

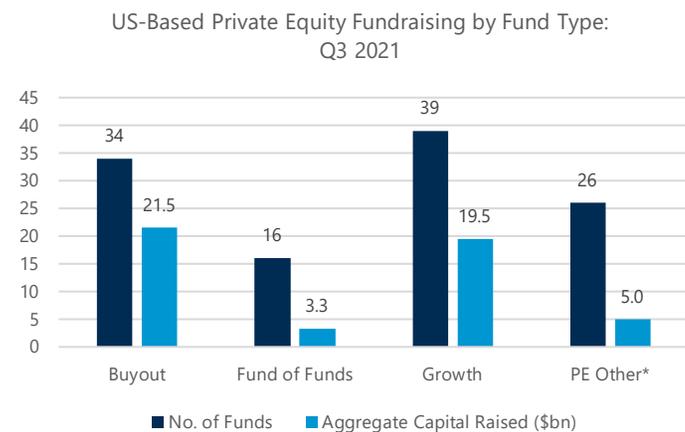
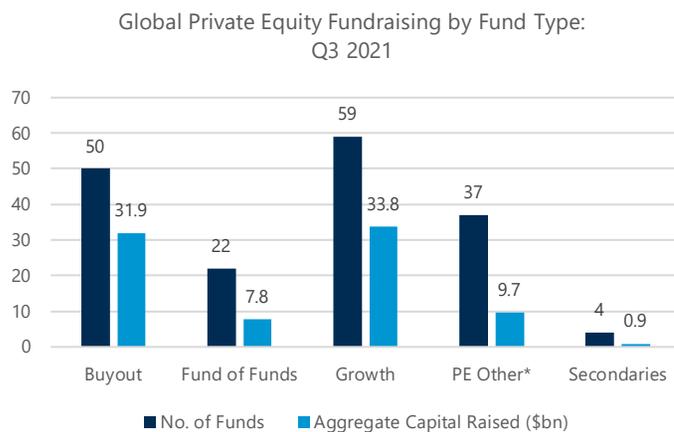
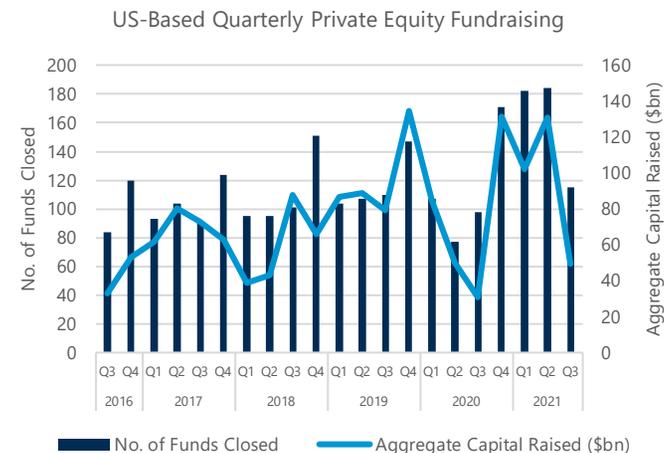
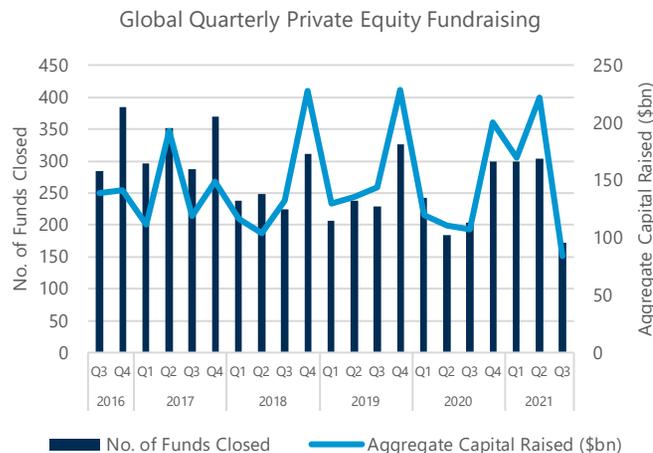
PE FUNDRAISING AT A GLANCE

Q3 Trends

Third Quarter 2021

- ▶ **Record Fundraising Year.** Private equity funds raised \$476 billion globally during the first three quarters of 2021, the largest year-to-end-September total in the last five years.
- ▶ Private equity fundraising could hit a record this year as robust fundraising can be expected in the last quarter of the year when more funds typically close.
- ▶ Growth strategy funds and buyout funds represented 40% and 38%, respectively, of aggregate capital raised globally in Q3.
- ▶ Private equity fundraising shows no signs of slowing down as a majority of LPs are expected to increase their exposure to private equity over the next 12 months.¹ Investor interest remains strong in mega-buyout funds.
- ▶ **Retail Investors.** The SEC's Asset Management Advisory Committee recommended opening up private equity funds to retail investors subject to the following principles: (i) "chaperoned access" which requires certain types of third party participation, (ii) standardized disclosures regarding fees, risks, key terms and returns, (iii) diversification and (iv) use of the registered investment company framework with certain modifications.

¹EisnerAmper Survey (October 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.

Q3 Trends

Third Quarter 2021

► **Funds in Market.**

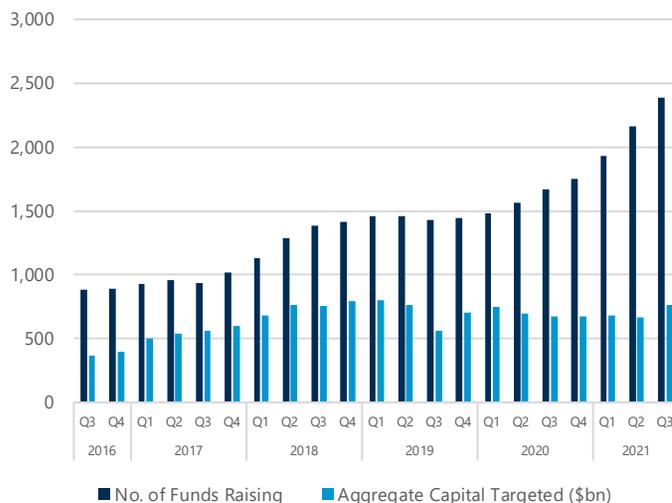
- At present, there are a record number of private equity funds (2,386) in the market, a 9% increase from Q2, resulting in the most funds in the market at any time over the last five years.
- Aggregate capital targeted in Q3 was \$764.4bn, up 13% from Q2.
- Differentiation among GPs and products is increasingly important amid fierce competition.

► **AUM; Dry Powder.** Global private equity AUM and dry powder reached all-time highs of \$4.097tn and \$1.297tn, respectively, at the end of Q1 2021.

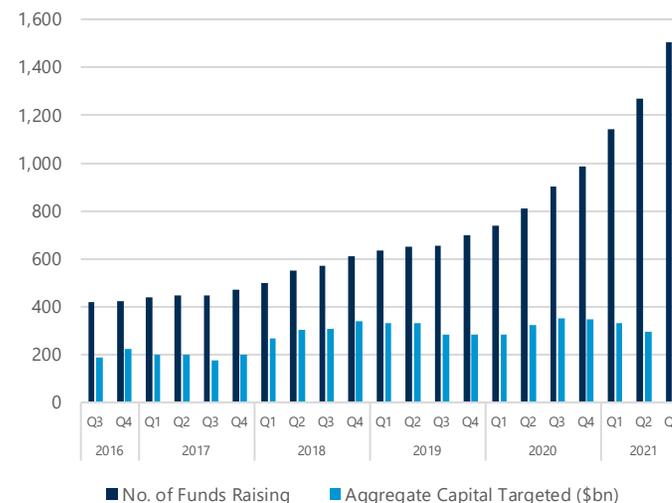
► **GP-led Secondaries; Continuation Funds.** Investors continue to use secondaries to accelerate liquidity and rebalance their portfolios. GP-led secondaries transactions, including the formation of continuation vehicles to hold extended-life investments, comprise a significant portion of current activity in this sector.

► **ESG Reporting.** A group of leading GPs and LPs created the *ESG Data Convergence Project* to advance a standardized set of ESG metrics and mechanisms for comparative reporting. Participating GPs will track and report six metrics (greenhouse gas emissions, renewable energy, board diversity, work-related injuries, net new hires and employee engagement) from their portfolio companies. Data will be shared with LPs and aggregated into an anonymized benchmark.

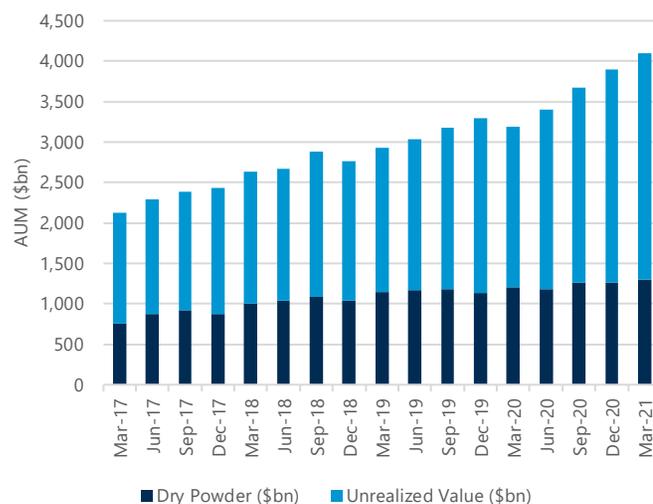
Global Quarterly Private Equity Funds in Market



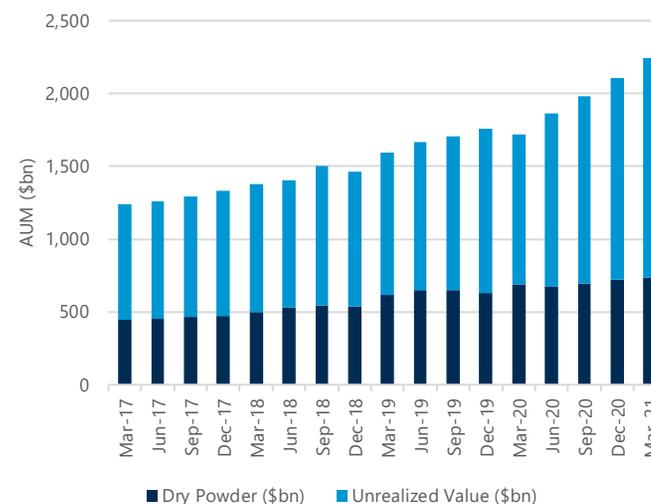
US-Based Quarterly Private Equity Funds in Market



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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