

This report is an excerpt from: **Preqin Quarterly: Private Equity, Q3 2012**. To download the full report please visit: https://www.preqin.com/docs/quarterly/PE/Private_Equity_Quarterly_Q3_2012.pdf

Funds on the Road Overview

The start of Q4 2012 marks the ninth successive increase in the number of funds on the road since Q3 2010. Aggregate capital sought has decreased slightly from Q3 2012, its first decline since Q3 2010; this was largely due to Blackstone Real Estate Partners VII, which held a final close on \$13.3bn at the beginning of Q4 2012, bringing the aggregate capital target for Q4 2012 below Q3 2012 levels. At the start of Q4 2012, there are 1,918 funds on the road collectively targeting \$783bn.

As shown in Fig. 25, at the start of Q3 2010 there were 1,522 funds on the road seeking an aggregate \$560bn in capital commitments, with an average target size of \$368mn. At the start of Q4 2012, these figures have increased by 26% for the number of funds in market and 40% with respect to aggregate target capital. Going into Q4 2012 the average target size is \$408mn, an 11% increase compared to the start of Q3 2010.

As shown in Fig. 26, North America-focused funds account for the largest proportion of funds in market, with 871 vehicles targeting an aggregate \$390bn from investors. Funds primarily focusing on North America make up 45% of all funds on the road and 50% of aggregate capital being sought.

Europe-focused funds are seeking \$200bn, the second largest amount of aggregate target capital by region. These 440 Europe-focused funds form 23% of the number of funds in market and 26% of global capital being sought. Asia and Rest of World-focused funds are just shy of targeting the same level of capital as Europe-focused funds, with 607 funds in market seeking \$193bn in aggregate capital. These vehicles make up 32% of all funds in market and 25% of all capital being targeted for private equity funds on the road. Over two-thirds of the aggregate capital targeted by these Asia and Rest of World focused-funds is being sought by Asia-focused funds.

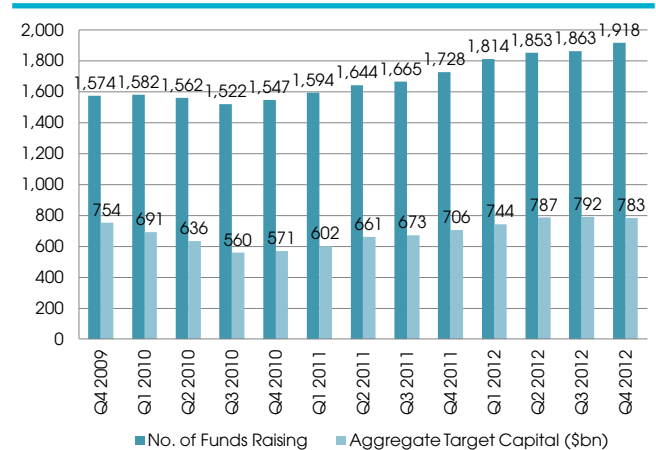
Fig. 27 shows the number of funds and the amount of capital raised through interim closes per quarter since Q4 2009. A record number of interim closes were held during Q4 2011, with 210 interim closes raising an aggregate \$41bn in capital commitments. In Q3 2012, the number of interim closes decreased by 34% from the peak of fundraising from interim closes in Q4 2011.

**Though it was on the road at the beginning of Q4 2012, Blackstone Real Estate Partners VII reached a \$13.3bn final close on 10 October 2012. The fund is not included in Fig.25 and Fig.26.*

Preqin's Funds in Market features constantly updated data regarding all funds being raised. Want to identify trends in the current market? Or which fund types are attracting capital? We can help.

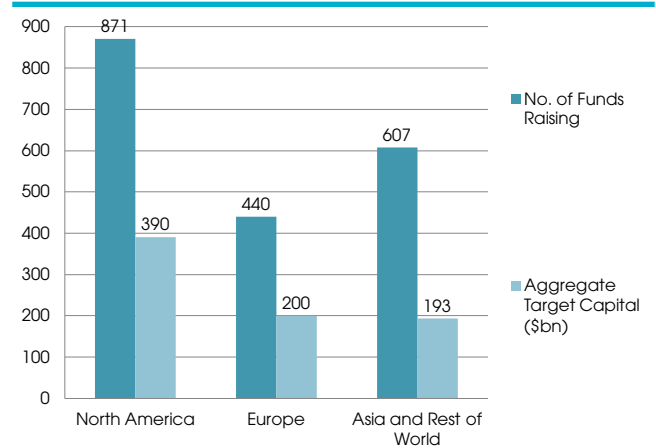
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Fig. 25: Funds in Market by Quarter, Q4 2009 - Q4 2012*



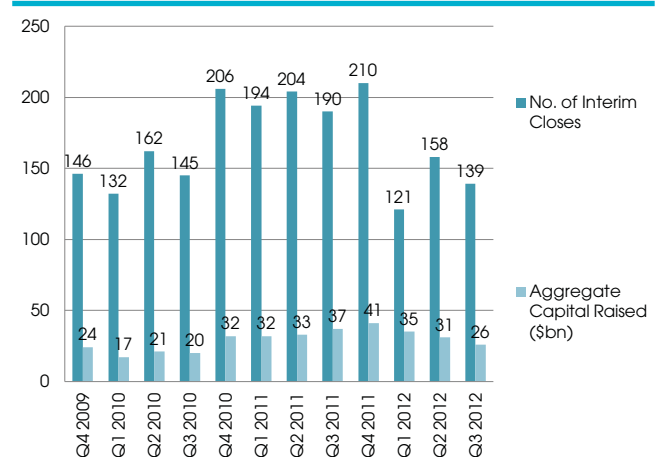
Source: Preqin Funds in Market

Fig. 26: Composition of Funds in Market by Primary Geographic Focus*



Source: Preqin Funds in Market

Fig. 27: Interim Closes by Quarter, Q4 2009 - Q3 2012



Source: Preqin Funds in Market