

Title: McKinsey's Private Equity report is a LONG at 70 pages long... It some great stuff in it though so I read it for you. Here's some of my key takeaways.

Author: disoriented_llama

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A month or so ago I posted some [highlights of Bain's 2022 PE report](https://www.reddit.com/r/consulting/comments/w40r1n/bains_private_equity_report_is_a_ridiculous_84/) and people seemed to find it helpful. I figured I would do the same with McKinsey's report in case it is useful to people!

I read through McKinsey's 2022 report and tried to distill down some of the key points that I saw. If you want to read the full article I'll post the link at the end of this post.

****First****, PE performance remained strong both in terms of returns and fundraising. "With a pooled IRR of 27% in 2021, PE was once again the highest performing private markets asset class... PE also continues to outperform most public market equivalent (PME) measures."

<https://preview.redd.it/g7uzryvrl2k91.png?width=776&format=png&auto=webp&s=42333ca1f85d0069fbf2b15ab760a824bab6e2f0>

****Second****, investors need to consider new risks in 2022. McKinsey had an interesting take here, pointing out that not only is there war, inflation, energy, etc. to be cautious of but that the sustainability/energy transition also creates risk and opportunity.

****Third****, there is increasing investment in earlier stage funds. Investors are increasingly allocating capital to venture and growth equity funds and managers are creating new vehicles to satisfy these needs.

<https://preview.redd.it/z4ufnwf3m2k91.png?width=774&format=png&auto=webp&s=caf865076ab976e309ab771fe7ae65354bdda70d>

****Fourth****, other aspects of the private market are seeing interesting developments. In real estate, investors are moving in to riskier strategies coming out of the pandemic. Private debt has continued to grow every year since 2011 in terms of fundraising. Infrastructure broke \$1T in global AUM for the first time and is no longer funding just roads and bridges as energy and digitization take growing importance.

Links to [the full blog article](<https://www.onefundinvestments.com/news/article-spotlight-mckinsey-global-private-markets-review-2022>) here which also links to the McK report. Curious what you all think of this.