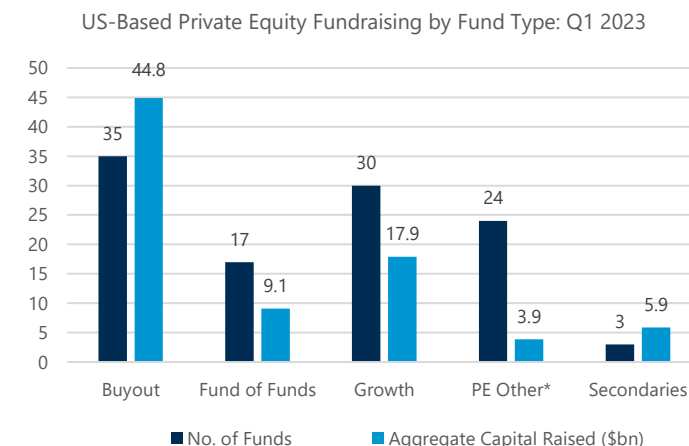
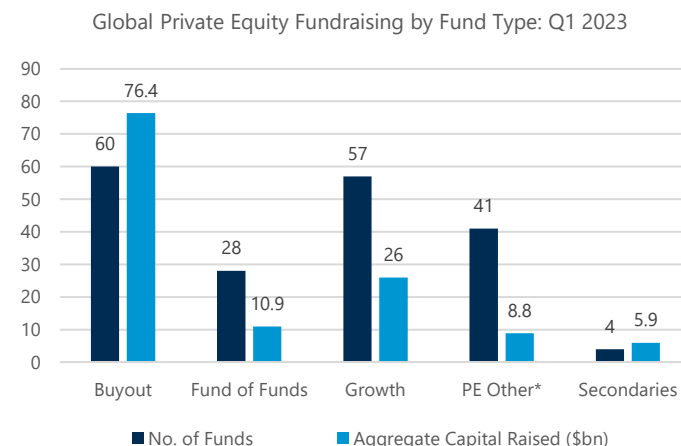
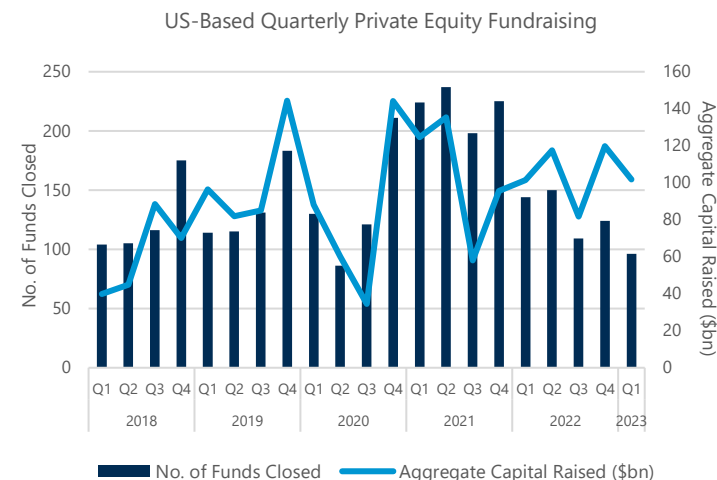
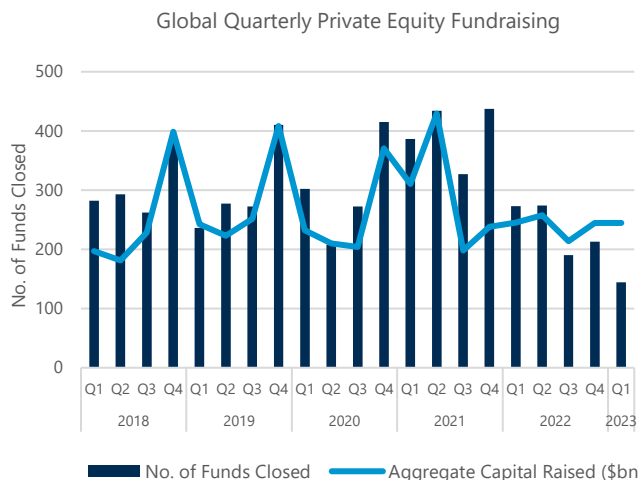


# PE FUNDRAISING AT A GLANCE

## Q1 Trends

- ▶ **Fundraising Decline.** The pace of private equity fundraising remains sluggish.
  - ▶ \$146.7bn was raised globally in Q1, up less than 1% from \$146.5bn raised in Q4 2022.
  - ▶ 144 funds reached a final closing globally in Q1, down 32.4% from 213 funds closed in Q4 2022, marking the lowest number of funds closed in any quarter over the last five years.
  - ▶ Capital was concentrated among fewer private equity funds in Q1, with the average fund size reaching over \$1bn for the first time in the last five years.
  - ▶ Buyout funds and growth strategy funds represented 52% and 18%, respectively, of aggregate capital raised globally in Q1.
- ▶ **Extended Fundraisings.** One-and-done closings appear to be gone for the moment, as many GPs are extending their initial fundraising periods. Rolling closings, where GPs close on LPs as soon as possible, are also trending. GPs are also using repeated and targeted communications, e-subscription booklet platforms and diligence platforms to drive momentum.

First Quarter 2023



\*PE Other includes balanced, co-investment, co-investment multi-manager, direct secondaries, hybrid, hybrid fund of funds, PIPE and turnaround funds.

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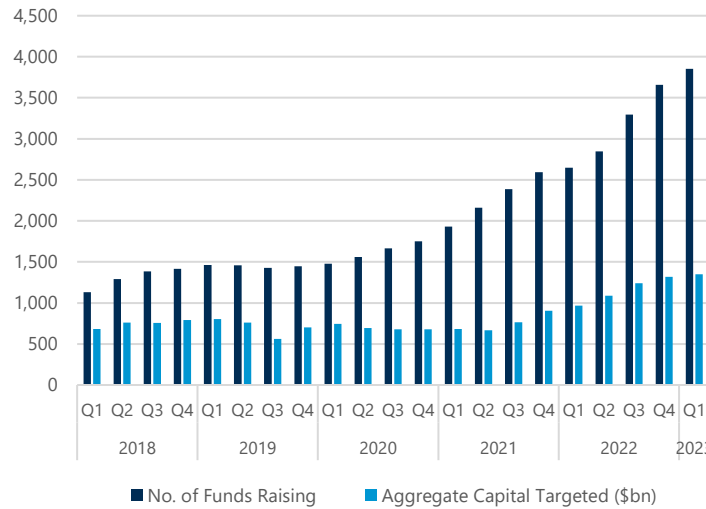
All charts were compiled by Preqin, and the data contained therein have not been reviewed for accuracy by Paul, Weiss.

Q1 Trends

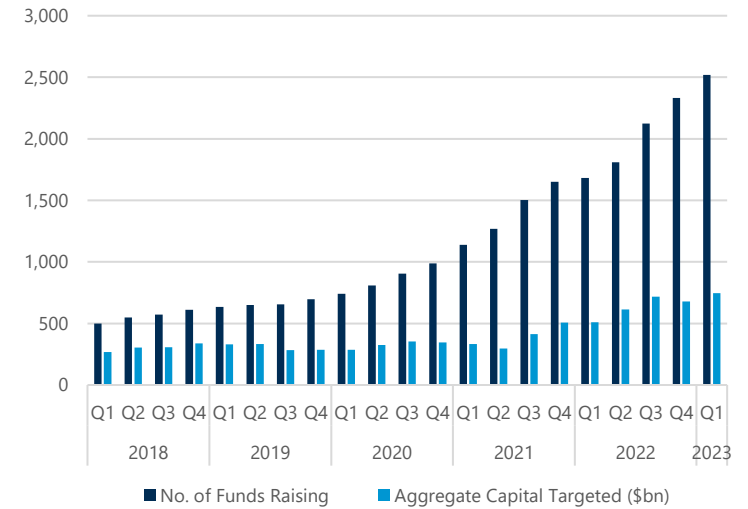
First Quarter 2023

- ▶ **Funds in Market.** At present, there are a record number of private equity funds (3,851) in the global market, a 5% increase from Q4 2022, resulting in the most funds in the market at any time over the last five years. Aggregate capital targeted globally in Q1 was also at a record high of \$1.348tn, up 2% from Q4 2022.
- ▶ **AUM; Dry Powder.** In Q3 2022, global private equity AUM reached an all-time high of \$5.225tn, a 4% increase from the prior quarter end, while dry powder also reached an all-time high of \$1.539tn, a 6% increase from the prior quarter end.
- ▶ **New Sources of Capital.** Investor constraints including overallocations, the denominator effect and a slowdown in fund distributions have forced private equity firms to seek capital from new sources such as high-net-worth individuals, insurance companies and non-US investors (i.e., Europe, Asia and the Middle East).
- ▶ **Slower Return to Market.** Some private equity firms are moderating the pace of their offerings by delaying their return to the market with new funds until they are confident they will be able to have a successful fundraise and there is more certainty in the global economy generally.

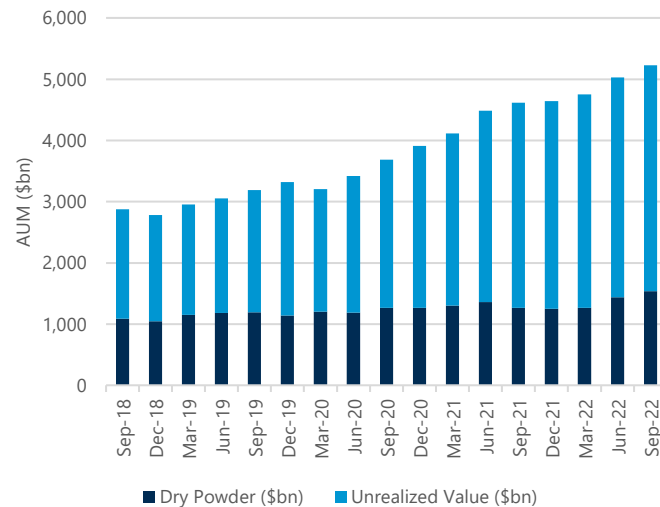
Global Quarterly Private Equity Funds in Market



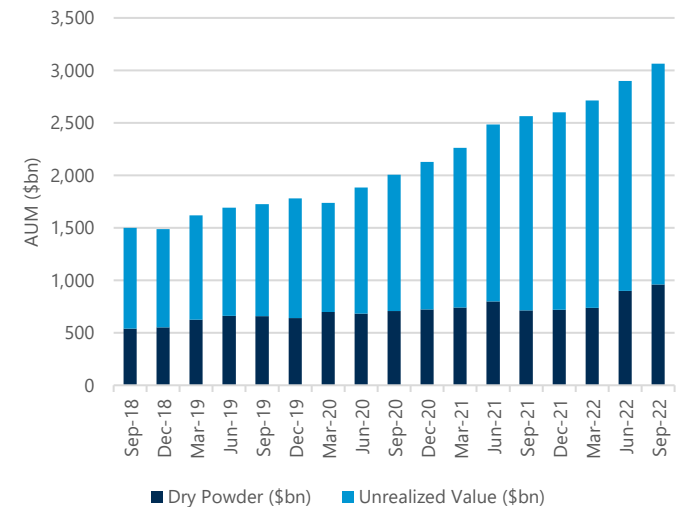
US-Based Quarterly Private Equity Funds in Market



Global Quarterly Private Equity AUM



US-Based Quarterly Private Equity AUM



## Our Private Equity Fundraising Group

Recognized as one of the premier private equity funds practices in the marketplace, the Paul, Weiss Private Equity Fundraising Group serves as industry-leading advisors to a diverse group of private equity firms, ranging from up-and-coming middle market firms to large alternative asset managers. Our deep and sophisticated team of private funds lawyers has experience in all aspects of the organization and operation of alternative asset management products across the spectrum. Our extensive market knowledge is built on decades of experience working hand in hand with private equity managers, investors and other key market participants, equipping us with unrivaled data about evolving trends and market dynamics and making us uniquely positioned to offer cutting-edge yet practical advice. We provide advice on both day-to-day questions and firm-defining decisions with respect to the full range of asset management services, including fund and management company formation, seed capital and strategic arrangements, partner arrangements and employee compensation, regulatory and compliance considerations and investment management M&A. The full suite of the firm's resources are at our clients' fingertips, and we work closely across practice areas to provide seamless advice to private equity funds throughout their lifecycles.

This publication is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this publication should be directed to:

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