

PE FUNDRAISING AT A GLANCE

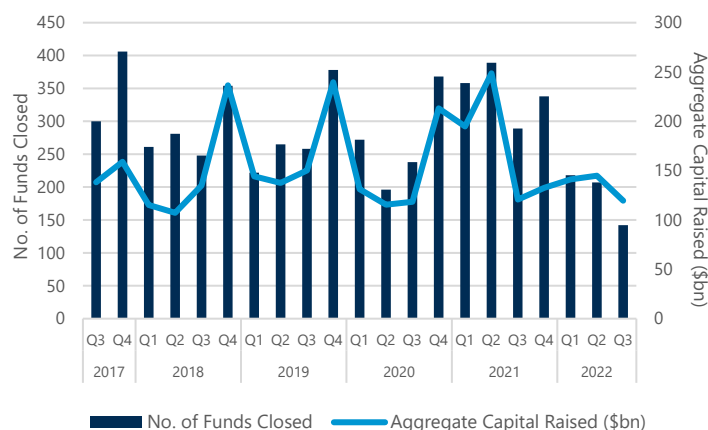
Q3 Trends

- ▶ **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 Q3.
- ▶ \$119.6bn was raised globally in Q3, down 17.5% from \$144.9bn raised in Q2.
- ▶ 142 funds reached a final close globally in Q3, marking the lowest number of funds closed in any quarter over the last five years.
- ▶ Buyout funds and growth strategy funds represented 60% and 19%, respectively, of aggregate capital raised globally by private equity funds in Q3.
- ▶ **Mega-Funds.** While funds targeting \$5bn or more make up the smallest percentage of private equity funds by count (just 3.6%), these mega-funds accounted for over half of the capital raised thru Q3.¹
- ▶ **Congested Fundraising.** With a record number of private equity funds fundraising, many LPs are already fully allocated for the remainder of 2022, and, as a result, many of the funds in the market are expected to push their final closings into 2023.¹

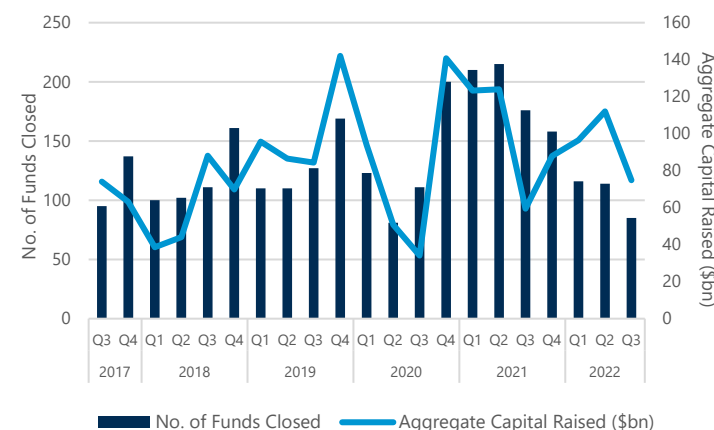
¹ PitchBook: US PE Breakdown Q3 2022.

Third Quarter 2022

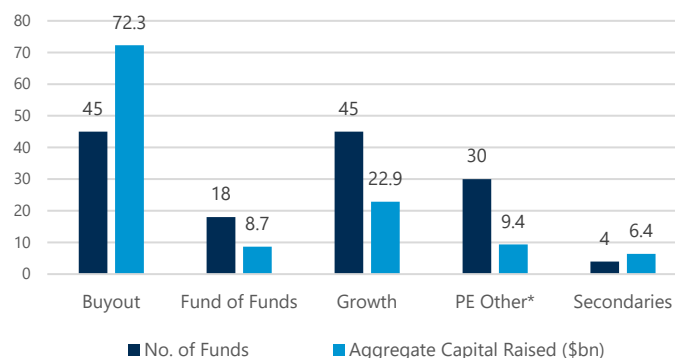
Global Quarterly Private Equity Fundraising



US-Based Quarterly Private Equity Fundraising

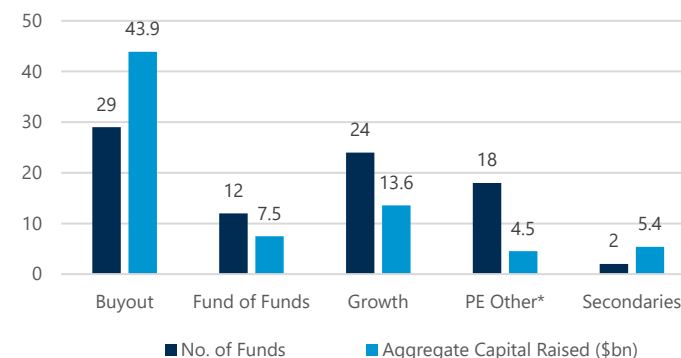


Global Private Equity Fundraising by Fund Type:
Q3 2022



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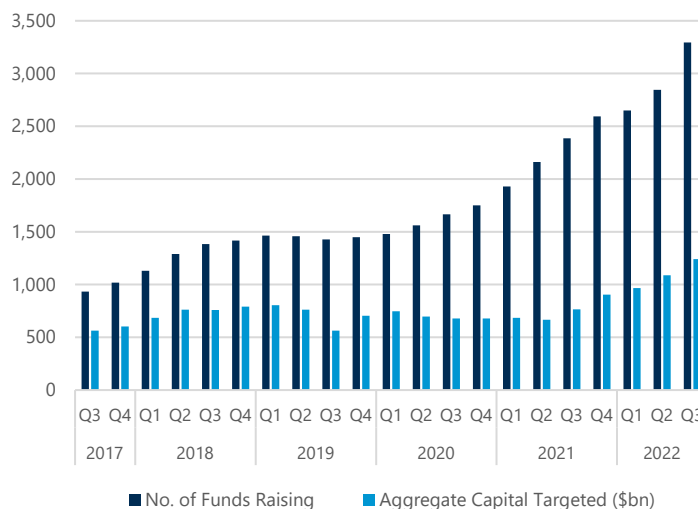
All charts were compiled by Preqin, and the data contained therein have not been reviewed for accuracy by Paul, Weiss.

Q3 Trends

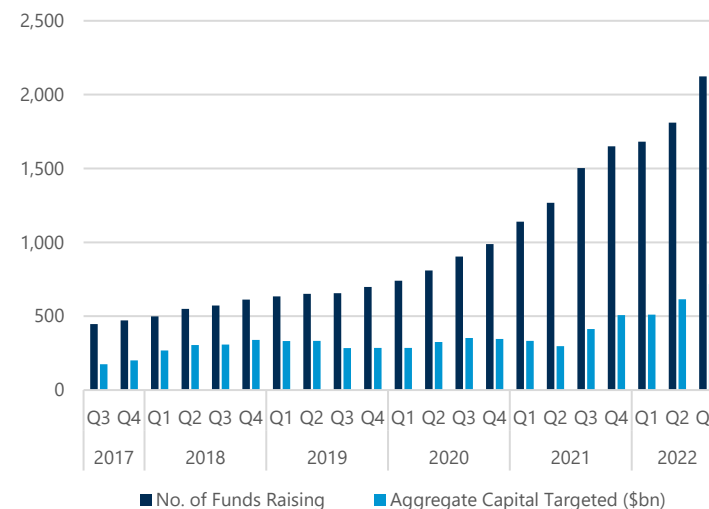
Third Quarter 2022

- **Funds in Market.** At present, there are a record number of private equity funds (3,294) in the global market, a 14% increase from Q2, resulting in the most funds in the market at any time over the last five years. Aggregate capital targeted globally in Q3 was also at a record high of \$1.24tn, up 12% from Q2.
- **AUM; Dry Powder.** Global private equity AUM reached an all-time high of \$4.75tn in Q1 2022, while dry powder increased 1.7% to \$1.27tn from the prior quarter end.
- **SEC Rulemaking.** The SEC is focused on increased regulation of private equity funds.
- **Marketing Rule.** Private fund advisers must come into full compliance with the new "Marketing Rule" under the Investment Advisers Act by November 4, 2022. Recently, the SEC announced its exam initiatives and areas of review regarding the Marketing Rule, including policies and procedures, performance advertising requirements, substantiation requirements, and books and records.
- **Form PF.** The SEC proposed a second set of amendments to Form PF designed to provide greater insight into private funds' operations and strategies, including enhanced disclosures regarding inflows and outflows, borrowings and types of creditors, fair value hierarchy, beneficial ownership, and fund performance.

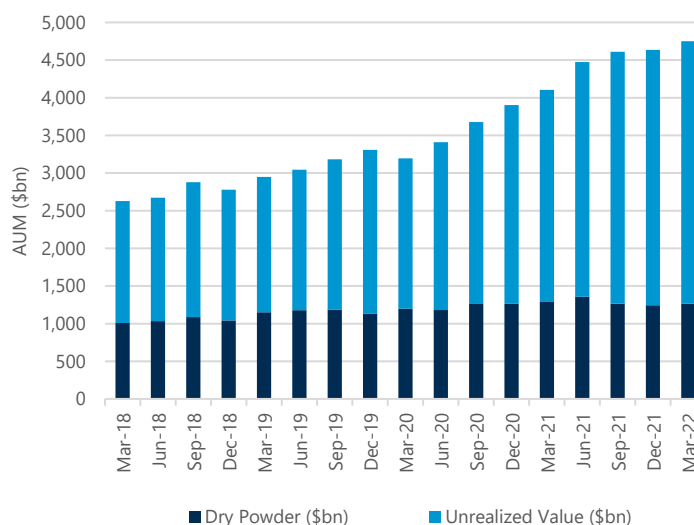
Global Quarterly Private Equity Funds in Market



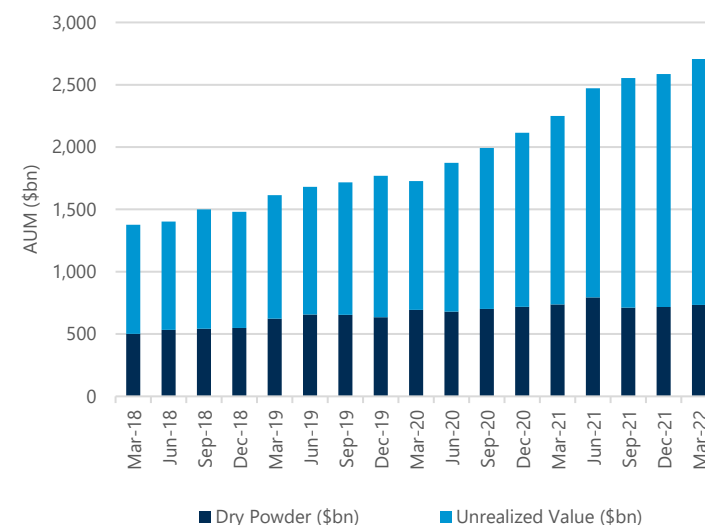
US-Based Quarterly Private Equity Funds in Market



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:

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