

Private Equity International

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Blackstone holds PEI 300 top spot

The biggest fundraiser on the 2024 PEI 300 ranking brought in nearly \$124bn over the past five years

Last year's biggest private equity fundraiser has returned to take the crown in 2024. Over the course of the past five years, Blackstone has raised \$123.99 billion for its private equity strategies, marking the seventh time in the last 10 years that the firm has secured pole position on Private Equity International's annual ranking of the biggest fundraisers in the asset class.

The figure is, however, a slight drop on previous winning totals: in 2023, Blackstone took the top spot with a total of \$125.6 billion, whereas a year prior, KKR achieved an all-time high figure of \$126.5 billion.

One reason for this shift is a change in the PEI 300's methodology: in previous years, the counting period has run from 1 January until 31 March five years later, whereas 2024 marks the first time the ranking runs from 1 January until 31 December. This slight shortening of the eligible fundraising window will inevitably account for a drop in some areas.

The second reason is, of course, that fundraising simply isn't an easy ride right now. Even the biggest firms aren't an exception, with only two managers – Blackstone and KKR – surpassing the \$100 billion threshold this year, versus last year's three.

Joe Baratta, global head of private equity at Blackstone, tells PEI: "The last five years have been extremely volatile for

investors... LPs have been dealing with a host of issues surrounding denominator effects – GPs investing more quickly than they anticipated and lower distributions from prior funds during a turbulent period for markets."

Blackstone, for its part, has navigated this environment by sticking to its guns. "We have maintained our investment discipline and strategy, and our long-term investors value our consistency... That focus on long-term performance – combined with the longevity of our LP relationships – helps us to continue raising significant capital, even in a more difficult fundraising environment."

Rocky ground

In spite of the uneven fundraising terrain, the overall ranking looks remarkably healthy. The 300 firms on the list collectively raised nearly \$3.3 trillion between them over the past five years, up from \$3.1 trillion a year prior. This 6 percent increase occurred in spite of the aforementioned narrowing of the counting window, suggesting the industry's struggles may be less profound than anticipated.

To some, this may come as a surprise. In the five-year period covered by this year's ranking, the industry has seen a plethora of funds closing below target, including Apollo Global Management's (29) Fund X, which closed on \$20 billion last year against a \$25 billion target; and TPG's (5)

ninth flagship, which closed on \$12 billion against a \$15 billion target. As Karl Adam, a partner at Monument Group, told PEI last year: "You're kind of, in a way, getting pummelled from all angles."

Blackstone appears to have escaped from these circumstances relatively unscathed, something Baratta puts down to LPs choosing to invest their capital with a smaller number of managers.

"[We] continue to see a general trend of consolidating GP relationships... LPs are doing more with fewer GPs," Baratta says. "We have LPs in our funds who've been with us for decades." Having recently hit \$1 trillion in assets under management – a milestone for both the firm and private markets generally – Blackstone's fundraising dominance is perhaps less than surprising.

"This achievement is significant in many ways, including for me personally," chairman and chief executive Stephen Schwarzman said on the firm's Q2 2023 earnings call. "We've delivered for [investors] in good times and bad... In fact, virtually all of our drawdown funds we've launched in our history have been profitable for our investors."

According to Baratta, the milestone is simply a reflection of Blackstone's performance, rather than an end in itself. "We view the \$1 trillion as a mile-marker on a much longer journey," he tells PEI. "We're excited about the future."