

Content Includes:

Preqin Special Report: Asian Private Equity Can Growth Be Sustained?

September 2013

Private Equity in Asia

We provide an overview of the Asian private equity market, including investor appetite, fundraising and fund manager trends, and deal activity.

Asia-Based Investors in Focus

We explore the Asian private equity investor base, drawing on a recent survey. How active do these investors expect to be in the future? What fund types and geographies are they targeting?

Performance Benchmarks

We look at how Asian private equity funds have performed based on vintage year.

Regions in Focus

We examine key statistics on regions in Asia active in private equity investment: Greater China, ASEAN, Northeast Asia and South Asia.



Plus Special Guest Contributor:
Alexandre Schmitz, Capstone Partners



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Key Facts

50% of investors interviewed cite Asia as a key region that is highly attractive for investment right now within emerging markets.

371 Asia-focused funds are currently in market, targeting an aggregate \$117bn; 47% of these vehicles have already held an interim close.

422 is the average size of Asia-focused private equity funds closed in 2013 YTD (in \$mn), an increase on \$197mn in 2009.

121 is the amount of dry powder available to Asia-based private equity fund managers as of August 2013 (in \$bn).

94% of Asia-based investors interviewed by Preqin expect to increase their allocation to private equity in the future.

44% of Asia-based LPs interviewed named small to mid-market buyout funds as currently presenting the best investment opportunities.

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CEO's Foreword

Asian Private Equity – The Third Pillar Comes of Age

Top-line fundraising figures show that Asian private equity has succumbed to the same challenges and weaknesses as other global regions: while Asia had remained remarkably robust until Q3 2012, fundraising over the past 12 months has actually declined, lagging behind an improving trend in North America and even Europe.

However, dig beneath the headline numbers and there is evidence for the robust development of the Asian private equity market over the longer term. Preqin conducted a survey of 50 prominent Asia-based investors during June and July 2013 as part of our wider 2013 Investor Outlook project covering the views and intentions of 450 leading LPs globally. The findings show that:

- Seventy-one percent of Asia-based LPs have already made a fund commitment in 2013, while 37% of Asia-based LPs plan to commit more this year than last, and only 15% consider themselves likely to commit less;
- Looking at LPs' plans over the longer term, a remarkable 53% intend to increase their target allocations, compared to only 6% aiming to reduce them;
- Looking at LPs from outside Asia, they are planning to increase their investment in the region, demonstrating that Asia is becoming an increasingly core pillar of the global private equity industry, both as a destination for investment, and as a source of funds;
- The fund types of interest to Asian LPs have evolved significantly. With pre-IPO deals no longer on the table, investors are focusing on a more diverse mix of growth capital, small- to mid-market buyouts, and even large buyouts and venture capital – in other words, mirroring the diversity of fund strategy seen in North America and Europe, albeit with more of a focus on growth;
- The GP base in Asia has matured significantly, with more domestic managers now into their second, third, etc. funds, and able to demonstrate a track record to prospective investors;
- The Asian LP base covers the full span of investors, from powerhouse sovereign wealth funds through the full gamut of institutional investors, to a burgeoning private wealth community, all of them intent on raising their involvement in private equity.

Most of all, however, even the phrase 'Asia' is becoming a misnomer, as the market dynamics and prospects in different regions diverge – Greater China, ASEAN, Northeast Asia, and South Asia all have distinct opportunities and challenges. This report delves into the sub-regions in some detail, and will be a template for further Preqin research reports, as our increased focus on Asia mirrors the increasing the opportunities and challenges presented by Asia for our customers. We hope you find it useful.

It is increasingly said that alternative assets are no longer 'alternative', but a core part of any institution's asset mix. The same can be said for Asian private equity: whether you are a fund manager, an investor or an advisor, not including Asia within your fundraising and/or investment plans would be a serious omission.

Mark O'Hare

Are you an investor?

Join **Preqin Investor Network** to get free access to details of all alternative assets funds in market, key contact details and fund manager performance track records.

www.preqin.com/pin

Are you a fund manager?

Make sure investors can find you. Contact us to view your firm or fund profile, make sure the information is up to date, and provide us with valuable feedback.

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The Development of the Asian Private Equity Landscape

The region of Asia has in recent years been a key geography of development, and the world has observed the maturation of its economy with great interest. The growth of the private equity industry in Asia has been relatively rapid and though figures show that the continent has struggled with some of the same challenges and weaknesses as other regions around the globe, it is clear that, overall, Asia has enjoyed an undeniable long-term rate of growth. Its evolution has pushed it ahead of other emerging markets, giving it the credence to join Europe and North America as a key geography for investors to target when investing in private equity.

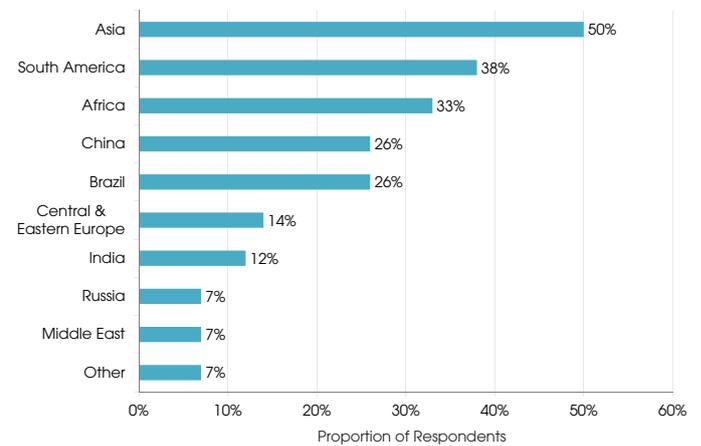
Investor Appetite and Activity

In June 2013, Preqin conducted a survey of over 100 institutional investors in private equity around the world in order to gauge their sentiment toward private equity and their outlook for the asset class. These interviews with investors revealed that Asia is attracting the most significant amount of investor interest relative to all other emerging market regions. Fig. 1 clearly shows that Asia takes the lead over South America and Africa, with 50% of all investors interviewed citing it as a key region that is highly attractive for investment right now. China and India were named specifically by 26% and 12% of investors interviewed respectively as countries that they felt were currently presenting the best opportunities.

Fig. 2 shows how this appetite for Asia is translated in the yearly statistics of aggregate capital raised by private equity funds focused on emerging markets. The chart highlights the dominance of Asia-focused fundraising in terms of aggregate capital raised; Asia-focused funds have consistently raised 69% or more of aggregate capital secured for investment in emerging markets since 2005. In 2013 YTD, Asia-focused vehicles raised a significant 75% of total capital raised by private equity funds with a focus on emerging markets, an increase from 69% in 2012.

Preqin's interviews also provide insight into the investment activity of Asia-based investors. The Asian investors surveyed by Preqin were the most active among all LPs globally in the first

Fig. 1: Countries and Regions within Emerging Markets Private Equity Investors Feel are Currently Presenting the Best Opportunities*



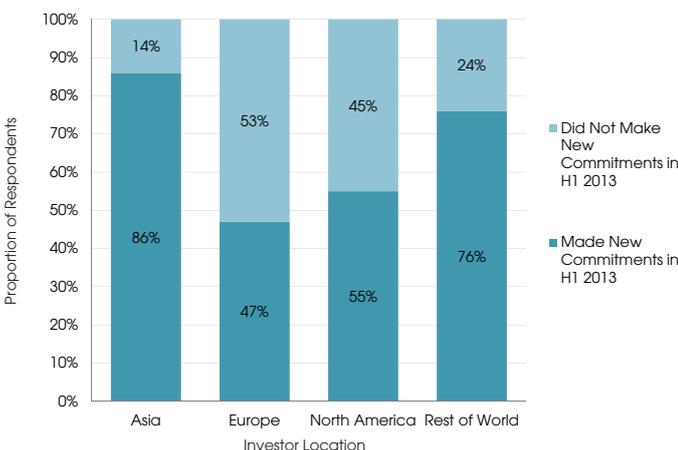
Source: Preqin Investor Interviews, June 2013

Fig. 2: Proportion of Aggregate Capital Raised by Emerging Markets-Focused Funds by Fund Geographic Focus, 2005 - 2013 YTD (As at August 2013)



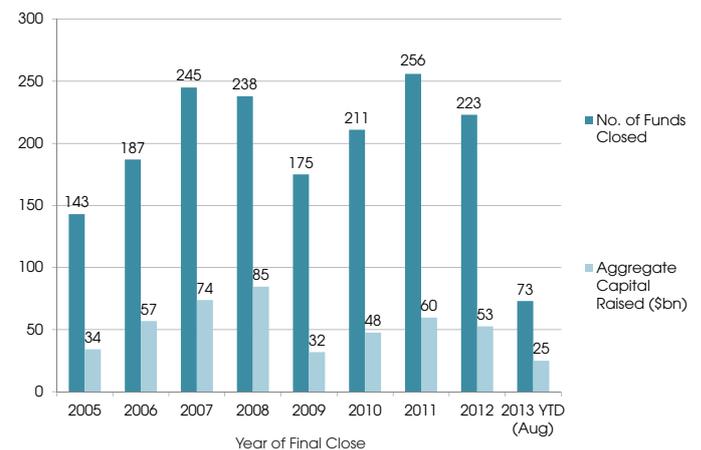
Source: Preqin Funds in Market

Fig. 3: Proportion of Investors that Made New Private Equity Commitments in H1 2013 by Investor Location



Source: Preqin Investor Interviews, June 2013

Fig. 4: Annual Primarily Asia-Focused Private Equity Fundraising, 2005 - 2013 YTD (As at August 2013)



Source: Preqin Funds in Market

*Respondents were not prompted to give their opinions on each country/region individually; therefore, the results display the countries and regions at the forefront of investors' minds at the time of the survey.



Fig. 5: Top Five Asia-Focused Private Equity Funds in Market (As at August 2013)

Fund	Firm	Target Size (\$bn)	Fund Type
Blackstone Real Estate Partners Asia	Blackstone Group	4.0	Real Estate
Mount Kellett Capital Partners III	Mount Kellett Capital Management	4.0	Special Situation
TPG Asia VI	TPG	4.0	Buyout
Affinity Asia Pacific Fund IV	Affinity Equity Partners	3.5	Buyout
Carlyle Asia Partners IV	Carlyle Group	3.5	Buyout

Source: Preqin Funds in Market

half of 2013, with 86% of these investors having already made private equity commitments in H1 2013 (Fig. 3). Asia's high levels of investor activity contrast starkly against Europe, with only 47% of Europe-based investors having made new commitments in H1 2013. For North American-based investors, the figure was 55%, still significantly lower than for Asia-based investors interviewed.

Historical Fundraising

Turning our attention to the activity of fund managers that target the region, Preqin's Funds in Market online service provides data on trends of Asia-focused fundraising. Fig. 4 displays the number of private equity funds closed since 2005 that have a primary geographic focus on Asia.

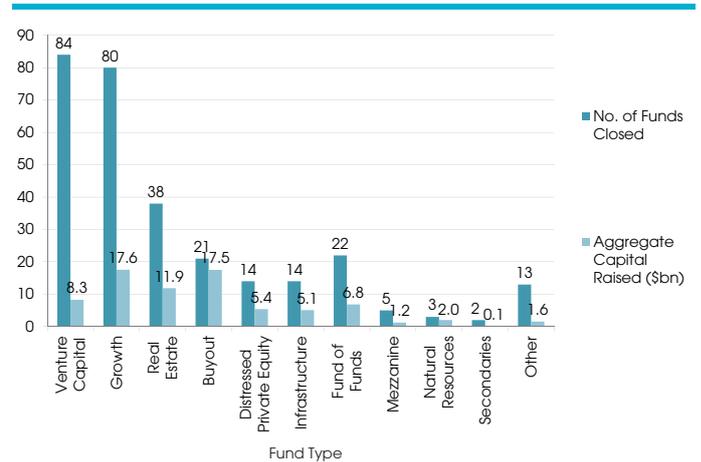
The number of Asia-focused funds closed and the aggregate capital they raised escalated from 2005 to 2008, reaching a peak of 238 Asia-focused funds garnering an aggregate \$85bn in 2008. The global financial crisis led to a sharp decline in fundraising for vehicles targeting the region to an aggregate \$32bn raised by 175 funds in 2009. Fundraising began to recover again in the years following as investor appetite for Asian private equity remained substantial, though at a much reduced pace. In 2011, Asia-focused fund managers secured an aggregate \$60bn in capital commitments, the greatest aggregate amount since the financial crisis in 2008, but still far from the previous high of \$85bn.

Despite these signs of recovery, fundraising dropped slightly in 2012, to 223 funds raising an aggregate \$53bn. In 2013 so far, the figures do not look promising, with only 73 Asia-focused funds having held a final close in the year so far. As the developed markets of North America and Europe have stabilized more over the past year, some investors may be returning to these private equity markets when making new investments, and the current investor concerns regarding emerging markets do not bode well for 2013.

However, it is notable that the average size of Asia-focused vehicles is the highest it has ever been in 2013 YTD at \$422mn, a marked increase even from the corresponding figures of the 2007-2008 boom. In fact, the average fund size of Asia-focused private equity vehicles has been steadily increasing since reaching a low of \$197mn in 2009, indicative of larger fundraising attempts made by private equity fund managers with their eye on Asia. Indeed, a closer look at Asian private equity fundraising in 2013 YTD reveals a number of multi-billion dollar funds raised by established GPs, including the successful final close of KKR Asia Fund II by Kohlberg Kravis Roberts. The \$6bn vehicle held a final close in June 2013, and is focusing on management buyout and growth equity investments in Asia, with a particular concentration on Japan and China. This is the private equity group's second regional fund and ranks as the largest Asia-focused fund to be raised to date.

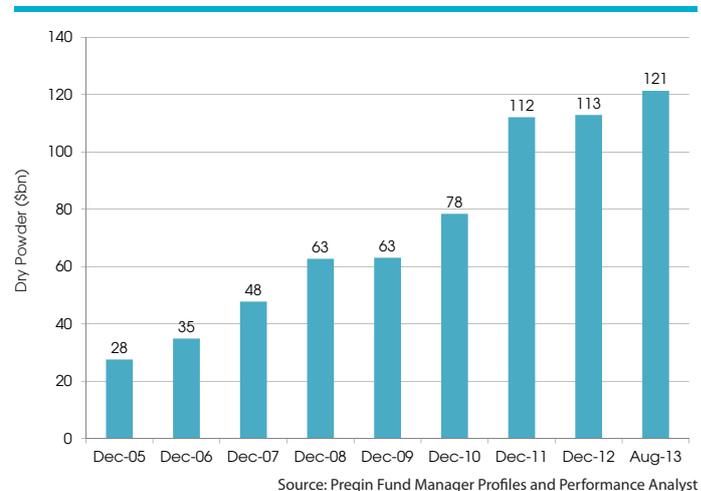
Currently, there are 371 Asia-focused funds in market, collectively targeting over \$117bn; 47% of these vehicles have already reported at least one interim close. The top five largest Asia-focused funds currently on the road are shown in Fig. 5.

Fig. 6: Primarily Asia-Focused Private Equity Fundraising by Fund Type, Funds Closed 2012 - 2013 YTD (As at August 2013)



Source: Preqin Funds in Market

Fig. 7: Total Dry Powder of Asia-Based Private Equity Fund Managers, 2005 - August 2013



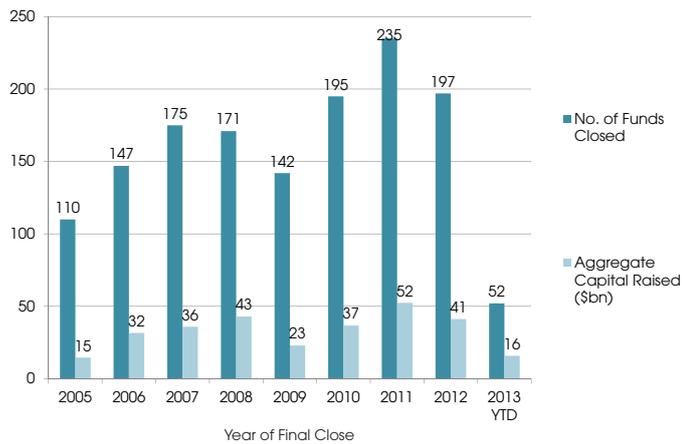
Source: Preqin Fund Manager Profiles and Performance Analyst

Favoured Fund Types

A breakdown of fund types for all private equity funds closed in 2012-2013 YTD with a primary geographic focus on Asia is shown in Fig. 6. Venture capital, which includes general, early stage, late stage and expansion funds, is the most common, with 84 funds of this type reaching a final close in 2012-2013 YTD. Growth follows as a close second, with 80 funds focused on making growth equity investments closed in the same time period, though these funds account for the greatest amount of aggregate capital raised (\$17.6bn) compared to other fund types. Growth deals are often common in emerging markets such as China and India. Such transactions involve investee companies that are relatively mature and successful, but where leverage and majority stakes cannot be or are not taken.



Fig. 8: Annual Fundraising of Asia-Based Private Equity Fund Managers, 2005 - 2013 YTD (As at 23 August 2013)



Source: Preqin Funds in Market

Asia-Based GPs

Preqin currently tracks 901 private equity firms headquartered in Asia. Figures for August 2013 saw the dry powder available to these GPs reach an all-time high of \$121bn, indicating that many Asia-based fund managers still have a great amount of capital available that they have yet to put to work. This represents a 7% increase from the \$113bn in dry powder available in December 2012, and a significant 55% increase from the \$78bn in dry powder available to Asian GPs in December 2010. These statistics, which are shown in Fig. 7, suggest two things: (i) there is a clear upward trend indicating the success of Asia-based GP fundraising and the growth of their segment of the private equity market and (ii) the growth has been relatively strong, but the rate has slowed down considerably in the past two years or so.

This observation is further reinforced by the historical fundraising figures of Asia-based private equity GPs, as shown in Fig. 8. The rises (and falls) of the number of funds raised and the aggregate capital garnered by fund managers headquartered in Asia are depicted clearly. Slow, but steady, fundraising growth can be seen in the lead up to the financial crisis in 2008, and again before the recession in 2011.

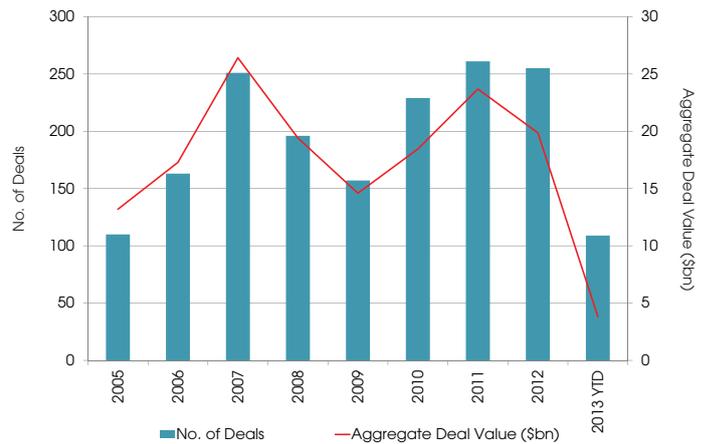
Deals

Deal activity in Asia has seen similar patterns of growth punctuated by dips, with both the number and aggregate value of private equity deals in the region dropping off in 2009 and again in 2012. In 2013 YTD, the number of private equity-backed buyout deals completed in Asia is still quite low, with an aggregate deal value of \$3.8bn (Fig. 9).

Many have observed a lack of exit activity in China in particular. Although the exact number of private equity deals yet to be exited in the country is unknown due to a lack of disclosure of deals, it is expected to be sizable. The widely reported suspension of IPOs on China's stock exchange by regulators in late 2012 has left a long waiting list for IPO approval, a common exit strategy.

Preqin's historical fundraising figures for China-focused venture capital funds demonstrate that this lack of exit activity has impacted private equity fundraising for venture capital funds focusing on the country. A peak of 63 venture capital vehicles with a predominant geographic focus on Asia including a specific country focus on China reached a final close in 2011, garnering a high of \$12.5bn in capital commitments. However, since then, fundraising for the strategy has experienced a decline. In 2012,

Fig. 9: Number and Aggregate Value of Private Equity-Backed Buyout Deals in Asia, 2005 - 2013 YTD (As at 23 August 2013)



Source: Preqin Buyout Deals Analyst

only 41 venture capital funds with the same type of geographic focus closed on \$5.3bn and so far in 2013, there has only been a total of \$785mn raised by eight venture capital funds reaching final close. The average size of these China-focused venture capital vehicles over the period of 2011 to 2013 YTD has fallen from \$212mn in 2011 to \$53mn in 2013 YTD.

Outlook

Historical fundraising figures show that Asian private equity has faced some of the same challenges as other global regions, but overall, the growth it has experienced over the last decade is undeniable. Fundraising figures and deal activity over the past 12 months have declined in Asia, but there is optimism that development of Asian private equity will rebound. Investor appetite for opportunities in Asia is strong, as expressly stated by LPs worldwide interviewed by Preqin.

Finally, while we can analyze the region as a whole, it can be argued that 'Asia' has actually become an umbrella term for a number of diverse sub-regions that it comprises. China and India have historically dominated the Asian private equity universe, but the industry is recognizing that there are other emerging countries in the region where development is especially notable, rapid and exciting. Preqin appreciates that each offers their own distinct opportunities and challenges, and the fact sheets later on in this report present some key statistics for the private equity landscape in four separate Asian sub-regions and the activity of the fund managers based there. Data on Greater China, Northeast Asia, South Asia and ASEAN, all of which are experiencing varying market dynamics and facing differing economic prospects is featured later in the report.

Preqin's Asian Private Equity Data: A Vital Tool

Preqin tracks in-depth data on the Asian private equity market. Access detailed profiles of 3,300 Asia-focused funds, including over 370 currently in market, and over 1,200 private equity investors that have invested or would consider investing in Asia. Benchmark Asian private equity performance and view individual fund performance of over 770 Asia-focused funds.

Additionally, view over 5,500 buyout and venture capital deals in Asia, which you can access through our [Buyout and Venture Deals Analyst](#) services.

For more information, please visit:

www.preqin.com/privateequity



Asia-Based Investor Survey – Views on Private Equity Opportunities

As the Asian institutional investor landscape continues to play an increasingly prominent role in the funding of private equity on a progressively global level, Asia-based investors are playing a more important role in the fundraising efforts of global GPs. Renowned placement agents have recognized the increased level of commitments for Western funds coming from the Asian LP base by setting up offices in the region itself. In order to assess the activity of private equity investors based in Asia and their preferences for fund types and geographic foci in the current climate, Preqin conducted interviews with 50 prominent investors based across the region in June 2013.

Level of Activity

Seventy-one percent of the investors interviewed have committed to at least one private equity fund so far in 2013. In addition to this, 37% of the investors interviewed plan to commit more capital to private equity funds in 2014 than they will have in 2013, with a further 48% anticipating a similar commitment level in 2014 as compared to 2013. When asked about their longer-term private equity allocations, 53% of LPs questioned indicated that they will increase their private equity allocations, as a proportion of their total assets under management, over the next three to five years (Fig. 10). Only 6% of respondents stated that they will look to decrease their private equity allocations in this period, while 41% will keep their allocations fairly stable.

Fund Type Preferences

As shown in Fig. 11, the fund type that respondents felt is presenting the best opportunities for private equity investment in the current climate is small- to mid-market buyout funds, with 44% of the investors that we spoke to naming this fund type. Growth, large to mega buyout and venture capital funds were also named by a significant 30%, 26% and 18% of investors interviewed as attractive.

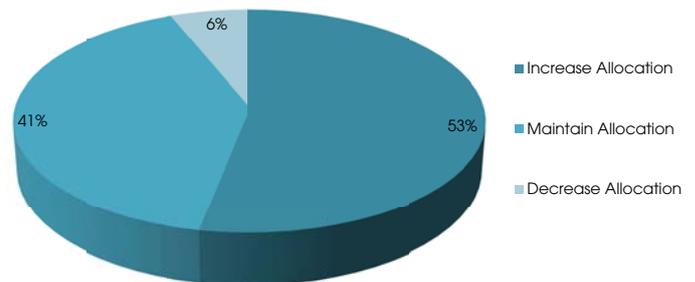
Geographic Preferences

The majority (60%) of Asia-based private equity investors interviewed stated that they thought Asia provided the best opportunities for private equity investment in the current climate. This is perhaps unsurprising as investors tend to feel more optimistic when investing closer to home. However, 40% of respondents thought that the US provided the best private equity investment opportunities at the current time and 33% named Europe. This interest in investing in North America and Europe shows the increasing sophistication of the Asian LP base, which is increasingly looking further afield to gain sizeable private equity returns and to diversify its investment portfolio.

Outlook for Asia-Based LPs

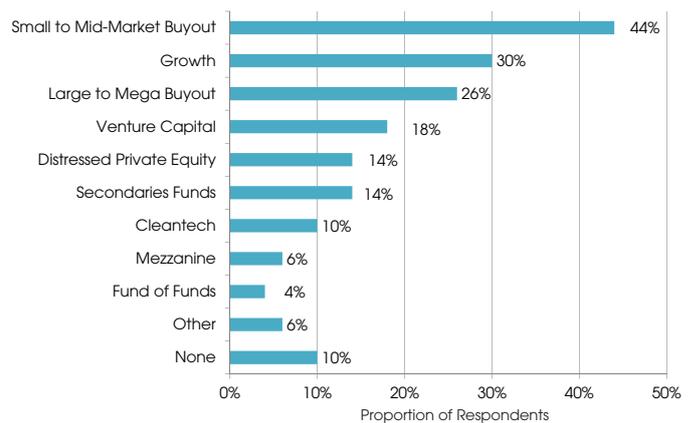
Asia-based investors are making an increasing mark on the private equity industry. Large sovereign wealth funds across Asia, such as Singapore's GIC and Temasek Holdings, Korea Investment Corporation, and China Investment Corporation and others have laid the foundation and shown that private equity can be a successful mode of investment for institutional investors in

Fig. 10: Asia-Based LPs' Intentions for their Private Equity Allocations



Source: Preqin Investor Interviews, June 2013

Fig. 11: Fund Types Asia-Based LPs View as Currently Presenting the Best Private Equity Investment Opportunities



Source: Preqin Investor Interviews, June 2013

Asia by providing successful returns and healthy diversification. The trend seems to be spreading across a number of large institutions; Japan's \$1tn Government Pension Investment Fund is considering making its maiden investments in the asset class and has conducted feasibility studies to that effect. This increased appetite for private equity on a more global basis is boosted by increased regulatory liberalization across Asia, by regulatory bodies across the region opening the gates for fresh capital to be poured into the asset class over a sustained period. As challenges remain in the global economy at large, and Asia-based investors in private equity become more sophisticated, more optimistic and freer to invest, we can expect capital from Asia to play an increasingly prominent role in funding private equity on a global level.

Looking for new investors for your vehicle?

Preqin tracks detailed information on over 520 private equity investors based in Asia. For more information, or to arrange a demonstration, please visit:

www.preqin.com/ii



Optimism and Opportunities Seen in Asia

Interview with Alexandre Schmitz, Capstone Partners



Alexandre Schmitz of global placement agent Capstone Partners, shares his views on the current status of the Asian private equity industry. In this Q&A session, Schmitz talks about the current appetite of LPs around the world and opportunities on offer from Asian GPs, with comparisons drawn to other macro-regions and examples drawn from specific micro-regions within the Asian continent.

What is the current dynamic of the Asian private equity industry?

Up until Q3 2012, fundraising activity in Asia was more robust than in the other regions of the world, but has since shown some signs of depression. If you look at the last 12 months' data (i.e. H2 2012 and H1 2013), there has been a clear improvement of market conditions in the US and in EMEA (+36% and +33% respectively). Conversely, funds raised by GPs in Asia-Pacific decreased by -15.7%. It is even worse if you exclude the notable contribution of several multi-billion funds that have closed in the recent months.

However, we remain convinced that this dynamic is only temporary, as there are several reasons to be optimistic in the near future. LP demand for Asian funds should reinvigorate fundraising activity. Overall, the region will remain the most attractive place from a macroeconomic standpoint, especially when compared to Europe. We believe that fundraising activity in Northeast Asia will be sustained by renewed interest from global LPs in Japanese and Korean GPs, while historically these markets were supported by local investors. At the investment level, China is increasingly becoming a more attractive buyer's market, which should encourage fund commitments there. Furthermore, due to the opportunities created by the accelerated integration of the ASEAN countries, namely the build-up/roll out strategies offered, coupled with the possibility to invest in controlled transactions, Southeast Asia will continue to be a preferred area. After several years of lacklustre returns and missed opportunities, commitments to South Asia over the past three years decreased to very low levels compared to the size of the underlying market (only 5.7% of the total funds raised in Asia-Pacific). Although we do not see the catalyst for change in the short term, we recognize that private equity in India can only rebound in the long run.

Following the global financial crisis, Asia has become the third pillar of financing for GPs in the West that want to diversify their LP base. Over the last three years, Asia fundraising levels reached those of Europe, with nearly a quarter of the total funds raised at a global level (vs. less than 10% ten years ago). This trend is expected to continue given that most LPs in the region are still underweight in private equity.

Japanese investors and well-established sovereign funds in Singapore and in China, among others, will remain a major source of financing. Simultaneously, we expect other Asian institutional investors to step forward as core long-term

financing partners for US and European funds. In the coming years, many Asian pension funds, as well as Chinese insurance companies and South Korean government-related institutions, are expected to build their overseas private equity programs from scratch. As with pure private equity funds, these investors are developing an appetite for infrastructure and credit opportunities.

What do you understand of the appetite from global LPs for Asian private equity opportunities?

Looking back at the last decade, the return premium of private equity vs. listed equity is even higher in Asia when compared to the one observed in other parts of the world.

The unsatisfactory performance of recent vintages in certain sub-regions and the lack of realizations in the growth capital segment are two sources of concerns, but things are improving. Global institutional LPs anticipate that private equity in emerging Asian markets should outperform developed markets in the years to come, driven by a better macroeconomic context. Asian GPs should benefit from a continued rebalancing of global portfolio allocation. While US-based investors tend to be closer to their target allocation for Asia, European LPs generally remain underweighted in Asia relative to their benchmarks.

Asian countries other than China and India are the most promising region in the medium term.

Where do you see the best Asian private equity opportunities for global LPs?

When you look back at the last ten years, with \$130bn invested (or 54% of total private equity money invested in emerging Asia), growth capital in China and India has clearly been the main driver of the overall Asian market. With the demise of pre-IPO deals and growing scepticism on the ability of some growth-oriented GPs to deliver satisfactory cash realizations, LPs are now focusing their interest on buyouts. The lower- to mid-market segment, which tends to generate above average returns, is of particular interest to LPs. Emerging Asia, South Korea, Singapore, Malaysia, Indonesia and Thailand are the primary countries where managers can consistently follow a dedicated control buyout strategy. Local corporate banks are gradually developing the leverage finance market and should provide the necessary framework to support controlled buyouts in the region.



The slowing down of the macroeconomic growth in China also has implications for local GPs, as they must demonstrate their ability to create value by being hands-on, even in the context of minority transactions. As such, the importance of backing and closely monitoring talented managers with longstanding relationships is paramount.

Finally, the Asian secondary segment is clearly attracting more interest from both Asian and international LPs. Alongside the global champions in that segment, pure Asian firms have proven their ability to generate solid cash returns for their investors in this space. There is a lot of money claiming to be invested in secondary transactions, but there are also an increasing number of opportunities in both direct and indirect secondaries. In the aforementioned circumstance where fund portfolios remain largely unrealized (in particular in India and China), direct secondaries will play a part in the liquidity solution.

In that context, what is the role of the funds of funds?

Asian funds of funds have been able to demonstrate their ability to generate above benchmark returns by identifying good emerging managers, selective co-investments and innovative secondary transactions. With an estimated contribution of about 15% of the total money invested in Asian private equity (including separate accounts), it is clearly an important source of financing for the industry.

In a region where the team turnover is higher than in any other region, and where there is an oversupply of funds, establishing and maintaining longstanding contacts with the best private

equity professionals is the key to success. This will mean that fund of funds managers can follow seasoned investment professionals as they move from one fund to another, and be in the position to gain an in-depth understanding of their prior performance.

On top of being a good first step for LPs who have yet to start an investment program in Asia, funds of funds are also a practical and safe way of investing in a large number of mid-market GPs without the need for an extensive local presence.

Thank you for your time.

Capstone Partners

Capstone Partners is a global independent financial adviser dedicated to private equity funds (including private debt, infrastructure and real estate). Founded in 2000, its team of over 25 professionals is one of the most stable in the industry.

Alexandre is responsible for distribution and business development in Asia. Prior to joining Capstone Partners, he served for over seventeen years in Europe as a private equity investor (PAI Partners, Cobepa and BeCapital) and as a financial analyst (Bank Degroof). He has a Masters Degree in Economics from the University of Louvain (magna cum laude) and is a Certified Financial Analyst.

www.capstonepartnerslp.com

▶ Asia Investor Intelligence

Preqin's **Investor Intelligence** is the leading source of profiles and information on institutional investors in private equity funds. More than 5,100 active investors are profiled, including over 1,200 that have previously invested or would consider investing in Asia.

- **Identify** and **profile** potential investors for new vehicles.
- **View** direct contact information for key personnel.
- **Receive** customized alerts on key updates to investors' strategies and plans.
- **Keep up to date** on the investment plans of individual institutions, updated following direct communication with our dedicated teams of research analysts.

For more information on how **Investor Intelligence** can help you, or to arrange a demonstration, please visit:



Asian Private Equity Benchmarks

Preqin tracks individual fund performance on over 770 Asia-focused private equity funds, enabling us to produce valuable benchmarks on key performance metrics for funds targeting the region. Access to Preqin’s industry-leading benchmarks is free - for more information, please visit: www.preqin.com/benchmarks.

Fig. 12: Preqin Median Benchmarks: All Private Equity Asia as of August 2013

Vintage Year	No. of Funds	Median Fund			DPI Quartiles (%)			RVPI Quartiles (%)			Net Multiple Quartiles (X)			Net IRR Quartiles (%)			Net IRR Max/Min (%)	
		Called (%)	Dist (%) DPI	Value (%) RVPI	Q1	Median	Q3	Q1	Median	Q3	Q1	Median	Q3	Q1	Median	Q3	Max	Min
2012	20	14.6	0.0	87.0	0.3	0.0	0.0	95.6	87.0	78.6	0.99	0.91	0.83	n/m	n/m	n/m	n/m	n/m
2011	48	35.3	0.0	95.4	5.5	0.0	0.0	104.7	95.4	85.8	1.05	0.97	0.90	n/m	n/m	n/m	n/m	n/m
2010	20	56.8	3.8	97.6	14.7	3.8	0.0	110.9	97.6	78.9	1.18	1.05	0.94	19.8	8.3	-5.0	57.9	-18.7
2009	17	68.3	6.1	99.6	20.1	6.1	0.2	109.8	99.6	82.0	1.21	1.15	1.01	15.6	11.6	4.8	19.8	0.9
2008	72	78.4	17.1	88.0	32.4	17.1	3.9	106.7	88.0	75.9	1.25	1.10	0.97	11.3	5.2	-2.5	117.4	-36.1
2007	59	89.3	13.8	97.2	31.8	13.8	4.9	120.0	97.2	76.2	1.40	1.23	0.97	13.2	9.0	1.0	23.1	-25.9
2006	43	93.0	40.4	77.9	78.7	40.4	11.6	97.3	77.9	32.2	1.42	1.25	0.99	11.0	5.8	0.2	35.5	-20.6
2005	36	100.0	88.7	48.7	131.9	88.7	36.6	75.9	48.7	28.6	1.85	1.39	0.99	16.0	7.9	2.9	105.5	-13.0
2004	17	100.0	102.0	23.3	173.8	102.0	47.8	28.5	23.3	0.0	1.94	1.30	0.80	24.8	8.5	1.9	30.1	-6.2
2003	12	100.0	152.2	5.5	238.6	152.2	80.9	15.6	5.5	0.0	2.41	1.71	1.09	30.1	16.0	10.0	59.2	4.7
2002	7	100.0	203.1	0.0	n/a	203.1	n/a	n/a	0.0	n/a	n/a	2.05	n/a	n/a	17.6	n/a	93.0	-1.7
2001	10	100.0	243.9	11.8	359.7	243.9	195.4	54.4	11.8	4.7	3.60	2.74	2.31	37.2	26.8	20.3	49.2	16.9
2000	18	97.9	152.7	0.0	215.5	152.7	104.9	7.2	0.0	0.0	2.16	1.61	1.19	24.5	18.1	8.8	32.8	-2.6
1999	7	100.0	191.5	0.0	n/a	191.5	n/a	n/a	0.0	n/a	n/a	1.92	n/a	n/a	14.8	n/a	27.0	0.4
1998	7	100.1	184.2	0.0	n/a	184.2	n/a	n/a	0.0	n/a	n/a	1.84	n/a	n/a	14.0	n/a	16.4	-9.8
1997	9	91.6	139.6	0.0	213.6	139.6	134.9	8.3	0.0	0.0	2.14	1.50	1.40	24.0	8.8	7.3	63.7	6.2

Source: Preqin Performance Analyst

How Can Preqin’s Asia Performance Data Help You?

Preqin’s *Performance Analyst* is the industry’s most extensive source of net-to-LP private equity fund performance, with full metrics for over 6,500 named vehicles, including over 770 Asia-focused funds. In terms of capital raised, *Performance Analyst* contains data for over 70% of all funds raised historically. You can use *Performance Analyst* to:

Benchmark a fund’s performance against its peers

Assess returns by region, fund type and vintage

View past performance for specific managers and funds

Gain a further understanding of the latest trends in the industry

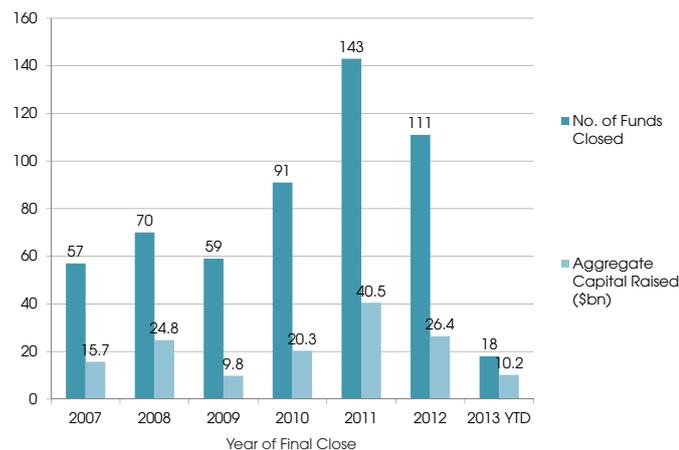
For more information about Preqin’s Asia performance data, or to register for a demonstration of *Performance Analyst*, please visit:



Greater China

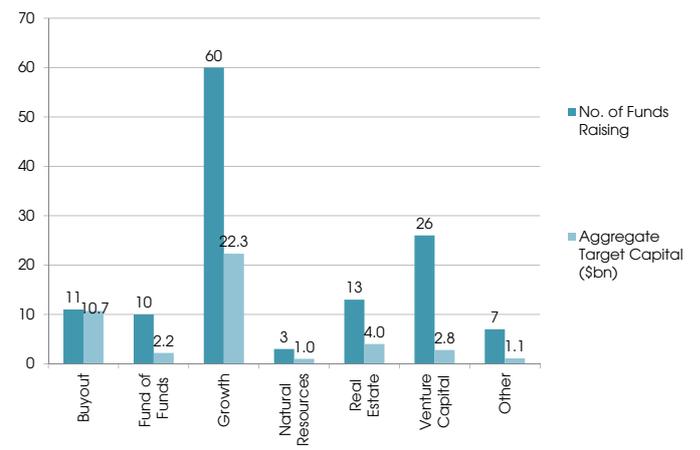
Private equity fundraising by Greater China-based fund managers saw significant growth leading up to 2011, and has dropped off in the following years. Growth funds are the most common type of private equity fund currently being raised by GPs based in this region. Greater China includes China, Hong Kong, Macau and Taiwan.

Fig. 13: Annual Greater China-Based Private Equity Fundraising, 2007 - 2013 YTD (As at August 2013)



Source: Preqin Funds in Market

Fig. 14: Greater China-Based Private Equity Funds in Market by Fund Type (As at August 2013)



Source: Preqin Funds in Market

Fig. 15: Five Largest Greater China-Based Private Equity Funds in Market (As at August 2013)

Fund	Firm	Fund Type	Target Size (mn)	Firm Location	Fund Primary Geographic Focus
Affinity Asia Pacific Fund IV	Affinity Equity Partners	Buyout	USD 3,500	Hong Kong	Asia
CDH Fund V	CDH Investments	Growth	USD 2,000	China	Asia
Hopu Master Fund II	Hopu Investment Management	Buyout	USD 2,000	China	Asia
CITIC Buyout Fund	Goldstone Investment	Buyout	CNY 10,000	China	Asia
Morgan Stanley Private Equity Asia Fund IV	Morgan Stanley Private Equity Asia	Buyout	USD 1,500	Hong Kong	Asia

Source: Preqin Funds in Market

Interested in in-depth information on private equity investment in Greater China?

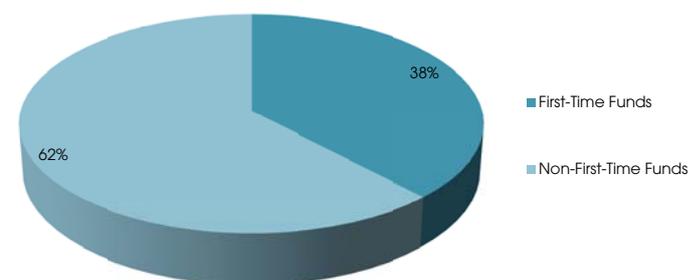
Preqin tracks detailed information on the private equity industry in Greater China, including detailed profiles of over 890 funds managed by firms based in the region on our [Funds in Market](#) service and over 380 investors that have invested or would consider investing in Greater China on our [Investor Intelligence](#) service.

We also have in-depth information on over 2,000 buyout and venture capital deals in Greater China, which you can access through our [Buyout and Venture Deals Analyst](#) services.

For more information on how Preqin's Asia-focused data can help you, or to arrange a demonstration, please visit:

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Fig. 16: Greater China-Based Private Equity Funds in Market: First-Time Funds vs. Non-First-Time Funds



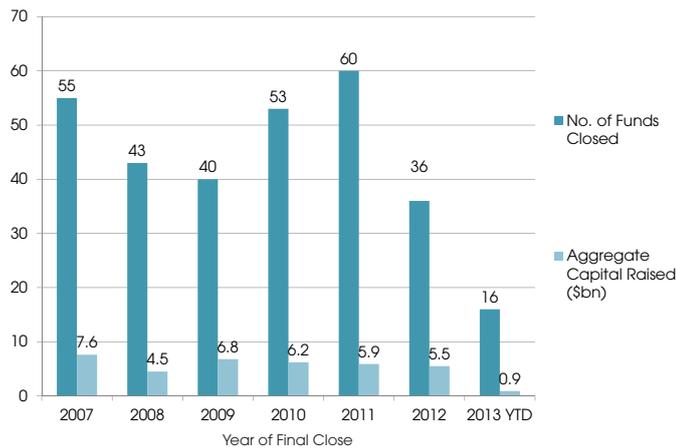
Source: Preqin Funds in Market



Northeast Asia

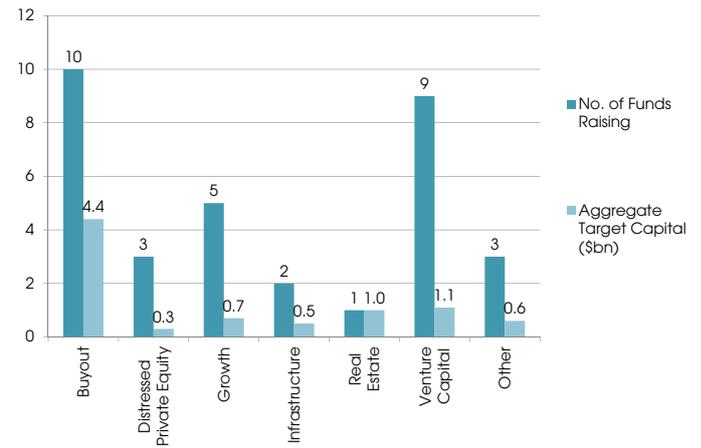
Managers based in Northeast Asia, which includes Japan and South Korea, closed 36 private equity funds in 2012, raising an aggregate \$5.5bn. A significant 85% of funds currently in market being raised by Northeast-based managers are not first-time funds, demonstrating that experienced fund managers are more prevalent in the region.

Fig. 17: Annual Northeast Asia-Based Private Equity Fundraising, 2007 - 2013 YTD (As at August 2013)



Source: Preqin Funds in Market

Fig. 18: Northeast Asia-Based Private Equity Funds in Market by Fund Type (As at August 2013)



Source: Preqin Funds in Market

Fig. 19: Five Largest Northeast Asia-Based Private Equity Funds in Market (As at August 2013)

Fund	Firm	Fund Type	Target Size (mn)	Firm Location	Fund Primary Geographic Focus
MBK Partners III	MBK Partners	Buyout	USD 2,250	South Korea	Asia
Secured Capital Real Estate Partners V	Secured Capital Japan	Real Estate	USD 1,000	Japan	Asia
Polaris Private Equity Fund III	Polaris Capital Group	Buyout	JPY 50,000	Japan	Asia
Anchor Equity Partners Private Equity Fund	Anchor Equity Partners	Growth	USD 500	South Korea	Asia
TMCAP2011	Tokio Marine Capital	Buyout	JPY 30,000	Japan	Asia

Source: Preqin Funds in Market

Track the Private Equity Market in Northeast Asia

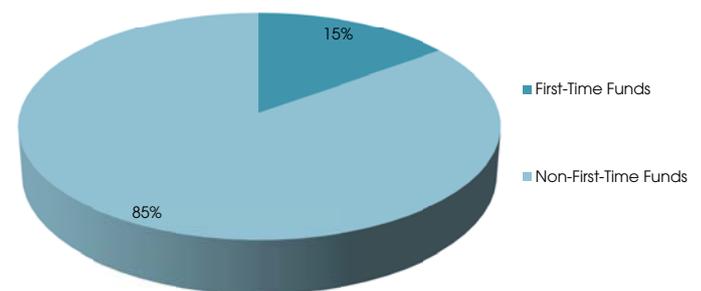
Access detailed information on the private equity industry in Japan and South Korea, including detailed profiles of over 615 funds managed by firms based in the region on our [Funds in Market](#) service and over 190 investors that have invested or would consider investing in Northeast Asia on our [Investor Intelligence](#) service.

We also have in-depth information on over 630 buyout and venture capital deals in Japan and South Korea, which you can access through our [Buyout and Venture Deals Analyst](#) services.

For more information on how Preqin's Asia-focused data can help you, or to arrange a demonstration, please visit:

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Fig. 20: Northeast Asia-Based Private Equity Funds in Market: First-Time Funds vs. Non-First-Time Funds



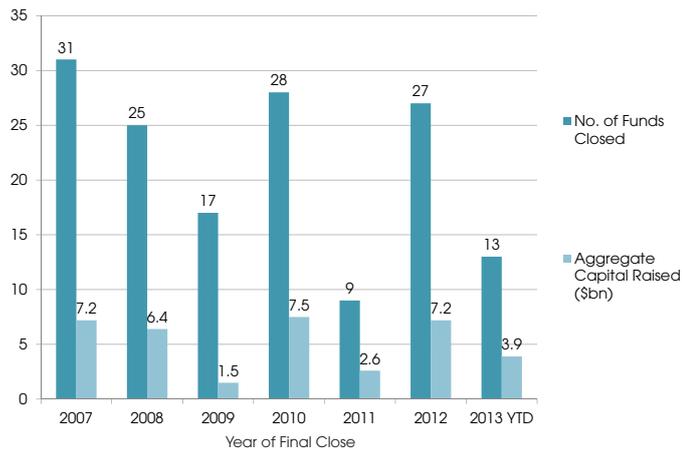
Source: Preqin Funds in Market



ASEAN Nations

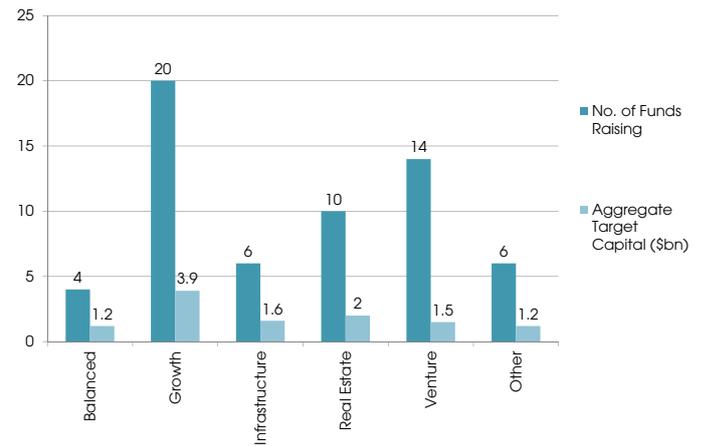
Private equity fundraising by ASEAN-based firms has fluctuated in recent years, but these managers have already held a final close on 13 funds in 2013 YTD, raising an aggregate \$3.9bn. ASEAN, or the Association of Southeast Asian Nations, includes Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, Brunei, Cambodia and Laos.

Fig. 21: Annual ASEAN-Based Private Equity Fundraising, 2007 - 2013 YTD (As at August 2013)



Source: Preqin Funds in Market

Fig. 22: ASEAN-Based Private Equity Funds in Market by Fund Type (As at August 2013)



Source: Preqin Funds in Market

Fig. 23: Five Largest ASEAN-Based Private Equity Funds in Market (As at August 2013)

Fund	Firm	Fund Type	Target Size (mn)	Firm Location	Fund Primary Geographic Focus
The Asian Entrepreneur Legacy Two	TAEL Partners	Growth	USD 750	Singapore	Asia
Asia Development Fund	Makara Capital Partners	Balanced	SGD 888	Singapore	Diversified Multi-Regional
Maybank MEACP Clean Energy Fund	Maybank MEACP	Infrastructure	USD 500	Singapore	Asia
Redwood Japan Logistics Fund	The Redwood Group	Real Estate	USD 500	Singapore	Asia
Baring Private Equity Asia Real Estate Fund	Baring Private Equity Asia	Real Estate	USD 500	Singapore	Asia

Source: Preqin Funds in Market

Looking to invest in the ASEAN nations? Preqin can help.

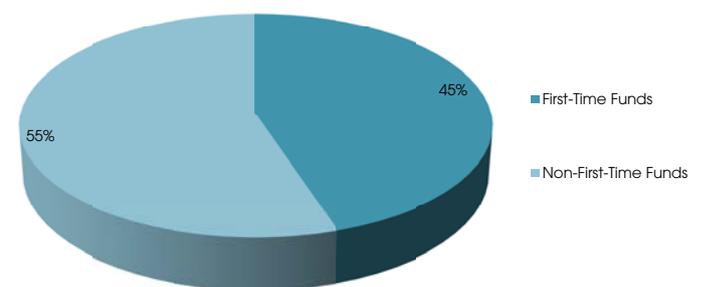
Preqin tracks detailed information on the private equity industry in the ASEAN nations, including detailed profiles of over 320 funds managed by firms based in the region on our [Funds in Market](#) service and over 140 investors that have invested or would consider investing in the ASEAN nations on our [Investor Intelligence](#) service.

We also have in-depth information on over 515 buyout and venture capital deals in the ASEAN nations, which you can access through our [Buyout and Venture Deals Analyst](#) services.

For more information on how Preqin's Asia-focused data can help you, or to arrange a demonstration, please visit:

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Fig. 24: ASEAN-Based Private Equity Funds in Market: First-Time Funds vs. Non-First-Time Funds



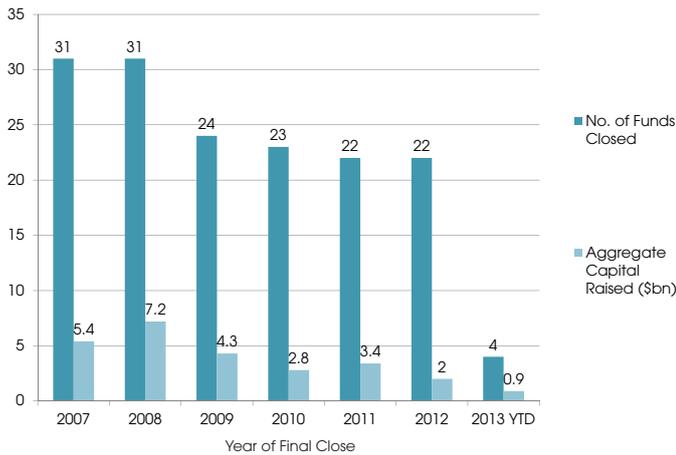
Source: Preqin Funds in Market



South Asia

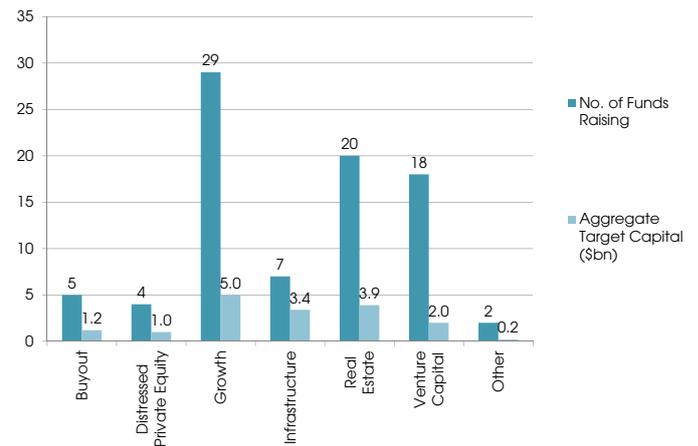
South Asia includes private equity managers based in Bangladesh, India, Pakistan, Nepal and Sri Lanka. Compared to other regions in Asia, there are more South Asia-based fund managers with vehicles in market currently targeting infrastructure and real estate investments.

Fig. 25: Annual South Asia-Based Private Equity Fundraising, 2007 - 2013 YTD (As at August 2013)



Source: Preqin Funds in Market

Fig. 26: South Asia-Based Private Equity Funds in Market by Fund Type (As at August 2013)



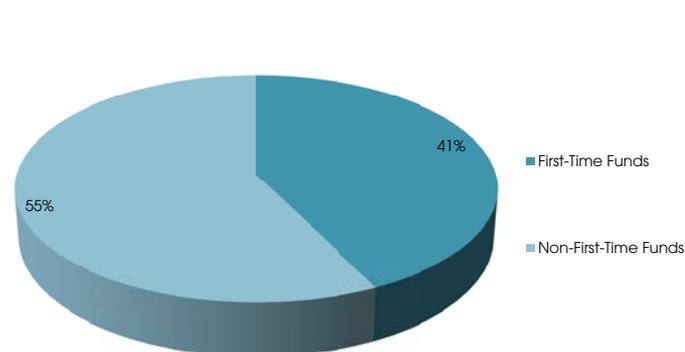
Source: Preqin Funds in Market

Fig. 27: Five Largest South Asia-Based Private Equity Funds in Market (As at August 2013)

Fund	Firm	Fund Type	Target Size (mn)	Firm Location	Fund Primary Geographic Focus
India Infrastructure Fund II	IDFC Alternatives	Infrastructure	USD 1,000	India	Asia
India Inclusive Innovation Fund	National Innovation Council	Venture Capital	INR 55,000	India	Asia
India Infrastructure Advantage Fund	ICICI Venture Funds Management	Infrastructure	USD 750	India	Asia
SC-IL&FS Infrastructure Growth Fund II	IL&FS Investment Managers	Infrastructure	USD 600	India	Asia
HIREF International Fund 2	HDFC Property Ventures	Real Estate	USD 500	India	Asia

Source: Preqin Funds in Market

Fig. 28: South Asia-Based Private Equity Funds in Market: First-Time vs. Non-First-Time Funds



Source: Preqin Funds in Market

In-Depth South Asia Private Equity Data

Access detailed information on the private equity industry in South Asia, including detailed profiles of over 320 funds managed by firms based in the region on our [Funds in Market](#) service and over 415 investors that have invested or would consider investing in South Asia on our [Investor Intelligence](#) service.

Preqin also tracks in-depth information on over 2,280 buyout and venture capital deals in South Asia, featured on our [Buyout and Venture Deals Analyst](#) services.

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Preqin Special Report: Asian Private Equity September 2013

Preqin: Asia-Focused Data and Intelligence

With global coverage and detailed information on all aspects of the private equity asset class, Preqin's industry-leading Private Equity Online services keep you up to date on all the latest developments in the Asian private equity universe.

Source new investors for funds and co-investments

Find the most relevant investors, with access to detailed profiles for over 1,200 private equity investors which have invested or would consider investing in Asia, including future fund searches and mandates, direct contact information and sample investments.

Identify potential investment opportunities

View in-depth profiles for over 370 unlisted Asia-focused private equity funds currently in the market, including information on investment strategy, geographic focus, key fundraising data, service providers used and sample investors.

Find active fund managers in private equity

Search for firms actively targeting private equity investments in Asia. View information on key contacts, firm fundraising and performance history, and applied strategies of the firm when investing in portfolio companies and assets.

Analyze the latest private equity fundraising activity

See which firms are currently on the road raising a private equity fund targeting investments in Asia and which will be coming to market soon. Analyze fundraising over time by fund strategy, property type and location.

Benchmark performance

Identify which fund managers have the best track records, with performance benchmarks for private equity funds and performance details for over 6,500 individual named funds, including 770 Asia-focused funds.

Examine fund terms

Use our unique Fund Terms Calculator to model fee changes and see: what are the typical terms that a private equity fund charges? What are the implications of making changes to different fees? How do these fees vary between fund types and geographies?

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