

Fundraising Spotlight

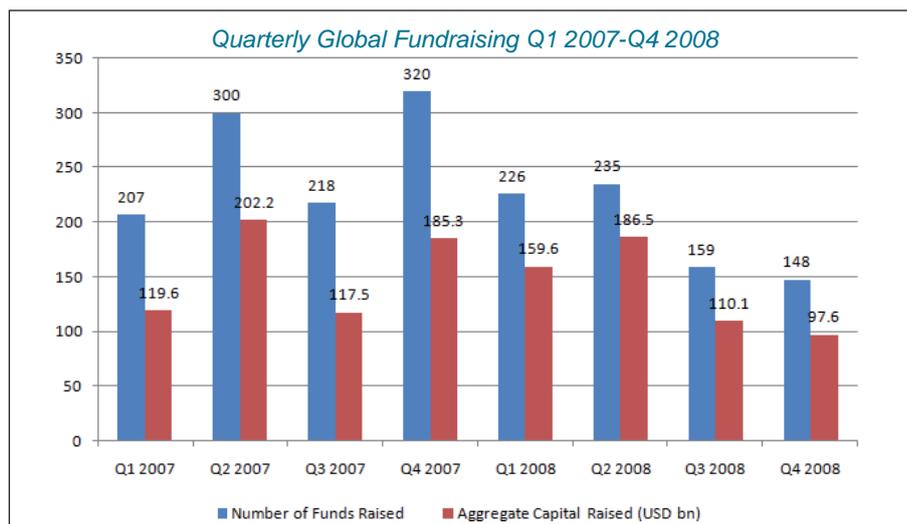
2008 Fundraising Overview

A total of 768 private equity funds achieved a final close during 2008, raising aggregate commitments of \$553.8 billion. These figures represent a 26% decrease in the number of funds raised and a 12% decrease in aggregate capital raised from the \$624.5 billion raised by 1,045 funds during 2007. Although the figures for Q3 and Q4 of 2008 confirm fears of a slowdown in the private equity fundraising industry, the strong performance of the first half of the year helped 2008 to become the second highest fundraising year for private equity to date, with only 2007 seeing more capital raised by the industry.

Fundraising began strongly in 2008, with 226 private equity funds raising \$159.6 billion in capital commitments during the first quarter of the year, a notable 33% increase in capital commitments in comparison to the \$119.6 billion garnered by 207 funds during Q1 2007.

Q2 2008 represented another strong period for private equity fundraising, with 235 funds raising \$186.5 billion in aggregate commitments. This is the second highest total ever raised during one quarter, second only to the

Fig. 1:



\$202.2bn raised in Q2 2007.

Fundraising for Q3 2008 represents a 6% decrease from the same period in 2007, with 159 funds garnering \$110.1 billion in commitments during Q3 2008 in comparison to the \$117.5 billion garnered by 218 funds during Q3 2007. Q4 2008 continued the slowdown, with 148 funds gathering only \$97.6 billion in commitments.

In terms of fund type, buyout funds were most popular, with 170 vehicles

closing raising an aggregate \$216bn. Real estate funds had an excellent year, with 166 funds closing, raising an aggregate \$117bn. A total of 217 venture funds raised an aggregate \$49bn, 23 distressed private equity funds raised \$43bn, 26 mezzanine funds raised \$29bn, 23 infrastructure funds raised \$26bn, and 10 natural resources funds raised \$12bn. A total of 81 fund of funds achieved a final close in 2008, raising a total of \$28bn.

10 Largest Funds Closed During 2008:

Fund	Manager	Fund Type	Size (mn)
TPG Partners VI	TPG	Buyout	19,800 USD
Apax Europe VII	Apax Partners	Buyout	11,200 EUR
Warburg Pincus Private Equity X	Warburg Pincus	Balanced	15,000 USD
Carlyle Partners V	Carlyle Group	Buyout	13,700 USD
GS Mezzanine Partners V	Goldman Sachs Private Equity Group	Mezzanine	13,000 USD
Blackstone Real Estate Partners VI	Blackstone Real Estate Advisors	Real Estate	10,900 USD
OCM Opportunities Fund VIIB	Oaktree Capital Management	Distressed Debt	10,900 USD
Advent Global Private Equity VI	Advent International	Buyout	6,600 EUR
Bain Capital Fund X	Bain Capital	Buyout	10,000 USD
PAI Europe V	PAI Partners	Buyout	5,400 EUR

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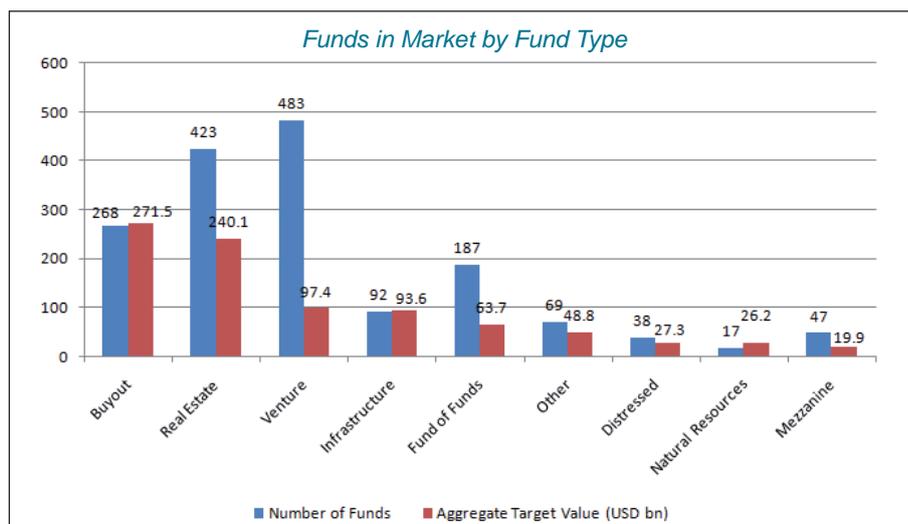
Funds in Market

There are currently 1,624 funds in the market, representing a similar level of fundraising in comparison to the 1,601 funds reported in Q3 2008, and representing a 25% increase on the 1,304 funds in the market during the same period last year. The aggregate capital sought by funds stands at \$889 billion, a 26% increase from the \$705 billion sought at this point last year.

Buyout funds are seeking the biggest portion of the overall capital, with 268 vehicles targeting \$272 billion in commitments - 31% of the total capital currently being sought. There are currently 423 real estate funds seeking \$240 billion, and 483 venture capital funds targeting \$97 billion in capital commitments. Other prominent fund types currently on the road include infrastructure funds, with 92 infrastructure funds seeking \$94 billion globally, and fund of funds, with 187 funds of funds seeking \$64 billion in commitments.

The largest fund currently on the road is CVC European Equity Partners V, a buyout fund managed by London-based CVC Capital Partners, which is targeting €11 billion. The fund

Fig. 2:



focuses on investments in mid-market companies based in Europe.

Apollo Investment Fund VII, a buyout fund managed by New York-based Apollo Management, is targeting \$15 billion. The fund focuses on investments across a range of industries. Blackstone are also in the market with a \$15 billion fund, Blackstone Capital Partners VI. This represents a drop in size in

comparison with Blackstone's previous buyout fund, which raised a total of \$21.7 billion.

Other significant vehicles include First Reserve Fund XII, a natural resources fund seeking \$12 billion in capital commitments. The fund is managed by First Reserve Corporation and focuses on investments in the natural resources sector of the US.

10 Largest Funds Currently in Market

Fund	Manager	Fund Type	Size (mn)
CVC European Equity Partners V	CVC Capital Partners	Buyout	11,000 EUR
Apollo Investment Fund VII	Apollo Management	Buyout	15,000 USD
Blackstone Capital Partners VI	Blackstone Group	Buyout	15,000 USD
First Reserve Fund XII	First Reserve Corporation	Natural Resources	12,000 USD
Hellman & Friedman VII	Hellman & Friedman	Buyout	10,000 USD
Morgan Stanley Real Estate Fund VII Global	Morgan Stanley Real Estate	Real Estate	10,000 USD
Charterhouse Capital Partners IX	Charterhouse Capital Partners	Buyout	6,000 EUR
KKR European Fund III	Kohlberg Kravis Roberts	Buyout	6,000 EUR
Candover 2008	Candover Partners	Buyout	5,000 EUR
Macquarie European Infrastructure Fund III	Macquarie Funds Group	Infrastructure	5,000 EUR

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Fundraising by Region

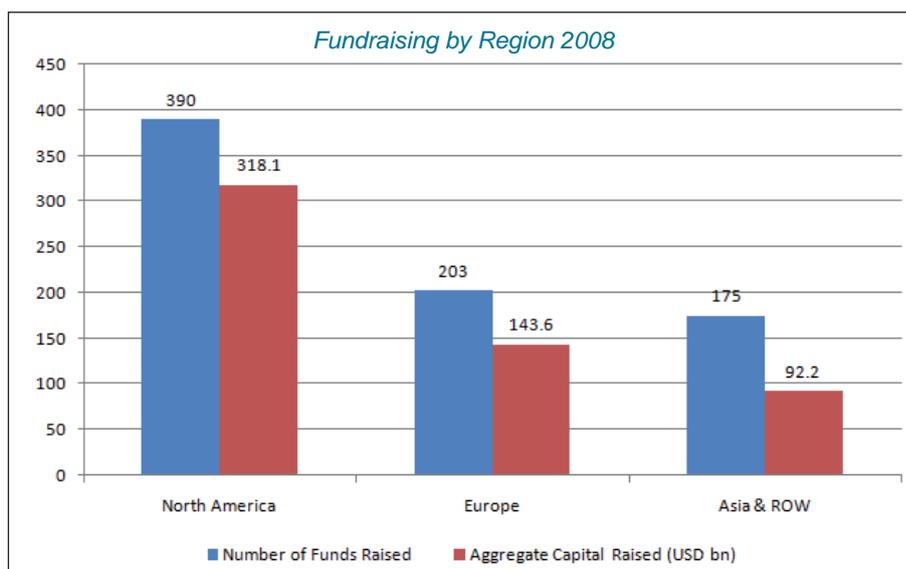
North America

North America focused funds continue to dominate the global private equity industry, with 390 North America focused funds garnering \$318.1 billion in capital commitments during 2008. This represents a significant 57% of the global total. Buyout funds were once again the most prominent fund type raised in the North America region, with 79 buyout funds raising \$98 billion in capital commitments - 30% of all capital raised. Real estate funds were also a major contributor, with 94 North America focused real estate funds accumulating \$64 billion in capital commitments during 2008. Distressed private equity funds were the third most prominent fund type for the North America region, with 17 distressed private equity funds gathering \$38.6 billion in capital commitments. It is important to note that many North America focused funds will also have a smaller secondary allocation to Europe and Asia.

Europe

European focused funds accounted for 26% of the aggregate capital raised by private equity funds globally, with 203 funds focusing on the region raising \$143.6 billion in capital commitments during 2008. Buyout funds accounted for the majority of funds raised in Europe during 2008, with 54 buyout funds garnering \$89 billion in capital commitments, representing 61% of the total for the region. 35 real estate funds accumulated \$22.7 billion in commitments, and 9 infrastructure funds raised \$7.6 billion in commitments during 2008.

Fig. 3:



Asia & Rest of World

175 funds focusing on Asia and Rest of World achieved a final close during 2008, gathering a record \$92.2 billion in capital commitments - 17% of the global total. Buyout and real estate funds proved to be the most successful fund types, with 37 buyout funds raising \$29 billion in commitments and 37 real estate funds raising \$29.6 billion. Fundraising for each of these fund types accounted for approximately one third of the Asia and Rest of World fundraising market, signalling their importance in the region in terms of capital commitments.

Manuel Carvalho