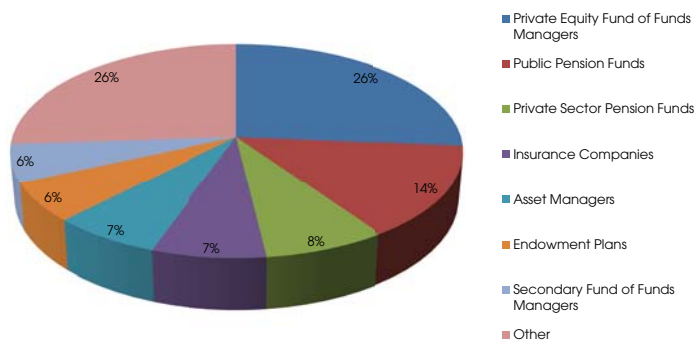




Secondary Market Buyer Preferences

Antonia Lee reveals the latest information regarding private equity institutional investors seeking to purchase fund interests on the secondary market. What are their preferences? What is the outlook for the future? We reveal all.

Fig. 1: Breakdown of Investors Looking to Buy Private Equity Fund Stakes on the Secondary Market by Firm Type



Source: Preqin Secondary Market Monitor

As illustrated in Fig. 1, a wide range of investor types are interested in buying secondary fund stakes. Private equity fund of funds managers make up the largest proportion (26%) of all secondary market buyers, while public pension funds comprise 5% of all the secondary buyers. Private sector pension funds also make up a significant proportion, representing 8% of all investors looking for secondary market opportunities within the next 24 months.

The top five managers of secondaries funds by the amount of estimated dry powder available for secondary investments are shown in Fig. 2. AXA Private Equity currently has the largest amount of estimated dry powder available for secondary investments, with just under \$7.5bn. The secondary fund of funds manager recently raised \$7.1bn for secondary market investments and has been an active participant, recently purchasing fund interests from Canada-based giant OMERS.

Fig. 2: Top Five Secondary Market Investors based on Estimated Dry Powder

Firm	Firm Country	Estimated Dry Powder (\$mn)
AXA Private Equity	France	7,457
Lexington Partners	US	4,519
CS Strategic Partners	US	3,357
Coller Capital	UK	2,586
Landmark Partners	US	2,579
Pantheon	UK	2,509

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Fig. 3: Top Three Secondaries Funds to Hold Closes in 2012 YTD

Fund	Firm	Amount Closed (mn)	Target Close (Mn)	Status
AXA Secondary Fund V	AXA Private Equity	7,100 USD	3,500 USD	Closed
CS Strategic Partners V	CS Strategic Partners	2,900 USD	2,500 USD	Closed
Portfolio Advisors Secondary Fund II	Portfolio Advisors	255 USD	1,000 USD	Second Close

Source: Preqin Secondary Market Monitor