

## Q2 Trends

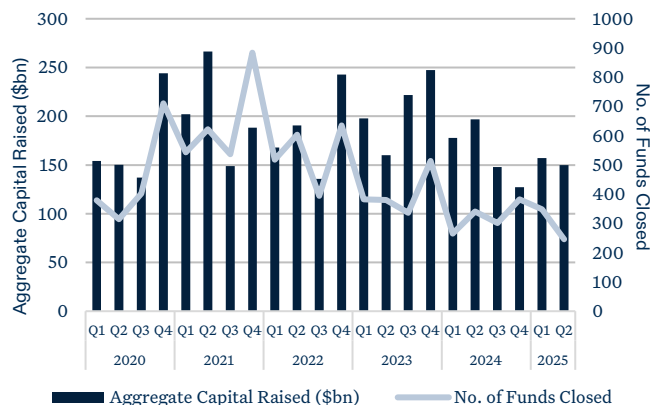
### ■ Challenging Fundraising

**Market.** Private equity fundraising remained challenging in Q2.

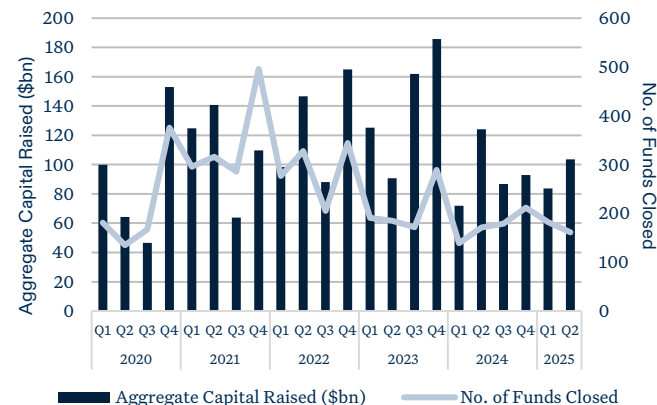
- ◆ \$149.9bn was raised globally in Q2, down 4.6% from \$157.1bn raised in Q1, but up 18% from \$127.2bn raised in Q4 2024. \$103.6bn was raised by North America-focused funds in Q2, up 24% from \$83.8bn raised in Q1.
- ◆ The pace of funds closing slowed in Q2 with 246 funds reaching a final closing globally, down 29.5% from 349 funds in Q1, marking the lowest number of funds closed in any quarter over the last five years.
- ◆ Despite the slower pace, two private equity funds closed on over \$20bn each in Q2.<sup>1</sup> The average final fund size in Q2 increased 35% to \$609mn from \$450mn in Q1, likely skewed by these large funds.
- ◆ Buyout funds and growth funds accounted for 64% and 15%, respectively, of aggregate capital raised globally in Q2.

<sup>1</sup>Pregin.

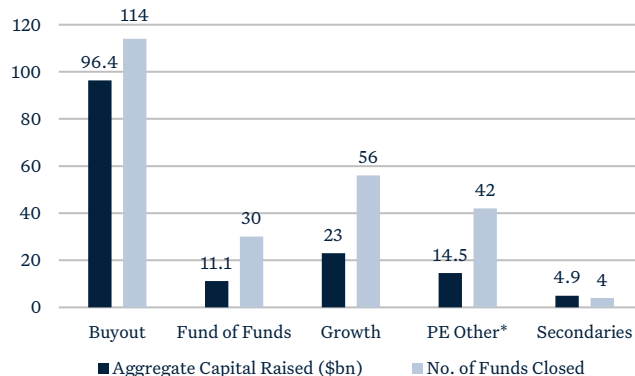
Global Private Equity Fundraising



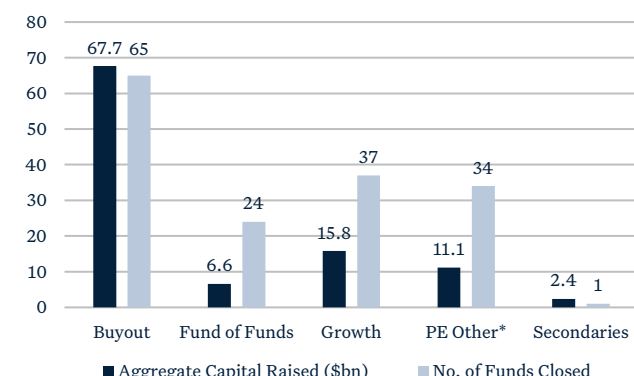
North America-Focused Private Equity Fundraising



Global Private Equity Fundraising by Fund Type



North America-Focused Private Equity Fundraising by Fund Type



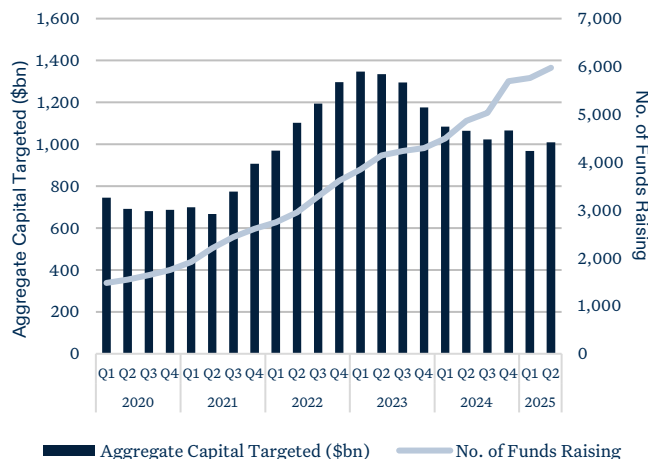
\*PE Other includes balanced, co-investment, co-investment multi-manager, direct secondaries, hybrid, hybrid fund of funds, and turnaround funds.

## Q2 Trends

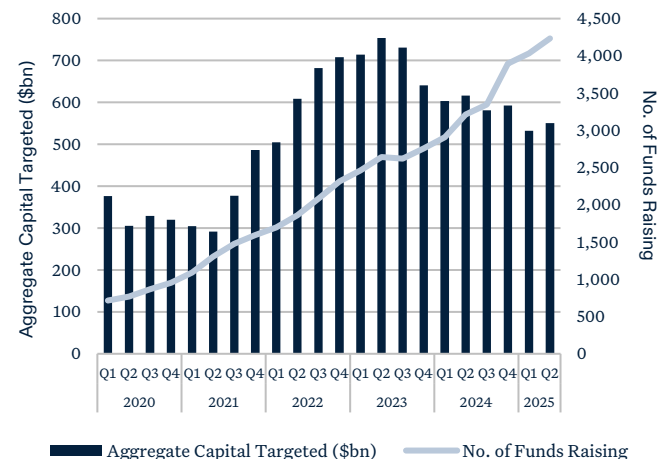
- **Shorter Fundraising Timelines.** The average number of months to reach a final close in 2025 YTD dropped to 20 months, down from an average of 25 months in FY 2024 and 22 months in FY 2023.<sup>1</sup>
- **Record Number of Funds in Market.** In Q2, there were 5,973 private equity funds in the market globally, up 3.7% from 5,759 funds in Q1, resulting in the most funds marketing at any time over the last five years.
- **Slight Increase in Capital Targeted.** Aggregate capital targeted globally in Q2 was \$1.008tn, up 4% from \$967.9bn in Q1.
- **Record AUM.** In Q4 2024, global private equity AUM reached an all-time high of \$6.707tn, a 0.6% increase from \$6.665tn reached in Q3 2024.
- **Decrease in Dry Powder.** In Q4 2024, dry powder dropped to \$1.63tn, a 3% decrease from \$1.682tn at the prior quarter end. Dry powder represented 24% of AUM in Q4 2024, a decrease from an average of 28% over the preceding five years.

<sup>1</sup> Preqin.

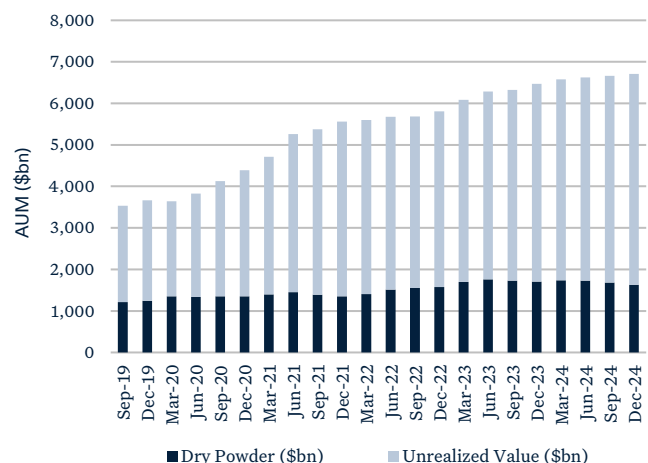
Global Private Equity Funds in Market



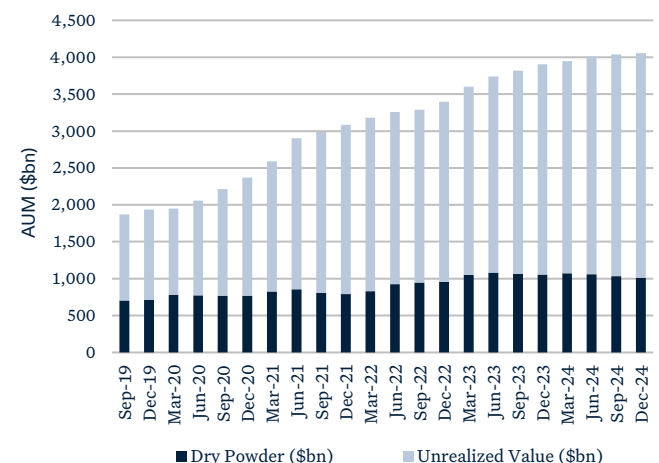
North America-Focused Private Equity Funds in Market



Global Quarterly Private Equity AUM



North America-Focused Private Equity AUM



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## Our Investment Funds Group

Recognized as one of the premier private equity funds practices in the marketplace, the Paul, Weiss Investment Funds 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 investment 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.