

# PE FUNDRAISING AT A GLANCE

## Q4 Trends

### Sluggish Fundraising Market.

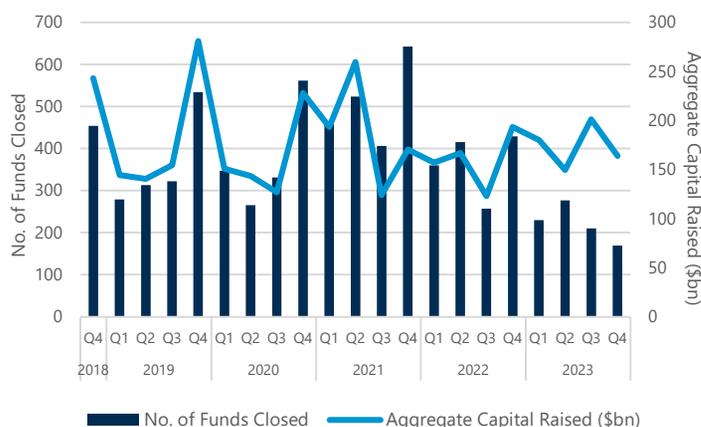
- Private equity fundraising was challenging in Q4.
- \$164bn was raised globally in Q4, down 18% from \$201bn raised in Q3.
- The pace of funds closing slowed in Q4 with 169 funds reaching a final closing globally, down 20% from 210 funds that closed in Q3.
- Buyout funds represented 54% of aggregate capital raised globally in Q4, followed by growth strategy funds and secondaries funds, which accounted for 22% and 16.5%, respectively, of aggregate capital raised globally.

### YoY Fundraising.

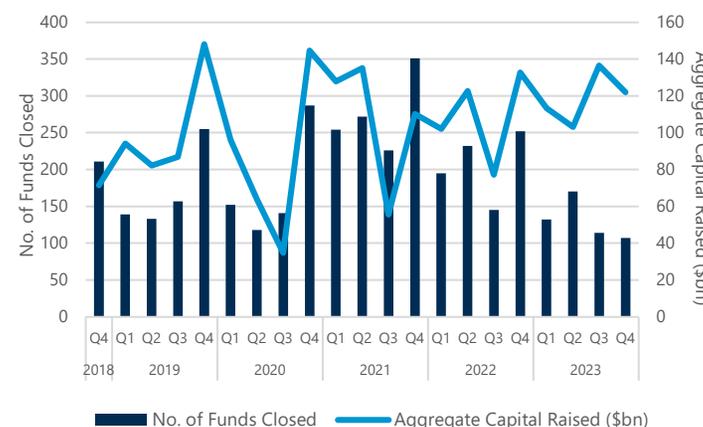
- Notwithstanding the challenging Q4 fundraising market, private equity funds raised \$694.6bn in 2023, up 8% from \$639.8bn in 2022.
- A smaller number of GPs are raising a larger portion of total capital. The 10 largest private equity funds that held final closings in 2023 amassed \$187.8bn among them, representing 27% of aggregate capital raised in 2023.<sup>1</sup> The average fund size in 2023 was \$784mn, approximately 36% larger than the average fund size for any other year on record.

Fourth Quarter 2023

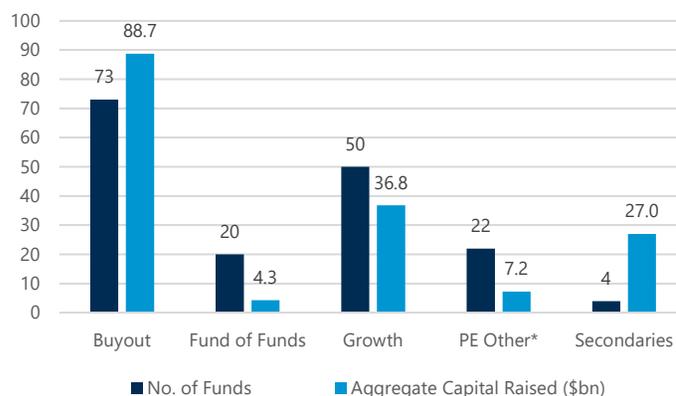
Global Quarterly Private Equity Fundraising



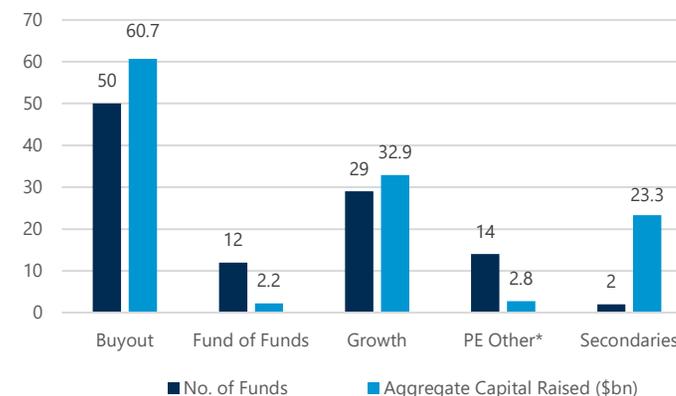
US-Based Quarterly Private Equity Fundraising



Global Private Equity Fundraising by Fund Type: Q4 2023



US-Based Private Equity Fundraising by Fund Type: Q4 2023



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

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

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

Q4 Trends

Fourth Quarter 2023

▶ **Extended Fundraising Timelines.**

The average time to close a private equity fund stretched to 22 months in 2023, up from 21 months in 2022.<sup>1</sup> GPs faced challenges in closing funds at the same pace as in previous years, largely due to investor constraints, i.e., overallocations, the denominator effect, and a slowdown in fund distributions. In 2023, distributions to LPs as a percentage of NAV fell to 11.2%, well below the median of 25% across the last 25 years.<sup>2</sup>

▶ **Funds in Market.**

▶ In Q4, there were 4,101 private equity funds in the market globally, a 3% decrease from 4,229 funds in Q3.

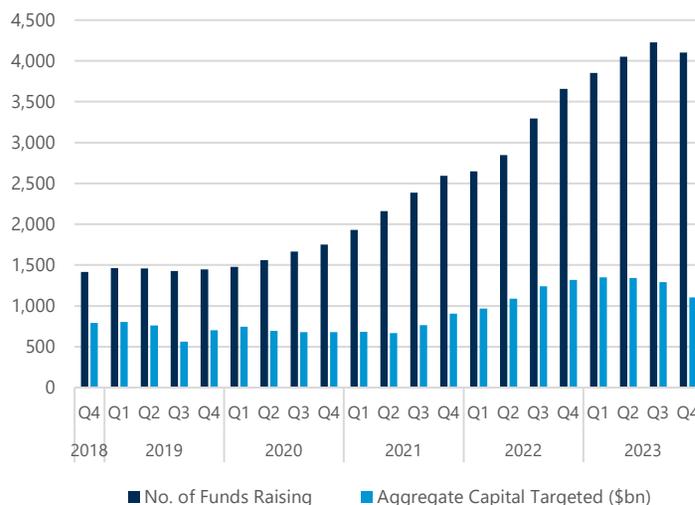
▶ Aggregate capital targeted globally in Q4 was \$1.103tn, down 15% from \$1.293tn in Q3 and representing the lowest quarterly capital targeted since Q2 2022.

▶ **AUM; Dry Powder.** In Q2 2023, global private equity AUM reached an all-time high of \$5.879tn, a 2.8% increase from the prior quarter end, while dry powder also reached an all-time high of \$1.685tn, a 1.5% increase from the prior quarter end.

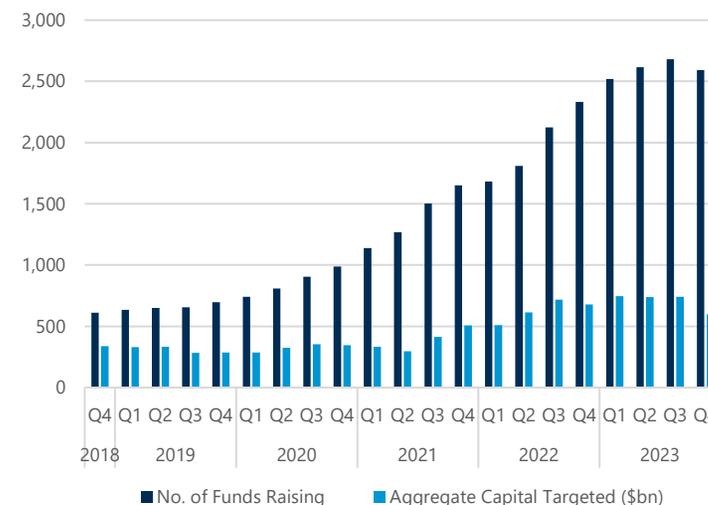
▶ **Momentum in GP-Led Secondaries Market.** The value of GP-led secondary transactions that closed in 2023 remained in line with 2022 levels at \$52bn; however, GP-led market activity accelerated in H2 2023, achieving the highest level since H2 2021.<sup>3</sup>

<sup>1</sup> Preqin.  
<sup>2</sup> Raymond James Financial Inc.  
<sup>3</sup> Jefferies Global Secondary Market Review (Jan. 2024).

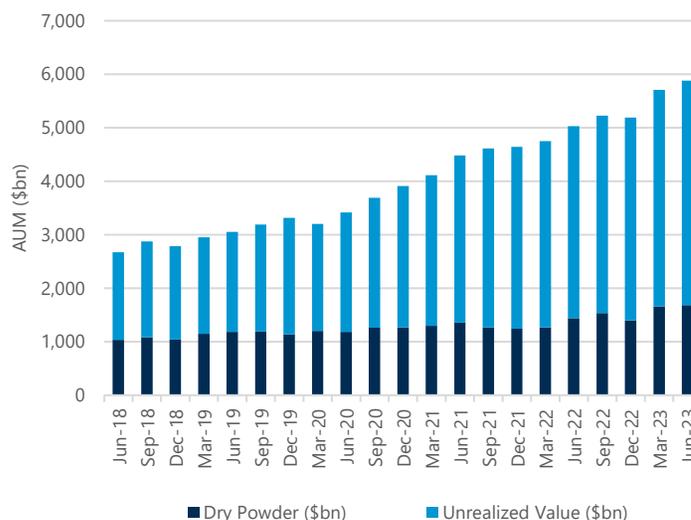
Global Quarterly Private Equity Funds in Market



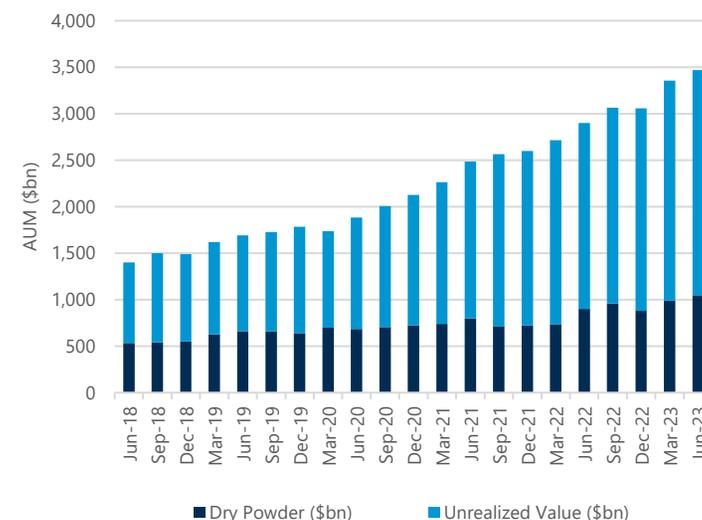
US-Based Quarterly Private Equity Funds in Market



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:

Brad M. Brown  
+1-212-373-3222  
[bbrown@paulweiss.com](mailto:bbrown@paulweiss.com)

Victoria S. Forrester  
+1-212-373-3595  
[vforrester@paulweiss.com](mailto:vforrester@paulweiss.com)

Matthew B. Goldstein  
+1-212-373-3970  
[mgoldstein@paulweiss.com](mailto:mgoldstein@paulweiss.com)

Udi Grofman  
+1-212-373-3918  
[ugrofman@paulweiss.com](mailto:ugrofman@paulweiss.com)

Amran Hussein  
+1-212-373-3580  
[ahussein@paulweiss.com](mailto:ahussein@paulweiss.com)

Marco V. Masotti  
+1-212-373-3034  
[mmasotti@paulweiss.com](mailto:mmasotti@paulweiss.com)

Aaron J. Schlaphoff  
+1-212-373-3555  
[aschlaphoff@paulweiss.com](mailto:aschlaphoff@paulweiss.com)

Marian S. Shin  
+1-212-373-3511  
[mshin@paulweiss.com](mailto:mshin@paulweiss.com)

Anusha Simha  
+1-212-373-3632  
[asimha@paulweiss.com](mailto:asimha@paulweiss.com)

Maury Slevin  
+1-212-373-3009  
[mslevin@paulweiss.com](mailto:mslevin@paulweiss.com)

Robert D. Tananbaum  
+1-212-373-3603  
[rtananbaum@paulweiss.com](mailto:rtananbaum@paulweiss.com)

Conrad van Loggerenberg  
+1-212-373-3395  
[cvanloggerenberg@paulweiss.com](mailto:cvanloggerenberg@paulweiss.com)

Lindsey L. Wiersma  
+1-212-373-3777  
[lwiersma@paulweiss.com](mailto:lwiersma@paulweiss.com)

Karen J. Hughes  
+1-212-373-3759  
[khughes@paulweiss.com](mailto:khughes@paulweiss.com)

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