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# Buyout and Venture Capital Fundraising

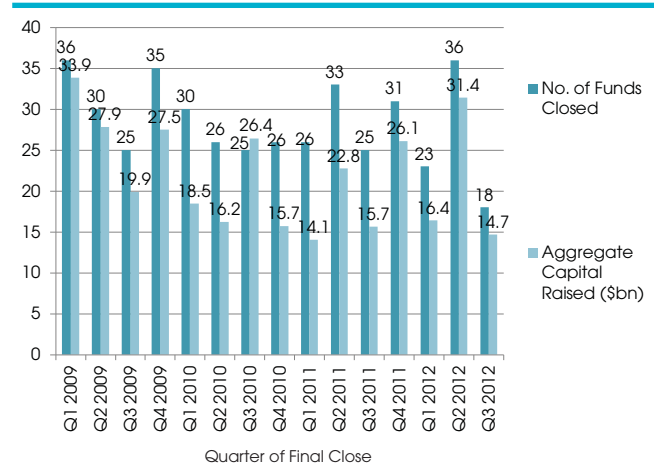
The third quarter of 2012 saw a total of 18 private equity buyout funds complete their fundraising process, as shown in Fig. 19. Collectively, these funds raised an aggregate \$14.7bn in capital commitments, which accounted for 21% of the total capital raised throughout the quarter. In comparison to Q2 2012, these figures show a \$16.7bn, or 53%, decrease in the level of capital raised and a 50% fall in the number of funds closed.

Ares Corporate Opportunities Fund IV was the largest buyout fund to close in Q3 2012, having surpassed its target of \$4bn with a final close of \$4.7bn. The fund targets private equity investments in the form of leveraged control buyouts or growth equity transactions in under-capitalized middle market companies based in North America. The second largest fund to close in Q3 2012 was Bain Capital Asia II. This pan-Asia-focused fund, the second of its type to be raised by Bain Capital, closed in early July 2012 on \$2.3bn. It targets investment opportunities in China, Japan and India and has the flexibility to do deals in other parts of Asia and the Pacific Rim.

Fig. 20 highlights the change in levels of venture capital fundraising since Q1 2009. Over the last quarter, a total of 31 funds reached a final close, collecting an aggregate \$7.1bn in capital commitments. This represents a rise of 20% in terms of capital raised but a fall of 28% in terms of number of funds closed compared to Q2 2012, when 43 vehicles raised a total of \$5.9bn.

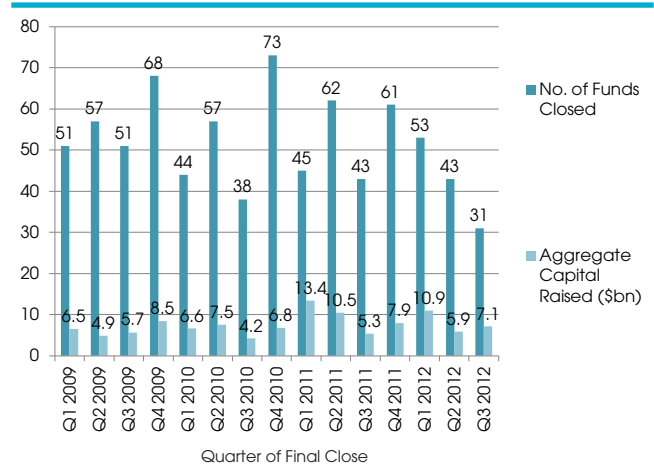
The largest venture capital fund to close in Q3 2012 was New Enterprise Associates XIV, having raised \$2.6bn in capital commitments. The fund makes venture capital investments, predominantly early stage, in North America-based companies, and mainly focuses on the IT, energy, technology and healthcare sectors. ARC Energy Fund VII was the second largest venture capital fund to close in Q3 2012, having raised a total of CAD 1.0bn. The vehicle, raised by ARC Financial Corp., targets early stage and start-up investments in companies that are involved in oil and gas exploration and production across Canada.

Fig. 19: Buyout Fundraising by Quarter, Q1 2009 - Q3 2012



Source: Preqin Funds in Market

Fig. 20: Venture Capital Fundraising by Quarter, Q1 2009 - Q3 2012



Source: Preqin Funds in Market

Fig. 21: Five Largest Buyout Funds Closed in Q3 2012

Fund	Firm	Size (mn)
Ares Corporate Opportunities Fund IV	Ares Management	4,700 USD
Bain Capital Asia II	Bain Capital	2,300 USD
Harvest Partners VI	Harvest Partners	1,100 USD
Sycamore Partners I	Sycamore Partners	1,000 USD
Lightyear Fund III	Lightyear Capital	954 USD

Source: Preqin Funds in Market

Fig. 22: Five Largest Venture Capital Funds Closed in Q3 2012

Fund	Firm	Size (mn)
New Enterprise Associates XIV	New Enterprise Associates	2,600 USD
ARC Energy Fund VII	ARC Financial Corp.	1,000 CAD
GGV Capital IV	GGV Capital	625 USD
Burrill Life Sciences Capital Fund IV	Burrill & Company	500 USD
Tenaya Capital VI	Tenaya Capital	372 USD

Source: Preqin Funds in Market