

This thesis is focused on investment and fundraising in private equity and aims to contribute to the understanding of the factors that influence it. The thesis is unique since it investigates common determinants of fundraising and investment and compares them between Central and Eastern Europe and Western Europe. We consider macro-determinants as well as determinants directly related to the private equity cycle. The thesis is based on two datasets running from 2002 to 2011 and each dataset consists of data of three countries with the largest private equity markets in the region. We selected the UK, Germany and Sweden as representatives of Western Europe and the Czech Republic, Hungary and Poland as representatives of Central and Eastern Europe. We use panel data method for our research. The results show that the main common determinants of private equity fundraising and investment in both regions are determinants directly related to the private equity cycle and market capitalisation.