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Private Market Talks:

Private Equity Fundraising with Asante Capital's Fraser van Rensburg

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Private equity was on fire globally, at least until 2023. Fundraising targets got ever larger and deal activity was on a roll. So, what changed and what can both investors and managers expect for 2024? In this episode of Private Market Talks, we speak with Fraser van Rensburg, Co-Founder and Managing Partner of Asante Capital. Fraser explains the current fundraising environment and dives into the impact of higher for longer interest rates, the denominator effect and other factors on private equity fundraising. He also explains the rise of continuation funds and the attraction of private credit funds. We cover a lot of ground. Enjoy the conversation!

Peter Antoszyk: Welcome to another episode of Private Market Talks. I'm your host, Peter Antoszyk.

This has been a challenging year for private equity fundraising, and to help explain the fundraising environment is my guest today, Fraser van Rensburg with Asante Capital.

Asante Capital is one of the leading advisory and private market placement firms, having advised on over $100 billion of successful private capital raisings from institutional investors in North America, Europe, the Middle East and Asia Pacific. Fraser is a co-founder and managing partner of Asante, along with his partner Warren Hibbert. Prior to Asante Capital, Fraser spent five years at MVision Private Equity Advisers, where he was a senior partner and led a number of the group's largest global fundraisings, both in developed and emerging markets, while also maintaining relationships with investors globally. Fraser speaks regularly at industry conferences in both developed and emerging markets. He holds a bachelor's degree in commerce and an honors degree in finance and accounting from Stellenbosch University and the University of South Africa and is a certified chartered accountant.

In this episode, I talk with Fraser about the current PE fundraising environment, the impact of rising interest rates, the so-called “denominator effect” and what that means for LP investors. We then shift to discuss fundraising activity for other types of investment vehicles such as continuation funds and the like, why we’re seeing a shift towards perpetual capital and how geopolitical risks are impacting investment decisions by GPs and LPs alike. Finally, he gives us his outlook for 2024. So, as you can see, we cover a lot of ground.

As always, you will find a transcript of this episode at privatemarkettalks.com, along with other helpful links. And so, with that, welcome Fraser, to Private Market Talks.

Fraser van Rensburg: Hi Peter. Good to be with you.

Peter Antoszyk: I’d like to start off by orienting our listeners about Asante Capital, sort of its focus in private equity fundraising.

Fraser van Rensburg: Yeah. So, Asante Capital is purely a private markets capital raising firm. We’ve been around for about 13 years now. The funding team had been together for about 10 years before that. We have offices in London, New York, Hong Kong, Munich and Los Angeles. We’re a group of 75 people who, as I say, focus purely on private markets capital raising across four different verticals. Those are buyouts and growth capital, which is the larger of the four verticals, real assets, second vertical, venture capital and special opportunities in credit making up the fourth vertical. We focus mostly on mid-market funds. We also have a secondaries practice that takes care of GP-led and capital solutions for GPs and any kind of secondary solution. And then, we also have a team that does direct capitalizing for direct deals. Since inception, we’ve raised about 70 funds, and, on the primary side of the business, raised about just over $60 billion of capital, so the number you mentioned earlier of $100 million plus included secondary transactions and direct transactions.

Peter Antoszyk: So, it has been a challenging year for private equity fundraising, to say the least. It would be great if you could give us the lay of the land in terms of private equity fundraising.

Fraser van Rensburg: Yeah. So, needless to say, it's been a tough environment. We've seen quite a definitive shift during the tight fundraising environment towards buyouts, considering private market strategies have not attracted the same amounts of capital in the last 18 to 24 months – those being infrastructure, real estate, credit distressed – mostly because buyout has the longer track record of consistency and outperformance, and investors see that as a flight home during a tight fundraising environment. We've also seen on the theme of flight home that U.S. investors are concentrating mostly on U.S. funds, and European investors are concentrating mostly on European funds, which is also a dynamic where people feel insecure in an environment. They're focused on homegrown tenants and homegrown teams. And in Asia, we're seeing a shift away from China for different reasons. We're seeing a shift away from China to doing more in other parts of Asia, China having historically attracted, for the last 15 years, probably 60% of all private equity capital across Asia. Now, we're seeing the shift towards Southeast Asia, Japan, Korea and Australia. And then, as far as the large cap space is concerned, that is more constrained than other parts of the market. Investors are gradually shifting down market to mid-market funds and lower mid-market strategies. Deals are easier to come by. There is less reliance on leverage, and valuations are not as strongly pegged to public markets.

Peter Antoszyk: Maybe we could explore some of those a little bit more. I'm curious why you're seeing a movement down market more towards the middle market funds and what you see is driving that trend.

Fraser van Rensburg: It's really all about M&A. So, all the different variables are somehow linked. Fixed income markets have become so expensive, and that has really had an impact on the ability for private equity people to do deals. So, the M&A market really has contracted, and the activity only really picked up sometime around July at the beginning of Q3. And so, we're seeing green shoots in the M&A market, but the M&A market really does need to pick up for GPs to transact with one another with strategics. Public markets need to, or to some extent, have stabilized but still have been relatively volatile. That needs to be an exit path for GPs, and all of these things need to happen for GPs to start distributing more capital back to their LPs, which, in turn, then has a positive impact on the fundraising market. So, with all of those variables being linked and fundraising being the last one that will show green shoots, we really think that M&A — if the M&A market is picking up now — it needs six to 12 months of a good run before we see green shoots on the fundraising side. So, thinking forwards, you know, a rough guess without a crystal ball in hand would be that fundraising would, you know, most likely start to pick up in the second half of 2024.

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Peter Antoszyk: And what impact has the rising interest rates had on fundraising?

Fraser van Rensburg: Well, the issue with rising interest rates is, in typical economic times, rising interest rates have an opposing impact on inflation because as the cost of financing increases, so the cost of consumer goods eventually normalizes. But that hasn't really taken place yet, so we're stuck in an environment where we still have high inflation, but we have high interest rates. And equity owners and equity buyers really struggle with that because they cannot meet their own performance thresholds as equity owners or equity buyers with the cost of financing where it is. So that, in turn, means a lot of deals fall over. And therefore, M&A is struggling and deals are just not closing because the result is a pricing expectation gap. So, the equity owner of a company that is willing to sell thinks this company is worth 10, but the buyer is only willing to pay seven because with the cost of financing, if he pays any more than seven, he doesn't make the return that he wants to make. And because there's a gap of three, those deals just fall over. Until that gap closes, the M&A market will not pick up. But we're starting to see that happen now; we're starting to see more deals happen.

Peter Antoszyk: How does that decline in the public markets impact the fundraising?

Fraser van Rensburg: Well, the decline in the public markets means that private equity managers, especially the larger CAP managers, their valuation comparables are picked on public markets, especially the large CAP managers. So, they are impacted even more by volatility or decline in the public markets because they have more of a direct comp to public markets. The lower mid-market and mid-market managers have less of a direct comp because their companies are invariably smaller than public market comparables in the same industry. So, valuations are impacted more at the larger end of the market and less at the lower end of the market. But overall, the public markets correction is actually a necessary evil. It needs to happen for valuations to normalize. It takes a number of quarters for that to eventually get to the right place, but it needs to happen for valuations to normalize, for that pricing gap that I mentioned to close and once that pricing gap gets closer to closing, deals start to happen. Eventually, someone who says, "I wanted 10, you said seven," eventually goes, "I'll take nine," and the buyer says, "I'll pay eight," and eventually, they get a deal done. And so, the public markets are indirectly correlated to all of that, from a valuation perspective.

Peter Antoszyk: And the flip side of that though, for the LP investor, how has that impacted their allocation considerations?

Fraser van Rensburg: The simple part of the equation that they're not getting is, they're not getting distributions from private equity managers because private equity managers are not able to sell companies at the moment. And the beauty of private equity is you have a 10-year fund, and so normally, you have time to fix things. And so, if you were going to sell a company in 2023, but you didn't get the price that you knew your investors would expect from you, you hold it until 2024 or 2025. So, we're in that holding pattern now where private equity managers are holding a lot of things because they don't want to sell them at discounted values. But the knock-on effect is the LPs are not getting that distribution back, and so they're not as liquid. And because they're not as liquid, they can't put money out at the same pace to new fronts.

Peter Antoszyk: There's also been a fair amount written about the so-called "denominator effect." Can you describe what that is and what that means for LPs?

Fraser van Rensburg: Yes. So, the denominator effect is private equity portfolios are made up of, generally speaking, endowments a little bit more weighted towards private markets, but pension funds and bigger pools of capital have the predominance of their assets in public markets, and private equity is typically somewhere between three and 20% of the overall assets. But if the target allocation was, let's say, 10% in private equity for the strategy of the pension plan, and the public markets, which is the 90%, tanked in value, all of a sudden private equity is more than 10% of the value. And that's what we call the denominator effect. So, then the pension plan trustees and board say, "Whoa, hang on, stop. You got to put on brakes on private equity because we have to bring you back down to less than 10%." So that did happen for a lot of 2022 and 2023. We seem to have seen more stabilization in that and also investors have a lot more flexibility this time around than they did after the GFC in terms of changing those guidelines. So, they, you know, they go over 10, and they trip that guideline. They have a much higher tolerance for accepting that in this environment because they don't want to sit out of private equity, which they did after the GFC, and then in later years, they kicked themselves because the few years after the GFC were some of the best performing vintages that ever happened. So, they don't want to sit out of 2023, 2024 vintages for that same reason. They want to find a reason to keep deploying it to private equity.

Peter Antoszyk: So, one of the bright spots in fundraising has been private credit, I think. Is that right?

Fraser van Rensburg: Well, it has, and it hasn't. The issue that we're having now, which we didn't have after GFC, is that big allocators are able to find attractive fixed income returns in public fixed income, right? Whereas after the GFC, a lot of allocation from fixed income was shifted across to private credit, and that gave birth to the private credit industry after the GFC. It's also fair to say that we came off a pretty close to zero base after the GFC. The only credit strategies that really existed pre-GFC were mezzanine funds, and then came the birth of all the direct lending and alternative credit providers, which were both from the GFC, but then really flourished when the banking regulation was put in place to stabilize economies after the GFC. And, what part of that banking regulation had was that banks wouldn't have nearly as much leverage on their balance sheets, and they couldn't provide as much leverage to private equity deals as they had pre-GFC, which meant that the alternative lenders left that all up. And so that industry became bigger and bigger and bigger between 2010 and 2020 and eventually got to a point where it was fairly saturated where there were just so many providers of alternative credit, and the banks have largely withdrawn from the space. What we have today is a very mature private credit market coming off a much higher base. And yes, there is a need for credit in the market that is reasonably priced, but yet, alternative lenders are not necessarily providing a thrifty solution for private equity managers to finance deals because alternative lenders have also pushed their pricing up much like fixed income markets have, right? So, there's no cheap financing solution out there. What that of course means is that alternative credit funds will probably produce higher returns over the next few years, and that is attracting interest. But when a pension plan in the state of Wisconsin or Washington State has billions in fixed income, and that's already making them double the returns they were getting two years ago, they're quite happy leaving it in there because it's liquid, as opposed to pulling some across and putting it in private credit. So, that's a long-winded way of saying private credit is attracting interest. The returns have gone up in the current environment because fixed income in general has priced up, and there is a demand for that capital in the market, but the downside to it is that now you have a lot more competing funds that are able to provide it, and you have fixed income markets also being able to provide strong returns to investors, so they don't need the alternative credit. They can keep their money in fixed income.

Peter Antoszyk: In terms of fundraising, private equity fundraising, you indicated that it's a slower period in which the GPs are not able to make distributions to their LPs. What impact has that had on the type of fundraising that GPs are doing? In other words, there has been a growth in secondaries and other types of funds or other activities by GPs in order to generate liquidity for their LPs.

Fraser van Rensburg: Yeah. So secondary funds have become topical because as the equity and debt cost of capital across equity and debt markets has increased, so the secondary capital provides a solution for equity owners and equity buyers, or let's say equity owners, who have a liquidity constraint, right? So, quite simply put, secondary funds have more opportunity in this environment. There are more deals requiring that liquidity solution, and they're able to produce higher returns in this environment because the cost of capital on equity and debt in general has gone up. So, you put that equation together, and investing in secondary funds is quite an interesting place to be right now. That is mostly because of a general shortage of capital in the market, so that's a strategy that is attracting interest. Of course, if you look at broader private markets, buyouts — because of their track record of delivering the strongest returns within private equity, and private equity, having been the strongest performing asset class for the last 30 to 40 years — buyouts are the safe haven that investors are retreating to, as opposed to other segments of the market like venture capital growth and infrastructure, which isn't really working because infrastructure was born out of the thought process that it was inflation hedging. It hasn't really worked because with high interest rates right now, we still have high inflation. It's not really inflation hedged investment right now, and therefore, infrastructure and real estate strategies have not attracted the interest in the current environment that we thought they would. Growth is stagnant because there is very little growth out there, and a lot of that has been based on technology, and valuations have normalized to a large extent in that industry. And then you have secondary funds and buyer funds. Secondaries is a much smaller part of the market. Buyout funds are a much bigger part of the market, much longer track record proven consistency. So that is where most of the capital is going in the current environment, but secondary funds are also benefiting.

Peter Antoszyk: And what about continuation funds? What are they, and how are they being used?

Fraser van Rensburg: So that is a particularly interesting new entrepreneurial and financial engineering tool, I would say. What they are is, it provides a GP-lead solution for a liquidity requirement. So, if a GP has a long-dated fund with some assets left that need to be sold, but he doesn't want to sell it at fire sale prices or huge discounts in the current environment; he can create a continuation vehicle, transfer those assets into a continuation vehicle with backing from secondary buyers, and the current LPs in the current vehicle will benefit from getting liquidity from the sale of those assets. Otherwise, the alternative would be that the GP would have to get fund extensions to hold these assets for longer in the current vehicle. So, a continuation vehicle is a good, interesting entrepreneurial solution which has really been born over the last 10 years. And initially, it was seen as a very GP-centric solution, and it is a GP-lead solution; it is their idea to create these things. But LPs had a negative sentiment towards these when they first started and that has gradually improved over time; has become gradually more and more accepted by LPs because they realize that they're actually being given the option. They're not being forced to make a decision that they don't want to make. They're actually being given the option. If they like those remaining assets, they can roll their capital into the continuation vehicle. If they don't, and they want the liquidity, they can sell. In a tight environment where liquidity is paramount, like the world we're living in today, that is quite attractive to LPs to have that option. Optionality is a great tool in this environment, so LPs have started largely accepting, though there's still a segment of the market that is negative on them from the LP perspective.

Peter Antoszyk: One of the other trends I've been reading about in fundraising is there's been a little bit of a shift to perpetual capital through insurers and also tapping into the retail investors. I'm curious as to whether you're seeing that as well.

Fraser van Rensburg: Yeah. So, retail investors, private wealth channels and RIAs are somewhat of a new or burgeoning part of our industry, whereas the perpetual capital vehicles have been around for a long time for multiple cycles in private equity. They've never proven to be a good solution longer-term because private equity managers who want capital, who want a capital base to go out and do deals, which is what they do and that's their bread and butter, will put together a perpetual capital vehicle but then struggle to scale that over time — which is where the closed ended fund vehicle, that format — it becomes better because every three years, you can raise a new fund and raise a larger fund. And you have funds layering on top of each other, so the economics are attractive, and as long as the alignment is their LPs and GPs, both like that model. The perpetual capital model becomes interesting in an environment where, especially first-time fund managers, struggle to raise a fund. They have a team, and they have a track record, and they have a strategy, and they have credibility. But going out and raising a first-time fund in this environment is nigh impossible. So, creating a perpetual capital vehicle becomes a more attractive solution to get going. The issue comes when the fundraising environment starts to improve, and they then want additional primary capital, and it's very hard to raise additional primary capital on top of the perpetual capital vehicle because those vehicles invariably trade at a discount in the public markets.

Peter Antoszyk: Interesting. And what about the introduction of digital funds and tokenization? Is that a way of addressing some of the liquidity issues in these retail, investor-driven funds?

Fraser van Rensburg: Well, I think crowd funding and digital platforms have found a place. And because the traditional fundraising model is such an inefficient, elongated model where it takes a lot of time, a lot of costs and very little sleep flying around the world, knocking on doors for individual tickets to make up a, a big fund. If there was a technology solution that allowed you to put an offering on a platform, press a button and people would get the right level of information to make a decision, that would be groundbreaking. I think that private markets has so much nuance and so much inefficiency to it, and so much of it is about people that I'm not sure in our lifetime that that solution will necessarily cannibalize the market. It will be there, in some shape or form, but because private equity is such a people's business, it is very different to public markets, hedge funds and some private credit strategies which can be executed on a Bloomberg Terminal. Private equity very much needs to be executed on a person-to-person basis, and for that reason, investors really want to spend time soaking up and understanding the character and personality of the private equity fund manager because that's a part of the conviction that they need to build up to make that investment decision. So, it's hard to see how digital, digitalization will replace that. But what I would say is that RIAs is commercially, just very interesting and viable and a solution that should have been there for a long time for the man on the street who has some money to invest to be able to access private equity, which has been largely inaccessible. It has been accessible through large banks like Goldman, JP Morgan and others, but it has been a very expensive way of accessing private equity. And it was really for high net-worth individuals, whereas now you'd find that RIAs have a much lower threshold and more middle-class people can access private equity. I would imagine that billions and billions and billions of capital, trillions, will flow into this space through that channel over the next 10 to 20 years.

Peter Antoszyk: Yeah, I think that if that does occur, as you said, a tremendous amount of liquidity will be opened up. I think that also creates very different dynamics and, as you said, information and disclosure issues for, if you're going to the street versus institutional investors.

So, shifting gears a little bit, you represent quite a few GPs. What are you hearing from your GPs in terms of what they see as their concerns or opportunities?

Fraser van Rensburg: Our GPs are largely concerned by lack of exit activity. There was a period of time where the biggest pain point was not getting deals done, and many of our GPs and many GPs in the market had a 12-month period of no deals from somewhere around mid 2022 to mid 2023. But gradually, their pipelines have started becoming more robust. They're getting more excited about deals, getting a feeling that they can close deals, that they can get there on the pricing gap that we spoke about. So, the M&A has become less of a pain point, but the exits have not picked up enough yet, right? And one would say, well, if there's M&A, if there's people buying companies, then there should be people selling companies. But, in reality, what's happening on the buy side is, this is the start of a very, very interesting buyer's markets. So, the M&A is picking up on the basis that sellers are becoming more and more constrained, and they're therefore dropping the price, and the buyer with dry powder is loving this environment because he's saying, "I can now close deals because the seller has come towards me, and I can pay my lower price that I'm willing to pay in this environment." What's happening with the private equity guy is, he has a fiduciary duty to his LPs to sell at a certain return threshold, and he is not yet getting buyers from larger private equity firms or from the public markets because the public markets haven't really been accessible. He's not finding an exit on the assets at the returns that he is expected to generate. So, he is holding longer, but again, because private equity has the beauty of a 10-year time frame, it's the right decision. It's the right decision for the GP not to rush exits out at low prices. There's a balancing act there. There comes a point where it does make sense, but by and large, they do have time in their favor, as long as they're not right at the back end of a 10-year fund.

Peter Antoszyk: What do you see as the most common mistakes by GPs in fundraising?

Fraser van Rensburg: The most common mistake we ever see is a GP that goes to market too early. And, you know, we at times are complicit with this because of a number of reasons that we may consider and conclude on with them. But when we look back at lessons learned, and all of us have lessons learned, probably the most common lesson learned is that we either agreed or the GP, through their insecurity of waiting, went to market too early, and their portfolio wasn't at the right level in terms of development. They hadn't had enough exits on the older funds. They hadn't deployed the most recent fund to the right level. So, in other words, they went when they were 70 or 75% invested instead of 90% invested. For every reason, the longer a GP waits to go to market, the higher the chances that he comes to market with more impact. His performance looks better. He's had more exits, he's closer to 100% invested, and therefore justifies the new fund. So, for every reason, the longer he waits, the better it is and the more impact he will have — the quicker you'll get in and out of the market with the new fund. But GPs don't necessarily always see it that way because they feel that in a tight fundraising environment, they need to get out there quickly because it's going to take them that much longer to raise a fund. What they need to realize is that the sooner you go, if you go too early, they're actually extrapolating your fundraising timeline, and you could flatline and, and end up with a very suboptimal solution if you do that. Whereas, if you waited longer, you get to maximum impact, get in the market, drive momentum, get out of the market with a successful result.

Peter Antoszyk: Got it. And on the flip side, what would you say are the top three concerns you're hearing from LPs?

Fraser van Rensburg: Well, I'd say the first concern from LPs is not seeing enough exit activity, right? And it's kind of, you know, the devil you do, the devil you don't, because they —

Peter Antoszyk: Right.

Fraser van Rensburg: — they know that the GP needs to make the right decision and sell at the right price. And the GP has time, and that's the beauty of the model. But they're caught in a pinch because there's that dynamic, which is the right fundamental decision the GP needs to make. But on the LP side, they're liquidity constrained, and so they need exits from the private equity portfolio to justify continuing to invest in that portfolio. There's also a bit of denominator effect there because as managers in their portfolio exit, their AUM and private equity comes down in the LPs portfolio, which means they then have scope to go back up.

Peter Antoszyk: Right.

Fraser van Rensburg: Where I gave you that 10% example, it might come down to eight because of a few exits. They can then go back up to 10 through deploying into new funds. So, there is a dynamic there where they do place expectation on the GP to put exits in the market as, you know, as they can. But also, not to make silly decisions. Again, a balancing act. And then I'd say the second concern that LPs have is we may look at their own portfolios, how do they get themselves to a more liquid position? Kind of tied to the first point, but the concern for an LP is that they don't want to miss out on these interesting vintages because this is going to be a very, very interesting buyers' environment for the next 24 months plus, and an LP's liquidity constraint is concern that he might not have enough money to put into these interesting vintages. Thankfully, they have a lot more tools at their disposal, and that's the opportunity side of it. They have a lot more tools at their disposal than LPs did after the GFC. There are a lot more financing, leverage and secondary solutions out there available to LPs to create liquidity for them to carry on deploying.

Peter Antoszyk: And so, as we sit here talking today, there's a war going on in Ukraine. There is a new war in the Middle East. We have an upcoming election in the United States. How do you think these geopolitical risks are being factored in by both GPs and LPs?

Fraser van Rensburg: It's different for different geographies. In Europe and the U.S., I would say, in terms of fundraising activity — slowness, timeline, size of funds — is not hugely different. There are some slightly different dynamics within that, but overall, if you look at the numbers, they check out roughly evenly if you took a sample of the same size. Of course, the U.S. market is much bigger than the European market, but the dynamics that are played from a geopolitical perspective are a little different in Europe. Europe has energy dependence on Russia. They also now need to step into the Israel-Gaza situation, which is the same as the U.S., but there's a proximity issue for Europe, for a lot of Europe. So, they need to do that to protect their interests. And then by contrast, the U.S. has the China trade war issue, which is probably the biggest issue and concern. However, the U.S. does have more trading partners than just China, so it is diversified from that perspective. It is largely energy-independent, so it does feel to me as if the U.S. is probably more resilient when it comes to geopolitical factors. We, of course, do have our domestic political situation. We do have an election coming up, although many countries do have elections next year, and many countries also have political issues domestically. So, I think from a relative perspective, the machine works in the U.S. There are certain inner workings that are troubled by the current political situation, domestic political situation. But again, relatively speaking, many countries have domestic political situations at the moment. The beauty is that, you know, Europe and the U.S. independently have a very large machine that works. The U.S. and Europe are more diversified from a domestic political perspective. The U.S. is one unit from that perspective, but it has a machine that works regardless of political leadership. And we've seen that through transition over the last number of administrations, that the U.S. economy continues to grow for many factors outside of political leadership, so I feel that the elections, presidential elections in 2024, are a factor to consider because there will be change, and there will be a different approach to international policy and, a different approach to the China Trade War and so forth, and domestically, taxation and perception of private equity and so forth, but they're all sub-issues for me. From what we can tell, the U.S., this situation, vis-a-vis China, is the biggest issue at the moment.

Peter Antoszyk: Well, this has been a fascinating conversation. We covered a lot of ground in a short period of time, Fraser. In fact, we probably could have taken a number of these topics, isolated them and spent the entire time on them, so I certainly appreciate you giving us sort of this broad survey of the private equity fundraising market. I guess I would leave this with one final question, which is: what is your outlook for 2024?

Fraser van Rensburg: I would say that were in the early innings of, of an improvement in the M&A market, which is interesting. Public markets have been volatile for quite a period of time and seem to have become less volatile. Fixed income markets are still expensive but have flattened out, so one would think that, at some point, maybe over a long period of time, fixed income will start to become more affordable. But regardless of that, the bottom line is that the result that you look for in all those variables is the M&A market needs to start picking up, and that is happening. And with that, we would see, within six to 12 months, an improvement in the fundraising environment, so our guess for 2024 is the first half will be okay. Probably not a lot better than 2023 but marginally better, and maybe more optimism rather than just results. I mean, maybe not results, but more optimism. And the second half of the year we should probably see better numbers and more results on the fundraising trail.

Peter Antoszyk: Great. Well, listen, thank you for joining us on Private Market Talks to share your insights on the private equity fundraising.

Fraser van Rensburg: Peter, thank you so much for having me, I really enjoyed the conversation and look forward to doing it again soon.

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