Private Equity Spotlight
February 2016

Feature Article: Private Equity Fund Manager Outlook for 2016
In this extract from the 2016 Preqin Global Private Equity & Venture Capital Report, we take a look at fund managers’ views on the current issues affecting the industry and their outlook for the year ahead, based on a survey of 330 fund managers.

Lead Article: Is Private Equity Really Illiquid?
- Philippe Jost and Mauro Pfister, Capital Dynamics

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In this extract from the 2016 Preqin Global Private Equity & Venture Capital Report, we take a look at fund managers’ views on the current issues affecting the industry and their outlook for the year ahead, based on a survey of 330 fund managers.

Key Issues

Valuations are seen as an important issue by fund managers for private equity in 2016, with 40% of all respondents concerned about the price of portfolio companies. This issue has seen an eight percentage point rise from last year, overtaking fundraising to become the greatest challenge that fund managers face in 2016. However, as Fig. 1 shows, there is significant variation geographically in the perception of the biggest challenges facing GPs in 2016. Of the North America-based GPs surveyed, concern over valuations outweighed any other issue by some margin, while a more equal proportion of Europe-based GPs highlighted a wider range of issues as their area of primary concern, including valuations, fundraising, performance and regulation. Asia- and Rest of World-based managers however, appear far more apprehensive about fundraising, with 54% and 57% of respondents selecting this issue respectively. As confirmed by Preqin’s LP survey results, the fact that the majority of LPs believe the more developed private equity markets are the regions presenting the best opportunities, combined with the rise of ‘unicorn’ valuations and greater competition for deals, perhaps goes someway to explain this geographic variation.

Performance, regulation and the ongoing volatility and uncertainty in global markets were all selected by significant proportions of fund managers, with Asia-based managers unsurprisingly the most concerned about the global economic outlook moving into 2016. Europe-based managers were the most concerned about regulation, highlighting the long-term impact of the AIFMD and other regulation on the European private equity market. Additionally, 29% of Asia-based fund managers were concerned about exits, a larger proportion than in the other regions, possibly due to economic fears and the difficulty of pulling off a successful IPO.

With valuations cited as the largest challenge for the coming year, this suggests that private equity managers have been struggling to find the best investment opportunities at the right prices. When asked about the difficulty of sourcing attractive investment opportunities compared to 12 months ago, 38% of fund managers expressed that it is more difficult now than the previous year. Only 9% of respondents suggested that it is now easier to find attractive opportunities, the same proportion seen in last year’s survey. Over half (51%) of fund managers stated that they have seen no change in the difficulty of finding attractive deal opportunities, despite widespread concerns over valuations.

In Brief

- Valuations are the primary concern for North America- and Europe-based fund managers in 2016, while fundraising is viewed as the biggest challenge for managers outside these regions.
- The majority of fund managers are looking to increase or maintain the amount of capital deployed in private equity investments over the next 12 months.
In spite of this, the majority (60%) of fund managers expect to increase the amount of capital deployed in private equity assets in the next 12 months. As shown in Fig. 2, Rest of World-based fund managers are the most likely to increase capital in private equity assets, with 61% suggesting they will deploy significantly more capital in 2016 than in 2015. This is compared with just 20% of North America-based managers, while just 10% of all managers globally stated they are expecting to deploy less capital in the upcoming year.

Investors and Fundraising

As shown in Fig. 3, two-thirds of respondents have seen an increase in competition for institutional investor capital in the past 12 months, with just 3% of fund managers witnessing a decrease. This helps to explain why fundraising remains one of the greatest concerns for GPs in 2016, with a belief that securing capital is getting harder and harder. Such sentiment is reflected in the funds in market levels too, with 2,651 private capital funds in market as of January 2016, the highest ever number.

With constantly evolving LP preferences and greater competition for capital, GPs are further looking to differentiate themselves. Environmental, Social and Corporate Governance (ESG) factors for example have grown in importance for fund managers, as investors want to know if there are any risks tied to the companies in which their capital is being invested. Of the fund managers Preqin surveyed, 35% consider ESG factors for all deals they make, with another quarter doing so on a portion of deals (Fig. 4). For those fund managers that do consider ESG factors, the vast majority focus on environmentally responsible (76%) and socially responsible (73%) investments, compared with just 13% and 11% of respondents that expressed an emphasis on women-owned and minority-owned companies respectively. Sustainability is becoming increasingly important to the private equity industry – a sophisticated step that shows LPs how fund managers are carefully considering which investments to make while thinking about the wide-reaching impact such investments will have.

Another way in which GPs can try to tackle the increased competition for LP capital is to alter the way LPs can gain access to the private equity asset class. Thirty-four percent of respondents believeLPs can gain access to the private equity asset class. Thirty-four percent of respondents believe
Fund managers stated that they plan to offer investors more opportunities to invest via separate accounts in 2016, with just 5% claiming they will offer fewer such opportunities. Alternative ways to access the asset class are becoming ever more important as LPs are trying to put record distributions back to work, with these routes explored further in the 2016 Preqin Global Private Equity & Venture Capital Report.

In the face of increased competition for investor capital, GPs are also seeing a general increase in investor appetite for private equity as an asset class. As shown in Fig. 5, respondents perceive there to be a greater proportion of LPs with more appetite for private equity than less appetite compared to a year ago. Of particular note is the fact that more than half (56%) of GPs stated that family offices have an increased appetite for the asset class, with just 8% of GPs noting a reduction in appetite among this investor type.

In terms of the regions managers are targeting for investor capital, the vast majority are looking towards domestic LP capital, as can be seen in Fig. 6. Interestingly, just 12% of Rest of World-based fund managers are seeking Asia-based LP capital, while almost three-quarters of these fund managers look towards North America- and Europe-based LPs when raising a fund. Despite the introduction of the AIFMD regulation, 41% of North America-based fund managers will consider Europe-based investors when raising capital for a fund.

Regulation

As new regulation continues to take shape in the private equity industry, we asked fund managers for their opinions on how regulation will affect the asset class in 2016, with 45% claiming that there will be no change as a result (Fig. 7). Only 15% of respondents thought that there will be a change for the better, with the remaining 39% expecting regulation to affect private equity for the worse.

Specifically focusing on the AIFMD, 47% of respondents that are targeting Europe-based investors cited the cost of compliance as their primary concern, with a further 28% stating that the AIFMD regulation increases the complexity of the private equity market (Fig. 8). Additionally, when Preqin asked fund managers that were already compliant with the AIFMD how they were finding the compliance costs, 39% felt that costs were higher than expected, with just 1% experiencing costs lower than anticipated.

Outlook

A quarter of fund managers surveyed were in market with a private equity fund at the end of Q4 2015, with a further 34% planning to launch a vehicle in 2016 (Fig. 9). While the private equity model appears to be working and helping to drive investor appetite for the asset class, concern remains in the crowded fundraising market, particularly for less established GPs, as fund managers strive to stand out from the crowd to secure LP capital. Fund managers will be hoping to put more capital to work in 2016; however, the record levels of dry powder that have accumulated over the past few years are likely to mean little reduction in competition for assets at attractive entry prices.
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Is Private Equity Really Illiquid?

- Philippe Jost, Vice President and Mauro Pfister, Senior Director, Capital Dynamics

Private equity funds generally have a contractual initial life of 10 years – most often in the form of a limited partnership or equivalent vehicle. The first 5-6 years correspond to the fund’s investment period, during which the fund manager can draw down capital committed by investors. Thereafter, the manager can generally no longer draw down unused committed capital other than for fees, expenses and follow-on investments. As soon as investments are realized (underlying companies are sold or liquidated after going public), the capital and profits are distributed to investors. The timing of the drawdowns and distributions is completely out of the control of the limited partners. In addition, there is no way of liquidating the partnership interests without a transaction on the secondary market.

This illiquidity is one of the major perceived risks when considering private equity as an asset class in which to invest. Certainly, the risk of loss associated with selling partnership interests on the secondary market at a discount on the reported NAV is high. By means of historical simulations, this article shows that despite being illiquid, private equity funds are self-liquidating i.e., after a certain number of years, the net cash flow is positive while the net asset value decreases.

An investor with a mature portfolio can consider its private equity portfolio as partially liquid. Capital Dynamics has extensive experience in using simulations to help investors estimate the average future capital calls and distributions as well as understand the risk associated with the uncontrollable nature of private equity cash flows.

Self-Liquidation of Private Equity

For our analysis, we simulate a portfolio of a fictitious investor who commits to private equity regularly and in a diversified manner. Therefore, it makes sense to use pooled cash flows per vintage year to approximate the private equity portfolio; the Preqin\textsuperscript{1} database has been used for this purpose. Fig. 1 shows the evolution of the net cash flow of portfolios committing $1mn per year during 10 years. Each black line represents the quarterly net cash flow evolution of a portfolio with different starting vintage years ranging from 1986 to 2005. The green line represents the average case. Typically, the investor needs less than $4mn to finance this investment strategy and after 7-8 years the portfolio starts to be self-financing i.e., the distributions are larger than the capital calls. Some scenarios are self-financing in later stages and also have higher financing costs.

This article focuses on the period that is not displayed in the previous figure. What happens to the NAV and to the net cash flow if an investor suddenly decides or is forced (for any given reason) to stop committing to private equity? Considering the situation depicted in the previous graph, we expect the portfolios to be self-financing after 7-8 years.

Fig. 2 shows that after investing in private equity for 10 years, the portfolio typically generates sufficient cash to be self-financing for the rest of its life. The asset base slightly increases during the first 1-2 years because the last committed funds are still building exposure and then steadily decreases thereafter. The annual distributed cash is close to 20% of the starting NAV. On average, the portfolio pays out 100% of its starting NAV after 4-5 years. These numbers precisely explain what we would like to highlight about private equity: despite being illiquid, it is self-liquidating.

The number of years during which the investor commits to private equity has a profound impact on the cash flow profile during the liquidation period. For a small number of commitment years, most of the funds are still in the investment phase and are

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\textsuperscript{1}Quarterly private equity cash flow and NAV from the Preqin database as of October 2015. All data is for an LP with a $10,000,000 commitment. Data has been aggregated by vintage years and normalized. Real estate and infrastructure funds have not been taken into account.

**Fig. 1:** Net Cash Flow of Private Equity Portfolios Investing Regularly across 10 Years

**Fig. 2:** Net Cash Flow of Private Equity Portfolios after Having Invested Regularly across 10 Years
drawing capital from the investor. Therefore, the portfolio is not likely to be cash flow positive. This situation is depicted in Fig. 3, where younger portfolios are illustrated with coloured lines. The cash flow patterns for more mature portfolios are depicted in black. After five years, an investor has already built a portfolio that is close to being self-financing. We, therefore, advise investors to commit over a minimum of five consecutive years to ensure that a decision to stop investing in private equity will not automatically necessitate a sale of the portfolio due to cash flow requirements.

Optimize Liquidity Management with Simulations

When a private equity portfolio ages, it tends to become self-financing. However, it may take some time to reach this state and even a mature portfolio might experience years where the sum of the capital called is larger than the distributions. Therefore, prudent investors need adequate risk management tools allowing them to quantify the liquidity requirements in adverse situations. Cash flow simulation fulfills this purpose.

Modelling the cash flow of a private equity portfolio is challenging and there are several different models. The simplest models generally use shape functions that represent the future cash flow as a single smooth line for each fund. This approach disregards the variability of the cash flows and focuses solely on the average case. This limitation can be overcome by using Monte Carlo methods based on historical private equity data. The simulations can be enhanced by taking the relationship between private and public equity into account. For each run of the Monte Carlo method, a unique simulated public market environment can be used to scale the distributions and the NAV of the private equity portfolio. Fig. 4 shows an example of a simulation for a portfolio invested over three years in US buyout funds (three funds per year).

The net cash flow chart of the portfolio of primary funds illustrated in Fig. 4 is a powerful tool to derive the liquidity requirements in various scenarios and especially in adverse situations. Different hypotheses about future commitments can be added and compared. Therefore, the simulations can also be used to optimize future commitments (funds’ geographies, styles and ticket sizes) in relation to the expected liquidity generated by a portfolio and the specific requirement of an investor.

Conclusion

The observation that a mature private equity program generates significant cash (i.e. on average 20% of the NAV after the last commitment year is distributed annually) should alleviate the often perceived concern that private equity is an illiquid asset class. On average, a mature portfolio pays out 100% of its NAV after 4-5 years. These figures support our belief that despite being illiquid, private equity is self-liquidating. This has noticeable implications for different types of investors.

We have shown that a consistent method for new investors to enter the private equity asset class is to commit regularly during approximately a five-year period. This will lead to a portfolio that is approaching self-liquidation, and while still being relatively immature, it is possible to assess its performance. By definition, long-term investors are convinced by the advantages of investing in private equity. They are more sensitive to the fact that their holding would be able to generate a sufficient amount of cash in a reasonable timeframe if needed. Both existing and new investors can benefit from cash flow simulations as they quantify the cash requirements (on average) to design the commitment pacing or to evaluate the risks in difficult market environments.

Fig. 3: Liquidation Rate of the Net Asset Value in Relation to the Number of Commitment Years

![Graph showing liquidation rate](image)

Source: Capital Dynamics calculations based on Preqin data

Fig. 4: Cash Flow Simulations for a Fictitious Portfolio of Primary Funds

![Graph showing cash flow simulations](image)

Source: Capital Dynamics calculations based on Thomson Venture Economics data

Capital Dynamics

Capital Dynamics is an independent, global asset manager, investing in private equity and clean energy infrastructure. We manage investments through a broad range of products and opportunities including separate account solutions, funds and structured products. Capital Dynamics and all its affiliates have $21bn in assets under discretionary management, advisement and administration as of June 30, 2015. The firm’s history goes back to 1988. Its 20 most senior investment professionals have over 20 years of experience in private asset management on average. We believe our experience and culture of innovation give us superior insight and help us deliver returns for our clients. We invest locally while operating globally from our London, New York, Zug, Tokyo, Hong Kong, Silicon Valley, Munich, Birmingham, Seoul and Scottsdale offices.

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www.preqin.com/cashflow
Venture capital funds had greater success at achieving, or surpassing, their initial target size in 2015, than at any point since 2006. Oliver Sennacl takes a look at the latest news stories for venture capital funds closed and deals completed.

### Venture Capital Fundraising

The $51.1bn raised by venture capital funds in 2015 was a post-crisis record for the strategy, surpassed only by the $52.6bn raised in 2008. Interestingly, only 337 venture capital funds reached a final close – the lowest total since 2011 (324) and a noticeable decline compared with the 386 funds closed in 2014. This is in line with trends seen across the private capital landscape; relatively high amounts of capital were secured by a lower number of vehicles reaching a final close, and subsequently the average size of venture capital funds reached a record high in 2015 ($180mn) – 18% higher than 2014.

Furthermore, venture capital funds have been securing a larger proportion of their initial targets at final close, with funds closed in 2015 securing an average of 103% of their target size. Eleven venture capital funds have closed in 2016 so far, securing an average of 114% of their initial target sizes. Among these, Rocketship.vc Fund I reached a final close in January, raising $40mn from investors and surpassing its $25mn target. The fund seeks to make early stage venture capital investments in companies within the data science sector.

Also reaching a final close last month and surpassing their initial targets were iNovia IV and Sierra Ventures XI. iNovia IV secured 117% of its initial CAD 150mn target for start-up investments in the internet, digital media and communications industries, while Sierra Ventures XI secured 113% of its $150mn target for early stage investments in the telecom, technology and communications sectors across North America and Asia.

### Venture Capital Deals

In January 2016, China-based e-commerce company Meituan-Dianping confirmed that the firm raised $3.3bn of funding from DST Global, Trustbridge Partners, CPP Investment Board, Baillie Gifford, Sequoia Capital, Hillhouse Capital Management, China Development Bank Capital, Capital Today, Temasek Holdings, Tencent and other unspecified investors. The round values the company at $18bn.

Other large financings last month included China-based portfolio companies, including the $1.216bn series B funding of financial services firm Shanghai Lujiazui International Financial Asset Exchange by COFCO Limited, Guotai Junan Securities, Bank of China Group Investment, China Minsheng Banking Corp and other unspecified investors. The JD Finance raised CNY 6.65bn in series A financing (c. $1bn) from Harvest Fund Management, Sequoia Capital and Taiping Life Insurance.

Outside China, US-headquartered Lyft Inc. completed its $1bn series F financing round, with a $752.3mn investment from General Motors, Janus Capital Group, Rakuten Inc., Didi Kuaidi and Alibaba Group. UK-based Skyscanner Ltd. raised $192mn in funding from Artemis Ventures, Baillie Gifford, Khazanah Nasional Berhad, Scottish Equity Partners, Sequoia Capital, Vitruvian Partners and Yahoo Japan Corporation.

### Average Proportion of Target Size Achieved by Venture Capital Funds at Final Close, 2006 - 2016 YTD (As at 28 January 2016)

![Average Proportion of Target Size Achieved by Venture Capital Funds at Final Close, 2006 - 2016 YTD (As at 28 January 2016)](chart)

**Year of Final Close**  
Source: Preqin Private Equity Online

### Venture Capital Funds in Market

There are currently 759 venture capital funds on the road, collectively seeking over $84bn in capital commitments from institutional investors. The largest of these, Invention Investment Fund III, is targeting $3bn to make seed investments in US inventions and technologies that are at a particularly early stage of development. The largest primarily Europe-focused venture capital fund is Rocket Internet Capital Partners Fund, targeting €1bn (c. $1.1bn) for late stage investments in internet businesses. The fund held a first close in January 2016, securing 38.5% of its target size.

Targeting CNY 10bn (c. $1.5bn), SummitView IC Industry Fund invests in global integrated circuit and semiconductor design companies, in an effort to help them expand their market share in China. Vital Capital Fund II is the largest fund focused outside North America, Europe and Asia, targeting $500mn for investment across a diverse range of industries in Sub-Saharan Africa including agriculture, education, water, affordable housing, healthcare and clean energy. The fund is managed by Switzerland-headquartered Vital Capital Investments.

Do you have any news you would like to share with the readers of Spotlight? Perhaps you’re about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to spotlight@preqin.com and we will endeavour to publish them in the next issue.

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**Venture Capital Fundraising**

**Average Proportion of Target Size Achieved by Venture Capital Funds at Final Close, 2006 - 2016 YTD (As at 28 January 2016)**

**Venture Capital Funds in Market**

**Chart of the Month**

**Venture Capital Deals**

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**Private Equity Spotlight / February 2016**

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Make-up of LPs in Recently Closed Funds

Utilizing data from Preqin’s Investor Intelligence on Private Equity Online, we examine the make-up of investors in funds closed over recent years.

**Fig. 1: Breakdown of Number of LPs in Private Equity Funds Closed in 2014-2015 by Fund Type**

**Fig. 2: Breakdown of Proportion of Returning LPs in Private Equity Funds Closed in 2012-2015**

**Fig. 3: Make-up of LPs in the Average Private Equity Fund by Investor Location (Capital Committed to Funds Closed in 2012-2015)**

**Fig. 4: Make-up of LPs in the Average Private Equity Fund by Investor Type (Capital Committed to Funds Closed 2010-2015)**

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Preqin’s Investor Intelligence on Private Equity Online contains detailed information for over 6,200 investors around the globe that currently invest, or are considering investing, in private equity. Subscribers can click here to view profiles for each investor, including information on investment preferences, current allocations and contact information for key professionals.

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In Focus: African Private Equity

Africa-focused private capital funds collected a record $5.7bn in 2015, of which Africa-focused private equity funds accounted for $4.5bn. Ayush Varma uses Preqin’s Private Equity Online service to examine the ebbs and flows of private equity fundraising in Africa.

**Fig. 1: Africa-Focused Private Equity Capital Raised in the Past 10 Years by Domestic Manager Location**

![Map of Africa showing capital raised by domestic managers](source)

**Total $13.6bn**

**Fig. 2: Breakdown of Africa-Focused Private Equity Capital Raised by International and Domestic Fund Managers**

![Bar chart showing breakdown of capital raised](source)

**Source: Preqin Private Equity Online**

**Fig. 3: Five Largest Africa-Focused Private Equity Funds Closed in 2015**

<table>
<thead>
<tr>
<th>Fund Fund Type</th>
<th>Firm</th>
<th>Final Close (mn)</th>
<th>Geographic Focus</th>
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<tbody>
<tr>
<td>Helios Investors III</td>
<td>Helios Investment Partners</td>
<td>Growth</td>
<td>1,100</td>
</tr>
<tr>
<td>Abraaj Africa III</td>
<td>The Abraaj Group</td>
<td>Buyout</td>
<td>990</td>
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<td>African Development Partners II</td>
<td>Development Partners International</td>
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<td>South Suez Capital</td>
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<td>Abraaj North Africa Fund II</td>
<td>The Abraaj Group</td>
<td>Growth</td>
<td>375</td>
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</tbody>
</table>

**Source: Preqin Private Equity Online**

**Fig. 4: Aggregate Capital Raised by Africa-Focused Private Equity Funds by Type, 2007 - 2015**

![Line chart showing aggregate capital raised by type](source)

**Key Facts:**

- Aggregate capital targeted by 67 Africa-focused private equity funds in market.
- Citadel Capital SPV Fund III is the largest Africa-focused private equity fund on record. The fund closed in August 2006.
- The number of Africa-focused private equity funds closed in 2015 that focused on investments in Sub-Saharan Africa, down from 12 in 2014.
The 2016 Jersey Finance annual funds conference will bring together a range of world-class funds professionals to discuss the key issues currently shaping the global funds landscape.

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Performance: Asia- & Rest of World-Focused Funds

Fig. 1: Consistent Performing Managers – Asia & Rest of World-Focused Private Equity Funds*

<table>
<thead>
<tr>
<th>Firm</th>
<th>Fund Type</th>
<th>Overall No. of Funds with Quartile Ranking</th>
<th>No. of Funds in Top Quartile</th>
<th>No. of Funds in Second Quartile</th>
<th>Average Quartile Ranking</th>
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<td>2</td>
<td>1</td>
<td>1.33</td>
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<tr>
<td>AJU IB Investment</td>
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<tr>
<td>Crescent Capital Partners</td>
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<td>1</td>
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<tr>
<td>Ke Nako Capital</td>
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<td>4</td>
<td>0</td>
<td>1.40</td>
</tr>
</tbody>
</table>

*Only firms that have raised at least three funds of the same type, of which at least one must have been raised in the last six years, have been considered. Furthermore, analysis only includes funds with a quartile ranking, and with a primary focus of Asia & Rest of World. Firms with a score of less than 1.50 are considered to be consistent performers and are included in the table above.

Fig. 2: Asia- & Rest of World-Focused Private Equity** Funds - Median Net IRRs and Quartile Boundaries by Vintage Year

Fig. 3: Risk/Return of Asia- & Rest of World-Focused Private Equity Funds by Type

Fig. 4: All Private Equity** Horizon Returns by Region

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*Definitions: Private Equity includes buyout, venture capital, growth, turnaround, secondaries, funds of funds, balanced, direct secondaries, co-investment, co-investment multi manager.

All Private Equity = Buyout, venture capital, growth, turnaround, secondaries, funds of funds, distressed debt, mezzanine, special situations, real estate, infrastructure, balanced, direct secondaries, co-investment multi manager.
Asian Buyout Deals

2015 saw the highest annual aggregate value of private equity-backed buyout deals in Asia. Wilson Su takes a closer look at the figures.

Fig. 1: Number and Aggregate Value of Private Equity-Backed Buyout Deals in Asia, 2006 - 2016 YTD (As at 26 January 2016)

Fig. 2: Aggregate Value of Private Equity-Backed Buyout Deals in Asia by Location, 2006 - 2016 YTD (As at 26 January 2016)

Fig. 3: Proportion of Number of Private Equity-Backed Buyout Deals in Asia by Industry, 2006 - 2016 YTD (As at 26 January 2016)

Fig. 4: Number and Aggregate Value of Private Equity-Backed Buyout Exits in Asia, 2006 - 2016 YTD (As at 26 January 2016)

Fig. 5: Three Largest Private Equity-Backed Buyout Deals in Asia, 2015 - 2016 YTD (As at 26 January 2016)

<table>
<thead>
<tr>
<th>Portfolio Company</th>
<th>Investment Type</th>
<th>Investment Date</th>
<th>Deal Size (mn)</th>
<th>Deal Status</th>
<th>Investors</th>
<th>Bought from/Exiting Company</th>
<th>Primary Industry</th>
<th>Location</th>
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<tr>
<td>Homeplus</td>
<td>Buyout</td>
<td>Sep-15</td>
<td>4,240 GBP</td>
<td>Announced</td>
<td>CPPIB, MBK Partners, National Pension Service, Public Sector Pension Investment Board, Temasek</td>
<td>Tesco</td>
<td>Retail</td>
<td>South Korea</td>
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<td>Wuxi PharmaTech Co., Ltd</td>
<td>Public-to-Private</td>
<td>Aug-15</td>
<td>3,300 USD</td>
<td>Completed</td>
<td>Ally Bridge Group, Boyu Capital, Hillhouse Capital Management, Ping An Insurance Group, Temasek</td>
<td>–</td>
<td>Pharmaceuticals</td>
<td>China</td>
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Source: Preqin Private Equity Online

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Private Equity Spotlight / February 2016
Asian Venture Capital Deals

Venture capital deal flow experienced another record year in 2015. Vanessa Hui collates Preqin’s latest venture capital deals data from Asia, revealing the different levels of activity within the various sub-regions and identifying the largest financing rounds of the year.

Fig. 1: Number and Aggregate Value of Venture Capital Deals* in Asia by Location, 2007 - 2016 YTD (As at 26 January 2016)

Fig. 2: Aggregate Value of Venture Capital Deals* in Asia by Location, 2007 - 2016 YTD (As at 26 January 2016)

Fig. 3: Proportion of Number of Venture Capital Deals* in Asia by Industry, 2007 - 2016 YTD (As at 26 January 2016)

Fig. 4: Number and Aggregate Value of Venture Capital Exits in Asia, 2007 - 2016 YTD (As at 26 January 2016)

Fig. 5: Five Largest Venture Capital Deals* in Asia, 2015 - 2016 YTD (As at 26 January 2016)

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**Figures exclude add-ons, grants, mergers, secondary stock purchases and venture debt.
**First part of $3bn round closed in September 2015.

Source: Preqin Private Equity Online
Asia- & Rest of World-Focused Funds of Funds

Andrew White provides a breakdown of the current fund of funds landscape in areas outside North America and Europe.

**Fig. 1:** Asia- & Rest of World-Focused Private Equity Fund of Funds Fundraising, 2010 - 2015

**Fig. 2:** Breakdown of Private Equity Fund of Funds Managers with an Interest in Asia- & Rest of World-Based Investment Opportunities by Firm Headquarters

**Fig. 3:** 10 Largest Asia- & Rest of World-Headquartered Private Equity Fund of Funds Managers by Total Funds Raised in the Past 10 Years

**Fig. 4:** 10 Largest Asia- & Rest of World-Focused Funds in Market
Yale School of Management PE/VC Club Presents:

16TH ANNUAL PE & VC SYMPOSIUM

Friday, April 1st 2016 - Evans Hall, Yale School of Management

REGISTER

www.yale-pevc.com

FAMILY OFFICE & ENDOWMENT INVESTMENT FORUM

APRIL 4-5, 2016

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TORONTO, ON
## Conferences Spotlight

<table>
<thead>
<tr>
<th>Conference</th>
<th>Dates</th>
<th>Location</th>
<th>Organizer</th>
<th>Preqin Speaker</th>
<th>Discount Code</th>
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<tbody>
<tr>
<td>IPEM – International Private Equity Market</td>
<td>17 - 19 February 2016</td>
<td>Cannes, France</td>
<td>EUROPEXPO</td>
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<td>SuperReturn International</td>
<td>22 - 25 February 2016</td>
<td>Berlin</td>
<td>ICBI</td>
<td>Mark O’Hare</td>
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<td>Co-Investment Summit</td>
<td>2 March 2016</td>
<td>New York</td>
<td>iGlobal Forum</td>
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<td>10% Discount - Preqin</td>
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<td>Nordic Fundraising Summit</td>
<td>2 - 3 March 2016</td>
<td>Copenhagen</td>
<td>DVCA</td>
<td>Mark O’Hare</td>
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<td>The Jersey Finance Annual Funds Conference 2016</td>
<td>3 March 2016</td>
<td>London</td>
<td>Jersey Finance</td>
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<td>HBS Annual Venture Capital and Private Equity Conference</td>
<td>5 March 2016</td>
<td>Boston, MA</td>
<td>Harvard Business School</td>
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<td>Family Office Winter Forum</td>
<td>8 March 2016</td>
<td>New York</td>
<td>Opal Finance Group</td>
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<td>Investment Consultants Forum</td>
<td>8 March 2016</td>
<td>New York</td>
<td>Opal Finance Group</td>
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<td>Women’s Private Equity Summit</td>
<td>9 - 11 March 2016</td>
<td>California</td>
<td>Falk Marques Group</td>
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<td>12th Annual LBS PE &amp; VC Conference</td>
<td>11 March 2016</td>
<td>London</td>
<td>London Business School (LBS)</td>
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<td>SuperInvestor Asia</td>
<td>14 - 16 March 2016</td>
<td>Singapore</td>
<td>ICBI</td>
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<td>LPGP Connect 2nd Annual Private Debt London</td>
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<td>London</td>
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<td>AIMA Alternative Investment Management Summit</td>
<td>30 - 31 March 2016</td>
<td>Abu Dhabi</td>
<td>AIMA</td>
<td>Amy Bensted</td>
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<td>Private Equity and Venture Capital Symposium</td>
<td>1 April 2016</td>
<td>Connecticut</td>
<td>Yale School of Management</td>
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<td>Investor’s Conference on European CLOs and Leveraged Loans</td>
<td>4 April 2016</td>
<td>London</td>
<td>IMN</td>
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<td>Family Office &amp; Endowment Investment Forum</td>
<td>4 - 5 April 2016</td>
<td>Toronto</td>
<td>Opal Finance Group</td>
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<td>FundForum Asia</td>
<td>18 - 21 April 2016</td>
<td>Hong Kong</td>
<td>Informa</td>
<td>Amy Bensted</td>
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<td>SuperReturn China</td>
<td>18 - 20 April 2016</td>
<td>Beijing</td>
<td>ICBI</td>
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<td>15% Discount – FKR2395PRQSP</td>
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### Access Free Conference Slide Decks and Presentations

Preqin attends and speaks at many different alternative assets conferences throughout the year, covering topics from infrastructure fundraising trends to alternative UCITS.

All of the conference presentations given by Preqin speakers, which feature charts and league tables from Preqin’s online products, can be viewed and downloaded from Preqin’s Research Center Premium, for free.

For more information, and to register for Preqin’s Research Center Premium, please visit:

www.preqin.com/rcp
The Jersey Finance Annual Funds Conference 2016

Date: 3 March 2016
Location: 8 Northumberland Ave, London
Organizer: Jersey Finance

Entitled Clear Direction, the 2016 Jersey Finance Annual London Funds Conference will focus on major regulatory and international policy initiatives and how they are impacting the industry. The conference will also include a mix of keynote speeches, including from speakers Andrew Marr and Pascal Saint Amans, and interview sessions with specialist practitioners.

2nd Annual Conference on European Alternative Financing & Marketplace Lending

Date: 19 April 2016
Location: One Great George Street, London, UK
Organizer: IMN

IMN’s 2nd Annual Conference on European Alternative Financing & Marketplace Lending will bring together leaders in the alternative financing and capital markets communities, including a unique delegation of issuers and institutional investors. The conference will provide coverage on new entrants into this market, including private funds, SMEs, structured finance investors, asset-backed issuers, CLO managers, insurance companies, and marketplace lenders.

Family Office & Endowment Investment Forum

Date: 4 – 5 April 2016
Location: Toronto
Organizer: Opal Group

Delegates will have the unique opportunity to hear from both the donor and recipient gaining insight into their social responsibilities and financial struggles. Trending topics such as impact investing, philanthropy, real assets and commodities will be addressed and thoroughly assessed throughout the two days.

16th Annual Yale SOM Private Equity and Venture Capital Symposium

Date: 1 April 2016
Location: Evans Hall, Yale School of Management, New Haven, CT
Organizer: Yale School of Management PE/VC Club

The Yale School of Management’s PE & VC Symposium aims to spark constructive dialogue and debate around trends across the spectrum of Private Equity and Venture Capital investments. Each year, more than 150 practitioners, scholars, and students, gather to address current and future issues facing the PE and VC industries.