

# PE FUNDRAISING AT A GLANCE

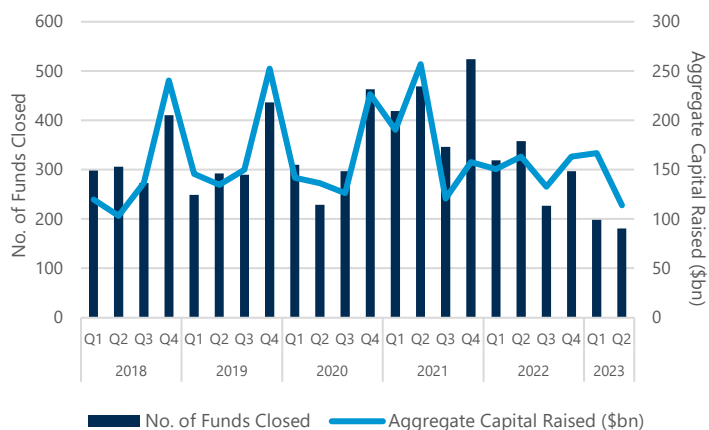
## Q2 Trends

- ▶ **Fundraising Decline.** Private equity fundraising declined in Q2.
  - ▶ \$114bn was raised globally in Q2, down 32% from \$166.8bn raised in Q1 and representing the weakest quarter for fundraising since Q2 2018. Similarly, global fundraising was down 10% in H1 2023 from H1 2022.
  - ▶ 181 funds reached a final closing globally in Q2, down 9% from 198 funds closed in Q1, marking the lowest number of funds closed in any quarter over the last five years. Similarly, the number of funds reaching a final closing globally was down 44% in H1 2023 from H1 2022.
  - ▶ Buyout funds and growth strategy funds represented 61% and 25%, respectively, of aggregate capital raised globally in Q2.
- ▶ **Extended Fundraising Timelines.** Private equity funds took an average of 16.6 months to reach a final closing in H1 2023, compared to an average of 10.6 months in all of 2022.<sup>1</sup> Amidst longer fundraising timelines, fundraising targets have come under pressure, and some GPs have responded by scaling back expectations on fundraising targets.

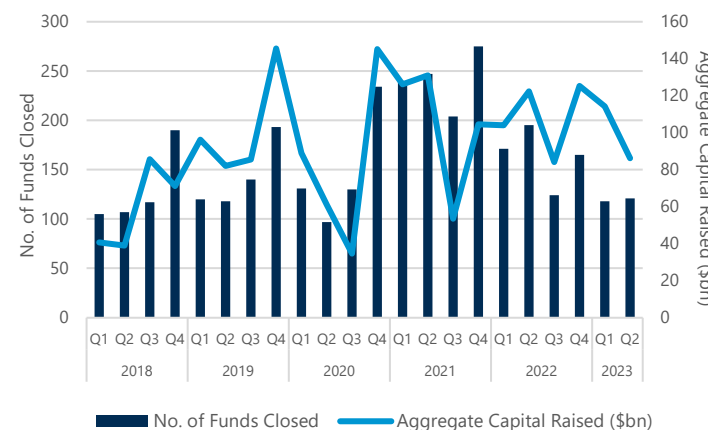
<sup>1</sup> Buyouts.

Second Quarter 2023

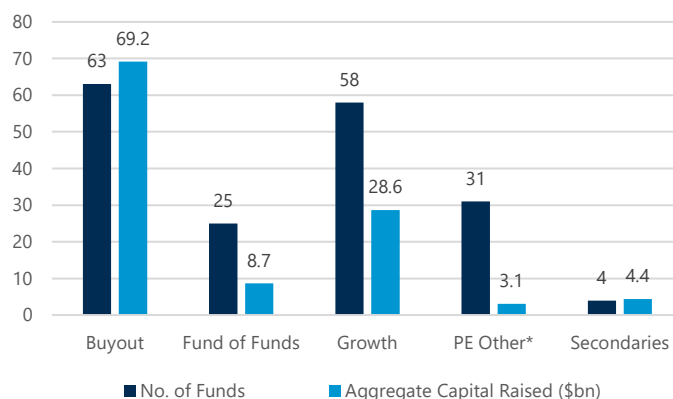
Global Quarterly Private Equity Fundraising



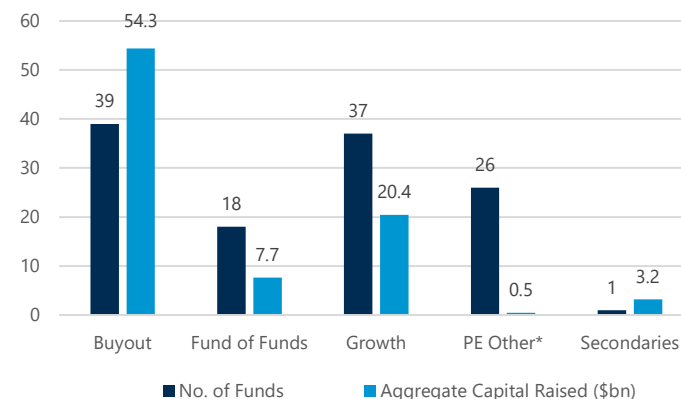
US-Based Quarterly Private Equity Fundraising



Global Private Equity Fundraising by Fund Type: Q2 2023



US-Based Private Equity Fundraising by Fund Type: Q2 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.

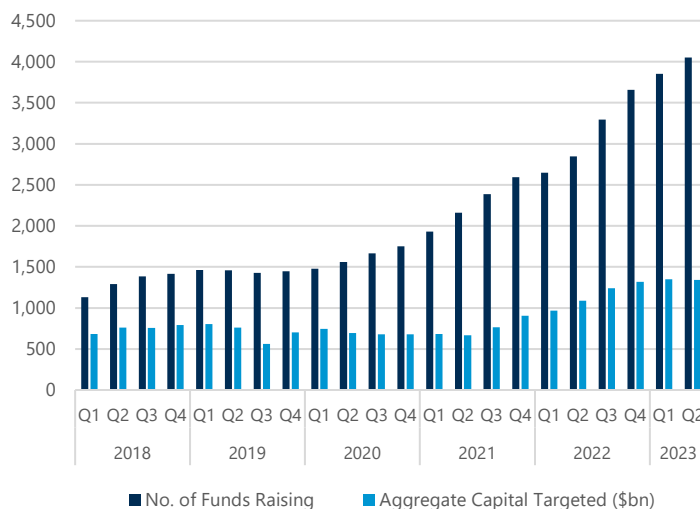
Q2 Trends

Second Quarter 2023

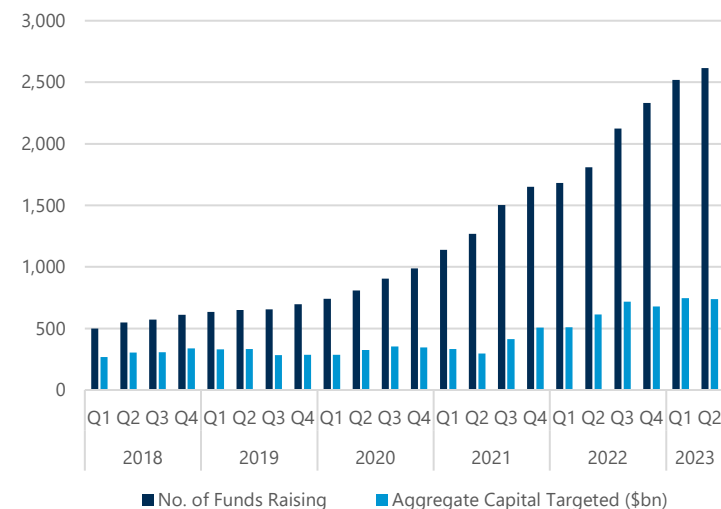
- **Funds in Market.** At present, there are a record number of private equity funds (4,051) in the market, a 4% increase from Q1, resulting in the most funds in the market at any time over the last five years. Aggregate capital targeted globally in Q2 was \$1.34tn, down less than 1% from Q1.
- **AUM; Dry Powder.** In Q4 2022, global private equity AUM was \$5.192tn, marking the second highest AUM in any quarter in history. Dry powder was \$1.4tn, a 9% decrease from the prior quarter end.
- **Congested Fundraising.** With a record number of private equity funds currently in the market, LPs are being forced into difficult allocation decisions. There has been a consolidation of capital among a smaller number of GPs raising a larger portion of the total capital, and LPs are favoring experienced and familiar GPs. Eight of the 10 largest funds currently in the global market are seeking at least \$20bn each.<sup>2</sup> Moreover, the 10 largest funds that held final closes in H1 2023 amassed \$111bn<sup>2</sup> among them, representing 40% of aggregate capital raised in H1.
- **Softening of GP-Led Secondaries Market.** The value of GP-led secondary transactions that closed in H1 2023—3% of which were single-asset transactions—totaled \$17bn, down 15% from the same period in 2022. Secondaries pricing slid from 83% in full year 2022 to 80% in H1 2023.<sup>3</sup>

<sup>2</sup> Private Equity International.  
<sup>3</sup> Greenhill Global Secondary Market Review H1 2023.

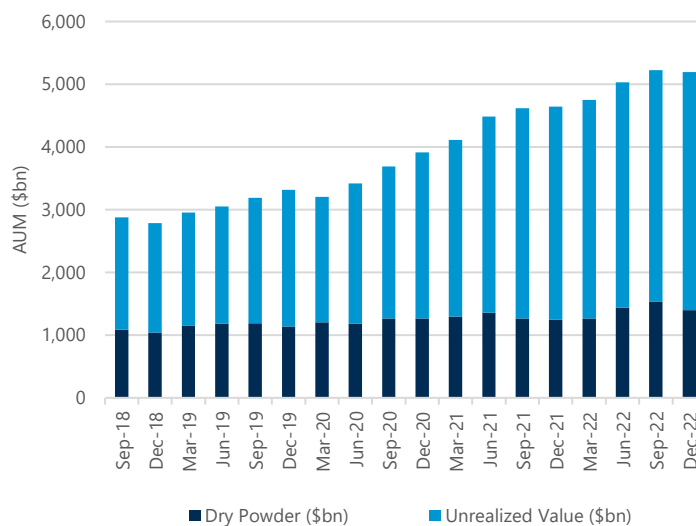
Global Quarterly Private Equity Funds in Market



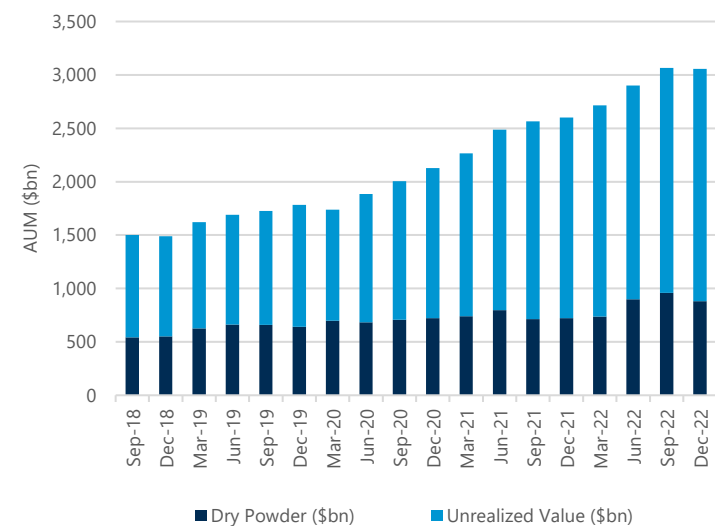
US-Based Quarterly Private Equity Funds in Market



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.

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