

Private Equity Funds Targeting Record \$635bn

Two largest ever private equity vehicles are currently in market, pushing aggregate capital targeted to an all-time high

The number of private equity vehicles seeking investor capital has continued to grow in Q1 2017, and with a number of mega funds currently seeking funds from investors, the aggregate capital targeted has reached a record high. Globally, 1,908 private equity funds are in market at the start of Q2, seeking a combined \$635bn: this is up from 1,834 vehicles that were targeting \$526bn at the start of 2017. The Softbank Vision Fund accounts for a significant proportion of this capital – its target of \$100bn would make it the largest private equity fund of all time – while the China State-Owned Capital Venture Investment Fund (\$29bn) and Apollo Investment Fund IX (\$20bn) are also targeting sizeable amounts.

For more information and analysis, see the full *Preqin Quarterly Update: Private Equity, Q1 2017* here: <https://www.preqin.com/docs/quarterly/pe/Preqin-Quarterly-Private-Equity-Update-Q1-2017.pdf>

Other Key Q1 2017 Private Equity and Venture Capital Facts:

- At the start of April 2017, **1,908 private equity funds are on the road targeting an aggregate \$635bn of investor capital**, up from 1,834 vehicles seeking \$526bn at the start of 2017.
- Highlighting the dominance of the biggest firms, **the ten largest private equity funds in market are targeting a combined \$203bn**, 32% of the industry total.
- **The Softbank Vision Fund is the largest vehicle in market with its target of \$100bn**, which if it reaches its target, would be the biggest private equity fund of all time.
- North America-focused funds account for over half of all vehicles on the road, which are targeting a combined \$336bn, as it remains the most targeted region for private equity fundraising. **Asia has overtaken Europe as the second most targeted region for private equity investment**, with 370 vehicles seeking \$157bn of investor commitments to deploy in Asia.
- **Three of the five largest private equity funds on the road are based in Asia**, including the China State-Owned Capital Venture Investment Fund, which is targeting \$29bn.
- Over a third (37%) of private equity funds in market have spent more than two years marketing themselves to investors, and **31% of vehicles have spent less than a year on the road thus far**.

Christopher Elvin, Head of Private Equity Products:

“Private equity fundraising has become even more competitive at the top end of the industry, with the launch of Softbank’s \$100bn hybrid vehicle and increased participation from state-owned entities in Asia. These mega funds serve to drive headline figures, but away from this the private equity fundraising market remains incredibly competitive – Q1 2017 alone saw a net increase of 74 vehicles seeking investor commitments.

However, fund managers coming to market are targeting an investor base that is still very positive towards private equity. In a low interest rate environment, the asset class will continue to appeal to investors looking for high absolute returns and portfolio diversification. Moreover, because of the accelerated rate of distributions, investors are looking to increase their exposure to the asset class. It is therefore possible that the trend of capital concentration among the largest funds, which can accommodate substantial commitments and are capable of investing across a wide variety of sectors and geographies, will endure.”

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