Preqin Research Report

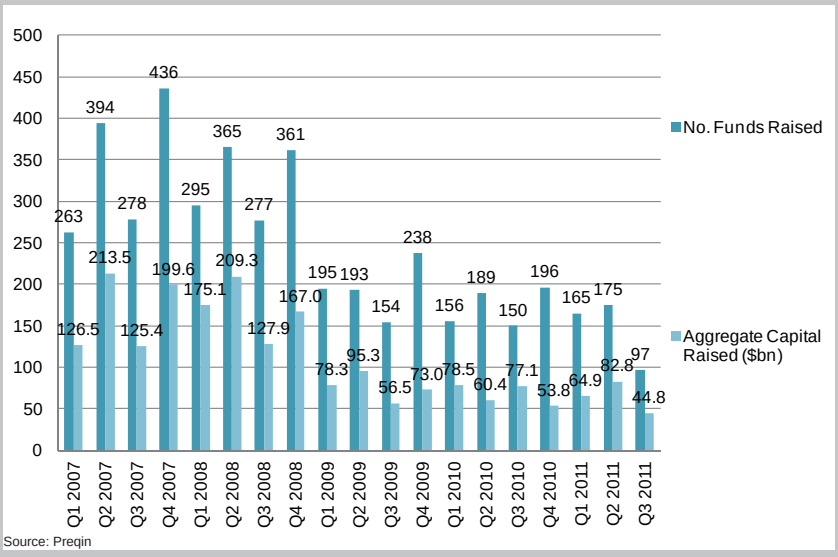
Q3 2011 Private Equity Fundraising Update

Fig. 1: Funds Achieving a Final Close on $1bn or More in Q3 2011

Fund	Firm	Type	Amount Closed (mn)	Manager Country	Fund Focus
Lone Star Fund VII	Lone Star Funds	Real Estate	4,630 USD	US	US
Berkshire Fund VIII	Berkshire Partners	Buyout	4,500 USD	US	US
Centerbridge Capital Partners II	Centerbridge Capital Partners	Distressed Debt	4,400 USD	US	US
Waterland Private Equity Fund V	Waterland	Buyout	1,100 EUR	Netherlands	Europe
Pátria Brazilian Private Equity Fund IV	Patria Investimentos	Buyout	1,250 USD	Brazil	ROW
Chequers Capital XVI	Chequers Capital	Buyout	850 EUR	France	Europe
P2Brasil	Pátria Investimentos	Infrastructure	1,155 USD	Brazil	ROW
ECE European Prime Shopping Center Fund	ECE Real Estate Partners	Real Estate	775 EUR	Germany	Europe
KKR Mezzanine Partners I	Kohlberg Kravis Roberts	Mezzanine	1,000 USD	US	US

Source: Preqin

Fig. 2: Private Equity Fundraising by Quarter, Q1 2007 - Q3 2011



Source: Preqin

Fig. 3: Q3 2011 Fundraising by Fund Type

Fund Type	No. Funds Raised	Aggregate Capital Raised ($bn)
Buyout	19	14.4
Venture	19	3.3
Real Estate	16	10.8
Growth	14	2.4
Fund of Funds	10	1.3
Distressed PE	5	6.5
Mezzanine	5	1.8
Other	5	2.1
Infrastructure	2	1.6
Secondaries	2	0.4

Source: Preqin

During Q3 2011, 97 private equity funds reached a final close, raising an aggregate $44.8bn. Preqin anticipates the latest quarterly figures improving slightly (10-20%) as more information becomes available. However, fundraising levels are significantly down on those seen in recent quarters: $82.8bn was raised by 175 funds that closed in Q2 2011.

In addition to the 97 funds that reached a final close in the quarter, a further 109 funds held interim closes, securing commitments totaling $42.7bn towards their fundraising targets.

Fundraising by Region: Funds primarily focusing on North America have raised the most capital during Q3 2011, with 37 funds raising a total of $22.5bn. Europe-focused funds raised an aggregate $11.3bn, with 28 funds targeting the region reaching a final close this quarter. 32 funds focusing primarily on Asia and Rest of World gathered a total of $11.0bn.

Fundraising by Type: Buyout funds raised the most capital in

preqin
alternative assets. intelligent data.

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

> Fund Performance
> Fundraising
> Buyout Deals
> Fund Manager Profiles
> Investor Profiles
> Fund Terms
> Compensation and Employment

Available as:
> Online Database Services
> Hard Copy Publications
> Consultancy and Research Support
> Tailored Data Downloads

For more information and to register for a demo, please visit:www.preqin.com/privateequity

Full results and report on Q3 2011 fundraising will be available in Preqin's quarterly publication The Private Equity Quarterly.

To find out more, visit: www.preqin.com/quarterly

Fig. 4: Q3 Fundraising by Fund Primary Regional Focus

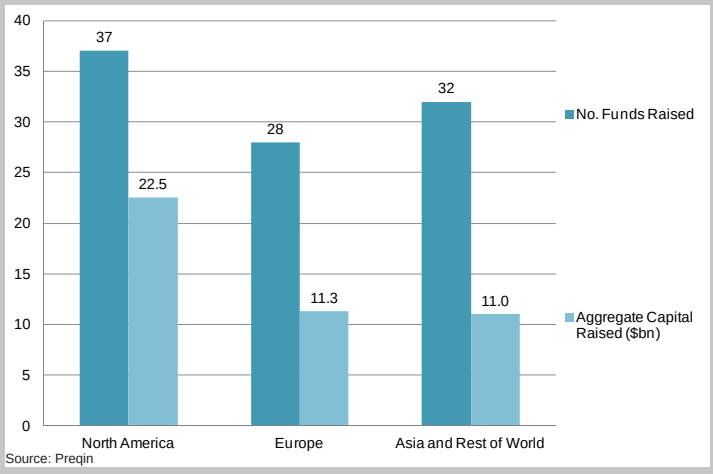


Fig. 5: Funds on the Road over Time

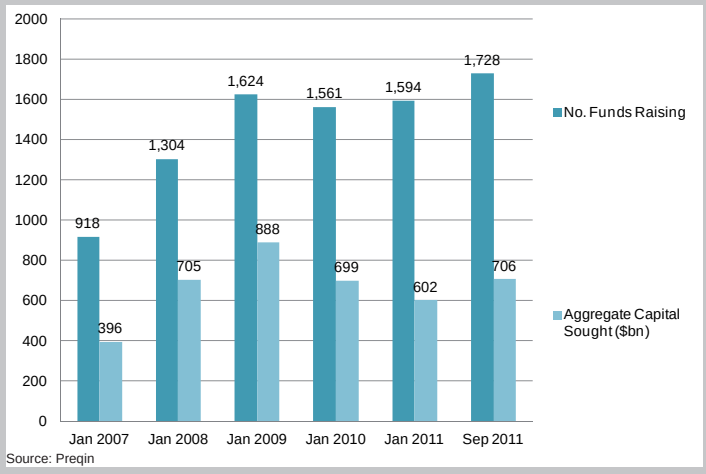


Fig. 6: Average Time Taken for Funds to Close (Months)

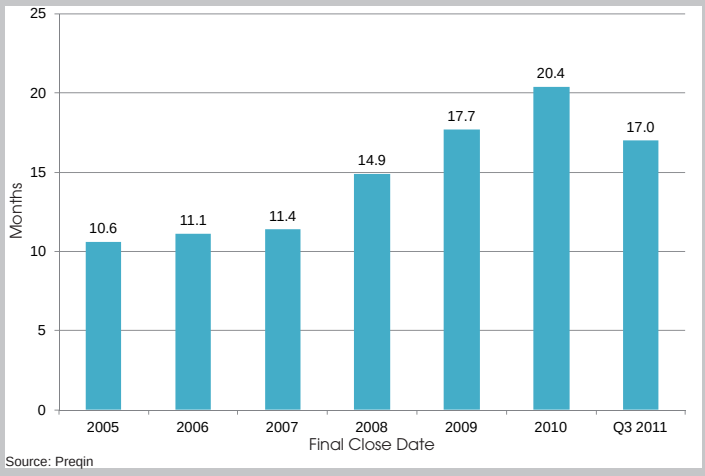


Fig. 7: Investors' Intentions Regarding New Commitments over the Next 12 Months

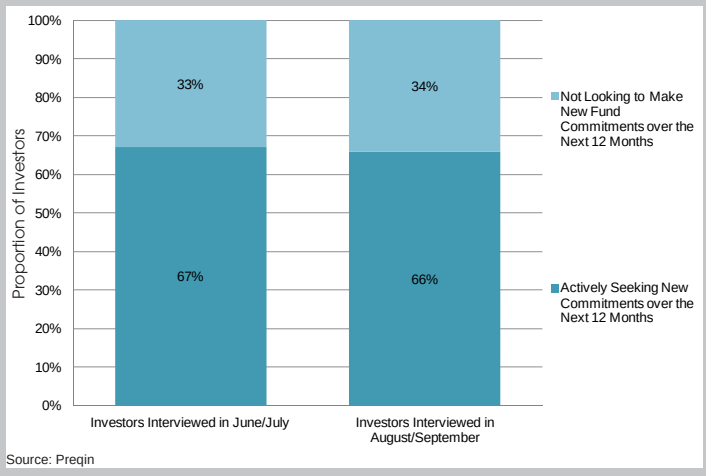


Fig. 8: Investors' Intentions Regarding Their Private Equity Allocations

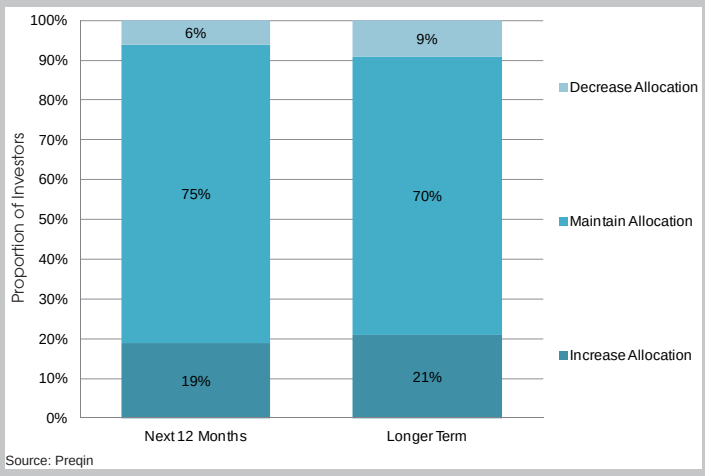
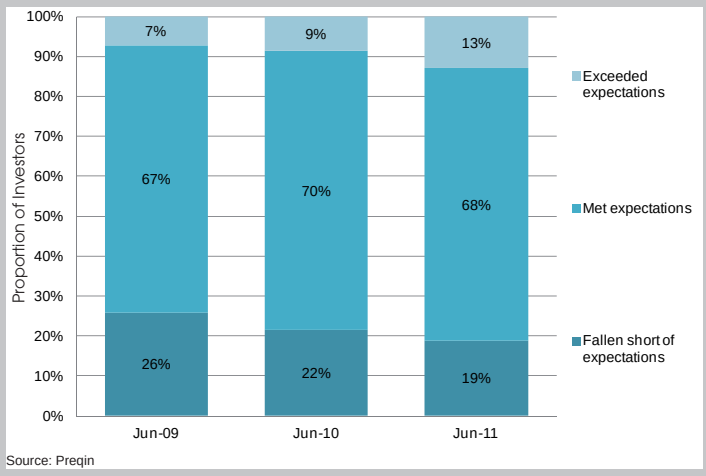


Fig. 9: Proportion of Investors That Feel Their Private Equity Fund Investments Have Lived up to Expectations



Full results and report on Q3 2011 fundraising will be available in Preqin's quarterly publication The Private Equity Quarterly.

To find out more, visit: www.preqin.com/quarterly

Q3 2011, with 19 funds raising an aggregate $14.4bn. This figure includes Berkshire Fund VIII, which closed in July 2011 on $4.5bn, exceeding its initial $4bn target. 16 real estate funds closed in Q3 2011, raising an aggregate $10.8bn. The largest fund to close this quarter was a real estate fund; Lone Star Fund VII exceeded its $4bn target to raise $4.63bn. Five distressed private equity funds reached a final close this quarter, securing aggregate commitments of $6.5bn; two-thirds of this capital was raised by the $4.4bn Centerbridge Capital Partners II.

Fundraising Momentum - Interim Closes: In addition to the 97 funds holding a final close in Q3 2011, 109 funds held interim closes, raising a total of $42.7bn towards their overall targets. $18.4bn of this total was raised by the 26 Europe-focused funds that held interim closes this quarter. Significant interim closes this quarter include: BC European Cap IX, which has raised €5.5bn towards its target of €6.5bn; and EQT VI, which secured commitments totaling €3.5bn for its first close in July and expects to hold a final close in Q4 2011.

Funds in Market: As of October 2011, there are 1,728 funds on the road seeking a combined $706bn, an increase on the $680bn sought by the 1,676 funds on the road in Q2 2011, but still significantly less than the $888bn sought by 1,624 funds on the road as of January 2009.

Time Taken to Close Funds: Funds that closed in Q3 2011 took an average of 17 months to fundraise. While this is significantly more than the average of 11.4 months taken to raise a fund in 2007, it is still an improvement on the average of 20.4 months taken to raise funds closed in 2010.

Looking Forwards: 66% of a sample of 120 LPs interviewed by Preqin in August and September 2011 stated an intention to invest in private equity over the next 12 months. This is almost the same proportion as was seen prior to recent volatility in public markets; 67% of a sample of 120 LPs interviewed in June and July 2011 told us they planned to invest in private equity over the next 12 months.

Most investors have remained satisfied with their private equity fund investments, with 81% of investors participating in a Preqin study in June stating that their private equity portfolios had met or exceeded their expectations.

Longer-Term Prospects: 91% of investors participating in the June study expect to maintain or increase their allocations to private equity in the longer term.

"... Most investors have remained satisfied with their private equity fund investments, with 81% of investors participating in a Preqin study in June stating that their private equity portfolios had met or exceeded their expectations..."

"... 91% of investors participating in the June study expect to maintain or increase their allocations to private equity in the longer term..."

preqin
alternative assets. intelligent data.

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

> Fund Performance
> Fundraising
> Buyout Deals
> Fund Manager Profiles
> Investor Profiles
> Fund Terms
> Compensation and Employment

Available as:
> Online Database Services
> Hard Copy Publications
> Consultancy and Research Support
> Tailored Data Downloads

For more information and to register for a demo, please visit:www.preqin.com/privateequity