

PE FUNDRAISING AT A GLANCE

Q2 Trends

▶ **Challenging Fundraising Market.**

Private equity fundraising was challenging in Q2.

▶ \$150.8bn was raised globally in Q2, down 11% from \$168.8bn raised in Q1.

▶ The pace of funds closing slowed in Q2 with 184 funds reaching a final closing globally, down 2.6% from 189 funds that closed in Q1, and marking the lowest number of funds closed in any quarter over the last five years.

▶ **Strong Interest in Buyout Funds.**

Buyout funds represented 67% of aggregate capital raised globally in Q2, followed by growth strategy funds and secondaries funds, which accounted for 17% and 10%, respectively, of aggregate capital raised globally.

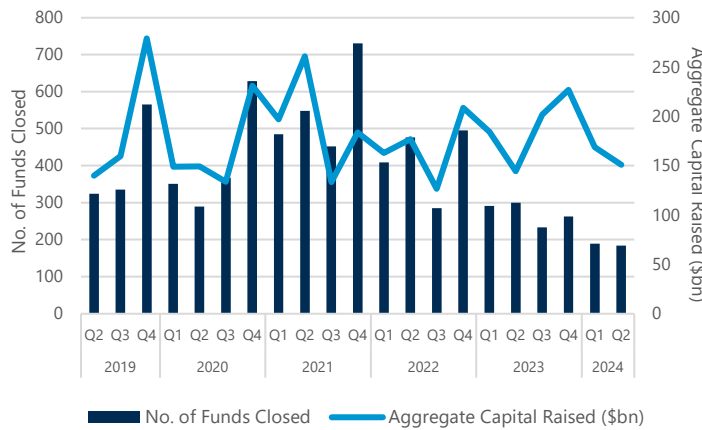
▶ **Smaller Fund Sizes.** The average final fund size in Q2 dropped 8% to \$820mn from \$893mn in Q1.

▶ **Longer Offering Periods.** The average number of months to reach a final close increased to 26 months in 2024 YTD, up from 22 months in 2023.¹

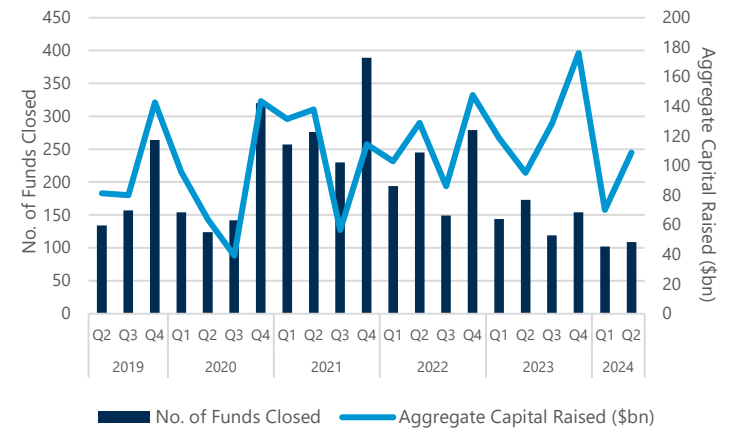
¹ Preqin.

Second Quarter 2024

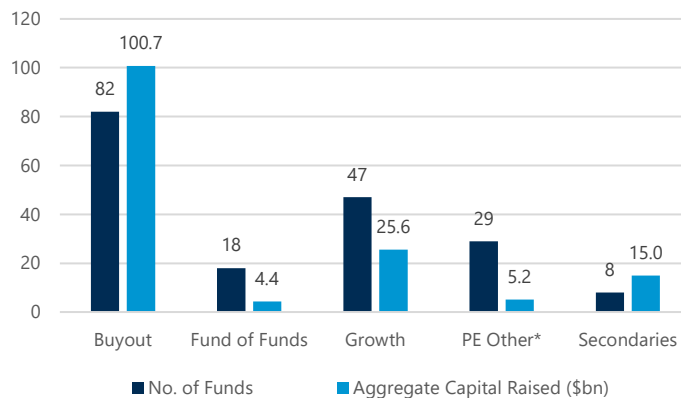
Global Quarterly Private Equity Fundraising



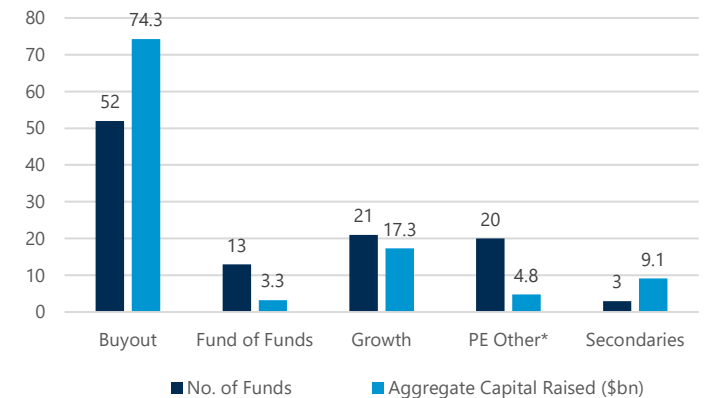
US-Based Quarterly Private Equity Fundraising



Global Private Equity Fundraising by Fund Type: Q2 2024



US-Based Private Equity Fundraising by Fund Type: Q2 2024



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

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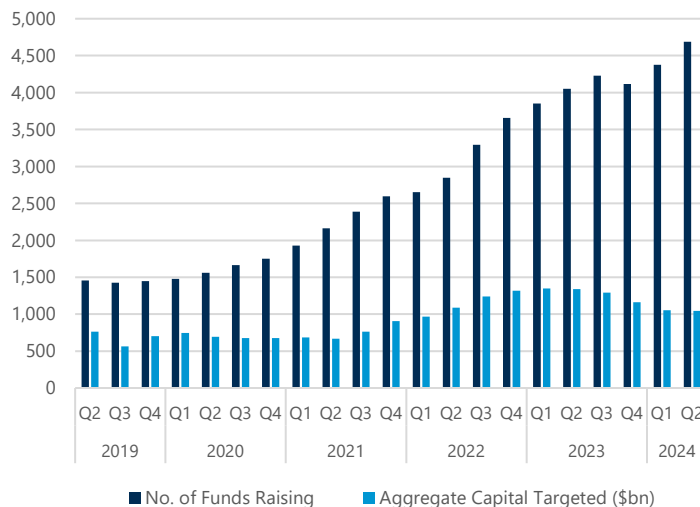
All charts were compiled by Preqin, and the data contained therein have not been reviewed for accuracy by Paul, Weiss.

Q2 Trends

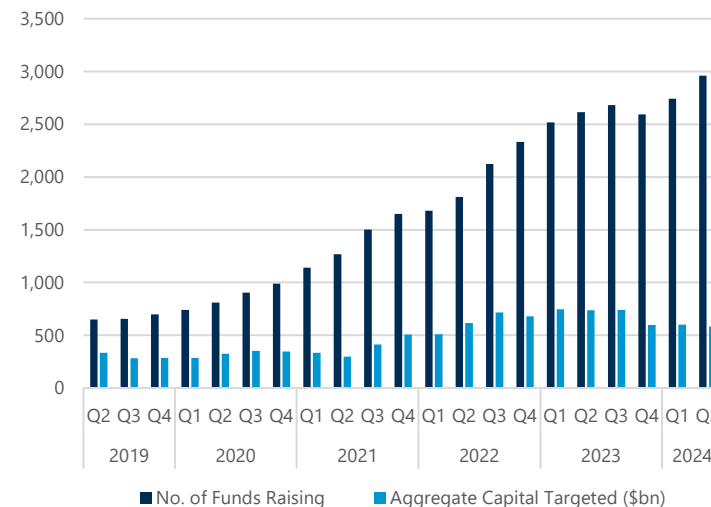
Second Quarter 2024

- More Funds in Market.** In Q2, there were 4,688 private equity funds in the market globally, a 6.6% increase from 4,375 funds in Q1 and representing the most funds in market during any quarter to date.
- Less Capital Targeted.** Aggregate capital targeted globally in Q2 was \$1.045tn, down 0.8% from \$1.053tn in Q1 and representing the lowest quarterly capital targeted since Q1 2022.
- Pressure on Fund Terms.** With a record number of private equity funds currently fundraising and LPs facing overallocations and slowed distributions, GPs are competing over limited investor dollars. As such, many GPs are modifying terms in response to the difficult fundraising market, including management fee discounts, key person triggers, and conflicts of interest.
- AUM; Dry Powder.** In Q4 2023, global private equity AUM reached an all-time high of \$5.987tn, a 0.5% increase from the prior quarter end, while dry powder dropped to \$1.638tn, a 5% decrease from the prior quarter end.

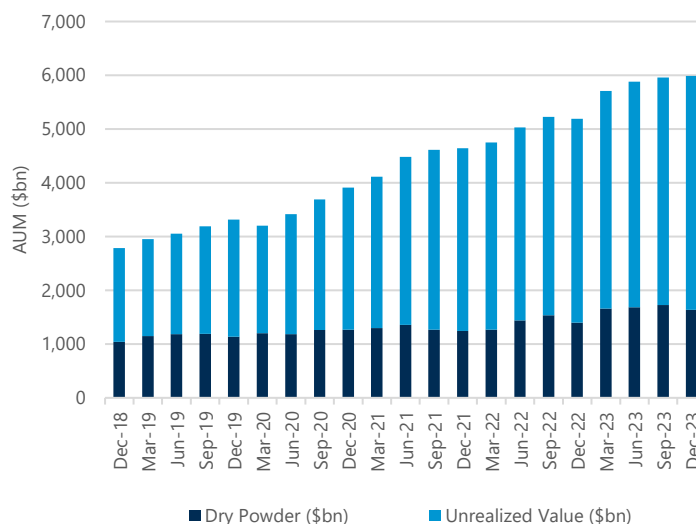
Global Quarterly Private Equity Funds in Market



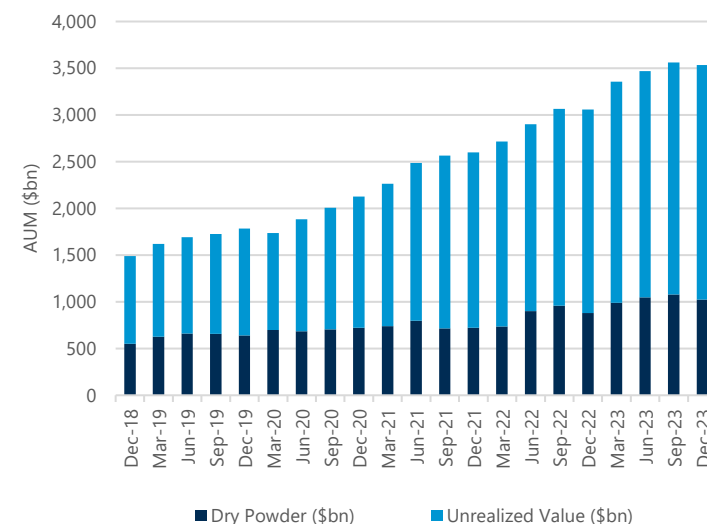
US-Based Quarterly Private Equity Funds in Market



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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