The 2014 Preqin Private Equity Fund Terms Advisor

1. Executive Summary

Fund terms and conditions are a key concern for institutions operating across the private equity spectrum, and remain a sensitive topic in the relationship between GPs and LPs. Preqin's June 2014 survey of 100 institutional investors based around the world found that fees were the second most commonly cited challenge facing investors seeking to operate an effective private equity program, after regulation. Over a quarter (26%) of respondents to the June 2014 survey named fees as a key challenge, a similar level to that seen in June 2013 (23%), but significantly higher than the 6% that did so in June 2012.

Further results from Preqin's June 2014 survey revealed that the largest proportion of investors to date strongly disagree that interests between GPs and LPs are properly aligned. Fig. 1.1 illustrates this trend over time, with 10% of June 2014 respondents indicating that they strongly disagree that GP-LP interests are properly aligned. While this is the highest percentage since Preqin began tracking investor opinions in this area, it is important to note that the proportion of respondents that agree or strongly agree that interests are properly aligned remain firmly in the majority, accounting for 63% in June 2014. Outcomes of the direct interviews held with LPs are presented in Chapter 4 of this book, highlighting investor sentiment towards the shifting power balance between LPs and their private equity fund managers.

Fund Terms in Need of Improvement

Fig. 1.2 shows the various fund terms where investors believe LP and GP relations could be improved. As in previous years, management fees continue to be named by the largest proportion of investors (54%) as an area of contention. Interestingly, the proportion of investors dissatisfied with the payment of fees on uninvested capital has increased significantly over the last 12 months; 39% stated this to be an important area for improvement in June 2014, compared to just 6% in June 2013.

Nine percent of investors surveyed in June 2014 cited non-financial clauses to be key areas within private equity funds' terms and conditions in need of improvement. Contract provisos such as the key man clause, no-fault divorce clause, number of LP advisory committee members and more are explored in Chapter 8 of this publication. These governance terms are significant in the alignment of interests between LPs and GPs, and are considered in the due diligence process when investors are selecting which vehicles to commit to.

Fig. 1.1: Extent to Which LPs Believe that GP and LP Interests Are Properly Aligned

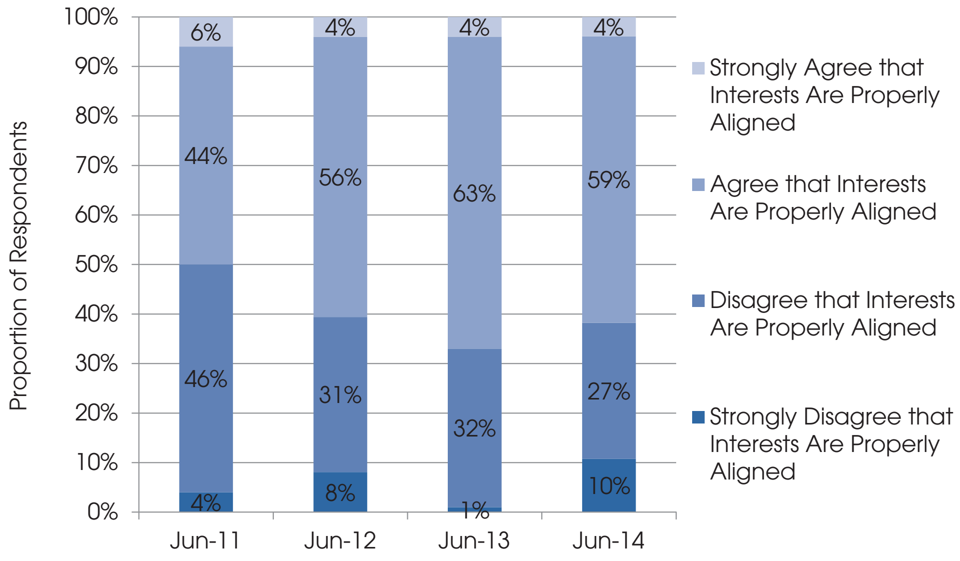
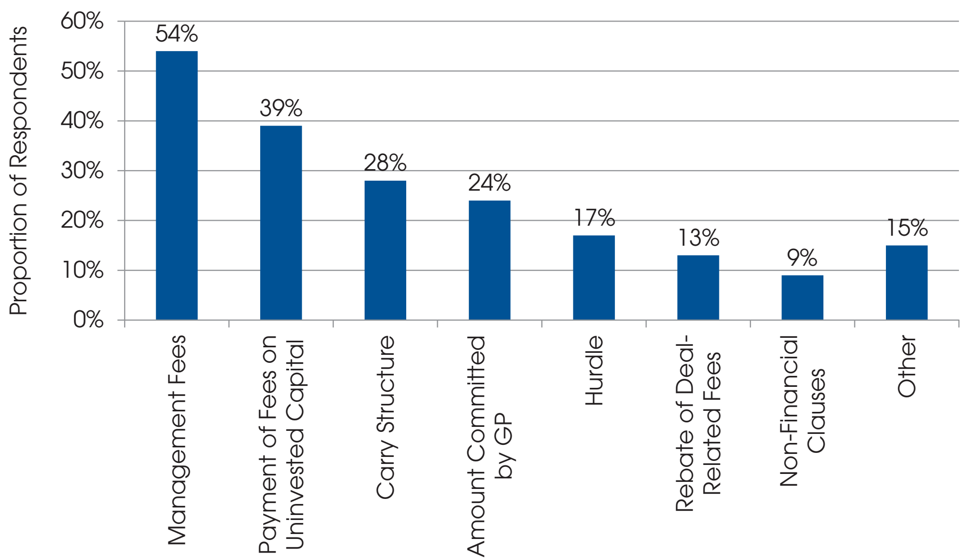


Fig. 1.2: Areas in Which LPs Believe that Alignment of Interests Can Be Improved



The Standard of Management Fees

Management fees typically range between the one or two percent mark during the investment period and are reduced in the latter stages of the fund's life. Variation in average management fees over a longer period gives an interesting insight into GPs' responsiveness to LP demand and competition in the marketplace. Preqin's analysis shows that the overarching trend has remained, with the median management fee consistently staying at the 2.00% mark for buyout funds. Fig. 1.3 shows how average buyout fund management fees have changed for different vintage years since 2006. Average fees peaked in 2007 with a mean value of 2.01%, but this has since declined, with 2014 vintage funds or those that are yet to start investing having a mean management fee of 1.90%. The largest fall was seen between 2007 and 2008, when the mean dropped off by nine basis points, which is unsurprising given the harsh economic conditions faced following the global financial crisis.

Preqin's most recent fund terms data confirms another pattern that has stayed prominent in the private equity industry; the greater the size of the fund (final size of closed funds, or target size of those still raising), the lower the average management fee charged. This is true for buyout (Fig. 1.4), distressed private equity, growth, infrastructure, mezzanine and real estate funds of vintage years 2013/2014 or that have not started investing as of July 2014.

Fig. 1.3: Buyout Funds - Average Management Fee by Vintage Year

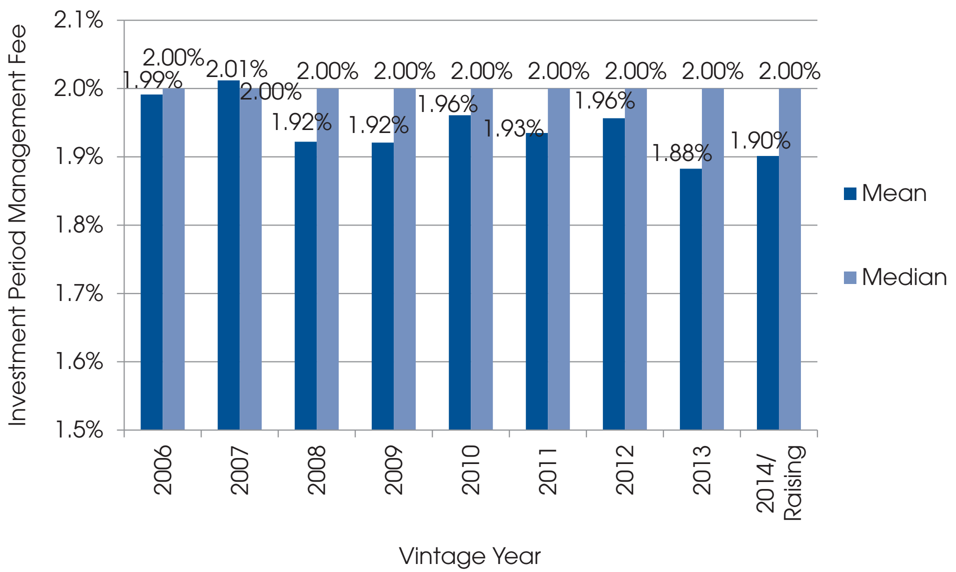


Fig. 1.4: Buyout Funds - Average Management Fee by Fund Size (Funds Raising & Vintage 2013/2014 Funds Closed)

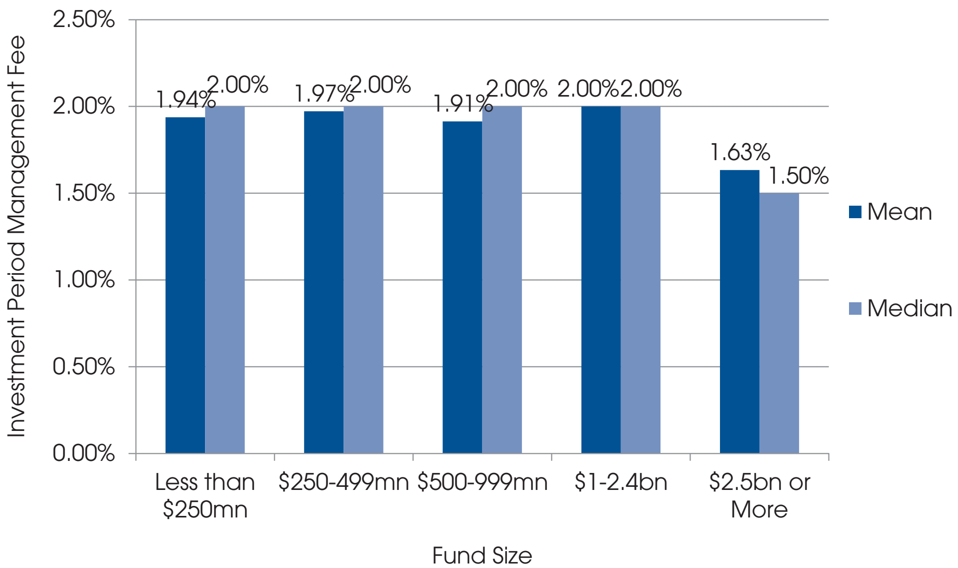
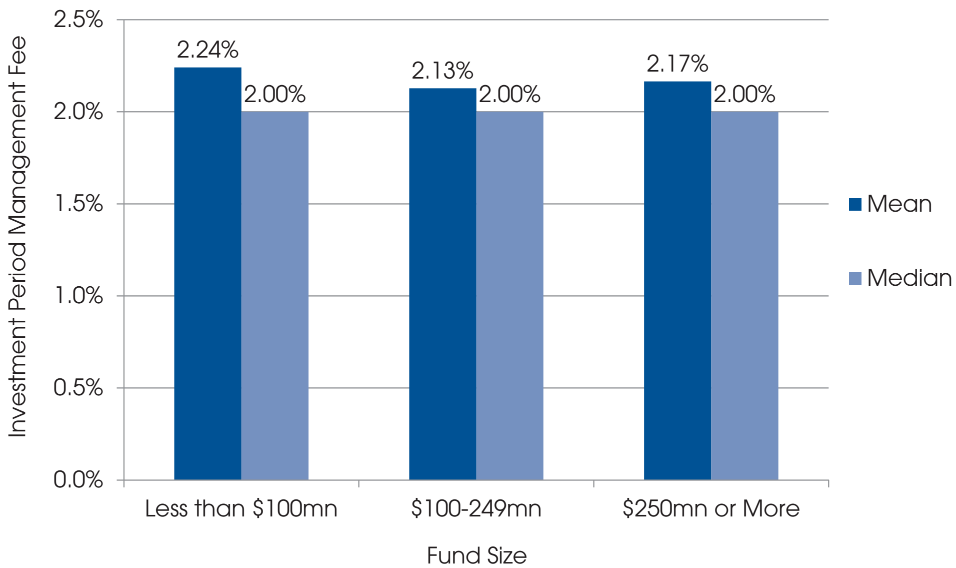


Fig. 1.5: Venture Capital Funds - Average Management Fee by Fund Size (Funds Raising & Vintage 2013/2014 Funds Closed)



The only fund type within this vintage year criteria that has not followed the trend is venture capital (Fig. 1.5).

Significant GP Commitments

As Fig. 1.2 shows, the amount of capital committed by GPs is an area of concern among private equity investors, with almost a quarter of LPs (24%) citing this as an area that needs adjustment in order to better align fund managers' interests with their own. This proportion has, however, fallen by 11 percentage points since the same time last year, suggesting a marked improvement over the course of the last 12 months. In Chapter 9, where Fund Formation and Costs are examined, the analysis of average GP commitments in particular tells an interesting story.

It is standard practice for the GP managing a private equity fund to make a financial commitment to the vehicle on the same basis as the regular LPs in the fund, which is seen as an important driver in the alignment of interests between GPs and LPs. Historically, the benchmark for GP commitments is 1% of total committed capital and, as shown in Fig. 1.6, 1.00-1.99% is the most common level for funds with a 2013 or 2014 vintage, or those yet to begin investing as of July 2014. However, a significant 19% of recent private equity funds have GP commitments of between 2.00% and 2.99%, and a notable five percent of funds actually have a GP commitment of 25% or more. Therefore, overall, the majority (63%) of private equity funds have a GP commitment higher than or equal to 2%, much larger than the 1% standard. This will be reassuring for LPs, which will appreciate the fact that fund managers are prepared to put a significant amount of their own capital at the same risk as their LP commitments.

Considering the LP

For fund managers, the consideration of an LP's level of satisfaction with a private equity fund's terms and conditions is crucial. Preqin's survey reveals that 61% of investors interviewed have decided not to commit to a fund due to issues with the proposed terms and conditions, as shown in Fig. 1.7. In fact, 10% of surveyed LPs stated that they frequently choose to withhold investing in private equity vehicles that have unfavourable terms and conditions for them. Given the weight LPs place on them during their due diligence processes, GPs must acknowledge the importance of drawing up terms and conditions for their vehicles that are attractive to investors in order to secure capital and complete a successful fundraise.

The 2014 Preqin Private Equity Fund Terms Advisor examines a wide variety of metrics that can cause contention between fund managers and investors. This book covers both financial and non-financial terms and conditions, including management fees and the level of GP commitment as discussed, rebate of transaction fees, the catch-up rate used once a fund has passed its hurdle rate, carry waterfall structures (e.g. deal-by-deal vs. whole fund), LP advisory committees, fund organizational expenses, and much more.

Fig. 1.6: GP Commitments as a Percentage of Fund Size (Funds Raising & Vintage 2013/2014 Funds Closed)

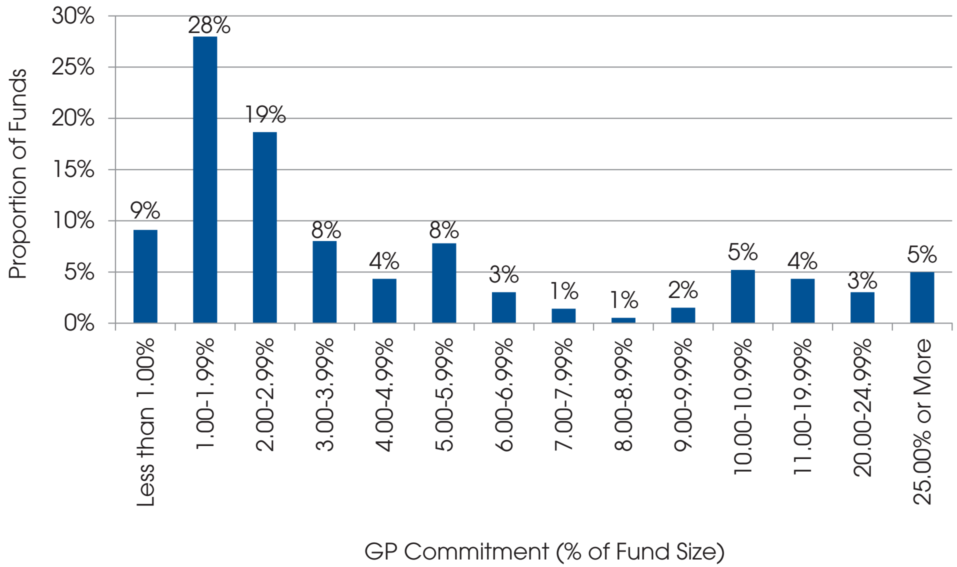
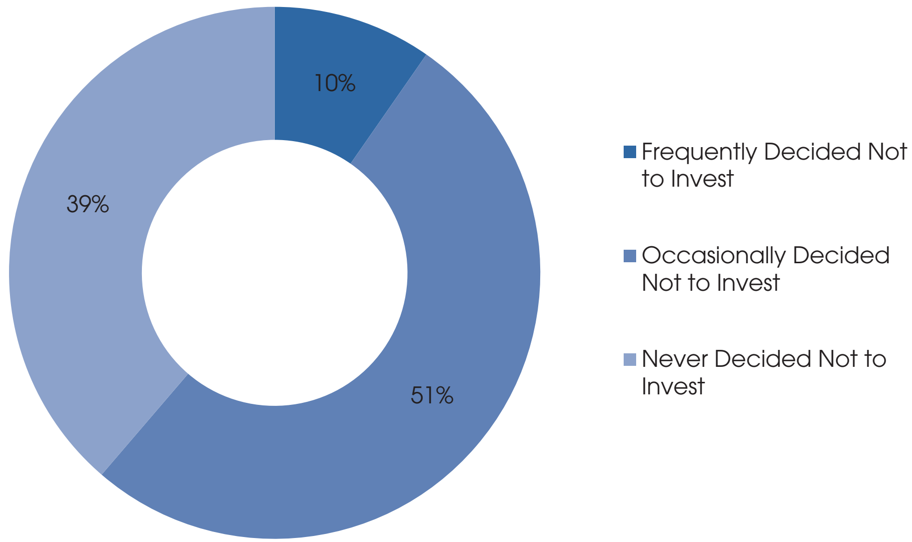


Fig. 1.7: Frequency with Which LPs Have Decided Not to Invest in a Fund Due to the Proposed Terms and Conditions



The 2014 Preqin Private Equity Fund Terms Advisor

The 2014 Preqin Private Equity Fund Terms Advisor focuses its analysis on the very latest fund terms and conditions information collected by Preqin. Preqin goes to great lengths in order to capture as much up-to-date, relevant data as possible, and provides the best source of data for industry professionals looking for the latest information; we track fund terms and conditions data for over 3,900 private equity funds. This edition provides readers with the actual terms employed by individual vehicles, as well as benchmark terms. Individual fund listings, on an anonymous basis, are provided for more than 2,500 private equity funds of different strategies, vintages, geographies and sizes. All major fund types are featured in the Fund Terms Advisor, with buyout, venture capital, real estate, fund of funds, distressed private equity, secondaries, mezzanine, infrastructure and natural resources funds all covered.

Other key features of this year's Fund Terms Advisor include listings for 1,374 named funds showing the net costs incurred by LPs annually. This summary of information on total costs is obtained through Freedom of Information requests to public pension funds in the US and the UK, unlike the detailed listings of fund terms. The publication also contains a listing of some of the most active law firms in private equity fund formation, including sample assignments. We hope that you find the 2014 Preqin Private Equity Fund Terms Advisor to be a valuable reference guide, and as ever we welcome any feedback and comments that you may have for future editions.

The 2014 Preqin Private Equity Fund Terms Advisor

A comprehensive guide to private equity fund terms and conditions

Contents

3. Data Sources

As in previous editions of the Preqin Private Equity Fund Terms Advisor, the 2014 edition has drawn upon three main sources of data:

1. Fund Terms Documentation

Preqin had access to fund terms documentation for over 3,900 separate private equity funds of all types, sizes and geographic areas. Anonymous listings are available for more than 2,500 in Chapter 11 of this Review, as well as on our Fund Terms Online module (www.preqin.com/fta). Furthermore, accredited investors signed up to our complimentary Preqin Investor Network service can access fund terms benchmarks, as well as fund-specific fund terms data supplied directly by fund managers and placement agents. This level of data coverage represents a significant increase from 2013 (we had data for approximately 2,600 funds) and 2012 (approximately 2,400).

The funds included in this year's publication are spread across a range of vintage years to facilitate analysis of trends, although 50% of the pool is from the last five vintage years (2010 to 2014). Fig. 3.1 and Fig. 3.2 show the sample of funds by type and vintage year, with Fig. 3.1 showing the number of funds and Fig. 3.2 showing the aggregate value of funds in the sample. Fig. 3.3 shows the breakdown of funds by GP location for the most recent funds (those that have held a final close and have a vintage of 2013 or 2014 plus those still currently fundraising). This provides a representative sample of the entire private equity industry, with all fund types represented, as well as a good spread across geographic regions (by GP location). North America-based funds represent the largest proportion (49%) of the sample, Europe-based funds account for over a quarter (27%), and Asia-based funds comprise 16%. The total value of funds in the sample is around $2.5tn, a significant level that has allowed us to map terms and identify trends with a great degree of accuracy.

The information gathered for these funds extends to all the key economic and non-economic terms governing the operation of the funds – i.e. not simply fees, carry and the treatment of other costs, but also important factors such as the operation of key-man provisions, no-fault divorce clauses, advisory committees, GP commitments to the fund, minimum LP commitments, etc. In the case of the economic terms we were able to delve into the important details that can make all the difference to GPs and LPs. In the case of management fees, for example, this includes how the fees vary during the entire life of the fund, and not just the headline rate during the investment period.

Fig. 3.1: Number of Funds with Terms and Conditions Data by Fund Type and Vintage Year (2000 - 2014)

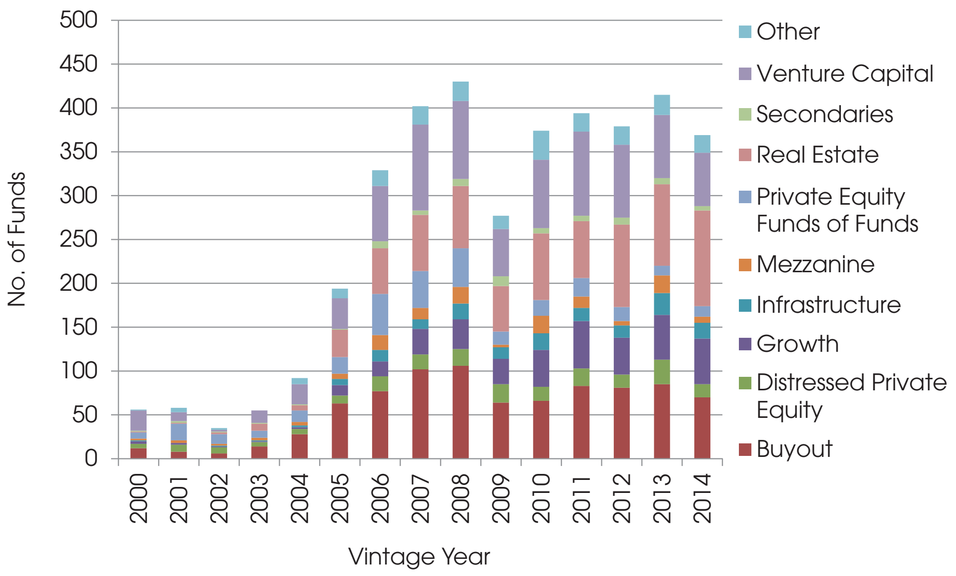
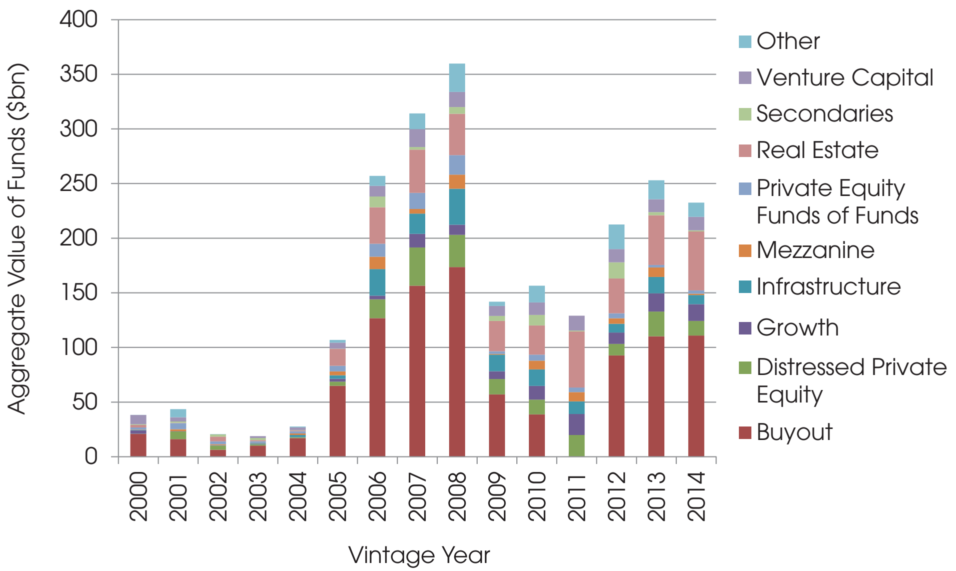


Fig. 3.2: Aggregate Value of Funds with Terms and Conditions Data by Fund Type and Vintage Year (2000 - 2014)



This detailed information was provided to us in confidence, on the understanding that it would be used for the purposes of establishing benchmarks and trends, but that the individual details of each fund's terms would not be disclosed on a named basis, and neither would the identity of the funds taking part in our survey. We are very grateful to the many GPs and placement agents that have shared information with us in this way. The information that they have provided has been used in our analysis of patterns across fund types and sizes, trends over time, and benchmarks for typical fee arrangements. Information relating to individual named funds has not been disclosed in the Fund Terms Advisor or elsewhere.

We have, however, provided a listing of these funds in a suitably disguised format (including fund sizes given as a range rather than a specific amount), so that users can see the variability in terms within each category of funds.

2. Freedom of Information Act (FOIA) Information on Fees and Costs

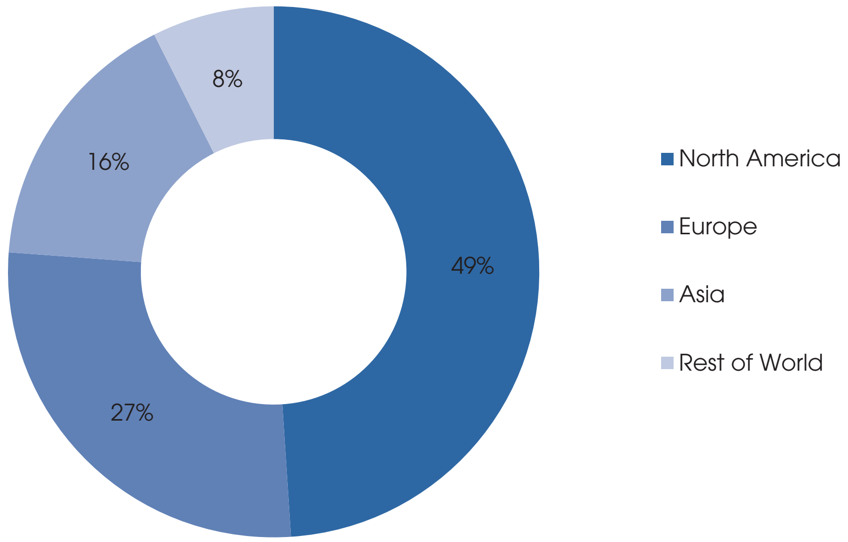
Legislation in several jurisdictions specifies that the total amount paid in fees and costs by public LPs on their private equity fund investments is available through FOIA, even though the partnership agreements themselves are exempt from disclosure. This information has benefits and drawbacks as compared with the detailed terms information gathered in confidence above. The obvious drawback is that it only covers fees and expenses, and does not reveal anything about either the carry arrangements, or the many non-economic terms of the partnership. Conversely, a significant advantage of this dataset is that it shows the net effect of the partnership terms on the actual fees and costs incurred by the LP. In other words, instead of giving a complex set of rules for how fees are to be calculated, and the way in which other costs are to be credited against fees, the FOIA data gives a simple financial statistic: the total net fees incurred over the period. This provides a useful check on the information derived from the detailed terms documentation.

A further important advantage of the FOIA information is that users can see the actual costs incurred on specific named funds as it is data in the public domain. This has now expanded to almost 1,400 funds for the 2014 Preqin Private Equity Fund Terms Advisor. Net cost listings appear in Chapter 13.

3. Fund Performance Benchmarks

While some fees and costs apply simply to the committed capital of the fund, others are driven by factors such as the cost basis of the unrealized portfolio, portfolio acquisitions and disposals, and the net gains from the fund's investment activities. In order to model the impact of different sets of terms and conditions, it is vital to have a model of fund progress and performance to which the terms can be applied. After all, the true test of any proposed set of terms is not the headline rate of management fee or carry, but how these impact the GP's and LP's economics over the lifetime of the fund.

Fig. 3.3: Breakdown of Number of Funds by GP Location (Funds Raising and Vintage 2013/2014 Funds Closed)



Preqin's Performance Analyst has the largest sample of fund performance data available anywhere (currently over 7,000 funds), and is unique in that the performance data is available on a totally transparent basis; details can be seen for each individual named fund on the database. We have used Performance Analyst to model the typical investment and divestment progress of each fund type over its lifetime, and have thereby modelled the economic impact of different sets of terms. As with all our databases and publications we welcome feedback and requests for further clarification from users on the data sources and methodologies used.

6. Management Fees

Investment Period

Management fees during the investment period are almost always calculated as a percentage fee applied to the commitments made by the LP to the fund. The logic for this is that the primary determinant of the workload for the GP is the search for potential investments, and this is driven by the size of total commitments to the fund, and not the actual amount invested at this stage in the fund's lifetime. The stated length of the investment period is an important factor for LPs in the fund's terms, as the management fee will often be lower after it ends.

Over 40% of the most recent private equity funds (those raising and yet to begin investing as of July 2014, or with a vintage of 2013 or 2014) have an investment period of five years, as shown in Fig. 6.1. Preqin's data shows that 80% of funds have an investment period between three and five and a half years, with only a small proportion of private equity funds having investment periods of more than seven years and just 1% of funds having a length of less than two years. Five years is generally the standard investment period length for several major private equity fund types, such as buyout, venture capital and growth. Other fund types typically have shorter investment periods, with Fig. 6.2 showing that real estate, secondaries and distressed private equity funds have averages notably lower than five years.

The length of the investment period is usually stated as a number of years from either the initial or final close of the fund. From our most recent sample of funds, 49% state the investment period as a number of years from the first close, with 51% using the final close, showing that there seems to be little preference between the two. Often for private equity funds, there is a strictly defined time period allowed between the first and final close. For the largest proportion (64%) of funds with a 2013 or 2014 vintage or still currently raising but yet to invest, this time limit is 12 months. The next most prevalent time limit of funds in this pool is 18 months, with 26% of recent private equity funds stipulating a year and a half time limit between the first interim close and the final close.

The figures shown here are based on the standard, or default, investment period length stated in the management agreements. A number of agreements also include conditions concerning the termination of the investment period, or the investment period fee regime, at an earlier date, as well as circumstances under which the investment period may be extended. An

Fig. 6.1: Length of Investment Period (Funds Raising & Vintage 2013/2014 Funds Closed)

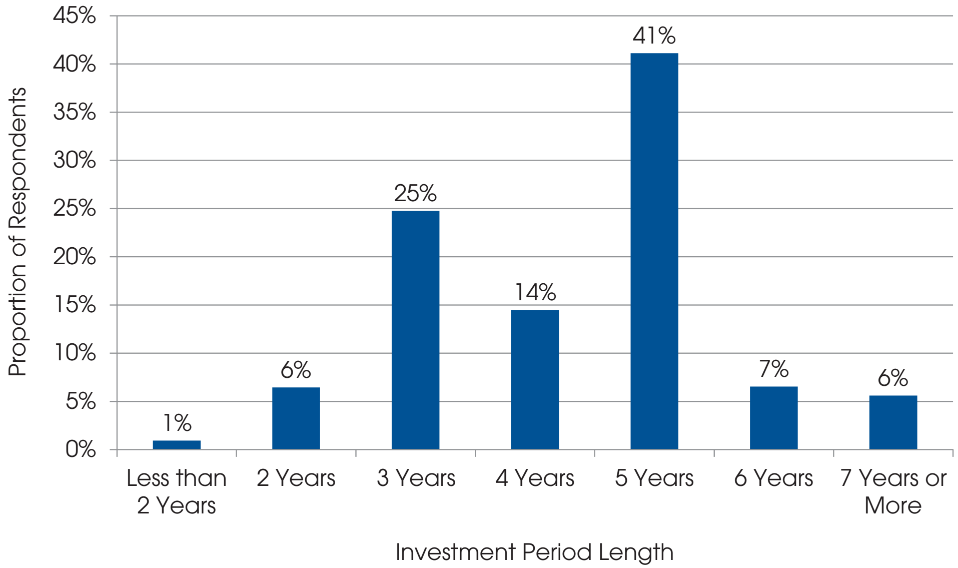
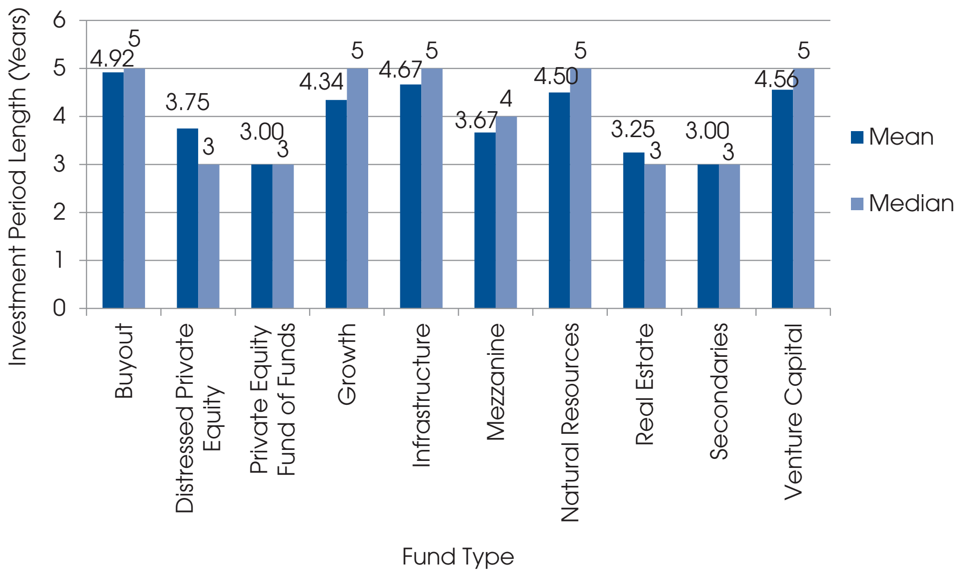


Fig 6.2: Average Duration of Investment Period by Fund Type (Funds Raising & Vintage 2013/2014 Funds Closed)



8. Governance

This section examines some of the non-financial clauses that are yet to be covered elsewhere in the 2014 Preqin Private Equity Fund Terms Advisor, and are important considerations for the alignment of interest between LPs and GPs. Terms such as the existence of a key-man clause, a no-fault divorce clause and allowances for extension of fund life are examined by investors during the due diligence process, playing some part in their decision to make a commitment to a private equity fund.

Key-Man Clause

The key-man clause is an important non-economic governance factor for private equity funds, granting LPs in the fund the opportunity to terminate the fund's investment period, and/or appoint a new GP to manage the fund, in the event that a specified number of the original partners of the managing firm cease to devote all or the majority of their professional time to the management of the fund. When the clause is activated, the GP is prohibited from making any further new investments until such a time that new replacement key executives are appointed. However, the fund manager will typically be permitted to make any investments that had already been agreed to be made prior to such a date.

The inclusion of a key-man clause is now commonplace across all direct private equity fund types. In fact, Preqin's data shows that 88% of private equity funds have a key-man clause. The majority of key-man clauses stipulate the number of partners of the firm, perhaps naming specific individuals that would need to cease to devote a sufficient amount of their time to the partnership for the clause to be activated. Some LPs will even state specific quantitative terms, such as a demand that "75% of their business time" is dedicated to the fund or related entities, although this is less common.

Key-man clauses can have more than one level, becoming active if any of the levels are reached. For example, a key-man clause with two levels may take the form: "If either of the two founding partners, or any three of the principals, no longer devotes the majority of their time to the partnership..."

Fig. 8.1 shows the proportion of private equity funds with a 2013 or 2014 vintage, or those yet to begin investing as of July 2014, that have key-man clauses with one, two or three levels. Eighty percent of such funds have a one-level key-man clause, while 18% have two levels and 2% have three levels. Additionally, it should be noted that larger funds generally tend to have

Fig. 8.1: Number of Levels in Key-Man Clause (Funds Raising & Vintage 2013/2014 Funds Closed)

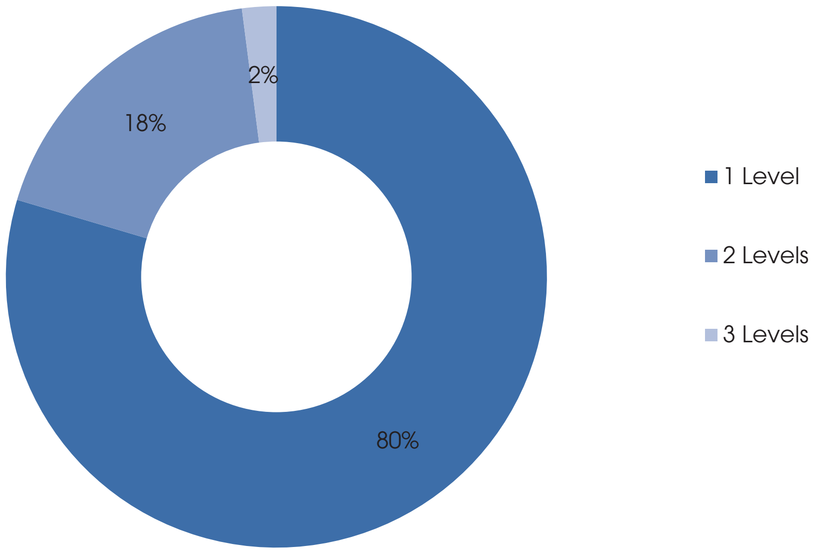
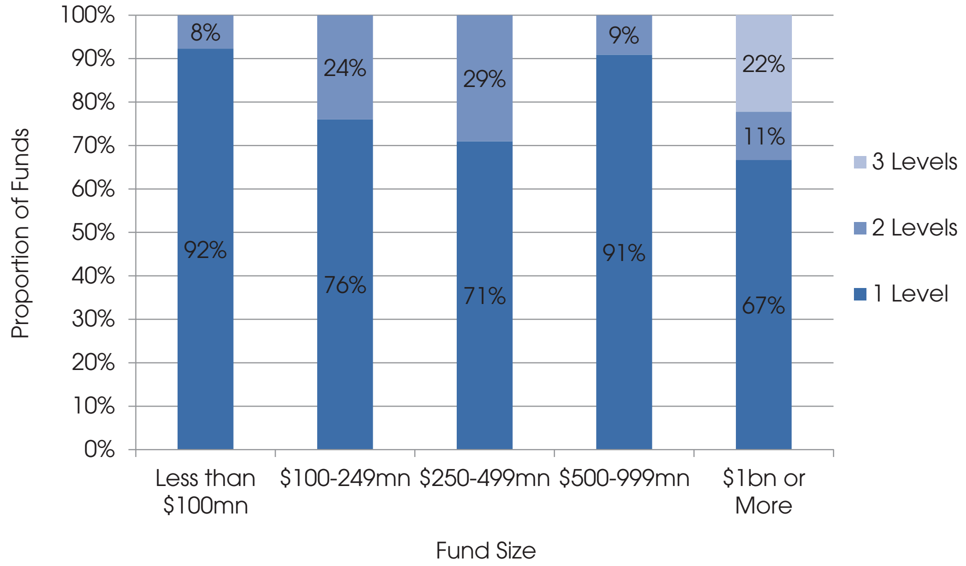


Fig. 8.2: Number of Levels in Key-Man Clause by Fund Size (Funds Raising & Vintage 2013/2014 Funds Closed)



Fund No.	Fund Type	Fund Vintage	Fund Size	GP Location	Management Fees - Investment Period	Charge Frequency	Mechanism for Reduction after Investment Period	Rate Post Investment Period
Fund 1	Balanced	2000	USD 100-249mn	North America	2.00%		Annual reduction in rate, discount on previous year fee %	1.70%
Fund 2	Balanced	2001	≥ USD 2bn	North America	1.50%	Quarterly	Reduced rate, charged on invested capital	
Fund 3	Balanced	2004	USD 100-249mn	Europe	2.00%	Quarterly		
Fund 4	Balanced	2004	USD 100-249mn	Europe	2.00%		Same rate, charged on invested capital	2.00%
Fund 5	Balanced	2004	USD 50-99mn	North America	2.00%	Semi-annual	Same rate, charged on invested capital	2.00%
Fund 6	Balanced	2005	USD 100-249mn	Europe	2.00%			
Fund 7	Balanced	2005	USD 100-249mn	North America	2.00%			
Fund 8	Balanced	2005	USD 100-249mn	Europe	2.00%	Quarterly		
Fund 9	Balanced	2005	USD 50-99mn	Europe	2.00%		No change	2.00%
Fund 10	Balanced	2006	USD 50-99mn	Europe	2.00%	Semi-annual		
Fund 11	Balanced	2006	USD 50-99mn	Europe	2.00%	Quarterly		
Fund 12	Balanced	2007	≥ USD 2bn	Europe	2.00%	Semi-annual	Same rate, charged on invested capital	2.00%
Fund 13	Balanced	2007	USD 100-249mn	Europe	2.00%		Fee reduced by other mechanism	
Fund 14	Balanced	2007	USD 100-249mn	North America	2.50%		Fee reduced by other mechanism	
Fund 15	Balanced	2007	USD 250-499mn	North America	2.00%	Quarterly	Reduced rate, charged on invested capital	
Fund 16	Balanced	2008	USD 1-1.9bn	Asia & ROW	2.00%	Quarterly	Same rate, charged on invested capital	2.00%
Fund 17	Balanced	2009	USD 50-99mn	Europe	2.50%	Semi-annual	Same rate, charged on invested capital	
Fund 18	Balanced	2010	< USD 50mn	Asia & ROW	3.00%	Semi-annual	Same rate, charged on invested capital	3.00%
Fund 19	Balanced	2010	< USD 50mn	Asia & ROW	2.00%	Monthly	Same rate, charged on invested capital	2.00%
Fund 20	Balanced	2010	USD 1-1.9bn	Asia & ROW	2.00%	Quarterly	Same rate, charged on invested capital	2.00%
Fund 21	Balanced	2010	USD 100-249mn	Asia & ROW	2.00%		Same rate, charged on invested capital	2.00%
Fund 22	Balanced	2010	USD 100-249mn	North America	2.00%		Same rate, charged on invested capital	
Fund 23	Balanced	2010	USD 250-499mn	Europe	2.00%		Same rate, charged on invested capital	
Fund 24	Balanced	2011	≥ USD 2bn	North America	1.50%		Reduced rate, charged on invested capital	1.00%
Fund 25	Balanced	2011	USD 50-99mn	Europe	2.50%			
Fund 26	Balanced	2012	< USD 50mn	Asia & ROW	2.00%			
Fund 27	Balanced	2012	≥ USD 2bn	North America	1.30%			
Fund 28	Balanced	2012	USD 100-249mn	Asia & ROW	2.00%		Same rate, charged on invested capital	2.00%
Fund 29	Balanced	2013	USD 100-249mn	Europe	1.00%	Annual		
Fund 30	Balanced	2013	USD 250-499mn	North America	2.00%			
Fund 31	Balanced	2013	USD 500-999mn	North America	2.00%	Quarterly	Annual reduction in rate, discount on previous year fee %	1.75%
Fund 32	Balanced	2013		North America	2.00%			
Fund 33	Buyout	2000	≥ USD 2bn	North America	1.50%	Semi-annual	Reduced rate, charged on invested capital	0.75%
Fund 34	Buyout	2000	≥ USD 2bn	North America	1.50%		Reduced rate, charged on invested capital	
Fund 35	Buyout	2000	≥ USD 2bn	North America	2.15%	Quarterly	Reduced rate, charged on invested capital	1.80%
Fund 36	Buyout	2000	≥ USD 2bn	North America	3.75%	Quarterly	Reduced rate, charged on invested capital	1.88%
Fund 37	Buyout	2000	USD 1-1.9bn	North America	1.50%		Same rate, charged on invested capital	1.50%
Fund 38	Buyout	2000	USD 1-1.9bn	North America			Reduced rate, charged on invested capital	
Fund 39	Buyout	2000	USD 1-1.9bn	North America				
Fund 40	Buyout	2000	USD 250-499mn	Europe	2.00%		Same rate, charged on invested capital	2.00%
Fund 41	Buyout	2000	USD 250-499mn	North America	2.00%		Same rate, charged on invested capital	2.00%
Fund 42	Buyout	2000	USD 500-999mn	North America	2.00%		Same rate, charged on invested capital	2.00%

Fund Geographic Focus	Carried Interest Basis	Carried Interest %	Preferred Return %	No-Fault Divorce Clause	Percentage Needed	Share of Transaction Fees Rebated to LPs	GP Commitment %	Minimum LP Commitment (mn)	Investment Period (Years)	Fund Formation Costs Limit (mn)	Key-Man Clause
North America	Deal by Deal	20%	0%	Yes	80%	100%	1.00%		5		Yes
North America	Other	20%	0%	Yes	75%	100%	1.90%		6		Yes
Asia & ROW	Whole Fund	20%	8%								
Europe	Whole Fund	20%	8%	Yes		100%	1.58%				Yes
North America	Deal by Deal	20%	8%			80%	2.00%		5		
Europe		20%	7%						2.5		
North America	Whole Fund		8%	Yes			2.00%				Yes
Asia & ROW	Whole Fund	20%	8%								
Europe			6%								Yes
Asia & ROW	Whole Fund										
Asia & ROW	Whole Fund	20%	8%								
Asia & ROW	Whole Fund	20%	8%	Yes	85%	100%	1.00%	USD 10	5		Yes
Europe	Whole Fund	20%	7%						6		
North America	Deal by Deal	20%	8%				1.00%				
North America	Whole Fund	20%	8%	No		80%	2.00%	USD 5	5	USD 0.75	Yes
Asia & ROW	Deal by Deal	20%	8%			80%	26.14%	USD 10	5		Yes
North America		20%	0%					EUR 3	5		Yes
Asia & ROW	Whole Fund	20%	0%	No			50.00%		3		No
Asia & ROW		20%	8%				22.98%	NZD 0.25	5		
Asia & ROW	Whole Fund	20%				50%	0.03%	USD 1	3		Yes
Asia & ROW	Whole Fund		8%			80%	1.00%	USD 5	5	USD 1.2	
Asia & ROW		15%					1.00%	USD 2			
Europe	Whole Fund	20%	8%			75%	1.00%	EUR 3	4	EUR 1.25	Yes
Asia & ROW		20%	9%			100%	3.33%		5		
Europe		20%	6%					EUR 0.5	5		
Asia & ROW		20%					2.00%	CNY 6			
North America	Whole Fund	20%	0%								
Asia & ROW	Whole Fund	20%	8%	Yes	75%	100%		EUR 0.5	5		Yes
Asia & ROW								USD 2			
North America											
North America	Other	20%				100%	1.00%		6		
North America											
North America	Deal by Deal	20%	8%	Yes	75%		5.00%		6		Yes
North America	Deal by Deal	20%	7%	Yes	75%	60%	0.20%		6		Yes
North America	Deal by Deal	20%	0%	Yes	80%	100%			6		Yes
North America	Deal by Deal	20%	10%	No		80%	2.50%		6		Yes
North America	Whole Fund	20%	8%	Yes	75%	100%	2.00%		5		Yes
North America	Deal by Deal	20%	7%	Yes	85%	80%	2.00%		6		Yes
North America		20%	8%	Yes	75%				6		Yes
Europe		20%	8%						5		
North America	Deal by Deal	20%	8%	No		50%			6		Yes
North America	Deal by Deal	20%	8%	Yes	67%	75%			5		Yes

Fund Name	Fund Type	Fund Vintage	Region Focus	Fund Status	Fund Sizes (mn) (*for Target)	Annualized Total Fees and Costs												
						2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Morgenthaler Venture Partners V	Venture (General)	1998	North America	Closed	300 USD			2.41	2.41	2.41	0.26	0.01	0.01		0.00			
Morgenthaler Venture Partners VI	Venture (General)	2000	North America	Closed	575 USD			1.56	2.01	2.25	2.42	2.41	0.87	0.06	0.82	0.04		0.11
Morgenthaler Venture Partners VII	Venture (General)	2001	North America	Closed	850 USD		0.92	1.27	1.41	2.23	1.94	2.39	2.39	1.58	1.31	1.18	0.01	0.01
Morgenthaler Venture Partners VIII	Venture (General)	2005	North America	Closed	450 USD					0.44	0.96	1.41	1.25	1.31	1.29	1.75	1.49	1.32
Morgenthaler Ventures IX	Venture (General)	2008	North America	Closed	400 USD								0.50	1.20	1.60	1.80	1.80	1.95
Mount Kellett Capital Partners II	Special Situations	2012	Asia	Closed	4,000 USD													2.00
MPM BioVentures II	Venture (General)	2000	North America	Closed	600 USD		2.65	3.65										
MPM BioVentures III	Venture (General)	2002	North America	Closed	940 USD		1.40	2.14										
MSouth Equity Partners	Buyout	2008	North America	Closed	265 USD								1.25	0.45	0.44	0.27		
MSouth Equity Partners II	Buyout	2012	North America	Closed	438 USD													0.72
Natural Gas Partners IX	Natural Resources	2007	North America	Closed	4,000 USD								2.54	1.91	1.80	1.93		1.10
Natural Gas Partners X	Natural Resources	2012	North America	Closed	3,586 USD													1.33
Nautic Partners V	Buyout	2000	North America	Closed	1,061 USD		1.90	1.43			0.82	1.16	0.93	0.44	0.55	0.19	0.02	
Nautic Partners VI	Buyout	2007	North America	Closed	800 USD							0.37	1.55	0.99	1.70	1.31		1.11
New Enterprise Associates IX	Early Stage	1999	North America	Closed	871 USD		0.87	1.01	0.68	0.83	0.81	0.81	0.94	0.71	0.90	0.88	0.19	0.19
New Enterprise Associates VI	Early Stage	1994	North America	Closed	230 USD				0.51	0.62	0.00	0.03						
New Enterprise Associates VII	Early Stage	1996	North America	Closed	311 USD				0.51	0.62	0.60	0.56	0.72	0.11				
New Enterprise Associates X	Early Stage	2000	North America	Closed	2,300 USD		0.76	0.87	0.58	0.44	0.80	0.50	0.65	0.68	0.53	0.57	0.56	0.56
New Enterprise Associates XI	Venture (General)	2004	North America	Closed	1,100 USD				0.63	0.72	0.45	0.38	0.60	0.70	0.61	0.62	0.58	0.58
New Enterprise Associates XII	Venture (General)	2006	North America	Closed	2,500 USD						0.85	1.09	1.13	1.14	1.22	1.21	0.89	0.89
New Enterprise Associates XIV	Venture (General)	2012	North America	Closed	2,600 USD													1.11
New Mountain Partners	Buyout	2000	North America	Closed	770 USD		1.47	1.39										
New Mountain Partners II	Buyout	2005	North America	Closed	1,500 USD					0.97	1.81	2.33	0.46	1.06	1.00	0.59	0.09	
New Mountain Partners III	Buyout	2007	North America	Closed	5,100 USD							0.67	1.56	1.56	1.68	1.30	1.22	
New York Life Capital Partners III	Co-Investment	2005	North America	Closed	450 USD						1.23	1.00	0.99	1.01	1.00	0.75	0.45	0.45
New York Life Capital Partners IV	Co-Investment	2008	North America	Closed	485 USD								0.98	1.00	0.50	0.50	0.50	0.50
Newbridge Asia II	Buyout	1998	Asia	Liquidated	795 USD				1.57									
Newbridge Asia III	Buyout	2001	Asia	Closed	724 USD			2.45	1.92	1.28	2.05	1.42	1.82	0.72	0.77	0.30	0.10	
Newbridge Asia IV	Buyout	2005	Australasia	Closed	1,561 USD					0.73	2.40	1.79	0.67	0.72	0.59	0.73	0.55	0.55
NewMargin Partners I	Expansion / Late Stage	2007	Asia	Closed	350 USD								3.51	2.49	2.43	2.33		1.94
NewSpring Growth Capital II	Expansion / Late Stage	2007	North America	Closed	162 USD							1.88	2.00	2.00	2.00	2.00	2.00	2.00
NewSpring Growth Capital III	Expansion / Late Stage	2012	North America	Closed	250 USD													1.83
NGEN Partners II	Venture (General)	2005	North America	Closed	180 USD					0.58	3.04	2.21	2.15	1.99	1.59	1.35	1.12	0.72
Niam Nordic V	Real Estate	2012	Europe	Closed	719 EUR													1.48
Nogales Investors Fund I	Growth	2001	North America	Closed	100 USD	0.10	2.88	2.85	1.16	1.79	2.30	2.66	1.73	1.02	1.04	1.28	0.54	0.58
Nogales Investors Fund II	Growth	2006	North America	Closed	245 USD						0.34	2.46	2.13	2.09	0.75	0.46	0.50	0.53
Nordic Capital Fund III	Buyout	1998	Europe	Liquidated	350 EUR						0.86	1.22	0.04	0.02	0.00			
Nordic Capital Fund V	Buyout	2003	Europe	Closed	1,500 EUR				1.89	1.93	1.24	0.79	0.93	1.12	0.14	0.79	0.38	0.05
Nordic Capital Fund VI	Buyout	2006	Europe	Closed	1,900 EUR						1.34	1.25	0.79	0.41	0.51	1.29	0.10	0.14
Nordic Capital Fund VII	Buyout	2008	Europe	Closed	4,300 EUR								1.63	1.32	1.58	1.67	1.42	1.86

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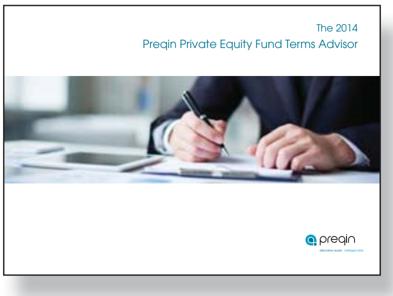

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