



INVESTOR REPORT Q3 2020

Private Equity International's interactive and downloadable review of the private equity investor environment

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\$4.97bn raised by top 15 largest commitments

Fundraising for the year to date has matched previous years as appetite for private equity remains strong, despite travel bans and global lockdowns.

This appetite is strongest among investors committing capital to funds with a multi-regional focus. Of the top 15 largest fund commitments by private equity LPs, over half were to multi-regional funds.

New York State Common Retirement Fund has recently shown notable investment activity. In Q3 2020 it made sizeable commitments to CVC Capital Partners VIII, EQT IX, and KKR Asian Fund IV.

Largest known private equity fund commitments made in Q3 2020

| Institution | Fund | Manager | Commitment (\$m) | Region | Strategies |
|--|--|-----------------------------------|------------------|----------------|---------------------------------|
| Canada Pension Plan Investment Board | CVC Capital Partners VIII | CVC Capital Partners | 586.2 | Multi-regional | Buyout / Corporate PE |
| New York State Common Retirement Fund | CVC Capital Partners VIII | CVC Capital Partners | 586.2 | Multi-regional | Buyout / Corporate PE |
| Washington State Investment Board | TPG Growth V | TPG | 400.0 | Multi-regional | Venture Capital / Growth Equity |
| New York State Common Retirement Fund | EQT IX | EQT | 351.7 | Europe | Buyout / Corporate PE |
| Massachusetts Pension Reserves Investment Management Board | CVC Capital Partners VIII | CVC Capital Partners | 322.4 | Multi-regional | Buyout / Corporate PE |
| New York State Common Retirement Fund | KKR Asian Fund IV | KKR | 300.0 | Asia-Pacific | Buyout / Corporate PE |
| New York State Common Retirement Fund | Stellex Capital Partners II | Stellex Capital Management | 300.0 | Multi-regional | Buyout / Corporate PE |
| New York State Teachers' Retirement System | Silver Lake Partners VI | Silver Lake | 300.0 | Multi-regional | Buyout / Corporate PE |
| Virginia Retirement System | Oaktree Opportunities Fund XI | Oaktree Capital Management | 300.0 | Multi-regional | Mezzanine / Debt |
| Tikehau Capital | Ace Aéro Partenaires | ACE Management | 269.7 | Europe | Buyout / Corporate PE |
| Korean Teachers' Credit Union (KTCU) | M&A Loan Fund (including co-investment) | Hana Alternative Asset Management | 257.8 | Asia-Pacific | Mezzanine / Debt |
| Florida Retirement System Trust Fund | Blue Torch Credit Opportunities SBAF Fund | Blue Torch Capital | 250.0 | North America | Mezzanine / Debt |
| New York State Common Retirement Fund | NYSCRF Pioneer Co-Investment Fund II | Farol Asset Management | 250.0 | North America | Fund of Funds / Co-Investment |
| North Dakota Retirement and Investment Office | Sixth Street Fundamental Strategies Partners | Sixth Street Partners | 250.0 | North America | Mezzanine / Debt |
| Oregon Public Employees' Retirement Fund | Francisco Partners VI | Francisco Partners | 250.0 | Multi-regional | Buyout / Corporate PE |

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PE commitment activity remains strong

Of the top 10 most active investors in private equity, the majority are agnostic when it comes to regional appetite. The two investors that have appetite for a shorter list of regions, European Investment Fund and Cathay Life Insurance, also happen to be the two most active when committing to PE funds. Combined, the top 10 most active investors made 168 fund commitments to 2020-vintage funds YTD.

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To view Private Equity International's database of fund commitments made by institutional investors

Top 10 most active investors based on known PE fund commitments made in 2020 YTD

| Institution | Regional HQ | Number of 2020 commitments | Regional appetite |
|--|----------------|----------------------------|---|
| European Investment Fund | Western Europe | 24 | Central/Eastern Europe, Western Europe |
| Cathay Life Insurance | Asia-Pacific | 19 | Asia-Pacific, North America, Western Europe |
| State of Wisconsin Investment Board | North America | 19 | All regions considered |
| San Francisco Employees' Retirement System | North America | 18 | All regions considered |
| California State Teachers' Retirement System | North America | 17 | All regions considered |
| New York State Common Retirement Fund | North America | 17 | All regions considered |
| Texas County and District Retirement System | North America | 17 | All regions considered |
| New York State Teachers' Retirement System | North America | 13 | All regions considered |
| Los Angeles Fire & Police Pension System | North America | 12 | All regions considered |
| Maryland State Retirement and Pension System | North America | 12 | All regions considered |



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PE represents 7.5% of the average investor portfolio

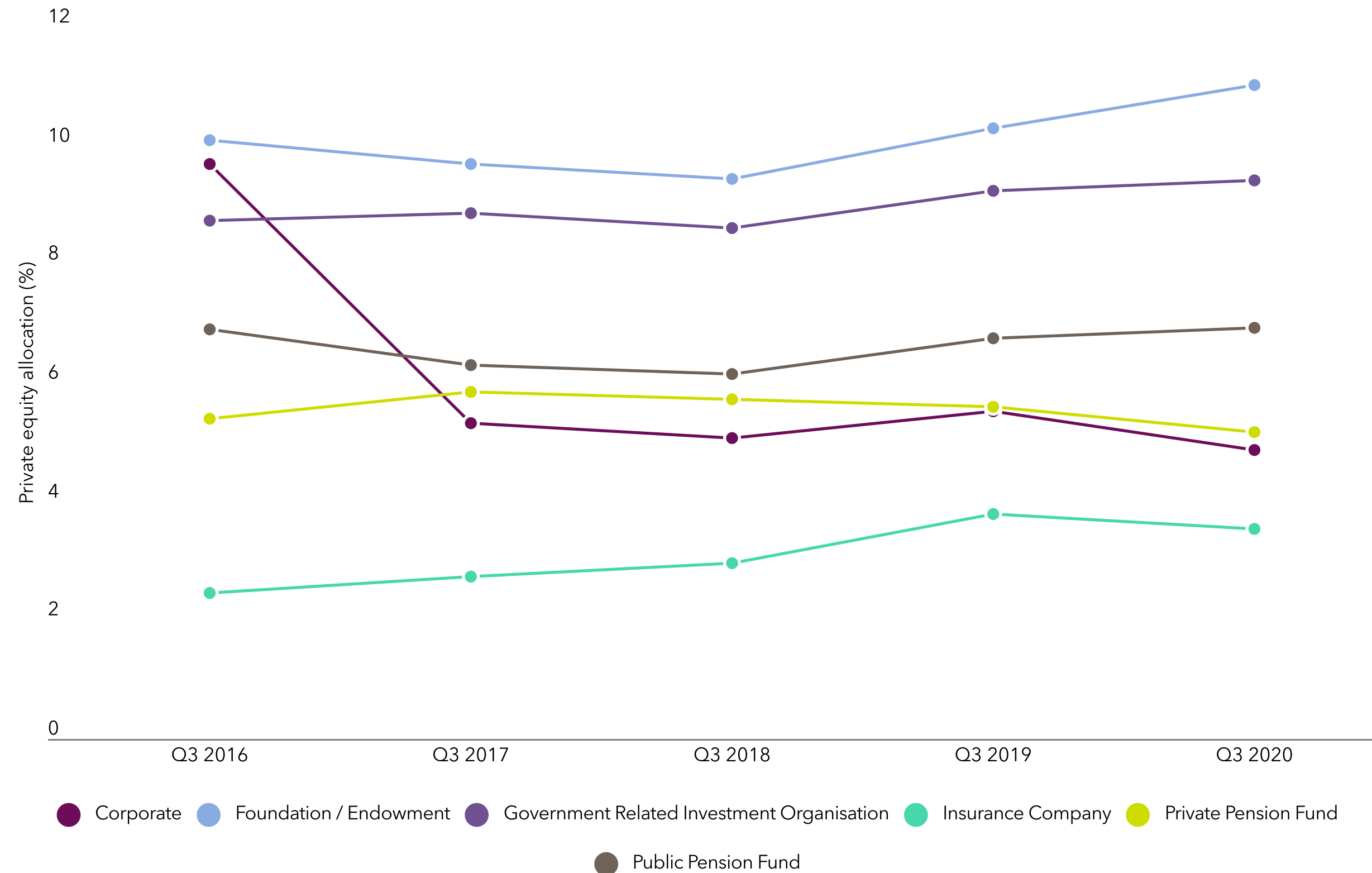
Private equity continues to represent a major proportion of institutional investor portfolios, and is often the alternative asset class to which investors allocate the most capital.

On average, private equity constituted 7.49% of an LP's investment portfolio in Q3. Foundations and endowments dedicate an above-average proportion: 11.02%.

Since 2018, the average allocation to private equity has increased from 6.69%, indicating continued appetite for, and confidence in, the asset class.

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largest LPs globally
and their private
equity allocation

Historic private equity allocation by institution type



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Investors want a larger piece of PE pie

As mentioned on the previous slide, the average allocation to private equity has increased in recent years. Our data show that globally, 82% of institutional investors maintained or shifted more capital into the asset class from Q3 2019 to Q3 2020.

Breaking this down by institution type, foundations and endowments were the most likely to increase their allocation to the asset class (49%), while 34% maintained their allocation to PE.

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institutional investors

Percentage of institutions increasing, maintaining or decreasing private equity allocations from Q3 2019 to Q3 2020

| Investor type | Increased allocation | Maintained allocation | Decreased allocation |
|------------------------|----------------------|-----------------------|----------------------|
| Foundation / Endowment | 49% | 34% | 17% |
| Insurance Company | 31% | 56% | 13% |
| Private Pension Fund | 25% | 51% | 24% |
| Public Pension Fund | 38% | 42% | 20% |
| All investors | 41% | 41% | 18% |

82%

Percentage of investors globally that have maintained or shifted more capital into private equity

Foundations and endowments, which allocate 11% of their portfolio to PE and are one of the institution types that dedicates the greatest proportion of a portfolio to the asset class, are also the most likely to increase their PE allocation each year

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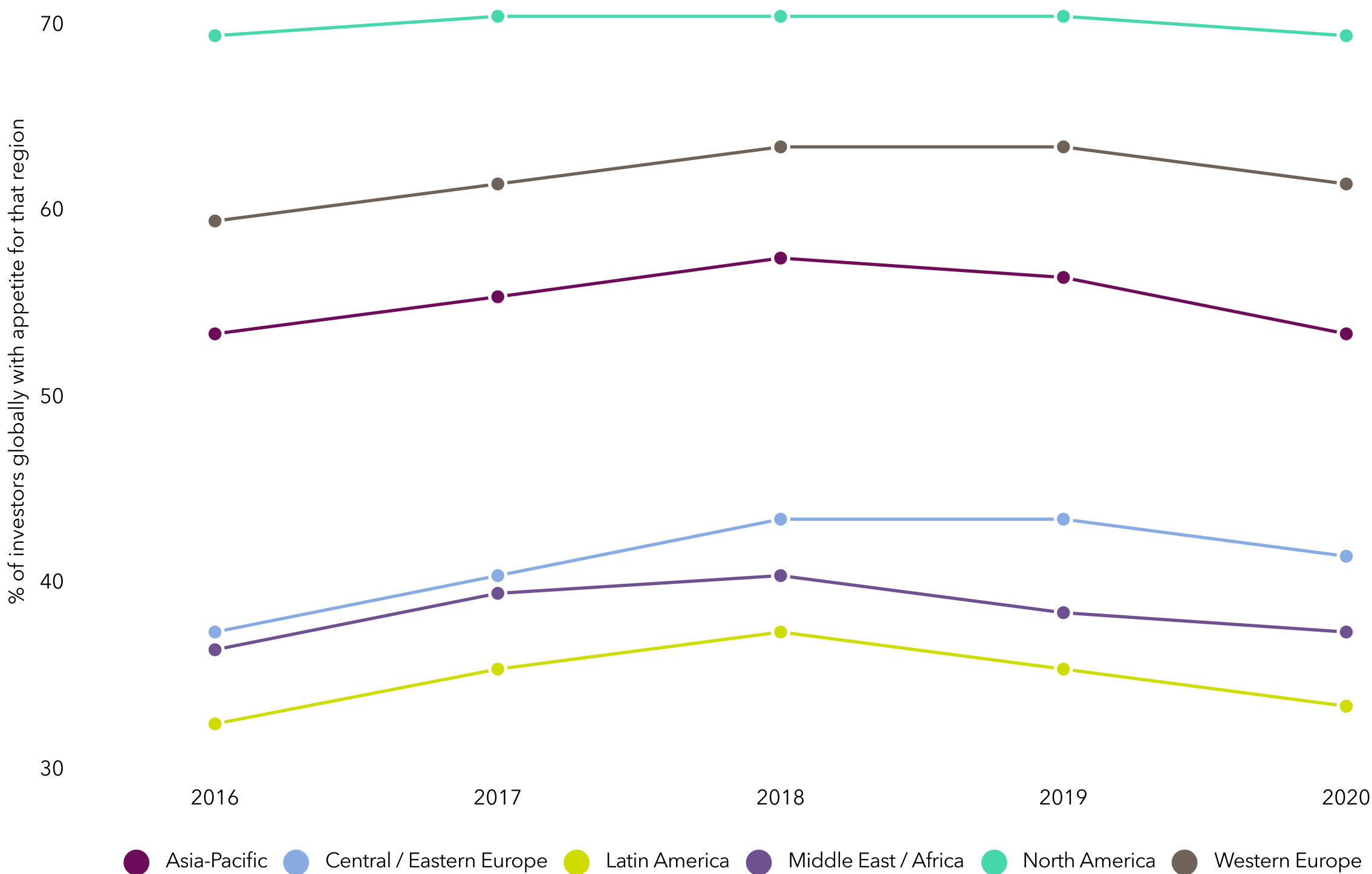
Appetite is strongest for North America

In recent years, investor appetite on a regional level has remained relatively consistent, with LPs displaying the greatest appetite for North America- and Western Europe-focused funds. This is unsurprising, given that North America-focused funds continue to lead by capital raised, accounting for about one-third of the total as of end-September.

Just over half (54%) of investors have appetite for Asia-Pacific focused funds. As to be expected, Asia-Pacific-focused funds accounted for around 10 percent of overall fundraising as of Q3 2020.

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To view New Jersey Division of Investment's recent commitments to Asia-Pacific and North America focused funds

Historical regional appetite of investors globally



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