

Q2 2013 Sees Quarterly Private Equity Fundraising at Highest Value Since Financial Crisis

Private equity funds closed in Q2 2013 secured an aggregate \$122bn, the highest value since \$171bn was raised by funds closed in Q4 2008

Preqin's data shows an aggregate \$122bn was secured by private equity funds reaching a final close in Q2 2013, which is expected to increase by 10-20% as more information becomes available. However, only 154 funds held a final close, the lowest quarterly number in the last 10 years. A further 155 private equity funds held an interim close in Q2 2013 securing an additional \$24bn towards their final targets.

The average size of private equity funds closed in Q2 2013 was \$800mn, the highest figure in the last 10 years. This was a result of several large fund closings and a lower number of private equity funds reaching a final close during Q2 2013.

Other Key Facts:

- The top 10 private equity funds closed in Q2 2013 secured \$67bn, 55% of the total capital raised by the 154 funds closed in the quarter.
- Warburg Pincus's balanced fund, Warburg Pincus Private Equity XI, was the largest fund to close in the quarter, securing \$11.2bn.
- 27 buyout funds held a final close in Q2 2013 securing an aggregate \$49bn, more than double the \$23bn raised by buyout funds closed in Q1 2013, and the highest figure since \$73bn was secured in Q4 2008.
- Silver Lake Partners IV was the largest buyout fund to close in the quarter having secured \$10.3bn, followed by Apax VIII which raised €5.8bn.
- 101 North America-focused funds closed in Q2 2013, securing an aggregate \$67bn, while 25 Europe-focused funds secured \$32bn.
- 13 Asia-focused vehicles closed in the quarter, raising an aggregate \$9bn, while 15 vehicles focused outside of North America, Europe and Asia secured \$5bn.
- Private equity funds closed in Q2 2013 took an average of 19.2 months to reach a final close, the longest amount of time in the period since 2006.
- 26 first-time funds closed in Q2 2013 securing an aggregate \$5bn, down from 39 first-time funds closing in Q1 2013 which secured a collective \$7.5bn.

For more information and analysis, please see the factsheet that follows.

Comment:

"Private equity fundraising was very strong in Q2 2013, with the highest quarterly value raised since the onset of the financial crisis in late 2008. The fact that the average size of private equity funds closed in Q2 2013 was \$800mn and experienced managers dominated the fundraising environment, shows that investors are increasingly looking to back fund managers with a demonstrable track record. With 1,958 private equity funds on the road, coupled with the average time to reach a final close at its highest level in the period since 2006, fundraising for the second half of 2013 will remain challenging, especially for less experienced or first-time fund managers."

Ignatius Fogarty – Head of Private Equity Products, Preqin

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

New York: One Grand Central Place, 60 E 42nd Street, Suite 2544, New York NY 10165 Tel: +1 212 350 0100

London: Equitable House, 47 King William Street, London EC4R 9AF Tel: +44 (0)20 7645 8888

Singapore: One Finlayson Green, #11-02, Singapore, 049246 Tel: +65 6305 2200

San Francisco: 580 California Street, Suite 1638, San Francisco, CA 94104 Tel: +1 415 635 3580

Web: www.preqin.com / info@preqin.com

Prequin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Prequin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.prequin.com

Note to Editors:

- Prequin is spelled without the letter 'U' after the 'Q'.

For more information, please contact: Ignatius Fogarty +44 (0)20 7645 8858 or ifogarty@prequin.com
For general press information, please contact: Helen Kenyon +44 (0)20 7645 8880 or press@prequin.com

July 2013

Fig. 1: 10 Largest Funds to Hold a Final Close in Q2 2013

Fund	Firm	Type	Final Size (mn)	Firm Country	Fund Focus
Warburg Pincus Private Equity XI	Warburg Pincus	Balanced	11,213 USD	US	US
Silver Lake Partners IV	Silver Lake	Buyout	10,300 USD	US	US
Apax VIII	Apax Partners	Buyout	5,800 EUR	UK	Europe
Riverstone Global Energy and Power Fund V	Riverstone Holdings	Natural Resources	7,700 USD	US	US
Cinven V	Cinven	Buyout	5,300 EUR	UK	Europe
KKR Asia Fund II	Kohlberg Kravis Roberts	Buyout	6,000 USD	US	Asia
Lone Star Fund VIII	Lone Star Funds	Real Estate	5,000 USD	US	US
Triton Fund IV	Triton	Buyout	3,300 EUR	Germany	Europe
Starwood Distressed Opportunity Fund IX	Starwood Capital Group	Real Estate	4,200 USD	US	US
Macquarie European Infrastructure Fund IV	Macquarie Infrastructure and Real Assets (MIRA)	Infrastructure	2,750 EUR	UK	Europe

Fig. 2: Breakdown of Q2 2013 Fundraising by Type and Geography

Type of Funds	Global		US		Europe		Asia		Rest of World	
	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)	No. of Funds	Aggregate Capital Raised (\$bn)
Buyout	27	49.1	13	17.9	9	23.7	2	6.1	3	1.4
Distressed PE	8	9.2	5	8.0	1	1.0	1	N/A	1	0.2
Fund of Funds	7	0.7	4	0.5	1	N/A	1	0.2	1	N/A
Growth	11	2.9	5	0.4	2	0.5	3	1.8	1	0.2
Infrastructure	6	5.9	0	-	3	3.8	1	N/A	2	2.1
Mezzanine	8	2.3	6	1.7	2	0.6	0	-	0	-
Natural Resources	6	13.6	5	12.7	1	0.9	0	-	0	-
Real Estate	33	17.4	26	15.3	3	0.8	2	0.8	2	0.5
Secondaries	5	2.3	2	1.5	1	0.5	1	0.1	1	0.2
Venture Capital (All Stages)	35	6.4	29	6.0	1	0.2	2	N/A	3	0.2
Other	8	12.2	6	12.0	1	N/A	0	-	1	0.2
Grand Total	154	122	101	76	25	32	13	9	15	5

Fundraising by Type

Twenty-seven buyout funds held a final close in Q2 2013 securing an aggregate \$49bn, more than double the \$23bn raised by buyout funds closed in Q1 2013. Six natural resources funds closed in Q2 2013, securing an aggregate \$14bn. Eight distressed private equity funds closed in Q2 2013 with total capital commitments of \$9bn. Warburg Pincus Private Equity XI was the largest fund to close in the quarter securing \$11.2bn.

Funds in Market

As of July 2013, there are 1,958 private equity funds on the road targeting an aggregate \$770bn in capital commitments, compared to January 2013 when 1,949 funds were seeking \$797bn from investors.

Fig. 3: Breakdown of Funds Closed in Q2 2013 by Primary Geographic Focus

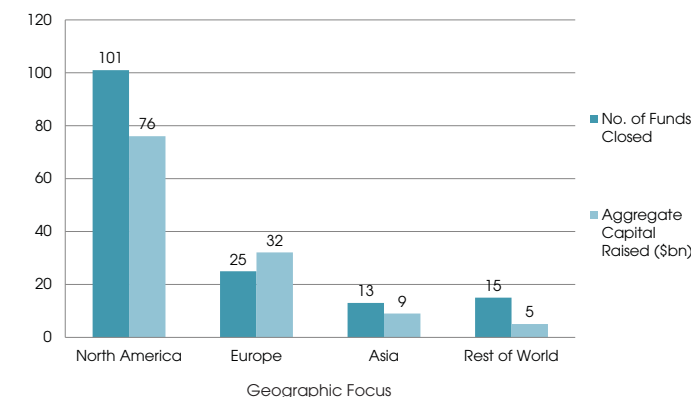
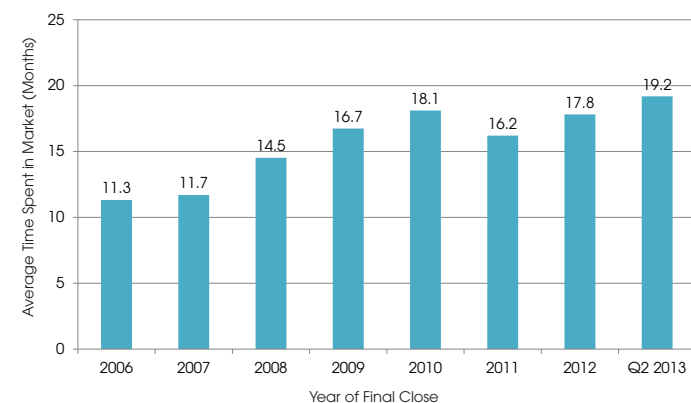


Fig. 4: Average Time Taken for Funds to Achieve a Final Close by Year of Fund Close



First-Time Funds

Twenty-six first-time funds closed in Q2 2013 securing an aggregate \$5bn, down from 39 first-time funds closing in Q1 2013 which secured a collective \$7.5bn.

July 2013

Fig. 5: Quarterly Global Fundraising, Q1 2008 - Q2 2013

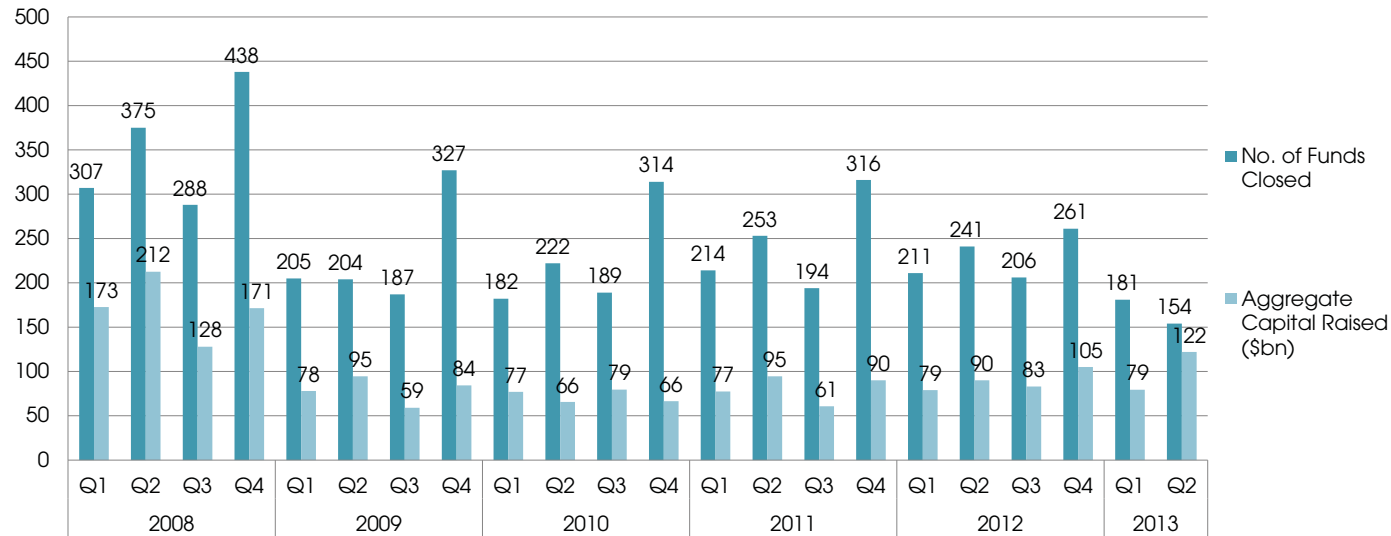
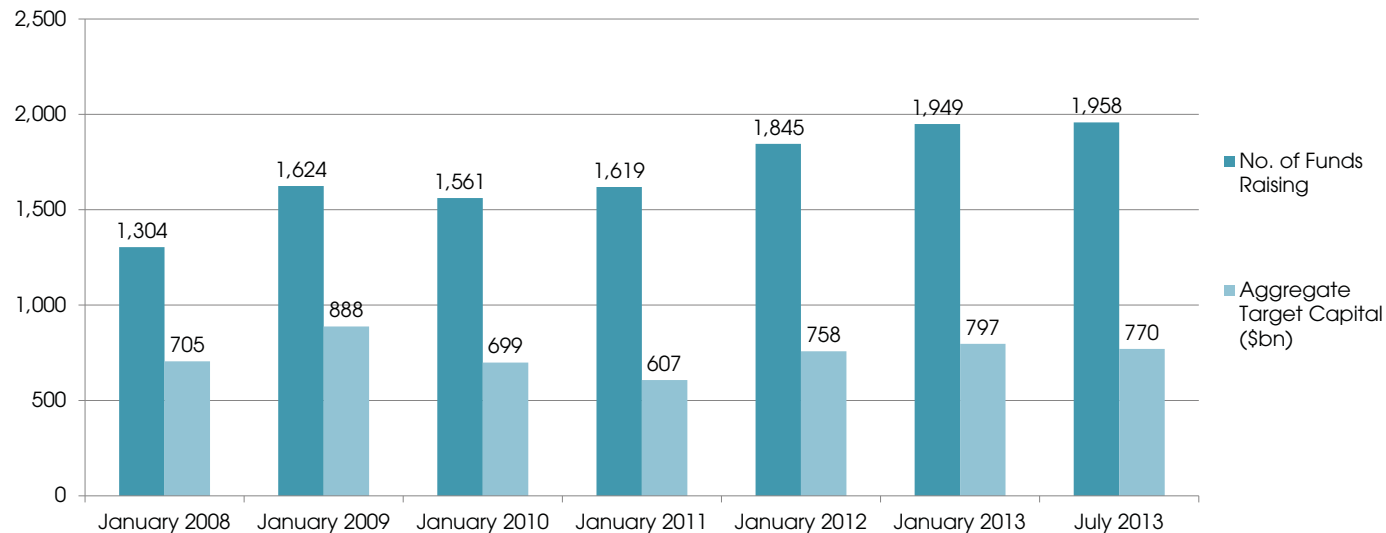


Fig. 6: Funds on the Road over Time, January 2008 - July 2013



alternative assets. intelligent data.

Preqin provides information, products and services to private equity firms, funds of funds, investors, placement agents, law firms, advisors and other professionals across the following areas:

- Fund Performance
- Fundraising
- Buyout Deals
- Venture Capital Deals
- Fund Manager Profiles
- Investor Profiles
- Fund Terms and Conditions
- Compensation and Employment

Available as:

- Online Database Services
- Hard Copy Publications
- Tailored Data Downloads

For more information and to register for a demo, please visit:

www.preqin.com/privateequity

Preqin also regularly releases free research reports and monthly Spotlight newsletters. For further information and to signup, please visit:

www.preqin.com/research