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Dear Spotlight reader,

SuperInvestor 2011 will see more **than 800 attendees**, including **250 LPs** descend on Paris for an incredible few days this November.

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I look forward to seeing you there,

Mark O'Hare
CEO, Preqin

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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, Fund Manager Profiles, Funds in Market, Secondary Market Monitor and Deals Analyst.

October 2011
Volume 7 - Issue 10

FEATURED PUBLICATION:

The 2011 Preqin Private Equity Performance Monitor



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Private Equity Spotlight

October 2011

Alternatives Investment Consultants

With 48% of private equity investors taking advantage of the services of an external alternatives consultancy and LPs driving for change from GPs, this sector is more important than ever. This month's feature article explores the role of alternatives investment consultants, their importance to GPs seeking to raise capital, and LP sentiment towards the services offered by their consultant.

Preqin Industry News

Each month Preqin's analysts speak to hundreds of investors, fund managers and intermediaries from around the world, uncovering vital, exclusive intelligence. This month's Industry News features important updates on Apollo Global Management, Missouri State Employees' Retirement System, and more.
Page 6.

Industry Dry Powder

In the immediate aftermath of the economic downturn, private equity fundraising fell to record lows. Despite investor confidence and capital commitments to the industry recovering, substantial levels of undeployed capital remain. We investigate where this capital is held and just how much of cash held in reserve is 'fresh'.
Page 7.

The Facts

[Fund Administration](#) - a look at fund administration. [Page 10.](#)

[Investors](#) - the latest statistics regarding foundations that invest in private equity. [Page 11.](#)

[Buyout Deals and Exits](#) - a round-up of Q3 2011 deals and exit statistics. [Page 12.](#)

[Funds of Funds](#) - a summary of the fund of funds fundraising market. [Page 13.](#)

[Conferences](#) - details of upcoming private equity conferences from around the world. [Page 14.](#)



You can download all the data in this month's Spotlight in Excel. Wherever you see this symbol, the data is available for free download on Excel. Just click on the symbol and your download will begin automatically. You are welcome to use the data in any presentations you are preparing, please cite Preqin as the source.

Global private equity fundraising

Capstone Partners (www.csplp.com) is a leading independent placement agent focused on raising capital for private equity and real estate firms. The Capstone team includes over 20 experienced professionals in North America, Europe and Asia.

We congratulate the Industry Ventures team in the successful closing at hard cap of Industry Ventures Fund VI, L.P.



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Alternatives Investment Consultants

More than Middle Men?

In a changing asset class, consultants are becoming increasingly influential as investors seek to invest with only the best fund managers. [Alex Jones](#) and [Dami Sogunro](#) detail how this vital sector of the industry is being utilized by LPs eager to see change and their role as custodians of investors' capital and interests.

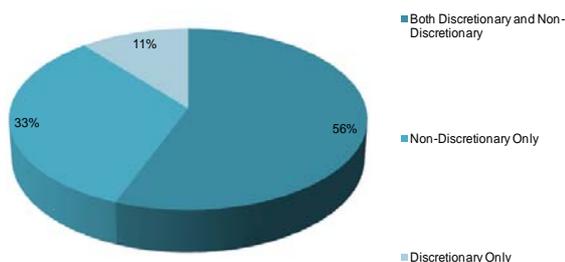
The profound effects of the global financial crisis have resulted in a new private equity landscape emerging, with increasing and far-reaching financial regulation, changing investor attitudes and tough fundraising conditions for an industry forced to learn many harsh lessons in a post-boom climate. How alternatives investment consultants fit into this changing landscape is vital for both institutional investors and fund managers to understand.

The Role of Alternatives Investment Consultants in a Post-Crisis World

In recent years, there has been a growing trend for change within the private equity industry, spearheaded by institutional investors keen to react to the financial crisis. There have been fundamental changes made to the outlook, risk appetite and attitude of the institutional investors that fund managers are dependent upon for capital:

- Increased attention to fund terms and conditions: As investors have become more sophisticated and experienced in alternatives, and in light of the drop in performance seen in the immediate aftermath of the financial crisis, there has been increasing pressure for change. Investors have taken advantage of poor fundraising conditions by pushing for concessions on private equity fund terms and conditions – particularly fee structures – and now expect increased levels of transparency from managers.
- Increased scrutiny of portfolio performance: Past performance and the proven viability of proposed strategies in the current market are being given special attention as part of an

Fig. 1: Breakdown of Alternatives Investment Consultants by Nature of Service Provided



Source: Preqin

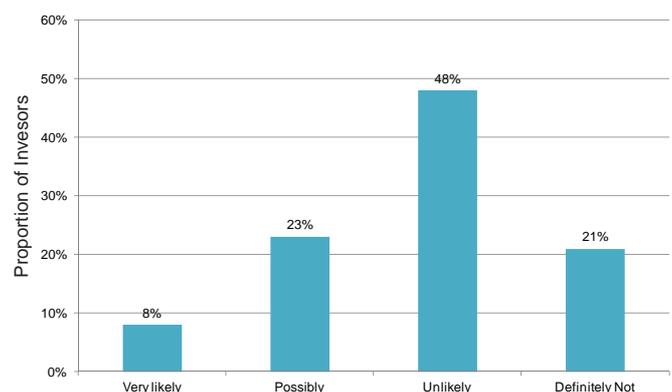
overall increase in due diligence processes. The increased attention to due diligence is being applied not only to new opportunities, but also to existing relationships. Informed by the post-crisis atmosphere of caution, investors are generally now more discerning in terms of fund selection. The days of the automatic re-up are over, resulting in an overcrowded fundraising marketplace. While private equity fundraising has been constricted, the best placed managers can still attract capital, with effective investor relations more essential than ever in ensuring a high investor retention rate.

- Consolidation of manager relationships: Within the private equity asset class there has been a marked trend of reducing the number of manager relationships in order to increase portfolio oversight and levels of risk management.

How do alternatives investment consultants fit into this changing dynamic? Consultants play a key role in many aspects of investment in the alternatives sector, being employed by their institutional clientele to carry out a broad range of services, including: discretionary fund selection, non-discretionary advice, portfolio administration, due diligence, relationship management and more. As Fig. 1 indicates, 11% of alternatives investment consultants exclusively offer discretionary services and 33% offer non-discretionary advice only, whereas the majority (56%) offer both services.

Given the changes the private equity industry has experienced and the intrinsic role played in portfolio creation, due diligence and fund

Fig. 2: Likelihood of Private Equity Investors Seeking New or Additional Advice on Alternative Investments in the Next 12 Months



Source: Preqin



selection, investment consultants are more important than ever. For the investors that utilize their services, consultants have become the sword edge of an increasingly activist base of clients. Fund managers that wish to maintain and/or expand their investor base must pay attention to investors' changing demands and effective communication with consultants is a vital part of this process. Ultimately, private equity fund managers that can showcase their offerings to the appropriate consultant teams are more effective at reaching a wider audience of potential investors and subsequently are likely to be better placed to attract institutional capital.

Investor Attitudes towards Alternatives Investment Consultants

Institutional investors' increased scrutiny of all aspects of the alternatives industry has also had far-reaching consequences for investment consultants active in the space.

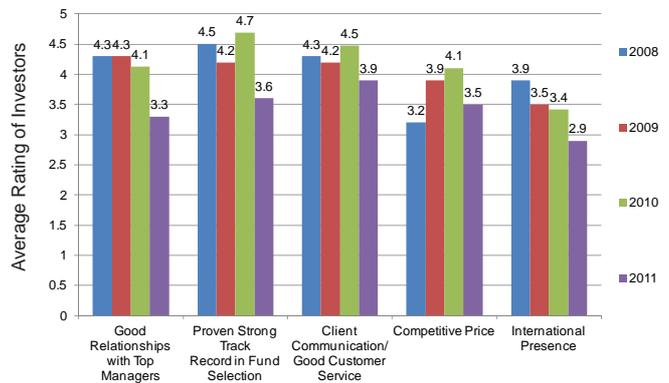
In order to assess investor attitudes towards alternatives consultants, Preqin undertook a study of 125 leading institutional investors that make use of the services of an investment consultant for some or all of their investments in alternative assets, the full results of which can be seen within the body of the 2012 Preqin Alternatives Investment Consultant Review. The split of respondents is representative of the global make-up of institutional investors in alternatives by type, size and location.

A considerable 8% of institutions that invest in private equity and utilize external consultants are very likely to be seeking new consultants in the next 12 months, while an additional 23% view this as a possibility, as shown in Fig. 2. Although 45% are unlikely to seek new consultancy service providers, there are significant opportunities for investment consultants to attract new clients in 2012.

Fig. 3 shows the areas in which investment consultants must focus in order to maintain good relationships with their clients and effectively attract new retainers. Investors were posed questions on performance-related issues and their investment consultant review procedure. Respondents to the study were asked to rank the level of importance they place on several of the key attributes they consider when assessing and reviewing investment consultants. Each attribute was ranked on a scale of one to five, with one denoting a low level of importance and five denoting a high level of importance.

Present investor sentiment indicates that the two most important attributes a consultant must offer are strong communication skills/customer focus and a proven track record in fund selection. Other key qualities indicated by LPs in 2011 are competitive pricing structures, positive pre-existing relationships with top fund managers and finally, international presence, which has experienced a year-on-year drop in importance. As investors have become increasingly globally orientated, with more institutions than ever gaining first-hand experience of exposure to less familiar markets, it is becoming less important for consultants to offer their own international facilities.

Fig. 3: Attributes Clients Consider When Reviewing Alternative Assets Investment Consultants (1 - Low Importance; 5 - High Importance)



Source: Preqin

Data Source:

This month's feature article is a preview of the forthcoming 2012 Preqin Alternatives Investment Consultant Review. With comprehensive profiles for over 365 investment consultants for institutional investors in alternative assets, the 2012 Review is the ultimate guide to this vital area of the market.

The Review also contains full results of an indepth LP survey regarding consultant use, analysis of key information, client information, league tables and more...

For more information please visit:
www.preqin.com/aic

Investor Intelligence Upgrade

Following extensive client feedback, we have developed a number of exciting new features for the **Preqin Investor Intelligence** online database. More information on these enhancements is listed below, but if you would like a walkthrough of the database, please click [here](#).

New Features Include:

Asset Class Switcher

Preqin tracks investors in alternative asset classes, including private equity, hedge funds, real estate, infrastructure and secondaries. We have now made it easier to view individual LP activity across different asset classes with the new 'Asset Class Switcher.'

GPs

Users can see a list of firms each LP has invested with and a count of funds committed to at each firm. Clicking the number of funds will show you exactly which vehicle the LP has made a commitment to.

*NB. Individual fund quartile performance data is only available to subscribers to both Investor Intelligence and **Performance Analyst**

Investor News

Each investor profile now includes a news archive allowing access to all Preqin news stories for individual LPs.

Buyout Deals Exposure

Investor Intelligence subscribers can now view summary information on each LP's known exposure to buyout deals through their fund commitments. Subscribers with access to both Investor Intelligence and **Deals Analyst** can also view this information on a deal-by-deal basis.

Performance Data

In addition to the portfolio performance summary data available to all Investor Intelligence subscribers, users who also have access to Performance Analyst can now view vital fund-by-fund performance information for LPs' portfolios.

Contact Us:

For more information, please visit the Preqin **Investor Intelligence** product page or email info@preqin.com for a walkthrough of the database.

GP's

General | Contacts | Funds | GPs | News | Performance | Buyout Deals

GP's Invested With

Firm	Location	No. Known Funds Invested In - All Time (Click to View)
Carlyle Group	US	21
Blackstone Group	US	2

Fund	Vintage	Fund Type	Fund Status	Fund Size (mn)	Commitment Size (mn)	Quartile
Blackstone Capital Partners VI	2011	Buyout	Closed	16000 USD	500 USD	
GSO Capital Solutions Fund	2010	Distressed Debt	Closed	3250 USD	250 USD	
GSO Capital Opportunities Fund	2008	Mezzanine	Closed	2000 USD	100 USD	1

News

General | Contacts | Funds | GPs | News | Performance | Buyout Deals

News Date | News Headline

08/09/2011 [New York State Common Retirement Fund \(NYSCRF\)](#) has committed USD 180 million to two private equity funds. [Read More](#)

02/08/2011 [New York State Common Retirement Fund \(NYSCRF\)](#) is planning a fiduciary review. [Read More](#)

The USD 146 billion public pension fund is currently searching for a firm to conduct a conflict of interest review. It will cover investment-related procedures, policies and practices to ensure they are in line with common and best practices. The review will also investigate whether the pension fund maintains adequate levels of operational transparency. The fiduciary review follows the pay-to-play investigation, which resulted in the state permanently banning the use of placement agents, in order to prohibit inappropriate relationships between employees of the pension fund and investment firms. New York State Common Retirement Fund is a large and active investor in the private equity asset class, and currently has a target allocation of 10% of total assets.

05/05/2011 [New York State Common Retirement Fund](#) to make "pay-to-play" ban permanent. [Read More](#)

[View all news for this firm](#)

Fund Portfolio Performance

General | Contacts | Funds | GPs | News | Performance | Buyout Deals

Reported Horizon Returns

Reported Horizon Returns for California Public Employees' Retirement System (CalPERS)

Asset Class	Date Asat	12 Months	3 Years	5 Years	10 Years
Overall Return	31-Dec-10	12.5	-2.9	3.1	4.3

[View Historic Performance Returns for California Public Employees' Retirement System \(CalPERS\)](#)

Comparable Median Reported Horizon Returns - all PFs where data available

Asset Class	Date Asat	12 Months	3 Years	5 Years	10 Years
Overall Return	31-Dec-10	13.2	-0.2	4.4	4.7
Private Equity	31-Dec-10	16.2	0.5	8.1	7.2

NB: Owing to the reporting schedules, private equity horizon IRRs are usually lagged by a quarter.





Preqin Industry News

Claire Wilson delivers a round-up of the latest private equity news, featuring exclusive intelligence uncovered by Preqin's analysts. Preqin Online subscribers can click on the investor/firm names to view the full profiles.

News from the Road

It's all systems go in the distressed debt arena as a number of firms bring new vehicles to market. Funds providing debt financing are becoming increasingly popular as bank lending is restricted.

After closing its first fund in February 2010, [Apollo Global Management](#) has launched its second distressed debt offering. [Apollo European Principle Finance Fund II](#) will target the non-performing loans sector in Europe. Also raising a new distressed vehicle, [TPG](#) have launched [TPG Opportunities Partners II](#) fund and are seeking commitments of \$1.5bn. The fund is the firm's first distressed debt fund and will focus on global investments in non-performing loans, distressed-for-control and special situations.

Reaching the end of their fundraising journey, a number of funds have closed in the past couple of weeks.

[JVP Opportunity VI](#) closed on \$80mn, \$30mn over target. The venture fund invests in companies that Jerusalem Venture Partners has invested in over the last few years and focuses on expansion and late stage micro investments in technology-enabled Israeli companies.

North America-focused [RCP Fund VII](#) has also held a final close. The fund of funds invests in lower mid-market buyout funds targeting companies with an enterprise value of between \$25-250mn. The fund, which has already invested in eight private equity vehicles, closed on target at \$300mn and will invest between \$15mn and \$25mn in 10-15 funds.

Eye on Investors

Those investors looking to make further commitments in the next 12 months include US Virgin Islands-based [Government Employees Retirement System](#). The \$1.4bn pension fund, which has a current private equity allocation of 2.5% of AUM, will invest opportunistically and has a preference for North America-focused funds of funds. It will consider both new managers and those with which it has invested previously.

Fellow public pension fund [Missouri State Employees' Retirement System](#) expects to commit to up to four new funds in the next year. The investments will be worth a combined total of up to \$120mn and could be across a variety of fund types and geographies.

Deal Watch

[Hellman & Friedman](#) and [Carlyle Group](#) are to acquire [Pharmaceutical Product Development](#). The definitive merger agreement, worth \$3.9bn, was agreed earlier this month. The firms will pay \$33.25 per share, in cash – a premium of almost 30% on the stock's last closing price of \$25.66.

AGCO Corporation meanwhile will buy [GSI Holdings Corp](#) for \$940mn from Centerbridge Capital Partners. Subject to regulatory approval the deal will close by the end of the year.

And finally...

Ontario Municipal Employees Retirement System is launching a \$150mn venture capital arm. The venture capital business will be run by a team of eight including former employees of both Microsoft and Bank of Montreal. The new firm has already made an investment in WaveAccounting.com, a Toronto-based company which has developed an accounting application for small businesses

Data Source:

Do you have any news you would like to share with the readers of Spotlight? Perhaps you're about to launch a new fund, have implemented a new investment strategy, or are considering investments beyond your usual geographic focus?

Send your updates to cwilson@preqin.com and we will endeavour to publish them in the next issue.



Dry Powder Levels - How Fresh Is the Industry?

Alex Jones and Bronwyn Williams examine levels of industry dry powder and evaluate how quickly fund managers are deploying capital committed by investors.

Wider Economic Conditions and Dry Powder Levels

In the initial period following the collapse of Lehman Brothers in 2008, the private equity industry was faced with a short-term reduction in performance, a decline in investor confidence in the asset class, and a consequent depression of the fundraising market. A lack of a healthy exit environment due to the wider economic climate resulted in a decline in distributions from fund managers, acting as a plug in the capital flow cycle from GP to LP and back to GP.

The nadir experienced across the industry was set in the immediate aftermath of a substantial boom period. The years 2006-2008 represented the peak of private equity fundraising, witnessing records for fund closures and amounts of capital raised. During 2007 alone, 1,378 funds closed on an aggregate \$665.5bn, while 1,308 funds garnered an aggregate \$679bn in investor capital in 2008. The boom period also saw record years for number and aggregate value of deals made, with 2,675 private equity-backed buyouts completed for an aggregate \$642.9bn in 2006, and 2007 seeing 3,123 deals made for a total of \$639.5bn. During these years the market was dominated by the mega-cap buyout funds that completed many outsized buyout deals. Given the fact that many fund managers were so successful prior to the crisis in raising capital, close attention has been paid to the levels of dry powder – capital held in reserve – by the industry.

As shown in Fig. 1, of the \$937bn in estimated dry powder that is available to fund managers worldwide, the majority (41%) is held by buyout funds, which is unsurprising given that many buyout funds typically raise large amounts from investors compared to

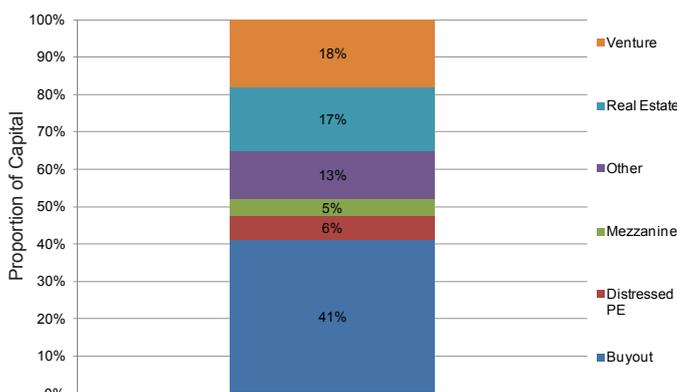
other fund types. The investment climate since the onset of the financial crisis, with a general lack of available financing for deals, has resulted in a significant drop in the value of deals made. Recently, a higher proportion of completed deals have been add-on deals, which indicates that many GPs are now more focused on a buy and build strategy in order to consolidate the position of present portfolio companies.

Old Capital vs. Fresh Capital

The constriction of the market has had wider effects in terms of levels of dry powder available to funds, with some GPs understandably reluctant to deploy their capital in an unfavourable economic climate. For example, Hellman & Friedman VII – a mega-buyout fund managed by US-based Hellman & Friedman – reached a final close in November 2009 having garnered \$8.8bn of capital from investors. Despite having been closed for a substantial period and surpassing its revised target of \$7bn, the GP has yet to deploy substantial amounts of this capital until relatively recently. In October 2011 it was announced that Hellman & Friedman – alongside Carlyle Group – would be involved in the \$3.9bn public-to-private buyout of US-based Pharmaceutical Product Development, Inc. Similarly, Blackstone Group's mega buyout fund Blackstone Capital Partners VI reached first close on over \$7bn in 2008 and subsequently went on to reach a final close in July 2010 on \$16bn, above its revised target size of \$15bn. Despite having initially closed the fund three years prior, Blackstone did not invest any capital from the fund until 2011.

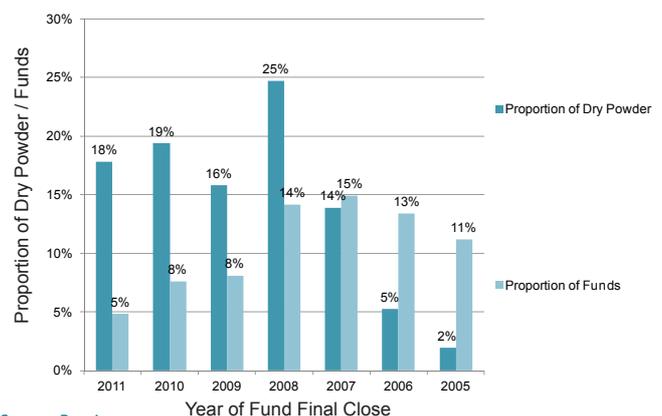
As Fig. 2 shows, the largest proportion of dry powder is being held by funds that closed three years ago. While this is a tendency

Fig. 1: Breakdown of Current Dry Powder Estimates by Fund Type



Source: Preqin

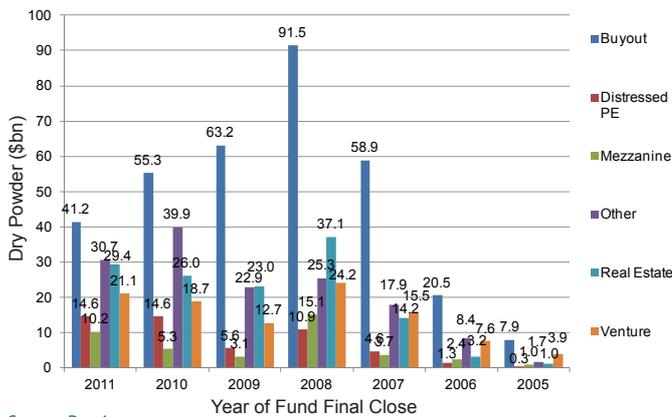
Fig. 2: Breakdown of Dry Powder Reserves by Year of Fund Final Close



Source: Preqin



Fig. 3: Dry Powder by Fund Type and Year of Final Close



Source: Preqin

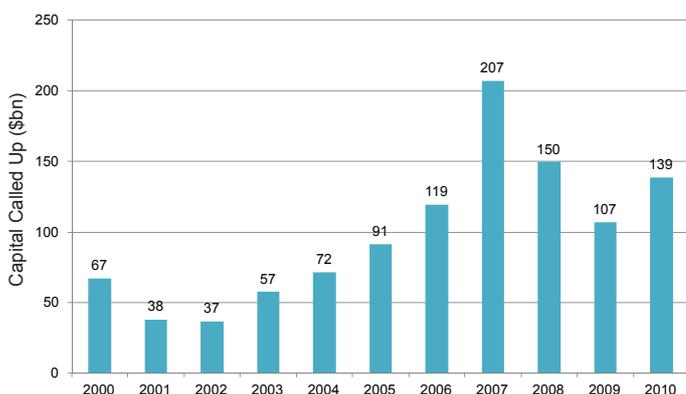
seen for most fund types, the vast majority of dry powder is held by buyout funds, as demonstrated by the breakdown by fund type (Fig. 3). Further investigation indicates that mega buyout funds hold a large proportion of the total dry powder available to buyout funds, as shown in the breakdown of buyout dry powder by buyout fund size shown in Fig 4. Opportunities in this section of the market were particularly badly hit by the downturn as mega-sized deals usually require significant proportions of debt financing, the availability of which declined significantly following the onset of the financial crisis.

The general slowdown in investment activity by buyout funds can be seen in the amount of capital called from investors per year, as shown in Fig. 5. While \$207bn was called up by funds during 2007, this dropped off to \$150bn the following year, and further to \$107bn in 2009 – the lowest figure since 2005.

Outlook

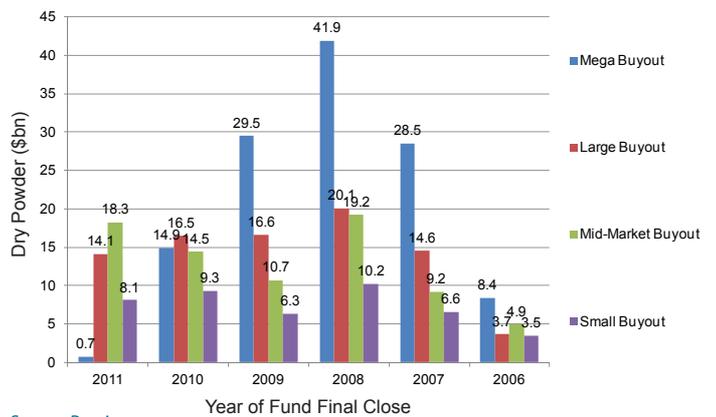
With the exception of real estate funds, the median fund investment period for private equity funds stands at five years. For fund managers that have effectively delayed their investment cycle due to wider market conditions, this poses a potential concern. While many funds' terms and conditions contain provisions for an agreement with LPs to extend the investment period, there is also

Fig. 5: Annual Amount of Capital Called Up by Buyout Funds



Source: Preqin

Fig. 4: Buyout Dry Powder by Fund Size* and Year of Final Close



Source: Preqin

considerable pressure on GPs to provide timely returns on invested capital – something that is impossible with the cash standing in reserve.

Despite this, the trend of fund managers holding on to their capital for longer should not necessarily cause worry amongst LPs. Private equity is a long-term, long-horizon and generally illiquid asset class. Ultimately fund managers are employed to actively manage their portfolios and therefore if a market offers few enticing opportunities it should be expected that GPs would delay transactions.

Once conditions stabilize, we expect to see the substantial levels of capital held in reserve by fund managers across the industry to be deployed. As with any lull in deal and exit activity, GPs will undoubtedly be under heightened pressure to put capital to work. When opportunities do arise, fund managers will be poised to pounce.

* Fund Sizes (vintage 2005 - onwards): Mega Buyout > \$4,500mn, Large Buyout \$1,500mn-\$4,500mn, Mid Buyout \$500mn-\$1,500mn, Small Buyout ≤ \$500mn

Data Source:

Preqin's Performance Analyst features over 5,700 separate vehicles managed by over 1,900 private equity firms from all over the world. All this private equity data is at a fund level, and is net to investor. In terms of capital raised, Performance Analyst contains data for over 70% of all funds raised historically.

Preqin's Fund Manager Profiles is the industry's leading source of profiles and data on private equity fund managers, including buyout, venture capital, distressed, mezzanine, natural resources and turnaround. This constantly updated resource includes details for all managers worldwide, with all key investment preferences and criteria included as well as industry aggregate and fund specific dry powder levels.

For more information on how Performance Analyst and Fund Manager Profiles can help you, please visit: www.preqin.com

2011 Preqin PE Performance Monitor



alternative assets. intelligent data.

Now in its eighth edition, the **2011 Preqin Private Equity Performance Monitor** includes all-new league tables showing the top performing funds of each fund type and vintage year, as well as identifying which managers are the most consistent top performers, again broken out for all the major fund types. The 2011 Preqin Private Equity Performance Monitor contains key metrics for more funds than ever before, with over 5,600 vehicles included, accounting for 70% of all private equity vehicles raised historically by value.

This year's expanded edition includes:

- Top performing funds and firms identified in extensive league tables by fund type and vintage year
- Detailed analysis sections examining key trends by different fund type, size and region.
- New analysis sections include the annual and quarterly change in fund valuations, a look at the effects of past performance on private equity fundraising and an examination of early fund performance as a predictor of a fund's performance at maturity
- Examination of risk vs. return for different fund types
- Private equity returns examined against public markets
- Benchmarks across different fund types by vintage year
- Dry powder and assets under management



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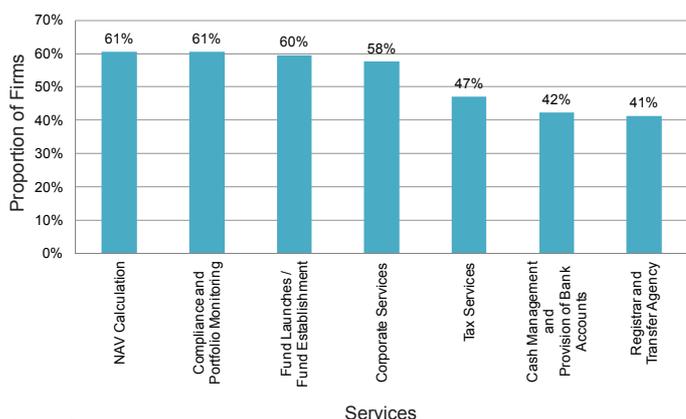
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Fund Administrators

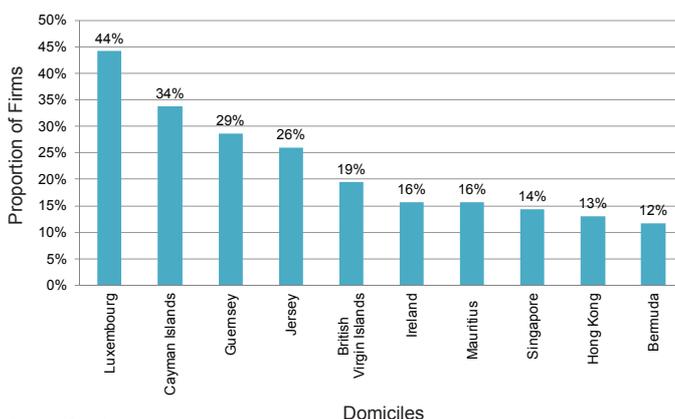
Anna Strumillo uses the new **Funds in Market** module to examine private equity fund administrators.

Fig. 1: Proportion of Fund Administrators Offering Service



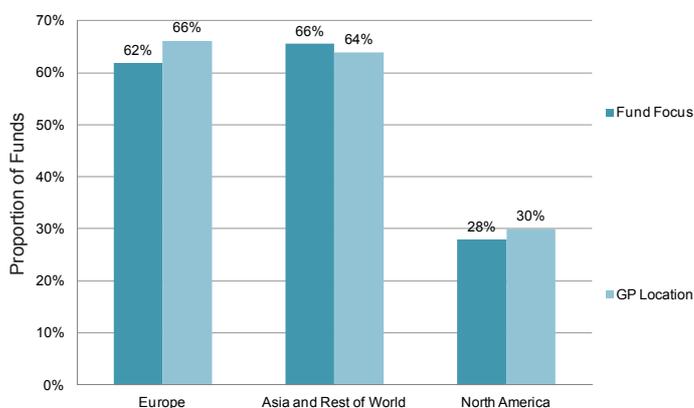
Source: Preqin

Fig. 2: Proportion of Fund Administrators Offering Domiciliation in Jurisdiction



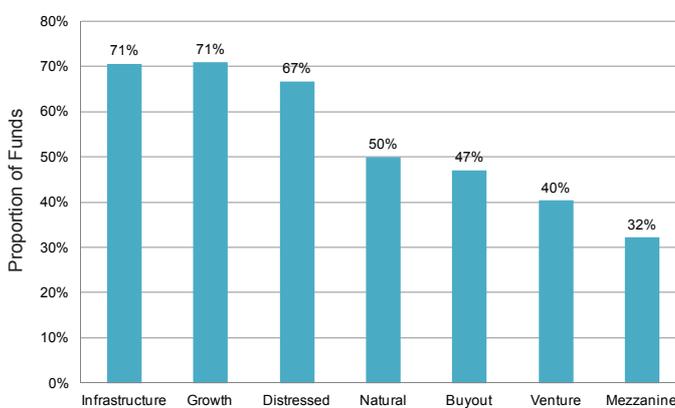
Source: Preqin

Fig. 3: Proportion of Funds in Market Using a Fund Administrator by Geography



Source: Preqin

Fig. 4: Proportion of Funds in Market Using a Fund Administrator by Fund Type



Source: Preqin

Fig. 5: Sample Firms Providing Fund Administration Services

Fund Administrator	Headquarters	Sample Funds Currently on the Road Utilizing Services
Apex Fund Services	Bermuda	OCB Global Investment Opportunities
Augentius Fund Administration	UK	NorthEdge Capital Fund
Aztec Group	Jersey	Rockley China Fund, HBM BioCapital II
Banque Privée Edmond de Rothschild	Switzerland	SilverLands Fund, Silk African Food Fund, Mountain Cleantech Fund II
BNP Paribas Securities Services	Cayman Islands	ICG Europe Fund V, Aster Fund II
BNY Mellon	US	TIR-Europe Global Forestry Fund
Caceis Fastnet	France	Beltone Mid-Cap GCC Fund
Citi Fund Services	US	Discovery Americas II
Deutsche Bank Alternative Fund Services	UK	Tata Capital Growth Fund, Samena Special Situations Fund II, EM Capital India Discovery I
International Financial Services	Mauritius	West Africa Emerging Market Growth Fund, Tara India Fund IV, Strategic Value Special Situations Fund II
International Management (Mauritius)	Mauritius	SMP India Buyout Fund II, Reliance Alternative Investment Fund 1
Ipes	UK	Steadfast Capital III, Change Capital Partners II

Source: Preqin

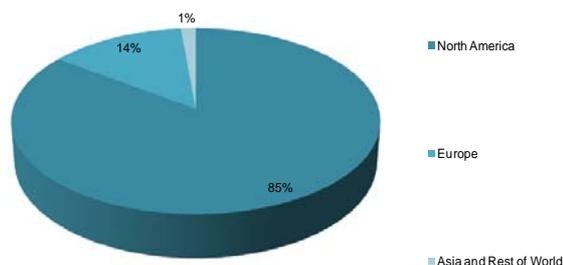
Fund Administrators can request to view the information Preqin holds on their firm by contacting feedback@preqin.com



Foundations

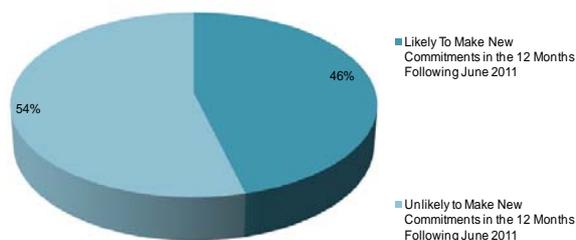
Louise Weller provides a summary of this important class of investors in private equity.

Fig. 1: Breakdown of Foundations Investing in Private Equity by Investor Location



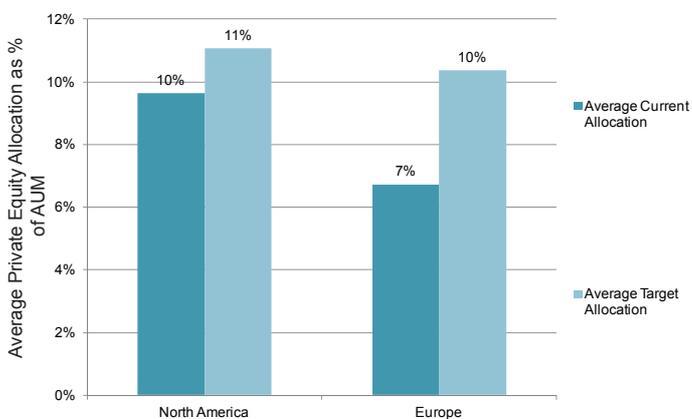
Source: Preqin

Fig. 2: Foundations' Intentions for Next Private Equity Fund Commitments



Source: Preqin

Fig. 3: Foundations' Average Private Equity Allocations by Investor Location



Source: Preqin

Subscriber Quicklink:

Subscribers to Preqin's Investor Intelligence - the private equity industry's leading source for profiles of institutional investors in private equity funds - can click [here](#) to access a list of foundations currently investing in private equity.

Preqin currently tracks 374 foundations that invest in private equity among over 4,000 global private equity investors currently profiled on Investor Intelligence.

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- A significant 85% of foundations that invest in private equity are based in North America. (Fig. 1)
- 46% of foundations are looking to make new private equity fund commitments in the 12 months following June 2011. (Fig. 2)
- On average, foundations in both North America and Europe are currently below their target allocations to the private equity asset class. (Fig. 3)

Fig. 4: Five Leading Foundations Investing in Private Equity

Investor	Location	Current Allocation to PE (\$bn)
Wellcome Trust	UK	5.6
Howard Hughes Medical Institute Endowment	US	3.2
Mayo Clinic	US	2.0
J. Paul Getty Trust	US	1.8
Ford Foundation	US	1.7

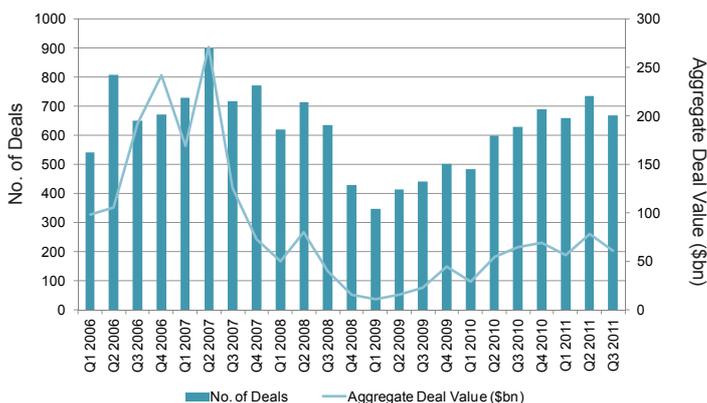
Source: Preqin



Q3 2011 Deals and Exits Summary

Manuel Carvalho examines the latest private equity-backed buyout deals and exits statistics. Full analysis of the figures will be available in the forthcoming Q3 2011 Preqin Private Equity Quarterly

Fig. 1: Quarterly Number and Aggregate Value of Deals, Q1 2006 - Q3 2011



Source: Preqin

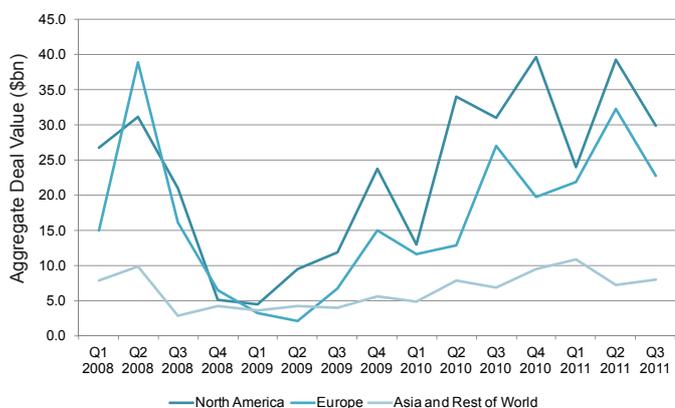
Data Source:

Included as part of Preqin's integrated 360° online private equity database, or available as a separate module, Deals Analyst provides detailed information on private equity backed buyout deals and exits globally, including secondary buyout deals. The product has in-depth data for over 23,000 buyout deals across the globe.

Preqin has prepared in-depth analysis of the latest deals and exits figures in the forthcoming Q3 2011 Preqin Quarterly Report.

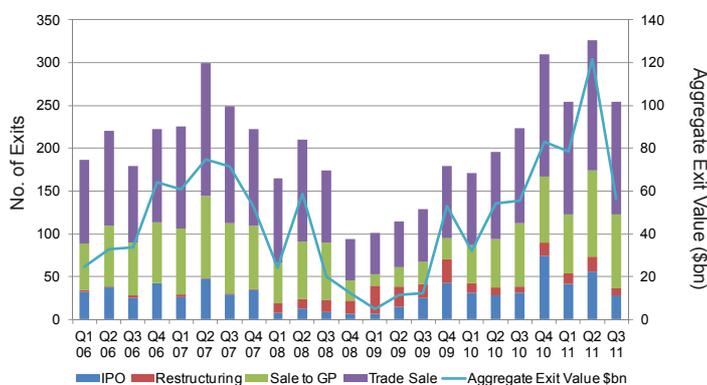
To register receive a copy of the report on its release, please click [here](#).

Fig. 2: Quarterly Aggregate Deal Value by Region, Q1 2008 - Q3 2011



Source: Preqin

Fig. 3: Quarterly Number of PE-Backed Exits by Type and Aggregate Exit Value, Q1 2006 - Q3 2011



Source: Preqin

Fig. 4: Top Five Largest Buyout Deals Globally, Q3 2011

Name	Date	Type	Deal Size (mn)	Buyers	Sellers	Industry	Location
Kinetic Concepts, Inc.	Jul-11	Public to Private	6,300 USD	Apax Partners, CPP Investment Board, Public Sector Pension Investment Board	-	Medical Devices	US
Emdeon Inc.	Aug-11	Public to Private	3,000 USD	Blackstone Group	General Atlantic, Hellman & Friedman	Business Services	US
Com Hem AB	Jul-11	LBO	17,000 SEK	BC Partners	Carlyle Group, Providence Equity Partners	Telecoms & Media	Sweden
The Go Daddy Group, Inc.	Jul-11	LBO	2,250 USD	Kohlberg Kravis Roberts, Silver Lake, Technology Crossover Ventures	-	Internet	US
ConvergEx Holdings	Jul-11	LBO	2,000 USD	CVC Capital Partners	Bank of New York Mellon, Eze Castle Software, GTCR Golder Rauner	Financial Services Software	US

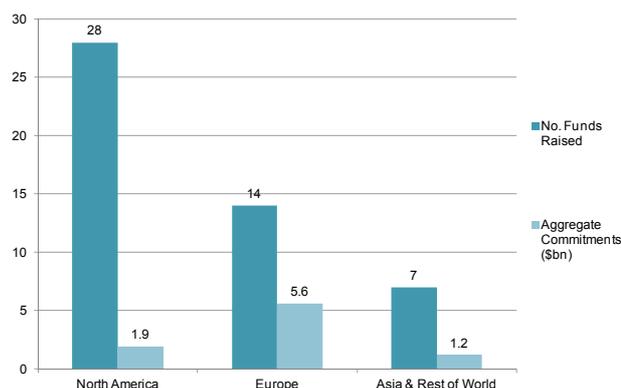
Source: Preqin



Fund of Funds Fundraising Market

Antonia Lee looks at the fundraising market for fund of funds managers.

Fig. 1: Fund of Funds Fundraising by Primary Geographic Focus, Jan - Sep 2011

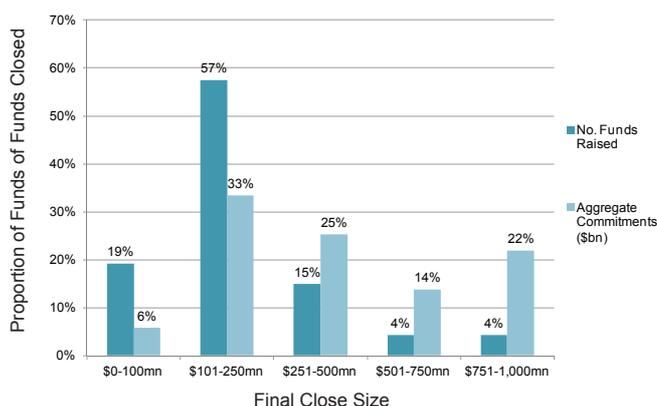


Source: Preqin

By the end of September 2011, 28 funds of funds with a primary focus on North America had raised \$5.6bn during the year so far, with 14 Europe-focused funds raising \$1.9bn, and seven vehicles with a primary focus on Asia and Rest of World raising \$1.2bn, as Fig. 1 shows. One of the largest Asia and Rest of World focused funds of funds to have closed this year to date is Adams Street 2011 Emerging Markets Fund, which closed at the end of June after collecting a total of \$250mn from investors. The vehicle is anticipated to allocate approximately 40-50% of its capital to China, 30-40% to Russia and Central and Eastern Europe, and 15-25% to India.

Fig. 2 demonstrates that the highest proportion (57%) of funds of funds that have closed in 2011 so far have raised between \$101mn and \$250mn from investors. A further 19% of vehicles have secured less than \$100mn in overall commitments. At the higher end of

Fig. 2: Breakdown of Fund of Funds Fundraising by Fund Size, Jan - Sep 2011



Source: Preqin

the spectrum, 8% of funds of funds to have reached a final close this year have raised over \$500mn, with half of these securing commitments of more than \$750mn.

Fig. 3 displays the five largest funds of funds currently seeking capital. While the majority are US-based funds a significant amount of capital is being raised by a China-based fund. This vehicle, Guochuang Kaiyuan Fund of Funds, has a main objective of providing capital for domestic private equity and venture capital firms that have difficulty in raising funds.

Fig. 3: Five Largest Funds of Funds Currently Raising by Target Size

Fund	Firm	Target Size (mn)	Location
HarbourVest International VI Partnership	HarbourVest Partners	3,000 USD	US
Guochuang Kaiyuan Fund of Funds	China Development Bank Capital	10,000 CNY	China
HarbourVest Partners IX - Buyout	HarbourVest Partners	1,500 USD	US
Morgan Stanley Private Markets Fund V	Morgan Stanley Alternative Investment Partners	1,250 USD	US
Euro Choice V	Akina	720 EUR	Switzerland

Source: Preqin

Data Source:

Preqin's Funds in Market is a constantly updated online resource that includes details for all funds of all types being raised worldwide, with key information on target sizes, interim closes, placement agents, lawyers, investors, plus much more all included.

Funds in Market Product contains information for over 900 private equity funds of funds that have closed since 2003 and 140 that are currently raising capital.

For more information on how Funds in Market could help you, please visit: www.preqin.com/fim

Conferences Spotlight

Conference	Dates	Location	Organizer
SuperReturn Middle East	16 - 19 October 2011	United Arab Emirates	ICBI
Asset Allocation Summit	17 - 20 October 2011	London	Terrapinn
FundForum Latin America	18 - 20 October 2011	Sao Paulo	ICBI
Low Carbon Earth Summit-2011	19 - 26 October 2011	Dalian, China	BIT Conferences
RMB Private Equity World Asia	19 - 21 October 2011	Beijing	Terrapinn
Indian Private Investors Conference (IPIC)	20 - 21 October 2011	Mumbai	INK Business Media
Brazil Investment Summit USA 2011	25 - 27 October 2011	New York	Terrapinn
PE/VC CIO Summit	27 October 2011	New York	Alpha Institutes
Philippine Investment Summit for Global Fund Managers	27 October 2011	Makati City	TPGI
European Mid-Market conference	28 October 2011	Paris	Real Deals
2nd Annual APAC Alternative Investment Summit	31 October - 2 November 2011	Macau	Marcus Evans
Korea PE & VC Cleantech Forum 2011	2 - 3 November 2011	Seoul	Invest KOREA, The Cleantech Group
The Women's Alternative Investment Summit	3 - 4 November 2011	New York	Falk Marques Group
FundForum USA	7 - 9 November 2011	Boston	ICBI

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