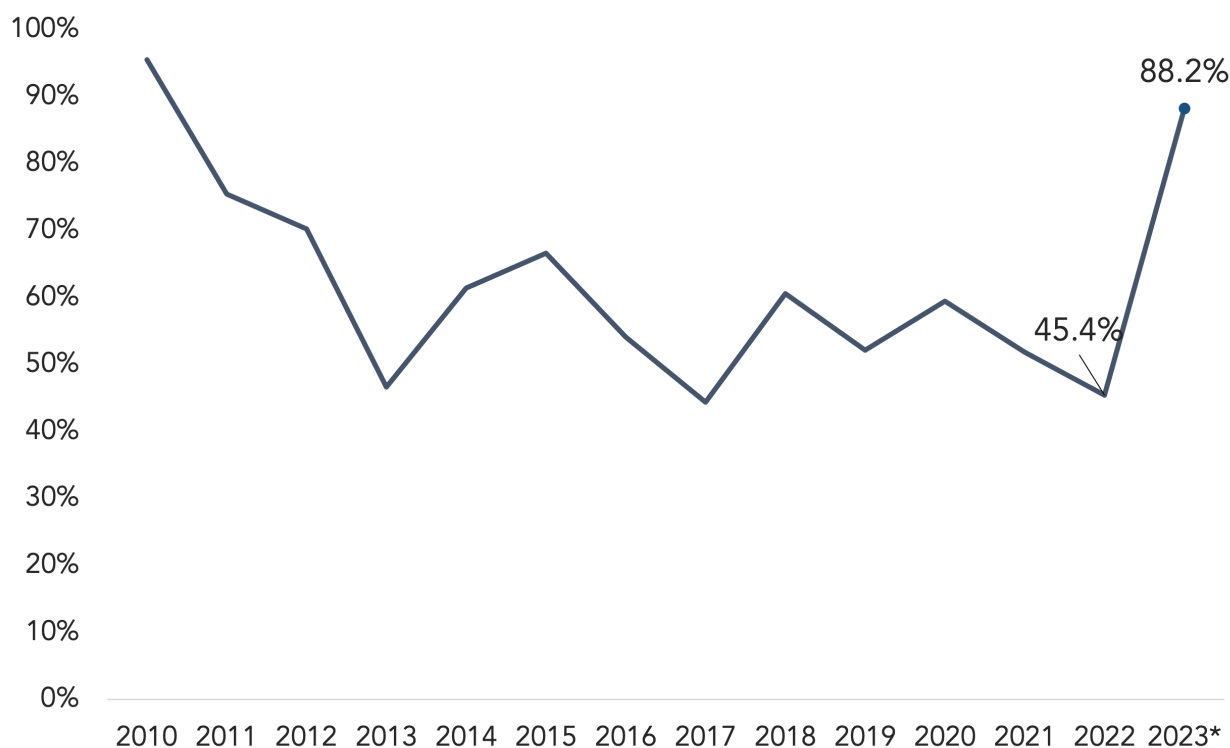


MM fundraising is having its moment

PitchBook | June 29, 2023

US PE MM fundraising as a share of all fundraising



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

Middle-market fundraising is having a moment in the sun. PitchBook's latest [US PE Middle Market Report](#) recorded \$49.9 billion raised in MM strategies in Q1, up 70% from Q1 2022. A historical look at fundraising seasonality bodes well for the middle market. Over the past decade, Q1 sees 23% of total annual fundraising, compared to 33% that the typical fourth quarter sees. In other words, MM fundraising is very much back weighted. Moreover, MM fund counts got off to a strong start with 38 closings. They accounted for 51% of all PE fund closings in the first quarter, up from a 37% reading in 2022.

Normally, Q1 readings of any kind should be asterisked; it's too soon to tell. MM fundraising should buck that trend to some degree this year. Through Q1, 88% of dollars raised went to middle-market funds. Obviously that percentage will come down—Apollo, Blackstone, Carlyle and TPG are all still marketing their latest flagship funds, which have so far raised over \$55 billion but haven't closed yet. Even if they had all closed in Q1—and

there's a reason they haven't—the middle market's percentage would still be just under 45%, not far off of where it was last year. Big firms “[are having a significantly harder time raising flagship buyout funds](#)” compared to prior fundraising cycles, according to the Wall Street Journal, which also reported that [PE giants are looking for smaller deals and add-on opportunities](#) in lieu of megadeals. All of which points to a trend favoring the middle market, as opposed to a fluke of a quarter.

(Past performance is no guarantee of future results.)