$50B in new capital

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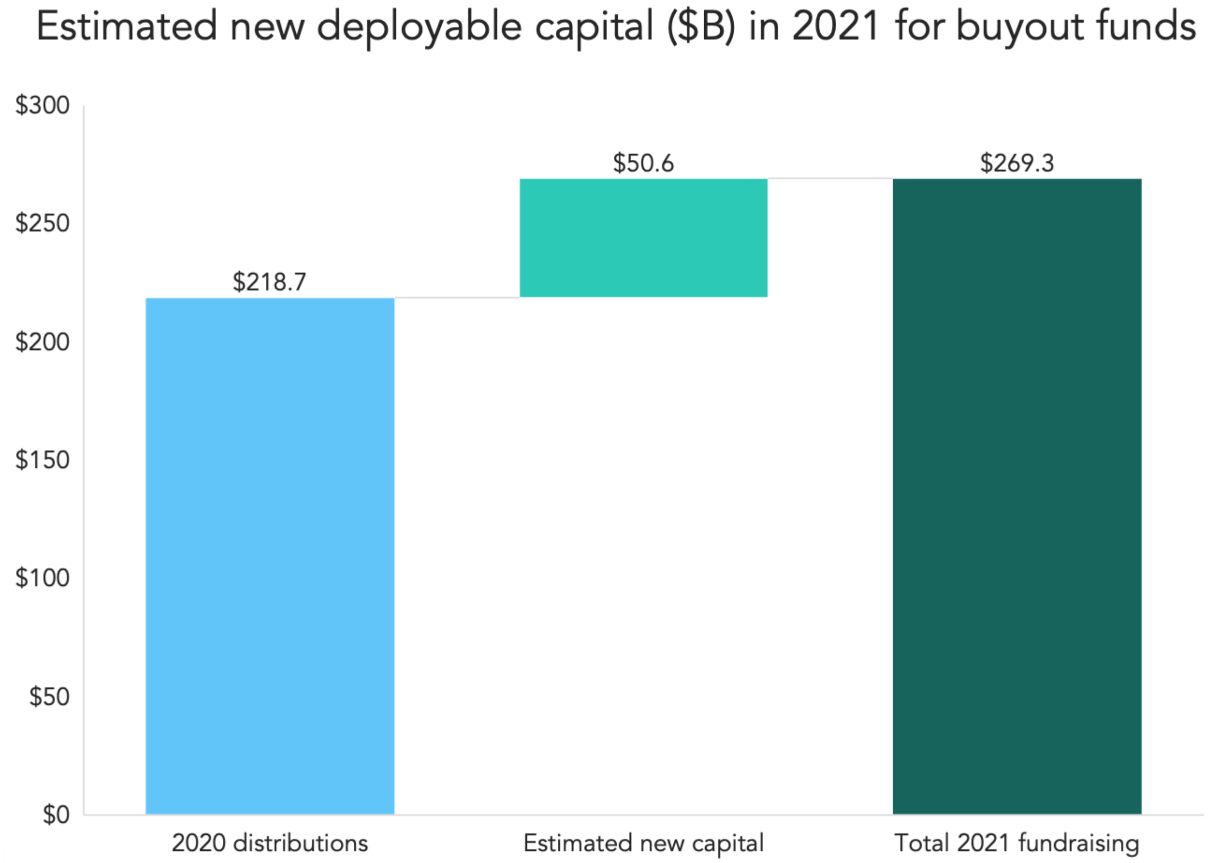

Download PitchBook's Report here.

PitchBook's Quantitative Research team has released a new Quantitative Perspectives Report, which is available for free. One of the most interesting findings is charted above. In 2021, a common refrain was that LPs were piling into PE funds, as long as they were staying within range of their target asset allocations. The post-COVID opportunity for PE was straightforward: The situation would improve, and PE managers would be in prime position to help, and to capitalize. We heard stories of faster and bigger fundraises throughout the industry, a sure sign of LP enthusiasm. Theoretically, this would lead to an increase in "new" capital being funneled to PE managers. In a sense, LPs were cracking their piggy banks to see what else they could find.

To quantify this, we estimated the discrepancy between 2020 LP distributions and our final numbers for 2021 fundraising. With an emphasis on estimated, the numbers suggest a $50 billion boost in new PE commitments in

2021, indicating an ~18% increase in LBO fundraising, beyond what would have been recycled back into the asset class anyway. Compared against 2020 AUM levels, the $50 billion increase boosted the size of the PE industry by almost 3%, to $1.798.6 trillion.

(Past performance is no guarantee of future results.)