

## Private Equity Fundraising Momentum Picks Up in Q2 2012

**145 funds held interim closes during the quarter, raising \$48.5bn towards fundraising targets; average time taken to close funds declines to 16.7 months in 2012 YTD**

While the aggregate capital raised by private equity funds reaching a final close in Q2 2012 was similar to the Q1 total, the number of funds that have reached an interim close increased in Q2 from the previous quarter. Preqin research also reveals that the average time taken for a private equity fund to close has declined from 18.5 months in 2011 to 16.7 in 2012 YTD, suggesting that some fund managers are finding success in attracting institutional capital. A total of 145 private equity funds held interim closes in Q2, raising an aggregate \$48.5bn towards their overall fundraising targets, up from the \$33.7bn that was raised in interim closes in Q1.

- 145 funds held interim closes, garnering \$48.5bn towards their aggregate fundraising targets.
- Funds closed in 2012 YTD have taken an average of 16.7 months to close.
- 126 funds reached a final close in Q2 2012, having raised an aggregate \$61.4bn. This is down slightly from Q1, when 167 funds closed on a collective \$68.1bn, but the Q2 figure is expected to increase somewhat as more information becomes available.
- 65 US-focused funds closed on \$34.8bn, 28 Europe-focused funds closed on \$17.7bn, while 33 Asia and Rest of World-focused vehicles attracted \$8.9bn in Q2.
- AXA Private Equity closed the largest fund in Q2 2012, with its Europe-focused fund AXA Secondary Fund V attracting a total of \$7.1bn from investors.
- Other funds to close in Q2 included the \$6.25bn buyout fund Green Equity Partners VI, and the \$3.635bn American Securities Partners VI.
- 1,872 private equity funds are currently in market, targeting a collective \$801bn. This is up from the 1,846 funds hoping to attract \$758bn that were in market in January 2012.
- Warburg Pincus has the largest private equity fund in market by target size, with the 2012 vintage balanced fund, Warburg Pincus Private Equity XI, targeting \$12bn. The vehicle has already held an interim close in May 2012 on \$5bn.

**Please see factsheet following this release for more data on historical fundraising and largest funds.**

### Comment:

“Private equity fundraising conditions remain extremely challenging for fund managers; however, momentum is starting to shift in favour of GPs. The number and value of interim closes completed in Q2 2012, and the fact that funds are closing quicker on average than last year, shows that investors are still committing capital to funds. Ninety percent of investor respondents to a recent Preqin survey plan to increase or maintain their allocations to private equity over the next 12 months, which also suggests increasing momentum in the market. The difficulty facing managers coming to market remains standing out from the record number of funds currently on the road. With the market so crowded, fund managers will have to work hard to ensure that they position their vehicles correctly and do their homework in targeting the right investors for their offering.”

**Richard Stus, Manager – Fundraising Data**

**For more information and analysis, please see the PDF factsheet that follows.**

### Note to Editors:

- Preqin is spelled without the letter ‘U’ after the ‘Q’, the company name being an amalgamation of the former name, Private Equity Intelligence.

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# Q2 2012 Private Equity Fundraising

July 2012

Fig. 1: 10 Largest Funds to Hold a Final Close in Q2 2012

Fund	Firm	Type	Final Size (mn)	Firm Country	Fund Focus
AXA Secondary Fund V	AXA Private Equity	Secondaries	7,100 USD	France	Europe
Green Equity Investors VI	Leonard Green & Partners	Buyout	6,250 USD	US	US
American Securities Partners VI	American Securities	Buyout	3,635 USD	US	US
Vista Equity Partners Fund IV	Vista Equity Partners	Buyout	3,440 USD	US	US
Capital International Private Equity Fund VI	Capital International	Balanced	3,000 USD	US	ROW
Metalmark Capital Partners II	Metalmark Capital	Buyout	2,500 USD	US	US
Lion Capital Fund III	Lion Capital	Buyout	1,525 EUR	UK	Europe
TIAA-CREF Asset Management	TIAA-CREF Global Agriculture	Natural Resources	2,000 USD	US	US
Rhone Partners IV	Rhone Capital	Buyout	1100 EUR	US	Europe
Sentient Global Resources Fund IV	Sentient Group	Natural Resources	1,325 USD	Australia	ROW

Fig. 2: Breakdown of Q2 2012 Fundraising by Type and Geography

Type of Funds	Global		US		Europe		ROW	
	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)
Buyout	25	25.1	12	18.7	9	5.5	4	0.9
Distressed PE	3	1.7	1	0.5	1	0.6	1	0.6
Fund of Funds	16	3.2	13	2.4	2	0.8	1	0.0
Growth	8	0.8	2	0.4	2	0.2	4	0.2
Infrastructure	6	2.7	2	1.3	2	1.0	2	0.4
Mezzanine	3	0.8	3	0.8	0	0.0	0	0.0
Natural Resources	5	5.2	3	3.4	0	0.0	2	1.8
Other	6	3.6	3	0.3	0	0.0	3	3.2
Real Estate	23	6.8	14	4.2	4	1.7	5	0.9
Secondaries	2	7.1	0	0.0	2	7.1	0	0.0
Venture (All Stages)	29	4.6	12	2.9	6	0.8	11	0.9
<b>Grand Total</b>	<b>126</b>	<b>61.4</b>	<b>65</b>	<b>34.8</b>	<b>28</b>	<b>17.7</b>	<b>33</b>	<b>8.9</b>

## Fundraising by Type:

Buyout funds attracted the highest levels of capital in Q2 2012, with 25 vehicles raising an aggregate \$25.1bn. The largest buyout fund to close was US-focused Green Equity Investors VI, which is managed by Leonard Green & Partners and garnered \$6.25bn. The largest fund to close in the quarter is managed by France-based AXA Private Equity. AXA Secondary Fund V, which is a Europe-focused secondary fund, raised \$7.1bn.

## Funds in Market:

As of July 2012, fundraising conditions remain extremely crowded. There are a total of 1,872 private equity funds in market, hoping to attract an aggregate \$801bn. This represents a further increase on the number of funds seen in January 2012; however, the levels of capital being sought remains below the all time high of \$959bn in January 2011.

Fig. 3: Average Time Taken for Funds to Achieve a Final Close

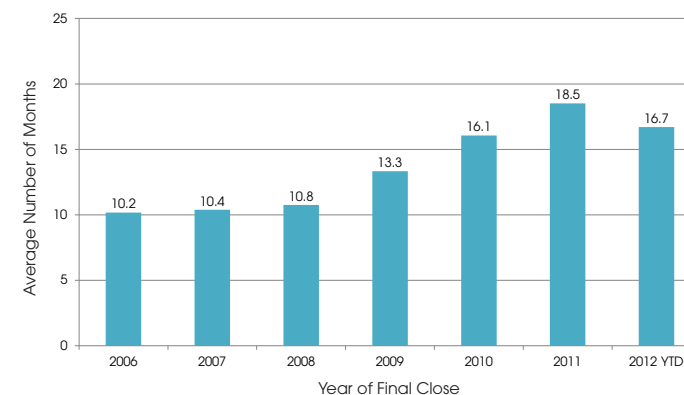
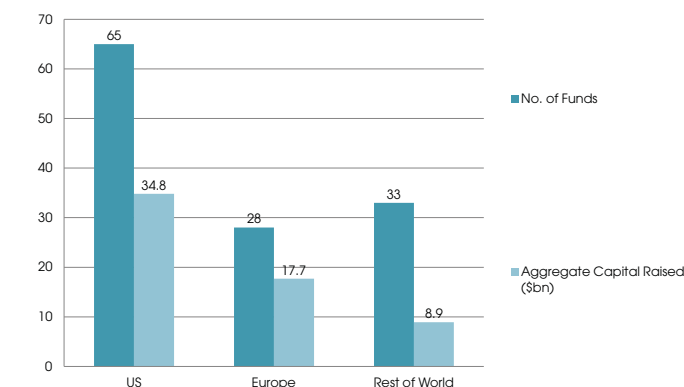


Fig. 4: Geographic Split of Funds Closed in Q2 2012



## Time Taken to Close Funds:

Funds that have closed in 2012 YTD have, on average, taken less time to close than in 2011. The average time spent on the road is currently 16.7 months, down from 18.5 months last year.

## Looking Forwards:

Q2 2012 also saw a further 145 funds achieve an interim close, amassing \$48.5bn of capital from investors towards their final

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Fig. 5: Quarterly Global Private Equity Fundraising, Q1 2007 - Q2 2012

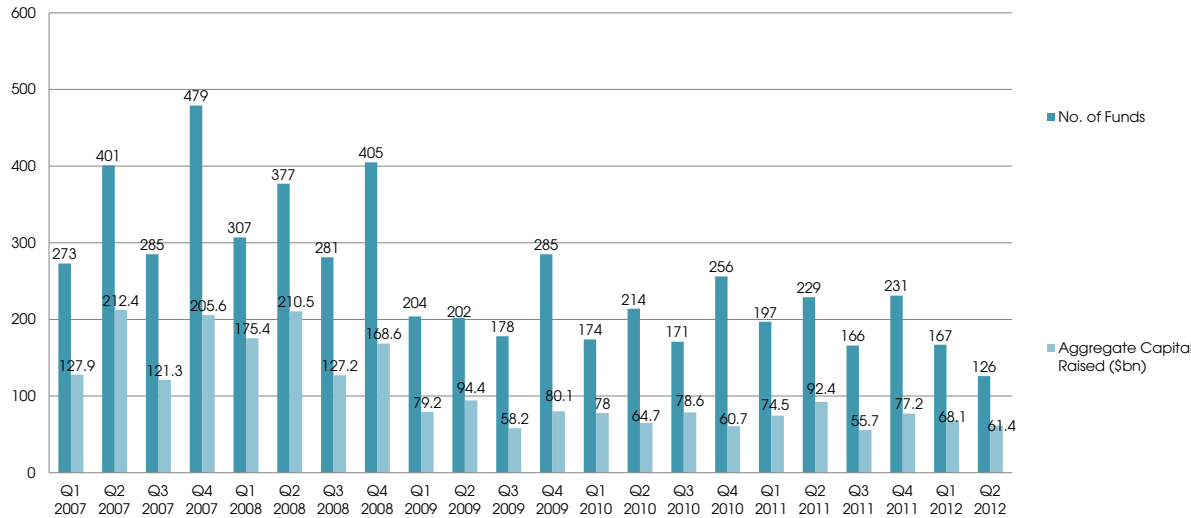
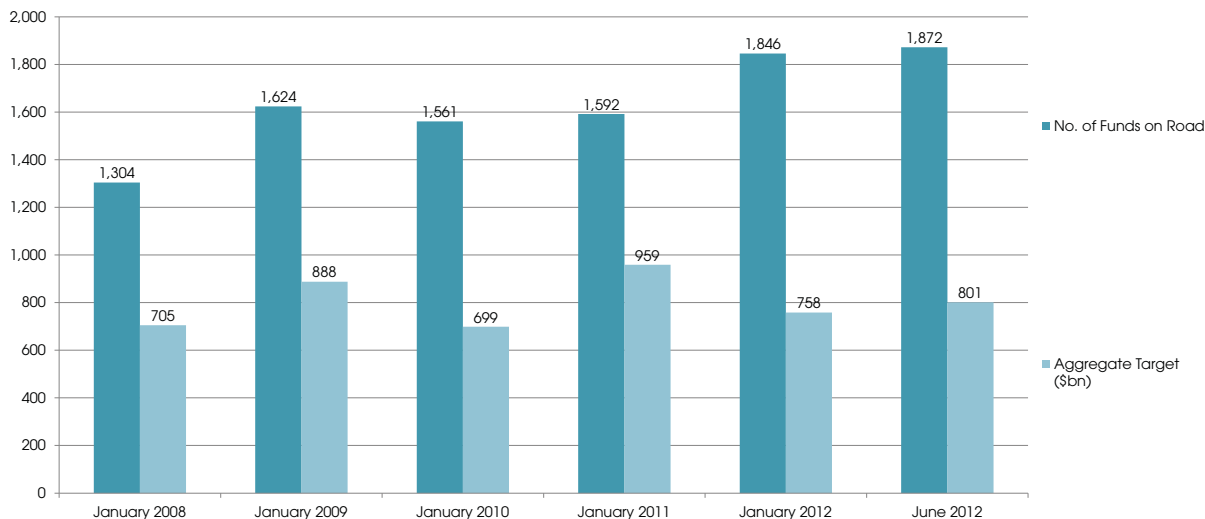


Fig. 6: Funds on the Road over Time, January 2008 - June 2012



targets. Encouragingly, this is an increase on the number and value of interim closes in the last quarter, which saw 123 vehicles raise \$33.7bn towards their overall fundraising targets.



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