

Private Equity Spotlight

June 2007 / Volume 3 - Issue 6

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

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Private Equity - Alternatives enter the mainstream

This month's feature article examines the growth in the private equity, hedge fund and real estate asset classes

PERFORMANCE SPOTLIGHT

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This month we analyse the performance of large and mega large buyout funds, demonstrating that size does matter as the largest funds have historically performed better than the rest of the industry.

FUNDRAISING

page 06

This month's Fundraising Spotlight looks at the latest news for venture, buyout and distressed debt funds.

No. of Funds on Road	US	Europe	ROW	
Venture	236	101	107	444
Buyout	135	51	28	214
Funds of Funds	76	50	14	140
Real Estate	90	20	18	128
Other	91	28	28	147
Total	628	250	195	1073

SUBSCRIPTIONS

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Fleet House, 8-12 New Bridge Street, London. EC4V 6AL
Tel: +44 (0)207 822 8500 w: www.preqin.com

INVESTOR SPOTLIGHT

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The Real Estate Boom Explained:

Private Equity Real estate has grown from being a minor fund type in the private equity world to becoming second in popularity only to buyout funds in terms of aggregate capital raised in 2006.



In this month's feature article we examine why investors are currently seeing private equity real estate funds as such an attractive investment prospect.

INVESTOR NEWS

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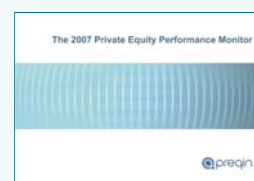
All the latest news on investors in private equity:

- New Hampshire Retirement System is evaluating its private equity program
- Sony Life Insurance plans to increase its secondary exposure
- Centrum Bank hires new CIO
- COPERA selling funds on secondary market
- KFAED changes private equity investment strategy
- Texas PERS appoints non-discretionary PE advisor

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The 2007 Private Equity
Performance Monitor

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Private Equity Spotlight

“...anything up to \$300 billion of new capital could be pumped into the private equity industry in the near future”

Feature Article: The private equity, hedge fund and real estate asset classes are becoming increasingly mainstream and prominent in the portfolios of institutional investors as alternative asset allocations continue to grow. In this month's feature article we drill down and examine exactly where the capital is coming from, how much allocations have increased, and look at how much potential growth exists in this already flourishing market.

Over the past three years institutional investor interest in alternative asset classes has risen to previously unparalleled levels. Buoyed by strong returns and the prospects of diversification new investors continue to enter the asset class, while existing investors are increasing their allocations, and investors from emerging regions are entering the alternatives arena at an ever-increasing pace.

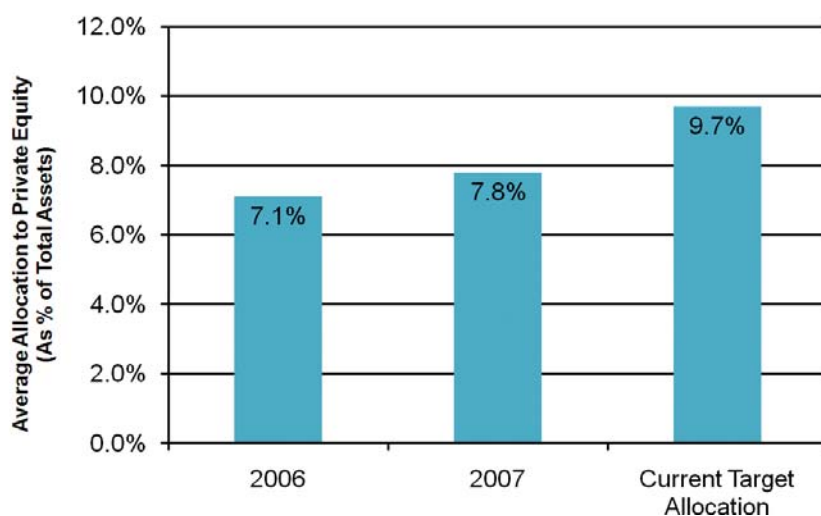
Our recently released publication, The 2007 Private Equity Performance Monitor, revealed that private equity funds have historically outperformed the stock market, consistently providing investors with strong returns. The increasing investor enthusiasm that has helped numerous mega-buyout funds achieve final closes at ever-increasing sizes is fuelled by the excellent returns that such funds have been providing to investors – further details of which can be seen in this month's Performance Spotlight.

Data from our Investor Intelligence database demonstrates this trend in increasing allocations to the private equity asset

class. At this point one year ago, the global average allocation to private equity stood at 7.1%. Over a period of just twelve months this has now increased to 7.8%, an increase of nearly 1%, and the growth does not stop there. The current global average target allocation to private equity for the institutions on our database stands at 9.7%, which is 1.9% higher than current average allocations, indicating the potential for significant further growth. With aggregate global commitments to private equity standing at roughly \$1.5 trillion, this suggests that anything up to \$300 billion of new capital could be pumped into the industry in the near future – with this capital being in addition to any new commitments necessary to maintain investors current allocations to the asset class – no small task in itself in a climate of generous distributions from existing fund investments.

Previously a small component in the overall private equity fund universe, real estate funds have now grown in importance and stature, and represent the second biggest fund type in terms of aggregate commitments garnered in

Rise in Global Average Allocation to Private Equity - Past 12 Months



Private Equity Spotlight

2006, second only to buyout funds, with 64 funds achieving a final close, raising an record aggregate \$99bn in commitments over the course of the year. Again, strong performance is a factor in increasing investor appetite for real estate vehicles. With yields from core investments failing to reach levels of earlier years, returns from closed-end opportunistic and value-added funds certainly begin to look appealing, with funds of this type regularly returning IRRs between 20 and 30%. When the relatively low levels of risk that these funds represent in comparison with private equity funds of other types is factored into the equation, real estate fund investments begin to look like a very attractive proposition indeed. With a global average allocation to real estate of 4.6% and an average target of 5.7% the potential for further growth is exceptional, especially with new investors continually making their maiden investments in the asset class. Record breaking fund sizes of only one year ago are already being doubled as the appetite for real estate remains unwavering.

Also witnessing a growth in enthusiasm from institutional investors are hedge fund vehicles, with hedge fund managers and marketers increasingly seeing institutional investors as an important source of capital in a market traditionally dominated by commitments from high net worth individuals. The market has recently seen a significant influx of new institutions committing to the asset class; many investors that were previously unable to invest in hedge funds are now entering the asset class as a result of local regulation changes, while attracted by the promise of strong returns other institutions have decided to change their strategic focus and make their first forays into the market. By 2008 we expect an extra \$85 billion to be committed to the hedge fund asset class by institutional investors.

When all these factors are taken into account, the boom in capital being deployed by investors into alternative asset classes looks set to continue into the foreseeable future. Data taken from the Investor Intelligence database for alternative asset allocations serves as further evidence of the positive feeling amongst institutional investors, with the current average allocation to alternatives standing at a significant 16.5%. With alternative investments providing such strong returns, 2008 could see average allocations rise to even higher levels, as alternative assets become an increasingly less alternative choice for institutional investors.

The growth in investor appetite for private equity real estate and hedge fund market has led us to launch two new online databases, each packed with vital information for all professionals involved in the alternative assets market. For more information and to register for a free trial to any of our products please visit:

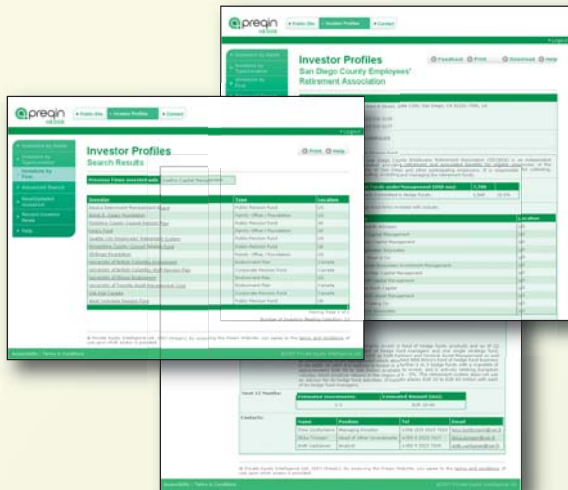
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- > Current and target allocations to hedge funds
- > Full contact details including key personnel
- > Latest Investor news

- > Search by specific strategy preference
- > Identify investors by geography
- > See which investors have invested with which firms
- > All details continually and proactively maintained by our team of researchers



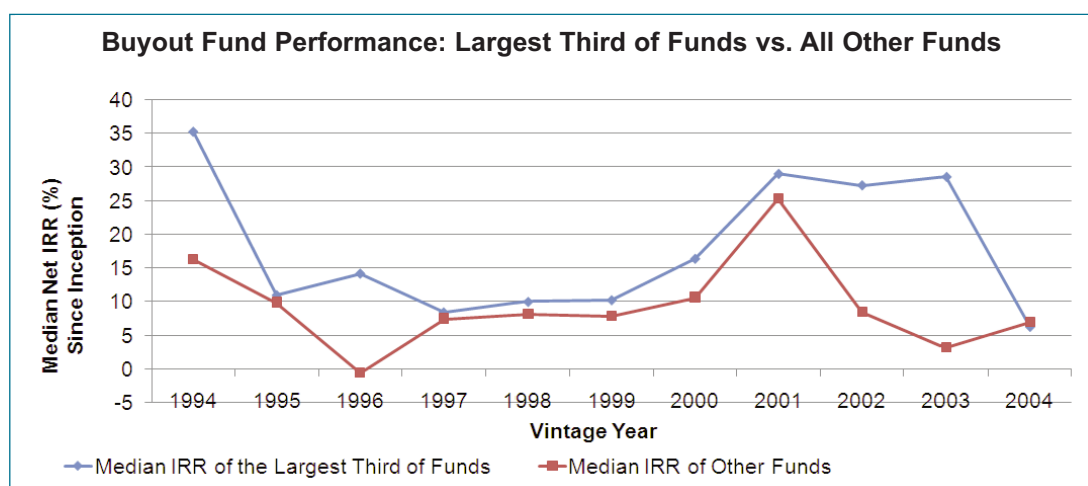
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Performance Spotlight

Performance Spotlight is your monthly update on Private Equity Performance. This month we analyse the performance of large and mega large buyout funds, demonstrating that size does matter as the largest funds have historically performed better than the rest of the industry.



The recent fundraising market has been dominated by large and mega buyout funds, with vehicles regularly closing with commitments in excess of \$5 or and even \$10 billion. Some funds such as Blackstone Capital Partners V and Texas Pacific Group Partners V have raised \$15 billion, and GS Capital Partners VI was the first private equity fund to close on \$20 billion.

In total 10 funds of \$5 billion or more in size achieved a final close in 2006, with the increasing number of large and mega buyout funds increasing the average buyout fund size from \$700 million in 2004 to \$1.13 billion in 2006. Six months into 2007, a further 8 funds of \$5 billion or more have already reached a final close, and with an additional 5 funds of similar size currently in the market. 2007 is set to be another record year for mega buyout funds.

To assess the impact of fund size on fund performance, we divided the buyout industry into two groups of funds in relation to their fund sizes. Ranking the funds by size, we extracted the top third of funds in terms of fund size for each vintage year. We then calculated the median IRR of both the largest funds and all the other funds for each vintage year. The results shown in fig.1 clearly confirm that larger funds have historically outperformed smaller ones. For many vintages the difference between the median IRRs of the two groups is less significant (less than 5%) but large disparities also occur. For

the vintage 1996, one of the worst performing vintages for the buyout industry overall, the largest funds outperformed their smaller peers by nearly 15%. The larger funds of vintages 2002 and 2003 are also performing significantly better than smaller buyout funds, with a sizeable difference in IRR of around 20% between the two groups.

GPs managing mega buyout funds are generally well known, established players with long and successful track records, who have been able to raise increasingly large funds as they become more experienced and have established good reputations within the industry. LPs are keen to invest in these funds as they have provided excellent returns as well as being relatively low risk compared to other forms of private equity investment.

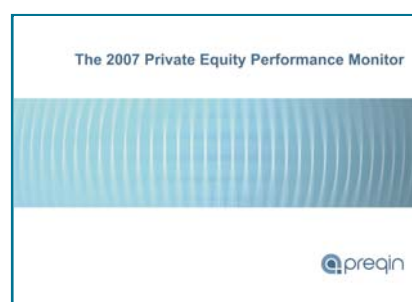
This month's feature article draws upon the 2007 Performance Monitor. This year's Monitor gives our most comprehensive ever analysis of private equity performance, with vital returns data for over 1,000 firms and over 3,400 funds.

For further details please visit
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2007 Private Equity Performance Monitor

Your Essential Guide to Private Equity and Venture Capital Fund Performance

- Transparent performance data for over 3,000 private equity and venture capital funds of all geographies and types
- Detailed analysis of market trends and benchmarks, with in-depth analysis by individual fund type, sections examining risk, plus a study into the relative performance of private equity compared with other asset classes historically
- Detailed profiles for over 1,000 separate private equity firms worldwide
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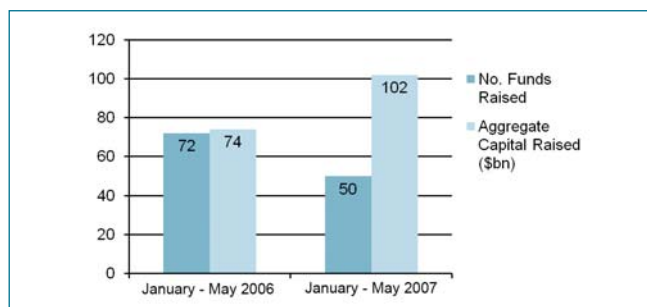
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Funds In Market Buyout

BUYOUT FUNDS ON THE ROAD

	US	Europe	ROW	Total
No. on Road	135	51	28	214
Total Target Value (\$bn)	157	45	11	213
Average Target Size (\$mn)	1,161	888	388	995

FINAL CLOSES BAROMETER



BUYOUT FUNDS ON THE ROAD

Fund	Manager	Target Size (mn)	GP Location
KKR Fund 2006	Kohlberg Kravis Roberts	16,625 USD	US
Apollo Investment Fund VII	Apollo Management	15,000 USD	US
Carlyle Partners V	Carlyle Group	15,000 USD	US
Apax Europe VII	Apax Partners	8,500 EUR	UK
KKR European Fund III	Kohlberg Kravis Roberts	7,000 EUR	US
PAI Europe V	PAI Partners	9,000 USD	France
Silver Lake Partners III	Silver Lake	8,000 USD	US
Thomas H Lee VI	Thomas H Lee Partners	8,000 USD	US
Carlyle Europe Partners III	Carlyle Group	5,000 EUR	US
Fortress Investment Fund V	Fortress Investment	5,000 USD	US

RECENTLY CLOSED BUYOUT FUNDS

Terra Firma Capital Partners III:

Manager: Terra Firma Capital Partners

Target Size (mn): 4,000 EUR

Final Close (mn): 5,400 USD (May-2007)

Geographic Focus: West Europe

Industry Focus: Retail, Consumer Services

Placement Agent: Citigroup Global Markets, Merrill Lynch, Nomura

Sample Investors: Adams Street Partners, Allianz Private Equity Partners, Alpinvest Partners, Bank of Scotland, Bramdean Asset Management, CPP, Delta Lloyd Insurance, Horsley Bridge Partners, IPERF, König & Cie, Military Superannuation Pension Fund

Olympus Growth Fund V:

Manager: Olympus Partners

Target Size (mn): 1,500 USD

Final Close (mn): 1,530 USD (June-2007)

Geographic Focus: North America

Industry Focus: Healthcare, Consumer Products, Manufacturing, Financial Services, IT, Software, Business Services

Sample Investors: HarbourVest Partners, NYCTRS, NYSTRS

Archer Capital Fund IV:

Manager: Archer Capital

Target Size (mn): 1,200 USD

Final Close (mn): 1,360 USD (June-2007)

Geographic Focus: Asia, Australasia

Industry Focus: Any

Sample Investors: Australia Post Superannuation Scheme, ING Private Equity Access Limited, Vantage Private Equity Growth

Doughty Hanson & Co V:

Manager: Doughty Hanson & Co

Target Size (mn): 3,000 EUR

Final Close (mn): 3,150 EUR (May-2007)

Geographic Focus: Europe, Scandinavia

Industry Focus: Any

Placement Agent: Axon Partners

Lawyer: Debevoise & Plimpton

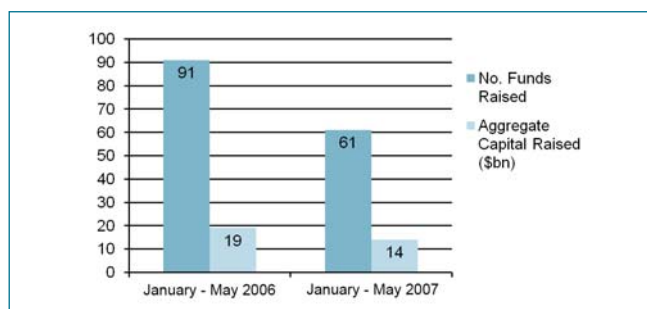
Sample Investors: Allstate Alternative Investments, Ilmarinen Mutual Pension Insurance Company, Michigan Department of Treasury, Morley Fund Management, NYCTRS

Funds In Market Venture

VENTURE FUNDS ON THE ROAD

	US	Europe	ROW	Total
No. on Road	236	101	107	444
Total Target Value (\$bn)	50	21	15	87
Average Target Size (\$mn)	414	342	236	366

FINAL CLOSES BAROMETER



VENTURE FUNDS ON THE ROAD

Fund	Manager	Target Size (mn)	GP Location
Citigroup International Growth II	Citigroup VC International	3,500 USD	UK
AIG Highstar Capital III	AIG Global Investment Group	2,000 USD	US
Pine Brook Road Partners I	Pine Brook Road Partners	2,000 USD	US
Cyrte Investments TMT Fund	Cyrte Investments	1,500 EUR	Netherlands
Bertelsmann	Bertelsmann Capital Ventures	1,000 EUR	Germany
VantagePoint Venture Partners V	VantagePoint Venture Partners	1,250 USD	US
InSight Capital Partners VI	InSight Capital Partners	1,200 USD	US
ChrysCapital V	ChrysCapital	1,000 USD	India
Vector Fund IV	Vector Capital	1,000 USD	US
Pangaea One	Cartesian Capital Group	1,000 USD	US

RECENTLY CLOSED VENTURE FUNDS

Emergence Capital Partners II:

Manager: Emergence Capital Partners

Target Size (mn): 175 USD

Final Close (mn): 200 USD (May-2007)

Geographic Focus: North America

Industry Focus: Technology

Placement Agent: Not Used

Lawyer: Wilmer Cutler Pickering Hale & Dorr

Sample Investors: CalPERS, Fairview Capital Partners, JPMorgan Stanley Retail Services, University of Michigan Endowment

Health Evolution Partners:

Manager: Health Evolution Partners

Final Close (mn): 700 USD (June-2007)

Geographic Focus: North America

Industry Focus: Healthcare

Sample Investors: CalPERS

Institutional Venture Partners XII:

Manager: Institutional Venture Partners

Target Size (mn): 400 USD

Final Close (mn): 600 USD (May-2007)

Geographic Focus: North America

Industry Focus: Communications, IT, Internet, Digital Media, Wireless

Sample Investors: Denver Public Schools' Retirement System, Kentucky Retirement Systems, San Francisco City & County Employees' Retirement System

DAG Ventures III:

Manager: Duff Ackerman & Goodrich

Target Size (mn): 350 USD

Final Close (mn): 500 USD (May-2007)

Geographic Focus: North America

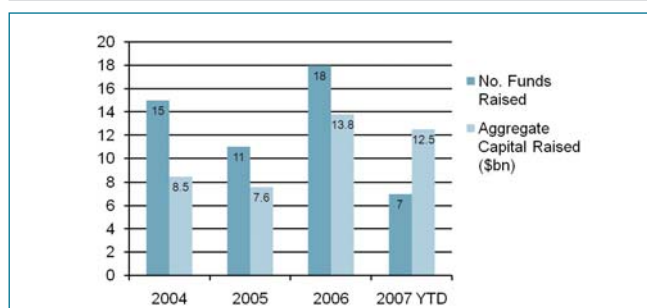
Industry Focus: Technology, Telecoms, Communications, IT

Sample Investors: Arizona Public Safety Personnel Retirement System, Kentucky Retirement Systems

Funds In Market Distressed Debt

Since 2004 distressed debt funds have collectively raised over \$40 billion in aggregate commitments, with the most successful fundraising year to date being 2006, when 18 distressed debt funds achieved a final close, raising an aggregate \$13.8 billion - a significant 82% increase on the \$7.6 billion raised in 2005. A total of 7 distressed debt funds have already raised \$12 billion in capital commitments so far in 2007, suggesting that we are set to witness another record breaking year for the fund type.

DISTRESSED DEBT FUNDRAISING 2004 - 2007 YTD



LARGEST DISTRESSED DEBT FUNDS CURRENTLY ON THE ROAD

Fund	Manager	Target Size (mn)	GP Location
MatlinPatterson Global Opportunities III	Matlin Patterson Global Advisors	4,500 USD	US
Avenue Special Situations V	Avenue Capital Group	4,000 USD	US
MHR Institutional Partners III	MHR Fund Management	3,000 USD	US
OCM Opportunities Fund VII	Oaktree Capital Management	3,000 USD	US
Tennenbaum Opportunities Fund V	Tennenbaum Capital Partners	3,000 USD	US
OCM Principal Opportunities Fund IV	Oaktree Capital Management	2,500 USD	US
Wayzata Investment Partners II	Wayzata Investment Partners	2,500 USD	US
Pangaea Capital Fund	Pangaea Capital Management	1,500 USD	Singapore
TPG Credit Management IAberdeen European	Texas Pacific Group	1,000 USD	US
Schultze Partners	Schultze Asset Management	900 USD	US

LARGEST DISTRESSED DEBT FUNDS RAISED IN 2007

Cerberus Institutional Partners (Series Four):

Manager: Cerberus Capital Management

Target Size (mn): 6,500 USD

First Close (mn): 5,100 USD (Nov 2006)

Final Close (mn): 7,500 USD (May-2007)

Geographic Focus: North America, Europe and Asia

Placement Agent: Monument Group

Lawyer: Schulte Roth & Zabell

Sample Investors: Allstate Alternative Investments, Glenmede, Indiana PERS, LA Fire and Police Pension System, Orange County ERS, Pennsylvania Public School ERS, PERS Idaho, San Francisco City & County ERS

Alchemy Special Opportunities Fund

Manager: Alchemy Partners

Final Close (mn): 300 GBP (March-2007)

Geographic Focus: Europe

Placement Agent: Not Used

Lawyer: Macfarlanes

Sample Investors: CalSTRS

OCM Asia Principal Opportunities Fund

Manager: Oaktree Capital Management

Target Size (mn): 500 USD

Final Close (mn): 578 USD (March-2007)

Geographic Focus: Asia

Industry Focus: Any

Placement Agent: Not Used

Lawyer: Debevoise & Plimpton

Sample Investors: Indiana Public Employees' Retirement Fund, Public School Retirement System of Missouri

Sankaty Credit Opportunities Fund III

Manager: Sankaty Advisors

Final Close (mn): 2,000 USD (Feb-2007)

Geographic Focus: North America

Industry Focus: Any

Sample Investors: Los Angeles Fire and Police Pension System, Pennsylvania State Employees' Retirement System, San Francisco City & County Employees' Retirement System

Preqin Real Estate Online

Real Estate Online is the most comprehensive resource available to private equity real estate professionals today. Whether you're a GP, LP, fund of funds, placement agent, lawyer, consultant or advisor this is a vital information service for you.



- **GPs:** View detailed profiles on over 300 Private Equity Real Estate GPs from around the world including background, key contacts and funds raised. Carry out advanced searches to find GPs who focus on particular property types, strategies or locations.
- **Performance:** View performance benchmarks for private real estate funds including details of the performance of individual funds. See which GPs have the best track records.
- **Fundraising:** See who is currently on the road raising a fund and who will be coming to market soon. Analyse fundraising over time by fund strategy, property type and location.
- **LPs:** See detailed profiles for over 600 investors who are actively investing in private real estate. LP investors include Real Estate Fund of Funds, Pension funds, Endowments, Family Offices and other asset managers. Detailed profiles include background, contact details, investment plans, preferred fund strategies and known previous investments in real estate funds.

- **Fund Terms:** What are the typical terms that a real estate fund charges? What are the implications of making changes to different fees? How do these fees vary between Opportunistic and Value-added funds? Model fee changes in our unique online Fund Terms Calculator.
- **Placement Agents:** Which agents are currently working with or have previously worked with real estate funds and which are willing to work with them in future? Includes detailed profiles for each placement agent.
- **Lawyers:** Which lawyers are the most active with real estate private equity funds currently? Which lawyers have worked with real estate funds previously? See detailed profiles for each lawyer.



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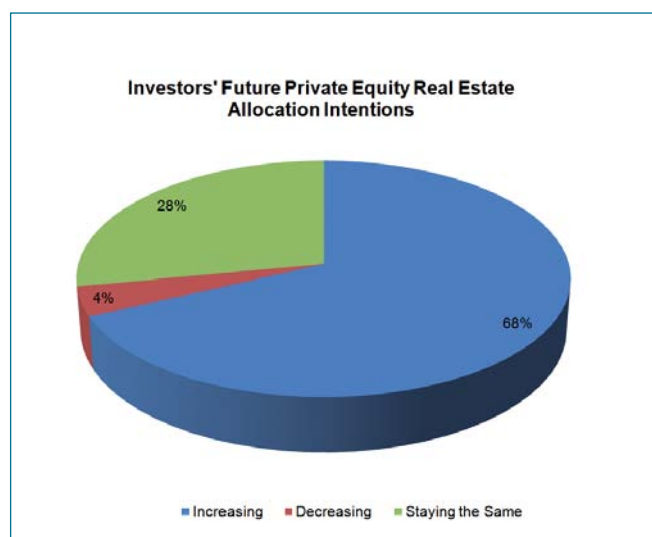
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Investor Spotlight: Real Estate

Investors' allocations to private equity real estate funds are continuing to grow after the record-breaking fundraising year of 2006. As of May 2007 an aggregate \$8.4 billion has been raised so far this year, and with a further \$69 billion worth of funds on the road seeking capital, 2007 is set to be another successful fundraising year for the asset class.

Preqin Real Estate recently completed a survey of investors in real estate funds worldwide in order to assess their future investment intentions. A total of 1000 investors were interviewed of which 631 stated that they are active investors in private real estate funds. Of these investors a significant 68% intended to increase their allocations to the asset class, whilst only 4% intended to reduce them. The remaining 28% stated that they will maintain their allocations at the current level. Why are investors increasing their allocations to the asset class and what is it that is making private equity real estate funds so popular?



Over the last 12 months the popularity of core funds have diminished amongst institutional investors. Core property yields have been at their lowest for a long time and are not presenting as attractive an investment prospect as they once did. This has subsequently moved investors to commit to more opportunistic and value added strategies in a bid to gain access to high returns. The fact that these funds have managed to perform consistently well in the last few years, combined with the relatively low risk profile for funds of this type, has contributed greatly to their surge in popularity.

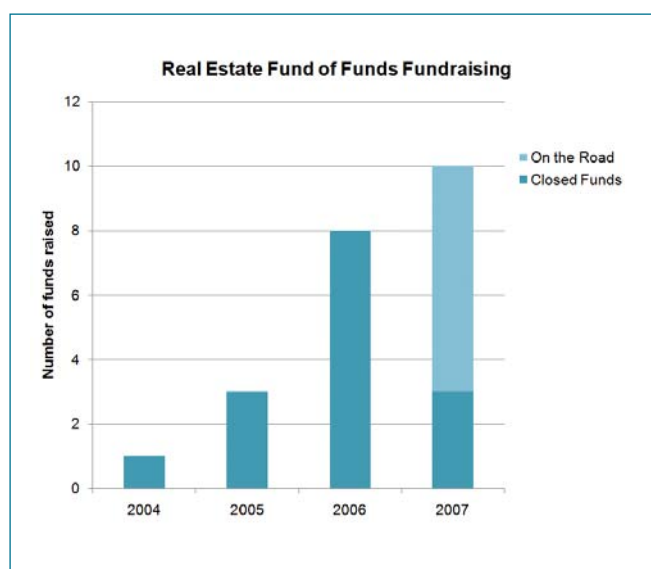
Examples can be seen in recent allocations to the asset class. The \$15 billion San Francisco City & County Employees' Retirement System decided to cut out core strategies completely for its allocation to the asset class for the fiscal year 2008. It feels that returns from core strategies are too low, and does not envisage this changing in the near future. Its focus will now be on value added, opportunistic and international funds.

For many investors, committing to private real estate funds represents a convenient way to gain access to international real estate. The last twelve months have seen many investors increase their allocations to international real estate in order to take advantage of booming market conditions across the globe. Fund managers have responded to this increased interest by raising more funds with an international focus.

Data from the Preqin Real Estate: Funds in Market database shows that a third of US-based managers currently raising funds will be investing these vehicles outside of the US. The last 12 months have also seen a great deal of US investors investing directly into funds raised by Asian and European GPs. Many investors believe that international real estate is an effective way to achieve diversity through gaining exposure to different economies, countries and types of development. Asia in particular is a popular investment target due to the economic growth of countries such as China and India, and due to the recent economic recovery of Japan. Real estate consultants such as the Townsend Group have been advising their clients to commit more to international real estate funds.

For LPs private real estate funds are an essential tool for investing in international property, as it can be difficult, and highly risky for them to invest directly due to a lack of experience and knowledge of the foreign markets. Some investors will invest directly into domestic property that they are familiar with, and will then use private funds to gain international exposure. Geographical diversification is very important for a real estate portfolio as it prevents the whole portfolio being affected in a negative way if a country's market was to experience a dramatic crash.

Investor Spotlight: Real Estate



The rise in popularity of private equity real estate funds has led to the emergence of private equity real estate fund of funds vehicles. Although still a small and growing market, as more smaller and less experienced investors seek to gain exposure to private real estate, more real estate fund of

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funds will appear to satisfy this demand. For many smaller investors, real estate fund of funds offer the opportunity to gain access to international property funds and the opportunity to diversify their portfolio with the helping hand of an experienced fund manager. Fund of funds also provide a means for smaller and less experienced investors to gain access to the top managers and most in-demand new vehicles. More focused fund of funds vehicles investing in specific markets or regions can also assist larger investors to gain access to new markets where they lack experience. Managers such as Aberdeen Property Investors have already got several fund of funds vehicles in market, and it is expected that firms such as ING, CB Richard Ellis, La Salle, and Goldman Sachs will be launching real estate fund of funds throughout the year.

The growth in the market for real estate funds is clear, and all the signs show that this growth is set to continue, with an excellent stock of funds on the road, and with funds of ever increasing size being raised. However, increased fundraising activity can in turn lead to increased competition for fund managers seeking capital. With so many new vehicles vying for attention it is vital that managers hitting the road understand the needs and requirements of their potential investors if they are to be successful.



Investor News

Kuwait Fund for Arab Economic Development (KFAED) is increasing its exposure to Europe and Asia at the expense of its US investments. It previously had 70% of its portfolio in US funds but is decreasing this amount to 55%. It is particularly interested in Eastern Europe and is actively seeking a fund manager there. KFAED will also no longer invest in venture capital funds following bad experiences suffered from these investments. 38% of its portfolio was made up of venture funds but future commitments will only be to buyout funds. KFAED is also looking to increase its typical commitment per fund from USD 20-40 million to USD 30-60 million.

Sony Life Insurance is planning to increase its exposure to secondary funds. The JPY 3100 billion (USD 25 billion) insurance company which has previously favoured European-focused buyout funds, is planning to increase its allocation to secondary vehicles in the coming year. Sony Life Insurance currently has 1.5% of its total assets committed to private equity and will commit up to JPY 10 billion (USD 82 million) to buyout and secondary funds in the next 12 months.

The 5.6 billion **New Hampshire Retirement System** is evaluating its private equity program. The system currently has around 5% of its total assets invested in alternatives but does not have defined plans or set target allocation for private equity. The analysis, which is a general overview for its whole alternative investments, will determine what direction it will go in. The retirement system will continue investing opportunistically whilst the analysis is undergoing. A decision is expected to be made in the second half of 2007.

Los Angeles Fire and Police Pension System increases the pace of its private equity commitments following a recommendation by Pension Consulting Alliance. Each of the fund's two advisors were given instructions to raise the target from USD 50 million a year to USD 150 million. Although both advisors had concerns with this decision, Portfolio Advisors was the more optimistic and indicated it could meet the USD 150 million requirement. Abbott Capital Management felt that such an increase would affect its ability to provide appropriate investment opportunities to its other clients, and as such, has stated it believes it can commit up to USD 75 million per the year for the board.

The USD 37.9 billion **Colorado Public Employees' Retirement Association (COPERA)** is looking to sell USD 450 million of stakes in private equity funds on the secondary market. This decision is likely to be as a result of the pension fund's effort to reduce its target allocation to the asset class. COPERA is being advised on the sale by both Cogent Partners, which specialises in secondary transactions, and Credit Suisse Customized Fund Investment Group.

M&B Capital Advisers has introduced a maiden 10% allocation to private equity. The Madrid-based asset manager, which manages USD 2 billion in assets, plans to invest in five funds in the next 12 months and will commit a total of USD 50 million. M&B is considering all fund types and will invest globally. It is considering the possibility of buying fund interests and investing in secondary vehicles in the future.

The CHF 7.75 billion **Centrum Bank** has hired a new investment officer. Dieter Musielak will begin his new role from the 1st of August 2007 as CIO. Centrum Bank is not a huge private equity player and only has around 0.2% of its total assets committed to the asset class. The Bank invests in private equity on the request of its clients on a case-by-case basis.

Texas Public Employees' Retirement System (ERS) appoints Altius Associates as its first non-discretionary private equity advisor. The USD 24 billion public pension fund announced in December 2006 that it would be investing USD 3.5 billion into alternatives, with up to USD 700 million invested into private equity vehicles.

The GBP 741 million **Gwynedd Council Pension Fund** has selected Partners Group to handle a GBP 37.5 million mandate. This commitment is the first foray into private equity that Gwynedd has made and brings it to its 5% target allocation. It decided to enter the asset class following a strategic review by Hymans Robertson, its consultant, carried out in 2005 and decided to make initial investments through fund of funds.

London Borough of Haringey Pension Fund has made its maiden commitment to private equity following a strategic review conducted by its general consultant, Hymans Robertson, in Q3 2006. It awarded the GBP 30 million mandate to Pantheon Ventures, which brings it to its 5% target allocation to private equity.

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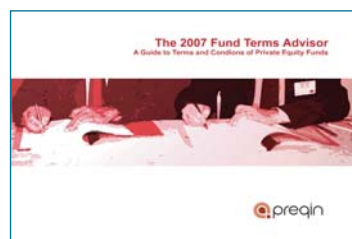
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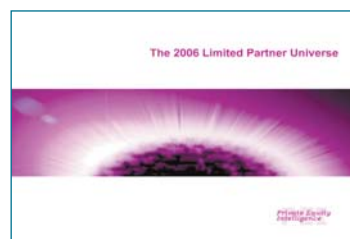
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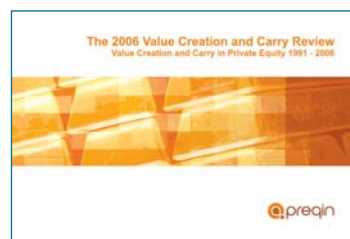
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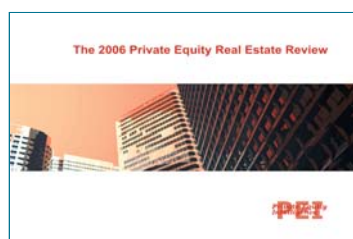
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