

# Dynamics of the liquidity slowdown in Private Equity

*Jeudi, 02/06/2025*

## Exploring the key drivers behind the recent decline in PE exit activity

Liquidity in the Private Equity market has experienced a marked slowdown in recent years, reshaping the landscape for investors. This trend has been evident in both Europe and North America, with declining exit values and slower distributions affecting capital flows. However, the underlying drivers of this slowdown differ between regions, revealing important insights into the evolving dynamics of Private Equity.

As investors reassess their allocation strategies to face market uncertainty, one segment has demonstrated remarkable resilience: the Lower Mid-Market. This space continues to offer disciplined investors a combination of stability, growth, and risk mitigation, making it an increasingly attractive area for capital deployment.

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