QUARTERLY ASSET CLASS REVIEW

Global Private Equity Asset Class Review *Q2 2026*

Key Takeaways

01 **Capital is concentrating at the top, and it's not just a mega-fund story.** The five largest closes of the quarter accounted for roughly half of all disclosed capital, and three of the five were Asia-Pacific buyout vehicles (EQT BPEA IX, Bain Capital Asia VI, Blackstone Asia III) that alone raised nearly $40B combined.

02 **A differentiated thesis matters more than ever in the middle market.** Generalist mid-market buyout funds without a clear edge appear to be facing longer timelines and more missed targets this quarter, while more differentiated strategies, spanning geography and sector, seem to be raising faster.

03 **Secondaries and GP-led liquidity are taking a larger share of capital flows.** With exit activity still suppressed, secondaries and continuation vehicles have become a primary liquidity mechanism rather than a niche one, capturing a growing slice of overall capital raised.

Executive Summary

Global private equity fundraising dipped slightly in Q2 2026: Dakota tracked approximately $153.2B in disclosed capital, slightly down from $171.8B in Q1 2026. Fundraising remained heavily concentrated at the top, with the five largest closes of the quarter, KKR North America Fund XIV, EQT Private Capital Asia BPEA IX, Blackstone Capital Partners Asia III, Bain Capital Asia Fund VI, and Partners Group Secondary VIII, accounting almost half of all disclosed capital.

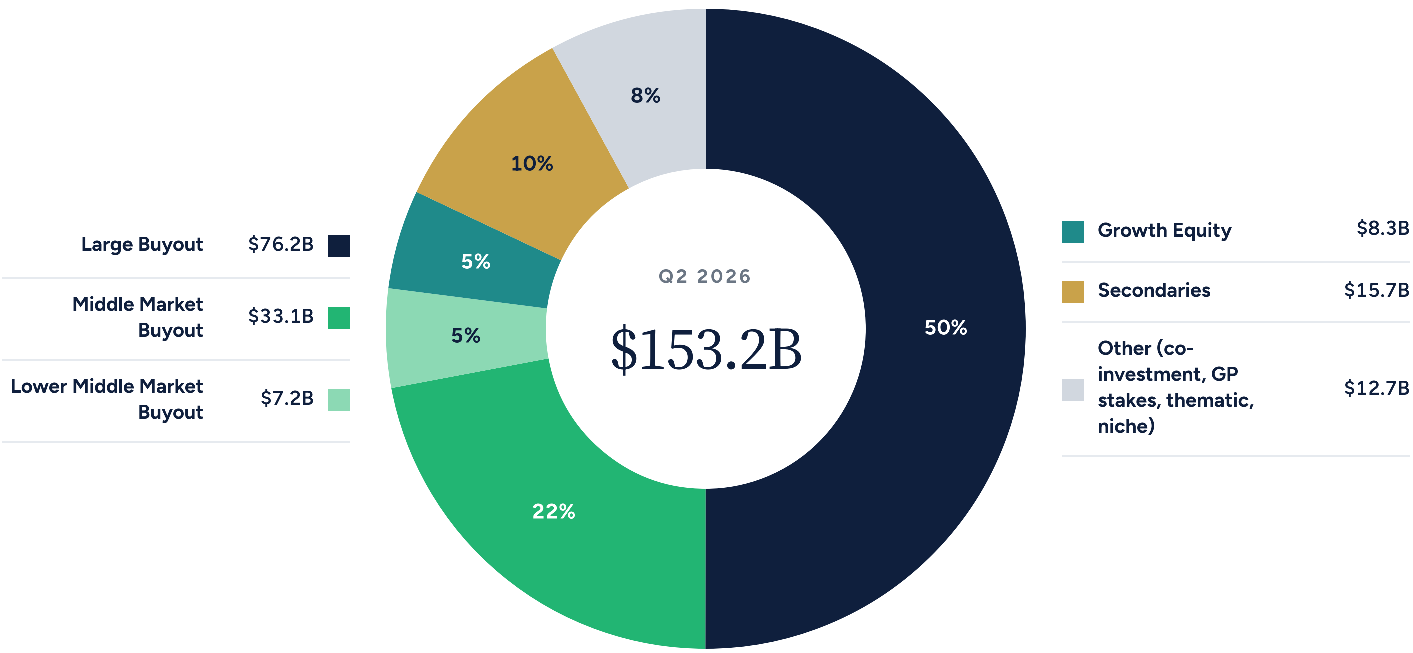
Asia-Pacific-dedicated buyout strategies had a landmark quarter. EQT's BPEA IX closed at a $15.6B hard cap, becoming the largest private equity fund ever raised for the region, while Bain Capital Asia Fund VI ($10.5B) and Blackstone Capital Partners Asia III ($13.1B) also closed; combined, the three vehicles raised over $39B.

Secondaries and GP-led liquidity solutions continued to gain share as a structural response to a persistent exit backlog, led by Partners Group Secondary VIII ($9.0B), Portfolio Advisors Secondary Fund V ($3.0B), HarbourVest Partners XIII ($2.4B), and Patria Secondary Opportunities Fund V ($677M). Middle-market and first-time managers remained under pressure as well.

Global Fundraising Review

$171.8B Q1 2026 DISCLOSED CAPITAL	**$153.2B** Q2 2026 DISCLOSED CAPITAL

Q2 2026 PE Fundraising by Strategy Type



Large buyout took half the quarter's capital, driven mainly by a huge quarter for Asia-Pacific funds (EQT BPEA IX, Bain Asia VI, Blackstone Asia III combined for nearly $40B). Middle and lower middle market buyout added another 22%, though fundraising in that tier stayed uneven. Growth equity was small at just 5%, reflecting caution around tech and growth bets amid AI uncertainty. The bigger story is secondaries at 10%. These are capturing a growing share of capital as allocators lean on them for liquidity while traditional M&A and IPO exits stay slow. GP-led continuation vehicles and LP-led secondary sales have become the norm as the industry seeks a release valve for the clog of exit activity.

GLOBAL FUNDRAISING REVIEW

Notable Fund Closes — Q2 2026

GP	FUND	AMOUNT
KKR	KKR North America Fund XIV	$23.0B
EQT Group	EQT Private Capital Asia BPEA IX	$15.6B
Blackstone Inc	Blackstone Capital Partners Asia III	$13.1B
Bain Capital	Bain Capital Asia Fund VI	$10.5B
Partners Group	Partners Group Secondary VIII	$9.0B
Thomas H. Lee Partners	THL Equity Fund X	$6.35B
26North	26North Private Equity Fund I	$5.9B
Main Capital Partners	Main Capital IX	$4.5B
Court Square Capital Partners	Court Square Capital Partners V	$3.8B
OceanSound Partners	OceanSound Partners Fund III	$3.4B

Three of the quarter's five largest closes were Asia-dedicated buyout vehicles, marking one of the stronger quarters for the region's PE fundraising in several years. However, Asia still isn't seeing a large influx of dollars relative to other regions, so the spike in fundraising speaks volume to how large platforms like EQT, Blackstone, and Bain can be successful in raising capital anywhere. Secondaries and liquidity-solution vehicles raised across the size spectrum, from Partners Group's $9B flagship down to smaller specialists like Seine Capital Liquidity Solutions ($180M) and March PE Secundarios I ($69.6M). GP stakes and strategic capital continued to attract significant inflows, cementing the strategy's status as a core investment. Niche thematic strategies — music/IP royalties, content and entertainment, digital assets — raised meaningful capital despite representing a small share of overall dollars, reflecting sustained demand for uncorrelated, royalty-like cash flows. Mega-fund concentration deepened further: aggregate PE dollars raised rose even as the number of funds held roughly flat, consistent with a shrinking number of established managers capturing a growing share of commitments.

Notable Capital Flows by Sector

Healthcare & Life Sciences

Healthcare fundraising stayed resilient, though quieter than Q1's Blackstone Life Sciences VI ($6.3B) close. Water Street Healthcare Partners VI ($1.9B) led the quarter, and Jeito II ($1.2B) showed continued appetite for biotech/life-sciences risk. Two straight strong quarters make healthcare one of allocators' top priority verticals heading into H2 2026.

Technology, Software & Digital Infrastructure

There were few notable buyout fund closes this quarter focused specifically on tech. This is consistent with data showing software deal value down year-over-year on AI-disruption uncertainty. One fund to call out is Snowhawk Capital Digital Opportunities Fund I ($1.3B). The strategy invests in companies supporting the digital infrastructure build out rather than traditional SaaS, but a notable raise nonetheless for a first time fund.

Consumer, Media & Entertainment

One of the stronger thematic sectors of the quarter. Primary Wave Music IP Fund 4 ($2.23B) led, with Shamrock Content IV ($813M) and Domain Entertainment II ($768M) reinforcing the same royalty/IP theme; Topspin Consumer Partners III ($328M) was a notable traditional consumer-brand vehicle that was oversubscribed, with Atlantic-Pacific capital assisting with the raise.

Highlighting Themes

WHAT'S WORKING

Asia-Pacific buyout was the standout theme: EQT BPEA IX, Bain Capital Asia VI, and Blackstone Asia III collectively raised over $39B, the strongest Asia-dedicated fundraising quarter Dakota has tracked. Secondaries and GP-led continuation vehicles kept growing as the primary liquidity release valve in place of a suppressed traditional exit market. Geographically, Asia-Pacific (Bain, EQT, Blackstone, NSSK) and the Nordics/DACH region (Norvestor, Main Capital, INSETA) both showed above-trend fundraising strength, while GP stakes/strategic capital and royalty-like thematic strategies (music IP, content) kept attracting allocators seeking diversification and downside protection.

WHAT'S SLOWING

Generalist mid-market buyout without a differentiated sector or geographic thesis saw the longest fundraising timelines and the most target misses. Software- and technology-focused buyout strategies were pressured by uncertainty over the pace and shape of AI-driven disruption to legacy software assets. Traditional M&A and sponsor-to-sponsor exit activity is continuing to constrain distributions industry-wide. First-time and emerging managers remain in a more difficult capital-raising environment than established, multi-fund franchises.

PERFORMANCE AS OF Q1 2026

Performance & Benchmarking

Looking across the full vintage series, PE performance tells a story of a favorable multi-year run that's now normalizing. Vintages from roughly 2012 through 2018 delivered median net IRRs in the mid-teens and TVPI multiples approaching 1.7x-1.9x, a stretch that benefited from low rates, ample liquidity, and a strong exit environment. That backdrop has shifted: the 2021 vintage, deployed at the peak of the cycle, already shows a median IRR (10.1%) and TVPI (1.28x) below both the 2020 and 2019 cohorts despite having more time to mature, an early signal of what overpaying into a hot market costs later on. More recent vintages are compounding that shift with wider dispersion between top- and bottom-decile funds than seen in the 2012-2018 era, meaning the historical assumption that "PE broadly outperforms" is giving way to a market where manager selection is doing more of the work

PERFORMANCE & BENCHMARKING

Net IRR Distribution by Vintage (2004–2026)

Percentile cutoffs per vintage · 2025–2026 N/M · Bold = Median

VINTAGE	# FUNDS	TOP DECILE	TOP QUARTILE	MEDIAN	BOTTOM QUARTILE	BOTTOM DECILE
2025	—	N/M	N/M	**N/M**	N/M	N/M
2024	154	39.7%	23.5%	**9.1%**	-1.0%	-15.2%
2023	191	33.5%	22.5%	**14.4%**	2.0%	-9.3%
2022	233	29.4%	20.0%	**12.9%**	5.9%	-1.0%
2021	247	22.7%	15.4%	**10.1%**	4.6%	-2.2%
2020	234	26.8%	18.3%	**13.7%**	8.9%	4.9%
2019	238	24.4%	19.0%	**14.0%**	9.2%	3.5%
2018	203	26.1%	19.6%	**14.5%**	11.2%	6.4%
2017	174	29.0%	19.7%	**15.0%**	10.1%	5.7%
2016	178	31.9%	21.6%	**15.6%**	11.1%	3.8%
2015	182	25.6%	19.6%	**15.1%**	10.1%	4.7%
2014	176	26.6%	19.5%	**13.0%**	8.0%	-0.0%
2013	139	24.9%	19.2%	**13.3%**	7.4%	-1.2%
2012	138	25.6%	18.1%	**12.5%**	7.0%	1.8%
2011	109	24.7%	18.9%	**12.2%**	5.8%	-0.2%
2010	77	22.3%	18.8%	**12.5%**	5.7%	-4.0%
2009	56	22.8%	18.4%	**13.0%**	7.0%	0.2%
2008	135	20.9%	15.2%	**10.1%**	5.2%	-1.8%
2007	147	15.8%	12.7%	**7.6%**	0.9%	-7.8%
2006	128	17.7%	12.4%	**8.6%**	5.4%	-0.4%
2005	92	19.4%	11.9%	**7.1%**	3.8%	-0.1%
2004	39	28.4%	15.2%	**8.6%**	6.1%	1.1%

PERFORMANCE & BENCHMARKING

TVPI Distribution by Vintage (2004–2026)

Total Value to Paid-In per vintage · 2025–2026 N/M · Bold = Median

VINTAGE	# FUNDS	TOP DECILE	TOP QUARTILE	MEDIAN	BOTTOM QUARTILE	BOTTOM DECILE
2025	—	N/M	N/M	**N/M**	N/M	N/M
2024	175	1.60x	1.31x	**1.10x**	0.99x	0.87x
2023	167	1.50x	1.29x	**1.14x**	1.00x	0.88x
2022	190	1.58x	1.34x	**1.23x**	1.10x	0.98x
2021	199	1.67x	1.48x	**1.28x**	1.16x	1.00x
2020	175	1.94x	1.62x	**1.42x**	1.29x	1.10x
2019	174	2.12x	1.80x	**1.53x**	1.39x	1.19x
2018	160	2.28x	2.00x	**1.65x**	1.44x	1.19x
2017	132	2.66x	2.14x	**1.85x**	1.48x	1.28x
2016	132	2.88x	2.20x	**1.87x**	1.58x	1.30x
2015	133	2.71x	2.29x	**1.86x**	1.61x	1.26x
2014	124	3.01x	2.40x	**1.90x**	1.53x	1.19x
2013	108	2.81x	2.19x	**1.73x**	1.38x	0.99x
2012	114	2.32x	2.10x	**1.78x**	1.40x	1.16x
2011	89	2.72x	2.12x	**1.69x**	1.30x	1.00x
2010	59	2.60x	2.08x	**1.69x**	1.29x	0.97x
2009	47	2.90x	2.25x	**1.71x**	1.38x	0.99x
2008	112	2.26x	2.07x	**1.69x**	1.36x	1.08x
2007	121	2.31x	1.88x	**1.46x**	1.14x	0.83x
2006	102	2.23x	1.87x	**1.56x**	1.30x	1.00x
2005	64	1.99x	1.66x	**1.41x**	1.26x	1.09x
2004	29	2.44x	1.82x	**1.59x**	1.27x	1.02x

PERFORMANCE & BENCHMARKING

DPI Distribution by Vintage (2004–2026)

Distributions to Paid-In per vintage · 2025–2026 N/M · Bold = Median

VINTAGE	# FUNDS	TOP DECILE	TOP QUARTILE	MEDIAN	BOTTOM QUARTILE	BOTTOM DECILE
2025	—	N/M	N/M	**N/M**	N/M	N/M
2024	33	0.80x	0.23x	**0.05x**	0.02x	0.01x
2023	38	0.80x	0.37x	**0.07x**	0.02x	0.01x
2022	64	0.50x	0.30x	**0.09x**	0.03x	0.01x
2021	97	0.82x	0.34x	**0.16x**	0.06x	0.02x
2020	96	0.88x	0.52x	**0.30x**	0.15x	0.08x
2019	99	1.27x	0.76x	**0.48x**	0.23x	0.05x
2018	92	1.46x	0.93x	**0.58x**	0.35x	0.21x
2017	80	1.80x	1.34x	**0.79x**	0.48x	0.34x
2016	88	2.30x	1.65x	**1.21x**	0.77x	0.50x
2015	76	2.08x	1.57x	**1.23x**	0.90x	0.55x
2014	77	2.55x	1.88x	**1.35x**	0.93x	0.58x
2013	62	2.16x	1.94x	**1.53x**	1.16x	0.47x
2012	78	2.10x	1.85x	**1.50x**	1.11x	0.51x
2011	58	2.94x	1.93x	**1.57x**	1.00x	0.66x
2010	39	2.65x	2.01x	**1.55x**	1.17x	0.88x
2009	29	2.80x	2.17x	**1.79x**	1.39x	1.12x
2008	73	2.26x	2.02x	**1.57x**	1.29x	0.92x
2007	82	2.45x	1.93x	**1.52x**	1.26x	0.88x
2006	70	2.10x	1.80x	**1.42x**	1.23x	0.84x
2005	40	2.30x	1.77x	**1.58x**	1.26x	0.71x
2004	24	1.95x	1.82x	**1.59x**	1.41x	1.13x

Industry News & Developments

SIGNIFICANT TRANSACTIONS

Q2 2026 saw sponsors both building and selling at a high clip. On the buy side, Bain Capital agreed to acquire a 51% stake in Volkswagen's Everllence marine engine unit for roughly €7.4B, EQT took Intertek Group private at nearly £10.9B enterprise value with ADIA and Mubadala as minority co-investors, and CVC Capital Partners IX closed two Italian acquisitions in a single day. TPG Real Estate, alongside PSP Investments, La Caisse, and Norges Bank, acquired ECHO Realty for about $2B, while Apollo, Blackstone, and KKR emerged as the final bidders for Shell's stake in the LNG Canada project, valued between $10-15B. Take-privates were also a major theme: Clayton, Dubilier & Rice completed its $10.3B acquisition of Sealed Air Corp in April at $42.15 per share, and Permira and Warburg Pincus, backed by Francisco Partners with participation from Temasek, closed their $8.4B take-private of Clearwater Analytics in June at $24.55 per share, a roughly 47% premium.

MAJOR PORTFOLIO ACTIVITY: EXITS & IPOS

The quarter's headline event was SpaceX's record-breaking IPO, pricing at $135 per share to raise $75B and valuing the company near $1.75T, by far the largest public offering ever completed. IPOs dominated the exit landscape more broadly, concentrated in aerospace, defense, energy, and AI-enabling infrastructure, while strategics stayed active and traditional M&A and sponsor-to-sponsor deals slowed. Aerospace and defense saw a wave of listings: Arcline took Arxis public, Greenbriar brought Applied Aerospace & Defense to market, and Madison Dearborn Partners listed AEVEX. On the energy and healthcare side, Advent International and ADIA took energy solutions provider INNIO Group public in a Nasdaq offering targeting up to $2B, and Permira sold I-Med Radiology Network to Jardine Matheson. Other PE-owned companies also used the reopening IPO window to exit: KKR listed emergency medical services provider Global Medical Response for $478.7M, J.F. Lehman & Company's Doncasters raised an upsized $919.3M on the NYSE, and Blackstone and General Atlantic brought mobile marketing platform Liftoff public for $437M. Among the remaining sponsor-to-sponsor and strategic deals, Ardian exited TRIGO to Montyon Capital after a 12-acquisition buy-and-build, Advent International and Cinven sold TK Elevator to KONE for €29.4B, and Carlyle exited German industrial firm Flender to Triton Partners for roughly €3B.

GP STRATEGIC INITIATIVES

EQT raised its overall fundraising cycle target to more than €140B, up from an original €100B goal, citing momentum in its AI infrastructure and scale-up strategies alongside BPEA IX's record close. The upsized target adds to a growing list of large managers planning outsized raises as firms compete for scale in a tightening fundraising environment. KKR began marketing its fifth Asia-focused private equity fund, targeting approximately $15B, following its Asian Fund IV's $15B oversubscribed close in 2021. EQT elevated new co-heads of its Asia private equity business after the record BPEA IX close, underscoring sustained strategic investment in the region and in Asian wealth and retirement channels more broadly. Several large managers, including Apollo and EQT, continued to explore or expand secondaries and evergreen and semi-liquid vehicle strategies as a complement to traditional drawdown fundraising, part of a broader industry push to reach wealth and retirement capital both in the US and abroad. AI remains a common thread across these efforts, showing up both as a fundraising theme, through AI infrastructure strategies like EQT's, and as an underlying driver of the scale ambitions behind these larger fund targets.

REGULATORY & MACRO DEVELOPMENTS

The Iran conflict and Strait of Hormuz disruption dominated the quarter, pushing crude above $100 and hitting institutional portfolios. Maryland's pension lost $2.4B in March, and Australian pensions fell 3.2%. The shock reinforced a broader theme: inflation and rates look structurally higher, since geopolitics, tariffs, energy costs, and deficits are keeping prices elevated and leaving little room for rate cuts. Markets responded accordingly. PE firms brought $20B of oil and gas assets to market to capture the price spike, and a $6B Kuwait pipeline financing stalled due to the instability. Both moves fit a K-shaped economy, where AI, tech, and national security keep drawing capital while traditional, rate-sensitive sectors lag.

Regulatory tailwinds point the same way. The EU's Solvency II reform will cut PE capital charges for European insurers from 49% to 22% starting in 2027, and the White House estimates that opening 401(k)s to private markets could unlock trillions. Both would channel more capital toward the winners of this divide.

CAPITAL MARKETS UPDATE

Financing conditions tightened across adjacent private markets vehicles even as top-tier PE fundraising accelerated. Partners Group gated its $8.6B evergreen PE fund after redemption requests hit 9.8% of NAV, and Blackstone, Ares, and Morgan Stanley all capped withdrawals on private credit funds facing double-digit redemption requests, with non-traded private credit seeing net outflows for the first time in Q1 2026. That liquidity pressure on semi-liquid vehicles stands in sharp contrast to the largest drawdown funds' ability to raise capital quickly, underscoring the bifurcation between established managers and the rest of the market.

Outlook

WHAT TO WATCH NEXT QUARTER

Key items to track include EQT XI's first close and activation, targeting a €23-24B hard cap and positioned to be one of the largest global buyout funds ever raised; progress on KKR's fifth Asia-focused fund, targeting roughly $15B, as it moves through active marketing; and whether the tentative IPO-window reopening broadens into a durable second exit channel alongside secondaries.

Carlyle expects a multi-year fundraising "supercycle", with all of their flagship strategies coming back to market soon. They also expect momentum from secondaries, portfolio finance, credit opportunities, and defense/reindustrialization strategies.

EMERGING RISKS

The main risks on the horizon are persistent uncertainty over AI's disruptive impact on legacy software and technology portfolio companies, a growing backlog of aging, unexited portfolio companies now equivalent to multiple years of exits at the current pace, and geopolitical and tariff-related volatility alongside energy price swings that could further dampen deal and fundraising activity.

OPPORTUNITIES BY STRATEGY

The clearest opportunities sit in secondaries and GP-led continuation vehicles, which remain structurally advantaged as long as traditional exit channels stay constrained; Asia-Pacific buyout, following a landmark quarter of fundraising and renewed strategic investment from global managers; and GP stakes and strategic capital, an increasingly established allocation category for large institutional investors.

KEY TRENDS LIKELY TO SHAPE FUNDRAISING AND INVESTMENT ACTIVITY

Expect persistent bifurcation between top-DPI managers, who are raising quickly and often above target, and the broader market, which faces extended timelines and reduced targets. We should see further concentration of capital into mega-funds and established franchises even as the total number of funds raised holds roughly flat, since managers able to invest effectively behind large themes like AI buildout and reindustrialization require both large amounts of capital and platform scale, so the benefit accrues to the largest players. Finally, expect persistent reliance on secondaries and continuation vehicles as the primary liquidity mechanism until traditional M&A and IPO exit channels meaningfully recover.