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Midyear grading

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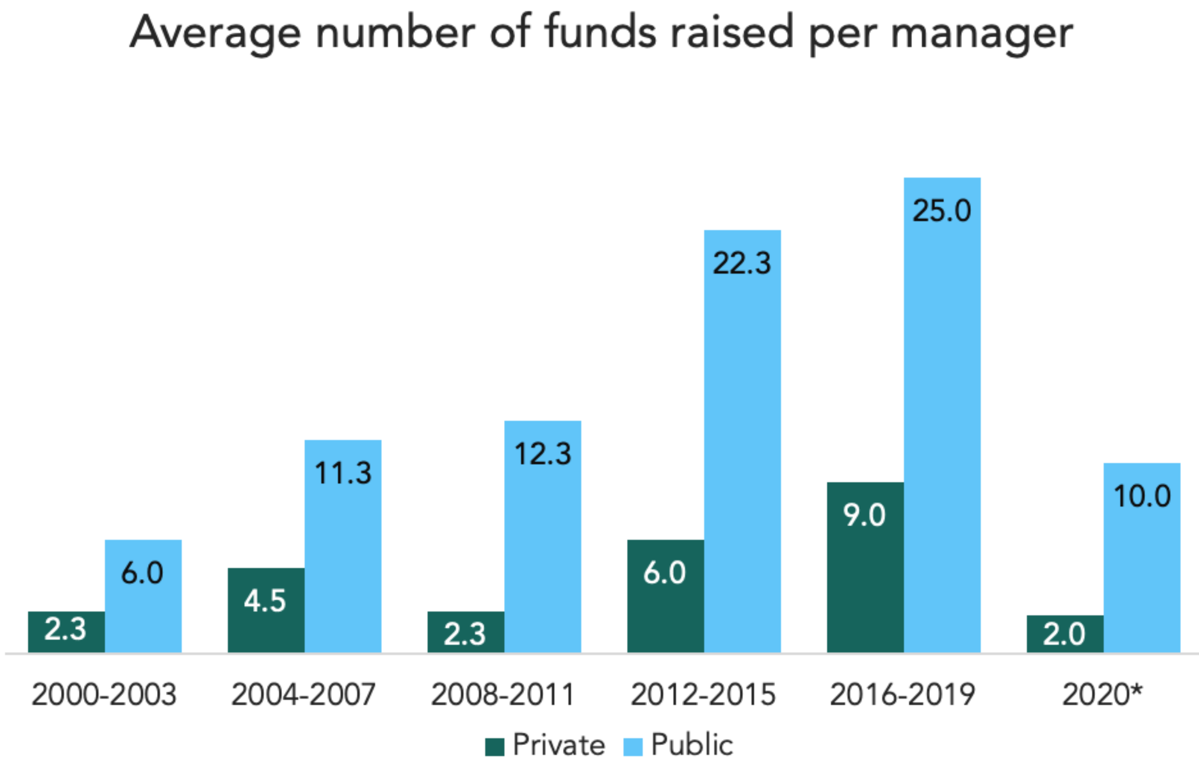

Download PitchBook's Report here.

Late last year we released our Private Equity Outlook, which boiled down to seven predictions for the year ahead. The maelstrom of 2020 has laid waste to many market predictions, including some of ours, but one is worth mentioning midway through the year. We believed that the Big Four public PE firms—Apollo, KKR, Blackstone and Carlyle—would expand their strategies at twice the rate of comparable, private GPs—TPG, Bain Capital, Advent and Warburg Pincus. So far that prediction is bearing out, with public GPs remaining aggressive in 2020 while the private cohort has been somewhat subdued.

Not only have the public GPs been launching more strategies recently, the trend has gained speed in 2020. KKR's Dislocation Opportunities Fund closed recently with $4 billion while Apollo is initiating a new $12 billion credit operation, concentrating on loans in the $1 billion range . Blackstone's GSO, meanwhile, launched a CLO vehicle to take advantage of distressed pricing in the leveraged loan market. So far, the public cohort is outraising its private counterparts in terms of average number of funds raised per manager by a 10-to-2 margin. We'll be curious what those numbers look like at the end of the year, but our hunch is that the public grouping will still be well ahead, especially with Apollo on their side.