

## Q3 Trends

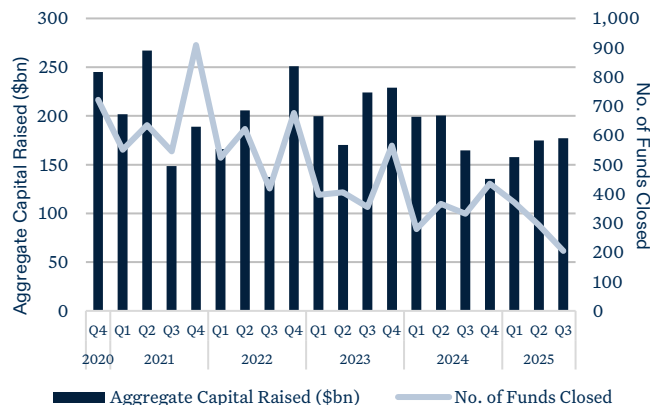
### ■ Divided Fundraising Market.

While global capital raised by private equity funds steadily increased over the last four quarters, LPs favored experienced and well-established GPs that often have compelling track records and greater resources.

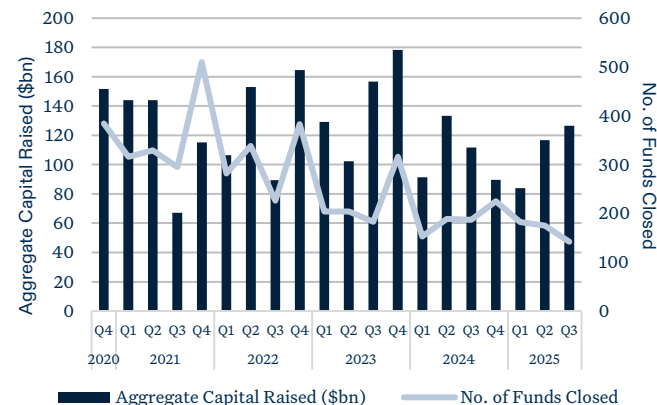
- ◆ \$177.1bn was raised globally in Q3, up 1.32% from \$174.8bn raised in Q2.
- ◆ The ten largest funds that held a final close in Q3 accounted for 61% of capital raised globally in Q3.<sup>1</sup>
- ◆ The number of funds closing declined in Q3 with 205 funds reaching a final closing globally, down 30.27% from 294 funds in Q2, marking the lowest number of funds closed in any quarter over the last five years.
- ◆ The average final fund size in Q3 increased 45.29% to \$863mn from \$594mn in Q2, likely skewed by large funds.
- ◆ Buyout funds, secondaries funds, and growth funds accounted for 57%, 17%, and 16%, respectively, of aggregate capital raised globally in Q3.

<sup>1</sup> Preqin.

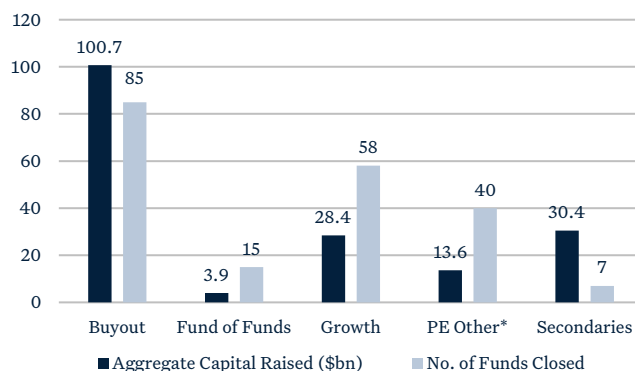
Global Private Equity Fundraising



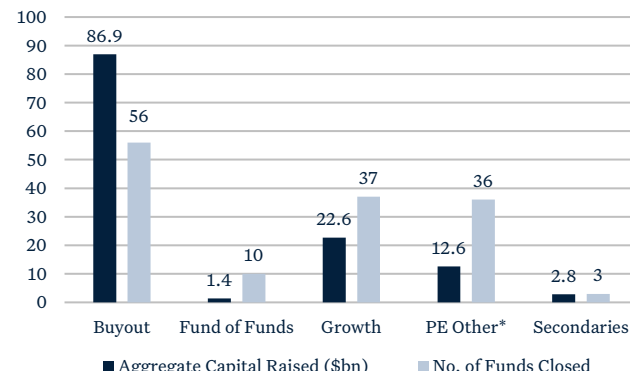
North America-Focused Private Equity Fundraising



Global Private Equity Fundraising by Fund Type



North America-Focused Private Equity Fundraising by Fund Type



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

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

## Q3 Trends

### ■ Shorter Fundraising Timelines.

The average number of months to reach a final close in 2025 YTD dropped to 18.5 months for buyout funds, down from an average of 20.8 months in FY 2024.<sup>2</sup>

### ■ Record Number of Funds in Market.

In Q3, there were 6,485 private equity funds in the market globally, up 8.4% from 5,983 funds in Q2, resulting in the most funds marketing at any time over the last five years.

### ■ Slight Increase in Capital Targeted.

Aggregate capital targeted globally in Q3 was \$1.043tn, up 3.4% from \$1.009tn in Q2.

### ■ Slight Drop in AUM.

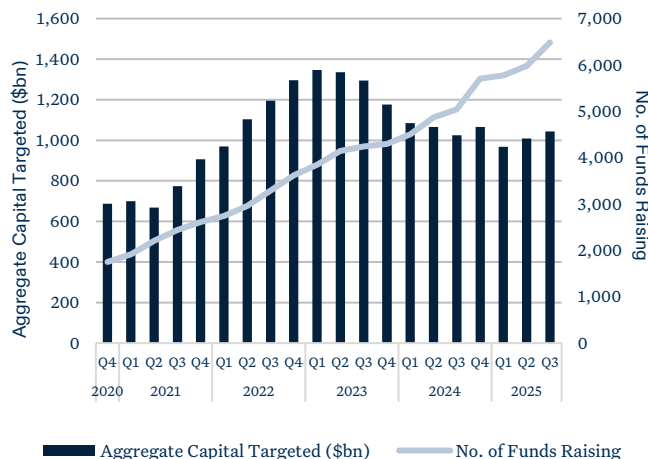
In Q1 2025, global private equity AUM was \$6.742tn, a 0.2% decrease from \$6.757tn reached in Q4 2024.

### ■ Slight Increase in Dry Powder.

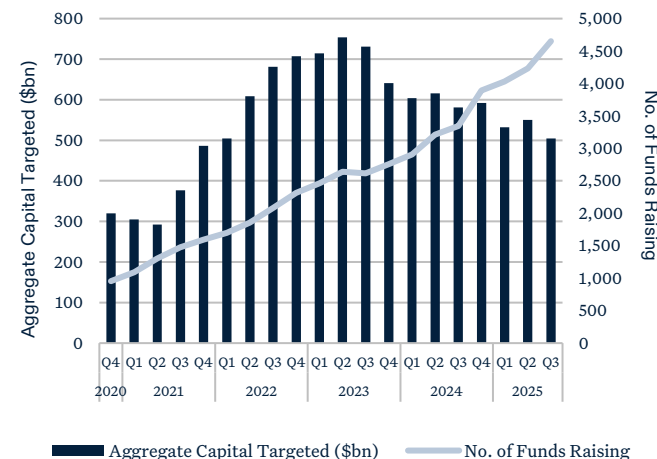
In Q1 2025, dry powder increased to \$1.658tn, a 0.36% increase from \$1.652tn at the prior quarter end. Dry powder represented 25% of AUM in Q1 2025, a decrease from an average of 27% over the preceding four and a half years.

<sup>2</sup> Buyouts.

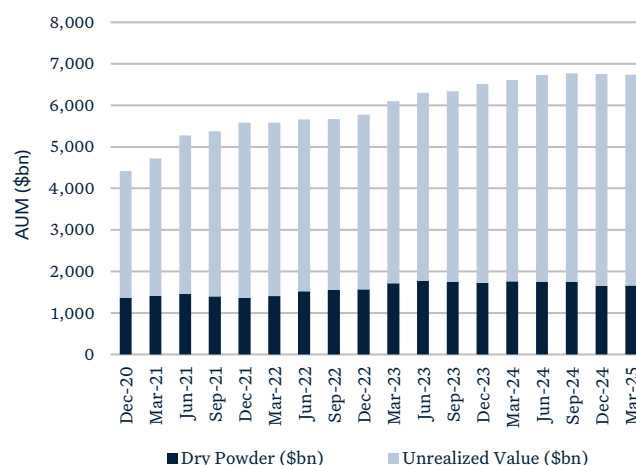
Global Private Equity Funds in Market



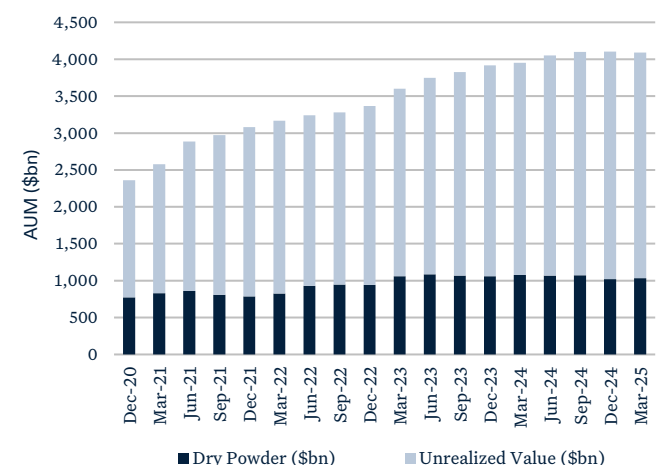
North America-Focused Private Equity Funds in Market



Global Private Equity AUM



North America-Focused Private Equity AUM



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:

**Caitlin Melchior**

+1-212-373-3352

[Email](#)

**Karen J. Hughes**

+1-212-373-3759

[Email](#)

---

## Our Investment Funds Group

Recognized as one of the premier private equity funds practices in the marketplace, the Paul, Weiss Investment Funds 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 investment 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.