

# PE FUNDRAISING AT A GLANCE

## Q1 Trends

► **Congested Fundraising.** Private equity funds raised \$669bn globally in 2021, the second largest total on record. With a record number of private equity funds currently fundraising, including a number of GPs in the market with their latest and largest flagship funds, the velocity of fundraising may be stressing LP allocations in Q1.

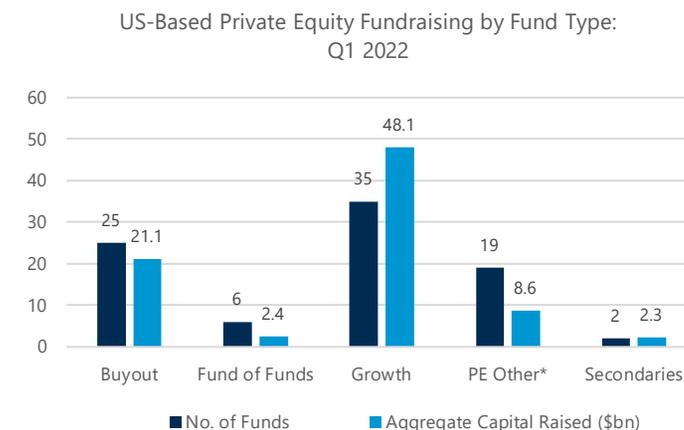
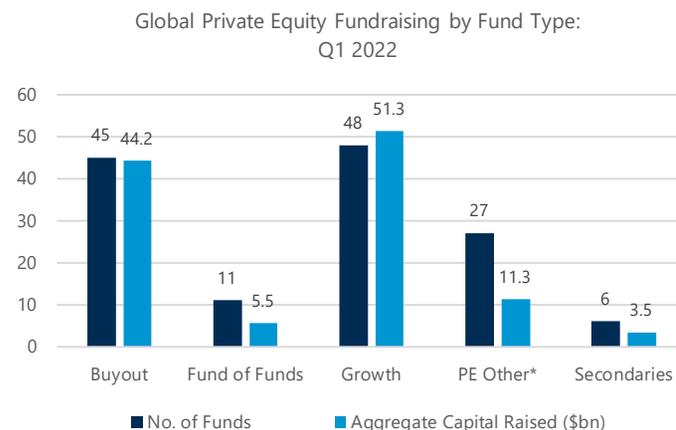
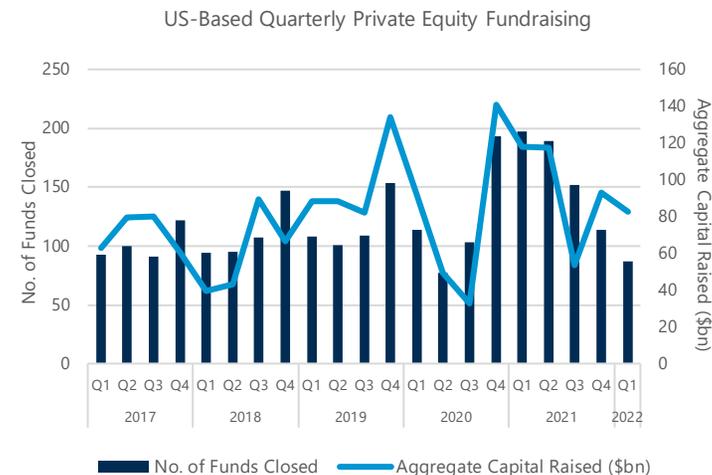
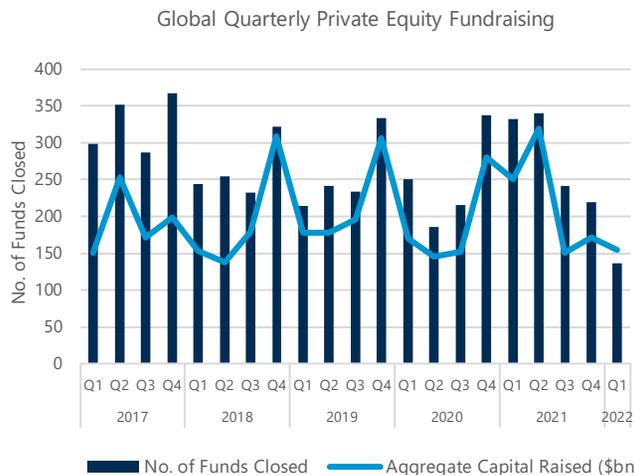
► \$115.7bn was raised globally in Q1, down 10% from \$128.3bn in Q4 2021 and 28% from \$187.9bn in Q1 2021.

► Growth strategy funds and buyout funds represented 44% and 38%, respectively, of aggregate capital raised globally by private equity funds in Q1.

► **Continuation Funds.** Continuation funds are typically formed to allow existing funds to exit one or more extended-life investments or enhance their portfolio diversification. In 2021, continuation funds accounted for 84% of GP-led transactions, totaling \$68bn<sup>1</sup> – a trend that shows no signs of slowing down in 2022. Continuation funds have become one of the key transaction formats to offer existing LPs liquidity, ensure continuity of GP fund management and potentially provide for new capital commitments.

<sup>1</sup>Jefferies; Pitchbook.

First Quarter 2022



\*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.

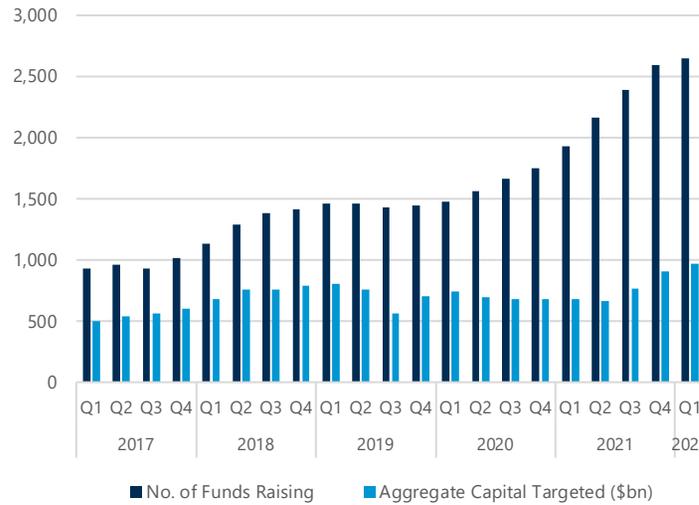
Q1 Trends

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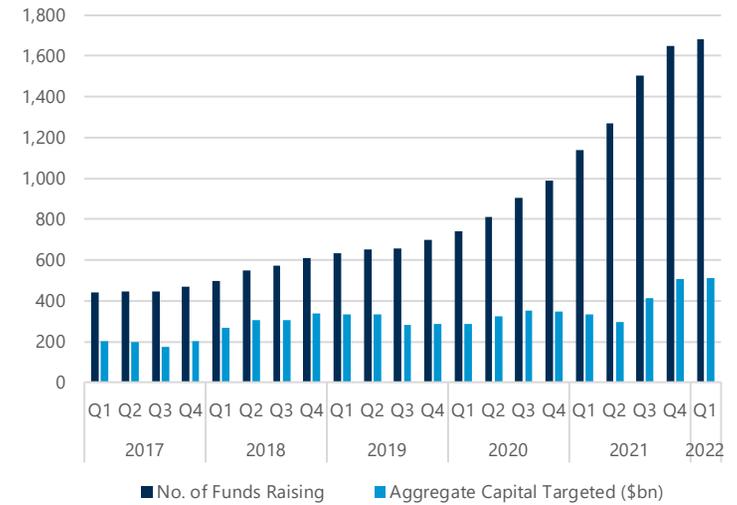
Funds in Market.

- At present, there are a record number of private equity funds (2,650) in the global market, a 2% increase from Q4 2021, resulting in the most funds in the market at any time over the last five years.
- Aggregate capital targeted globally in Q1 was \$966.2bn, up 6% from Q4 2021.
- AUM; Dry Powder.** Global private equity AUM reached an all-time high of \$4.6tn at the end of Q3 2021, while dry powder decreased 7% to \$1.26tn over the same period, as funds quickly deployed capital raised.
- SEC Rulemaking.** The SEC has signaled a shift to more aggressive regulation of private equity funds.
- The SEC proposed rules suggesting sweeping changes to the regulation of private equity fund advisers, including prohibitions regarding the allocation of fees and expenses, certain exculpation and indemnification protections and the “preferential” treatment of LPs often provided in side letters, as well as other changes to reporting obligations.
- The SEC’s Division of Exams announced its examination priorities with respect to private equity funds, including compliance risks related to fees and expenses, custody of client assets, fund audits, valuations, conflicts of interest, allocations of investment opportunities and disclosures of investment risks.

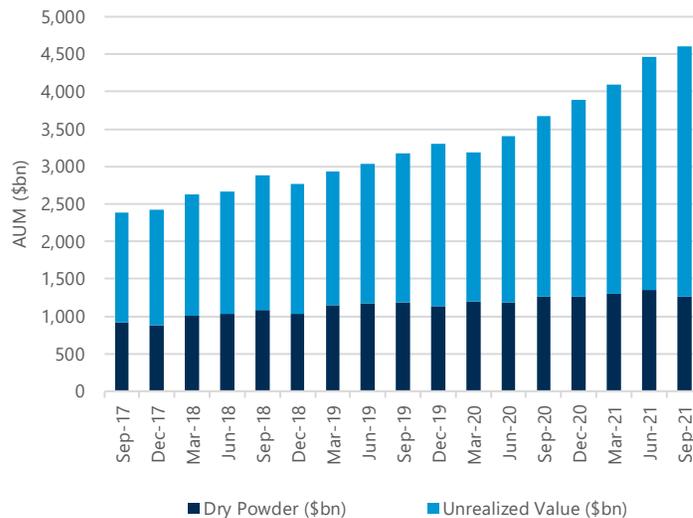
Global Quarterly Private Equity Funds in Market



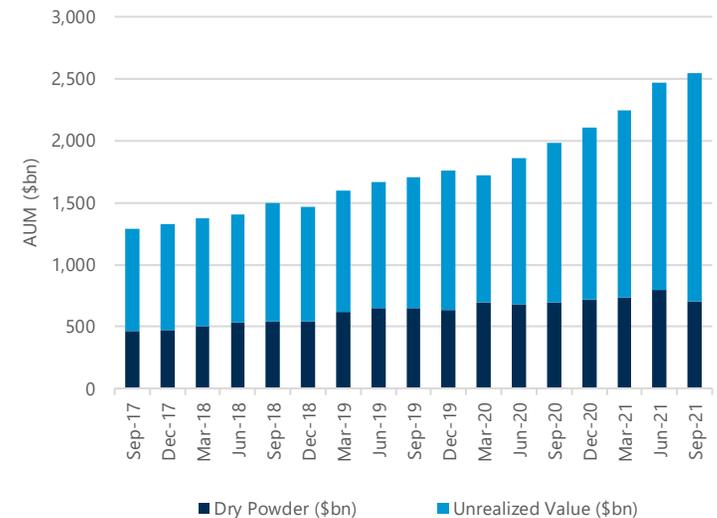
US-Based Quarterly Private Equity Funds in Market



Global Quarterly Private Equity AUM



US-Based Quarterly Private Equity AUM



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