

insights⁺

QUARTERLY UPDATE

PE

Private Equity Q3 2025: Preqin Quarterly Update

Big-ticket North American and European deals may presage a recovery in private equity deal-making, although volumes do not appear to be recovering as quickly as deal values

- Exits still slow, maintaining strain on fundraising
- Fall in number of closes but increase in aggregate capital raised reflects ongoing trend toward fund concentration
- Secondaries funds retain investors' favor, with aggregate capital raised in the first three quarters of 2025 already exceeding 2024 total and the proportion of secondaries funds closed above target at historical high

[READ FULL REPORT →](#)



Lead Analyst

Victoria Chernykh, MBA
VP, Private Equity

victoria.chernykh@blackrock.com

PREQIN
a part of BlackRock

Attuned to interest rate trends, the private equity industry appears to have responded to the Federal Reserve’s September rate cut. The average size of completed and announced deals has shifted upward in the third quarter, according to Preqin data. Larger deals are especially responsive to falling rates and tend to increase in number as borrowing costs decline. They also require lengthy negotiations and preparation; GPs may have held back on announcing some major ready-to-go transactions until the rate-cutting cycle began. Increased deal activity may imply more exits in the future, but there is a time lag and a boost in exit numbers has not occurred yet.

Amid continuing stagnation in private equity exits, primaries fundraising remains relatively soft, and the trend toward industry consolidation is continuing; Preqin data shows that fewer, larger funds are taking a greater share of all capital targeted. Another mega secondaries fund closed in Q3, reflecting strong investor interest in secondaries.

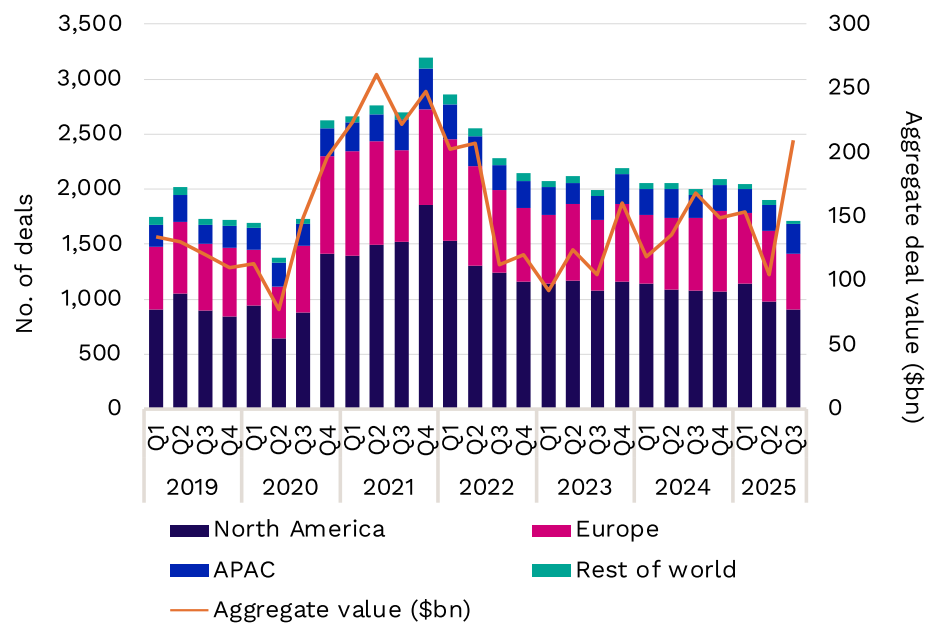
Market confidence shown by big-ticket North America deal-making

North America’s quarterly deal value more than doubled in Q3 2025, in stark contrast to the previous quarter’s 42% fall (to \$60.7bn). However, the number of North America deals tracked by Preqin fell to 902 in Q3, from 977 in the previous quarter (Fig. 1). Our [previous quarterly review](#) also noted a trend toward larger deals over the past few years. After quantitative easing around the COVID crisis, more money circulated, larger GPs drew more investor capital, and average deal sizes increased.

Fig. 1: Several mega deals lift the aggregate deal value for the quarter

Number of private equity-backed buyout deals, by region

[View latest chart data on Preqin Pro](#)



Source: Preqin

This quarter saw even larger deals than the second quarter of 2025. Particularly notable was a \$55bn public-to-private deal in the US within the software/gaming subsector; this transaction alone accounted for 43% of North American deal value in Q3. We have noted in [our research to date](#) that, while the IPO market remains subdued, more companies are choosing to either stay or go private.

The second-largest deal of the quarter was struck in the Netherlands in the manufacturing space according to Preqin data. A few other large deals in Europe exceeding \$5bn in size also lifted European aggregate private equity deal value, which was up 83% on the previous quarter, to \$53.2bn. Aggregate deal value in APAC increased by a similar magnitude – by 86% to \$23.8bn. As a result, global private equity aggregate value doubled this quarter to \$209.2bn, almost reaching quarterly totals

observed in 2021 – the best year for the industry by aggregate deal value and volume. Nevertheless, the rate cutting cycle may have some way to go, and a pick-up in deal volume is still to be seen in 2025.

Exits still slow, but slight uptick outside North America and Europe

Although an increase in deal-making could create a build-up in potential exit volumes over the next decade, the exit environment remains stagnant. During the third quarter of 2025, the number of private equity exits globally fell across almost all categories highlighted by our team, resulting in a 7% quarter-on-quarter reduction in total exit volume (Fig. 2). Preqin tracked just 10 IPOs or follow-ons stemming from private equity-owned companies, down from 17 in the previous quarter and the lowest number on our records since 2009.

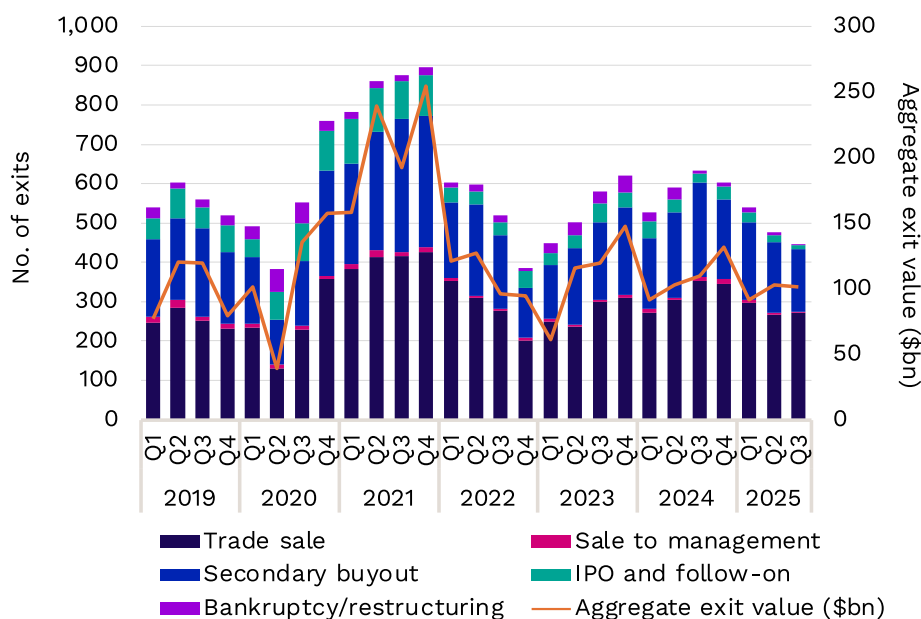
Although the number of exits fell in North America and Europe, APAC and the rest of world (ROW) categories bucked the trend toward fewer exits. Preqin data for APAC and ROW shows exit volumes up 15% and 9%, respectively, on the previous quarter. Global aggregate exit value also declined, although only by 2% to \$101.0bn. Above, we noted the trend towards larger average deal sizes; average exit sizes have also increased, exceeding \$900mn for the second consecutive quarter and higher than the six-year quarterly average of \$668.5mn.

Fig. 2: Value of exits stable on the previous quarter

Number and aggregate value of global buyout exits, by type

[View latest chart data on Preqin Pro](#)

Explore Preqin Pro now
This report includes active links to latest data on Preqin.com



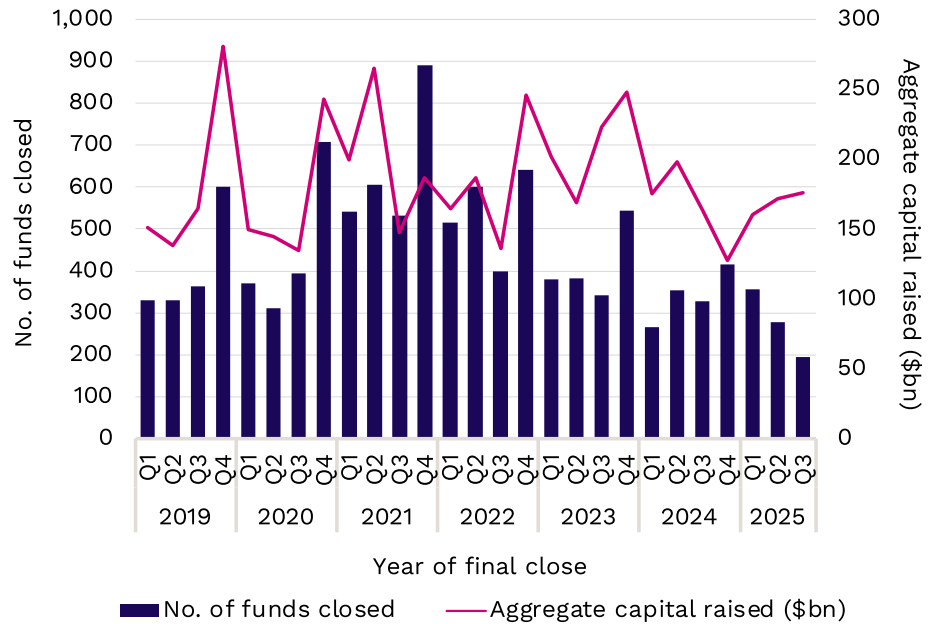
Source: Preqin

Fundraising efforts by GPs continue to face difficulties due to limited liquidity in the private equity sector and reduced capital flow between GPs and LPs. Slower deal flow and exits means less capital returned to investors, causing ongoing caution toward new commitments compared with pre-2022 levels. The industry raised \$175.8bn in the third quarter of 2025, slightly more than the \$171.7bn in Q2 2025 (Fig. 3). Only 194 funds closed in the quarter according to Preqin data – a 30% decrease from 278 in Q2 2025 and lower than the six-year average of 456, which was inflated by a record number of closings in 2021. Fewer funds closed and a slight increase in aggregate capital raised on the previous quarter indicates fundraising is also following the trend of industry consolidation, with fewer but larger funds raised by fewer GPs. Across Q1–Q3 2025, secondaries fundraising (discussed in greater detail below) totaled \$73.4bn, representing a considerable portion (14%) of total global private equity fundraising. Secondaries’ 10-year average share of private equity fundraising is 7%. In this context, primary fundraising over the past three quarters appears comparatively modest.

Fig. 3: Fewer but larger funds exceed aggregate capital raised in the previous quarter

Capital raised and number of global private equity funds closed

[View latest chart data on Preqin Pro](#)



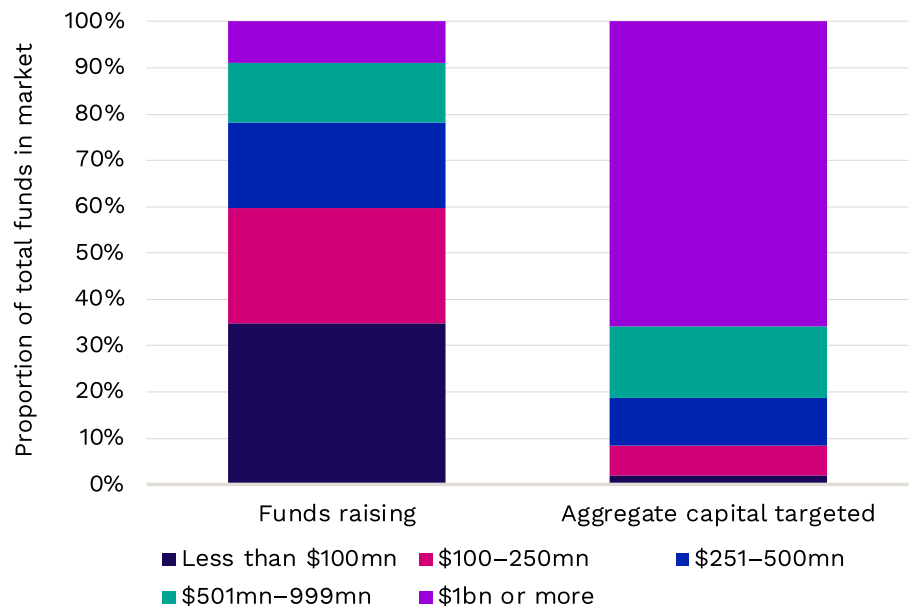
Source: Preqin

Private equity mega funds have grown their fundraising appetite over the past four years. In the third quarter of 2021, mega funds¹ accounted for 12% of total funds in market and sought to raise an average of \$3.5bn. In Q3 2025, although accounting for a slightly smaller proportion of total funds in market (9%), mega funds sought to raise a much larger average of \$4.3bn.

Fig. 4: Few, large funds continue to dominate share of capital targeted

Private equity funds in market by target size, Q3 2025

[View latest chart data on Preqin Pro](#)



Source: Preqin

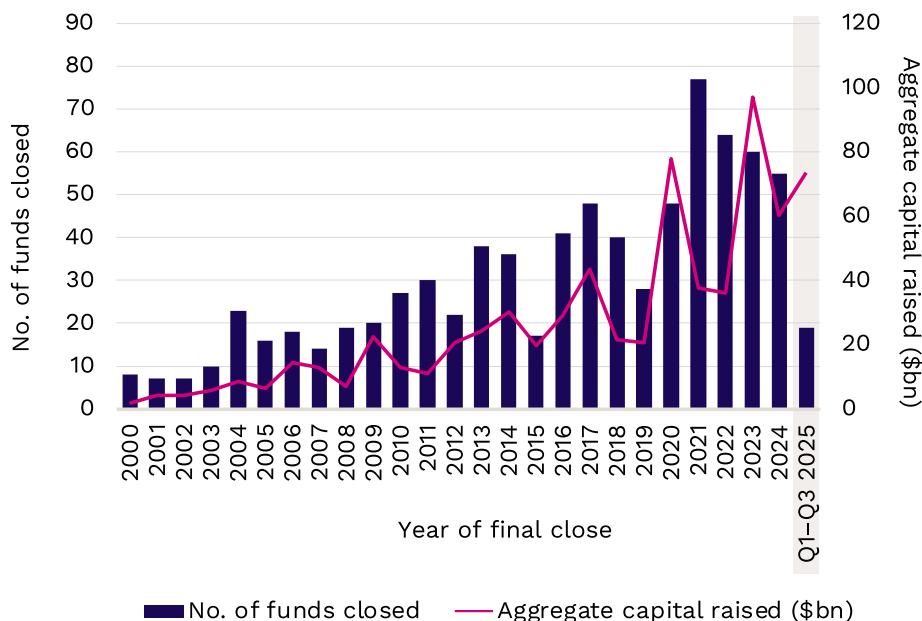
¹ Here we define mega funds as those targeting \$1bn or more

Secondaries fundraising continues to mirror consolidation in the broader private equity industry. In the third quarter of 2025, just seven secondaries funds closed according to Preqin, with one \$20bn fund contributing two-thirds of the \$30.4bn total capital raised. In Q1 2025, a single \$30bn fund accounted for the vast majority of secondaries fundraising in that quarter. These two large closes pushed secondaries' share of global private equity fundraising in the first three quarters of 2025 to 14% – greater than its previous peak in full-year 2009 of 12%, according to Preqin data (please see data pack).

Fig. 5: Further consolidation of secondaries fundraising in 2025

Global private equity secondaries fundraising

[View latest chart data on Preqin Pro](#)



Source: Preqin

Ongoing investor concern around the slow exit environment in private equity over the past few years may have prompted more investors to turn to secondaries. In [our investor surveys](#) between June 2021 and June 2025, the proportion of investors naming secondaries among fund types presenting the best opportunities grew from 41% to 57%.

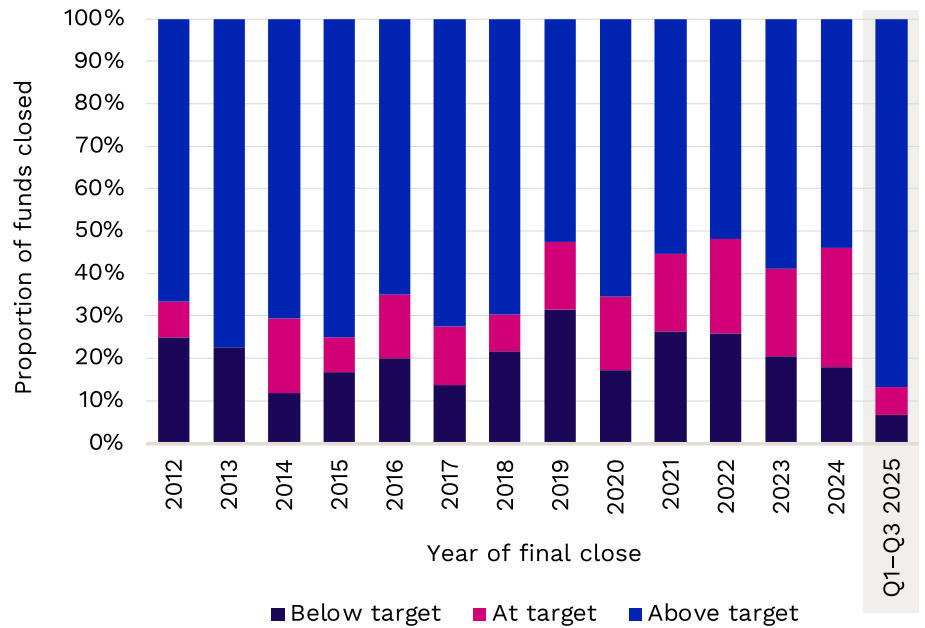
Proportion of secondaries funds closed above target at historical high

The proportion of secondaries funds closing above target in the first three quarters of 2025 surpassed its previous record high in 2013 (Fig. 6). Investor interest in secondaries is expected to persist while exits in primary markets remain slow. We believe recovery in direct private equity activity will take some time, with GPs navigating a still-challenging market in which buyers and sellers take longer to negotiate. In the meantime, both GPs and LPs are likely to continue actively transacting on the secondaries market.

Fig. 6: Jump in secondaries funds closing above target

Fundraising vs. target for closed private equity secondaries funds

[View latest chart data on Preqin Pro](#)



Source: Preqin

In our view, when the primary market does rebound as expected, secondaries may lose some of the prominence gained during the 2022–2025 slowdown. Still, as highlighted in our [Private Markets in 2030](#) report, private equity secondaries AUM is projected to outpace overall private equity AUM growth, with the former’s share of AUM projected to rise from 8.3% in 2024 to 11.0% by 2030F.

Private equity's outlook still positive in the long term

THIS IS A SPONSORED OPINION BY AMERICAN INVESTMENT COUNCIL (AIC)

Private equity funds demonstrate strong long-term performance and benefits for investors, despite short-term volatility



Jamal Hagler

Senior Vice President of Research,
American Investment Council

Jamal Hagler serves as Senior Vice President of Research at the **American Investment Council (AIC)**, producing reports on investment trends, fund performance, sector-specific investment, and returns to pension funds. The AIC is an advocacy and resource organization established to develop and provide information about the private investment industry and its contributions to the long-term growth of the US economy and retirement security of American workers.

Private equity has historically outperformed public markets. In your view, how has its role in institutional portfolios evolved?

Private capital is becoming a staple of institutional investors' portfolios. Over the past 20 years, investors have increasingly seen the importance of private capital and the benefits it brings. Returns are likely the main driver, as private equity continues to outperform public markets. However, there are also important aspects for institutional investors such as the diversification benefits that private equity brings to institutional portfolios.

One example I like to cite is that in the US, the number of public companies has halved since the mid-1990s, resulting in a lower opportunity set in the public markets, but relatively higher growth potential in private markets.¹

Private equity is an asset class in which assets are held over longer time horizons, so it is important not to get distracted by short-term challenges. Evaluating returns over the next 2–5 years could be too short a window to see how much value private equity brings to a portfolio.

How does the current pipeline for private equity deals and exits look?

In terms of private equity deals, the first half of this year was challenging, particularly in the second quarter after the tariff announcements. But I think investors are becoming more comfortable with the current geopolitical environment, and have a better understanding of how tensions could affect global economies. In the US, there could be potential interest rate cuts in the fall, which could further support deal pipeline growth, particularly M&A. There are also signs of the IPO market restarting.

As for exits, private equity managers are coming up with creative solutions to return capital to investors or allow them to stay invested. So, there has been an increase in net asset value lending against portfolios to help return capital to invest, as well as continuation vehicles and secondaries.

What is your outlook for private equity fundraising in the long term?

The investors we speak to continue to see the value of private capital. A recent Preqin survey also highlighted that a large percentage of investors either plan to maintain or increase their allocations to private equity.²

While there have been some challenges to fundraising due to exit difficulties and trouble cycling capital back to LPs, our view is that these challenges are short-lived. Eventually, as the exit market opens and capital gets distributed back to LPs, they will continue to invest in private equity funds. Private equity's diversification benefits are still attractive to LPs alongside the strong long-term performance compared to public markets.

Additionally, fundraising may benefit from a higher level of democratization in private markets. If access expands in appropriate ways with proper guardrails, more retirement savers can access the benefits that private markets bring.

¹ <https://data.worldbank.org/indicator/CM.MKT.LDOM.NO?locations=US>

² <https://pro.preqin.com/insights/research/investor-outlooks/investor-outlook-h2-2025?chapter=investor-outlook-h2-2025-private-equity>

The team behind insights+

EMEA

London



Cameron Joyce, CFA, CAIA

Private Equity and
Venture Capital
cameron.joyce@blackrock.com



Paul Sinthunont, CFA

Asset Allocation
paul.sinthunont@blackrock.com



Victoria Chernykh, MBA

Private Equity
victoria.chernykh@blackrock.com



Rachel Dabora

Private Wealth
rachel.dabora@blackrock.com



Salik Ahmed

Private Capital
salik.ahmed@blackrock.com



Piotr Jelonek, PhD

Data Science, Forecasting
piotr.jelonek@blackrock.com

North America

New York



Nicholas Mairone, CFA

Private Credit and Regulation
nicholas.mairone@blackrock.com



Michael Patterson, CFA

Venture Capital
michaela.patterson@blackrock.com

Dallas



Brigid Connor, CFA, CAIA

Fund Terms
brigid.connor@blackrock.com

APAC

Singapore



RJ Joshua, CFA

Private Credit
rj.joshua@blackrock.com



Angela Lai, CFA

Performance and Valuations
angela.lai@blackrock.com



Gerard Minjoot

Deals
gerard.minjoot@blackrock.com

Hong Kong



Henry Lam, CFA, CAIA

Real Estate
henry.lam@blackrock.com

Acknowledgements

Contributing analyst

Victoria Chernykh, MBA

Head of production

Colin Leopold

Editorial team

Karl Daniels-Read

Justine Kerford

Priya Rakkar

In-house designers

James Flanagan

Tim Short

Data resource management

Saheli Biswas

Jithesh Jayakumar

Caroline Jung

Viienne Lam

Empowering the global private markets **community** with essential **data** and **insights**.

preqin.com/insights – preqin.info@blackrock.com

Related insights⁺ research



Private Markets
in 2030

[Read now](#)



Preqin Global Report:
Private Equity 2025

[Read now](#)



Preqin's State of the
Market: H2 2025

[Read now](#)

All rights reserved. The entire contents of Private Equity Q3 2025: Preqin Quarterly Update are the Copyright of Preqin Ltd. No part of this publication or any information contained in it may be copied, transmitted by any electronic means, or stored in any electronic or other data storage medium, or printed or published in any document, report, or publication, unless expressly agreed with Preqin Ltd. The information presented in Private Equity Q3 2025: Preqin Quarterly Update is for information purposes only and does not constitute and should not be construed as a solicitation or other offer, or recommendation to acquire or dispose of any investment or to engage in any other transaction, or as advice of any nature whatsoever. If the reader seeks advice rather than information then it should seek an independent financial advisor and hereby agrees that it will not hold Preqin Ltd. responsible in law or equity for any decisions of whatever nature the reader makes or refrains from making following its use of Private Equity Q3 2025: Preqin Quarterly Update. While reasonable efforts have been made to obtain information from sources that are believed to be accurate, and to confirm the accuracy of such information wherever possible, Preqin Ltd. does not make any representation or warranty that the information or opinions contained in Private Equity Q3 2025: Preqin Quarterly Update are accurate, reliable, up to date, or complete. Although every reasonable effort has been made to ensure the accuracy of this publication, Preqin Ltd. does not accept any responsibility for any errors or omissions within Private Equity Q3 2025: Preqin Quarterly Update or for any expense or other loss alleged to have arisen in any way with a reader's use of this publication.