Private Equity Spotlight

April 2011

Welcome to the latest edition of Private Equity Spotlight, the monthly newsletter from Preqin providing insights into private equity performance, investors and fundraising. Private Equity Spotlight combines information from our online products Performance Analyst, Investor Intelligence, Fund Manager Profiles, Funds in Market, Secondary Market Monitor and Deals Analyst.

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More information available at:
www.preqin.com/secreview

London:
Equitable House,
47 King William Street,
London, EC4R 9AF
+44 (0)20 7645 8888

New York:
230 Park Avenue,
10th Floor, New York,
NY 10169
+1 212 808 3008

Singapore:
Samsung Hub,
3 Church Street,
Level 8,
Singapore 049483
+65 6408 0122

w: www.preqin.com
e: info@preqin.com

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The Missing 1,500 PE Investors

Of the 4,300 institutional investors in private equity tracked by Preqin, 1,500 are not considering new private equity fund opportunities. Why are so many investors staying out of the market? Will they be coming back? Do they represent good opportunities for secondary market buyers? Our feature article reveals all. Page 3

Preqin News Exclusives

Each month Preqin's analysts speak to hundreds of investors, fund managers and intermediaries from around the world, uncovering vital, exclusive intelligence. This month's News Exclusives features important updates on KKR, Barclays and more. Page 10

Fundraising Assignment

Using the Preqin Investor Intelligence database our analysts undertake a fundraising assignment for a first time European mid-market buyout fund seeking €500mn in commitments. Our Long List reveals just how many investors are interested in a fund of this type, with the Short List detailing specific institutions believed to represent the best prospects. Page 8

The Facts

You can download all the data in this month's Spotlight in Excel.
Wherever you see this symbol, the data is available for free download on Excel. Just click on the symbol and your download will begin automatically. You are welcome to use the data in any presentations you are preparing, please cite Preqin as the source.

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The Missing 1,500 PE Investors:

Why are they missing? Will they come back? Are they selling?

Of the 4,300 investors in private equity funds that Preqin tracks 1,500 are not currently considering new private equity investment opportunities. Helen Kenyon investigates why, and whether they represent opportunities for secondary market buyers.

The past few years have seen some significant shifts in the attitudes of institutional investors towards private equity. Investor confidence suffered in the wake of the financial crisis as a result of uncertainty in the market and reduced valuations of portfolio holdings.

Of the 4,300 investors in private equity funds that Preqin tracks, a significant 1,500 past investors have revealed to us that they are not currently considering new investment opportunities or are over-allocated to the asset class. Although this is bad news for GPs seeking capital for new funds, these investors represent a relatively untapped source of potential deals for buyers of fund interests on the secondary market.

In this article, we explore the reasons why these LPs are not investing in the asset class and assess the likelihood that they will recommence investments in the future. We also investigate how likely these investors are to sell fund interests on the secondary market and whether they represent good targets for secondaries players.

Investors on Hold

Investors that placed their investments on hold during the worst of the financial crisis are gradually returning to the market. Our December 2010 Investor Outlook report found that, of the investors planning to make new commitments to funds in 2011, 18% are investors that did not make any commitments in 2010 (see Fig. 1).

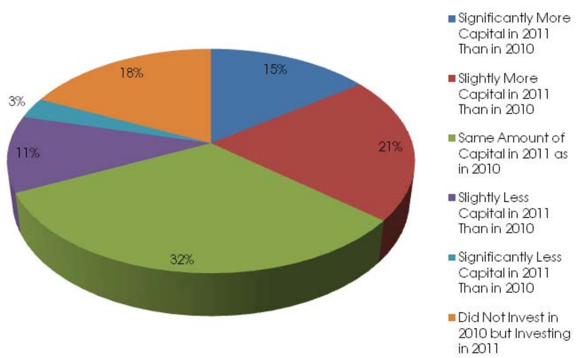
Of the 1,500 investors Preqin is currently tracking that are not actively making new commitments, a third have decided to place their investments on hold for a period of six months or more, but intend to recommence investments within the next two years. Fig. 2 shows a breakdown of this group of investors by type of institution.

An example of an investor in this group is Dai-Ichi Life Insurance, which placed its investments in alternatives, including private equity, on hold in 2008, but expects to start making new commitments to private equity funds at some point this year. It intends to commit $50 million to two or three funds by the end of 2011.

A third of the 1,500 missing investors are therefore set to return to the asset class within the next couple of years. This is good news for GPs planning to start raising funds in the next year or so, and they may find it beneficial to contact these investors now to begin to establish a relationship with them ahead of the commencement of full-scale fundraising efforts.

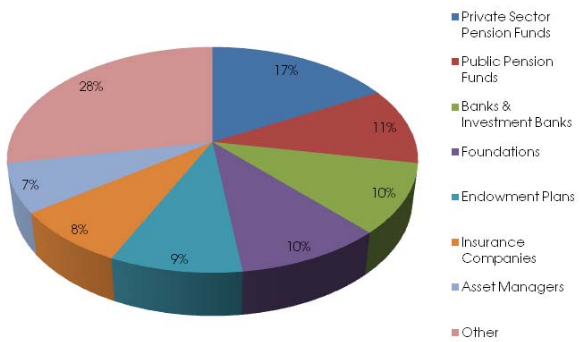
Investors in this category are not, however, such good targets for secondary market buyers. Few of these investors intend to offload stakes in funds on the secondary market, though there are some exceptions. Esterad Investment Company is one such LP. It has not added any new private equity funds to its portfolio in the past couple of years, but has found that the denominator effect has left it over-allocated to the asset class. As a result, Esterad is considering selling private equity fund stakes during 2011.

Fig. 1: Amount of Capital Investors Plan to Commit to Private Equity Funds in 2011 Compared to 2010 - December 2010 Survey Results



Source: Preqin

Fig. 2: Investors That Have Placed Their Private Equity Investments on Hold Split by Type



Source: Preqin

Over-Allocation to Private Equity

Over the past couple of years, we have seen an increasing number of investors exceed their targeted level of exposure to private equity. More than 200 LPs are known to have current allocations to private equity that exceed their target allocations.

Typically, investors over-allocated to private equity will significantly reduce the amount of capital they make available for new commitments or will opt to halt new investments in the asset class until their allocations fall back within acceptable levels. The Teachers' Retirement System of Louisiana, for example, has 12.2% of its total assets allocated to private equity but has a target allocation of 10%. It has set aside $245 million for new commitments in the 2011 fiscal year, significantly less than the $1-1.2 billion set aside for new commitments in the 2010 fiscal year.

A small proportion of investors are now over-allocated to private equity as a result of a decision to reduce the level of their exposure to private equity. Pennsylvania State Employees' Retirement System is one such investor. It has 25.1% of its total assets in private equity but intends to gradually reduce its exposure over the longer term to 15% in order to divert capital to other types of investment, including fixed income.

While not all investors that are over-allocated to private equity will stop making new investments in the asset class, for many this will be the case. Although this makes them poor targets for GPs raising new vehicles, secondary market players may find it worth contacting them about the possibility of selling interests in funds in order to alleviate their over-allocations. In fact, 54% of LPs planning to sell stakes on the secondary market are motivated by the need for liquidity and 28% by portfolio rebalancing, as shown in Fig. 3.

For example, WLD Enterprises, a family office, does not plan to make new commitments to funds over the next few years as it is exceeding its 15% private equity target allocation, and is considering a secondary market sale in order to rebalance its portfolio.

LPs No Longer Investing in Private Equity

Preqin currently monitors more than 800 investors that have some previous exposure to private equity but that have opted to cease investment in the asset class for the foreseeable future. These investors account for more than half of the missing 1,500 LPs, as shown in Fig. 4.

Fig. 3: Investors' Motivations for Selling Fund Stakes on the Secondary Market - February 2011 Survey Results

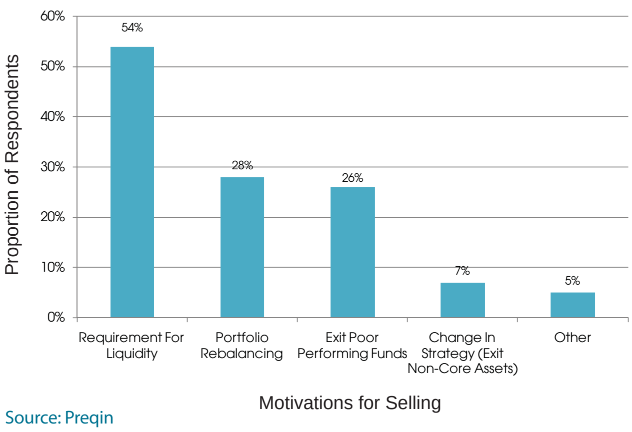


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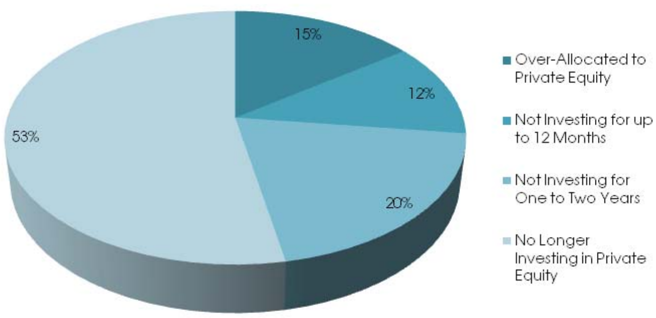
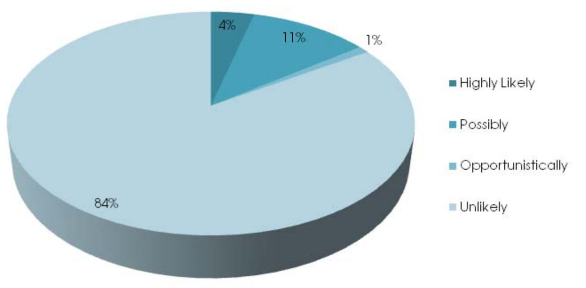
Fig. 4: The Missing 1,500 Private Equity Investors



Source: Preqin

Fig. 5: Proportion of LPs Not Actively Investing in New Opportunities That Are Likely to Sell Fund Stakes over the Next 24 Months



Source: Preqin

Some of these investors only made one or two strategic investments in funds in the past, but never had a specific allocation to private equity. These investors account for around three-quarters of the firms in this category and are unlikely to recommence investments in the asset class. Others with more sizeable portfolios of private equity investments have opted to cease investing as a result of a change in strategy, perhaps prompted by changes in their liquidity profiles or in the level of acceptable risk in their portfolios. It is possible that some of these institutions may return to the asset class in the future but it is unlikely they will begin assessing new opportunities for at least another few years.

It is also worth noting that this group contains all investors known to have ever invested in a private equity fund that no longer invest in the asset class. Just 5% of the LPs known to no longer invest in private equity chose to stop investing following a change in strategy in the past couple of years, showing that few were motivated by a lack of confidence in the asset class prompted by the financial crisis.

Investors that have stopped making private equity investments represent the best source of potential leads for secondary market players. It is possible that many will seek to liquidate their existing investments in private equity in order to exit the asset class fully and thereby free up capital to use for investments in other asset classes. Allied Irish Banks, for example, does not anticipate making any further commitments to private equity funds through its capital markets division and is looking to sell off its last stakes in a couple of venture funds before the end of Q2 2011.

Good News for Both GPs and Secondary Market Players

Fund managers planning to raise new funds over the next few years should see the results of this analysis as encouraging, and there is certainly no cause for concern regarding the longer-term future of the private equity industry.

Over half of the missing 1,500 LPs intend to return to the market at some point over the next couple of years. As conditions improve and stabilize, it is possible that we could see more of these institutions re-enter the private equity market as many have not ruled out reassessing the asset class in the longer term.

This is good news for GPs intending to raise new funds in the future. Identifying these institutions and getting in touch with them prior to their return to the asset class could help GPs to increase their chances of securing capital from them further down the line, even if the institutions in question are not actively assessing new opportunities at present.

In the short term, these LPs represent a good source of potential deal flow for secondary market players, with many LPs from each of the categories explored here considering offloading stakes in private equity funds on the secondary market. Having analyzed a sample of 480 LPs not actively investing or over-allocated to private equity, we can see that 16% are considering secondary market sales within the next 12 to 24 months (Fig. 5). It is important, therefore, that secondary market buyers identify these potential sellers and target them early in order to gain access to the best deal flow in the coming months.

Data Source:

Preqin's newly upgraded online Secondary Market Monitor now shows you who the missing 1,500 private equity investors are. Secondary Market Monitor subscribers have the facility to search Preqin's Investor Intelligence database for the investors that have placed their investments on hold, are over-allocated to private equity or are no longer investing in the asset class using the Find Possible Sellers function.

If you're a secondary market buyer, GP or intermediary interested in searching for the prime seller targets and would like more information or to apply for a demo please visit

www.preqin.com/secondaries

2011 Preqin Private Equity Secondaries Review

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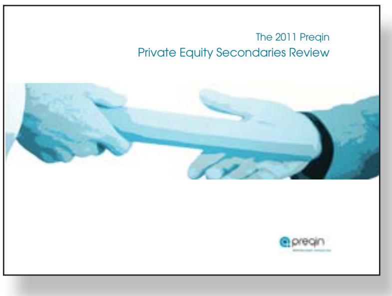
The 2011 Preqin Private Equity Secondaries Review contains detailed information and profiles for buyers, sellers, intermediaries, transactions, funds, performance, fund of funds, pricing and more...

Key features of this publication include:

- All PE fund types covered, including PERE
- Profiles for 82 specialist secondary fund of funds managers, 115 fund of funds managers with secondaries allocations, 50 institutional investor buyers and 30 sellers, 62 intermediary firms and placement agents, plus details for 100 investors in secondaries funds.
- Detailed analysis examining the history and development of the industry, historic NAV vs. trading price premiums and discounts, performance of secondaries funds, fund of funds activity in secondaries, institutional investor buyers and sellers, intermediaries, placement agents and more.
- Results of surveys conducted with GPs, LPs and fund of funds managers.
- Listings of 96 secondaries funds closed historically since 2005, 31 funds currently in the market, individual net to LP fund performance for 408 funds including secondaries vehicles and funds of funds with a secondaries allocation.
- Listings of 138 secondaries transactions for 2008 onwards



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Fundraising Assignment

Europe-Focused Mid-Market Buyout Fund

Kevin Neadley utilises the Investor Intelligence database to examine potential institutional investor appetite for a Europe-focused mid-market buyout fund being raised by a first-time fund manager.

Preqin's Fundraising Assignment examines institutional investor appetite for private equity funds of different size, strategy, location and track record. Using exclusive data from Preqin's Investor Intelligence database, our analysts determine the level of demand for our fund within the market, identifying key investor types interested in the fund. The results are displayed in the Long List. We then focus in closer, identifying a sample of specific institutional investors that represent good targets for funds of this type in the Short List.

Fig. 1: The Fundraising Assignment

The Assignment	
Fund Strategy	Buyout
Fund Size (EUR million)	500
Fund Focus	Europe
Track Record	First-Time Fund

Source: Preqin

The Long List

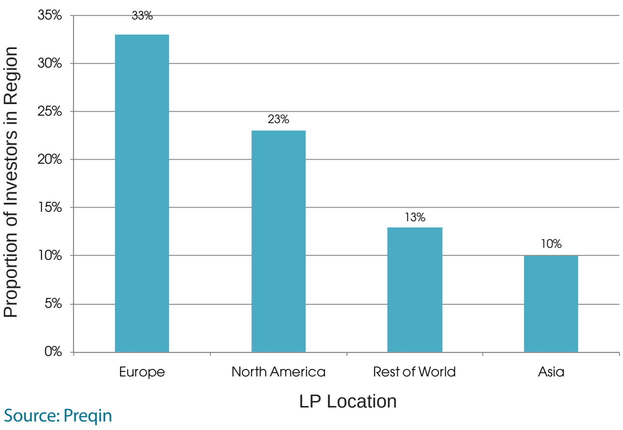
This month Preqin is looking at the potential appetite for a Europe-focused first-time buyout fund looking to raise €500 million in capital commitments from global institutional investors. Although some LPs will not commit to first-time funds, preferring to invest with more experienced GP teams, Preqin's Investor Intelligence database currently tracks 1,568 global LPs that will invest in first-time funds or spin-offs. When we narrow down to only include investors that will also consider European buyout funds, the Preqin Investor Intelligence database shows 831 institutional investors that are potentially interested in the Fundraising Assignment. Combined, these investors represent a little over €1 trillion currently allocated to private equity.

The fund meets the investment criteria for 33% of all investors based in Europe and 23% of LPs in North America (see Fig. 2). 13% of investors based in Rest of World are potential targets for our fund, with some of these being major institutions such as the UAE-based International Petroleum Investment Company, which invested in the Falah Growth Fund, a first-time buyout fund focused on investing in the Commonwealth of Independent States. 10% of investors in Asia would consider committing capital to our fund, with Mizuho Corporate Bank is one such potential investor; it has previously committed to the Europe-focused first-time buyout fund Magnum Capital.

Fund of funds managers and public pension funds are the types of investors most likely to invest in our Europe-focused first-time buyout fund (see Fig. 3). Combined, they represent 35% of the Long List of potential institutional investors in our fund and include such investors as Altius Associates and California State Teachers' Retirement System.

The fundraising assignment is also likely to attract capital commitments from private sector pension funds, which make up 11% of all potential investors on our database. The majority of these investors are based in the US and Europe and include institutions

Fig. 2: Proportion of Investors with Interest in Fundraising Assignment Split by LP Location



Source: Preqin

Fig. 3: Breakdown of Long List by Investor Type

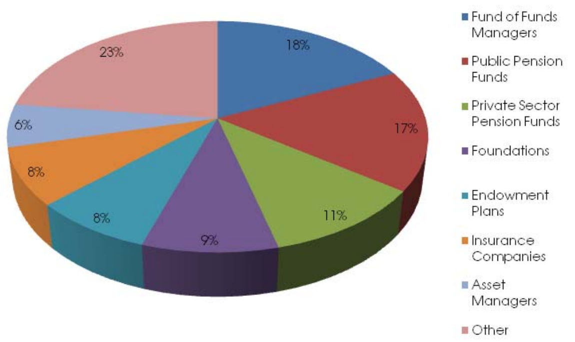


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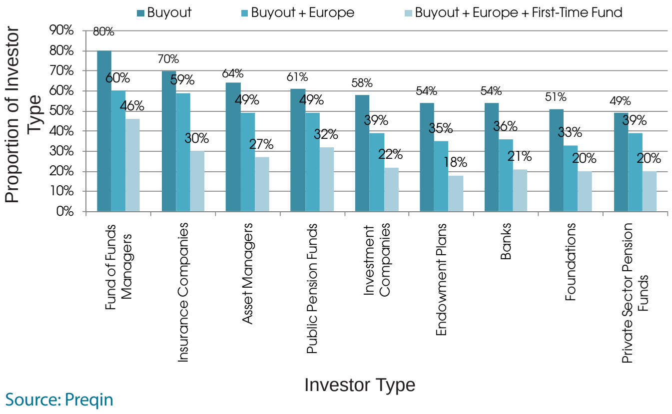
Fig. 4: Investor Barometer: Proportion of Investors with Interest in Fundraising Assignment by Type



Source: Preqin

such as Unilever UK Pension Fund, US-based Boeing Company Pension Fund, and Denmark-based Industriens Pensionsforsikring. Foundations account for 9% of investors with a potential interest in our fund, while endowment plans and insurance companies each account for 8% of potential investors. The Ford Foundation, Grinnell College Endowment and Korea Life Insurance are examples of possible targets within each of these investor groups.

The Investor Barometer in Fig. 4 shows how the overall universe of investors is reduced down until we finally reach our Long List of 831 institutional investors. By adding further criteria to the fund, investor appetite towards it changes. For instance, endowment plans are more likely than private sector pension funds to invest in a buyout fund, but less likely to invest in a Europe-focused first-time buyout fund. Interestingly, 59% of insurance companies globally show an interest in Europe-focused buyout funds, a larger proportion than public pension funds (49%). However, when you filter the investor universe further, to include only those LPs that are interested in first-time funds, the proportion of insurance companies with an interest in our fund reduces to just 30% of the universe, while a higher proportion, 32%, of public pension funds remain as potential targets.

Our list of 831 potential LP targets could be further reduced using the Search by Past Investments tool on Investor Intelligence. Preqin holds data on more than 40,000 fund commitments known to have been made by LPs and this search allows us to filter the data using detailed search criteria. Using this search, it is possible to see that 144 investors are known to have previously invested in 2008-2011 vintage Europe-focused buyout funds of between €400mn and €600mn in size. Seven of these LPs have invested in three or more funds matching these criteria.

The Short List

The Short List (Fig. 5) shows a selection of institutional investors which our analysts have identified as representing good possible targets for our fundraising assignment, including the specific rationale behind each inclusion. Preqin Online subscribers can click on the investor name to see the full profile.

Fig. 5: The Short List

Investor	Investor Type	Location	Details
Akina	Fund of Funds Manager	Switzerland	• Expected to invest €100-300 million across 5-12 private equity funds in 2011, investing through Euro Choice IV • First-time funds are considered for investments made through Euro Choice IV • Previously invested in the vintage 2009 first-time buyout fund, Xenon V • Focuses mainly on European buyout funds.
Greater Manchester Pension Fund	Public Pension Fund	UK	• Anticipates making eight new fund commitments in 2011 and has earmarked £80 million to be invested across these vehicles • Considers first-time funds • Previously committed £5 million to first-time fund, Zeus Private Equity Fund I
Mount Sinai School of Medicine	Endowment Plan	US	• Looking to forge new relationships with managers in 2011, including investing in spin-off teams • Invests in several fund types including buyout funds • Typically invests $15-20 million per fund
Scottish Widows Investment Partnership	Listed Fund of Funds Manager	UK	• Previously committed to the 2010 vintage first-time buyout fund, Elysian Capital I • Intends to invest in buyout funds targeting European opportunities in 2011 • Looking to add up to 10 new funds to its portfolio in 2011. Estimates investing between £100-200 million to these new vehicles
Kirkon Eläkerahasto	Private Sector Pension Fund	Finland	• Investing a total of €15 million in new funds in 2011 • Looking to target Europe-focused buyout funds • Looking to work with a mix of existing managers in its portfolio and managers it has no prior relationship with in 2011, and will invest in first-time funds managed by spin-off teams

Source: Preqin

Preqin News Exclusives

Claire Wilson delivers a round-up of the latest private equity news, featuring exclusive intelligence uncovered by Preqin's analysts. Preqin Online subscribers can click on the investor/firm names to view the full profiles.

Sweet Medicine

KKR has agreed to purchase Capsugel, the pill casings division of Pfizer.

The deal, announced in April 2011, is worth $2.4bn and is expected to be completed by July this year. Capsugel is the world's leading provider of hard capsules and an innovator in drug delivery systems for the pharmaceutical, OTC and health and nutrition industries. The firm generated approximately $750 million in revenue and manufactured more than 180 billion hard capsules in 2010.

Barclays Go Forth with Fourth Fund

Barclays have launched a fourth private equity fund.

Barclays Private Equity European Fund IV began raising at the end of March, and is seeking €1.5bn in commitments. It will act as a launch pad for Barclays Private Equity's separation from its parent company, Barclays Capital.

The fund will make majority stake investments in lower middle-market companies across Europe with an enterprise value between €50mn and €300mn.

Barclays Private Equity is one of Europe's leading mid-market private equity investors, with extensive experience in most industry sectors. The firm has developed specific expertise in the UK financial services, consumer and travel, and specialist engineering sectors.

Danske to Shed Assets on Secondary Market

Danske Bank is considering selling off more of its assets on the secondary market.

The Danish bank, which held off making secondary market sales in 2009 due to market conditions, sold off some of stakes in Nordic buyout funds in 2010. Over the course of 2011 it could sell more fund interests on the secondary market now that prices are more attractive to sellers.

Danske Bank was founded in 1871 as Den Danske Landmandsbank, the Danish Farmers' Bank. The bank provides payment services, security trading, investment advice and the provision of short-term and long-term financing.

Looking to Latin America?

Allstate Investment Management could purchase Latin America-focused fund stakes on the secondary market.

The $100mn insurance company, which has been active both as a buyer and a seller on the secondary market in the past, has hinted that it will consider buying interests in such funds managed by firms with which it has already invested.

Allstate invests mainly in North America and Europe, with Latin American interests accounting for a small part of its portfolio. It may increase its allocation to the region once it becomes more economically stable.

Big Investment Plans

Keva is to invest in 10 global private equity funds.

The €30bn public pension fund, which has a 5% target allocation to the asset class, will commit €450mn to the funds over the next 12 months. It is particularly interested in mid-market buyout opportunities in North America and Europe.

It is likely to forge relationships with new managers, alongside investing with those to which it has committed capital in the past, and will consider first-time managers. Keva is not looking to invest in secondaries, mezzanine or distressed funds.

The Finland-based pension plan covers around 500,000 members in total and is an experienced investor in alternatives. It generally commits between €25mn and €75mn per fund interest, though will consider investments outside of this scale.

Pension Plan to Plough More Money into PE

Shell Asset Management Company hopes to invest up to €500mn in private equity over the next 12 months.

The €40bn firm, which manages the pensions of UK and Dutch Royal Dutch/Shell Group staff, wants to take advantage of opportunities in the emerging market and European buyout sectors. It will not consider US-focused investments as it is currently over-allocated to the region, and for strategic reasons it is not interested in venture investments.

It typically invests €50mn per vehicle, but will consider both larger and smaller commitments. Each pension scheme the firm manages has its own target private equity allocation, which is generally between 5% and 10%.

Over and Above

Waud Capital Partners III has closed above target.

The healthcare-focused buyout fund, which was targeting $350mn, has just finished fundraising having collected $463mn. The fund is the third raised by Chicago-based Waud Capital, a private equity investment firm founded in 1993.

The firm makes investments of between $10mn and $50mn in private companies with an enterprise value of $30mn to $250mn, primarily within the healthcare industry. WCP also invests in niche manufacturing, industrial/specialty distribution and business service companies that can be grown internally, through acquisitions or as part of an industry consolidation.

Target and Then Some

The latest Bessemer venture fund has closed above target.

Bessemer Venture Partners VIII finished fundraising this month, having raised $1.6bn. It aimed to collect $1.5bn. The fund focuses primarily on investing in high-growth companies across multiple industries and geographies.

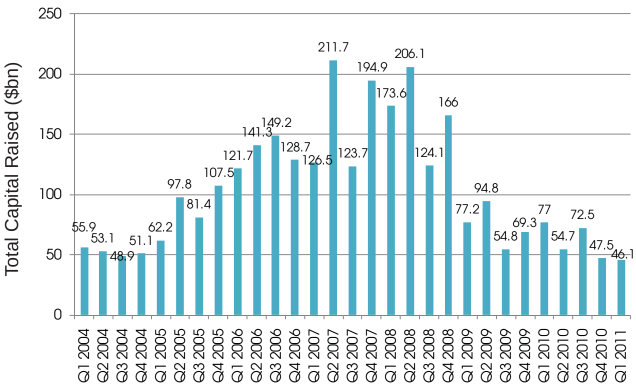
The firm will make investments out of its offices in the US, India and Israel. 25% of the capital will be allocated to opportunities in India.

Established in 1911, New York-based Bessemer Venture Partners focuses on venture capital investments in cleantech, data security, financial services, healthcare, and software as a service.

Q1 2011 Fundraising Stats

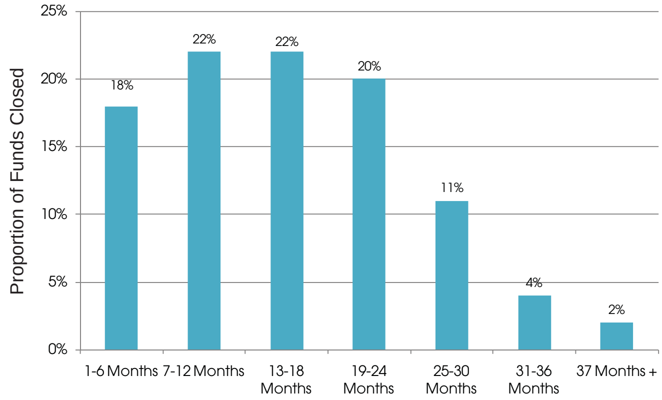
Adam Counihan examines fundraising in the first quarter of the year.

Fig. 1: All Private Equity Fundraising by Quarter, Q1 2004 - Q1 2011



Source: Preqin

Fig. 2: Time Spent on the Road by Funds Closed in Q1 2011



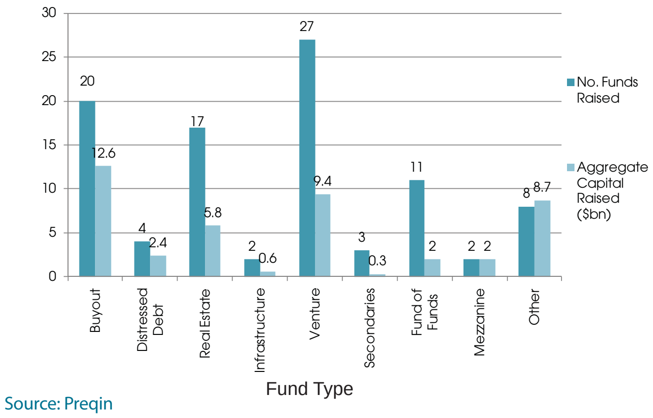
Source: Preqin

Fig. 3: Top 10 Funds Closed during Q1 2011 by Final Close Size

Fund	Firm	Type	Amount Close (mn)	Manager Location	Fund Focus
EnCap Energy Capital Fund VIII	EnCap Investments	Natural Resources	3,500 USD	US	US
Golder Thoma Cressey Rauner X	GTCR Golder Rauner	Buyout	3,250 USD	US	US
Baring Asia Private Equity Fund V	Baring Private Equity Asia	Balanced	2,460 USD	Hong Kong	ROW
Gores Capital Partners III	Gores Group	Buyout	2,064 USD	US	US
Yunfeng Fund	Yunfeng Capital	Early Stage	10,000 CNY	China	ROW
Blackstone Real Estate Special Situations Fund II	Blackstone Group	Real Estate	1,500 USD	US	US
InSight Venture Partners VII	InSight Venture Partners	Venture (General)	1,500 USD	US	US
Astorg V	Astorg Partners	Buyout	1,050 EUR	France	Europe
Sequoia Capital 2010	Sequoia Capital	Early Stage	1,358 USD	US	US
Park Square Capital II	Park Square Capital Partners	Mezzanine	850 EUR	UK	Europe

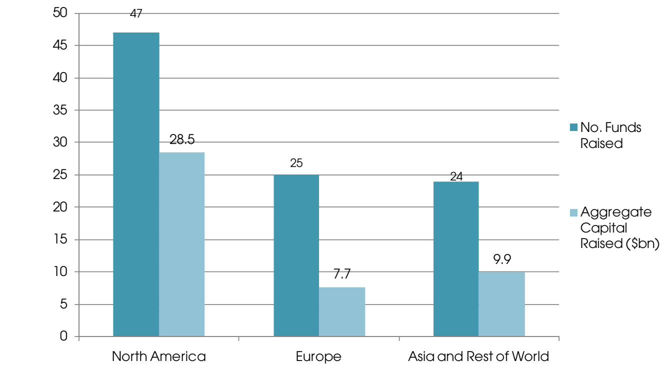
Source: Preqin

Fig. 4: Private Equity Fundraising by Type, Q1 2011



Source: Preqin

Fig. 5: Private Equity Fundraising by Primary Geographic Focus, Q1 2011

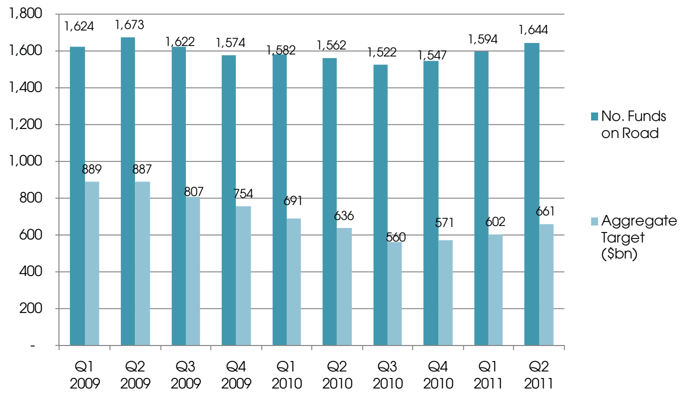


Source: Preqin

Q2 2011 Funds in Market

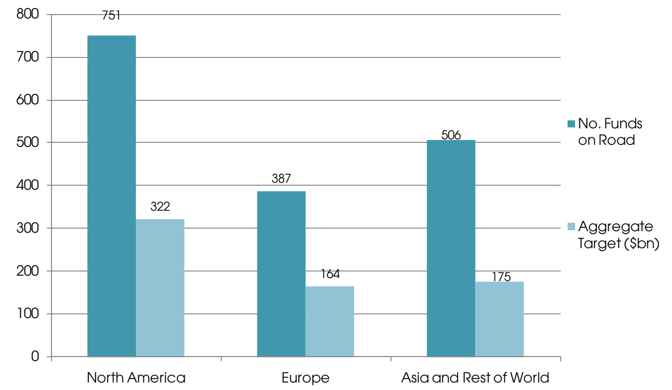
Anna Stumillo looks at the funds in market as we go into the second quarter of the year.

Fig. 1: Funds in Market by Quarter



Source: Preqin

Fig. 2: Composition of Funds in Market by Primary Geographic Focus



Source: Preqin

Fig. 3: 10 Largest Funds in Market

Fund	Fund Manager	Fund Type	Fund Target (mn)	Fund Status	Location Focus	Fund Manager Location
Blackstone Real Estate Partners VII	Blackstone Group	Real Estate	10,000 USD	Raising	North America	US
KKR North American XI Fund	Kohlberg Kravis Roberts	Buyout	10,000 USD	Raising	North America	US
Providence Equity Partners VII	Providence Equity Partners	Buyout	8,000 USD	Raising	US, West Europe, North Africa	US
BC European Cap IX	BC Partners	Buyout	6,000 EUR	First Close	Europe	UK
Cinven V	Cinven	Buyout	5,000 EUR	Raising	Europe	UK
Lexington Capital Partners VII	Lexington Partners	Secondaries	6,000 USD	Fourth Close	Global	US
EQT VI	EQT Partners	Buyout	4,250 EUR	Raising	Europe, Nordic	Sweden
Coller International Partners VI	Coller Capital	Secondaries	5,000 USD	Raising	North America, Europe, Asia	UK
Global Infrastructure Partners II	Global Infrastructure Partners	Infrastructure	5,000 USD	Raising	Global	US
Berkshire Fund VIII	Berkshire Partners	Buyout	4,000 USD	Raising	North America	US

Source: Preqin

Data Source:

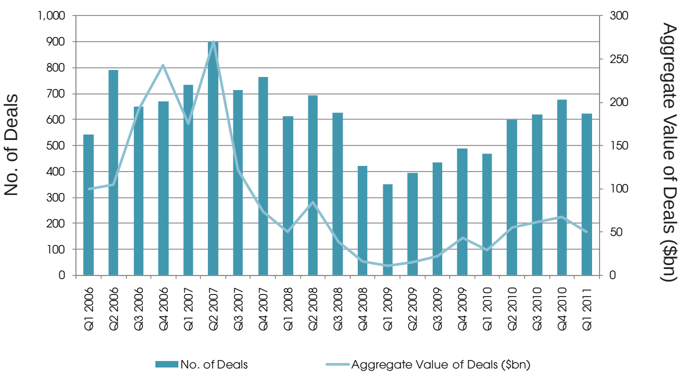
Preqin's Funds in Market database contains details of over 1,600 private equity funds on the road seeking capital, plus information on every vehicle that has closed since 2003. For more information about this product and how it can assist you, please visit:

www.preqin.com/fmp

Buyout Deals and Exits in Q1 2011

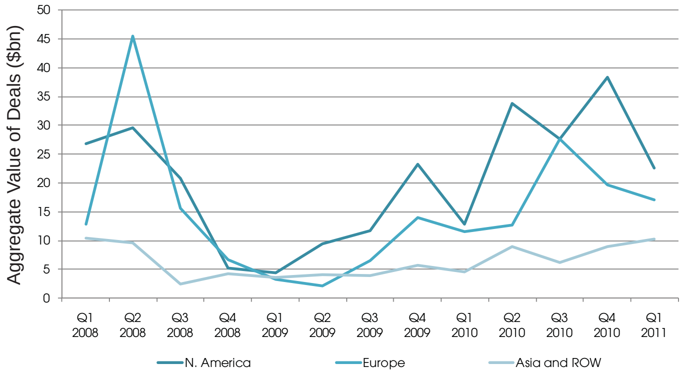
Manuel Carvalho reveals some key stats relating to buyout deals and exits in Q1 2011.

Fig. 1: Number and Aggregate Value of PE-Backed Deals Globally, Q1 2006 - Q1 2011



Source: Preqin

Fig. 2: Aggregate Value of PE-Backed Deals by Region, Q1 2008 - Q1 2011



Source: Preqin

Fig. 3: 10 Largest Buyout PE-Backed Deals Globally, Q1 2011

Name	Date	Type	Deal Size (mn)	Currency	Buyers	Sellers	Industry	Location
Emergency Medical Services	Feb-11	Public To Private	3,200	USD	Clayton Dubilier & Rice		Healthcare	US
Citadel Broadcasting	Mar-11	Merger	2,400	USD	Bain Capital, Blackstone Group, Crestview Partners, Cumulus Inc., Macquarie Bank, Thomas H Lee Partners	JP Morgan	Media	US
Alinta Energy	Mar-11	Restructuring	2,100	AUD	TPG		Energy	Australia
Acosta, Inc.	Jan-11	Buyout	2,000	USD	Thomas H Lee Partners	AEA Investors	Marketing	US
Elkem	Jan-11	Add-on	2,000	USD	Blackstone Group, Bluestar	Orkla ASA	Materials	Norway
Ansaldo Energia	Mar-11	Buyout	1,233	EUR	Finmeccanica, First Reserve Corporation		Power	Italy
The Priory Group	Jan-11	Buyout	925	GBP	Advent International	RBS Asset Management	Healthcare	UK
Patni Computer Systems	Jan-11	Buyout	1,220	USD	Apax Partners, iGate	General Atlantic	IT	India
Capio Spanish Hospitals	Jan-11	Buyout	900	EUR	CVC Capital Partners	Apax Partners, Nordic Capital	Healthcare	Spain
Phones4U	Mar-11	Buyout	700	GBP	BC Partners	Providence Equity Partners	Telecoms	UK

Source: Preqin

Data Source:

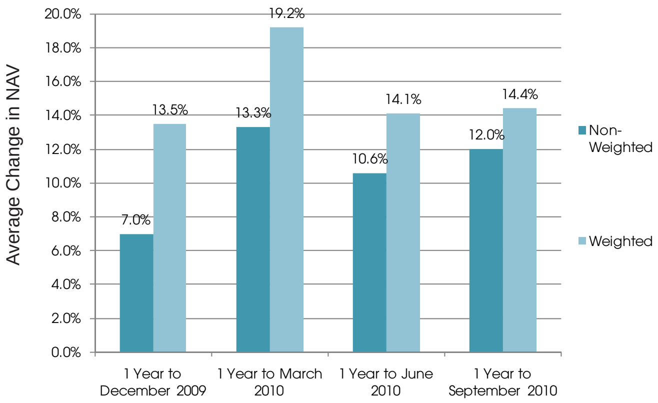
Included as part of Preqin's integrated 360° online private equity database, or available as a separate module, Deals Analyst provides detailed information on private equity backed buyout deals and exits globally, including secondary buyout deals. The product has in-depth data for over 21,000 buyout deals across the globe, including information on deal value, buyers, sellers, debt financing providers, financial and legal advisors, company financials and more.

www.preqin.com/deals

Performance Update

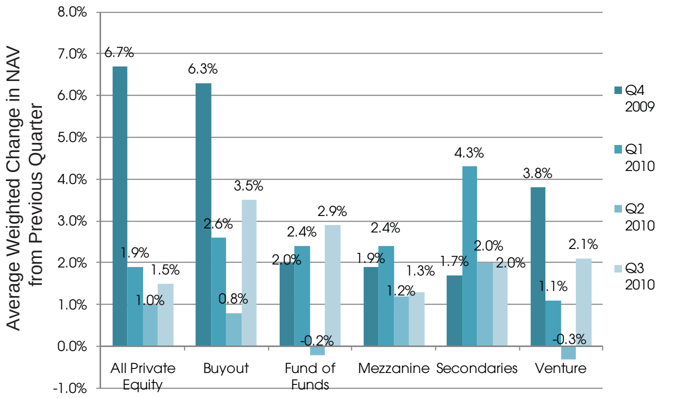
Bronwyn Williams looks at the latest changes in private equity fund performance, using data accurate to September 2010.

Fig. 1: Average Change in NAV for All Private Equity



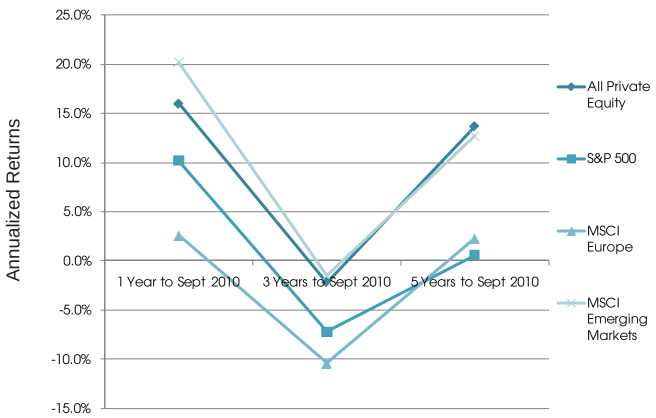
Source: Preqin

Fig. 2: Weighted Quarterly Change in NAV by Fund Type



Source: Preqin

Fig. 3: Private Equity Horizon IRRs vs. Public Indices as of 30 Sept 2010



Data Source:

To provide an independent and unbiased assessment of the industry's performance, Preqin has analyzed the returns generated by private equity partnerships as of 30 September 2010, using data from Performance Analyst. Preqin currently holds transparent net-to-LP performance data for over 5,300 private equity vehicles of all types and geographic focus. In terms of aggregate value, this represents around 70% of all capital raised by the industry. For more information, please visit:

www.preqin.com/pa

Fig. 1 shows the one-year change in net asset value (NAV) as at each quarter end from December 2009 to September 2010. The latest figures show an average change over the year to September 2010 of 12.0% for the non-weighted metric and 14.4% for the weighted metric. The weighted metric takes into account fund sizes, suggesting that the larger funds in the industry increased in value more than the smaller funds. It should be noted that larger funds had previously been more affected by the financial crisis than smaller funds.

The quarterly weighted change in NAV by fund type is shown in Fig. 2. Q3 2010 data shows that all the private equity fund types reported an increase in valuation: buyout funds reported an increase of 3.5%, fund of funds 2.9%, mezzanine 1.3%, secondaries 2.0% and venture 2.1%. Overall, the private equity industry has shown a quarterly increase of 1.5% for September 2010.

Fig. 3 examines the horizon IRR of all private equity funds over the one-, three- and five-year periods and the returns achieved by three public indices across the same timeframe through September 2010. The overall private equity horizon IRR for the one-year period stands at 16%, for the three-year period at -2.2%, and for the five-year period at 13.7%. Over the three- and five-year periods, returns for all private equity and MSCI Emerging Markets are broadly similar, with the two significantly outperforming the S&P 500 and MSCI Europe. In the year to September 2010, MSCI Emerging Markets posted 20.2%.

The comparison of private equity with listed equities needs to be viewed with caution as the private equity asset class is illiquid. Private equity investors are committed over a long period of time and therefore these returns are not as relevant as they are for the more liquid listed markets.

Conferences Spotlight

Conference	Dates	Location	Organizer
Brazil Investment Summit 2011	3 - 6 May 2011	Sao Paulo	Terrapinn
2nd Alternative Investments Summit	04 May 2011	New York	iGlobal Forum
China Venture Capital & Private Equity Forum	04 May 2011	New York	Zero2IPO Group
Turkey Investment Summit	9 - 11 May 2011	Istanbul	Terrapinn
Third Global M&A Symposium	10 - 12 May 2011	London	AM&AA
SALT Conference 2011	11 - 13 May 2011	Las Vegas	SkyBridge
Fundraising from Institutional LPs	12 May 2011	New York	Capital Roundtable
CEE Private Equity Forum	18 - 19 May 2011	Warsaw	C5
6th Asian Investment Summit	18 - 19 May 2011	Hong Kong	AsianInvestor

Private Equity World Latin America 2011

Date: 20-22nd June 2011
Location: Miami, FL
Organiser: Terrapinn

The 5th annual Private Equity World Latin America is a three day conference for investors and senior directors of Latin American private equity funds. Book your spot now to meet over 200 leading GPs, LPs and their advisors that are gathering together to do business, be inspired and identify future partners.

Information: www.terrapinn.com/pelatam

Raising Private Equity Fundsfrom Institutional Investors

Date: 12th May 2011
Location: New York City, NY
Organiser: The Capital Roundtable

Designed to Meet the Needs of GPs, LPs, & Managers of Buyout, Growth Equity, & Mezzanine Funds, As Well as Officers & Directors of Their Portfolio Companies, Independent Sponsors, and Investment Bankers, Lenders, Industry Executives, Lawyers, & Other Advisors Who Work With Them

Information: http://www.capitalroundtable.com/masterclass/capital-roundtable-raising-private-equity-funds-from-institutional-investors.html

2nd Annual Alternative Investments Summit

Date: 4th May 4th, 2011
Location: New York
Organiser: iGlobal Forum

iGlobal Forum's 2nd ALTERNATIVE INVESTMENTS SUMMIT: New Strategies for a New Era will examine post-economic meltdown opportunities for institutional investors and allocators in hedge funds, private equity, mergers & acquisitions, managed futures, distressed debt and credit markets. The Summit will unite pension funds, endowments, foundations, family offices and insurance companies with top hedge funds, private equity firms, commodity trading advisors (CTAs), distressed debt/credit funds and asset managers. Attendees will benefit from a full day of networking, panel discussions, and compelling presentations from the country's leading fund managers and institutional investors.

Information: www.iglobalforum.com/2alternatives

MedTech Investing Conference

Date: 19th May 2011
Location: Graves 601 Hotel Minneapolis, 601 1st Avenue North, Minneapolis, MN, 55403
Organiser: IBF Conferences, Inc./ International Business Forum

The MedTech Investing Conference has become the leading event in the US for device investors, entrepreneurs and corporate business development executives.
This year's conference, focusing on 'the New Era of Innovation,' will feature 45+ industry experts, who will share candid insights on the most critical issues in the sector today; while, at the same time, providing an intimate venue to network and grow impactful relationships to help foster the development and financing of companies.

Information: http://medtechconference.com/

Pan European Mezzanine Finance & the Subordinated Debt Market

Date: 25-27th May 2011
Location: Paris, Hotel Lutetia
Organiser: IIR

With over 200 attendees, 80 leading mezzanine professionals, 26 different sessions and more networking opportunities, our 9th Annual Pan-European Mezzanine finance conference is your must-attend event
This year our speaker line up includes more experts from a wider range of backgrounds than ever before including more LPs, more Leverage Financiers & more Private Equity sponsors as well as more networking opportunities

Information:
http://www.informaglobalevents.com/KM2313PQ

The European Mid-Market PE Conference

Date: 26th May 2011
Location: London
Organiser: BIE Events

This, our second European Mid-Market Private Equity Conference designed for practitioners operating in the segment, will look at opportunities through the investment cycle and offer an interactive forum for LPs and GPs for discussing the most topical issues.

Information: http://www.bieevents.com/mm2011-details