

Private Equity

October 2012

Welcome to Preqin Private Equity Product Update, our subscriber-only newsletter. Our analysts update thousands of pieces of information every month; this document is designed to show you some of the improvements and additions to our products as well as the more interesting, and often exclusive, intelligence gathered by our analysts in recent weeks.

Funds in Market and Fund Manager Profiles

Each month the research team at Preqin contacts hundreds of fund managers to gather exclusive information on their current activity, and actively tracks industry news to ensure profiles are accurate and up to date. Preqin's [Fund Manager Profiles](#) database contains profiles for over 6,300 fund managers. The [Search by Type/Location](#) tool allows users to search for fund managers by investment type and specific region, country, state, or city. This tool also includes the additional option of extending the search to incorporate firms with secondary offices in the selected location, as opposed to searching for those only headquartered in that location. This feature is ideal for tracking the increasing number of fund managers that have opened secondary offices in countries with emerging markets to facilitate investing in fast growing economies outside of Europe and the US.

Preqin's [Funds in Market](#) product contains detailed profiles for approximately 1,900 vehicles currently seeking capital commitments. In order to further increase our private equity coverage, the [Search by Fund](#) tool now provides users with the option to include separate accounts. The separate account feature has been added to the Funds in Market product to allow our users to access important information on this method of investing in private equity, which is increasing in popularity, particularly among larger private equity investors. Separate accounts allow these investors a more individualized approach to the market and can command lower management fees for the services provided. The vehicles allow investors to structure flexible relationships with major private equity firms to invest broadly and opportunistically across various geographies and strategies. One pension fund that has committed capital through the formation of separate accounts is [Teacher Retirement System of Texas](#), which appointed [Apollo Global Management](#) and [Kohlberg Kravis Roberts](#) to each manage a \$3 billion separate account to invest in several strategies, including leveraged buyouts, real estate, and debt investments.

If you have any feedback regarding either Funds in Market or Fund Manager Profiles, or want to make a specific data request regarding a GP or fund that has been launched, please contact Richard Stus: rstus@peqin.com



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Deals Analyst

Preqin recently released a [press release](#) detailing the weight of pre-crisis investments that have yet to exited, showing that buyout firms continue to hold 72% of investments made in 2006. This report, sourced from exclusive data from Preqin's [Buyout Deals Analyst](#), also found that 55% of currently held portfolio companies are based in North America, while Europe accounts for 32%, and Asia and Rest of World makes up 13% of the number of deals yet to be fully exited.

In addition, our [Private Equity Spotlight](#) newsletter from September 2012 looked closely at the growing trend in venture capital towards very early stage investments, with angel and seed investments experiencing a surge in activity in Q2 2012. You can manage your subscriptions to Private Equity Spotlight and our other Spotlight newsletters on the MyPreqin page when you log in (located beneath your Online Subscriptions and Alerts).

Alongside our recent analysis on currently held portfolio companies and seed/angel deals, we have been working hard to ensure that our buyout and venture capital deals databases continue to grow and hold the most accurate and up-to-date information. In the coming months we are set to introduce more functions and features on these products, including an IPO pipeline feature, which we will explore in our next Deals Analyst product update.

If you have any feedback on our private equity deals data, please contact Manuel Carvalho: mcarvalho@peqin.com



Manuel Carvalho
Manager, Deals Data

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Investor Intelligence

There has been a new addition to [Investor Intelligence](#) profiles this month – **Separate Account Mandates**. This new feature, which can be found in the preferences section on Investor Intelligence profiles, displays investor preferences for separate account mandates.

Preferences:	<i>Locations:</i> Asia, Emerging Markets, Europe, Global, North America
	<i>Fund types:</i> Buyout, Early Stage, Early Stage: Seed, Early Stage: Start-up, Expansion / Late Stage, Fund of Funds, Mezzanine, Secondaries, Special Situation, Venture (General)
	<i>Industries:</i> Diversified
	<i>First-Time Funds:</i> Yes
	<i>Separate Accounts:</i> Yes

In addition, [Investor Intelligence](#) profiles now also contain information about LPs that have previously invested via a separate account. [California Public Employees'](#)



Antonia Lee
Manager, LP Data

[Retirement System \(CalPERS\)](#), for example, has previously invested in the private equity asset class through several separate accounts, which are now displayed on its Investor Intelligence profile. This information can now be found in a separate section, below the other fund investments that are known to have been made by CalPERS.

Other investors that have previously shown a preference for investing via separate account mandates include [New Jersey State Investment Council](#) and [New York State Common Retirement Fund](#). Information relating to these types of investment vehicles, such as geographical preferences, are now all available on Investor Intelligence.

Aside from separate account mandates, there are still many LPs looking to make new primary private equity fund commitments over the coming year, with some examples displayed in the table below.

If you have any feedback on our private equity investor data or have a specific data request for the LP Team, please contact Antonia Lee: alee@preqin.com

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Sample of Recently Updated Investor Profiles

Investor	Investor Type	Location	Plans for Next 12 Months
La Fondation Lucie et André Chagnon	Foundation	Canada	Planning to commit between CAD 30mn and CAD 40mn across two to three funds. It expects to take an opportunistic approach to fund types and geographies, and plans to work with both existing managers in its portfolio and managers it has not previously worked with.
Korean Teachers' Credit Union	Public Pension Fund	South Korea	Looking to gain exposure to international private equity funds over the coming year, with a particular interest in funds focusing on opportunities in Europe and the US. It plans to target distressed private equity, mezzanine, and secondaries vehicles.
AB Kelonia Placering	Asset Manager	Finland	Anticipates making four new private equity commitments totalling between €20mn and €40mn. It will primarily look to invest with existing managers in its portfolio, but will also consider forming new GP relationships. It has a preference for funds focusing on opportunities across Europe.
Transnet Pension Fund	Private Sector Pension Fund	South Africa	Expects to commit up to ZAR 500mn to one or two new private equity funds over the coming year. It is planning to mainly invest with new managers it has not previously worked with, but will also consider re-upping with existing managers in its portfolio.
Hanover Insurance Group	Insurance Company	US	Planning to commit to two funds over the next year, and will consider both re-upping with existing managers in its portfolio and forming new GP relationships. It has a preference for mezzanine funds focusing on opportunities in North America, but may look to invest internationally for the first time in the next 12 months.

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Secondary Market Monitor

Preqin's [Secondary Market Monitor](#) team has this past month continued to identify non-institutional investor buyers of secondary funds interests. One such buyer is [Benida Group](#). The US-based single family office considers purchasing fund interests on the secondary market, and has purchased funds in this market in the past. It has also gained exposure to the secondary market through secondary fund of funds vehicles. Its private equity investment program focuses on North America-focused vehicles with a variety of strategies, including venture capital, growth equity, distressed debt, special situations, and turnaround. Benida Group has no plans to sell any of its existing fund interests on the secondary market.



Patrick Adefuye
Manager, Secondaries
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Looking for more information? If you have any feedback, suggestions or requests regarding Secondary Market Monitor, please contact Patrick Adefuye: padefuye@preqin.com

Performance Analyst

Preqin's [Performance Analyst](#) module has recently been upgraded to show the quartile boundaries for the distributions and residual value to paid-in ratios on our [Market Benchmarks](#). All customers will now be able to select a benchmark and download it into Excel, in addition to the multiple and IRR boundaries we already show. This update is available historically as well, and we hope you enjoy the new feature.

We have just completed our first run of Q2 2012 benchmark data and will look to update our reports shortly. Keep checking the Market Benchmarks page for an update.



Sam Meakin
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Looking for more information? If you have any feedback on our private equity performance data, please contact Sam Meakin: smeakin@preqin.com

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