

Private Equity Spotlight

June 2008 / Volume 4 - Issue 6



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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 - and now also the new Fund Manager Profiles. This month's issue contains details from our latest publication, The 2008 Preqin Private Equity Performance Monitor.

Feature Article

page 3

How Can Performance Data Help You?

Features exclusive analysis from the newly released 2008 Preqin Private Equity Performance Monitor. In a market which is becoming increasingly complex and congested, reliable performance data is a vital tool that can be utilised by fund managers and investors alike to help with fundraising and the fund selection process.

Fundraising Article

page 8

Along with our regular analysis of buyout and venture fundraising, this month's Fundraising Spotlight takes an in-depth look at the booming market for infrastructure funds.

No. of Funds on Road	US	Europe	ROW	Total
Venture	218	94	111	423
Buyout	163	73	52	288
Fund of Funds	105	74	16	195
Real Estate	205	104	56	365
Infrastructure	15	23	33	71
Other	109	32	19	160
Total	815	400	287	1,502

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Investor Article

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This month we take a close look at private sector pension funds, and identify some of the key players in this important investor class.



Investor News

page 18

All the latest news on investors in private equity:

- Wells Fargo and Company Pension Plan aims to increase its target allocation to private equity.
- Overseas Private Investment Corporation launches initiative to generate alternative investments in Latin America.
- APG – All Pensions Group has announced positive returns on its private equity investments.
- Paul Capital Partners opening an office in Hong Kong.
- Teachers' Retirement System of the State of Illinois (TRS) has expanded its emerging managers program to include alternative assets.

OUT NOW

The 2008 Preqin Private Equity Performance Monitor

More information available at:

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Preqin Hedge Special Report:

The Growing Influence of Institutional Investors in Hedge Funds:
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Feature Article: How Can Performance Data Help You?

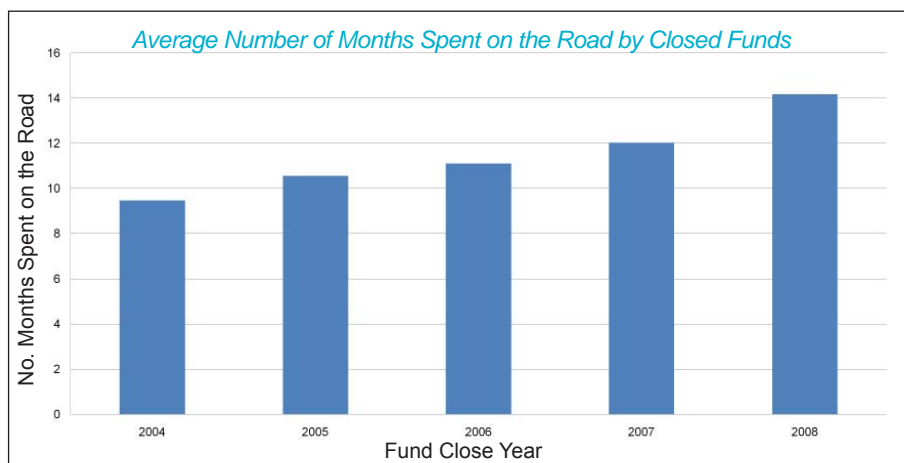
The private equity industry has grown dramatically in recent years, with new fundraising records being set on an almost annual basis. However, this added growth has served to increase the complexity of the market to previously unseen levels. With so many managers now competing for the investor's dollar, the fund selection, fundraising and market analysis tasks are becoming more challenging than ever before. This month's feature article examines how reliable performance data can assist investors, fund managers and others to better understand both general market conditions, and also to examine individual fund performance in context.

Our latest figures indicate that in excess of \$600 million was raised over the course of 2008 making it another record year for the industry. However, these bumper figures do not imply that private equity fundraising has become an easier prospect; if anything the opposite is the case.

Fig. A showing the increase in average time taken to raise funds between 2004 and 2008 indicates that managers are finding it more challenging to raise funds than ever before. This is largely down to a rapidly increasing number of funds hitting the road over time making it harder for prospective LPs to make investment decisions. The level of competition in the market has reached previously unseen levels, and it can be challenging for managers to make their voices heard when there are so many other managers out there marketing competing funds.

When considering new fund investments, there are two main ways in which historical performance data can help the evaluation process. Firstly, by presenting the past performance of the firm in context, and secondly by helping investors and advisors to evaluate the performance of different areas of the industry in order to identify which areas have performed best and how

Fig. A:



much risk they involve. Both factors should be vital considerations for all investors and advisors in the industry, and in such a competitive environment fund managers need to be able to use performance data to support their case effectively, and accurately benchmark themselves against their peers.

It is therefore essential that the private equity performance data presented is both meaningful and reliable. With details from over 4,000 funds, the newly released 2008 Preqin Performance Monitor is the most comprehensive guide to private equity performance ever produced. In terms of value, these funds represent around 65% of private equity funds raised historically, ensuring that the benchmarks,

quartiles and analysis that the Monitor contains are accurate, meaningful and representative. Through collecting performance information not only from GPs but from LPs too, we are able to ensure that the data does not suffer from 'survivorship bias', and that the performance of poorly performing funds is accounted for as well as that of the better performing funds.

Importance of Track History and Manager Experience

As Fig. B shows, track history is an important factor to consider when investing in private equity. 42% of managers whose previous fund was in the top quartile will see their next fund appear in the top quartile, with only 10% of follow-on funds

“...track history is clearly an important consideration, but the data also demonstrates that past performance is no guarantee of future performance...”

appearing in the bottom quartile. A similar phenomenon is witnessed at the other end of the scale, where managers of bottom quartile funds in 37% of cases go on to manage another bottom quartile fund, with only 19% managing to climb to the top quartile. Track history is clearly an important consideration, but the data also demonstrates that past performance is no guarantee of future performance, and that even the top managers can raise poorly performing funds.

The effect of manager experience is much less pronounced, and as Fig. C shows, there is little difference between the distribution of first, second, third and fourth time funds amongst the overall quartiles for private equity, although there is evidence that more experienced managers perform slightly better than their newly incepted counterparts. This suggests that investors in the asset class should not place too much importance on the number of funds that a firm has managed, and that actual track history is a much more important factor. Experience alone does not necessarily equate to better performance, and first-time fund managers unable to demonstrate past performance have a good chance of appearing in the upper quartiles.

Other important factors to consider

Although first-time managers (spin-out firms excepted) are unable to utilise past performance when

Fig. B:

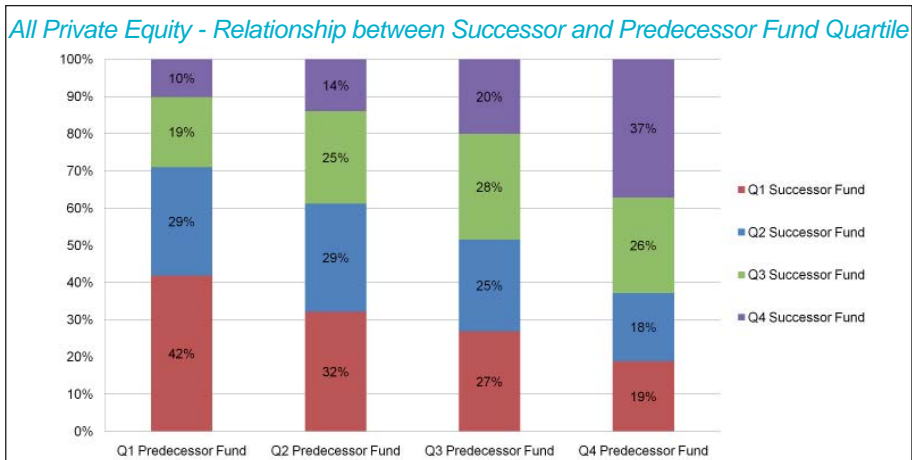
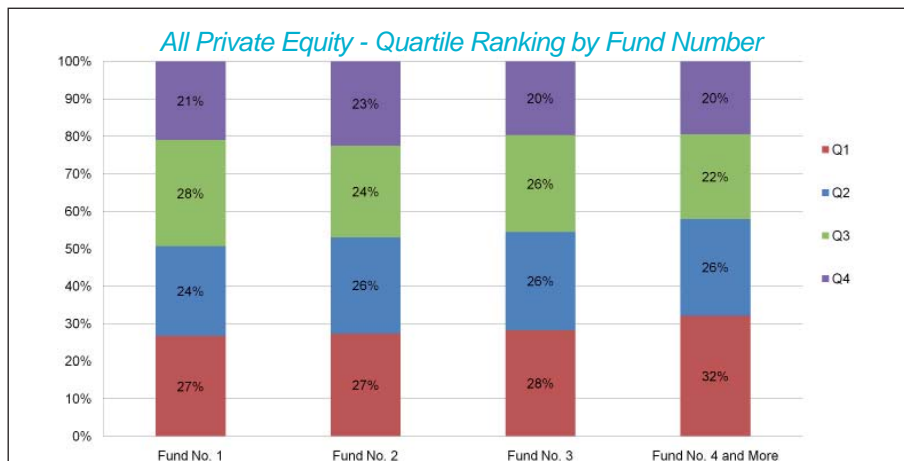


Fig. C:



attracting investors, there are many other ways in which they can utilise performance data to both market their funds, and also to ensure that they have reliable figures to benchmark themselves against. Investors and managers alike have a large number of metrics available

to them both during the marketing process, and also when working to maintain a high level of market knowledge. In the body of the Preqin Performance Monitor there are numerous benchmarks for funds of different types and regions across different vintage years which can

Feature Article: Private Equity Fund Performance

help to show how private equity has performed historically and therefore how it may perform in the future. Through evaluating standard deviation around mean performance, analysis contained in the Monitor also effectively allows users to evaluate the risk of different fund types.

What does the future hold for private equity performance?

With the days of cheap credit and highly leveraged deals behind us, many commentators have expressed surprise at the continued ability of the industry to raise capital. Deal-flow has slowed, and questions have been asked over whether firms will be able to effectively deploy capital and continue to generate strong returns to investors. Fig. D showing the median performance of the buyout industry demonstrates that funds incepted during periods of economic downturn can actually perform very well, with 2001 vintage funds posting median returns of 25.3%. If anything, it is the deals made during potentially overheated market conditions in 2007 that might prove to be less successful than originally anticipated.

\$1.12 trillion in returns and counting...

The main factor driving the continuing growth of the private equity industry has been the strength of the asset class in providing superior returns to investors. Fig. E shows the net

Fig. D:

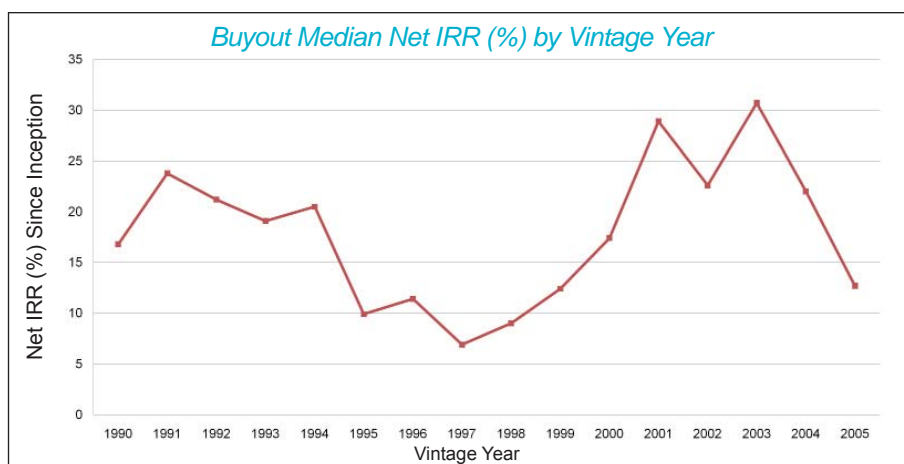
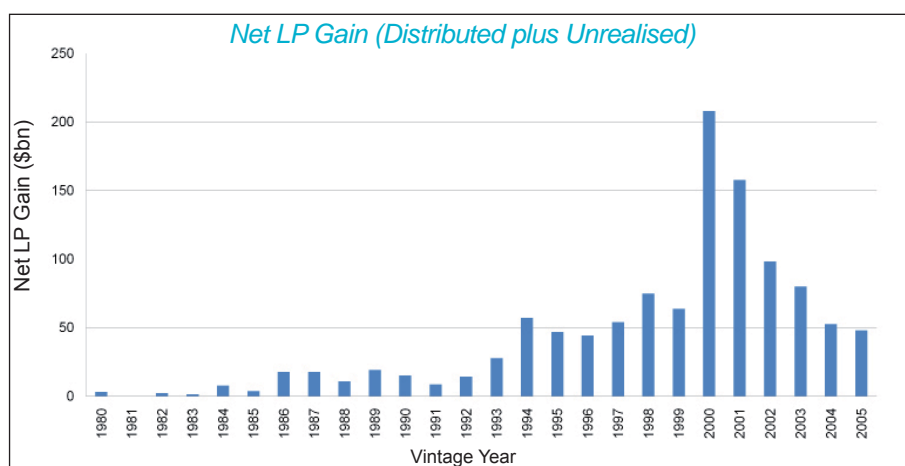


Fig. E:



gain to LPs from their private equity investments by vintage year. In total the industry has created a net gain of \$1.12 trillion for investors, and this is with funds of recent high-fundraising vintages still maturing. If these funds were able to create net value

multiples averaging just 1.5X, we could see this figure rising to nearly \$2 trillion with ease.

The evidence shows that private equity has done an exceptional job in creating strong returns for

Feature Article: Private Equity Fund Performance

investors. It is therefore small wonder that investors continue to show confidence in the asset class, and that the industry continues to grow. However, rapid growth has brought with it added competition and increased the complexity of the market. With so many fund managers now in existence, and with so many fund managers on the road seeking capital, having access to a reliable source of information on private

equity fund performance has never been more important for investors, fund managers, fund marketers, and advisors alike.

Tim Friedman

This article is based upon data taken from the newly released 2008 Preqin Private Equity Performance Monitor.

With transparent performance data for over 4,000 private equity funds managed by over 1,100 firms, plus extensive analysis and commentary, the 526 page 2008 Preqin Private Equity Performance Monitor is the most comprehensive guide to private equity performance ever produced, and is a vital reference for investors, fund managers, advisors and anyone involved in the fund marketing process.

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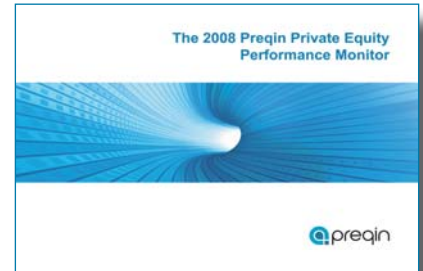
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- Benchmarks for different fund types by vintage year.
- Over 100 pages of analysis examining: key trends by different fund type, size and region; examination of risk vs. return; top performing funds identified; pe vs. public markets; plus much more...



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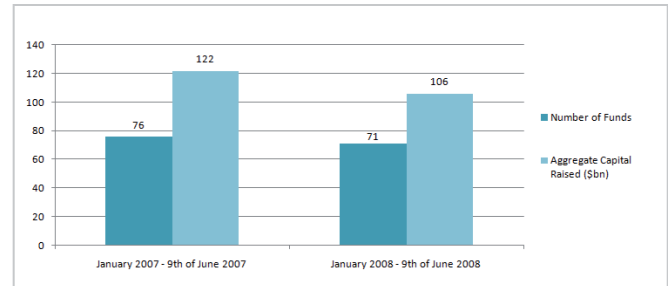
Fundraising Spotlight

Buyout

Buyout Funds on the Road

Funds on Road	US	Europe	ROW	Total
Number	163	73	52	288
Total Target Value (\$bn)	197	78	26	301
Average Target Size (\$mn)	1,210	1,072	498	1,046

Final Closes Barameter



Buyout Funds on the Road

Fund	Manager	Target Size	GP Location
Blackstone Capital Partners VI	Blackstone Group	20,000 USD	US
CVC European Equity Partners V	CVC Capital Partners	11,000 EUR	UK
Apollo Investment Fund VII	Apollo Management	15,000 USD	US
Carlyle Partners V	Carlyle Group	15,000 USD	US
Texas Pacific Group Partners VI	TPG	15,000 USD	US
Madison Dearborn Capital Partners VI	Madison Dearborn Partners	10,000 USD	US
KKR European Fund III	Kohlberg Kravis Roberts	6,000 EUR	US
Candover 2008	Candover Partners	5,000 EUR	UK
Charterhouse Capital Partners IX	Charterhouse Capital Partners	5,000 EUR	UK
Clayton Dubilier & Rice VIII	Clayton Dubilier & Rice	7,000 USD	US

Recently Closed Buyout Funds

AXA LBO Fund IV:

Manager: AXA Private Equity
Target Size (mn): 1,200 EUR
Final Close (mn): 1,600 EUR (May-2008)
Geographic Focus: West Europe
Placement Agent: Not Used
Sample Investors: AlInvest Partners, CDP Capital - Private Equity Group, Princess Private Equity Holding

Baring Asia Private Equity Fund IV:

Manager: Baring Private Equity Asia
Target Size (mn): 1,000 USD
Final Close (mn): 1,515 USD (May-2008)
Geographic Focus: China, India, Japan, Singapore, Taiwan
Industry Focus: Technology, Consumer Products, Industrial, Consumer Services, Media, Financial Services, Renewable Energy
Sample Investors: Global Investment House, Goldman Sachs Asset Management, New Plymouth District Council Perpetual Investment Fund, OMERS Capital Partners, Pantheon Ventures, Partners Group, Pennsylvania Public School Employees' Retirement System, Portfolio Advisors, Princess Private Equity Holding, Universities Superannuation Scheme, UTIMCO

Century Capital Partners IV:

Manager: Century Capital Management
Target Size (mn): 250 USD
Final Close (mn): 250 USD (June-2008)
Geographic Focus: North America
Industry Focus: Financial Services
Placement Agent: Touchstone Group
Lawyer: Proskauer Rose
Sample Investors: New Star Asset Management

HM Capital Sector Performance Fund:

Manager: HM Capital Partners
Target Size (mn): 1,000 USD
Final Close (mn): 780 USD (May-2008)
Geographic Focus: North America
Industry Focus: Media, Oil & Gas, Energy, Food
Placement Agent: Bear Stearns Private Fund Group
Law Firm: Weil Gotshal & Manges
Sample Investors: Houston Firefighters' Relief and Retirement Fund, Los Angeles City Employees' Retirement System

Raffaella Mirai

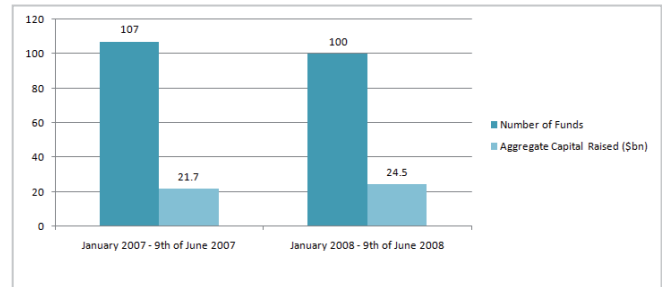
Fundraising Spotlight

Venture

Venture Funds on the Road

Funds on Road	US	Europe	ROW	Total
Number	218	94	111	423
Total Target Value (\$bn)	38	17	20	76
Average Target Size (\$mn)	174	180	180	177

Final Closes Barameter



Venture Funds on the Road

Fund	Manager	Fund Type	Target Size	GP Location
Cyrte Investments TMT Fund	Cyrte Investments	Venture (General)	1,500 EUR	Netherlands
Pine Brook Road Partners I	Pine Brook Road Partners	Expansion	2,000 USD	US
ICICI Venture Capital Fund III	ICICI Venture Funds Management	Venture (General)	1,500 USD	India
China-Singapore Hi-tech Industrial Investment Fund	China-Singapore Suzhou Industrial Park	Venture (General)	1,330 USD	China
DIC/First Eastern Investment China Dubai Capital	First Eastern Investment	Expansion	1,000 USD	Hong Kong
Essex Woodlands Health Ventures VIII	Essex Woodlands Health Ventures	Venture (General)	1,000 USD	US
Millennium Private Equity Media & Telecommunication	Millennium Private Equity	Venture (General)	1,000 USD	UAE
Bertelsmann Equity Fund	Bertelsmann Capital Ventures	Venture (General)	500 EUR	Germany
PCG Corporate Partners Fund II	PCG Capital Partners	Late Stage	750 USD	US
Russia Partners III	Siguler Guff & Co	Expansion	750 USD	US

Recently Closed Venture Funds

Lightspeed Venture Partners VIII

Manager: Lightspeed Venture Partners

Target Size (mn): 675 USD

Final Close (mn): 800 USD (May-2008)

Geographic Focus: US, China, India, Israel

Industry Focus: Technology, Software, Semiconductors, Computer Services

Sample Investors: Pennsylvania State Employees' Retirement System

Qiming Venture Partners II

Manager: Qiming Venture Partners

Target Size (mn): 300 USD

Final Close (mn): 320 USD (May-2008)

Geographic Focus: China

Industry Focus: Technology, Healthcare, Consumer Products, Consumer Services, Media, Internet

Sample Investors: Princeton University Investment Company (Princo)

RockPort Capital Partners III

Manager: RockPort Capital Partners

Target Size (mn): 400 USD

Final Close (mn): 450 USD (May-2008)

Geographic Focus: US

Industry Focus: Energy, Clean Technology

Capricorn Cleantech Fund

Manager: Capricorn Venture Partners

Target Size (mn): 75 USD

Final Close (mn): 100 USD (May-2008)

Geographic Focus: West Europe

Industry: Clean Technology, Renewable Energy

Sample Investors: AGF Private Equity, Dexia-Banque International à Luxembourg, Dutch Pension Fund for the Building Industry, EIF, Electrabel, Ethias Bank, LRM Limburg Investment Company, ParticipatieMaatschappij Vlaanderen, Quest for Growth, Solvay

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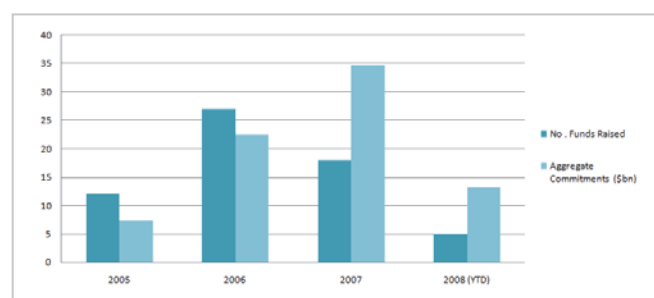
Fundraising Spotlight

Infrastructure

Infrastructure Funds on the Road

Funds on Road	US	Europe	ROW	Total
Number	13	20	32	65
Total Target Value (\$bn)	32	33	24	89
Average Target Size (\$mn)	2,462	1,650	750	1,369

Final Closes Barometer



Infrastructure Funds on the Road

Fund	Manager	Target Size	GP Location
Macquarie European Infrastructure Fund III	Macquarie Funds Management Group	5,000 EUR	Australia
GS Infrastructure Partners II	GS Infrastructure Investment Group	7,500 USD	US
Macquarie Infrastructure Partners II	Macquarie Funds Management Group	6,000 USD	Australia
aAIM Infrastructure Fund	aAIM Infrastructure	2,000 GBP	UK
Merrill Lynch Infrastructure	Merrill Lynch	3,500 USD	US
Fondi Italiani Per Le Infrastrutture	F2i SGR	2,000 EUR	Italy
Alinda Infrastructure Fund II	Alinda Capital Partners	3,000 USD	US
Citi Infrastructure Investors	Citigroup Infrastructure Investors	3,000 USD	US
Santander Infrastructure Fund II	Santander Private Equity	1,500 EUR	Spain
Gulf One Infrastructure Fund I	Gulf One	2,000 USD	Bahrain

Recently Closed Infrastructure Funds

Global Infrastructure Partners

Manager: Global Infrastructure Partners

Target Size (mn): 3,500 USD

Final Close (mn): 5,640 USD (May-2008)

Geographic Focus: North America, South America, Europe, East Europe, Asia (OECD and select emerging markets)

Industry Focus: Airports, Energy, Natural Resources, Railway, Sea Ports, Utilities, Waste Management, Water

Sample Investors: AEVWL, Alaska Permanent Fund Corporation, Credit Suisse, GE Asset Management, Industriens Pensionsforsikring, Mitsubishi Electric Employees' Pension Fund, San Diego County Employees' Retirement Association, Wells Fargo and Company Pension Plan

Morgan Stanley Infrastructure Partners

Manager: Morgan Stanley Alternative Investment Partners

Target Size (mn): 2,500 USD

Final Close (mn): 4,000 USD (May-2008)

Geographic Focus: North America, Europe, Asia, Global, Emerging Markets

Industry Focus: Airports, Energy, Parking Lots, Roads, Sea ports, Telecoms, Utilities, Water

Placement Agent: Morgan Stanley Global Financial Sponsors Group

Sample Investors: Industriens Pensionsforsikring

3i India Infrastructure Fund

Manager: 3i

Target Size (mn): 1,000 USD

Final Close (mn): 1,200 (April-2008)

Geographic Focus: India

Industry Focus: Airports, Sea Ports, Energy, Roads, PPP's.

Lawyer: Clifford Chance

Sample Investors: 3i Infrastructure, APG - All Pensions Group, Cavendish Limited, First Gulf Bank, Gartmore Private Equity, Lord Baltimore Capital Corporation, Lothian Pension Fund, Nationwide Financial Network, Partners Group

Trillium PPP Investment Partners

Manager: Land Securities Group

Target Size (mn): 1,000 GBP

Final Close (mn): 1,136 GBP (March-2008)

Geographic Focus: UK

Industry Focus: PPP's

Sample Investors: Bank of Ireland Asset Management, Bank of Scotland, DMGT Pensions, Lloyds TSB, London Pensions Fund Authority, TFL Pension Fund, Victorian Funds Management Corporation

Richard Stus

New Online Product:

- Fund Manager Profiles

The newly launched online product: Fund Manager Profiles is the most comprehensive, detailed source of information on private equity fund managers available today. Our team of dedicated analysts are continually monitoring, researching and contacting managers of all different types from around the globe in order to ensure that the data we hold is up to date, reliable and complete.

Key features of this powerful database include:

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www.preqin.com/fundmanagers

Investor Spotlight: Private Sector Pension Funds

Preqin's Investor Profiles team have recently conducted an in-depth update of profiles for private pension funds for our online Investor Intelligence product. There are now profiles of 431 private pension funds for subscribers of Investor Intelligence to benefit from, with many new and updated profiles added to the database in recent weeks. Following this period of comprehensive research, we examine some of the key attributes of this important investor class.

Where are Private Sector Pension Funds Based?

Of the private sector pension funds that Preqin has identified as actively investing in private equity, Fig. A shows that 50% are located in North America, with 41% in Europe and the remaining 9% in Asia and Rest of World region. Of the investors of this type, 46% come from the US as Fig. B highlights.

Some of the biggest private equity investors of this type are located in the US. TIAA-CREF is one of the largest investors in terms of the amount it allocates to private equity. It has committed \$8.6 billion, which equates to 2% of its \$435 billion in total assets.

In Europe, the UK has more private sector pension funds that are active in the asset class than any other country based in the region. Fig. B shows that UK institutions account for 18% of the private sector pension funds in the limited partner universe and includes notable investors such as HSBC Bank UK Pension Scheme which has 5% of its total assets in private equity. Switzerland accounts for the next highest in terms of number, with 6% of private sector pension funds investing in private equity worldwide being situated here. The Netherlands has the third highest number of private sector pension funds in Europe as it making up 4% of the overall total.

Asia and Rest of World contains 9% of the total number of private sector

Fig. A:

Make Up of Private Sector Pension Funds by Geographic Location

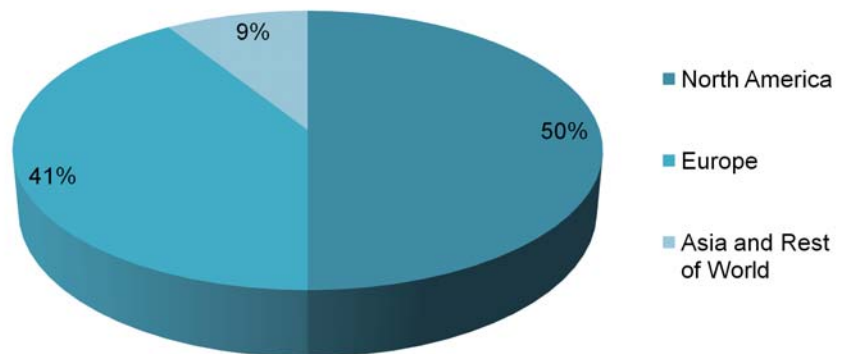
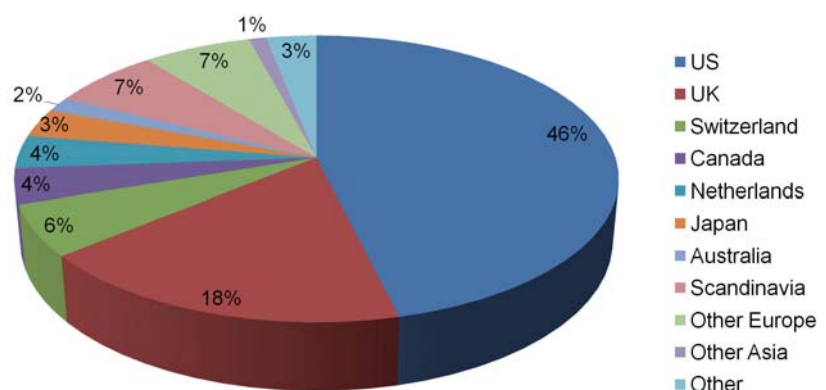


Fig. B:

Make up of Private Sector Pension Funds by Individual Region



Investor Spotlight: Private Sector Pension Funds

Fig. C:

Average Allocation to Private Equity by Location of Private Sector Pension Fund (% of AUM)

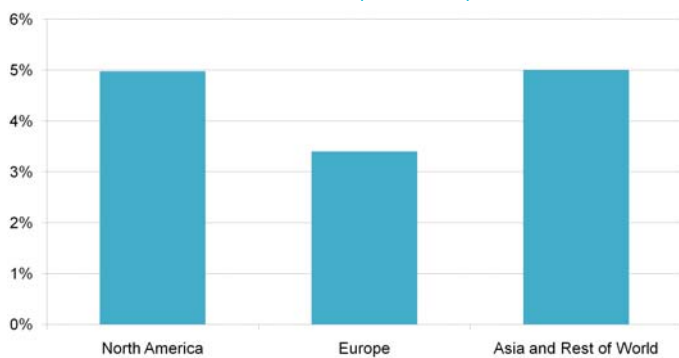


Fig. D:

Average Allocation to Private Equity by Location of Private Sector Pension Fund (\$mn)



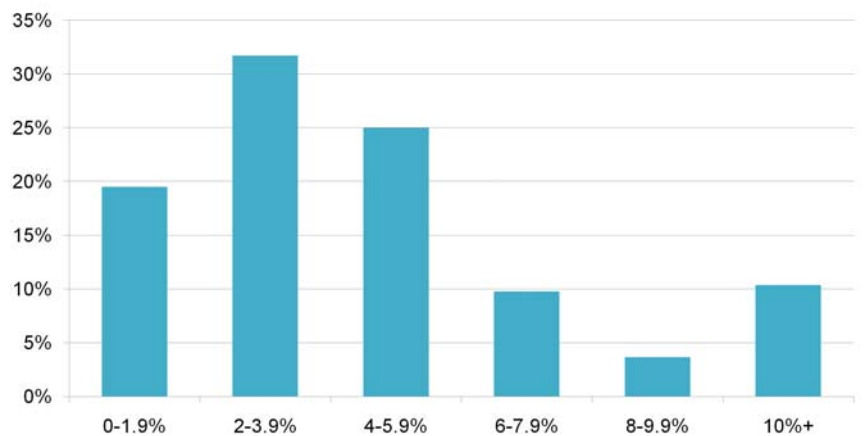
pension funds with exposure to the private equity market. Asia accounts for 4% of this, with Japan emerging as the leading country in this region in terms of the number of private sector pension funds based there. It accounts for 3% of the total number of pension funds investing in private equity worldwide.

In terms of the average allocation to private equity by location, the highest average is in North America where pension funds have an average allocation of 5% of total assets to private equity. A similar average percentage allocation is seen in Asia and Rest of World region.

European private sector pension funds are the most conservative private equity investors in terms of allocation, placing on average only 3.4% of total assets in the asset class. However, this still equates to a significant average allocation of \$429 million each as a result of the relatively large average size of plans situated in this region.

Fig. E:

Private Sector Pension Funds - Private Equity Allocation Distribution



How Much are Private Sector Pension Funds Allocating to Private Equity?

The average allocation to private equity of private sector pension funds worldwide stands at 4.3% of assets; however, significant variations exist in terms of levels of exposure amongst different investors. Fig. E shows the

breakdown of private sector pension funds by their current allocation to private equity as a percentage of their assets under management. Three quarters of private sector pension funds have less than 6% of their total assets committed to private equity. However, a significant 10% of private sector pension funds allocate 10% or more of their assets to this asset class. The allocation level most

Investor Spotlight: Private Sector Pension Funds

frequently seen among investors of this type is between 2% and 4%, with just under a third of private sector pension funds falling into this category.

What are Private Sector Pension Funds' Attitudes Towards Emerging Markets?

As is shown in Fig. F, the majority of private sector pension funds, 68%, will not invest in funds focusing on emerging markets. Only 32% will invest in funds which focus on emerging markets or have a global investment focus.

The attitudes shown by private sector pension funds vary by the geographical location of the investor. As Fig. G shows, it is private sector pension funds from the Asia and Rest of World region that show the most support for funds targeting less traditional locations, with 70% showing an interest in emerging markets. This is unsurprising since most investors will look to support their local regions and hence it is to be expected the support for emerging markets amongst LPs from Asia and Rest of World region will be strong. Of the more traditional private equity regions, it is private sector pension funds from Europe that are most receptive to funds investing in emerging markets, with 32% expressing a particular interest in these regions. North American private sector pension funds are perhaps more conservative as just 26% are open to gaining exposure to emerging markets.

How Do Private Sector Pension Funds View Their Future Private Equity Commitments?

It is anticipated that a large amount of capital will flow into the private equity

Fig. F:

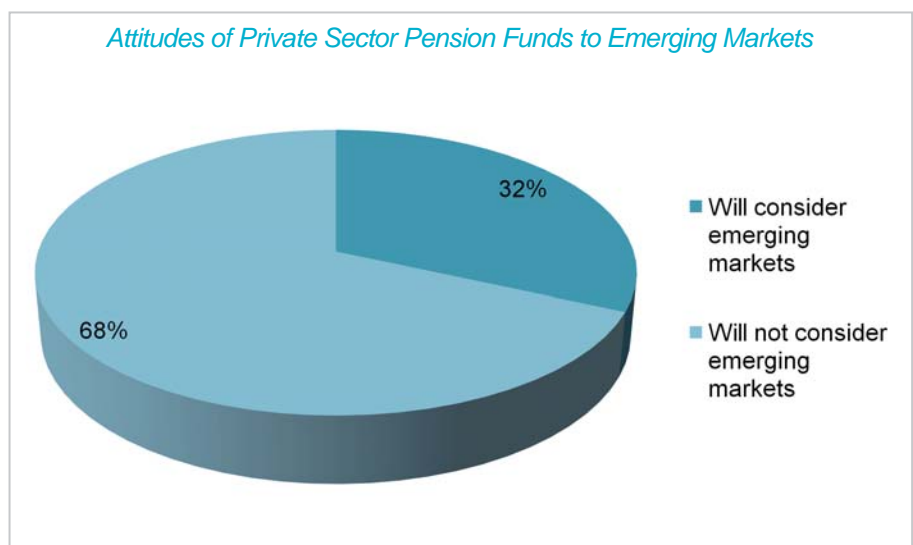
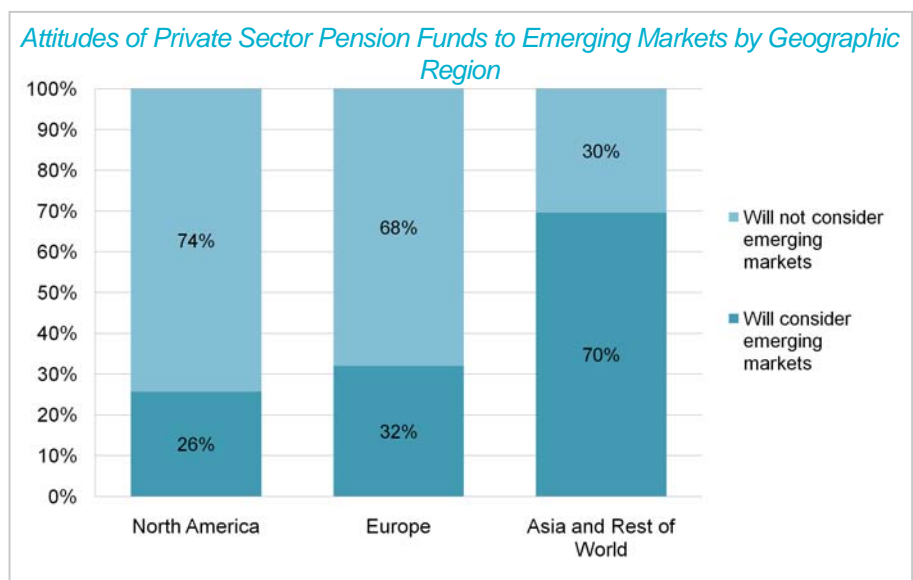


Fig. G:



asset class from private sector pension funds over the coming years since almost half of all LPs in this investor group have yet to reach their target

allocations, as shown in Fig. H. A further 47% have either reached their target allocations to private equity or are close to doing so, but will continue to

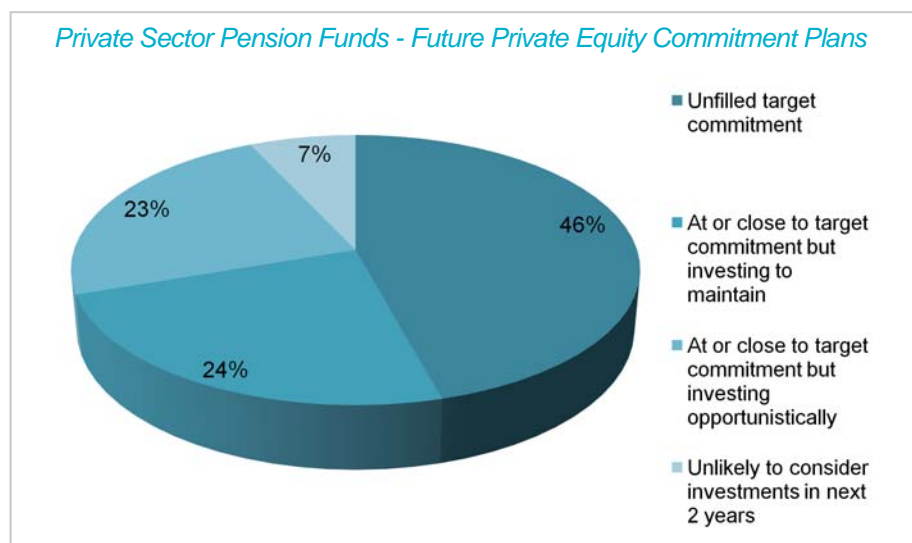
Investor Spotlight: Private Sector Pension Funds

make investments in the asset class to maintain their exposure. This leaves just 7% of private sector pension funds not looking to make further commitments to private equity funds in the next two years.

Furthermore, a significant number of private sector pension funds anticipate increasing their target level of exposure to private equity over the longer term. So despite the fact that 46% of private sector pension funds have yet to reach their target allocations to private equity, we can see that 64% of LPs in this investor group expect to increase their target allocations in the next few years, another encouraging sign that the capital contribution to the private equity universe made by private sector pension funds is set to grow considerably over the next few years.

On average, private sector pension funds currently have 4.6% of their total assets committed to private equity. In contrast, the average target allocation to the asset class of this investor group is 6.2% of

Fig. H:



total assets. This means that there is an average discrepancy of 1.6% of total assets between target and current levels of exposure to private equity for LPs of this type. As a result, we anticipate additional capital committed to private equity funds by private sector pension funds over the next few years will be

around \$50-60 billion, with this sum being in addition to any capital committed by pension plans to maintain their current allocations.

Dami Sogunro

Profiles for 431 private sector pension funds can be found on our Investor Intelligence database, including many newly added and updated LPs.

Investor Intelligence is the most comprehensive and detailed source of information on investors in private equity available today. The database currently holds information on more than 4,200 investors worldwide, with profiles constantly updated through direct contact by our dedicated team of analysts.

For more information, and to arrange for a free trial of Investor Intelligence, please visit:
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Investor Spotlight: Private Sector Pension Funds

Fig. I:

Top 25 Private Sector Pension Funds by Private Equity Allocation:

Rank	Investor	Country	Total Assets (bn)	Private Equity Allocation (bn)	Private Equity Allocation (% of AUM)	Private Equity Target (% of AUM)
1	TIAA-CREF	US	435.0 USD	8.6 USD	1.9	
2	IBM Retirement Fund (USA)	US	98.8 USD	6.8 USD	6.9	
3	Coal Pension Trustees Services	UK	26.8 GBP	3.1 GBP	11.4	15.0
4	AT&T Pension Fund	US	96.3 USD	5.3 USD	7.6	
5	General Electric Pension Trust	US	60.1 USD	3.5 USD	7.0	7.0
6	Shell Asset Management Company	Netherlands	63.0 USD	3.5 USD	5.5	5.5
7	Alcatel-Lucent Pension Fund	US	45.0 USD	3.2 USD	7.0	
8	Railways Pension Trustee Company	UK	20.0 GBP	1.4 GBP	7.0	7.0
9	Eastman Kodak Company Pension Fund (US)	US	14.3 USD	2.7 USD	20.0	
10	Boeing Company Pension Fund	US	81.8 USD	2.6 USD	4.7	6.0
11	Pension Fund for Metalworking and Mechanical Engineering	Netherlands	33.0 EUR	1.5 EUR	4.5	5.0
12	Barclays Bank UK Retirement Fund	UK	16.8 GBP	0.9 GBP	5.5	
13	Chrysler Master Retirement Trust	US	25.0 USD	1.6 USD	6.5	7.0
14	World Bank Pension Plan	US	14.0 USD	1.5 USD	10.9	13.7
15	Royal Bank of Scotland Group Pension Fund	UK	17.9 GBP	0.7 GBP	4.0	
16	Citigroup Pension Fund	US	23.4 USD	1.3 USD	5.6	
17	Eli Lilly & Company Pension Plan	US	12.2 USD	1.2 USD	10.0	
18	Minnesota Mining and Manufacturing Company Pension Plan	US	10.2 USD	1.2 USD	11.7	11.7
19	United Technologies Pension Fund	US	22.7 USD	1.1 USD	5.0	
20	HSBC Bank UK Pension Scheme	UK	11.0 GBP	0.6 GBP	5.0	5.0
21	BP Pension Fund	UK	15.0 GBP	0.5 GBP	3.5	
22	Mitsubishi UFJ Trust and Banking Corp. - Pension Division	Japan		1.0 USD		
23	ITT Industries Pension Fund	US	5.0 USD	1.0 USD	20.0	20.0
24	BP America Inc. Retirement Trust	US	7.8 USD	0.9 USD	12.0	15.0
25	Lockheed Martin Pension Plan	US	29.1 USD	0.9 USD	3.0	10.0

Conferences Spotlight: Forthcoming Events:

Conferences:

CONFERENCE/EVENT	ORGANISER	DATES	LOCATION
The Private Equity International Energy Forum	Private Equity International	17 - 18 June 2008	London
GAIM International 2008	ICBI	17 - 19 June 2008	Monaco
EVCA Symposium	EVCA	18-20 June 2008	Madrid
The PEI Investor Relations & Communications Forum	Private Equity International	18 - 19 June 2008	New York
8th Annual Australia, New Zealand & Pacific Hotel Investment Conference	Horwath HTL	19 - 20 June 2008	Sydney
Limited Partners Summit New York 2008	Dow Jones	24 - 25 June 2008	New York
ETF & Indexing Investments Europe 2008	Terrapinn	24 - 27 June 2008	London
Asset Allocation Summit 2008	Terrapinn	25 - 27 June 2008	London
Risk Capital 2008	ICBI	30 June - 04 July 2008	Paris
Asset Allocation New Zealand 2008	Terrapinn	7 - 10 July 2008	Auckland
The PEI Strategic Financial Management Forum	Private Equity International	16 - 17 July 2008	New York
Credit Crunch Summit: Where Do We Go From Here?	Buyouts Conferences	22 July 2008	New York
Alternative Investment Summit 2008	Terrapinn	4 - 6 August 2008	Sydney
HedgeAnswers: An Afternoon for Understanding Hedge Funds	HedgeAnswers	08 September 2008	Chicago
Capital Raising for Corporates	IFR	8 - 9 September 2008	London
India's Capital Markets	IFR	9 - 10 September 2008	Mumbai
HedgeAnswers: An Afternoon for Understanding Hedge Funds	HedgeAnswers	10 September 2008	San Francisco
HedgeAnswers: An Afternoon for Understanding Hedge Funds	HedgeAnswers	12 September 2008	Dallas
HedgeAnswers: An Afternoon for Understanding Hedge Funds	HedgeAnswers	15 September 2008	Boston
Private Equity Analyst Conference 2008	Dow Jones	16 - 17 September 2008	New York
HedgeAnswers: An Afternoon for Understanding Hedge Funds	HedgeAnswers	16 September 2008	Philadelphia
SuperReturn Asia 2008	ICBI	22 - 25 September 2008	Hong Kong
The Private Equity International India Forum	Private Equity International	30 September 2008	Mumbai
SuperReturn Middle East 2008	ICBI	13 - 15 October 2008	Dubai
The Private Equity International COOs and CFOs Forum	Private Equity International	14 - 15 October 2008	London
SuperInvestor 2008	ICBI	18 - 21 November 2008	Paris

Investor Spotlight:

LP News

APG – All Pensions Group has announced positive returns on its private equity investments. The EUR 216.5 billion Netherlands-based pension fund announced that its private equity investments returned 29.4% while the total fund return for the fund was 3.8%, its lowest result since 2005. It has 4% of its assets committed to private equity and has a 5% target allocation to the asset class.

Teachers' Retirement System of the State of Illinois (TRS) has expanded its emerging managers program to include alternative assets. The USD 38.7 billion public pension fund has issued an RFI for emerging managers in alternative assets, including private equity. TRS's USD 500 million emerging managers program has USD 380 million left to be invested across the program.

Guy's & St. Thomas' Charity is continuing with its investment strategy in private equity. The UK foundation with GBP 495 million in total assets will be maintaining a 5% allocation to the asset class and is likely to make commitments to largely existing managers in the next 12 months. It has a preference for fund of fund investments and is satisfied with the performance of these investments.

Paul Capital Partners has announced the opening of an office in Hong Kong. It comes as part of its strategy to take advantage of further opportunities in the secondaries space in emerging markets, particularly in Asia. Lucian Wu is heading up the operation.

Bank of Scotland, through Uberior Investments, has sold the entirety of its stakes in SEP (Scottish Equity Partnership) and SEP II. In a secondary transaction, the interests in the venture funds were sold to **Lothian Pension Fund**, an existing limited partner, and **Capital Dynamics**, which purchased parts of the interests through its fund of funds vehicles Prime Edge Capital and Capital Dynamics European Venture 2005.

Wells Fargo and Company Pension Plan is planning on a slight increase in its target allocation to private equity. The USD 5.3 billion pension scheme, with a current target allocation of 4% to the asset class, invests in most fund types although lately fund of fund vehicles have been an increasingly popular option. It aims to have global exposure and would consider investing in funds focusing on emerging markets. Wells Fargo and Company Pension Plan will, over the next 12 months, be investing its capital with a mix of existing and new fund managers.

Following an asset restructuring study in April 2008, **San Luis Obispo Pension Trust** plans to make its first investments in alternative assets, inclusive of private equity. The USD 800 million public pension fund is expected to allocate 5% of its total assets to private equity. It plans to initially invest in buyout and venture funds and its consultant, Wurts & Associates will have full discretion over its investments. Its foray into alternatives has come at the expense of other investments as San Luis Obispo Pension Trust has scaled down its large-cap, small-cap and mid-cap US equity portfolios and reduced its exposure to fixed income and international equity portfolios.

Oregon State Treasury is one of a number of limited partners in OCM Opportunities Fund VIIB, which had a final close on USD 10.9 billion making it the largest ever distressed debt fund. USD 81 billion Oregon State Treasury has a 10.9% allocation to private equity which it invests on behalf of **Oregon Public Employees' Retirement Fund**. Other investors in OCM Opportunities Fund VIIB include **Alaska Permanent Fund Corporation, ALPHA Associates, Conversus Asset Management, Kansas Public Employees' Retirement System, Lehman Brothers, LGT Capital Partners, LACERS, Mass PRIM, Montana Board of Investments, Norfolk Foundation, Oklahoma Police Pension and Retirement System, Pennsylvania Public School Employees' Retirement System, PASERS, Portfolio Advisors, Princess Private Equity Holding, State of Wisconsin Investment Board, Teachers' Retirement System of the State of Illinois and Virginia Retirement System**.

Overseas Private Investment Corporation (OPIC) has launched an initiative to generate up to USD 1 billion in alternative investments in Latin America. OPIC is searching for US private equity firms that will create vehicles focusing exclusively on Latin American industries struggling to access capital. OPIC will commit between USD 25-150 million across the funds. The capital will be invested in Latin American countries that have free trade agreements with the US and firms with significant US operations. This initiative is part of an effort to prevent the effects of a US slowdown on the Latin American region.

Alcyon plans to invest USD 8-10 million in 2 funds over the next 12 months in order to maintain its allocation to private equity of 65% of its total assets. It expects this allocation will remain the same over the long-term. Future fund investments will mostly be with existing managers although some new managers will be considered, with Alcyon investing with a maximum of one new manager each year.

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