

Fig. 1: Funds Achieving a Final Close on \$1bn or More in Q2 2011

Fund	Firm	Type	Amount Closed (mn)	Manager Country	Fund Focus
Lexington Capital Partners VII	Lexington Partners	Secondaries	7000 USD	US	US
Lone Star Real Estate Fund II	Lone Star Funds	Real Estate	5500 USD	US	US
EIG Energy Fund XV	EIG Global Energy Partners	Mezzanine	4120 USD	US	US
Montagu IV	Montagu Private Equity	Buyout	2500 EUR	UK	Europe
OCM Opportunities Fund VIIIB	Oaktree Capital Management	Distressed Debt	2600 USD	US	US
KSL Capital Partners III	KSL Capital Partners	Buyout	2000 USD	US	US
Gávea Investment Fund IV	Gávea Investimentos	Hybrid	1800 USD	Brazil	ROW
Bessemer Venture Partners VIII	Bessemer Venture Partners	Venture	1600 USD	US	US
BTG Pactual Brazil Investment I	BTG Pactual	Buyout	1600 USD	Brazil	ROW
Vinci Partners I	Vinci Partners	Growth	1400 USD	Brazil	ROW
First Reserve Energy Infrastructure Fund	First Reserve Corporation	Infrastructure	1228 USD	US	US
Chequers Capital XVI	Chequers Capital	Buyout	850 EUR	France	Europe
Oaktree Power Opportunities Fund III	Oaktree Capital Management	Buyout	1040 USD	US	US

Fig. 2: Quarterly Fundraising, Q1 2007 - Q2 2011

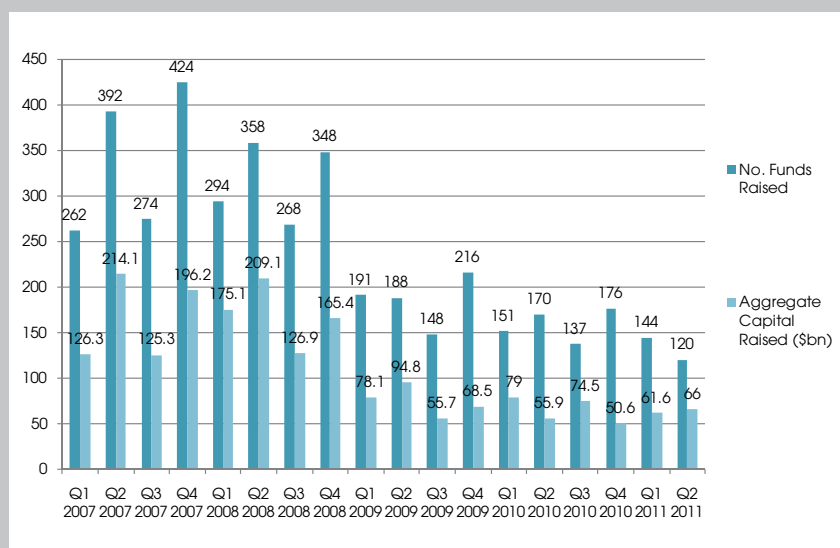


Fig. 3: Q2 2011 Fundraising by Fund Type

Fund Type	No. Funds Raised	Aggregate Capital Raised (\$bn)
Buyout	21	15.3
Venture	20	5.8
Real Estate	18	11.2
Fund of Funds	15	2.8
Growth	13	6.0
Secondaries	10	9.0
Infrastructure	6	2.8
Distressed Debt	5	4.3
Mezzanine	2	4.4
Hybrid	1	1.8
Other	9	2.6

- Fundraising by Region:** Funds primarily focusing on the US have raised the most capital during Q2 2011, with 54 funds raising a total of \$40.7bn. 41 funds focusing primarily on Asia and the Rest of World gathered a total of \$15.5bn, while European fundraising continued to lag behind other regions as 25 funds with a primary focus on the region raised an aggregate \$9.8bn
- Fundraising by Type:** Buyout funds raised the most capital, with 21 funds raising an aggregate \$15.3bn. This figure includes Montagu IV, which closed ahead of its EUR 2bn target on EUR 2.5bn. Nine secondaries funds raised \$9bn; Lexington Partners' Lexington Capital Partners VII contributed \$7bn to that figure, having reached a final close the last day of the quarter. 18 real estate funds reached a final close this quarter raising an aggregate \$11.2bn. Lone Star Funds accounted for almost half of the capital raised by such funds, closing Lone Star Real Estate Fund II on \$5.5bn at the end of May 2011. 20 venture funds closed raising a total of \$5.8bn, including Bessemer Venture Partners



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Fig. 4: Q2 Fundraising by Fund Primary Regional Focus

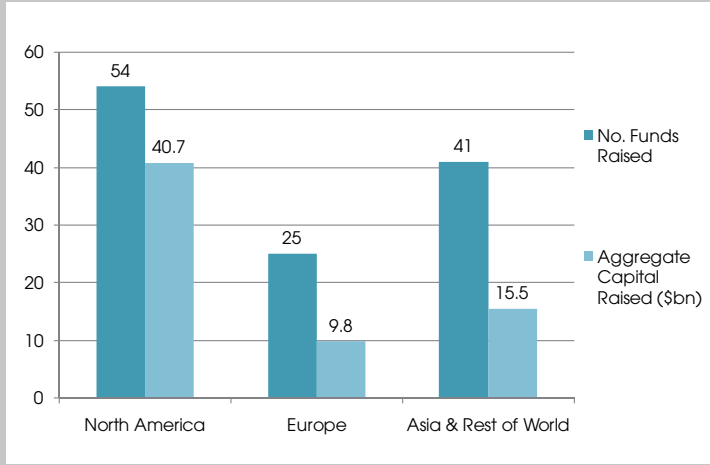


Fig. 5: Funds on the Road over Time

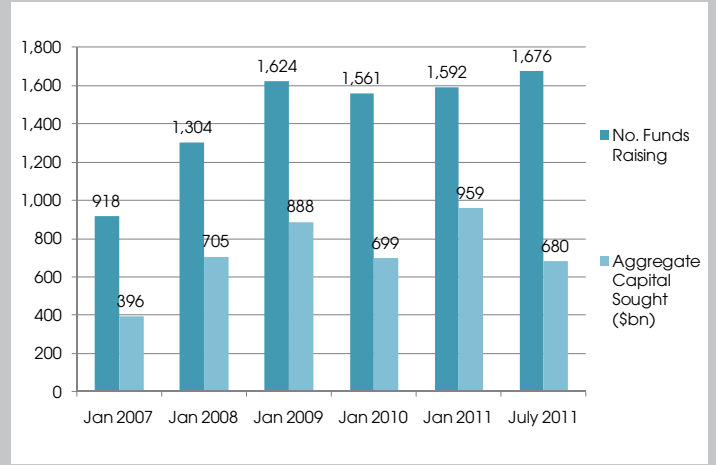


Fig. 6: Average Time Taken for Funds to Close (Months)

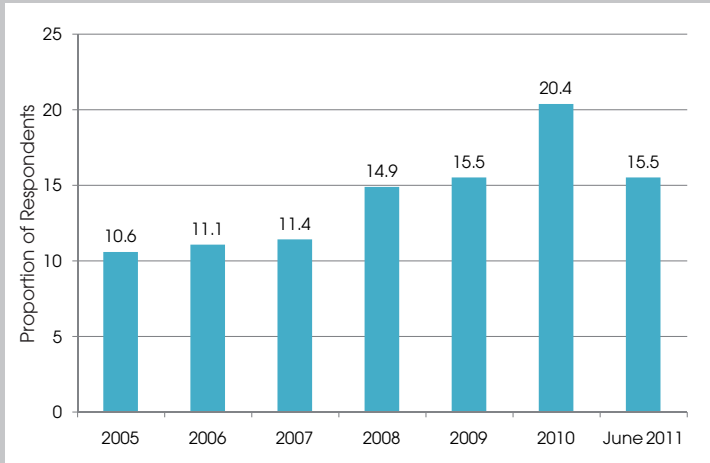


Fig. 7: Investors' Time Frame for Next Intended Commitments to Private Equity Funds

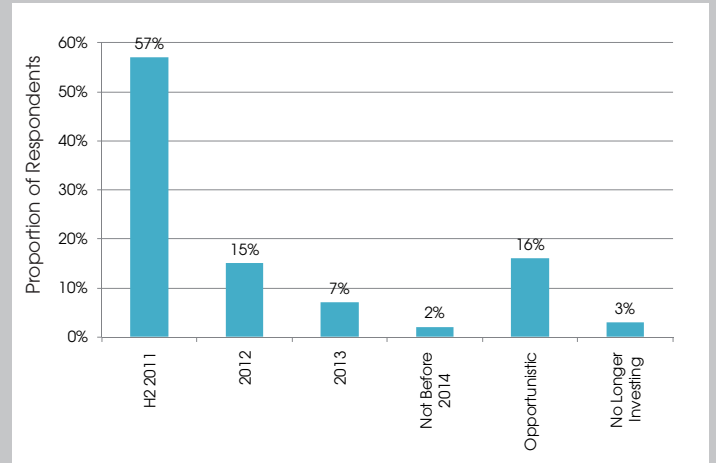


Fig. 8: Investors' Intentions for Their Private Equity Allocations

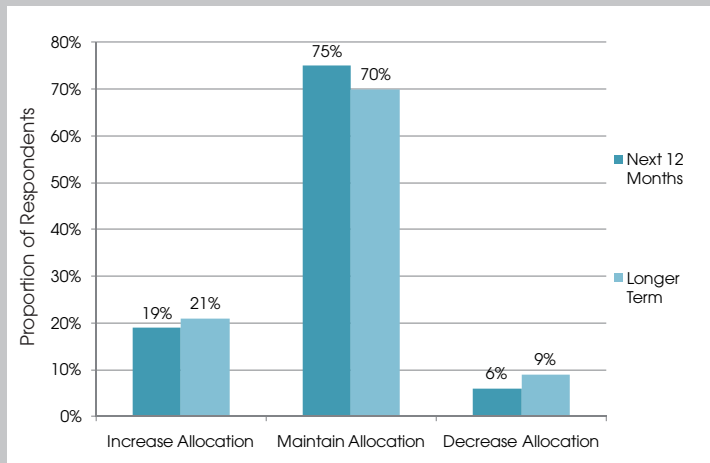
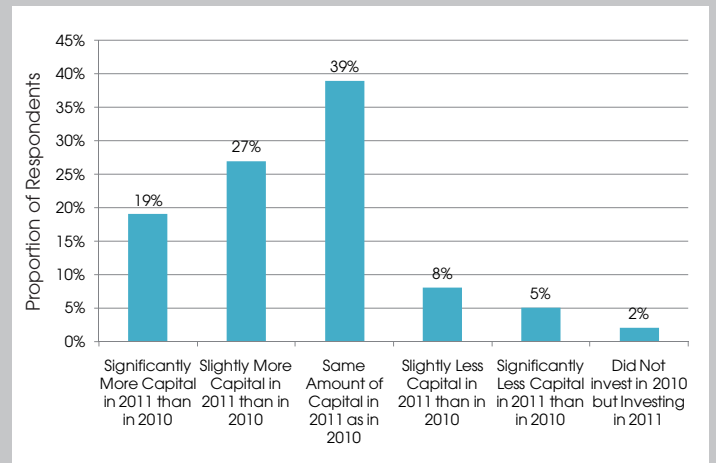


Fig. 9: Amount of Capital Investors Plan to Commit to Private Equity Funds in 2011 Compared to 2010



VIII— a \$1.6bn stage-agnostic venture vehicle.

- **Fundraising Momentum - Interim Closes:** In addition to the 120 funds holding a final close, there were 113 funds which held an interim close during Q2 2011, raising a total of \$24.5bn towards their overall targets.

Although Europe raised less capital for final closes in Q2 2011 than the US, the two regions accrued similar amounts for interim closes, raising \$10bn and \$9.8bn respectively. The most significant interim close in Q2 2011 was the first close of GSO Capital Opportunities Fund II, the mezzanine vehicle managed by Blackstone Group, holding a first closing on \$1.5bn.

- **Funds in Market:** After the number and aggregate fundraising target of funds in market fell consistently

during 2009 and for most of 2010, Q2 2011 sees a continuation of the rise in both the number and value of funds being raised – a sure sign of rising confidence among fund managers that conditions are starting to improve. There are currently 1,676 funds on the road seeking \$680bn worldwide.

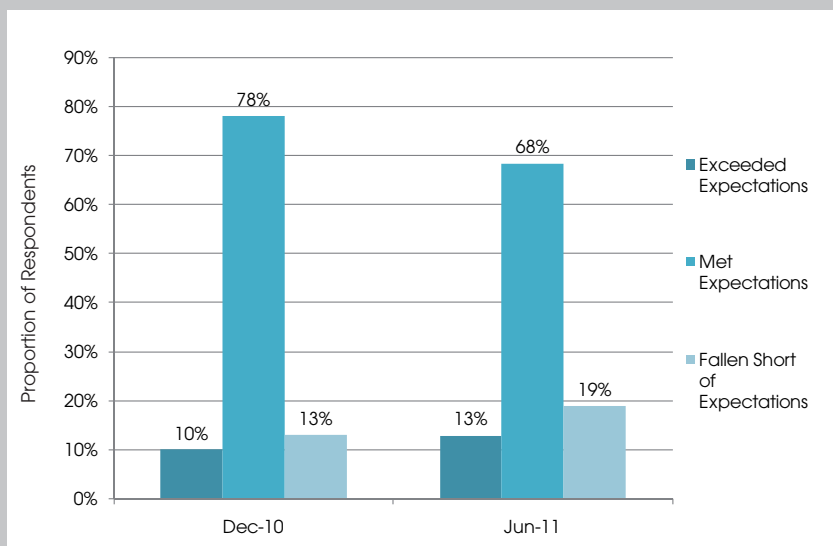
- **Time Taken to Close Funds:** For funds closed in Q2 2011 the average time spent in market was 15 months, significantly more than the 10.6 months in 2005, but down from the average time taken of 20.4 months for funds closed in 2010.
- **Looking Forwards:** 64% of LPs participating in a Preqin survey in June stated that they had already made a commitment to private equity this year; this is an increase of 10 percentage points on the proportion

of investors that made an investment in 2010.

Only 6% of participants expect to reduce their allocation to the asset class in the coming 12 months, with 75% stating that they will maintain their current level, and 19% will increase allocations.

- **Longer-Term Prospects:** 70% of investors anticipate maintaining their private equity allocations in the longer term, while 21% expect to increase their exposure to the asset class in the next three to five years.

Fig. 10: Proportion of Investors That Feel Their Private Equity Fund Investments Have Lived Up to Expectations



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