



Preqin Industry News: Changing Investor Appetite for Large to Mega Buyout Funds

With investor appetite for large to mega buyout funds increasing recently, [Francesca Braganza](#) looks at which funds have recently held a final close, and the investors that plan to commit to these funds in the next 12 months.

Many investors made commitments to large and mega buyout funds which have recently held a final close

[Washington State Investment Board](#) (WSIB) is among investors in [Warburg Pincus Private Equity XI](#), which held a final close on \$11.2bn. The \$68bn public pension fund committed a significant \$750mn to the latest offering from [Warburg Pincus](#). Other investors in the fund include [Florida State Board of Administration](#), which committed \$200mn, and [Kansas Public Employees Retirement System](#), which committed \$50mn.

[MetLife Insurance Company](#) is among investors in two recently closed large buyout vehicles. The \$490bn insurance company re-upped with [Cinven](#) to make a commitment to the fund manager's most recent offering. [Cinven V](#) held a final close on €5bn, and focuses on European investment opportunities, including those in France, Germany, Netherlands and the UK. The insurance company also re-upped with fund manager [Court Square Capital Partners III](#), which recently held a final close on €3bn.

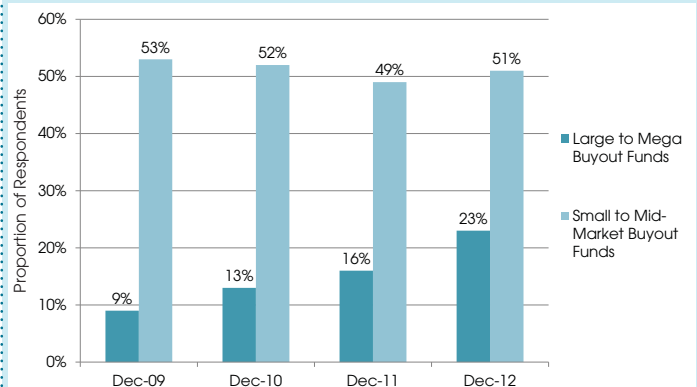
[Temasek Holdings](#) made an anchor commitment to [RRJ Capital Master Fund II](#), which held a final close on \$3.5bn. The amount committed to the buyout fund by the Singapore-based sovereign wealth fund is reported to be the largest ever LP commitment to a single fund. The second Asia-focused fund from [RRJ Capital](#) focuses on opportunities in China, Indonesia and Malaysia, as well as taking an opportunistic approach to other ASEAN markets.

Over the coming year, a number of investors plan to continue investing in large or mega buyout funds

[KIRKBI](#) is looking to commit to between one and three new funds over the next 12 months, committing between €30mn and €120mn to the asset class in total. It is looking to commit to large-cap buyout

How Has Investor Appetite for Buyout Funds Changed in Recent Years?

Chart of the Month: Proportion of Investors Planning to Make New Commitments to Buyout Funds in the Next 12 Months, 2009 - 2012



Source: Preqin Investor Interviews, 2009 - 2012

Investor appetite for large and mega buyout funds has increased year on year since December 2009, when just 9% of LPs planning new private equity funds were looking to target such funds, compared to December 2012, when almost a quarter (23%) anticipated committing to large or mega buyout funds in the following 12 months. This has been demonstrated by a number of large and mega buyout funds holding final closes recently that have attracted a significant amount of investor capital. Investor interest in small to mid-market buyout funds has been consistent in recent years, with roughly 50% of investors that are planning new private equity fund commitments each year expecting to target these vehicles.

vehicles focused on investment opportunities in Europe and the US. The family office is looking to form new GP relationships for its forthcoming fund commitments, as well as re-up with managers in its existing investment portfolio.

[AustralianSuper](#) will target two or three new private equity commitments in 2013, committing between \$300mn and \$500mn in total to the asset class. It will only invest in buyout funds, including large to mega vehicles. The superannuation scheme seeks global exposure to the asset class.

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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Firm Coverage: **14,627** Firms



Performance Coverage: **11,743** Funds (IRR Data for 4,993 Funds and Cash Flow Data for 2,275 Funds)



Fundraising Coverage: **12,322** Funds Open for Investment/Launching Soon
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Investor Coverage: **10,801** Institutional Investors Monitored,
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*Private Equity includes buyout, venture capital, distressed, growth, natural resources and mezzanine funds.

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****Preqin contacts investors directly to ensure their alternatives programs are active. We emphasize active investors, but clients can also view profiles for investors no longer investing or with programs on hold.