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Fewer first-time funds

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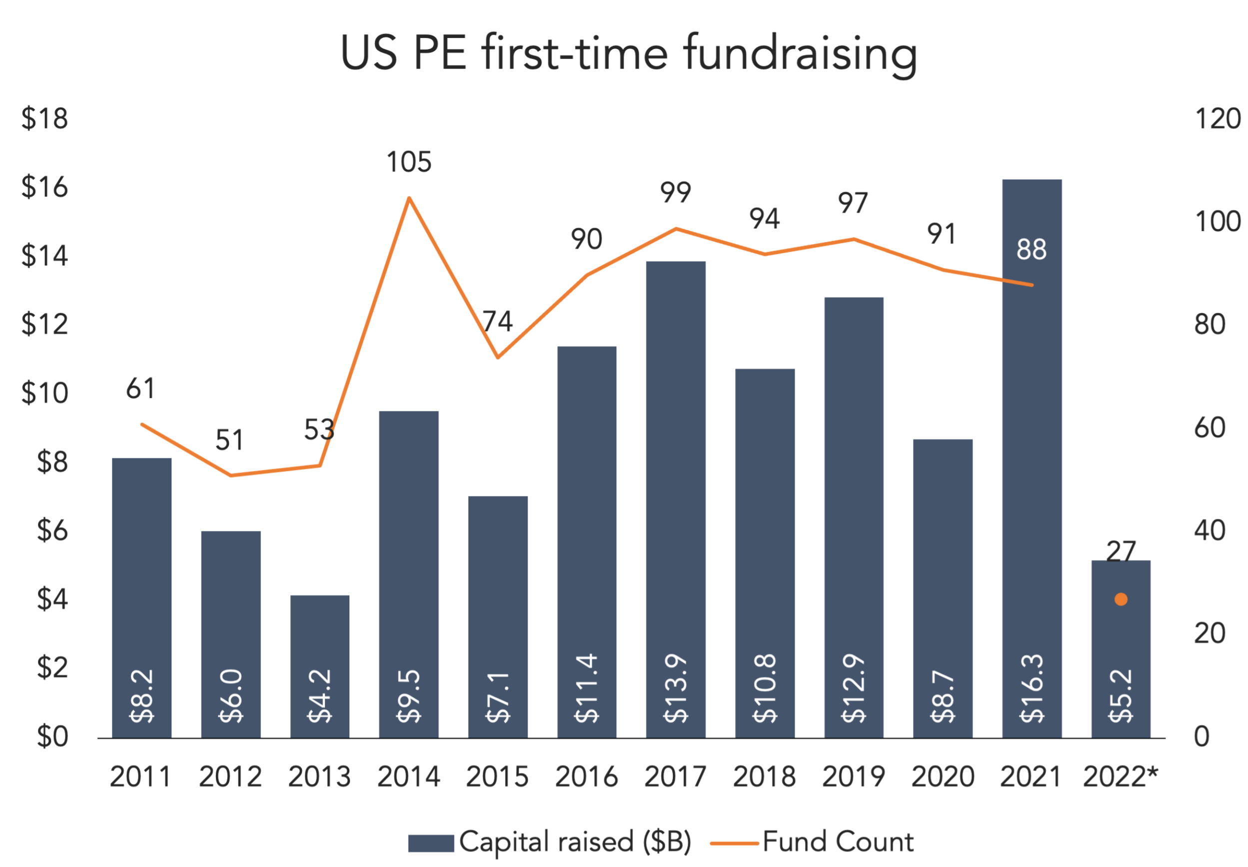

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Last year was a better year for first-time fundraisers, according to PitchBook's latest US PE Breakdown. Rookie fundraising is slowing compared to last year, in part because LPs are prioritizing existing GP relationships, especially their bigger ones. Through June, 27 first-time funds have closed, worth a combined $5.2 billion. Last year's totals (88 funds worth $16.3 billion) won't be approached in 2022.

We've heard anecdotes of first-time fundraisers waiting months to get on investment committee calendars. With uncertainty ahead, many LPs are focusing elsewhere, and in some cases are reducing their target allocations altogether. There are several perks to backing new investors but also an element of risk, which is largely being avoided right now. That will push some of the less-pedigreed rookies to nontraditional funding sources and/or delayed fund closes.

(Past performance is no guarantee of future results.)