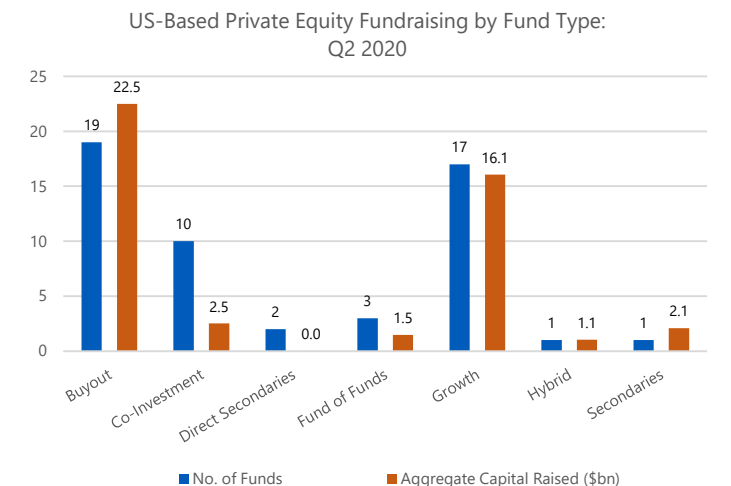
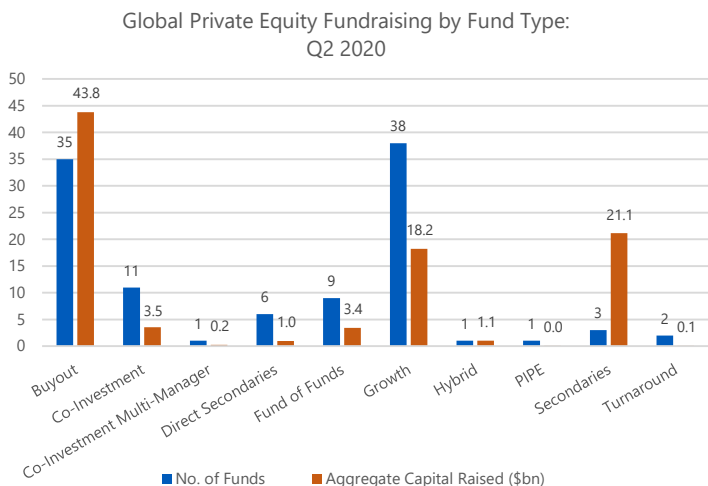
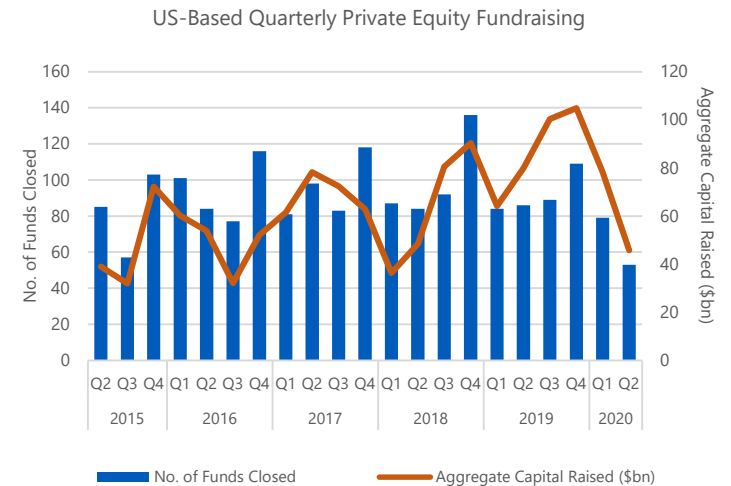
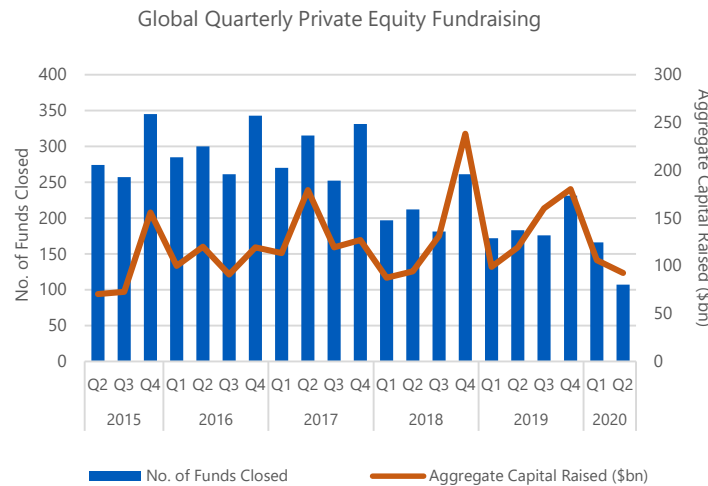


PE FUNDRAISING AT A GLANCE

Q2 Trends

- ▶ **Decline in Fundraising.** The fallout from the COVID-19 pandemic on private equity fundraising is apparent in the Q2 data.
 - ▶ Fundraising slowed in Q2 to the lowest quarterly total since Q1 2018.
 - ▶ The global amount of capital and number of funds raised declined in Q2, down approximately 50% from Q4 2019.
 - ▶ Approximately \$92.5bn was raised across 107 funds globally in Q2, down from approximately \$106bn raised across 166 funds in Q1.
- ▶ GPs mainly competed to raise capital for buyout, growth and secondary funds in Q2.
- ▶ Investor appetite was mostly targeted at established GPs.
- ▶ **Seamless Virtual Offerings.**
 - ▶ The private equity fundraising market reacted seamlessly to offerings and closings in a virtual world of Zoom meetings, investor portals and e-signatures.
 - ▶ GPs adapted quickly to the virtual world and generally proceeded with initially planned fundraising timetables.

SECOND QUARTER 2020

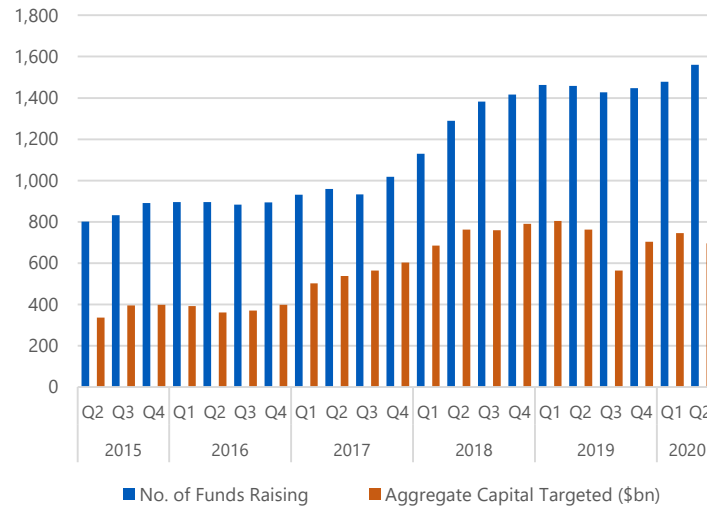


All charts were compiled by Preqin and the data contained therein has not been reviewed for accuracy by Paul, Weiss.

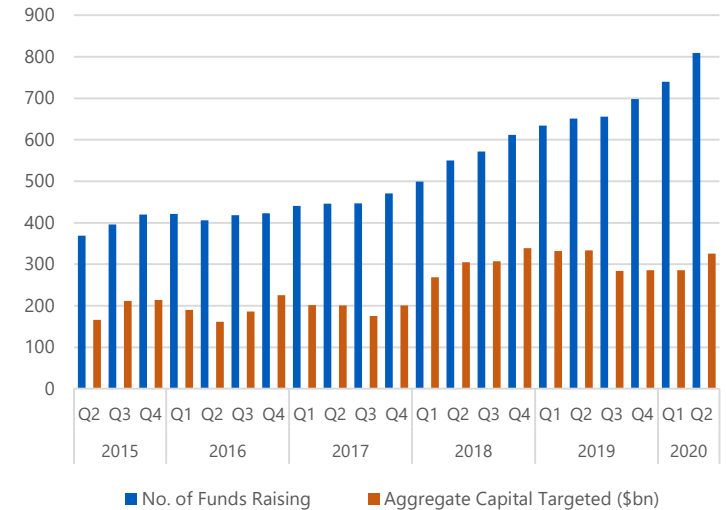
Q2 Trends

- ▶ **Funds in Market.** While 82 private equity funds entered the global market during Q2, aggregate capital targeted fell to \$696bn in Q2 from \$746bn in Q1.
- ▶ **Freeze in Secondary Activity.** Secondary transactions came to a halt as a result of the pandemic and the uncertainty surrounding valuations, but recent deal activity suggests a re-engagement in secondary activity.
- ▶ **Need for Liquidity.** GPs looked to the credit markets to meet their financing and liquidity needs, including subscription lines of credit, raising debt at the portfolio company level, NAV financings, and preferred equity transactions.
- ▶ **Uncertainty of Governmental Relief.** GPs were generally excluded from participating in economic relief programs; however, their portfolio companies *may* be eligible, subject to meeting certain affiliation and economic uncertainty certification requirements. A number of private equity backed companies that received Paycheck Protection Program ("PPP") money are considering repaying the loans due to a public outcry.
- ▶ **Increase in Societal Initiatives.** The pandemic prompted GPs to evaluate their commitment to environmental, social, and governance ("ESG")-related investing through a lens of social citizenship. GPs responded by focusing on social impact initiatives such as providing funding and supplies to medical staff and organizing relief programs to support portfolio company workers.

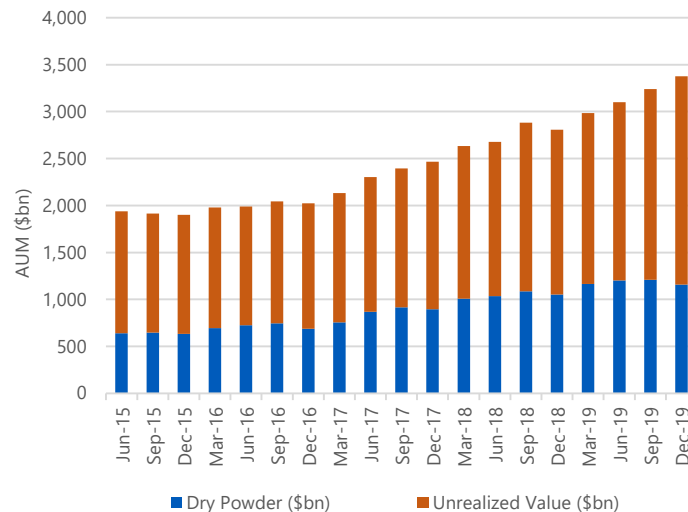
Global Quarterly Private Equity Funds in Market



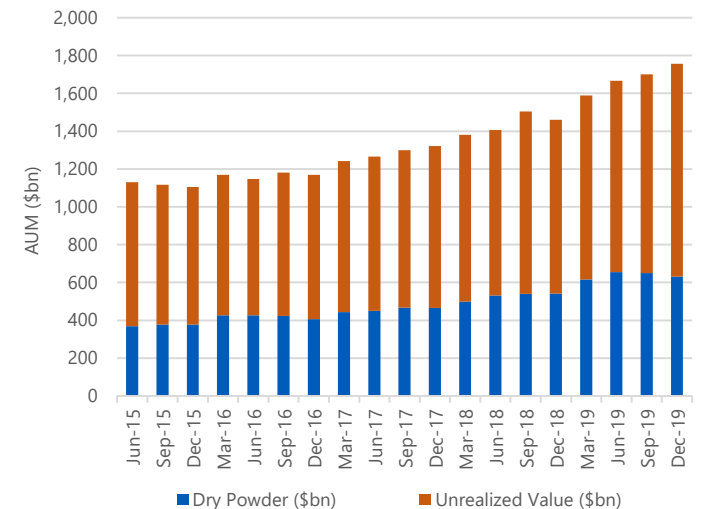
US-Based Quarterly Private Equity Funds in Market



Global Quarterly Private Equity AUM



US-Based Quarterly Private Equity AUM



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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