

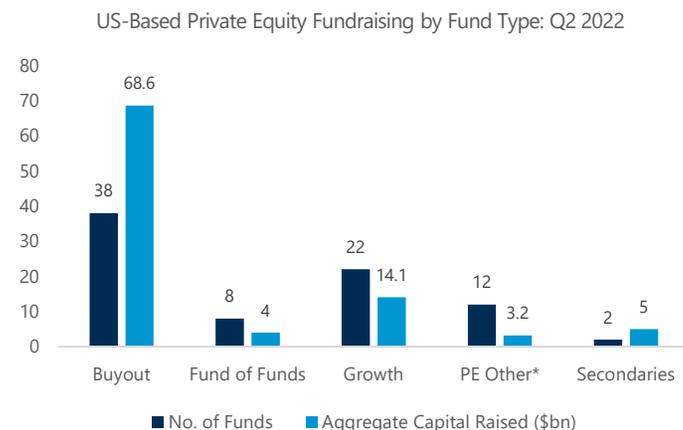
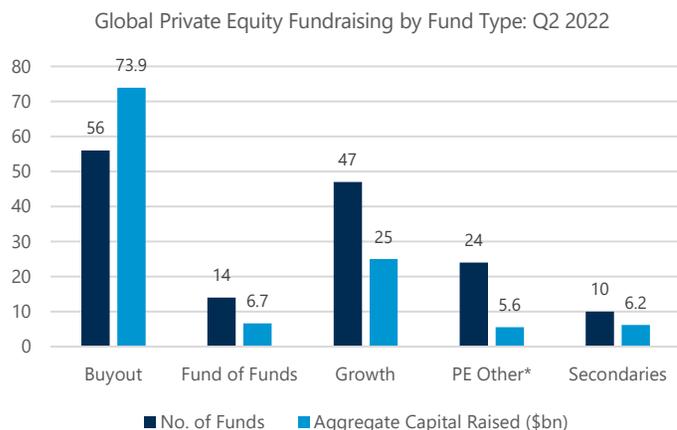
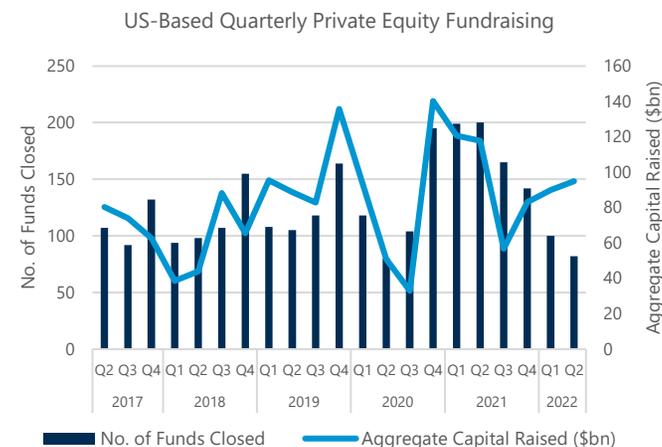
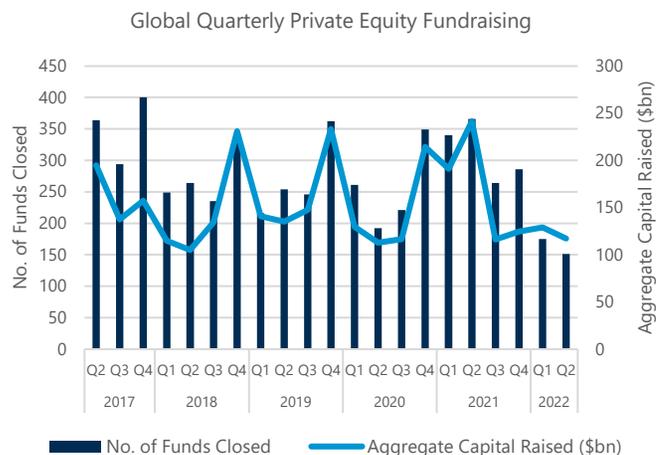
PE FUNDRAISING AT A GLANCE

Q2 Trends

- ▶ **Decline in Fundraising.** Fundraising across all alternative asset classes is down globally, largely driven by the deterioration of the global economy in 2022. Given this backdrop, private equity fundraising declined in Q2.
- ▶ \$117.3bn was raised globally in Q2, down 9% from \$129bn raised in Q1 and down 51% from \$241.3bn raised in Q2 2021.
- ▶ Aggregate capital raised by buyout funds increased 40% from \$44.2bn in Q1 to \$73.9bn in Q2.
- ▶ Aggregate capital raised by growth strategy funds decreased 51% from \$51.3bn in Q1 to \$25bn in Q2.
- ▶ **Longer Offerings.** 151 funds reached a final close globally in Q2, marking the lowest number of funds closed in any quarter over the last five years. Funds that closed in H1 2022 spent more time on the road on average compared with funds closed in the preceding five years. During H1 2022, 72% of private equity funds took 13 or more months to reach a final close, compared to 56%, 50% and 38% of private equity funds in 2021, 2020 and 2019, respectively.¹
- ▶ **Congested Fundraising.** With a record number of private equity funds fundraising, some LPs may have to make tough decisions on allocations or already be fully allocated for the remainder of 2022.

¹ Preqin Quarterly Update: Private Equity Q2 2022.

Second 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.

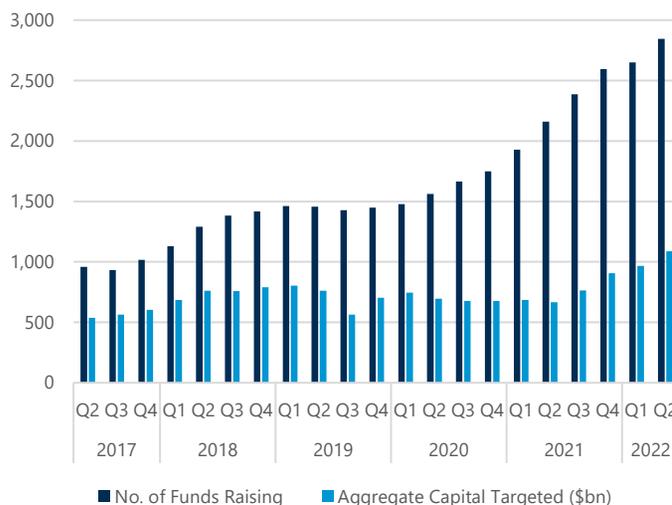
Q2 Trends

Second Quarter 2022

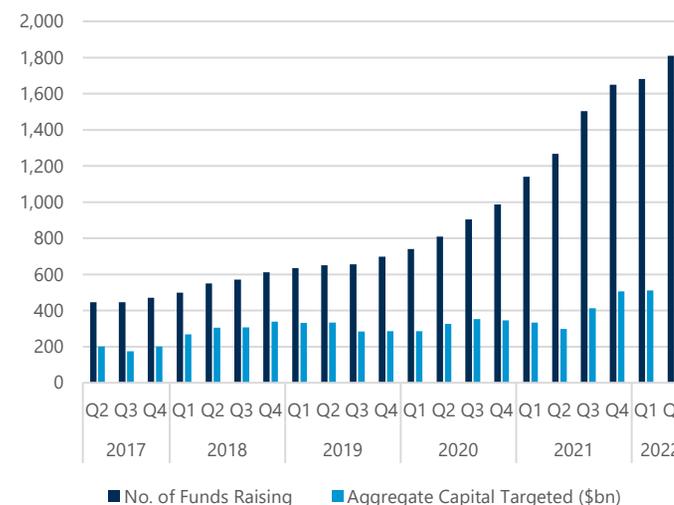
- **Funds in Market.** At present, there are a record number of private equity funds (2,845) in the global market, a 7% increase from Q1, resulting in the most funds in the market at any time over the last five years. Aggregate capital targeted globally in Q2 was also at a record high of \$1.09tn, up 11% from Q1.
- **AUM; Dry Powder.** Global private equity AUM reached an all-time high of \$4.64tn in Q4 2021, while dry powder decreased 1.6% to \$1.25tn from the prior quarter end.
- **SEC Rulemaking.** The SEC is focused on increased regulation of private equity funds.

 - **Private Funds.** The SEC proposed rules regulating private 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.
 - **Marketing Rule.** Private fund advisers must come into full compliance with the new “Marketing Rule” under the Investment Advisers Act by November 4, 2022. In preparation, firms may wish to review and update their compliance manual, disclosures, recordkeeping, Form ADV and presentation of performance data in their marketing and advertising materials.
 - **ESG.** The SEC proposed amendments to Form ADV requiring private fund advisers to disclose additional information regarding their incorporation of ESG factors in their investment strategies.

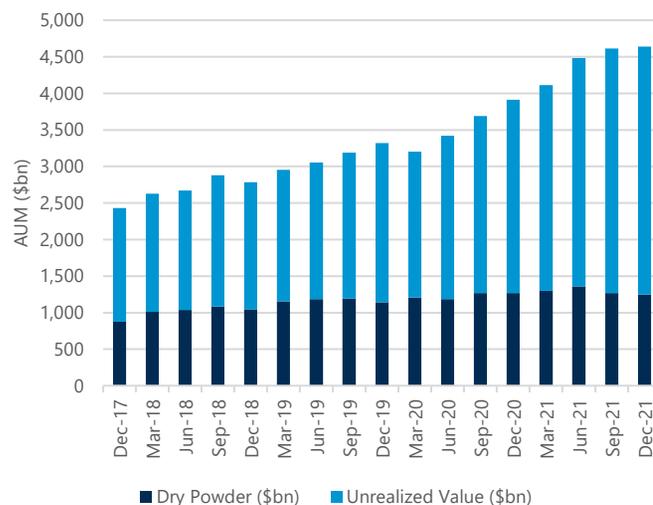
Global Quarterly Private Equity Funds in Market



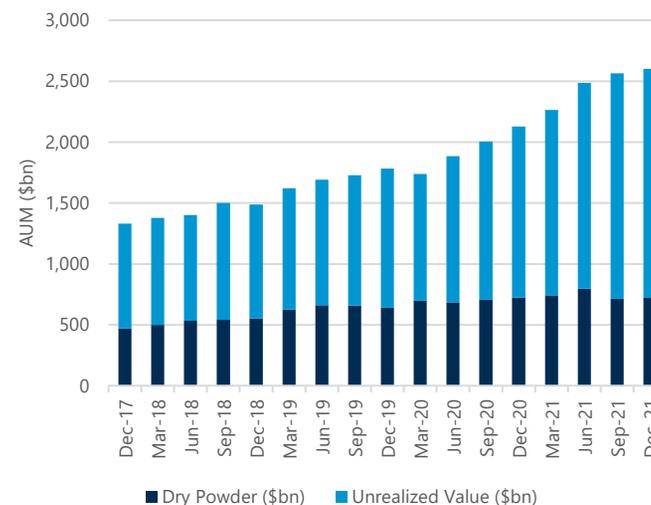
US-Based Quarterly Private Equity Funds in Market



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.

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:

Victoria S. Forrester
+1-212-373-3595
vforrester@paulweiss.com

Matthew B. Goldstein
+1-212-373-3970
mgoldstein@paulweiss.com

Udi Grofman
+1-212-373-3918
ugrofman@paulweiss.com

Amran Hussein
+1-212-373-3580
ahussein@paulweiss.com

Marco V. Masotti
+1-212-373-3034
mvasotti@paulweiss.com

Aaron J. Schlaphoff
+1-212-373-3555
aschlaphoff@paulweiss.com

Conrad van Loggerenberg
+1-212-373-3395
cvanloggerenberg@paulweiss.com

Lindsey L. Wiersma
+1-212-373-3777
lwiersma@paulweiss.com

Karen J. Hughes
+1-212-373-3759
khughes@paulweiss.com

The editors of PE Fundraising at a Glance are Marco V. Masotti and Karen J. Hughes.