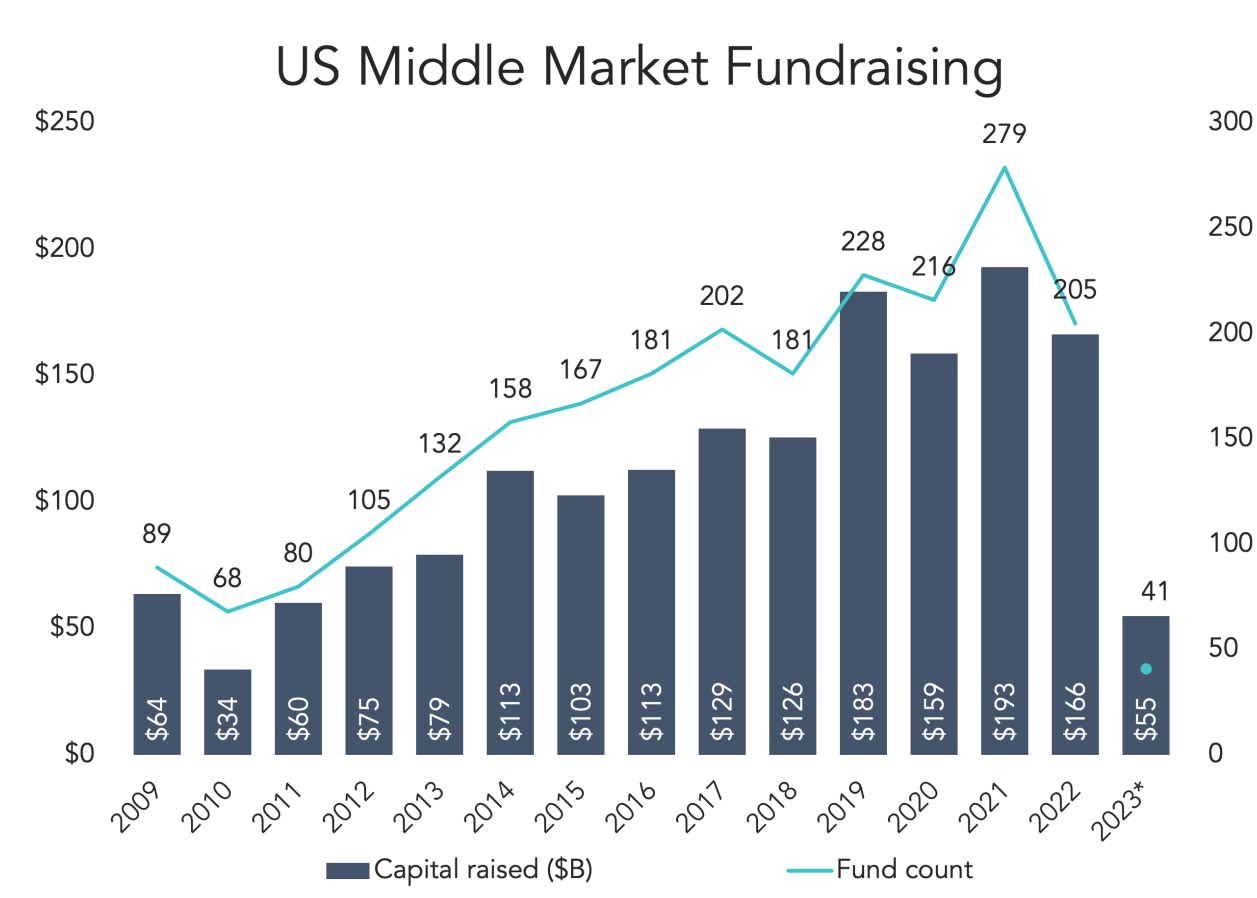


A shift away from mega funds?

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Download PitchBook's Report [here](#).

Most PE metrics got off to a slow start in Q1, but middle market fundraising stayed strong. According to PitchBook's [Q1 2023 US PE Breakdown](#), 41 MM funds closed in Q1, worth a combined \$55 billion. The past four years have all seen at least 200 fund closings, and all four years were worth at least \$150 billion. At least for now, 2023 is on pace for similar figures.

There's a potential displacement brewing, according to [yesterday's Wall Street Journal](#), which reported that "more pension funds are shifting capital away from the largest buyout funds." Carlyle, Blackstone, Apollo and Vista are all behind schedule for their latest flagship funds, and they're all expected to close below their targets. Citing PitchBook figures, the article added that CalPERS, CalSTRS, the WSIB and Texas Teachers were heavily invested in Blackstone's last flagship fund but have yet to commit to its newest one. Jon Gray, Blackstone's President and COO, cited "structural challenges in the near term" for the biggest players. Whether they impact

more GPs, including middle market firms, remains to be seen. The denominator effect is having an impact, but so are rising interest rates. The rapid rate increase has made fixed income commitments more tempting, which could pull even more capital away from the PE industry as a whole.

(Past performance is no guarantee of future results.)