

RESEARCH · 2026

Raising a \$250M–\$1.5B private equity fund: **the evidence.**

Twelve questions every GP in this band should be able to answer, worked through with SEC filings, pension board records, industry data and academic research.

Introduction: the narrative is the deal

Our thesis. The narrative is the most important part of a fundraise. The numbers matter, but a bad narrative kills it.

New research from Harvard Business School and MIT gives that thesis an evidence base. In October 2026, Josh Lerner (HBS), Fiona Paine (Carnegie Mellon) and Antoinette Schoar (MIT Sloan) published the first large study of what GPs actually write to their LPs ([NBER Working Paper 35860](#)). Using StepStone data on more than 3,300 portfolio companies across 536 funds from 2015 to 2020, they scored the tone and topics of GP reports and compared them with interim valuations and final returns.

Three findings matter for this paper:

1. **In the first three years of an investment, what GPs write predicts final returns better than the valuations they report.** A one standard deviation more positive tone was associated with 3–4 percentage points higher annualized returns, against a 7% sample mean. Interim valuations, held conservative for institutional reasons, revealed less.
2. **Content matters, not just tone.** Commentary on cash flow, business model and macroeconomic conditions carried the most information. Commentary on leadership carried almost none.
3. **LPs can read the signal.** In the authors' words: "In an opaque market with substantial information asymmetries, textual discussions seem to serve as a signal about general partner quality."

An earlier study points the same way at the moment of the raise itself. Analyzing IPO prospectuses from 1996–2000, Martens, Jennings and Jennings found that narratives conveying a clear identity and a credible plan affected capital raised beyond the financial factors prior research had emphasized (*Academy of Management Journal*, 2007).

Where the evidence stops. Neither study measures LP fundraising decisions directly, and the Lerner paper is not yet peer-reviewed. The findings in this paper also show that track record and cash returned are the gate: a top-quartile manager raises a next fund at about 5.7 times the rate of a bottom-quartile one (section 4). The evidence supports a precise version of the thesis: the numbers decide whether a GP is in the conversation; the narrative is how LPs and their consultants judge what the numbers mean, whether the manager can be trusted with the gaps, and whether this team is the one to back. Where the numbers are still forming, as in the early years of a fund, the narrative carries more of the information LPs use.

The twelve questions that follow map where that judgment happens in a \$250M–\$1.5B raise: the first close, the anchor, the consultant screen, the meeting funnel, and the questions LPs ask about track record, continuation funds and the LP base.

Index

1. Executive summary
2. Scope, method and confidence labels
3. Market context: a two-tier fundraising market

4. Q1 — Odds a GP fails to raise, by prior-fund quartile
5. How many funds land below target
6. Q2 — How long it takes to raise
7. Q3 — First close size and the cost of lost momentum
8. Q4 — LP incentives and whether they work
9. Q5 — Strategic partners and anchors
10. Q6 — Investment consultants
11. Q7 — Do LPs want peers like them?
12. Q8 — Seeding a fund with existing deals
13. Q9 — LP meeting-to-commitment conversion
14. Q10 — Continuation funds as a signal
15. Q11 — Returns that create demand
16. Q12 — How many GPs an LP needs to diversify
17. Synthesis: what the evidence says about winning a raise in this band
18. Data gaps and the pulls that would close them
19. Appendix A — SEC Form D sample
20. Appendix B — Sources by tier

1. Executive summary

Fundraising for US private equity funds of \$250M–\$1.5B is a two-tier market: top-quartile managers with real cash returns close fast, while everyone else faces longer raises, smaller closes and a meaningful chance of no close at all. We estimate 15–25% of GPs launching a raise in this band never close a fund, and roughly 35–45% either fail or close well short of target.

The twelve answers, each with its confidence label (defined in section 2):

#	QUESTION	BOTTOM LINE	CONFIDENCE
1	Odds of failing to raise	15–25% never close; by prior-fund quartile, ~10% (top) to 50–66% (bottom) never raise the next fund	Estimate on Verified inputs
—	How many land below target	31–40% of closed funds landed below target in 2024–25 (global); ~1 in 4–5 US funds in our SEC sample ended under half their stated amount	Reported / Verified sample
2	Time to raise	US PE median 12.2 months (2025); global average 17–18.5 months; slowest quarter 24+ months	Verified
3	First close size	~45% of the final fund is the best figure (two independent sources); the "30–50%" rule is unsourced	Reported
4	LP incentives	Document-level discounts are rare at this size (2–14% of funds); the real deals are anchor side letters; no evidence they speed a close	Verified (prevalence) / Unknown (effect)

#	QUESTION	BOTTOM LINE	CONFIDENCE
5	Strategic partners	One anchor of 10–25% at first close matters most; 2–3 partners holding 25–40% combined is the working answer	Verified caps / Estimate
6	Consultants	Gatekeepers to public pensions: ~87% of tracked 2025 allocations were consultant-advised; they influence at scale but deploy little directly	Verified (direction)
7	LPs and peers	LPs read other LPs as signals, especially smaller LPs; no evidence for “pensions want pensions”; 84% avoid funds with heavy retail money	Verified / Unknown
8	Seeding with deals	Helps reach a first close; 1–3 deals is the sweet spot; pedigree matters more for speed	Practitioner consensus
9	Conversion rate	~5–12% of first meetings with institutions convert; ~15–30% counting all LPs; ~30–50% after deep in-person diligence	Estimate
10	Continuation funds	One well-run CV is not a red flag; repeated or conflicted CVs are	Reported
11	Returns that turn heads	20%+ net IRR, ~2.0x+ TVPI, top-quartile DPI; IRR still ranks first, DPI is now a gate	Estimate on Verified benchmarks
12	LP diversification	Most benefit by 15–30 funds; average LP holds 20+ manager relationships	Verified (range)

2. Scope, method and confidence labels

The target is US private equity funds of roughly \$250M–\$1.5B, in the current market (2024–2026 data preferred). Almost no public data is cut to exactly that band; most figures below are US all-PE or global, and each is marked as such.

Method. Research ran in parallel across the twelve questions, using a fixed source hierarchy. Every statistic was traced to the organization that produced it, its definition and date were recorded, and where sources disagree the range is reported with the reason. We also built a primary-source sample of 57 US PE funds from SEC Form D filings (Appendix A).

Source hierarchy (strongest first).

1. Primary and regulatory: SEC filings (Form D, Form ADV, public manager 10-Ks), public pension board packets and policies.
2. Industry data and institutional research: PitchBook, Preqin, Burgiss/MSCI, Cambridge Associates, Bain, McKinsey, ILPA, Collier Barometer, law-firm term studies.
3. Academic: peer-reviewed and NBER/CEPR work (HBS, Booth, Oxford, Chicago, others).
4. Financial journalism: Bloomberg, Institutional Investor, PEI, Buyouts, PitchBook News.
5. Leads only: blogs and vendor content, never cited for a number.

Confidence labels.

LABEL	MEANING
Verified	Primary source, or two or more independent sources that agree on the same definition
Reported	One credible source, not independently confirmed
Practitioner opinion	A named person or firm's view, not data
Estimate	Our reasoning from stated inputs, with the math shown
Unknown	No public data found

Access limits. We had no PitchBook, Preqin or Burgiss subscription. Several Buyouts, PEI and Bloomberg articles were read only to the paywall. The SEC's bulk Form D files were not accessible during this research, so the sample was built filing by filing. Where a number sits behind a paywall, section 18 names the pull that would settle it.

Source interests. Placement agents, secondaries buyers, fund-of-funds and law firms publish research that supports their business. Their figures are flagged where used.

3. Market context: a two-tier fundraising market

Capital is concentrating in fewer, larger, proven managers, and the squeeze falls hardest on the band this paper covers. H1 2026 shows recovery, but mostly for the funds that were going to close anyway.

INDICATOR	FIGURE	SOURCE	LABEL
US PE funds closed	~1,095 (2022) → 797 (2024) → 551 (2025)	PitchBook 2025 Annual US PE Breakdown ; 2026 Midyear Outlook	Verified
Funds in market, global PE	6,628 (Jan 2026) to 6,821 (Jul 2026) per PEI; 7,739 (Q2 2026, ex-VC) per Preqin	PEI H1 2026 ; Paul Weiss Q2 2026	Reported
Funds closing per year, global	~2,300	PEI	Reported
Top 10 US funds' share of capital	48.2% (2026 year to date)	PitchBook	Reported
Capital to funds over \$1B since 2024	77%	PitchBook via Bain	Reported
PE capital to experienced GPs (2025)	88%	PitchBook 2025 Global Fundraising Report	Verified
North American first-time PE funds raised	\$7.2B in 2025, down 36% from \$11.3B	PitchBook	Reported
LPs that declined at least one re-up	79% (past year); 88% expect to	Coller Barometer, Winter 2024	Reported
PE distributions as share of NAV	Under 15% four years running (~14% in 2025)	Bain Global PE Report 2026	Reported
LPs who feel they have more leverage than a year ago	More than half	ILPA 2025–26 survey	Reported

Reading the numbers. With roughly 6,600–7,700 funds in market and about 2,300 closing a year, the stock of funds on the road far exceeds what normal close rates would produce. A steady-state stock at 2,300 closes a year and an 18.5-month average raise would be about 3,500 funds ($2,300 \times 18.5 \div 12$). The excess of roughly 3,100 funds is either running long or will not close (Estimate; an upper bound, because databases keep stale listings).

The recovery is real but selective. In H1 2026, PEI reports 82% of closed funds at or above target and average time on the road falling to 15.7 months. Those figures count only survivors. Bain describes the market as "smaller closes, longer cycles, and more noes than yeses," with generalists struggling. The funds closing fastest are established managers with both top-tier returns and strong DPI.

Why it matters for this band. LPs are short of distributions, so they recommit selectively and concentrate on fewer managers. That pressure lands on managers without a top-quartile record, first-time funds and generalists, most of whom raise in the \$250M–\$1.5B range.

4. Q1 — Odds a GP fails to raise, by prior-fund quartile

Answer. Roughly 15–25% of GPs launching a \$250M–\$1.5B raise today never close a fund (Estimate). Prior-fund performance is the single strongest predictor: a top-quartile buyout GP raises its next fund at about 5.7 times the rate of a bottom-quartile GP (Verified as direction; Reported as magnitude).

4.1 How often GPs fail to raise a next fund

SOURCE	SAMPLE	FINDING	LABEL
Bain / Preqin	Fund series, global	~15% of fund series fail to raise a successor in normal markets; ~20% in the 2008 crisis	Reported
Chung, Sensoy, Stern & Weisbach (NBER w16369)	Preqin funds raised before 2005	85.1% of buyout funds raised a follow-on, so ~15% did not	Reported
Barber & Yasuda (JFE)	425 US buyout and 450 VC funds, vintages 1993–2009	About two-thirds of buyout GPs raised a follow-on within 10 years	Reported
Preqin (2009)	Global	90 funds abandoned in 2009, vs 30 in 2008 and 14 in 2007	Reported, dated
SEC Form D sample (Appendix A)	57 US PE funds, \$250M–\$1.5B	13 of 57 (23%) filed but never reported a sale; an upper bound, since some report through parallel vehicles	Verified (sample)

No current public count of abandoned raises exists. PitchBook and Preqin track the status, but only behind their paywalls.

4.2 Track record by quartile

The academic evidence is consistent: the better the prior fund, the more likely the next one closes.

- **Barber & Yasuda.** Compared with bottom-quartile buyout GPs, the rate of raising a next fund is 2.39× for the third quartile, 3.66× for the second and 5.68× for the top. For VC the ratios are 2.30×, 4.09× and 4.48×. For

small, young buyout GPs the top-quartile ratio rises to 9.4x: track record matters most for emerging managers. GPs also time raises to peaks in interim performance.

- **Harris, Jenkinson, Kaplan & Stucke (NBER w28109).** Among US buyout funds with a known predecessor, counts by the predecessor’s quartile at the time of fundraising were 143 (top), 177, 110 and 53 (bottom). After 2000, only 9% of new funds had a bottom-quartile predecessor at fundraising.
- **Chung et al.** Each extra point of prior-fund IRR adds 0.47–0.59 percentage points to the probability of a follow-on buyout fund.
- **Hochberg, Ljungqvist & Vissing-Jørgensen (VC).** One standard deviation of IRR adds 27 points to a first-time VC fund’s chance of raising a follow-on.

4.3 Estimated odds of never raising the next fund

PRIOR-FUND QUARTILE	ODDS OF NEVER RAISING THE NEXT FUND	LABEL
Top	~10%	Estimate
Second	~22%	Estimate
Third	~37%	Estimate
Bottom	~50–66%	Estimate

How we got there. We took Barber & Yasuda’s buyout hazard ratios, assumed about one-third of GPs had not raised by year 10 and equal-sized quartiles, and solved for each quartile’s non-raise rate under proportional hazards. Harris et al.’s counts give a cross-check: bottom-quartile GPs raise at 37–57% of the top-quartile rate, implying a 34–52% success rate if top-quartile success is near 90%. The data is pre-2010; today’s tighter market likely makes the third and bottom quartiles worse.

4.4 Odds of failing or falling short today

Combining failure to close with the share of closers that land below target:

$$P(\text{short or failed}) = X + (1 - X) \times b$$

Here X is the share that never close (10–25%, our assumption) and b is the share of closers below target (18–35%, from PEI 2024–H1 2026). The low end is 0.10 + 0.90 × 0.18 ≈ 26%; the high end is 0.25 + 0.75 × 0.35 ≈ 51%. A generic GP therefore faces roughly a 25–50% chance of missing target or failing (Estimate). Rough quartile scaling gives about 10–20% for top-quartile GPs and 60–75% or more for bottom-quartile GPs.

5. How many funds land below target

Among funds that reach a final close, 31–40% landed below target in 2024–25, easing to about 18% in H1 2026 (global, Reported). These figures exclude funds that never close, so the true share of raises that come up short is higher.

PERIOD	BELOW TARGET	ON TARGET	ABOVE TARGET
2024	40%	31%	29%

PERIOD	BELOW TARGET	ON TARGET	ABOVE TARGET
2025	31%	39%	31%
H1 2026	18%	46%	35%

Share of PE funds reaching a final close, by outcome vs target. Source: PEI Full Year 2025 and H1 2026 fundraising reports; global PE incl. VC and growth; shares may not sum to 100 from rounding.

The H1 2026 improvement is a survivor effect as much as a recovery: in a hard market, the funds that close skew strong. Paul Weiss, citing PEI, independently reports 82% of H1 2026 closes at or above target, the highest in at least six years ([Paul Weiss Q2 2026](#)).

5.1 Older benchmark

Preqin's 2016 closes split by manager experience: non-first-time funds were 54% above and 23% under target; first-time funds were 35% above and 30% under ([Preqin Spotlight, Feb 2017](#)). First-time funds have always been more likely to fall short.

5.2 US funds of \$250M–\$1.5B: the SEC Form D sample

Our 44-fund SEC sample (Appendix A) is the only US-specific, size-specific evidence we found. It compares each fund's last reported amount sold with the first offering amount it filed.

LAST REPORTED AMOUNT VS FIRST STATED OFFERING	SHARE OF FUNDS (N = 44)	EXCLUDING FUNDS WITH COMBINED PARALLEL-FUND SALES (N = 34)
Below 50%	27% (12 funds)	24%
Below 75%	45% (20 funds)	41%
Below 100%	66% (29 funds)	68%

Four funds cut their stated offering mid-raise, the clearest filed signal of falling short: from \$400M to \$300M, from \$400M to \$250M, from \$650M to \$500M, and from \$400M reset to the \$241M sold. The median fund last reported 84% of its first stated amount.

Why the sample likely overstates shortfalls. Many filings state an offering amount covering the main fund plus parallel vehicles that file separately; the offering amount is sometimes the hard cap rather than the target; and some funds stop amending before final close.

Why it may understate them. Thirteen funds that filed but never reported a sale are excluded, and some of those likely failed. The sample also skews to 2021–22 raises, which ran into the 2022–24 downturn.

How to read it. Roughly one in five to one in four US funds in this band end with less than half of what they set out to raise. That fits PEI: "under half" is the severe end of the 31–40% that close below target by any amount. Treat the sample as directional until a PitchBook pull confirms it.

5.3 Combined view

OUTCOME FOR A GP LAUNCHING A \$250M–\$1.5B RAISE	ESTIMATED SHARE	LABEL
Never closes a fund	15–25%	Estimate

OUTCOME FOR A GP LAUNCHING A \$250M–\$1.5B RAISE	ESTIMATED SHARE	LABEL
Closes, but under half of target	~20% of those that close	Estimate on Verified sample
Closes below target by any amount	~30–40% of those that close	Reported (PEI)
Fails or closes well short (combined)	~35–45%	Estimate
Closes near, at or above target	~50–65%	Estimate

6. Q2 — How long it takes to raise

Answer. The median US PE fund took 12.2 months to close in 2025 (PitchBook, Verified). Global averages run 17–18.5 months, and the slowest quarter of funds take 24 months or more. No public figure exists for the \$250M–\$1.5B band alone.

MEASURE	FIGURE	SCOPE	SOURCE	LABEL
Median time to close	12.2 months (2025), lowest since 2022	US, all PE	PitchBook 2025 Annual US PE Breakdown	Verified
Average / median / fastest quartile / slowest quartile	16.6 / 13.7 / 6.0 / 24.0 months (2025)	Global PE	PitchBook 2025 Global Fundraising Report	Reported
Median	11 months (2020) → 17 months (2024)	Global PE	PitchBook 2024 Global Fundraising Report	Reported
Average time on the road	20.6 (2024) → 18.5 (2025) → 15.7 (H1 2026) months	Global PE	PEI FY2025, PEI H1 2026	Reported
Average	15.6 months (Q1 2026)	Global PE	PitchBook via Yahoo Finance	Reported
Emerging managers, first to final close	18 → 15.8 months	Fund I–III GPs	Gen II / Buyouts 2026	Reported
First-time fund raises	"typically 12–18 months"; up to 24 months now	First-time funds	Proskauer 2025 guide; McGuireWoods 2026	Practitioner opinion
Funds in our SEC sample that clearly finished	~11.9 months median, first sale to filing showing final amount	US PE, \$250M–\$1.5B	Appendix A	Estimate (coarse)

Why the figures differ. PitchBook's US median is well below the global averages because medians sit below averages when a long tail of slow raises pulls the average up. The datasets also cover different funds and may start the clock at different points (launch versus first close). Read 12 months as the typical US raise and 18–24 months as normal for a manager without a top-quartile record.

A note on a widely cited figure. A "17.5-month emerging manager fundraising" circulates widely. It traces to PitchBook's venture capital average (Institutional Investor, Dec 2025) or to an unverifiable blog, and is not a PE emerging-manager figure.

7. Q3 — First close size and the cost of lost momentum

Answer. The best available figure is a first close of about 45% of the final fund. Two independent sources agree: Preqin's average of 44% of target at first close (2012 closes) and our SEC sample's median of 47% of final amount at first reported sale (6 funds). The common "30–50% of target" rule is practitioner lore with no traceable source (Unknown as a verified current figure).

7.1 Evidence

SOURCE	FINDING	LABEL
Preqin, funds closed in 2012 (Finyear)	Average first close of 44% of target; only 12% had more than 75% at first close, vs 33% in 2006; average time to first close 8 months vs 5 in 2006	Reported, dated
SEC Form D sample (Appendix A)	Median first reported sale = 47% of final amount (range 16–75%), across 6 funds with timely filings	Verified (small sample)
Preqin infrastructure, 2013–14 (Hedgeweek)	Funds reaching first close within 6 months hit or beat target 72% of the time; those taking longer closed below target 63% of the time	Reported, different asset class
Proskauer 2026 North American buyout study	77% of funds have a 12-month initial fundraising period; 21% have 18 months	Reported

Preqin's help documentation defines a "% of target size achieved at first close" metric, so a current figure exists behind its paywall ([Preqin help](#)).

7.2 What happens when the first close doesn't build momentum

A weak first close sets off a chain of costs. Each link below is documented; the chain as a whole is our synthesis.

1. **The raise runs long.** GPs have asked LPs to extend fundraising deadlines by up to 18 months (Buyouts, Aug 2023). Ropes & Gray (2023) notes many successful outcomes came only after extensions.
2. **Concessions spread.** Early-bird terms granted to first closers often end up extended to all LPs by final close (Proskauer). Fee concessions are "really hard to get back" in later funds (Paul Steffens, Troutman Pepper Locke, May 2026).
3. **LPs read the signal.** LPs respond to interim performance at the moment of the raise (Barber & Yasuda). Existing LPs who don't re-up are read by outsiders as a sign of low skill (Hochberg, Ljungqvist & Vissing-Jørgensen, RFS 2014). A slow first close combined with soft marks compounds both.
4. **The target comes down.** Four funds in our SEC sample cut their stated offering mid-raise (section 5.2). At the extreme, Insight Partners cut a \$20B target to \$12.5–15B and closed near \$11.5B ([Bloomberg](#)), outside this band but the same pattern.
5. **The fund becomes a zombie or never closes.** In the Summer 2026 Coller Barometer, 54% of LPs favor management-fee step-downs as the remedy for zombie funds.

Practical reading. A first close near 40–50% of target, reached within about 6–9 months, is the pattern associated with hitting target. Below 25–30%, the evidence points to extensions, concessions and a reduced final size (Estimate).

8. Q4 — LP incentives and whether they work

Answer. At this fund size, fee discounts written into fund documents are rare: two independent law-firm datasets put them at roughly 2–14% of US mid-market buyout funds (Verified, directionally). The real concessions are negotiated with anchor LPs in side letters. No study shows these incentives make funds close faster or hit target (Unknown); one leading fund-formation firm says they often don't produce a bigger first close.

8.1 How common each incentive is

INCENTIVE	PREVALENCE	SOURCE	LABEL
Management-fee discount in fund documents	93% of 45 North American buyout funds (2024–26) had none; 5% offered only size-based; 2% offered early-closer plus size	Proskauer 2026 buyout study	Reported
Any fee discount, by buyout fund size	Under \$500M: 14% · \$500M–\$1B: 5% · \$1–3B: 19% · \$3–6B: 20% · \$6–10B: 30% · \$10B+: 50%	Ropes & Gray, The Principal View, Aug 2026	Reported
Early-bird fee discounts, funds targeting \$2.5B+	18% (2022) → 38% (2023)	Paul Weiss study, May 2024	Reported
No-fee, no-carry co-invest	"Almost universally" offered now	Troutman Pepper Locke, May 2026	Practitioner opinion
LPs that co-invest	~70%; lower fees the top reason	ILPA LP Sentiment Survey, Q4 2024	Reported
GP commitment	2% and 3% most common (33% of funds each); 1% in 10%	Proskauer 2026	Verified (with Torys, Investec)
LPAC seats, MFN tiers, fee holidays, carry cuts	Described as common; no prevalence data	Macfarlanes; Proskauer spin-out deck	Unknown

8.2 What anchors actually get

- **Size of the break.** Placement agent 5Capital told PitchBook in 2023 that GPs offered up to 25% discounts on both fees and carry to investors writing about 10% or more of target before first close ([PitchBook](#)).
- **A typical ask.** Heather Stone (Troutman, May 2026): an LP putting in \$100M, or 25%+ of the fund, asks for a 10% fee break or a 10% carry break, plus an investment committee observer seat. She says LPs care more about carry sharing and co-invest than management fees.
- **First-time managers.** The same source says first-time managers give 5–10% of carry for \$1–2M of working capital.
- **The cost to the GP is small next to the momentum.** On a \$750M fund, a \$150M anchor (20%) with a 10% break on a 2% fee costs $0.2\% \times \$150\text{M} = \$0.3\text{M}$ a year, about \$1.5M over a 5-year investment period (Estimate). That is why GPs concede to anchors rather than across the whole fund.

8.3 Do they work?

The evidence is thin. Ropes & Gray (Aug 2026) warns that discounts and fee holidays "do not always translate into a materially larger first close," and later-closing LPs usually get the same terms anyway. The only data on speed is the 2013-14 Preqin infrastructure finding in section 7.1, which shows momentum matters, not that discounts create it.

Reading. Incentives have shifted from a differentiator to table stakes: co-invest, a 2-3% GP commitment and anchor economics are now expected. They reduce friction for the anchor but don't substitute for track record (Practitioner consensus).

9. Q5 — Strategic partners and anchors

Answer. The highest-impact strategic partner for a \$250M-\$1.5B GP is an anchor commitment of roughly 10-25% of the fund at first close, usually paired with fee or carry breaks, co-invest rights and an advisory committee seat. Our working answer is 2-3 strategic partners holding 25-40% of the fund combined, with no single LP above 15-25% (Estimate on Verified caps). No survey answers "how many" directly.

9.1 The elements that matter most

1. **An anchor check at first close.** It creates the momentum section 7 shows is decisive. HBS research on 28 impact funds found anchored funds averaged \$9M more at final close on a \$69M average fund size, and the anchor's presence mattered more than its check size ([HBS Working Knowledge](#); small sample, Reported).
2. **Signaling to other LPs.** A credible anchor certifies the manager to smaller, less-resourced LPs (section 11).
3. **Capital across funds.** Seeders and strategic LPs often commit to later funds, and seeders "often must" do so to keep their economics ([Seward & Kissel, Oct 2025](#)).
4. **Funding the GP commitment and the firm.** GP-stakes and seed capital can fund a rising GP commitment and working capital ([Torys, Oct 2025](#); [Akin Gump, Mar 2026](#)).
5. **Distribution help.** Blue Owl's GP stakes program lists fundraising advisory and access to private banks and RIAs among its partner services ([Blue Owl brochure](#)).

9.2 How large any one partner can be

LIMIT	FIGURE	SOURCE	LABEL
CalPERS cap on any one fund	25% of the fund	CalPERS PE Program Policy	Verified
Arkansas Teachers (ATRS) cap	15% generally; 35% absolute maximum	ATRS Board Policy 5	Verified
GP-side norm for an anchor	~10% of the fund; LPs would fund 20-25%; others want to see a 10-20% anchor first	Tuck/Dartmouth study of first-time funds	Reported (student work)
Seeder share of management-company economics	10-25% "in today's market"	GCM Grosvenor, Dec 2023	Reported (interested party)

LIMIT	FIGURE	SOURCE	LABEL
ILPA concentration guidance	None found; only a representative advisory committee	Bennett Jones summary of ILPA Principles 3.0	Unknown

9.3 Platform partners for this band

The large GP-stakes platforms mostly target bigger firms: Blue Owl's program focuses on "larger managers," and GCM says stakes investing centers on firms with \$2B+ AUM and Fund IV or later. Mid-market options exist: Bonaccord II closed at \$1.6B in January 2025 targeting middle-market sponsors, and took a minority stake in Kingswood (Fund III, \$1.5B) in November 2025 (VCA). GP-stake transactions rose from 117 in 2024 to 164 in 2025 (Campbell Lutyens via Akin Gump). Separately managed accounts are another route, at the cost of fee pressure on the main fund (Torys, Fall 2025).

9.4 Why 2–3 partners

The ILPA average buyout commitment is \$54.5M. A \$750M fund therefore needs about 14 average-size LPs ($\$750M \div \$54.5M$). Two to three partners at 10–15% each supply 25–40% of the fund and a credible first close, while staying under every pension cap above. More concentration raises key-LP default risk and leaves other LPs wary; less leaves the first close without momentum (Estimate).

10. Q6 — Investment consultants

Answer. Consultants sit on the critical path to US public pension capital: about 87% of tracked 2025 private-market allocations were consultant-advised, and 10 consultants advised on about 61% of US pension commitments (Dakota, Reported). Academic work confirms they steer pension flows substantially, without picking better funds. They influence capital at scale but deploy little of it directly, and they are not the gate to family offices, many endowments or the wealth channel.

10.1 How much consultants steer capital

FINDING	SOURCE	LABEL
After hiring a specialist PE consultant, a pension makes ~3 more private fund investments a year on a base of ~8; funds connected to the pension's consultant are 2–4× more likely to be selected; no measurable gain in performance or access	Andonov, Bonetti & Stefanescu, CEPR DP19962 (2025); US public pensions 2001–2020	Reported (academic)
44% of pensions had a specialist PE consultant in 2020, up from 13% in 2001	AEA 2024 slides	Reported
A pension's consultant is the best predictor of its alternatives allocation	Begenau, Liang & Siriwardane, via Bloomberg / Advisor Perspectives	Reported (secondhand)

FINDING	SOURCE	LABEL
About 87% of 1,800+ private-market allocations (about \$192B) were consultant-advised in 2025; 10 consultants advised on about 61% of US pension commitments; Meketa led PE mandates (233, \$40B+), then Aksia (146) and StepStone (126)	Dakota consultant channel report	Reported (Dakota sells consultant data)
Top 5 consultants advise on 70% of worldwide assets; consultant firms down to 58	Cerulli, Dec 2025	Reported
~1,400 US mandates closed in 2024, 385 of them PE/VC; NEPC and Meketa lead by count	With Intelligence, Jul 2025	Reported

Two independent academic studies agree on the direction, so consultant influence over pension allocations is Verified.

10.2 Advise vs. deploy

FIRM (AS OF JUN 30, 2026)	DISCRETIONARY (THEY INVEST IT)	NON-DISCRETIONARY (THEY ADVISE ON IT)	SOURCE
Hamilton Lane	\$146.3B	\$914.1B	Q1 FY2027 results
StepStone	\$245.4B AUM	\$667.9B AUA	SEC 8-K

Both are Verified (SEC filings). Consultants can deliver scalable capital only through their own fund-of-funds and separate accounts; otherwise their power is the recommendation that a client's board then votes on.

10.3 What board packets show

In the packets we checked, the consultant presents alongside staff and the board votes. Ohio Police & Fire approved a €30M CapVest VI commitment after "Aksia and Staff presented their analysis and recommendation" ([minutes, Oct 22, 2025](#)). Rhode Island's Cliffwater presented on Arlington VII ([Aug 2025 book](#)). Dakota's May 2025 brief found 7 of 10 large commitments listed a PE consultant.

10.4 One, two or three consultants? And first?

- **One consultant** unlocks its pension network. Dakota's data implies roughly \$105M per pension PE allocation, so a recommendation converting at 2–3 client plans could plausibly bring \$50–200M (Estimate, upper bound; mid-market tickets are smaller).
- **Two or three** add reach because client bases barely overlap: Meketa and Aksia skew to pensions, Cambridge to endowments, Hamilton Lane and StepStone to both (Estimate).
- **Sequence.** Start consultant relationships 12–24 months before the raise if public pensions are a target LP base, but don't wait for a formal rating: major consultants need a 3–5 year track record to rate a manager (Dakota). Emerging-manager programs exist: Callan's 1:1 meetings for firms under \$3B AUM or Fund I–III under \$1B, Meketa's research day, NEPC's Explorer program.
- **Limit.** Getting consultant meetings has become harder ([Cerulli, Dec 2025](#)).

11. Q7 — Do LPs want peers like them?

Answer. LPs do care who else is in a fund, but the evidence is about information and signaling, not "like wants like." Decisions by existing and reputable LPs move other LPs (Verified as a mechanism), and smaller LPs weigh this more than large ones. We found no study showing pensions prefer funds with other pensions, or endowments with endowments (Unknown). The clearest current screen is negative: 84% of LPs are less likely to back a GP that takes significant retail capital.

11.1 The evidence

FINDING	SOURCE	LABEL
Existing LPs learn a manager's skill; when they don't re-up, outside LPs read it as a sign of low skill	Hochberg, Ljungqvist & Vissing-Jørgensen, RFS 2014 (venture funds)	Verified (peer-reviewed)
Smaller LPs weight "commitments of other LPs" significantly more than large LPs, and lean more on advisor opinion; for all LPs it ranks below past performance	Da Rin & Phalippou, JFI 2017 (249 LPs, 2009 survey)	Reported, dated
Anchored impact funds averaged \$9M more at final close; the anchor's presence mattered more than its check size	HBS, "Anchors Aweigh" (2020)	Reported (small sample)
Funds dominated by LP groups that repeatedly invest together show abnormal performance, consistent with information sharing	Yu, Liu & Das (2,000+ real estate funds)	Reported
LP composition persists across a GP's funds; when LP stakes transfer, GP performance falls 1.7% a year (buyout)	Mikhail, CMU dissertation (2022), SEC Form ADV data	Reported (not peer-reviewed)
About 9 in 10 PE funds have at least one pension investor; the median buyout fund has 4	Korteweg et al., Preqin data 1995–2013	Reported
84% of LPs less likely to invest with a GP taking significant retail capital; 67% say a big retail influx would hurt institutions	ILPA retail capital data deck, Q4 2025	Reported (ILPA represents institutions)
Standard LP diligence asks for each investor's name and amount, the re-up rate, LPs who sold on the secondary market, and the expected advisory committee	ILPA DDQ 2.0, items 2.6–2.12	Verified (primary)

11.2 Does a famous LP still certify a fund?

Less than folklore suggests. Endowments' strong PE returns in the 1990s came mostly from access to top venture funds, and the edge disappeared after 1999 (Lerner, Schoar & Wongsunwai; Sensoy, Wang & Weisbach). Endowments showed no edge in first-time funds. Public pensions overweight home-state funds by about 9.7% of their PE portfolio, and those funds underperform by 2–4 points of IRR (Hochberg & Rauh; Korteweg, Panageas & Systla). Their presence in a fund is not a clean quality signal.

Reading. The LP base matters most as evidence: who re-upped, who anchored, who walked. Signaling carries the most weight with smaller LPs and for first-time funds, where information is thin. A fund pitching institutions should be ready to show its re-up rate and its anchor, and should expect questions about any retail capital (Estimate).

12. Q8 — Seeding a fund with existing deals

Answer. Seeding a fund with 1–3 completed deals helps a GP reach a first close and gives LPs live evidence of execution; a third of emerging managers now do it. No dataset measures how much it speeds a raise (Unknown), and the case evidence suggests team pedigree matters more for speed than seeding does (Estimate built on practitioner consensus).

12.1 Attributed views

WHO	DATE	VIEW	LABEL
Gen II / Buyouts Emerging Manager Survey (101 GPs on Fund I–III)	Mar 2026	33% "actively use a seeded portfolio strategy to attract LP commitments" (48% in the 2024 survey, different sample)	Reported
Isabel Dische and Bryan Hunkele, Ropes & Gray, via Axios Pro Rata	Sep 2022	Closing one or two deals before raising shows you can source, close and finance; with too many, LPs ask why you haven't held a first close	Practitioner opinion
Ryan Schlitt, Aviditi Advisors (placement agent), in PitchBook	Aug 2023	Previewing initial assets reduces blind-pool risk and "is an accelerant to the fundraising process"	Practitioner opinion (interested)
McGuireWoods Emerging Manager Conference (2026 takeaways)	May 2026	Warehousing and seeded portfolios "provide real-time evidence of execution"; seeded deals carry long-term economic costs	Practitioner opinion
Alex Band, CIO, Partners Capital, in Institutional Investor	Sep 2026	The stigma that deal-by-deal sponsors lack a record is fading; doing deals is a fast way to get investments on the board before raising	Practitioner opinion (named LP)
UNC Kenan-Flagler / SBIA / ISF study, via PitchBook	Jul 2026	846 independent sponsor deals had a median IRR of 23.8% vs 18.5% for comparable buyouts (self-reported data)	Reported
Scott Reed, HighVista (LP), same article	Jul 2026	First blind-pool raises are taking upwards of two years	Practitioner opinion
Probitas LP surveys (69–71 LPs)	2021, 2023	LPs focused on teams that invested together without a fund rose from 22% to 31%; on spinout teams, 71% to 75%	Corroborated (placement agent source)
Rede Partners (68 LPs)	Sep 2024	LPs screen first on proven track record (74%), strategy (68%), team pedigree (51%), and prefer multiple realized exits	Reported (placement agent)

12.2 Case examples (US)

FUND	PRE-FUND DEALS	RESULT	TIME
Trive Capital Fund I	3 platforms closed before final close	\$300M hard cap vs \$250M target	Hard cap in 5 months (2013 press release)
Allied Industrial Partners I	5 pre-fund deals, \$200M+ equity, 2020–23	\$300M hard cap vs \$250M target	~12 months (Form D first sale to final close)

FUND	PRE-FUND DEALS	RESULT	TIME
GHK Fund I	2 single-asset deals, then a third that seeded the fund	\$410M vs \$350M target	~18 months, during the pandemic

Non-seeded comparisons cut the other way: LionLight closed \$215M in ten weeks, Clearhaven was fully committed six months after its first close, and BayHawk, a THL spinout, raised \$616M in about 14 months. Pedigree appears to beat seeding on speed.

12.3 Mechanics and risks

- **Transfer price.** Warehoused deals move into the fund at cost plus carrying cost, often 6–8% a year, typically within 60–90 days of final close, with valuation details disclosed. Three law firms agree, so this convention is Verified (Cooley; Proskauer 2025 guide; Hogan Lovells).
- **Conflicts.** Allocation duties to prior vehicles, Advisers Act disclosure before LPs commit, and tax issues for tax-exempt LPs (Cooley).
- **Valuation risk.** If seed assets have risen, cost pricing hands the gain to new LPs, which they like. If impaired, LPs absorb losses, so they ask for independent valuation and opt-out rights (Estimate).
- **Seeder economics.** Seed terms that look cheap now can "handcuff Fund III" (McGuireWoods 2025).
- **How many deals.** 1–3. GEM, an LP backing independent sponsors, watched 2–4 deal-by-deal investments before anchoring a Fund I (GEM white paper, 2024).

Reading. Seeding is now close to expected for an emerging manager. It proves execution and lowers blind-pool risk, but it shows unrealized results, and LPs still rank realized track record and pedigree first.

13. Q9 — LP meeting-to-commitment conversion

Answer. No published, traceable conversion rate exists. Built from survey data, SEC filings and one named GP case, our estimates for a Fund I in this band are: about 5–12% of first meetings with institutional LPs convert to commitments; about 15–30% counting all LPs, including family offices and individuals; and about 30–50% of LPs who reach deep, in-person diligence commit (Estimate; the last is the weakest). Each commitment takes roughly 9 meetings.

13.1 The evidence

SOURCE	FINDING	LABEL
Devin Mathews and Jim Milbery, ParkerGale, PE Fincast (Mar 2026)	Fund I took "over 150 meetings to get 15 institutional LPs"; 24 of 25 meetings on one stretch were no's; more was raised in the last six weeks than in the first 16 months	Reported (GP's own account)
ParkerGale Form D/A (SEC)	35 investors and \$150.4M about a year after first sale; final close \$240M, so institutions were a minority by count	Verified (primary)
Gen II / Buyouts 2024 (126 emerging managers)	Average 8.69 meetings per first-fund commitment; 45% needed more than five meetings, up from 27%; 43% met 150+ prospective LPs in 2024, vs 27% in 2023	Reported

SOURCE	FINDING	LABEL
Gen II / Buyouts 2026	Five or more meetings per committed LP now standard; share of managers meeting 250+ prospects doubled	Reported
Gen II / Buyouts 2022 (127 GPs, 58 LPs)	60% of LPs need more than six meetings; 20% need more than ten; over half of commitments took 5–9 months from introduction	Reported
Commonplace LP survey via ai-CIO (46 allocators, Mar 2026)	Most meet a manager 3–4 times before committing; ~40% meet 5–8 times	Reported
SEC Form D sample (Appendix A)	Median 47 LPs per fund; ~15 LPs per \$100M; median check \$6.8M	Verified (sample)
Probitas 2022 LP survey	21% of LPs back only first-time managers they have met in person	Reported

Excluded. The widely repeated “5–12% conversion” figure attributed to a “PitchBook 2024 Fund Formation Report” could not be traced; no PitchBook report by that name was found. It is not used, although our independent estimate lands in a similar range.

13.2 The math

FUNNEL STAGE	ESTIMATED CONVERSION TO COMMITMENT	BASIS
First meeting, institutional LPs	~5–12% (central ~8%)	35–95 LPs per fund (Form D) × 30–50% institutional = 12–40 institutions, over 150–300 LPs met; ParkerGale’s 15 of 150+ meetings fits
All LPs including family offices and individuals	~15–30%	35–95 LPs ÷ 150–300 met = 12–60%, trimmed because network investors are often never formally “met”
LPs that reach deep, in-person diligence	~30–50%	8% ÷ an assumed 20–35% of first meetings that reach five-plus meetings or an on-site visit = 23–40%, rounded up for late-stage selection

Meeting load. At about 9 meetings per committed LP and roughly 35 LPs, a \$500M first fund implies about 300 meetings with the eventual investors alone.

Differences by fund number. For Fund II–III, existing LPs dominate the raise and re-up at much higher rates; conversion of new LPs probably improves only modestly. No published re-up rate was found. Goldman Sachs Asset Management’s Amy Jupe: “We don’t have a 100 percent re-up rate,” and GPs typically add a few new LPs each raise (GSAM).

In person vs virtual. Evidence is split. Cebile Capital (2021) found about half of LPs would commit on virtual interaction alone; Probitas found 21% back first-time managers only after an in-person meeting. In person matters most at the deep-diligence stage (Estimate).

14. Q10 — Continuation funds as a signal

Answer. A single, well-run continuation vehicle (CV) is not a negative signal for raising the next fund: nearly two-thirds of LPs in McKinsey's 300-LP survey are neutral or positive on GPs that use them (Reported). What LPs mark down is frequency, tail-asset dumps, conflicts, and CV sales used to manufacture DPI. No study ties CV use to a slower or smaller next raise (Unknown).

14.1 How LPs view CVs

FINDING	SOURCE	LABEL
LPs "will typically not penalize" GPs that use CVs; nearly two-thirds at least neutral on GPs that use them more often; ~30% see CV assets as distressed or challenged	McKinsey Global Private Markets Report, Jan 2026	Reported
LPs "will usually tolerate only one CV a year at most"	Bain Global PE Report 2026	Practitioner opinion (no survey cited)
CVs are an established feature; 40% of LPs expect activity to keep rising after exits recover; 40% say GPs don't deliver liquidity early enough	Coller Barometer, Summer 2026 (108 LPs)	Reported (secondaries buyer)
64% of LPs have no interest in CVs stapled to the GP's next flagship fund	Coller Barometer, Winter 2023–24	Reported
Only 21% of LPs name CVs as a preferred path to liquidity	ILPA LP Sentiment Survey 2025–26	Reported
LPs declining re-ups cite performance (42%), own capital (29%), strategy change (16%); CVs not cited	Coller Barometer, Winter 2024	Reported

14.2 Sell or roll

Most LPs sell: roughly 80–90% (Verified as a range). Jefferies puts average LP rollover at 17% in H1 2025 and 14% in H1 2026 (Jefferies, Jul 2026); ILPA's Brian Hoehn and HarbourVest's Mike Pugatch estimated 80–90% sell (Institutional Investor, 2023). Selling is not disapproval: many LPs are forced sellers needing liquidity.

14.3 The market

MEASURE	FIGURE	SOURCE
GP-led volume, 2025	\$115B of \$240B total (Jefferies); \$106B of \$226B (Evercore)	Jefferies; Evercore
GP-led volume, H1 2026	\$54–62B, up ~32% year on year	Jefferies; Lazard; Campbell Lutyens
Single-asset share of CVs	54–68% and rising	Same three
Pricing, H1 2026	Single-asset CVs at a 2.9% average discount, 69% at par or better; multi-asset at 10.5%	Campbell Lutyens
CVs as share of sponsor-backed exits	~14% (Jefferies/Dealogic); under 10% of exit value (Bain)	Definitions differ

All sources here are secondaries advisers or buyers with an interest in a positive CV story.

14.4 The DPI question and governance

- **CVs as a DPI substitute.** 46% of respondents in Dechert's 2026 survey use GP-leds or CVs to make distributions, nearly double the prior year; 51% of North American respondents use them to manage fundraising challenges ([Dechert](#)). The cash comes from a sale to a vehicle the GP controls, often crystallizing carry, which is why LPs scrutinize it.
- **Returns.** Gottschalg (HEC Paris, 386 CVs) finds returns broadly comparable to multi-asset buyout funds, with narrower dispersion for single-asset CVs ([HEC WP 1584](#)).
- **Conflicts.** Kastiel & Nili argue "the house always wins" ([ECGI WP 733/2023](#)).
- **Governance is tightening.** ILPA's 2026 draft guidance proposes a 30+ business-day election window, a status-quo option, no increase in overall carry for rolling LPs, and standard fairness opinions ([Kirkland, Sep 2026](#)). Morgan Lewis finds GP commitments in CVs shrinking: 75% of 2025–26 CVs had GP commitments under 5% ([Morgan Lewis CV report 2026](#)).

Reading for this band. A single-asset CV on a trophy asset, with a real price test and a clean status-quo option, is unlikely to hurt. Several CVs in a row, a multi-asset CV of the tail portfolio, or CV proceeds presented as DPI while realized exits are thin will likely be marked down in diligence (Estimate).

15. Q11 — Returns that create demand

Answer. To create strong demand, a prior fund needs to be clearly top quartile on cash returned as well as on IRR: net IRR of 20% or more, net TVPI of about 2.0x or more, and top-quartile DPI (about 1.0x for a 2018–19 fund, about 1.5x for a 2015–17 fund) (Estimate on Verified benchmarks). Bain independently describes LPs wanting "often more than 20% net IRR" for buyout plus consistent top-quartile DPI. A median fund, around 15–17% net IRR, meets LP expectations but creates no urgency.

15.1 Where the top-quartile lines sit

PitchBook global PE benchmarks, net, as of Dec 31, 2024 ([PitchBook Benchmarks Q4 2024](#), Reported):

VINTAGE	TOP-QUARTILE IRR	MEDIAN IRR	TOP-QUARTILE TVPI	TOP-QUARTILE DPI	MEDIAN DPI
2019	22.6%	15.7%	1.76x	0.57x	0.31x
2018	22.0%	15.5%	1.97x	0.83x	0.56x
2017	25.0%	18.6%	2.30x	1.40x	0.79x
2016	22.7%	17.3%	2.26x	1.48x	1.15x
2015	21.9%	16.1%	2.28x	1.67x	1.27x
2014	24.8%	16.9%	2.49x	1.91x	1.44x

These are global all-PE figures; US buyout cutoffs are usually within a couple of points but could not be confirmed without a paid pull. Cross-checks:

- **Burgiss buyout, as of Dec 31, 2025:** top-quartile horizon IRR 21.4% (5-year) and 20.7% (10-year); pooled median 11.6% and 13.9%, from a Pennsylvania SERS board report ([PA SERS](#), Reported, Tier 1 document).

- **Dakota, as of Jun 30, 2026:** top-quartile IRR of 19.9–21.6% for 2015–2019 vintages ([Dakota](#)).
- **Cambridge Associates US PE Index, as of Mar 31, 2026:** 15.08% over 10 years vs 13.95% for the Russell 3000 equivalent; 1- and 3-year returns lag public markets ([Cambridge Associates](#), Verified).

15.2 What LPs expect

- Average expected 5-year net PE return: 15.7%; 33% of LPs have cut their assumption, 6% raised it (ILPA 2025–26).
- Expectations of 15% net IRR and 2.0x net MOIC (ILPA inaugural survey, 101 LPs).
- 59% of LPs expect 11–15% a year across their PE portfolio, and 75% think GPs are too optimistic (Coller, Winter 2023–24).

Together: about 15% net is the portfolio-level expectation (Verified). A fund that turns heads beats it comfortably.

15.3 Head-turning thresholds

PRIOR-FUND VINTAGE (AGE TODAY)	IRR	TVPI	DPI	BASIS
2015–2017 (9–11 years)	20–22%+	2.2–2.3x+	1.5x+	Top-quartile TVPI 2.26–2.30x, DPI 1.40–1.67x
2018–2019 (7–8 years)	20–22%+	1.8–2.0x+	0.8–1.0x+	Top-quartile DPI 0.57–0.83x, so 1.0x clears top quartile
2020–2021 (5–6 years)	IRR unreliable this early	1.5x+	0.3–0.5x+	Estimate; benchmarks immature

"Strong demand" here means top quartile on at least two of the three measures, with DPI among them (Estimate).

15.4 Is DPI the new IRR?

Not as a data claim. McKinsey's 300-LP survey (Jan 2026) finds IRR still the leading focus; DPI is tied with MOIC for second, and 54% of LPs call DPI critical or most critical. The slogan traces to practitioners, such as StepStone's Matt Roche ("DPI is IRR," [Buyouts](#), Mar 2026). The accurate framing: DPI has become a gating metric alongside IRR.

15.5 Persistence is weaker than LPs assume

For post-2000 buyouts, a top-quartile fund was followed by another top-quartile fund only 23.9% of the time, judged on data available at fundraising (Harris, Jenkinson, Kaplan & Stucke, Verified). LPs still back past winners, which is why the prior fund's numbers dominate the raise even though they predict the next fund only weakly.

16. Q12 — How many GPs an LP needs to diversify

Answer. Most of the risk reduction from adding funds comes by 15–30 funds, with the biggest gains in the first 5–10; benefits flatten past about 30 (Verified as a range across several studies). In practice, the average LP holds 20+ manager relationships, while the largest US pensions hold 60–135. No study shows returns get worse past a certain number of funds.

16.1 The research

STUDY	DATA	FINDING	LABEL
Weidig, Kemmerer & Born (EFMA 2005)	401 US buyout funds, 1983–2003; 50,000 simulated portfolios	Most diversification benefit comes from the first five funds; probability of loss with 20 US buyout funds ~0.4%	Reported (academic, dated)
Akina / Gottschalg (HEC, PERACS), via Private Equity Wire	Not stated	Optimal diversification at about 15 funds	Reported (secondhand)
Vanguard / HarbourVest (May 2024)	US buyout, vintages 2003–19	Need at least 20–30 funds; going from 6 to 30 funds cuts the chance of a sub-1.5x TVPI from 26% to 9%	Reported (fund-of-funds sellers)
Fidelity (Nov 2024)	StepStone data, vintages 2005–16	About 9 strategies get within 20% of a 30-fund portfolio's diversification	Reported (interested party)

Weak performance persistence (section 15.5) argues against concentrating in a handful of past winners and supports a moderate number of funds.

16.2 What LPs actually do

LP OR SURVEY	RELATIONSHIPS	SOURCE	LABEL
ILPA members (101 LPs)	Average 20+ manager relationships; 38% plan to add managers vs 19% to cut	ILPA LP Sentiment Survey	Reported
Coller Barometer, Summer 2026	23% expect to cut GP relationships over 3 years (16% in 2020); 38% expect to add	Coller	Reported
CalPERS	~133 managers and 394 funds (Dec 2024); large and mega buyout fell from 73% to 43% of commitments	CalPERS June 2025 packet	Verified
CalPERS history	389 managers in 2013 with a target of ~120; in 2017 Meketa found ~30 core relationships limited the program and won no fee or co-invest benefit	AVCJ; Buyouts	Reported
Pennsylvania SERS	65 active managers (Dec 2025)	PA SERS	Verified
Adams Street	Cut its GP list from ~100 to 40 over five years (2018)	Adams Street via PEI	Reported

The CalPERS case is a documented example of over-consolidation backfiring.

Where sources disagree. Both ILPA and Collier show more LPs planning to add managers than cut them. The consolidation story holds mainly for large, mature programs and for commitment dollars: capital is concentrating at the top (section 3), even as the median LP's manager count holds steady.

16.3 Practical ranges

LP TYPE	ACTIVE GP RELATIONSHIPS	FUNDS IN PROGRAM	BASIS
Endowment, foundation or pension under \$5B	12–25	20–40	Research floor of 15–30 funds; ILPA average 20+
Pension \$5–50B	25–60	50–120	Estimate; PA SERS at 65
Mega pension	60–135	150–400	CalPERS actuals

Spreading 20–30 funds across 4–5 vintage years implies about 4–7 new commitments a year (Estimate).

What this means for a GP. A typical mid-sized LP adds only a handful of new funds a year across all strategies, and a \$50–100M check is a large position in a 20-fund program. Each new relationship is a scarce slot, which is why mid-sized LPs are selective about new names (Estimate).

17. Synthesis: what the evidence says about winning a raise in this band

Across the twelve questions, one pattern holds: LPs are short of distributions and adding few new names, so they decide on evidence they can verify, and they use other LPs and consultants as filters. The GPs who close in this band are the ones who can show that evidence early.

1. Track record is the dominant variable, and DPI now gates it. Prior-fund quartile predicts whether a next fund closes more strongly than anything else measured (section 4). Today's LPs want that record proven in cash, not only marks (section 15).

2. Momentum is decided at first close. A first close near 40–50% of target, reached within 6–9 months, is the pattern associated with hitting target (section 7). Below that, extensions, concessions and cuts follow.

3. The anchor is the most important strategic decision. One anchor of 10–25%, or 2–3 partners totaling 25–40%, supplies both the capital and the signal that smaller LPs read (sections 9 and 11). Incentives are the price of the anchor, not a tool for the whole fund (section 8).

4. Gatekeepers decide access to scale. For public pensions, consultants advise on most allocations; their recommendation is close to a prerequisite. Building those relationships 12–24 months before the raise is the documented practice (section 10).

5. The raise is a long funnel. Expect 150–300 LPs met, about 9 meetings per committed LP, and 5–12% institutional conversion from first meeting (section 13). Prospect lists and pipeline management matter because the denominator is large.

6. Evidence of execution substitutes partly for history. Seeded deals and deal-by-deal records help emerging managers reach a first close, but pedigree and realized exits still rank first with LPs (section 12).

7. Liquidity tools are judged on governance. A clean single-asset CV is acceptable; repeated or conflicted CVs, or CV proceeds dressed as DPI, draw scrutiny (section 14).

18. Data gaps and the pulls that would close them

One filtered PitchBook or Preqin pull would turn the estimates for Q1–Q3 into measured figures for exactly this band. The rest depends on practitioners.

GAP	QUESTIONS	WHAT WOULD CLOSE IT	ACCESS
Failure, below-target and abandonment rates for US PE funds of \$250M–\$1.5B	Q1, below target	PitchBook or Preqin: US PE, target \$250M–\$1.5B, vintages 2018–2025, with launch date, first close, final close vs target, and status “abandoned” or “liquidated before close”	Paid subscription
Time to close for this band, first-time vs established	Q2	Same pull	Paid subscription
First close as % of target, and its link to final outcome	Q3, Q4	Same pull; Preqin has a defined metric for it	Paid subscription
Full Form D dataset (~1,000+ funds)	Q1, Q3, Q9	SEC bulk Form D data sets	Free
Current LP counts per fund	Q9	Form ADV Schedule D (private fund beneficial owners)	Free
Re-up rates by prior-fund quartile	Q1, Q7	Not public; LP-level data from PitchBook or Preqin	Paid
Whether CV use slows the next raise	Q10	PitchBook pull matching CV sponsors to next-fund time and size	Paid
US buyout top-quartile cutoffs by vintage and size	Q11	Cambridge Associates, Burgiss/MSCI or PitchBook North America data packs	Paid
Consultant recommendation share of pension commitments	Q6	Hand-coded sample of 50–100 pension board packets	Free, labor-intensive
LP funnel conversion, anchor economics, whether incentives work	Q4, Q8, Q9	Placement agents’ and GPs’ own CRM data; interviews with experienced fundraisers	Practitioner knowledge

Questions best put to experienced fundraisers. Of LPs met in person, how many committed, on recent raises? What did the anchor ask for, and what did it cost? Did early-close discounts change the first close? Did seeded deals change the timeline? Those answers would sharpen sections 8, 12 and 13 more than any public report.

19. Appendix A — SEC Form D sample

We built a primary-source sample of 57 US private equity funds with stated offering amounts of \$250M–\$1.5B from 115 individual SEC Form D filings; 44 reported sales and carry the results. Every number traces to a filing; the sample is directional, not a market statistic.

A.1 Method

1. **Candidates.** EDGAR full-text search for Form D filings marked "Private Equity Fund" with round offering amounts (\$250M, \$300M, \$400M, \$500M, \$600M, \$750M), filed 2019–2023.
2. **Filing history.** Every D and D/A filing for each fund, via the SEC submissions API.
3. **Fields.** Offering amount, amount sold, number of investors, date of first sale and notes on parallel funds, read from each filing's primary document.
4. **Filters.** Fund type "Private Equity Fund"; US business address; first or latest offering amount of \$250M–\$1.5B.
5. **Measures.** Latest filing for final amount and investors; first filing showing sales for the first-close proxy.

The SEC's bulk Form D data sets were not accessible during this research, so the sample is hand-built and skews to funds with round offering amounts and 2021–22 first sales (28 of 44).

A.2 Results (44 funds with sales)

METRIC	MEDIAN	MEAN	SPREAD	LABEL
Investors per filing fund	47	54	Middle half 21–74; range 6–164	Verified
Investors per \$100M sold	14.7	18.0	Middle half 9.0–22.9	Verified
Average commitment per LP	\$6.8M	\$11.2M	Middle half \$4.4–11.1M	Verified
Final amount sold	\$309M	\$347M	Range \$65–924M	Verified
Last reported amount as share of first stated offering	84%	—	27% under half; 45% under 75%; 66% under 100%	Verified (sample)
First sale to filing showing final amount, funds that clearly finished (15)	11.9 months	—	—	Estimate (coarse)
First sale to filing showing final amount, funds with 2+ sales reports (17)	23.7 months	—	Middle half 18–24; range 9–36	Estimate (coarse)
First reported sale as share of final, timely filers (6)	47%	—	Range 16–75%	Verified (small sample)

A.3 Caveats

- **Parallel vehicles.** Many filings state an offering amount covering the main fund plus parallel funds, while sales and investors cover only the filing entity. This inflates apparent shortfalls and understates investors per program.
- **Offering amount is not always the target.** Some filings note the GP may raise more or less; some list "Indefinite" at times.
- **Filing cadence.** Amendments come roughly annually; the median gap from first sale to the first filing showing sales was 11.9 months. Some funds stop amending before final close.
- **Exclusions.** 13 funds filed but never reported a sale; they are excluded, and some may have failed.
- **Still raising.** Seven funds last filed in 2024–25.
- **One inconsistent filing.** One fund's 2022 amendment reports no sale while showing \$78.7M sold.

A.4 Fund-level data

Sorted by last reported amount as a share of first stated offering. Fund names are withheld in this edition; a low share is not proof of a failed raise (see A.3).

FUND	FIRST SALE	FIRST STATED OFFERING	LAST REPORTED SOLD	SHARE	INVESTORS
1	2022-02	\$400M	\$94M	24%	18
2	2022-01	\$250M	\$65M	26%	7
3	2021-04	\$750M	\$245M	33%	21
4	2021-09	\$400M	\$142M	36%	14
5	2022-04	\$250M	\$93M	37%	31
6	2020-03	\$500M	\$186M	37%	49
7	2018-07	\$300M	\$112M	37%	44
8	2021-06	\$250M	\$95M	38%	12
9	2019-12	\$400M	\$157M	39%	6
10	2021-12	\$750M	\$318M	42%	9
11	2022-12	\$250M	\$114M	46%	58
12	2021-11	\$500M	\$246M	49%	9
13	2021-12	\$250M	\$136M	54%	14
14	2021-06	\$500M	\$290M	58%	53
15	2021-11	\$250M	\$148M	59%	26
16	2020-05	\$400M	\$241M	60%	54
17	2021-12	\$500M	\$321M	64%	47
18	2021-05	\$400M	\$268M	67%	39
19	2020-03	\$650M	\$443M	68%	68
20	2019-03	\$300M	\$211M	70%	47
21	2019-09	\$400M	\$319M	80%	68
22	2022-07	\$600M	\$505M	84%	7
23	2023-08	\$600M	\$505M	84%	74
24	2021-12	\$600M	\$512M	85%	30
25	2023-04	\$400M	\$344M	86%	51
26	2022-03	\$500M	\$432M	86%	125
27	2021-12	\$750M	\$650M	87%	84
28	2019-03	\$400M	\$352M	88%	32

FUND	FIRST SALE	FIRST STATED OFFERING	LAST REPORTED SOLD	SHARE	INVESTORS
29	2020-07	\$750M	\$690M	92%	14
30	2019-12	\$300M	\$300M	100%	51
31	2022-02	\$500M	\$500M	100%	75
32	2019-03	\$400M	\$400M	100%	19
33	2022-05	\$800M	\$800M	100%	150
34	2022-03	\$250M	\$257M	103%	155
35	2021-12	\$400M	\$435M	109%	162
36	2022-04	\$450M	\$506M	113%	41
37	2023-10	\$250M	\$285M	114%	74
38	2021-12	\$250M	\$286M	114%	36
39	2022-12	\$350M	\$400M	114%	98
40	2018-12	\$600M	\$689M	115%	63
41	2021-07	\$300M	\$363M	121%	164
42	2023-04	\$200M	\$250M	125%	80
43	2022-04	\$500M	\$637M	127%	30
44	2021-03	\$500M	\$924M	185%	82

Source: SEC EDGAR Form D and D/A filings, read via [data.sec.gov submissions](https://data.sec.gov/submissions) and each filing's primary document. Fund 42's first stated offering was \$200M; it is included because its latest offering (\$250M) falls in the band.

20. Appendix B — Sources by tier

The principal sources opened for this paper, grouped by the hierarchy in section 2. Paywalled items read only to the headline are not listed.

Tier 1 — Primary and regulatory

- SEC EDGAR Form D and D/A filings for the 57 funds in Appendix A (data.sec.gov)
- [Hamilton Lane Q1 FY2027 results](#); 10-K
- [StepStone 8-K, Q1 FY2027](#)
- [CalPERS Private Equity Program Policy](#); CalPERS June 2025 board packet
- [Arkansas Teachers Board Policy 5](#)
- [LA Fire & Police emerging manager policy](#)
- [Pennsylvania SERS Q4 2025 PE performance update](#)
- [Ohio Police & Fire investment minutes, Oct 2025](#); [Rhode Island ERSRI board book, Aug 2025](#)

- [ILPA DDQ 2.0](#)

Tier 2 — Industry data and institutional research

- [PitchBook: 2025 Annual US PE Breakdown; 2026 Midyear Outlook; Q2 2026 US PE Breakdown; 2025 Global Fundraising Report; 2024 Global Fundraising Report; Benchmarks Q4 2024](#)
- [PEI: Full Year 2025 fundraising report; H1 2026 fundraising report](#)
- [Preqin: Spotlight, Feb 2017; fundraising momentum metric](#)
- [Cambridge Associates: US PE Benchmark Book Q1 2026; CY2025 commentary](#)
- [Bain Global PE Report 2026; McKinsey Global Private Markets Report](#)
- [ILPA: Inaugural LP Sentiment Survey; 2025–26 key findings; retail capital data deck](#)
- [Coller Capital Barometer: Summer 2026; Winter 2023–24](#)
- [Secondaries reviews: Jefferies July 2026; Evercore 2025; Lazard Interim 2026; Campbell Lutyens H1 2026](#)
- [Law-firm studies: Proskauer 2026 buyout reports; Ropes & Gray, The Principal View, Aug 2026; Paul Weiss Q2 2026; Kirkland on ILPA CV guidance; Morgan Lewis CV report 2026; Proskauer 2025 emerging manager guide; Cooley on warehousing; Seward & Kissel on seed investments](#)
- [Consultant channel: Dakota; Cerulli, Dec 2025; With Intelligence](#)
- [Emerging managers: Gen II / Buyouts 2026; 2024; 2022; Probitas 2023 survey; Rede emerging manager survey; GCM Grosvenor on GP seeding](#)
- [Diversification: Vanguard / HarbourVest; Fidelity](#)

Tier 3 — Academic

- [Lerner, Paine & Schoar, "Communicating Performance: Textual and Financial Disclosures in Private Equity," NBER w35860 \(Oct 2026\)](#)
- [Martens, Jennings & Jennings, "Do the stories they tell get them the money they need?" Academy of Management Journal \(2007\)](#)
- [Barber & Yasuda, "Interim fund performance and fundraising"](#)
- [Chung, Sensoy, Stern & Weisbach, NBER w16369](#)
- [Harris, Jenkinson, Kaplan & Stucke, NBER w28109](#)
- [Kaplan & Schoar](#)
- [Hochberg, Ljungqvist & Vissing-Jørgensen, RFS 2014](#)
- [Andonov, Bonetti & Stefanescu, CEPR DP19962](#)
- [Da Rin & Phalippou, JFI 2017](#)
- [Lerner, Schoar & Wongsunwai, NBER w11136; Cavagnaro et al., NBER w22547](#)
- [Hochberg & Rauh, NBER w17122; Korteweg, Panageas & Systla, NBER w33194](#)
- [Mikhail, CMU dissertation \(2022\)](#)
- [Gottschalg, HEC Paris WP 1584; Kastiel & Nili, ECGI WP 733/2023](#)
- [Weidig, Kemmerer & Born, EFMA 2005](#)
- [HBS, "Anchors Aweigh"; Tuck/Dartmouth first-time fund study](#)

Tier 4 — Financial journalism and practitioner commentary

- [Bloomberg on fundraising stumbles](#), Sep 2025
- [Institutional Investor on independent sponsors](#), Sep 2026; [on continuation funds](#), 2023
- [PitchBook News: first-time fund tips; independent sponsors; fee concessions 2023; largest first-time funds of 2025](#)
- [Axios Pro Rata](#), Sep 2022
- [PE Funcast, ParkerGale episode](#), Mar 2026
- [Troutman Pepper Locke transcript](#), May 2026
- [McGuireWoods emerging manager conference](#), 2026
- [Dechert on GP-leds and DPI](#)
- [ai-CIO on Commonplace LP survey](#)

Excluded as untraceable

- "5–12% LP conversion" and "17.5-month" figures from [pipelineroad.com](#), which cite reports we could not locate.

© 2026 Capital Story Co. This paper summarizes independent research for general information. It is not investment advice. Figures marked Estimate are our own reasoning from cited sources. Capital Story Co. provides advisory and creative services. It does not place capital, take fees on capital raised, or promise outcomes.