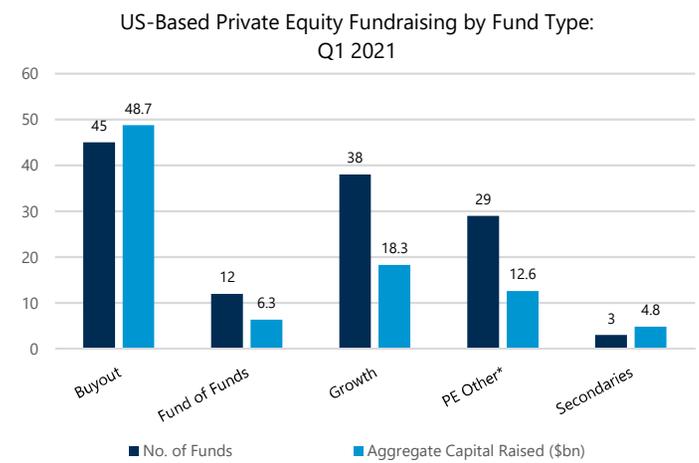
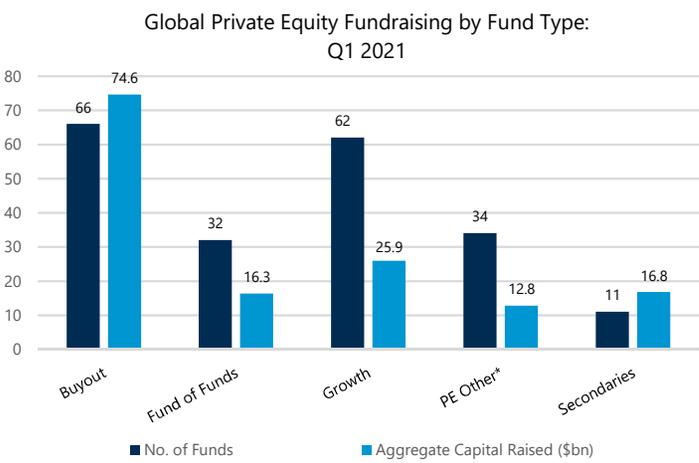
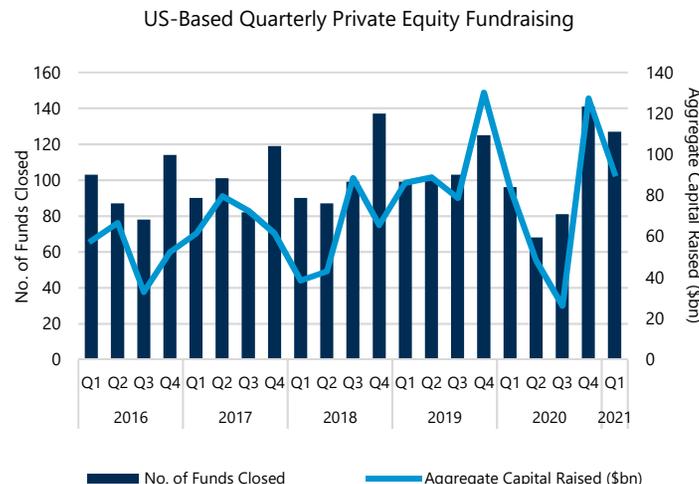
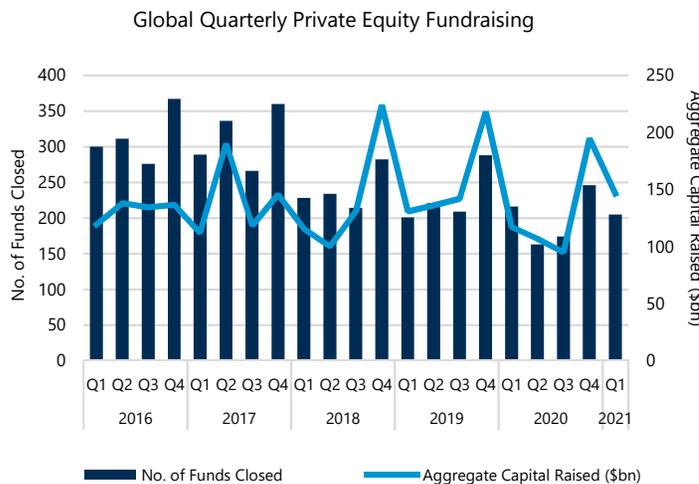


PE FUNDRAISING AT A GLANCE

Q1 Trends

- ▶ **Fundraising.** Private equity funds continued to rebound in Q1.
 - ▶ \$146.4bn was raised across 205 funds globally in Q1, down 25% and 17%, respectively, from \$194.9bn raised across 246 funds in Q4 – on par with typical Q4 to Q1 declines in fundraisings.
 - ▶ Buyout funds represented 32% of funds raised and 51% of aggregate capital raised in Q1.
 - ▶ Secondaries funds continued to gain popularity due to a growing inventory of mature funds where investors are seeking liquidity.
- ▶ **SPACs.** In Q1, SPACs raised \$97.3bn in 298 IPOs (increases of 14% and 16%, respectively, over all of 2020).¹ This popularity has resulted in a surge of shareholder lawsuits and may mean more enforcement ahead, as the SEC recently issued guidance outlining accounting, reporting, auditing and governance considerations relating to SPACs.
- ▶ **ESG.** ESG-driven strategies are on the rise, and private equity firms are navigating the disclosure processes, developing best practices and managing reputational risk related to their ESG activities. The SEC is increasing its focus on ESG matters, including the creation of a Climate and ESG Task Force which will, among other things, focus on disclosure and compliance issues relating to ESG strategies.

First Quarter 2021



*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. Charts do not include data regarding venture capital funds.

Q1 Trends

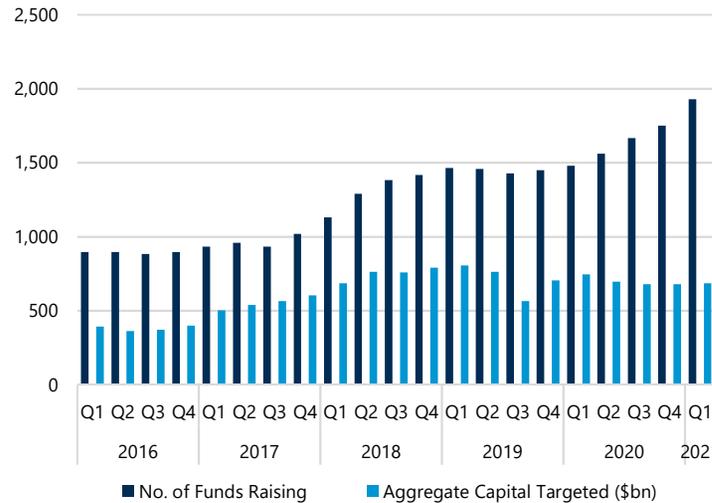
First Quarter 2021

- ▶ **Funds in Market.** Fundraising efforts remained strong with a record number of funds (1,929) in the market in Q1. Aggregate capital targeted rose to \$684.4bn in Q1 from \$677.9bn in Q4, but was down from Q1 targets in 2018 - 2020.
- ▶ **AUM; Dry Powder.** Global private equity AUM and dry powder reached all-time highs of \$3.688tn and \$1.266tn, respectively, at the end of Q3 2020.
- ▶ **Evolving Fund Terms.** The pandemic brought certain fund terms to the forefront.

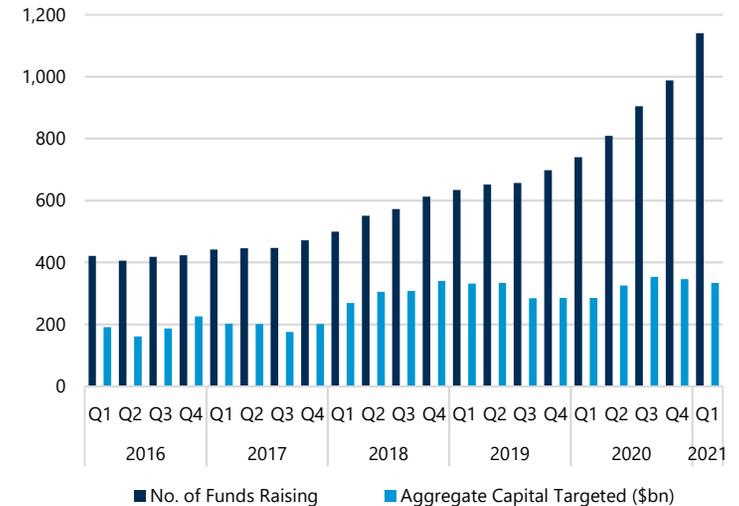
 - ▶ **Flexibility.** Newly negotiated flexibilities around recycling, use of fund-level credit, facilitation of secondary transactions, restructurings and extensions are likely to remain in LPAs post-pandemic.
- ▶ **Key Persons.** Key person clauses came under heightened scrutiny. The growth in size and products offered by private equity firms and the aging or retirement of founders resulted in key person triggers that are more complex than ever.
- ▶ **SEC Exams.** The SEC's Office of Examinations announced that in 2021 it will focus on the following in examining private fund advisers: disclosures of conflicts of interest and investment risks, adviser-led fund restructurings, liquidity, preparedness for LIBOR discontinuation and transition, ESG and social impact strategies and related disclosures, implementation and integration of technology and the impact of recent economic conditions on portfolio companies.

¹Source: SPAC Alpha.

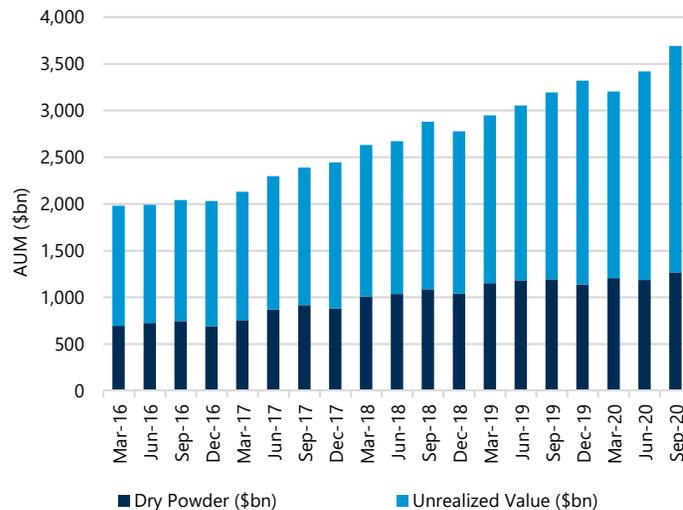
Global Quarterly Private Equity Funds in Market



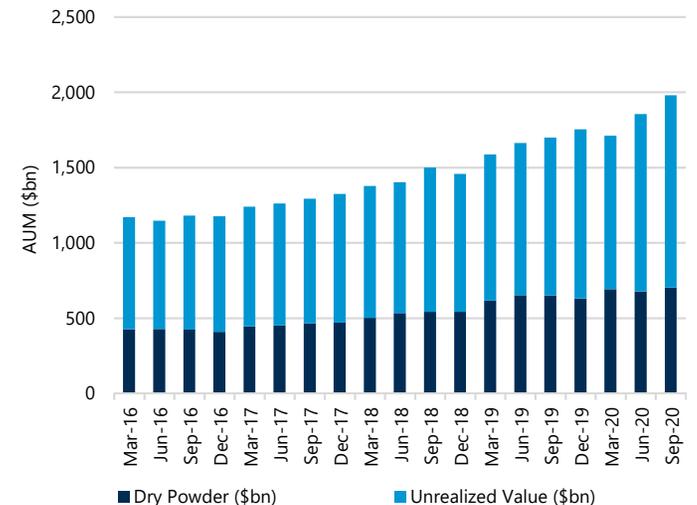
US-Based Quarterly Private Equity Funds in Market



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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Our Private Equity Fundraising Group

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