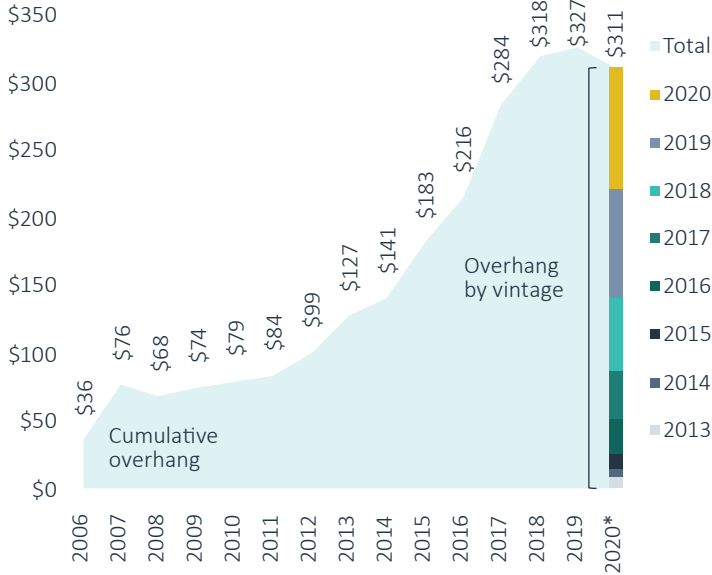
Private debt funds (#) by region



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*As of March 31, 2021

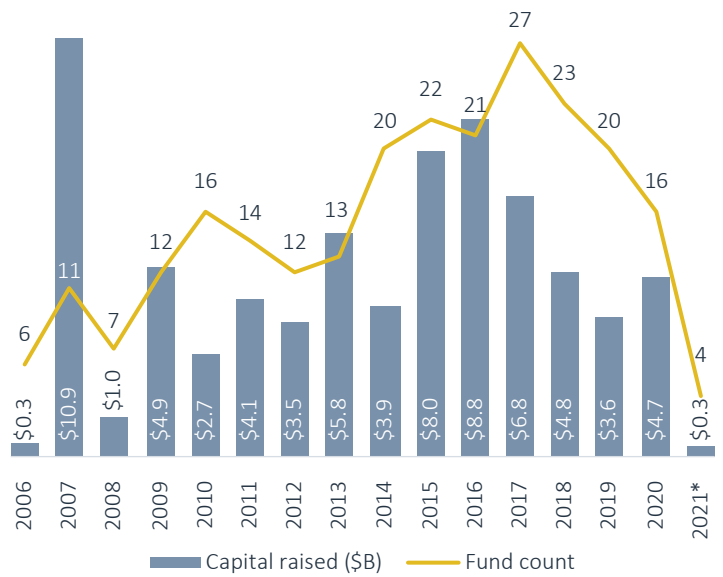
Private debt

Private debt overhang (\$B)



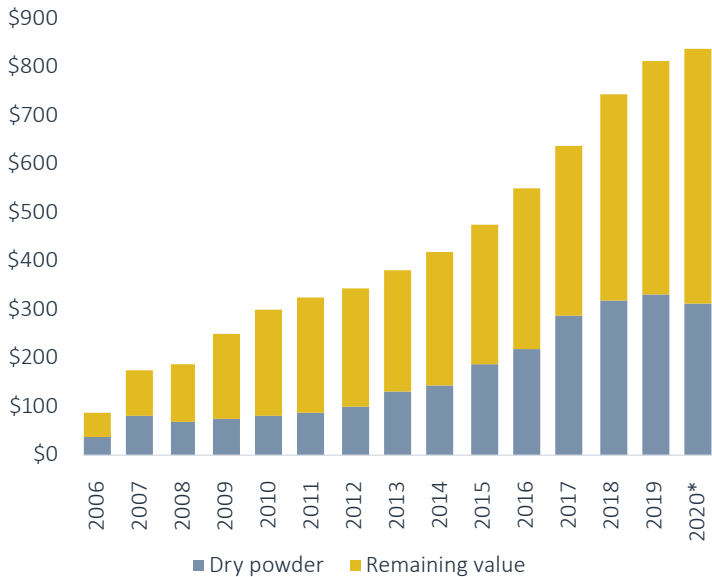
Source: PitchBook | Geography: Global
*As of September 30, 2020

Private debt first-time fundraising activity



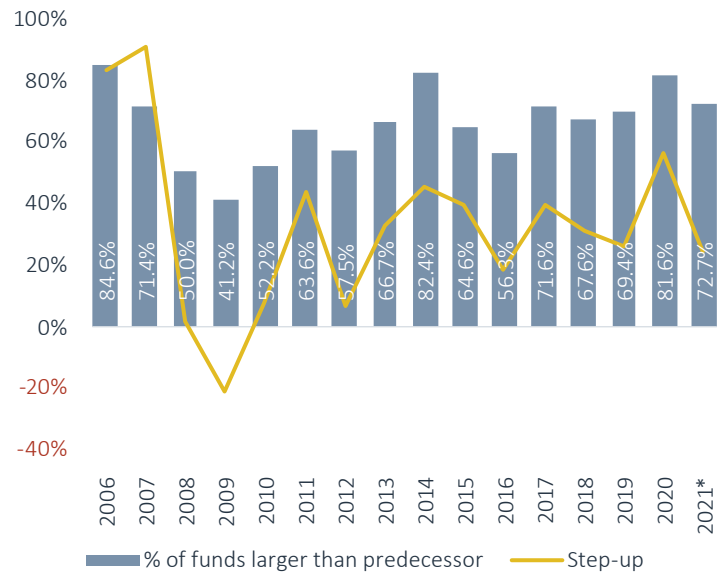
Source: PitchBook | Geography: Global
*As of March 31, 2021

Private debt AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

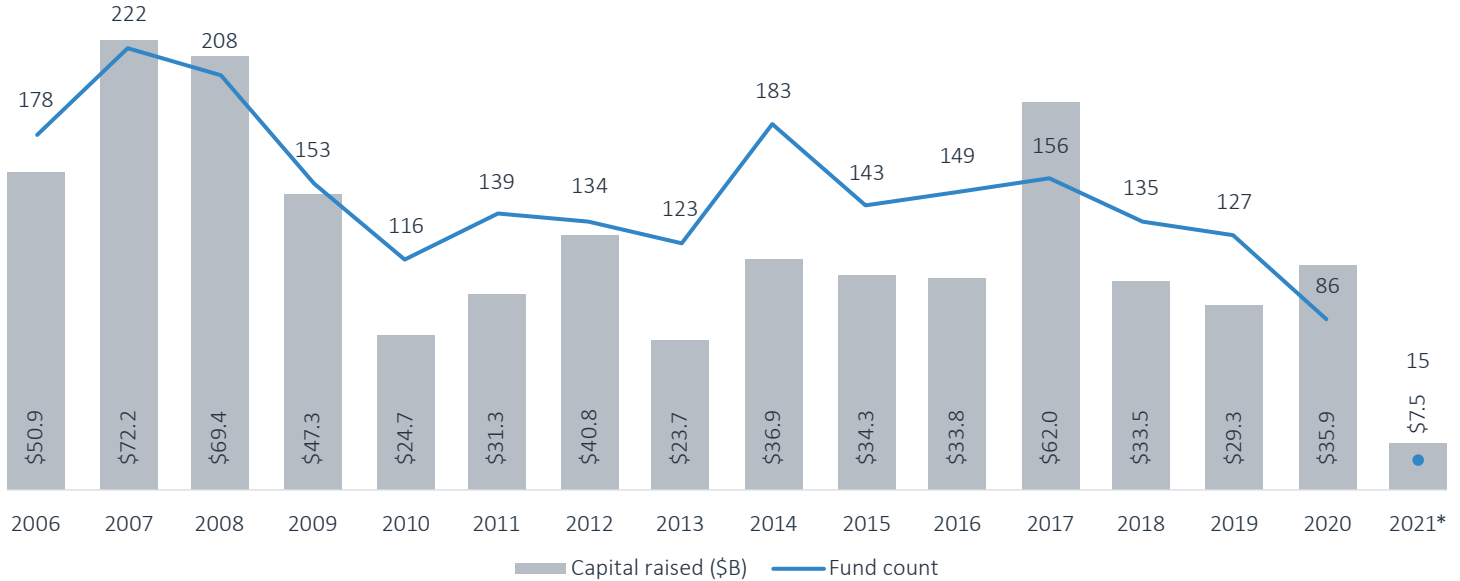
Median step-up from previous private debt fund in fund family



Source: PitchBook | Geography: Global
*As of March 31, 2021

Funds of funds

FoF fundraising activity



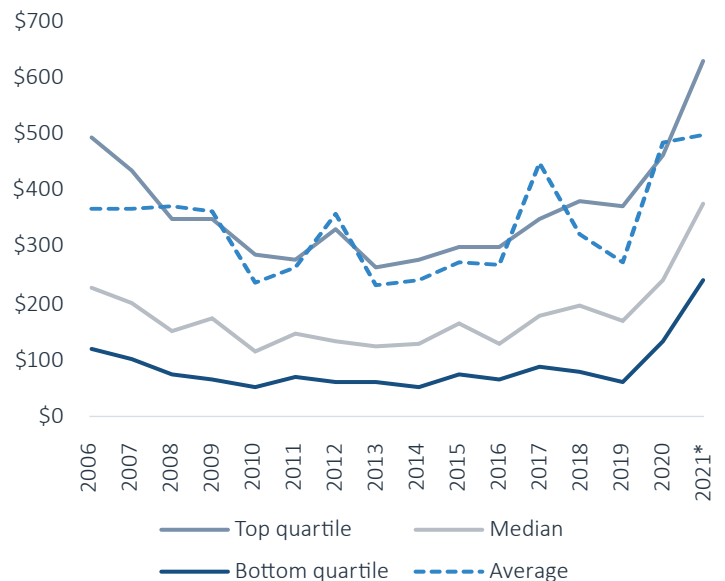
Source: PitchBook | Geography: Global
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Hilary Wiek, CFA, CAIA Lead Analyst, Fund Strategies and Performance
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FoF as a standalone strategy have certainly declined in relevance since the GFC, but what does not show up on this page is the work those asset managers are doing to provide private market access to a wide variety of LPs. At the high end, some institutional investors will hire FoF firms to manage separate accounts, which will not always appear in the industry fundraising data. On the other hand, a number of FoF managers have announced their intentions to launch products that will reach much smaller investors through vehicles with more accessible investment minimums.⁵

Three FoF closed on funds larger than \$1 billion in the first quarter from an interesting assortment of managers. SVB Strategic Investors Fund X focuses on VC funds through its banking relationships in the venture community. Pathway Private Equity Fund III-Co is a fund dedicated to doing co-investments alongside PE sponsors. Thrivent White Rose Fund XIV Fund of Funds is a PE FoF offered as an insurance product. Specialization and audience targeting have been a strong theme in the FoF landscape as generalist offerings have largely fallen out of favor

FoF sizes (\$M)



Source: PitchBook | Geography: Global
*As of March 31, 2021

5: For more on private equity offerings for 401(k) investors, please read our analyst note [Access Points for the Masses](#).

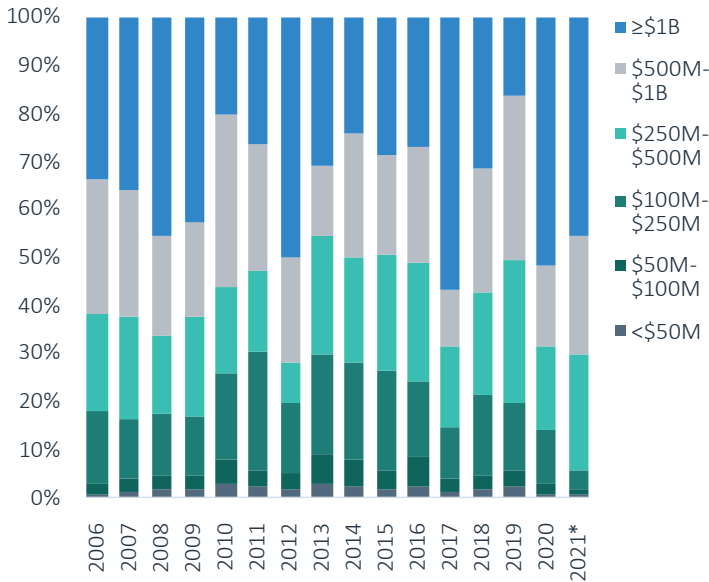
Funds of funds

among LPs who believe they can do direct commitments without the extra layer of fees. With eight FoF currently targeting more than \$1 billion, there is the potential for some bigger quarters to come in this space.

Like many of the other private market strategies, FoF are getting bigger on average, but they are coming from a

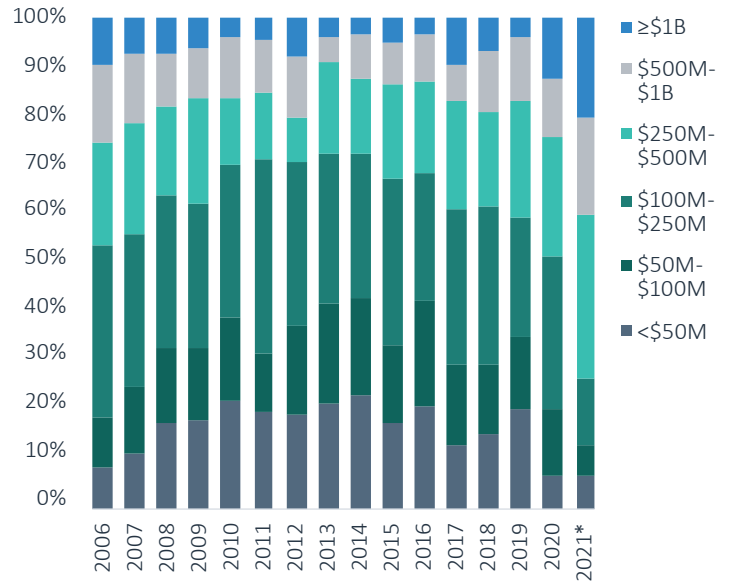
shorter list of asset managers. As we have shown in our [PitchBook Benchmarks](#) and [Global Fund Performance Reports](#), this consolidation may have led to greater skill among the remaining participants, as performance has improved in the last five years or so from this group.

FoF (\$) by size



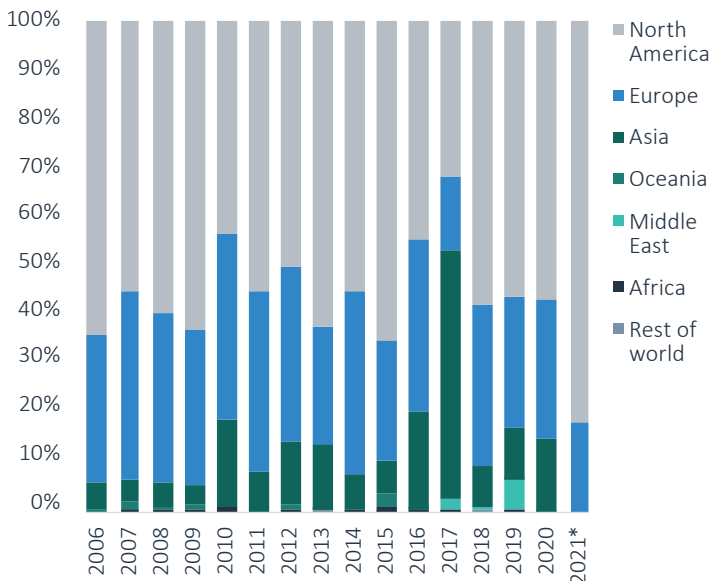
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FoF (#) by size



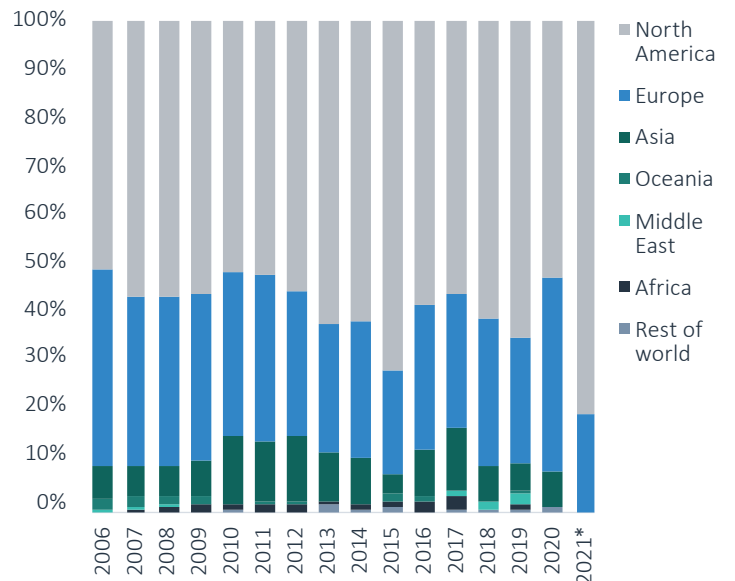
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FoF (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

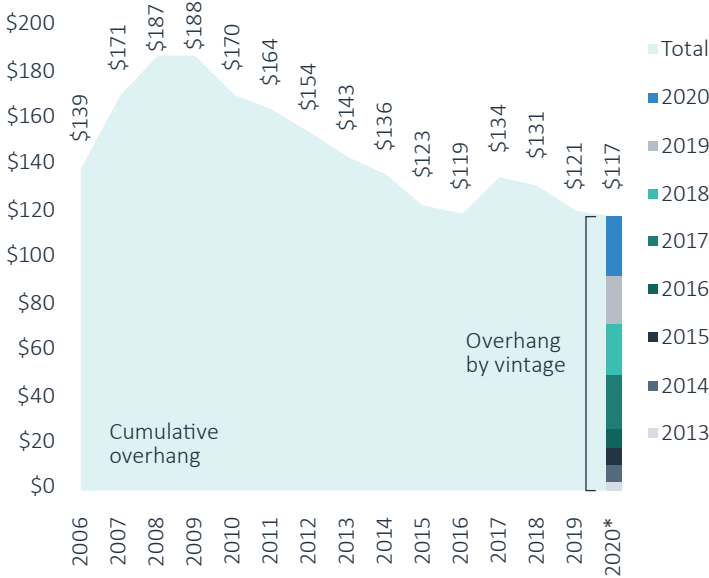
FoF (#) by region



Source: PitchBook | Geography: Global
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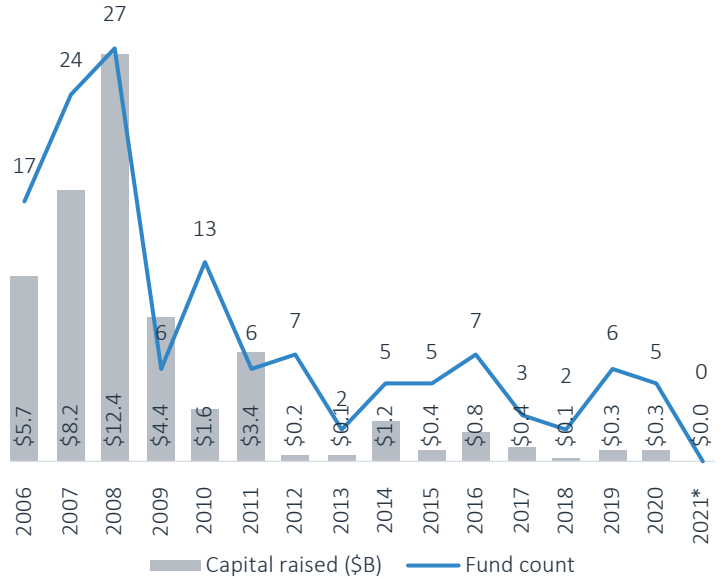
Funds of funds

FoF overhang (\$B)



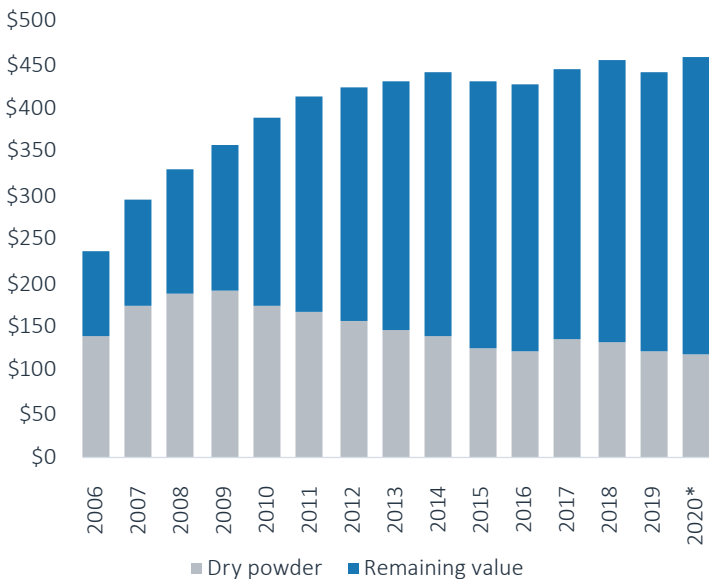
Source: PitchBook | Geography: Global
*As of September 30, 2020

FoF first-time fundraising activity



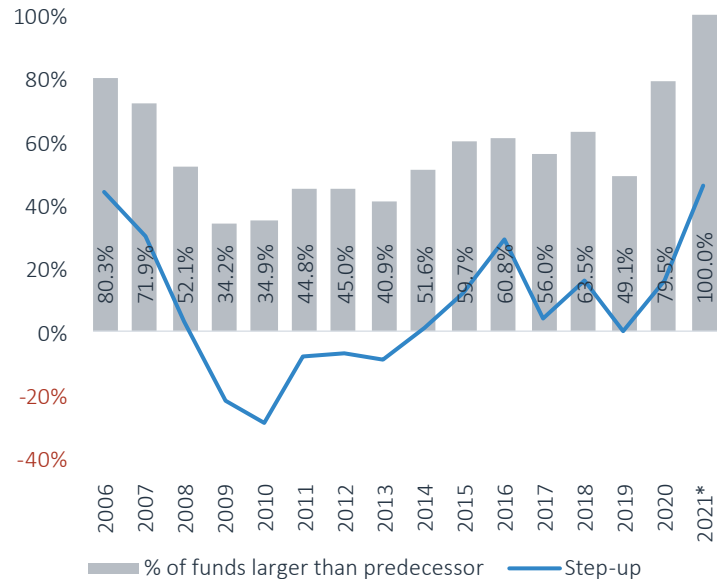
Source: PitchBook | Geography: Global
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FoF AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

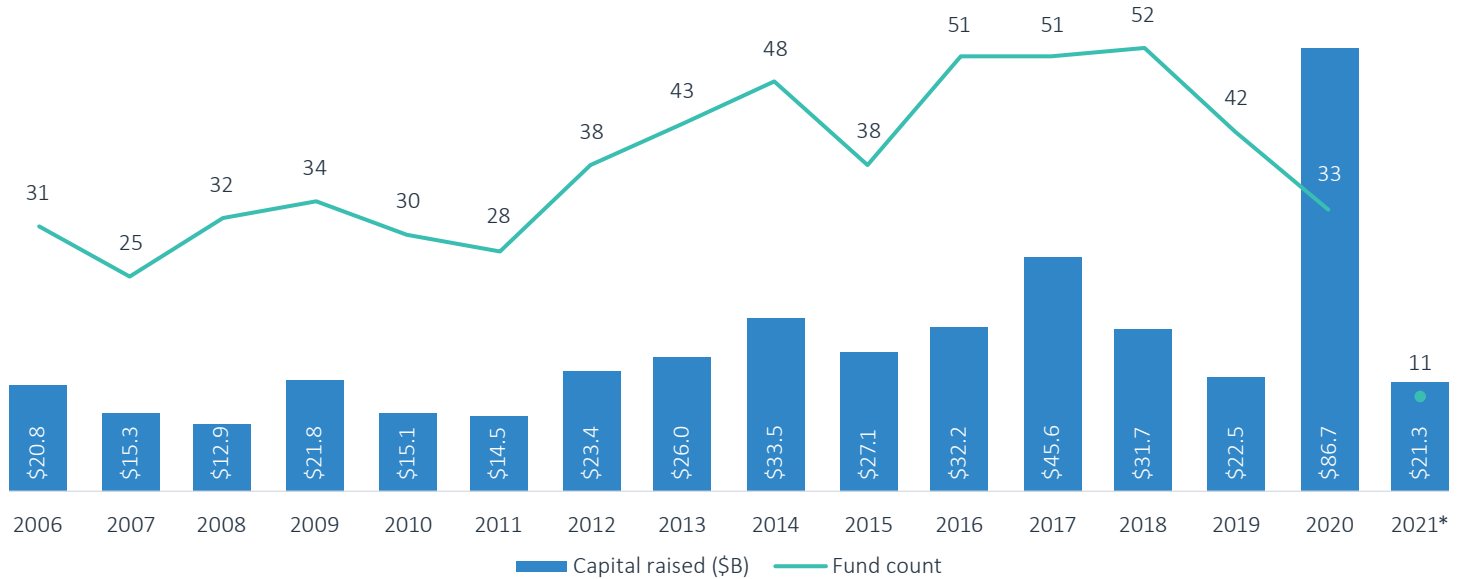
Median step-up from previous FoF fund in fund family



Source: PitchBook | Geography: Global
*As of March 31, 2021

Secondaries

Secondaries fundraising activity



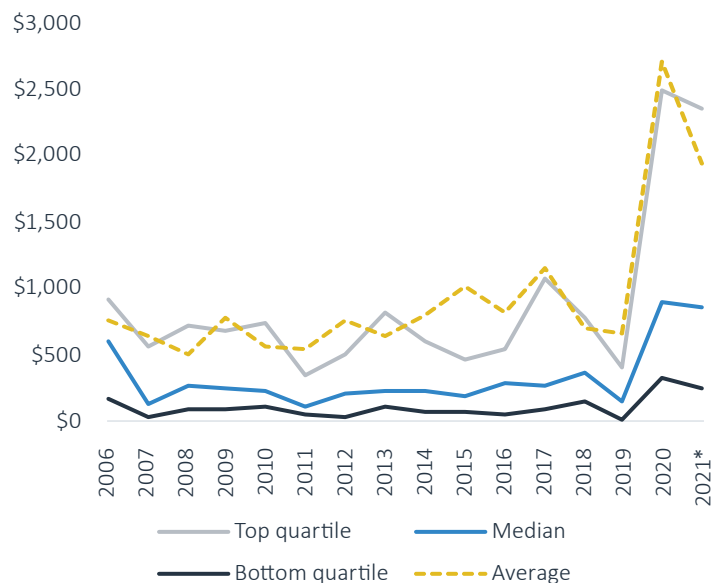
Source: PitchBook | Geography: Global
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2020 was an astonishing year for secondaries fundraising. Capital raised through March 2021 almost exceeded the amount raised in all of 2019, so the story is certainly not over. Q1 2021 fund closings put the year on pace to almost match 2020, though it remains to be seen if the one quarter will be indicative of the full year. Several announcements were made in the last several months from fund managers not typically in the secondaries space, such as Apollo Global Management and Macquarie Group, hiring experienced secondaries executives to start up operations. This certainly remains an area to follow, given the apparent excitement by LPs and GPs alike.

By the end of September 2020, AUM in secondaries funds had grown \$23.3 billion since the end of 2019. Nearly all of that gain came in the uncalled capital segment, which grew \$20.2 billion during the nine months. As we showed in the [2020 Annual Global Fund Performance Report](#), secondaries strategies languished more in 2020 than the other strategies we cover did, so the \$3.2 billion increase in remaining value came largely from calls for new investments as opposed to any markups in portfolio holdings.

Secondaries fund sizes (\$M)



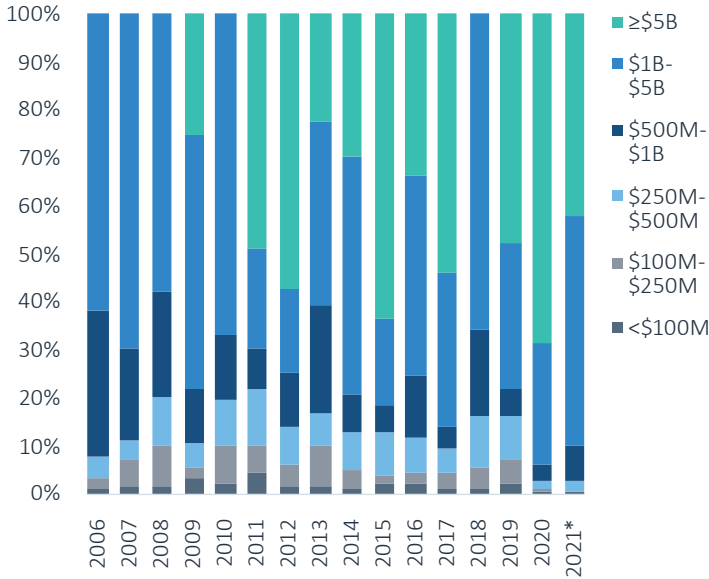
Source: PitchBook | Geography: Global
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Secondaries

Looking at secondaries by region, we see a marked shift since 2018, when North America represented 77.0% of that year's total commitments. Europe in the first quarter represented 55.3% of commitments, relegating North America to the second-largest share at 44.5%. It was only one quarter, but only one small fund in Asia made up the

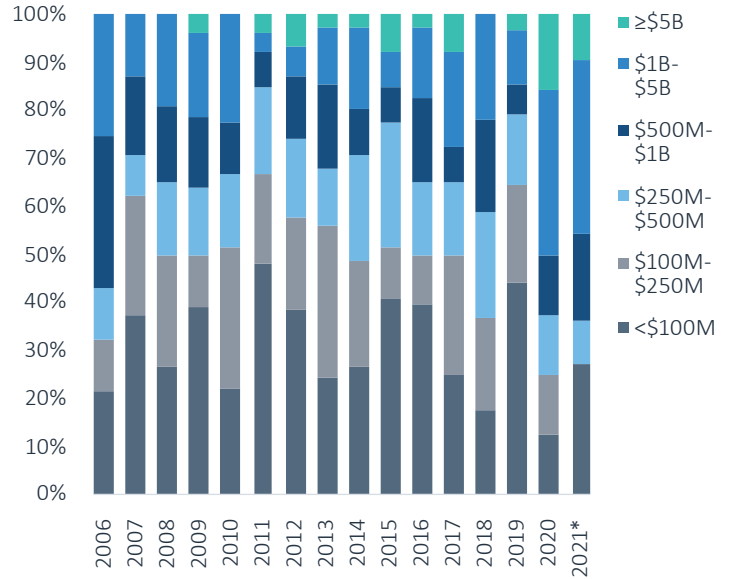
difference. Collier International Partners VIII was the major contributor to Europe's haul, bringing in \$9.0 billion in commitments on its own. An Ireland-based fund, Crown Global Secondaries V, could boost the European totals in 2021, given that the fund was still open at the end of the quarter but had \$8.1 billion in commitments already.

Secondaries funds (\$) by size



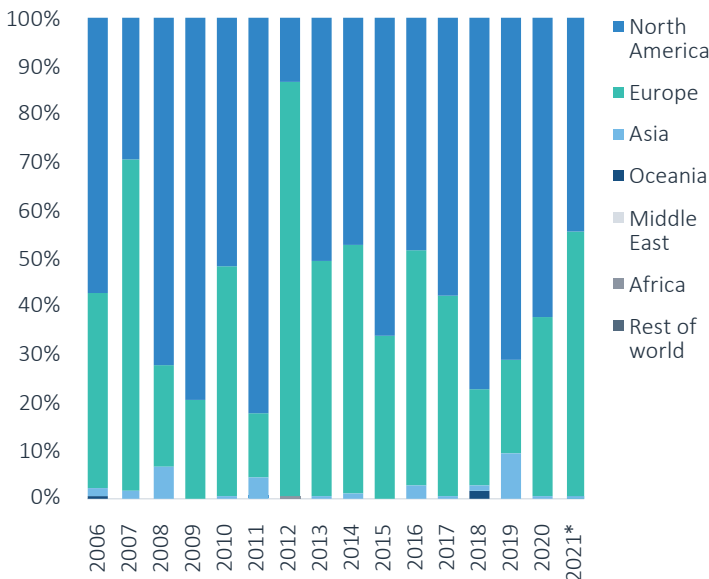
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Secondaries funds (#) by size



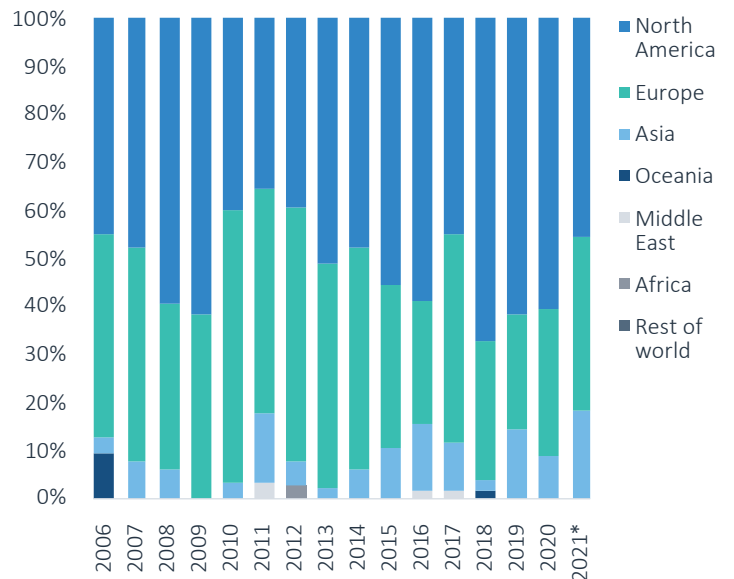
Source: PitchBook | Geography: Global
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Secondaries funds (\$) by region



Source: PitchBook | Geography: Global
*As of March 31, 2021

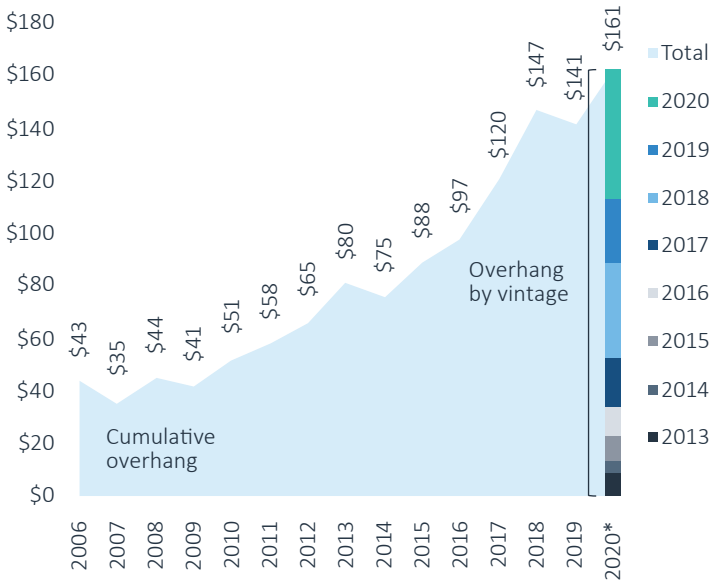
Secondaries funds (#) by region



Source: PitchBook | Geography: Global
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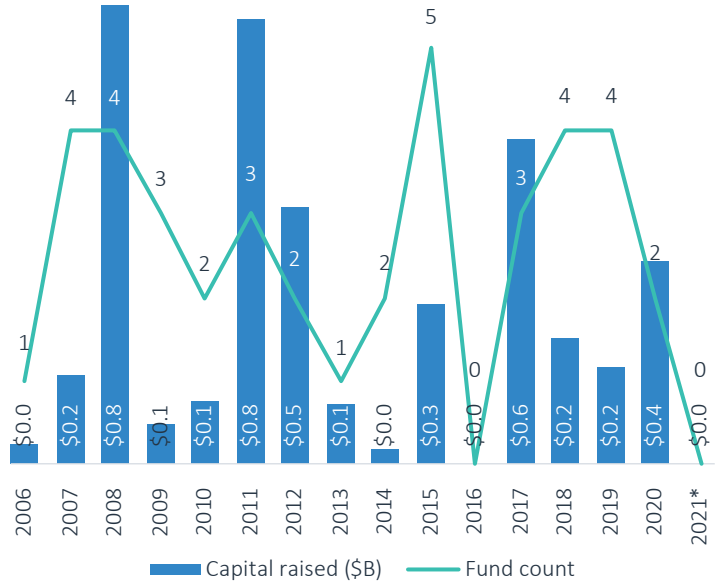
Secondaries

Secondaries overhang (\$B)



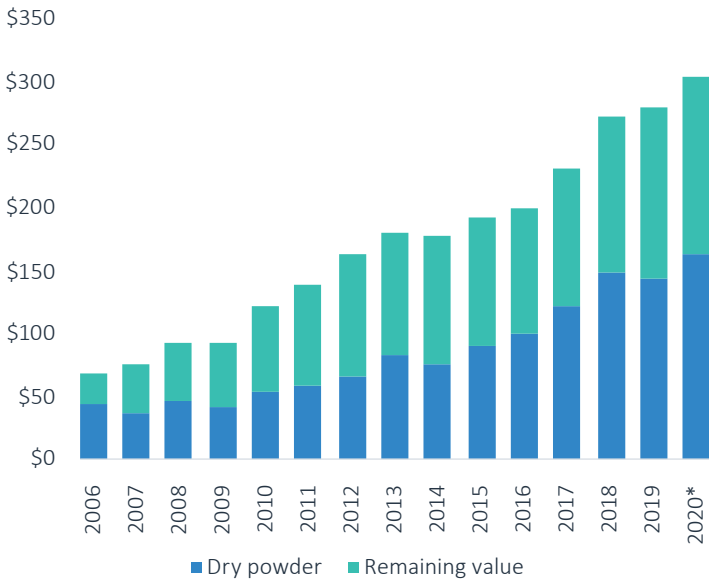
Source: PitchBook | Geography: Global
*As of September 30, 2020

Secondaries first-time fundraising activity



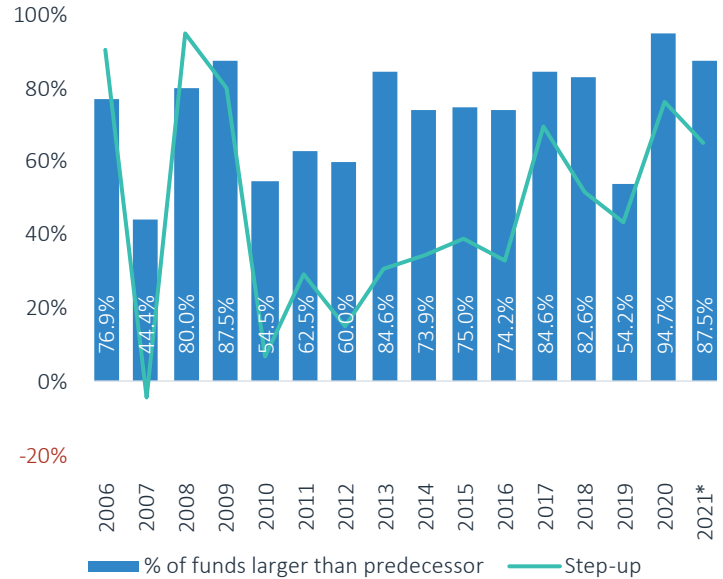
Source: PitchBook | Geography: Global
*As of March 31, 2021

Secondaries AUM (\$B)



Source: PitchBook | Geography: Global
*As of September 30, 2020

Median step-up from previous secondaries fund in fund family



Source: PitchBook | Geography: Global
*As of March 31, 2021

Top funds by size

Top PE funds to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
Silver Lake Partners VI	\$20,000	January 13, 2021	1.3x	Menlo Park	US
Clayton, Dubilier & Rice Fund XI	\$16,000	February 12, 2021	1.6x	New York	US
Apax X	\$14,306	January 29, 2021	1.6x	London	UK
New Mountain Partners VI	\$9,600	January 14, 2021	1.6x	New York	US
Blackstone Growth I	\$4,500	March 19, 2021	1.5x	New York	US

Source: PitchBook | Geography: Global

Top VC funds to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
TCV XI	\$4,000	January 27, 2021	1.3x	Menlo Park	US
Bessemer Venture Partners XI	\$2,475	February 25, 2021	1.3x	Larchmont	US
Bond Capital Fund II	\$2,000	March 4, 2021	1.6x	San Francisco	US
ARCH Venture Fund XI	\$1,850	January 28, 2021	2.9x	Chicago	US
GGV Capital VIII Fund	\$1,830	January 28, 2021	1.3x	Menlo Park	US

Source: PitchBook | Geography: Global

Top real estate funds to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
Oaktree Real Estate Opportunities Fund VIII	\$4,700	March 23, 2021	1.6x	Los Angeles	US
Cerberus Institutional Real Estate Partners V	\$2,800	March 29, 2021	1.6x	New York	US
KKR Asia Real Estate Partners Fund	\$1,727	January 14, 2021	N/A	Hong Kong	Hong Kong
Waterton Residential Property Venture XIV	\$1,500	February 12, 2021	1.6x	Chicago	US
BlackRock Asia Property Fund V	\$1,175	March 2, 2021	2.4x	Singapore	Singapore

Source: PitchBook | Geography: Global

Top funds by size

Top real assets funds to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
KKR Asia Pacific Infrastructure Investors Fund	\$3,900	January 11, 2021	N/A	Seoul	South Korea
Basalt Infrastructure Partners III	\$2,750	February 11, 2021	2.1x	London	UK
Macquarie Green Investment Group Global Renewables Fund II	\$1,937	February 10, 2021	N/A	Edinburgh	UK
Cowen Sustainable Investments I	\$919	February 24, 2021	N/A	New York	US
Appian Capital Mining Fund II	\$775	January 10, 2021	0.6x	London	UK

Source: PitchBook | Geography: Global

Top private debt funds to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
Ares Pathfinder Fund	\$3,700	March 17, 2021	N/A	New York	US
Marathon Distressed Credit Fund	\$2,500	January 7, 2021	N/A	New York	US
Kennedy Lewis Capital Partners Master Fund II	\$2,100	January 20, 2021	N/A	New York	US
Sixth Street Specialty Lending Europe II	\$1,218	January 8, 2021	1.3x	London	UK
OrbiMed Royalty & Credit Opportunities III	\$1,200	March 1, 2021	N/A	New York	US

Source: PitchBook | Geography: Global

Top funds by size

Top FoF to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
SVB Strategic Investors Fund X	\$1,188	March 18, 2021	1.7x	Menlo Park	US
Pathway Private Equity Fund III-Co	\$1,100	February 2, 2021	1.5x	Irvine	US
Thrivent White Rose Fund XIV Fund of Funds	\$1,100	January 25, 2021	1.7x	Minneapolis	US
Top Tier Venture Capital IX	\$628	January 7, 2021	1.1x	San Francisco	US
Commonfund Capital Venture Partners XIII	\$625	March 18, 2021	1.4x	Wilton	US

Source: PitchBook | Geography: Global

Top secondaries funds to close in Q1 2021 by size

Fund name	Fund size (\$M)	Close date	Fund step-up	City	Country
Coller International Partners VIII	\$9,000	January 18, 2021	1.3x	London	UK
Hamilton Lane Secondary Fund V	\$3,900	February 16, 2021	2.1x	Bala Cynwyd	US
BlackRock Secondaries & Liquidity Solutions	\$3,000	March 31, 2021	N/A	New York	US
Audax Continuation Fund	\$1,700	January 14, 2021	N/A	Boston	US
MCP Opportunity Secondary Program V	\$1,583	January 7, 2021	1.6x	Baar	Switzerland

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