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Fundraising | Geography | Sector Review

FUNDRAISING REPORT 2018

Secondaries Investor's interactive and downloadable review
of the 2018 fundraising environment

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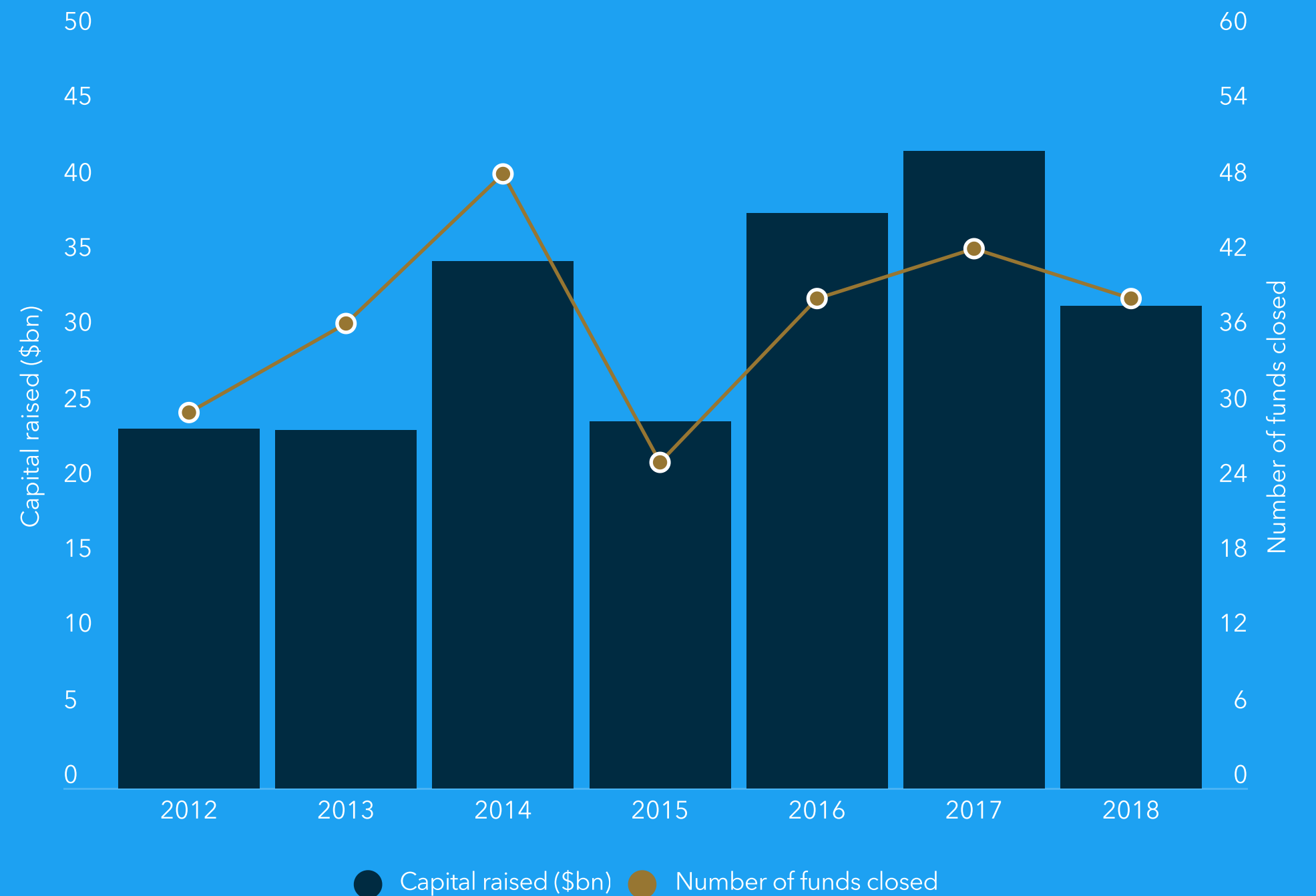
Fundraising overview

On the back of the 2017 peak, fundraising for secondaries funds experienced a lull in 2018 with \$32.07 billion of capital raised.

The cyclical nature of fundraising is one explanation for this drop, as well as the large number of secondaries vehicles that launched in 2018. More than \$78 billion of capital was being targeted by funds that were raising capital at the time of writing this report, and many of these vehicles expect to close in 2019.

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Year-on-year fundraising



> Fundraising overview

Managers with a sole focus on private equity secondaries fundraising continue to contribute the lion's share of capital raised, despite a drop in fundraising in 2018.

Although real assets accounted for just \$5.66 billion, fundraising in this strategy has increased. We explore this trend in more detail later in the report (Slides 8-9).

\$27.41bn

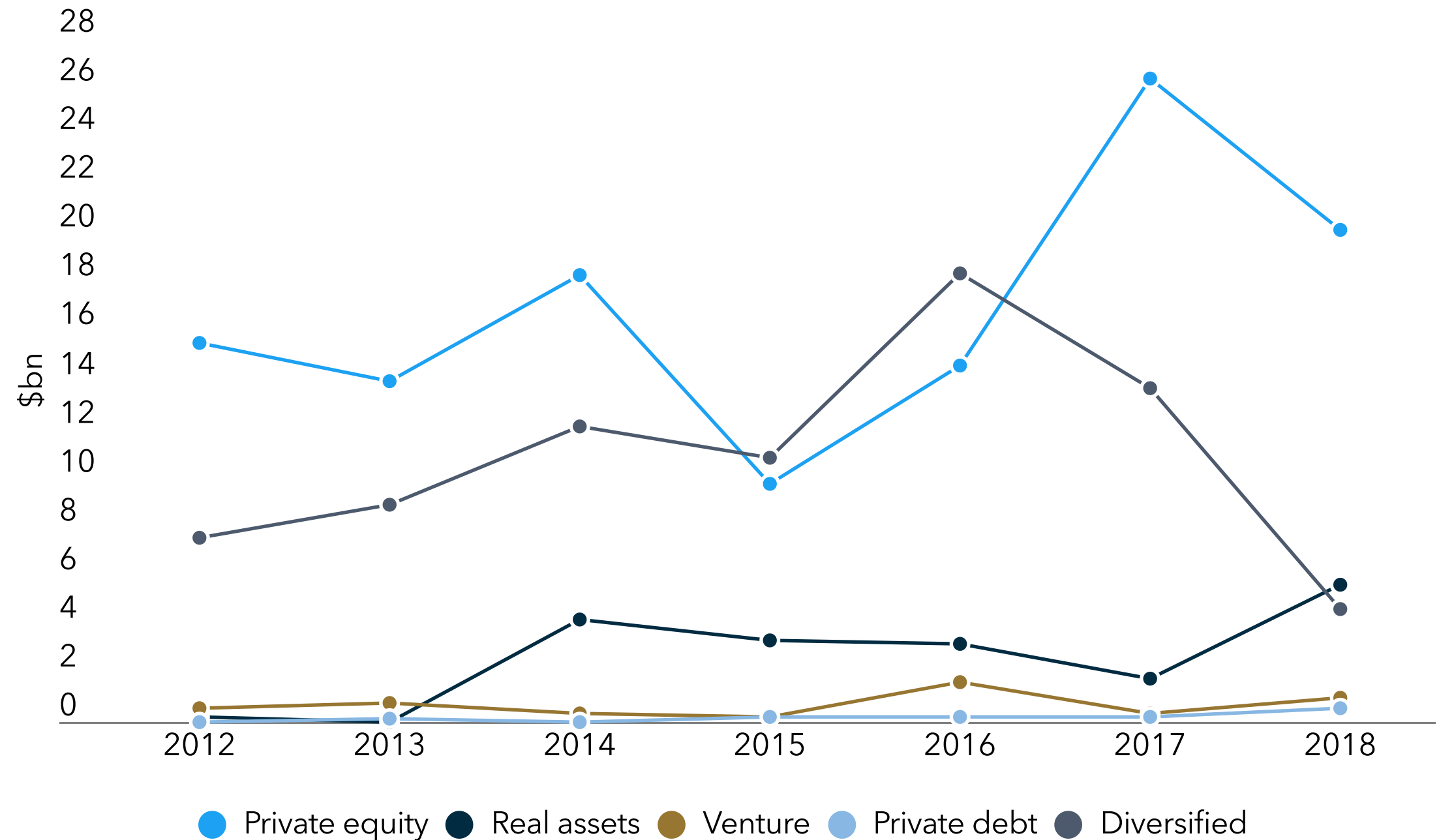
Capital raised by sector-specific funds in 2018

32

Number of sector-specific funds closed in 2018

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Year-on-year fundraising by sector





Fundraising overview

Three real assets funds closed in 2018, representing 8 percent of the 39 funds closed. These funds raised 17 percent of the \$32.07 billion total, at \$5.66 billion.

The average fund size for this strategy was \$1.89 billion.

\$822m

Average fund size in 2018

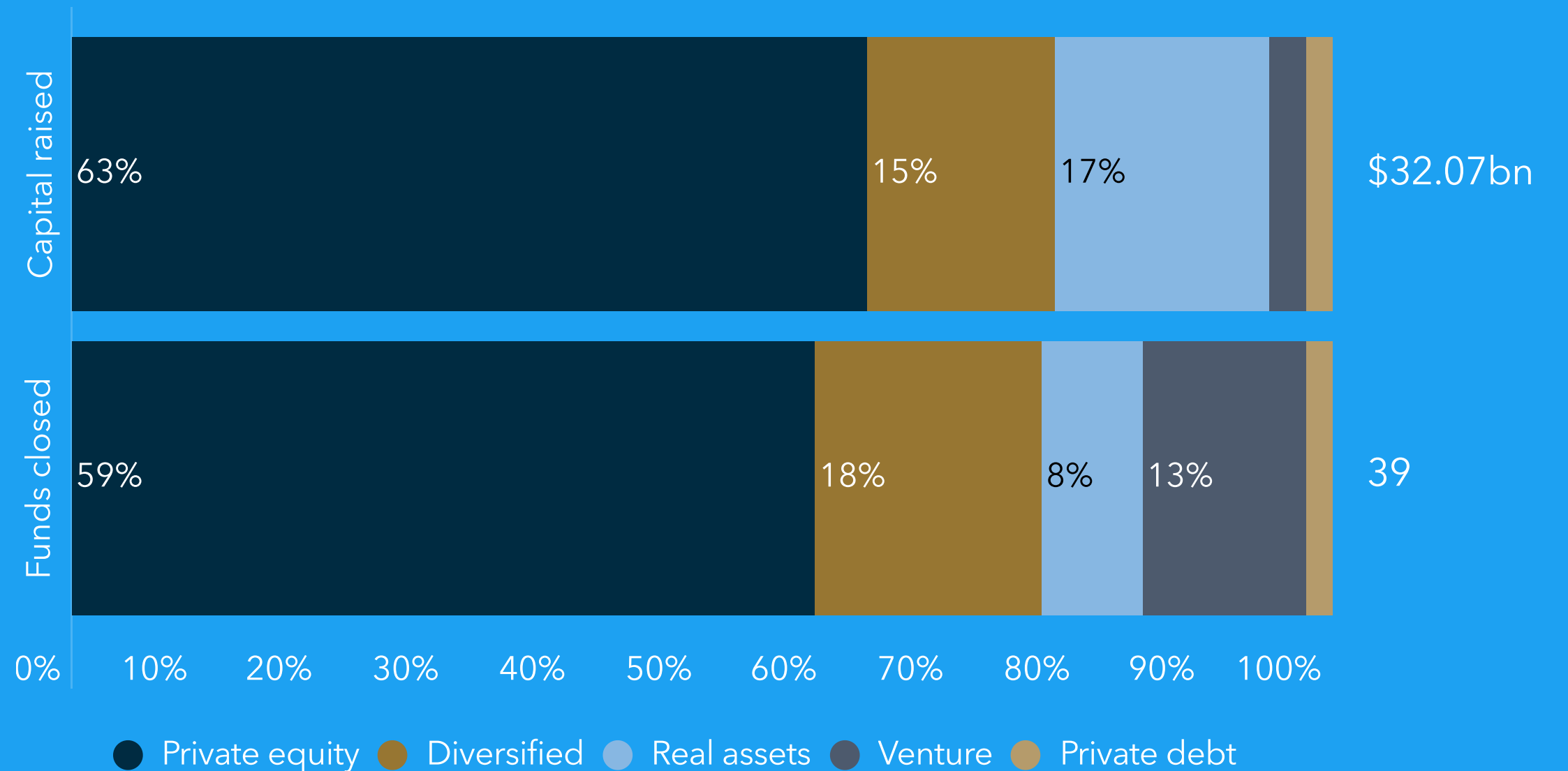
10

Number of funds that closed on \$1 billion or more in 2018



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2018 fundraising by sector



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Fundraising overview

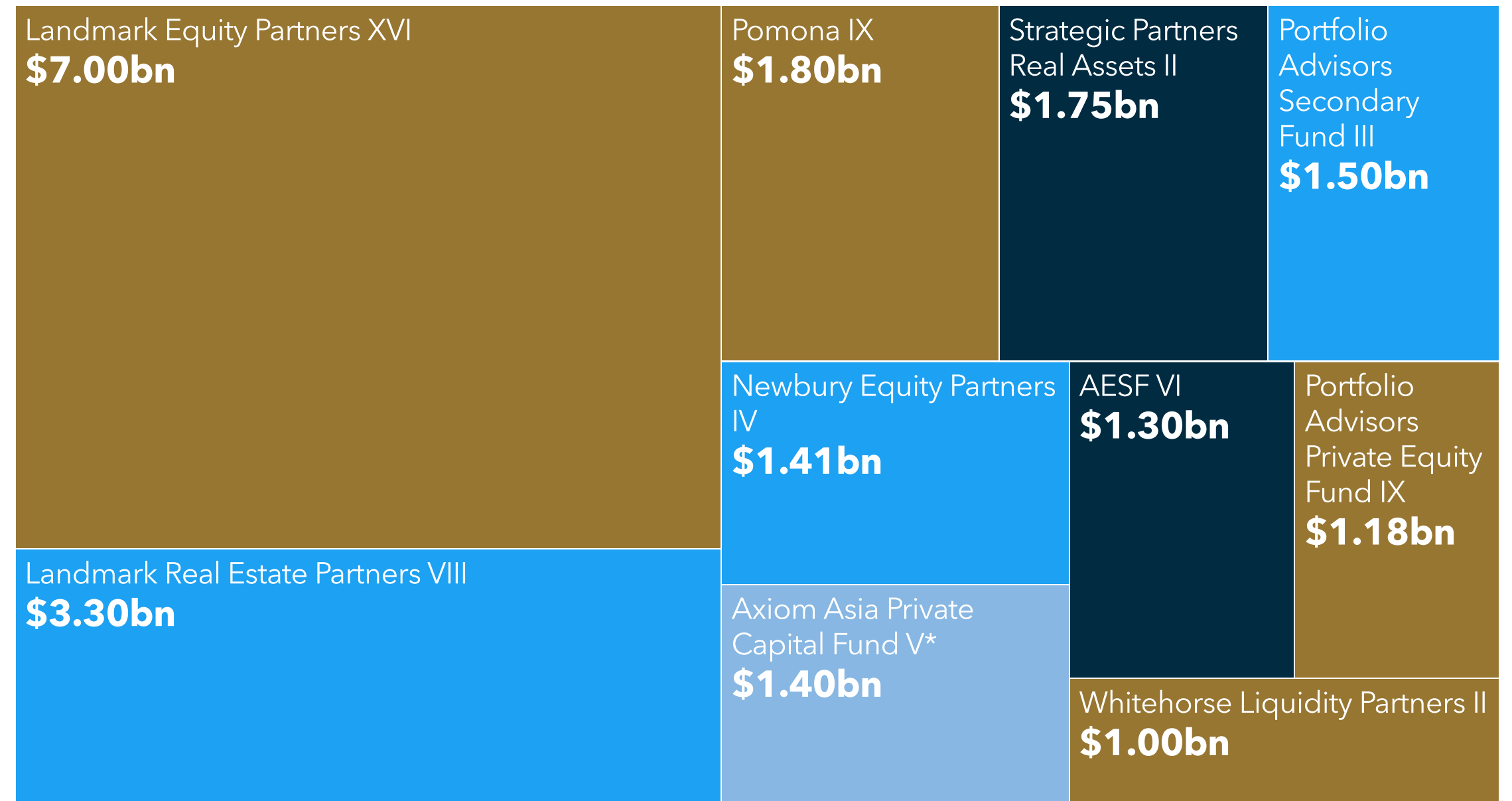
The 10 largest funds to close in 2018 raised \$21.64 billion. This was 67 percent of the total amount raised by all secondaries funds closed in the 12-month period. Q3 was the busiest quarter with two of the top three fund closings in September.

Petershill Private Equity, a fund of firms, also held a final close in February 2018 at \$2.5 billion. However, capital raised for fund of firms is not included in this report.



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Largest fund closes, 2018



● Q1 ● Q2 ● Q3 ● Q4

*Some funds of funds have exposure to the secondaries market. In these cases we would include the funds in our data set.

Geography

As expected, managers raising funds with a focus on more than one region accounted for most of the capital raised in 2018 - collecting \$22.78 billion.

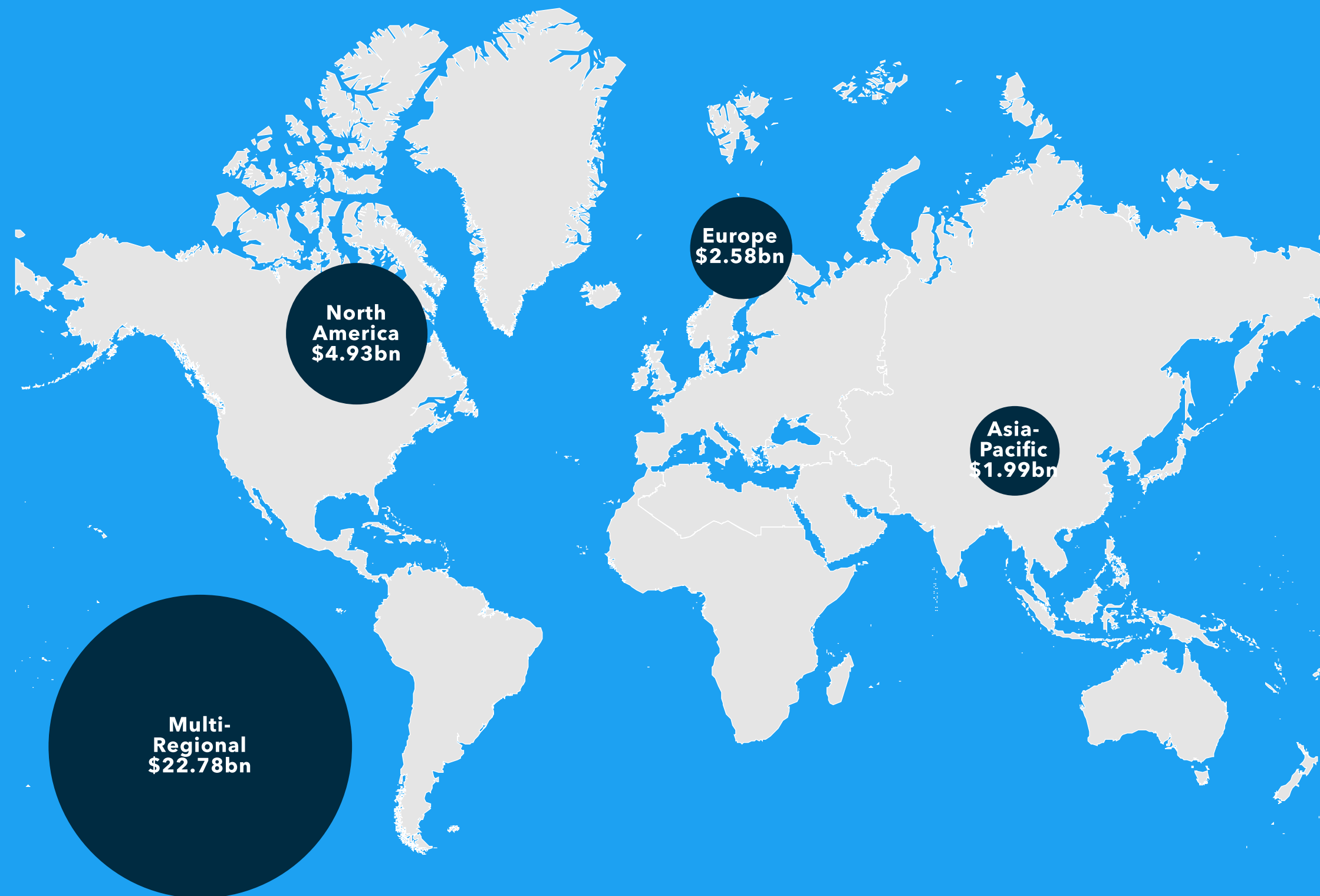
Funds focused on Asia-Pacific accounted for \$1.99 billion of capital raised, which was 6 percent of the total. As seen on the next slide, this is double the share of total capital raised for the region in 2017.

Axiom Asia Private Capital Fund V was the largest Asia-Pacific-focused fund to close in 2018, having raised \$1.40 billion at final close in December.



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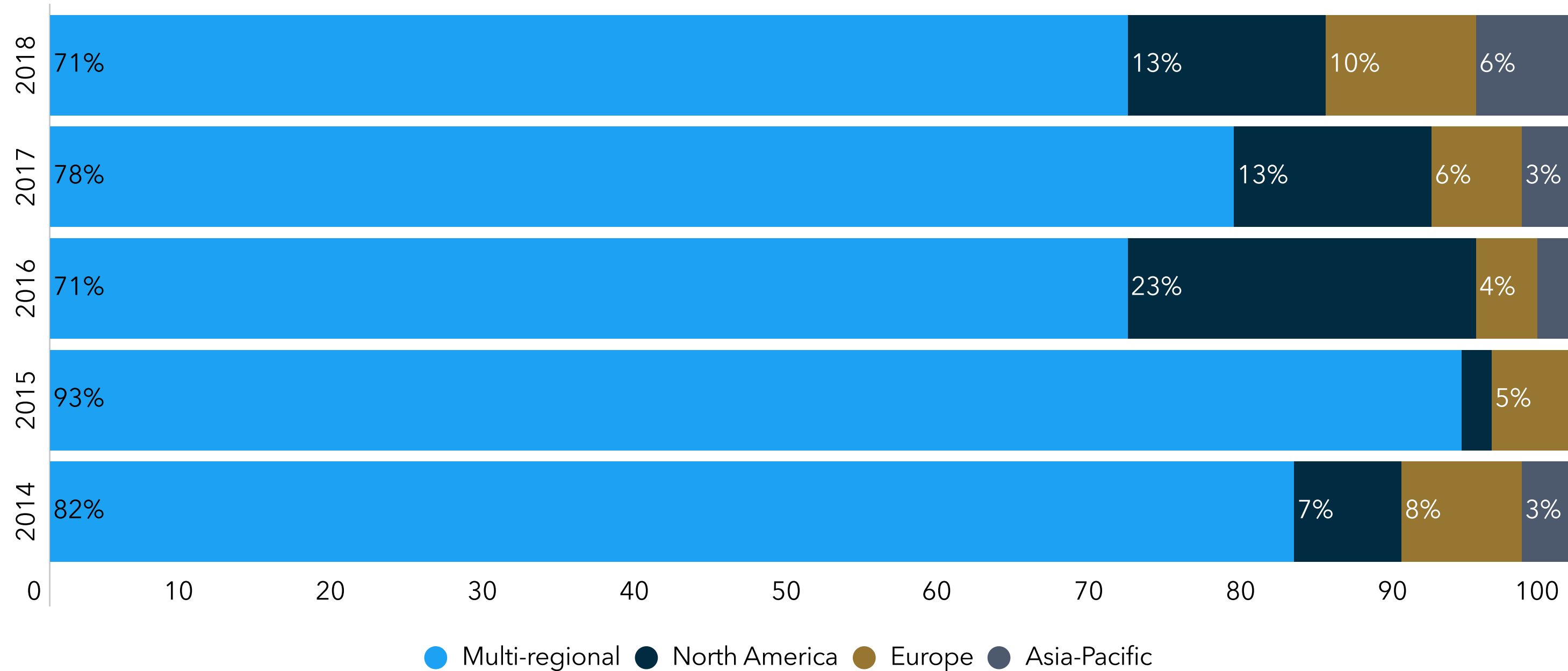
Regional focus of capital raised in 2018



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Geography

Regional focus of capital



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\$36bn

Raised by region-specific funds between 2014 and 2018

\$136bn

Raised by multi-regional funds between 2014 and 2018

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Sector review: Real assets

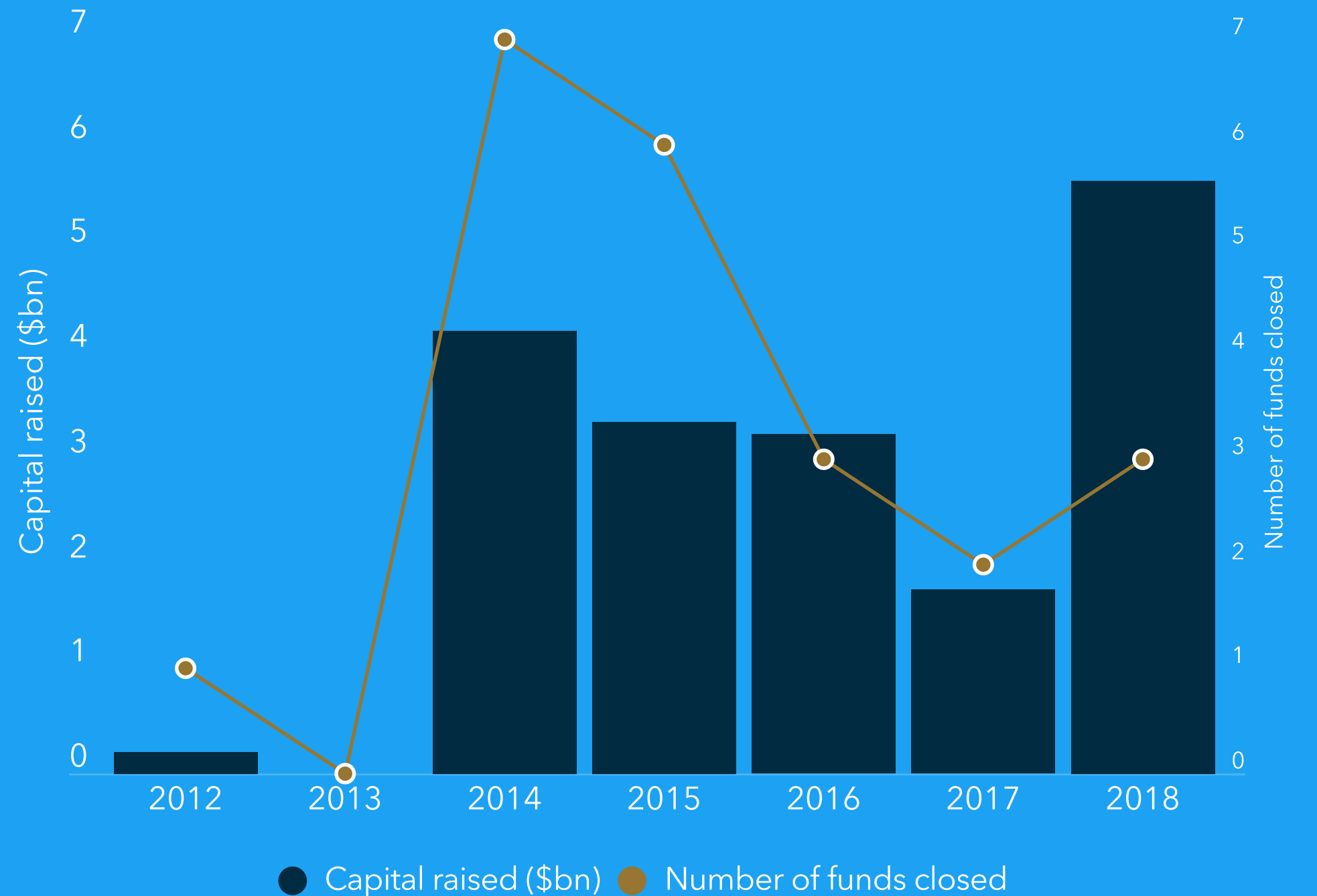
Secondaries funds focused on real assets raised \$5.66 billion of capital from investors in 2018 – more than three times the amount gathered for the strategy in 2017.

This increase can be attributed to the close of Landmark Real Estate Partners VII (\$3.3 billion) and Strategic Partners Real Assets II (\$1.75 billion). Due to the small number of funds in this segment of the market, large closes also skew numbers and create more pronounced trends.

Real assets funds in market, as of January, are targeting \$3.99 billion.

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Real assets fundraising





Sector review: Real assets

Landmark Partners was the most active manager in terms of fundraising for real assets secondaries funds between 1 January 2012 and 31 December 2018, raising \$5.1 billion. The top two managers over the period, Landmark Partners and Blackstone Strategic Partners, also closed the two largest real assets funds in 2018 (see previous slide).

\$18.4bn

Raised by real asset funds closed between 1 Jan 2012 and 31 Dec 2018

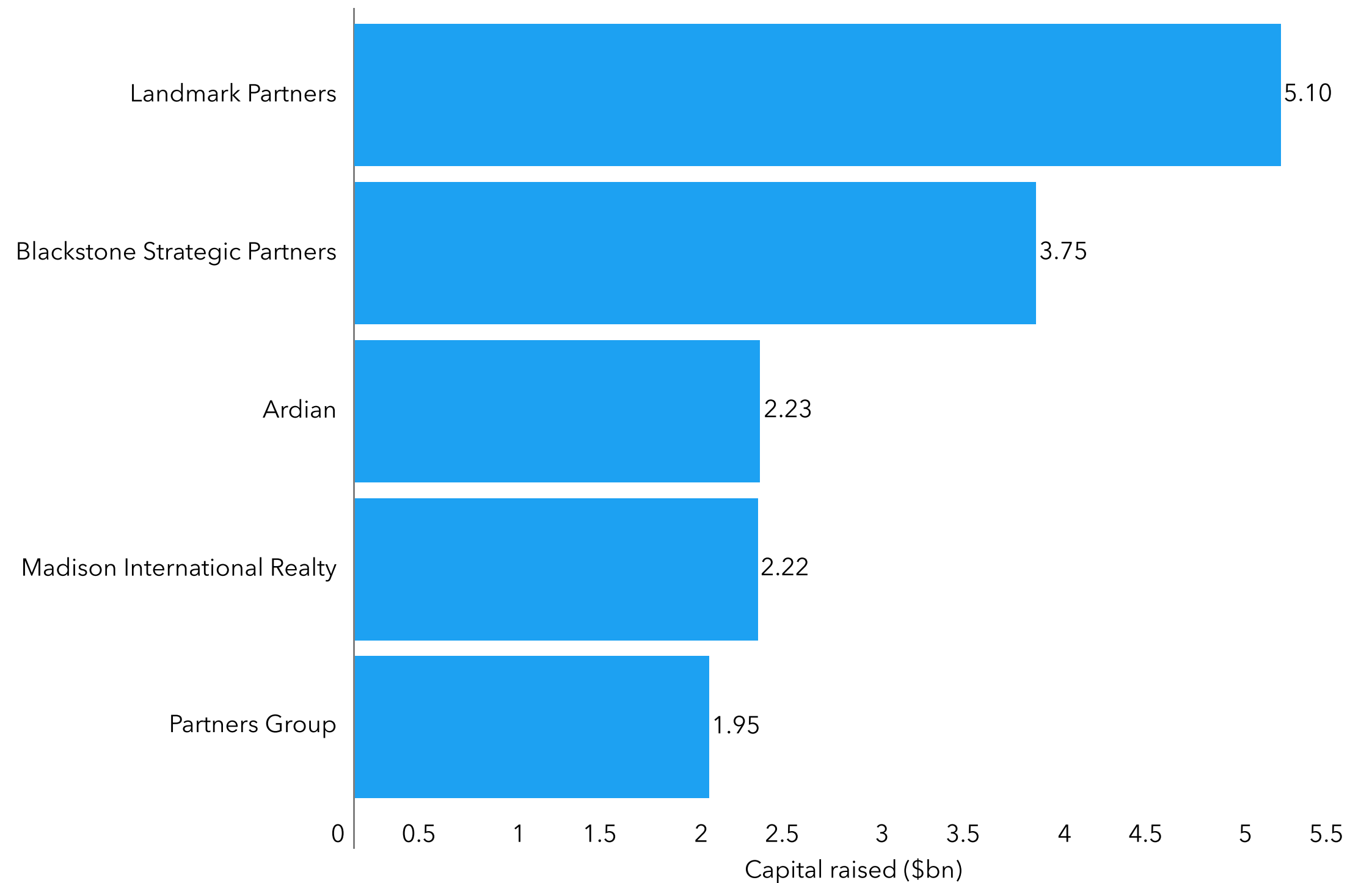
22

Number of real asset funds that held a final close between 1 Jan 2012 and 31 Dec 2018



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Top real asset fund managers, 2012-18



Funds in market, 1 Jan 2019

\$78bn

Sought for
funds in market

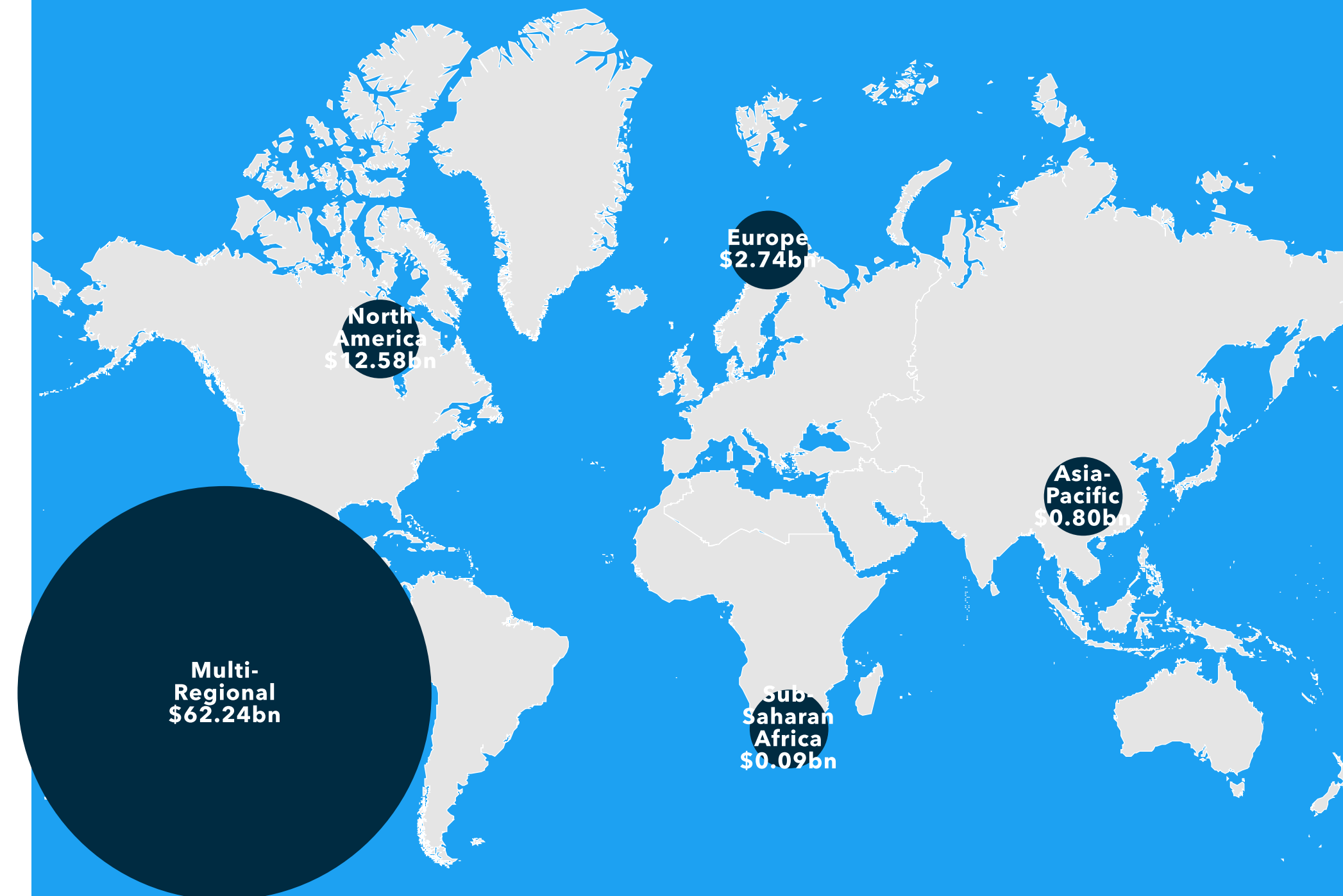
67

Total number
of funds in
market

Largest secondaries funds in market

Fund Name	Fund Manager	Target Size (\$bn)	Region
Ardian Secondary Fund VIII (ASF VIII)	Ardian	12.00	Multi-regional
Lexington Capital Partners IX	Lexington Partners	12.00	Multi-regional
Coller International Partners VIII	Coller Capital	9.00	Multi-regional
Strategic Partners Fund VIII	Blackstone Strategic Partners	8.00	Multi-regional
Goldman Sachs Vintage Fund VIII	Goldman Sachs Asset Management	6.75*	Multi-regional

*seeking between \$6.5bn and \$7.0bn



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How can we help?

How can PEI's Research and Analytics team help you?

Sample client case study

This quarter, we helped a capital advisory firm looking to increase its client base by providing a list of funds in the early stages of fundraising. We also included a list of investors interested in the placement agent's markets of focus.

Please get in touch with us if you would like to see a sample of this data.

PEI's Research and Analytics team is made up of researchers and analysts in London, New York and Hong Kong, working on a 24/5 cycle to perform bespoke research requests for you. We track the investment appetite and contact details of LPs and GPs within our fundraising data platform, to help bring together fund investors and managers with matching interests.

Platinum subscribers should email daniel.r@peimedia.com for more information on the research services available.

For more information on becoming a Platinum level subscriber please contact:

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Other questions
to which we also
provided solutions:

**"What fund
management firms
are the most active
in the APAC
investment space?"**

**"I would like a list of all
LPs in New York that
would be interested in
committing to Europe-
focused funds"**

**"Could you please
send me a list of all
North American
direct secondaries
funds that have
launched in the past
year?"**

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