

# Private Equity Spotlight

February 2007 / Volume 3 - Issue 2

Welcome to the latest edition of **Private Equity Spotlight**, the monthly newsletter from Preqin, providing insights into private equity performance, investors and fundraising. **Private Equity Spotlight** combines information from our online products **Performance Analyst**, **Investor Intelligence & Funds in Market**.

## FEATURE ARTICLE page 01

**A Benign Fundraising Environment?** With \$434 billion raised by 695 new private equity funds worldwide, 2006 was the best fundraising year ever. 2007 promises to be even stronger. However, sheer competitive noise will make raising a new fund very challenging for many firms.

## PERFORMANCE SPOTLIGHT page 05

**Buyouts are returning healthy returns to their investors - but what is the actual rate of return and at what pace is the buyout industry generating profits.** See our in-depth cash flow analysis of buyout funds.

## FUNDRAISING page 06

**2007 is looking like a strong year for fundraising.** We examine the latest news for venture and buyout funds, as well as examining the market for private equity real estate funds.

No. of Funds on Road	US	Europe	ROW	
Venture	229	102	87	409
Buyout	120	51	31	202
Funds of Funds	64	52	13	129
Real Estate	57	14	14	85
Other	78	20	29	127
Total	539	239	174	952

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Fleet House, 8-12 New Bridge Street, London. EC4V 6AL  
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## INVESTOR SPOTLIGHT page 11

**The favourable market and difficulty of getting allocations to top quartile pan-European funds has lead to increased LP interest in single-country funds. We examine LP appetite for French focused funds.**

- How do LPs perceive French focused funds?

- Why are they investing in France?

- Which types of investor are the most active?

- How much is being committed to French funds?



## INVESTOR NEWS page 13

All the latest news on investors in private equity:

- **MOLAGERS** allocates 5% to both private equity and real estate for the first time.
- **OMERS** allocates C\$200 million to Asian private equity funds
- **CalSTRS** issues real estate RFP
- **MPRIM** selects Hamilton Lane
- **AlpInvest Partners** acquires USD 500 million secondary portfolio

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The 2007 Global Fundraising Review

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# Private Equity Spotlight

“...the sheer volume of ‘competitive noise’ is making it difficult for many firms to connect with the right LP prospects and get their message heard.”

Feature Article: Too Much of a Good Thing? The favourable forces that drove fundraising to new records in 2006 remain as strong as ever. Good fund performance and generally strong distributions create a ‘double whammy’ for LPs, fueling their appetite for greater allocations to private equity funds, while at the same time keeping them from achieving their target allocations as distributions keep pace with contributions.

The rapid rate of call-up of existing funds and the creation of new firms completes the picture with a steady flow of new funds onto the market. As a result, we are forecasting 2007 to be another record fundraising year, with a total of \$450 – 500 billion of fund closes likely for the year.

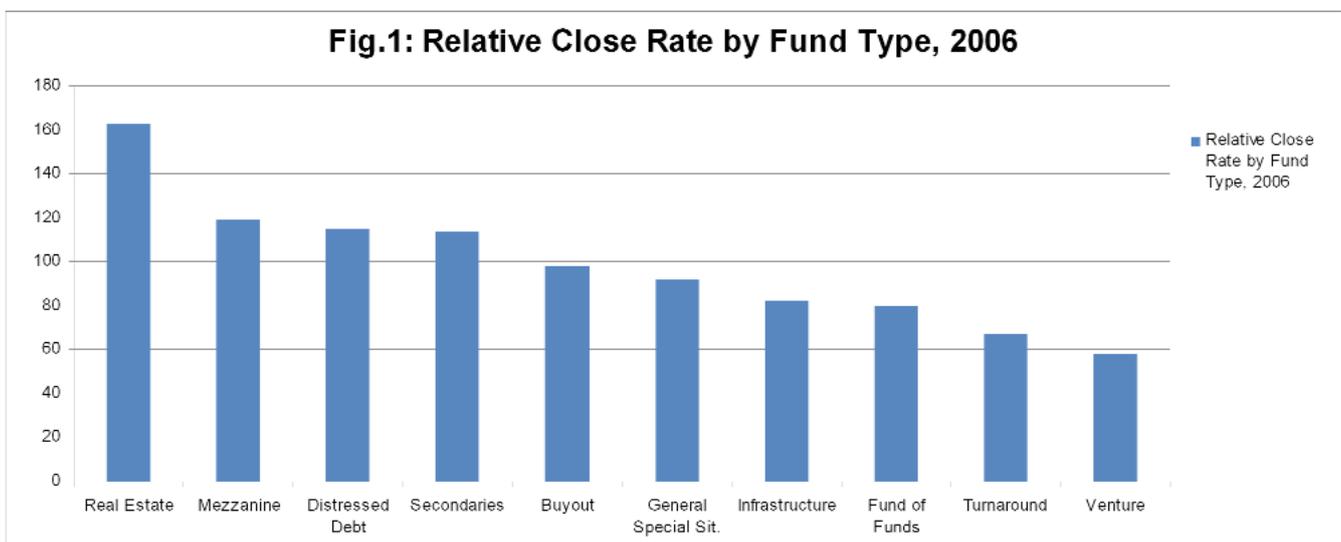
Unsurprisingly, fundraising conditions are clearly extremely favourable for those firms with good track records who are fortunate enough to be raising a new fund in one of the in-vogue areas, especially large buyout funds and real estate funds. Tales abound of large buyout funds being closed almost as soon as they are open, and commitments being scaled back for even long-standing LPs.

However, it won't be like this for most firms. After three excellent fundraising years, there are now more new funds on the road than ever before. As of February 2007 our Funds in Market database is tracking nearly 950 new funds on the road, targeting a grand total of over \$440 billion between them. (Two years ago there were just over 500 funds on the road, targeting \$130 billion).

As a result, the sheer volume of ‘competitive noise’ is making it difficult for many firms to connect with the right LP prospects and get their message heard. Many LPs are simply inundated with PPMs and have to take a ruthless attitude and focus their attention on a few known entities.

The statistics bear this out. We compared the number of funds of each type that were successfully closed in 2006 with the average number of funds of that type that were on the road during the year to calculate the ‘Relative Close Rate’ – the higher the rate the quicker the funds on the road are being raised, and the lower the rate the more difficulty the firms raising them are experiencing. Fig. 1 shows how different fund types compare. Real estate funds fared best in 2006, with a rate of 163% - i.e. the number of funds closed during the year was 63% higher than the average number of real estate funds on the road at any time during the year. Mezzanine, distressed debt, secondary and buyout funds also fared well. Conversely, conditions have been very tough for firms raising new venture funds, as only 58% of the funds on the road achieved final closes during the year.

**Fig.1: Relative Close Rate by Fund Type, 2006**



# Private Equity Spotlight

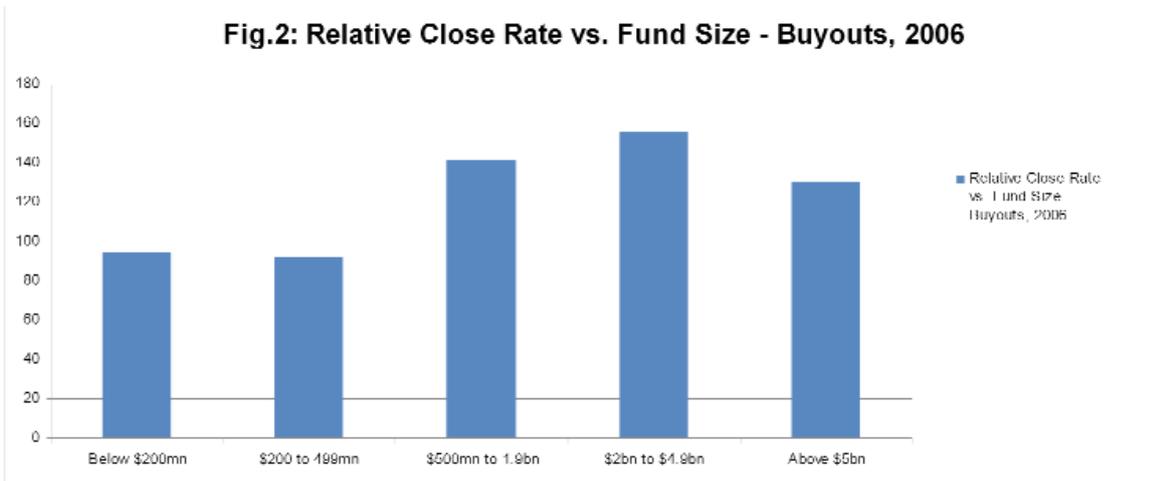
Fund size also plays an important role, as across most fund types it was the larger funds that had the most success in 2006. Fig. 2 illustrates this for buyout funds. \$500 million appears to have been something of a watershed, with funds of above this size achieving relative close rates 40 - 50% higher than smaller funds. Unsurprisingly, first time funds also found it more difficult to raise than repeat funds, with relative close rates only 60% as good as those for repeat funds. Despite this, more and more new firms have been attracted by the positive market and are attempting to raise their first fund: Over one-third of all new funds currently on the road are first-time funds, a higher proportion than for many years.

With the total number of funds on the road today 35% higher than a year ago, the competition faced by new funds is stiffer than ever. While the growth has been especially strong in some

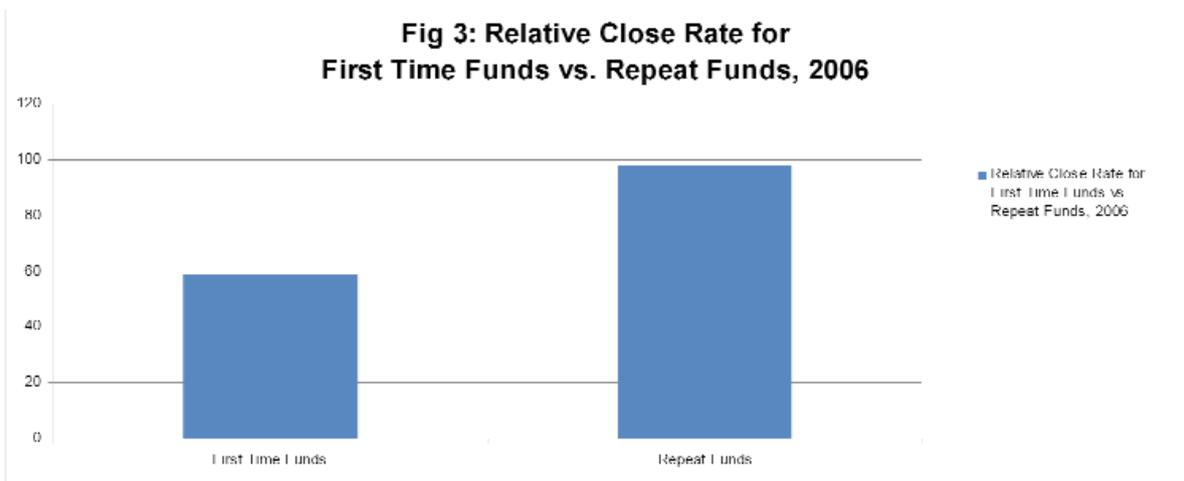
of the hottest areas (e.g. there are more than twice as many real estate funds on the road), few areas are exempt, with even tough areas like venture seeing 38% more new funds than a year ago.

2007 will probably see around 700 new funds achieving final closes, and a good proportion of these will be funds that have not yet actually hit the fundraising trail. As a result, around half of the funds currently on the road will still be searching for commitments in 2008. The uncomfortable reality is that it doesn't take much for a firm to fall from the 'closed within six months' into the 'still raising after two years' category. First time funds; firms whose previous fund may well be a reasonable performer, but who have yet to achieve significant realisations; firms that don't fall precisely into one of the current favourite categories; firms whose unique or distinctive proposition makes them

**Fig.2: Relative Close Rate vs. Fund Size - Buyouts, 2006**



**Fig 3: Relative Close Rate for First Time Funds vs. Repeat Funds, 2006**



# Private Equity Spotlight

difficult for LPs to categorize; smaller funds generally - all these are likely to have a challenging time fundraising.

Competition is clearly a major issue in today's crowded fundraising market, however the fundamental fact remains that more and more LPs are entering the asset class and their appetite for new funds remains strong. While almost all LPs want a piece of the latest hot mega buyout fund, their interests also diverge significantly according to the type, location, size, experience and personal tastes of each LP. In a crowded market finding the right LP prospects can make all the difference to your fundraising program, so careful LP screening and targeting is a vital first step.

*This month's feature article draws upon the 2007 Global Fundraising Review. This year's Review gives our most comprehensive ever analysis of the fundraising market, with detailed analysis of 2006 and the prospects by fund type and region for 2007.*

For further details please visit

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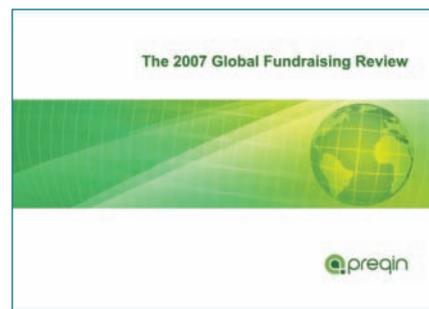
Some featured speakers include the BRICs report co-author Dominic Wilson of Goldman Sachs, Michael Koester of Goldman Sachs, Pat Cloherty of Delta Private Equity Partners, Kurt Geiger of the European Bank for Reconstruction and Development, Franklin "Pitch" Johnson of Asset Management Company, Cynthia Hostetler of Investment Funds at OPIC, Uli Grabenwarter of the European Investment Fund, and others.

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# The 2007 Global Fundraising Review

## Vital information to help you succeed in 2007:

- Demand: Where is LP demand strongest? Prospects for 2007?
- LPs: Which LPs are most active? Top LPs committing to new funds in 2007?
- Competition: Who is currently on the road? Who is likely to launch a new fund in 2007?
- Placement Agents, Lawyers: Which advisors are active in each market segment? Who are the market leaders?



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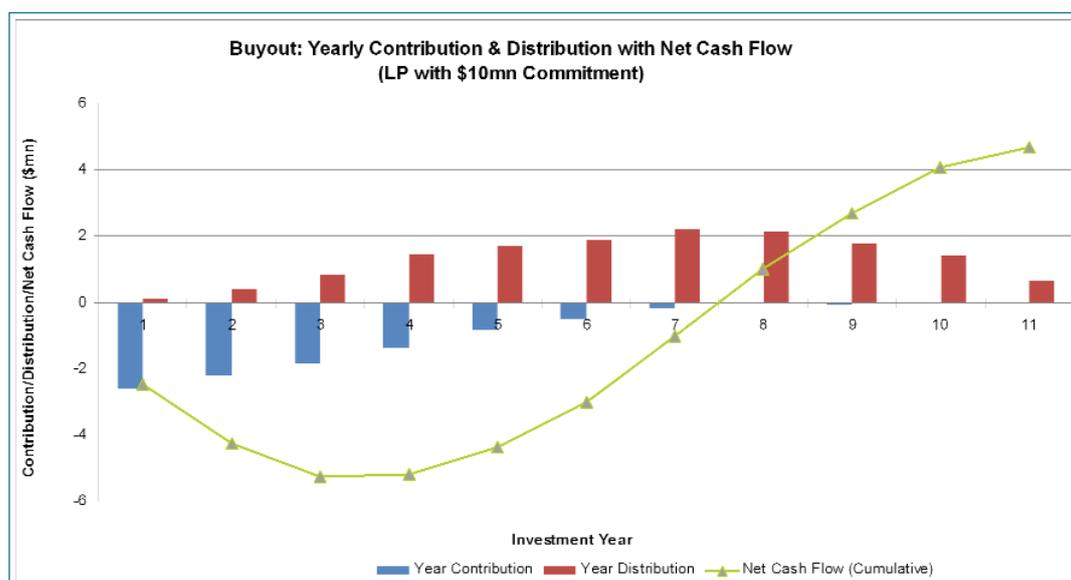
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# Performance Spotlight

Performance Spotlight is your monthly update on Private Equity Performance. This month: cash flow patterns for LPs in buyout funds.



For this month's Spotlight, we have used Preqin's cash flow data to analyse the rate at which buyout funds invest their LPs' money and how quickly they can generate a return on these investments. Using an example of an LP with a \$10 million commitment, the above chart shows the average yearly amount of capital called and distributed as well as the resulting cumulative net cash flow.

To produce this analysis, we used cash flow data for over 350 buyout funds of vintages 1987 to 2005. By annualising the transactions for each investment year, we were able to include every fund in the dataset. As the chart above shows, the typical buyout fund is around 25% called up by the end of the first year of investment. Calls continue to year 6, by which time most of the investments have been made and subsequent calls are primarily for management fees. Many buyout funds will start making distributions even in the first year, and these will grow steadily to reach their peak in around year 7.

Interestingly, distributions will actually start to overtake contributions (on an annual basis) as early as year four of the fund's life, so the net cash flow for the LP turns positive at this point. By the end of year three our hypothetical LP with a \$10 million commitment will have had \$6.6 million of cash called up,

but will have also received \$1.4 million of distributions, so the LP's net position will be minus \$5.2 million. As distributions exceed contributions after this point, the LP's maximum net investment will therefore be \$5.2 million – i.e. around 52% of its original commitment. This 52% is a lower figure than many LPs use in forecasting their portfolio cash flows, and suggests that they should consider higher levels of 'over-commitment' if they want to achieve their desired target allocations.

Distributions continue to grow and reach a maximum around year seven, by which time the LP's cumulative cash flow will just be turning positive. By year 11 the average buyout fund will have returned a net cash multiple of around 1.47, in addition to still having a remaining unrealized portfolio value of around 20% of the paid-in capital.

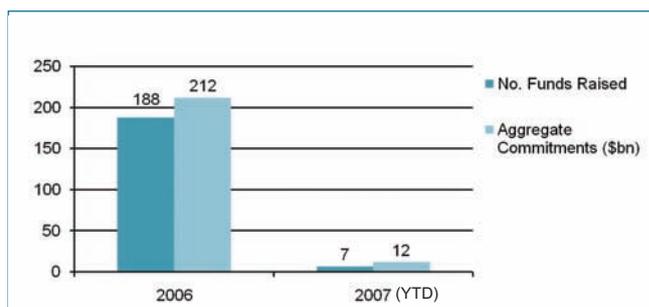
The evidence also shows that buyout funds have been calling up their committed capital more quickly in recent years – and they have also been quicker to distribute the gains back to LPs. Whether this trend continues remains to be seen, but it is clear that LPs' aggregate portfolio cash flows are very sensitive to the assumptions made, and historic guidelines for over-commitment may not be sufficient to enable them to reach their target allocations.

# Funds In Market Buyout

## BUYOUT FUNDS ON THE ROAD

	US	Europe	ROW	Total
No. on Road	120	51	31	202
Total Target Value (\$bn)	165	43	11	219
Average Target Size (\$mn)	1,389	846	340	1,090

## FINAL CLOSES BAROMETER



## BUYOUT FUNDS ON THE ROAD

Fund	Manager	Target Size (mn)	GP Location
GS Capital Partners VI	Goldman Sachs Private Equity	19,000 USD	US
KKR Fund 2006	Kohlberg Kravis Roberts	16,625 USD	US
Carlyle Partners V	Carlyle Group	15,000 USD	US
Providence Equity Partners VI	Providence Equity Partners	12,000 USD	US
Apax Europe VII	Apax Partners	8,500 EUR	UK
Thomas H Lee VI	Thomas H Lee Partners	9,000 USD	US
Hellman & Friedman VI	Hellman & Friedman	8,000 USD	US
Silver Lake Partners III	Silver Lake Partners	8,000 USD	US
Carlyle Europe Partners III	Carlyle Group	5,000 EUR	US
JC Flowers II	JC Flowers & Co	6,000 USD	US

## RECENTLY CLOSED BUYOUT FUNDS

### Alto Capital II:

Manager: Alto Partners  
 Target Size (mn): 150 EUR  
 First Close (mn): 50 EUR (October-2005)  
 Final Close (mn): 165 EUR (January-2007)  
 Geographic Focus: Italy  
 Placement Agent: Campbell Lutyens  
 Sample Investors: Assicurazioni Generali, F&C Asset Management, Bear Stearns AM, Partners Group, EIF

### Affinity Asia Pacific Fund III:

Manager: Affinity Equity Partners  
 Target Size (mn): 2,000 USD  
 Final Close (mn): 2,800 EUR (January-2007)  
 Geographic Focus: Asia, Australasia  
 Industry Focus: Healthcare  
 Lawyer: Clifford Chance

### CVC European Equity Partners IV Tandem Fund:

Manager: CVC Capital Partners  
 Target Size (mn): 4,000 EUR  
 Final Close (mn): 4,200 EUR (January-2007)  
 Geographic Focus: Europe

### Thompson Street Capital Partners II:

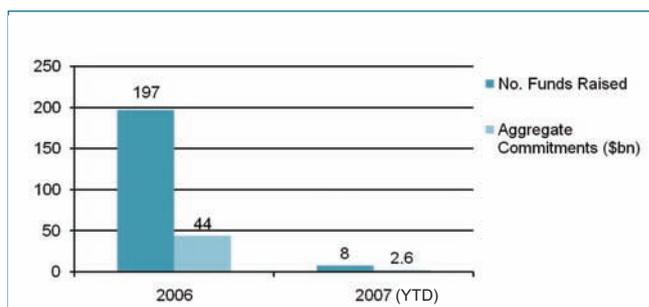
Manager: Thompson Street Capital Partners  
 Target Size (mn): 250 USD  
 Final Close (mn): 300 USD (February-2007)  
 Geographic Focus: US  
 Placement Agent: Monument Group  
 Industry Focus: Healthcare, Consumer Products, Distribution, Consumer Services, Transportation, Manufacturing, Any

# Funds In Market Venture

## VENTURE FUNDS ON THE ROAD

	US	Europe	ROW	Total
No. on Road	220	102	87	409
Total Target Value (\$bn)	44	16	11	71
Average Target Size (\$mn)	203	157	125	174

## FINAL CLOSES BAROMETER



## VENTURE FUNDS ON THE ROAD

Fund	Manager	Target Size (mn)	GP Location
VantagePoint Venture Partners V	VantagePoint Venture Partners	1,250 USD	US
InSight Capital Partners VI	InSight Capital Partners	1,200 USD	US
DIB Media & Telecommunications Fund (TMT)	Dubai Islamic Bank	1,000 USD	UAE
Red Zone Capital Partners II	Red Zone Capital Partners	750 USD	US
Carlyle Venture Partners III	Carlyle Group	700 USD	US
MPM BioVentures IV	MPM Capital	650 USD	US
Paul Royalty Fund III	Paul Capital Investments	650 USD	US
DLB Capital I	DLB Capital	600 USD	US
Draper Fisher Jurvetson IX	Draper Fisher Jurvetson	600 USD	US
FTVentures III	FTVentures	600 USD	US

## RECENTLY CLOSED VENTURE FUNDS

### Brysam Global Partners:

Manager: Brysam Global Partners  
 Final Close (mn): 1,000 USD (January-2007)  
 Geographic Focus: China, India, Mexico, Russia, Emerging Markets  
 Industry Focus: Financial Services

### RRE Ventures IV

Manager: RRE Ventures  
 Target Size (mn): 300 USD  
 Final Close (mn): 300 USD (January-2007)  
 Geographic Focus: US  
 Industry Focus: Communications, IT, Software

### Abingworth Bioventures V:

Manager: Abingworth Management  
 Target Size (mn): 250 GBP  
 First Close (mn): 222 GBP (December-2006)  
 Final Close (mn): 300 GBP (January-2007)  
 Geographic Focus: US, Europe  
 Industry Focus: Healthcare, Life Sciences, Biotechnology, Medical Instruments, Biomedical  
 Placement Agent: MVision Private Equity Advisors  
 Sample Investors: Pennsylvania State Employees' Retirement System, Irish National Pension Reserve Fund

### GSR Ventures II:

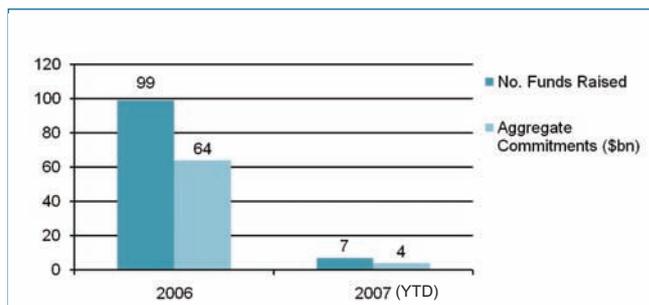
Manager: GSR Ventures  
 Final Close (mn): 200 USD (January-2007)  
 Geographic Focus: Greater China  
 Industry Focus: Technology, Internet, Semiconductors, Wireless  
 Sample Investors: Horsley Bridge Partners, Mayfield Fund

# Funds In Market Real Estate

## REAL ESTATE FUNDS ON THE ROAD

	US	Europe	ROW	Total
No. on Road	57	14	14	85
Total Target Value (\$bn)	36	6	3	45
Average Target Size (\$mn)	632	412	246	532

## FINAL CLOSES BAROMETER



## REAL ESTATE FUNDS ON THE ROAD

Fund	Manager	Target Size (mn)	GP Location
Blackstone Real Estate Partners VI	Blackstone Group	10,000 USD	US
Beacon Capital Strategic Partners V	Beacon Capital Partners	3,000 USD	US
Carlyle Realty Partners V	Carlyle Group	1,500 USD	US
TA Realty Associates VIII	TA Associates Realty	1,500 USD	US
Aberdeen European Shopping Property Fund	Aberdeen Property Investors	1,000 EUR	Sweden
Westbrook Real Estate Fund VII	Westbrook Partners	1,250 USD	US
MacFarlane Urban Real Estate II	MacFarlane Partners	1,200 USD	US
Cherokee Investment Partners IV	Cherokee Investment Partners	1,000 USD	US
DB Global Opportunity Fund II	RREEF/DB Real Estate	1,000 USD	US
Quinlan Private European	Quinlan Private	1,000 USD	US

## RECENTLY CLOSED REAL ESTATE FUNDS

### CPI Capital Partners Asia:

Manager: Citigroup Property Investors

Type: Opportunistic

Target Size (mn): 1,400 USD

Final Close (mn): 1,300 USD (February-2007)

Geographic Focus: Asia

Placement Agent: Not Used

Sample Investors: Los Angeles Fire and Police Pension System

### Investcorp GCC Fund

Manager: Investcorp

Target Size (mn): 500 USD

Final Close (mn): 527 USD

Industry Focus: Telecoms, Property

Geographic Focus: GCC, Middle East

### AG Net Lease Realty Fund:

Manager: Angelo, Gordon & Co.

Type: Value-Added

Final Close (mn): 160 USD (January-2007)

Geographic Focus: US, Global

### Equity International III:

Manager: Equity International

Type: Opportunistic

Final Close (mn): 300 USD (January-2007)

Geographic Focus: Brazil, China, Egypt, Mexico, Emerging Markets

# Product Spotlight: Funds In Market

Each Month Spotlight takes a closer look at one of the many products and services provided by Private Equity Intelligence, exploring the features offered; how it can help you in your job; who uses it and how you can get it.

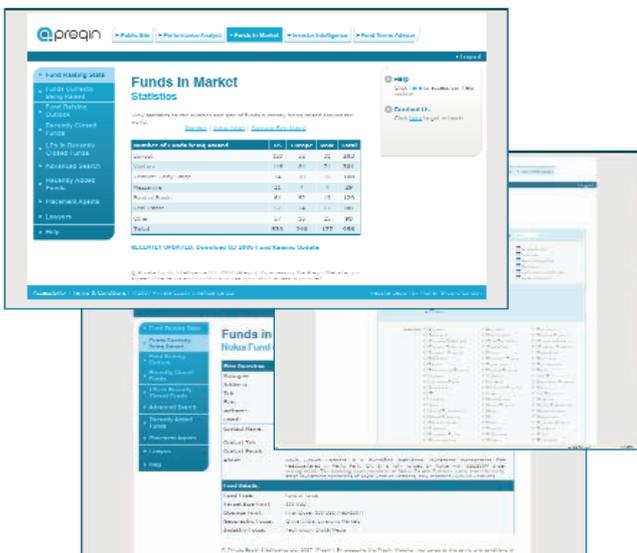
## This month: Funds in Market

- **Are you currently fundraising?** Use Funds in Market to assess the competition, understand the market, view historical trends and see which LPs have made commitments to which new funds.
- **Are you looking to make fund investments?** Use Funds in Market to identify investment opportunities, compare different fund offerings targeting similar investment strategies, and ensure you are establishing relationships with the most relevant GPs ahead of time.
- **Are you a Placement Agent or Lawyer?** Funds in Market can help you identify new business development opportunities and to assess the competition.



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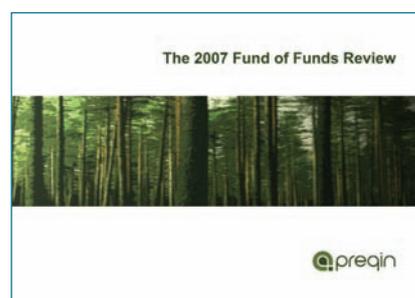
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# Investor Spotlight

Investor Spotlight is your monthly update on investors in Private Equity. See how key investors are changing their allocations and which new investors are coming into the market. Each month we analyse investors in a specific segment - this month we look at LPs in French focused funds.

The private equity market in France had another strong year in 2006, being the fourth biggest market in the world for money raised. LP interest in French funds is strong and Private Equity Intelligence's Investor Intelligence database identifies 250 LPs who have invested in French focused funds previously. Additionally, we identify another 250 LPs who have invested in funds focused on Western Europe in general. Investment in French focused funds has come from a large variety of different types of institutional investor (including Fund of Funds, Public and Corporate Pension funds and Insurance companies) from 26 different countries.

So why is France such a magnet for investment? France being in the centre of Western Europe is becoming progressively more integrated in the global market. France is the No. 2 source of foreign direct investment in the world, second only to the US, it ranks No.3 for services and No. 4 worldwide for exporting goods. Additionally, France's attractiveness as a business location is now a priority of the country's economic policy. France has a large number of entrepreneurs spurred on by the high levels of public and private sector spending on research and development. In Paris, France has a large financial centre - the second largest in Europe after London.

Historically, a number of French funds have performed very well which has increased LP appetite for the region. Some of the greatest successes have come from funds managed by Astorg Partners, a buyout firm focusing on small to midcap companies in healthcare, retail, B to B distribution, hospitality, and professional services; Alven Capital Partners, a French early-stage firm focusing on French IT, services, industry, media and telecommunication companies and ARCIS Group, a French secondaries group.

Unsurprisingly, the majority of investors in French focused funds are from Western Europe. However, North America is also well represented and Investor Intelligence lists 70 North American LPs who have invested in French focused funds. Some of the more active investors in France include: European Investment Fund (EIF), CDC Entreprises FP Gestion, Natexis Private Equity, Francarep, LGT Capital Partners and Paris Orléans. EIF

is one of the most prolific investors in France, having invested in more than 30 funds. It will be looking to commit up to EUR 1 billion to European private equity funds in the next twelve months.

Fund of funds are by far the most prominent investor with almost 70 of them having historically invested in at least one French focused fund. HarbourVest Partners is one of the largest non-European investors in French focused funds, investing through its international fund programme, which predominantly invests in European Buyout funds. CDC Entreprises FP Gestion is a subsidiary of Caisse des Dépôts (CDP), one of Canada's largest pension funds. It operates a fund of funds structure, which invests in French funds that invest in specific geographical areas in France. Fondinvest was one of the first fund of funds managers in Europe. They invest around 30-35% of their funds in France. Other active fund of funds in France include AXA Private Equity, Crédit Agricole, LGT Capital Partners, Pantheon Ventures and Partners Group.

Many North American pension funds have also invested in funds focused on France, these include: Pennsylvania State Employees' Retirement System, Washington State Investment Board, California State Teachers' Retirement System, Pennsylvania Public School Employees' Retirement System, State of Connecticut Retirement Plans and Trust Funds and Macomb County Retirement System.

## The Fundraising Environment

French general partners raised a total of 27 funds during 2006, raising an aggregate \$10.5bn in aggregate commitments. As shown on Fig 1, this \$10.5 bn was approximately the same as the amount raised in 2005, however, it represented a three-fold increase since 2004 and 2007 is looking like a good year for fundraising in France. Although the amount raised, increased the number of funds that closed in 2006 fell compared to 2005, thus showing that the average size of a French fund was larger in 2006 compared to 2005.

# Investor Spotlight

As with many other markets, buyout funds were the most popular in terms of both number and aggregate capital raised, with a total of nine funds achieving final closes, raising an aggregate \$4.5bn, 42% of all capital raised by French GPs in 2006.

The largest fund raised by a French GP during 2006 was Groupe Alpha's Private Equity Fund V, which was capped at €750mn, above its target of €700mn, although reported LP interest would have pushed this far higher had the GP allowed it. Investor interest in this fund, and in European buyout funds in general is shown by the fact that this fund was only on the road for three months, securing a final close without the use of a placement agent.

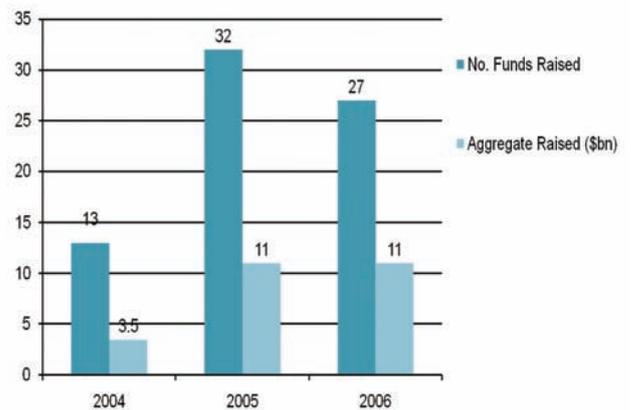
Mezzanine funds also had success in raising capital in France during 2006, with four vehicles achieving a final close in 2006, garnering an aggregate \$2.4bn in commitments, 23% of the entire market for France during 2006.

French venture fund managers enjoyed some levels of success in 2006, closing seven funds with aggregate commitments of \$1bn over the course of the year. These funds were spread

across the spectrum of venture stage types, with two early stage vehicles, two expansion stage funds, and three general venture funds being raised.

Therefore, interest amongst LPs remains strong for French focused funds and the indications are that they will remain so throughout 2007.

Fig. 1: French Fundraising 2004 - 2006



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# Investor News

**Missouri Local Government Employees Retirement System** has decided to have an allocation to private equity and real estate for the first time. The USD 3.8bn public pension fund is looking to allocate 5% to both asset classes. It will look to fund the private equity allocation first before making any real estate investments. Initially, real estate investments will be in open-ended core commingled funds. However, in the longer-term, it will look at close ended value-added commingled funds.

**OMERS Capital Partners** is allocating CAD 200 million to investment in private equity funds focused on Asia in an attempt to increase its exposure to the region. The CAD 43 billion pension fund currently has approximately 10% of its assets allocated to private equity and is aiming to have somewhere in the region of 4-8% of assets committed to Asia-focused private equity funds in the future. Additional investments in Asia may be made through existing or new firms. The pension fund also announced that it was aiming to commit approximately CAD 500 million to buyout vehicles in 2007.

**California State Teachers' Retirement System (CalSTRS)** has issued an RFP for one or more real estate investments. The system is searching for firms with experience in evaluating and performing due diligence on commingled funds, joint ventures, REITs, debt structures, international investments, land investments, investments in infrastructure, cash management or other real estate-related projects. The RFP was released 4 January 2007 and must be returned by 15 March.

**Munich Ergo Asset Management GmbH (MEAG)** is reported to be increasing its allocation to private equity in line with its competitors. It plans to raise its allocation from 0.3% to approximately 1%, which would bring its investment in the asset class to EUR 1.8 billion.

**CPP Investment Board** and **Ontario Teachers' Pension Plan** have joined forces to create Actera Partners, a private equity fund dedicated to investment in Turkey. The fund has a target of EUR 250 million and will focus on buyout and growth equity investments across all sectors and will also partner with Turkish groups to help them expand outside the country.

**Massachusetts Pension Reserves Investment Management Board** has selected a new private equity consultant, Hamilton Lane. The firm will be paid USD 4.5 million over the next three years. It beat off competition from Aldus Equity Partners, Ennis Knupp and Franklin Park. Its previous advisor, Pathway Capital Management, did not submit a bid. The USD 44 billion pension fund is also in the process of deciding whether to make larger investments in each private equity fund. It has a current limit of USD 125 mn to any one partnership, but this may be raised to USD 200 million in the future should the Board agree to staff requests.

According to Private Equity Insider, former Duke University Management Company investment chief Thruston Morton III is forming a new fund of funds firm named **Global Endowment Management**. Morton has the help of two other players from the endowment world, Hugh Wrigley, who headed private equity fund investments under Morton at Duke University's USD 6.2 billion endowment, Duke Management; and Stephanie Lynch, currently the CIO of Duke Endowment, a charitable organisation which is unaffiliated with the college. The team is currently based at the headquarters of Duke Management until it finds its own offices. It is rumoured that the firm will raise money from endowments and wealthy individuals, managing the contributions through fund of funds and separate accounts. At this point in time it is unclear what the firm's investment strategy will be, but based on the team, it is likely to have the capacity to invest capital with funds investing in privately held and publicly traded companies.

**AlpInvest Partners** has acquired USD 500 million funds portfolio from SwissRe in secondaries deal. The EUR 30 billion fund of funds manager acquired a diversified pool of assets containing mainly buyout interests according to Private Equity News. The deal was done without the assistance of a dedicated third-party manager.

Each month Spotlight provides a selection of the recent news on LP

More news and updates are available online for Investor Intelligence subscribers.

Contact us for more information - [info@preqin.com](mailto:info@preqin.com)

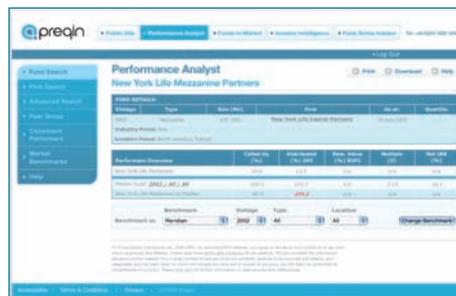
# In The Spotlight: Private Equity Intelligence

Private Equity Intelligence is a financial information business focused on the private equity industry. We provide private equity and venture capital firms, fund of funds, investors and advisors with products and services within four main areas:

Fund Performance, Investors, Fundraising and Fund Terms.

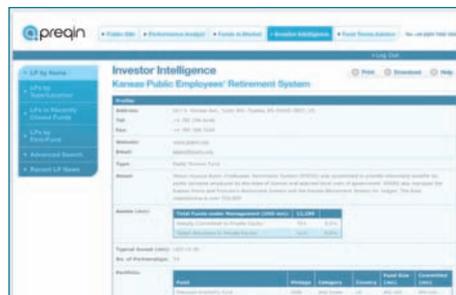
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We provide performance data for 3,000 private equity funds worldwide. For each individual fund you see the amount called, distributed, unrealised value, value multiple and net IRR. Performance is measured on a net-to-LP basis. Fund performance is available through our online database "Performance Analyst" and our publication "The 2006 Private Equity Performance Monitor".



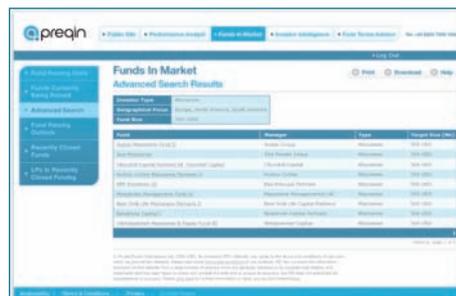
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See valuable information on fees, costs and key terms for all types of funds, based upon an exhaustive analysis of data from over 700 funds. Ensure that negotiated terms are in line with industry best practice. This information is available through our publication "The 2006 Fund Terms Advisor", which also gives access to our online service showing benchmark figures based upon key fund features.

