The Q2 2014 Preqin Quarterly Update

Private Equity

Insight on the quarter from the leading provider of alternative assets data

Content includes...

Fundraising

The latest private equity fundraising figures from Q2 2014.

Investors in Private Equity

Analysis of investors' current preferences when investing in private equity.

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Fund Performance

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Plus, Special Guest Contributor: David Chamberlain, Capstone Partners

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Foreword

The second quarter of 2014 saw 197 private equity funds close, raising $132bn in aggregate capital commitments. While this was an upswing in the amount of capital secured by closed private equity vehicles compared to the previous quarter, the number of funds that reached final close experienced a decline. The result is a notable increase in the size of the average private equity fund, hitting $671mn, which ranks as the highest quarterly average fund size to date.

This increased average fund size is a reflection of the fact that more capital is being invested in fewer managers, and serves as evidence of a continuation of the trend seen in the private equity fundraising market last year. The most notable fund of Q2 2014 was Ardian Secondary Fund VI, which not only is the largest private equity vehicle to reach a final close in this quarter, but also the largest secondaries fund to close in history. The success of this fund, which surpassed its original target by $2bn, further demonstrates the momentum of the burgeoning private equity secondaries sector.

As the amount of capital raised by fund managers has grown, so too has the level of private equity dry powder, with a record $1.16tn available for investment as of July 2014. This represents an 8% increase from December 2013. Similarly, Preqin's latest figures show that the amount of capital distributed to investors has seen a significant surge. In 2013, LPs received $568bn in distributions, the highest level of distributions ever seen from private equity investments.

Q2 2014 saw 766 private equity-backed buyout deals, with an aggregate value of $80bn. Significant growth was witnessed in Europe, with the total value of deals up 71% compared to Q1 2014. In contrast, buyout deal flow for North America and Asia dropped this quarter. There were 394 private equity-backed buyout exits globally in Q2 2014, riding high on the current strong exit environment. Q2 2014 was the most successful quarter to date for venture capital deals, recording the highest aggregate deal value seen in the period since Q1 2007 ($22bn).

We hope you find this report useful, and welcome any feedback you may have. For more information, please visit www.preqin.com or contact info@preqin.com.

Contents

The Importance of Pre-Marketing

David Chamberlain, Capstone Partners

There is a proliferation of funds in market in 2014 and all indications are that 2015 will also be very crowded. How would you advise a fund manager that is contemplating a new fundraise?

Through our presence in the main placement markets around the world, we have seen a steady but substantial increase in the number of funds seeking to raise capital. Preqin's headline number is over 2,000 funds across all strategies including private equity, credit, infrastructure, real assets and real estate. This number may be understated since it reflects only those funds that have announced their intention to raise capital. Our "mapping" of the fundraising markets into 2015/2016 would suggest that these volumes will remain high, adding pressure to an already very competitive environment. The good news, however, is that institutional investors have renewed confidence and have capital to deploy into a broader range of investment strategies and across different regions.

Fund managers, therefore, have good reason to feel optimistic as they consider their next fundraise. However, we wave the flag of caution. The fundraising market has changed significantly over the last few years. Competition is intense, the institutional investor landscape has changed and investors are more selective in their choice of funds with a clear shift to differentiated, value-based strategies.

We encourage fund managers to be more thoughtful about their next fundraise and plan far in advance. "Pre-marketing" will be key to a successful fundraise, not the hard sell once the fund has been launched. So many fund managers see fundraising as a one-off selling event which comes around every four to five years. There can be few other industries which work on this basis. All successful sales events, whether for the launch of a new car, a consumable product or a service, are driven off the back of a well-orchestrated marketing plan. Why not private equity?

What are the typical expectations of a fund manager when planning a fundraise?

Ask most managers for a list of wishes during a fundraise and it will include: (i) an efficient process, minimizing time, resources and cost; (ii) short duration of less than one year; (iii) successful first and final close; (iv) strong, diversified investor base; and (v) back-to-business ASAP.

These same fund managers will nevertheless recognize the challenges of a fundraise and the reality of their own particular business: (i) fundraising is taking on average 16 months to final close; (ii) a number of funds are falling short of target or have been abandoned; (iii) their existing investor base is shaky and re-ups are uncertain; (iv) their competitors are in market at the same time; and (v) they have some potential issues (maybe team, strategy, capital deployment, performance, etc.).

All of these concerns should be dealt with in advance of the fundraise as part of a marketing plan to ensure that the firm is well positioned and communicating a strong, compelling message to the investor community before and during the raise.

How are these expectations aligned to those of institutional investors?

Institutional investors will generally have a different time-line and set of objectives to those of a fund manager. Investors will have a longer term view on asset allocation and the selection of funds, particularly in the case of new manager relationships. In addition, investors need to work within the constraints of their own fundraising and/or regulatory changes which may affect their ability to deploy capital in the short term.

A recurring statement from investors during a fundraise is "Well, we really like the team, their strategy and the firm's positioning in the market, but we would like to sit back and follow the manager over the coming years before committing to their fund."

Investors want time – they want to build familiarity with the manager and they want to feel confident that the manager can deliver on all fronts. Of course, there are investors who can and will respond quickly to a new fundraising opportunity without the need to wait-and-see. However, this will most likely be driven by prior knowledge of the manager and a "buzz" in the market surrounding the manager and the fundraise. Building familiarity and creating the "buzz" is where pre-marketing comes into play.

What would you recommend to bridge this gap and help a fund manager meet their expectations?

Why do the large private equity firms continue to have successful fundraises? It is not because their performance is better than that of smaller, mid-market firms. It is not because they have a unique or highly differentiated investment strategy. It is not that they are investing in a non-competitive environment, optimizing returns through prudent financial structures. These firms all have large organizations and infrastructure employing sophisticated marketing strategies. These firms are engaging with investors before, during and after the fundraise. Their story is well-crafted and fine-tuned to the market opportunity and, importantly, to investor sentiment. They have a continuous program of building investor familiarity and trust. They are omnipresent in the press, at conferences and at investor forums. They invest in marketing and not just in fundraising.

This focus on pre-marketing can also be pursued by small and mid-cap firms in private equity, credit, infrastructure and real estate. It requires a deliberate and conscious effort by the fund manager but can be achieved on a cost effective basis with the support and direction of a placement agent. In this respect, placement agents and other professional distribution channels can bring a real value-add to the needs of the market.

Fundraising is an expensive exercise for many fund managers, even if it is an event which only takes place every four to five years. How can a fund manager mitigate this cost?

Fundraising is an expensive exercise. Costs are not limited to just placement fees but include legal, promotional, audit, public relations, travel and other expenses which can be substantial. In addition, there is the important cost of time and dedication of senior partner resources. From a marketing perspective, these factors should be seen as an investment rather than a cost. A firm will have spent a lot of money and time in raising their last fund and this investment should be exploited rather than just written-off as an expense. A good marketing plan will build upon the knowledge and hard work invested in the prior fundraise. It is important to actively cultivate relationships with investors who expressed interest but could not invest in a previous fund. Investors, in general, are happy to share their views and opinions which can feed the marketing plan, enabling the fund manager to address key issues and refine the message to the market.

What benefits can a good marketing program bring to fund managers?

In terms of fundraising, a good marketing program should allow a fund manager to have a reasonable chance of realizing some of the wishes mentioned earlier and dealing effectively with the various concerns. Marketing should help to establish and build a brand. It should allow a firm to position itself firmly in the market in relation to its competitors, with a story which resonates well and which will attract interest. Marketing will provoke critical analysis from investors and other interested parties, enabling the firm to identify issues and deal with them ahead of a fundraise. It should drive a firm to adopt best practices, anticipate changes and be responsive to new areas of investor interest. An effective marketing campaign will create the “buzz”; it will build investor awareness and confidence and will allow the firm to execute a timely and successful fundraise. Finally, marketing will allow the fund manager to make an educated decision on when to launch the fundraise. In a competitive environment, such as we have today, timing is crucially important and should be driven by a belief that all key components in the firm are aligned and that investors are ready to move.

What are the attractions of a good marketing program for an institutional investor?

We clearly see the benefits for investors of a properly executed marketing program and they continue to tell us of the value they get from this.

A pre-marketing program allows investors to meet periodically with a fund manager in a different environment which does not require an investment decision. The conversation tends to be different, more relaxed and less aggressive. The fund manager is not trying to sell anything but rather to explain the strategy, positioning and objectives of the firm. It allows for a frank exchange of views which can help the fund manager better fine-tune their offering. Over time this interaction will build familiarity and trust, creating a basis from which the investor can more easily assess with confidence a fund investment. This is particularly important if the fund manager is presenting a new strategy or regional exposure to an investor.

A period of marketing will allow an investor to benchmark and compare the fund manager with other competitors. If properly researched and explained, this can ultimately benefit the fund manager. Investors will appreciate transparent, good reporting and will spend time following portfolio company developments.

An increasing number of investors have appetite for co-investments and secondary opportunities. Pre-marketing discussions will bring this to the forefront and create opportunities to possibly engage ahead of a fundraise.

Pre-marketing is essential to enable an investor to position the fund manager in its forward commitment calendar thus allocating both potential capital and internal resources to carry out due diligence. It also will allow investors to consider possible investment committee issues early on, prior to the fundraise. Finally, pre-marketing can give valuable guidance to an investor as to whether the fund will be over-subscribed, leading to potential allocation issues.

What specific actions do you put in place to help market a fund manager?

A typical marketing program will comprise three key components: (i) positioning, story and documentation; (ii) pre-marketing meetings with both existing investors and a small number of qualified prospective future investors and (iii) press, public relations and events.

Each component will obviously depend on the unique and specific situation of a fund manager. The work of positioning and story requires vision from the fund manager and objectivity from the placement agent. It requires comparative analysis and careful crafting to identify and explain a fund manager’s unique skills, differentiation and relative position in their market. Documentation should be best-in-class and accurately reflect the image and ambitions of the fund manager. It should not be over-complicated nor too detailed but simple and clear in its message. It is important to remember that this is not fundraising material.

Pre-marketing meetings should be selective and well-orchestrated. They are to build familiarity and ultimately a long-term relationship between the investor and the fund manager. They should be held periodically but not too often and bring valuable insight to the investor. A fund manager may wish to focus the marketing effort on a particular geography or type of investor. All such investor contact needs to be managed, measured and recorded allowing the fund manager and placement agent to refine the list of contacts and build a qualified book of prospective investors ahead of the planned fundraise.

It is important to be seen and to be heard in the right circles. A fund manager should be seen as a point of reference and heard as a voice of authority on matters close to the firm’s area of investment activity. We work with communication specialists to ensure that the fund manager shares their views in the press, keeping the firm in the forefront with investors and other interested parties. We will also encourage fund managers to be recognized participants at selected conferences and other networking events, again speaking with authority and expertise to promote the excellence of the firm.

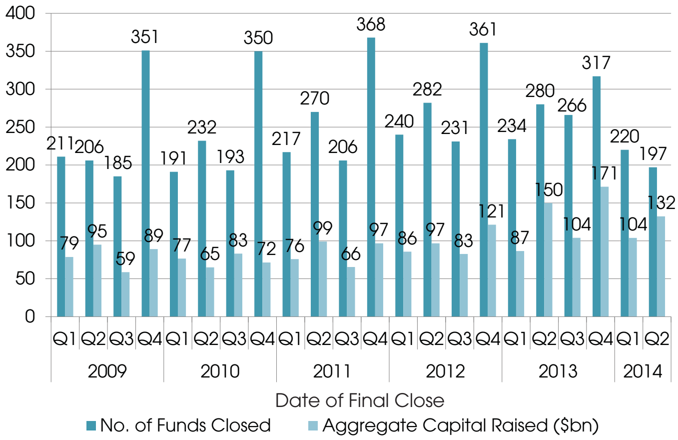
Founded in 2001, **Capstone Partners** is a leading independent placement agent focused on raising capital for private equity, credit, real assets and infrastructure firms from around the world. www.csplp.com

Fundraising in Q2 2014

Q2 2014 saw an increase in the aggregate capital raised by private equity fund managers compared with the previous quarter. Private equity funds closed in Q2 secured an aggregate $132bn, $28bn more than was accumulated in Q1 (Fig. 1). Even though the aggregate amount of capital has increased, the number of funds closed remains low, with only 197 funds holding a final close in Q2. This is the lowest number of funds to close in any quarter since Q3 2010.

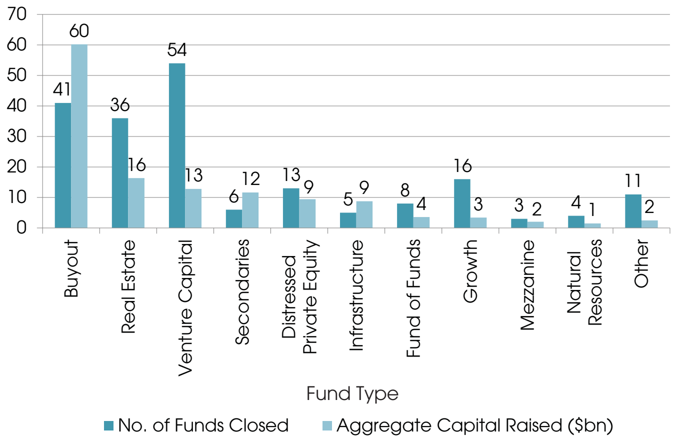
The largest fund to close so far in 2014 is Ardian Secondary Fund VI, which closed on $9bn in April, making up almost all of the secondaries capital collected by fund managers in Q2. Despite this, the fund type to raise the most capital in the quarter was buyout (Fig. 2). Over three-quarters of funds (77%) managed to meet or surpass their desired target, with 53% achieving a final close size that was larger than their aim. The average time spent in market for private equity vehicles continued to fall this quarter too, with funds spending an average of 15.6 months raising capital before reaching a final close. This sits below the Q1 2014 figure of 16.4 months and is the shortest length of time since 2008.

Fig. 1: Global Quarterly Private Equity Fundraising, Q1 2009 - Q2 2014



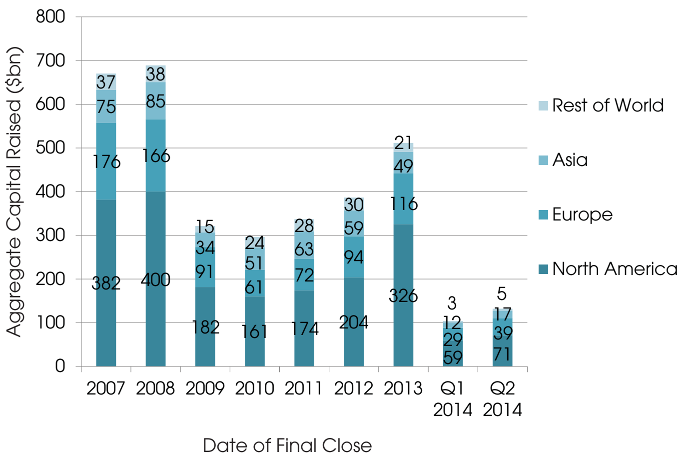
Source: Preqin Funds in Market

Fig. 2: Private Equity Fundraising in Q2 2014 by Fund Type



Source: Preqin Funds in Market

Fig. 3: Private Equity Fundraising by Region, 2007 - Q2 2014



Source: Preqin Funds in Market

Fig. 4: Five Largest Private Equity Funds Closed in Q2 2014

Fund	Firm	Type	Final Size (bn)	GP Location	Fund Focus
Ardian Secondary Fund VI	Ardian	Secondaries	9.0 USD	France	Global
Bain Capital Fund XI	Bain Capital	Buyout	7.3 USD	US	Global, North America
Permira V	Permira	Buyout	5.3 EUR	UK	Global, Europe
Clayton Dubilier & Rice IX	Clayton Dubilier & Rice	Buyout	6.4 USD	US	North America, Europe
Onex Partners IV	Onex Corporation	Buyout	5.2 USD	Canada	North America

Source: Preqin Funds in Market

Preqin's **Funds in Market** contains detailed information for all 2,180 private equity funds currently in market, including target size, interim closes, geographic focus and more.

For more information, please visit: www.preqin.com/fim

Investor Fund Searches Issued in Q2 2014

Types of Investors Seeking New Investments

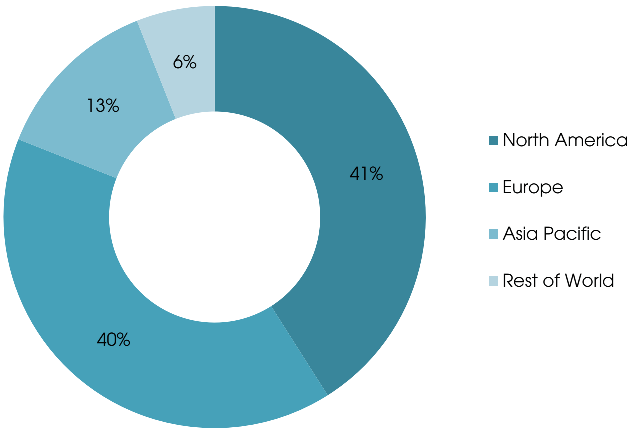
North America-based private equity investors accounted for the largest proportion (41%) of the fund searches and mandates issued in Q2 2014, closely followed by Europe-based LPs (40%) (Fig. 1). While it is unsurprising that the vast majority of private equity investor activity comes from the world's two most economically advanced regions, it is interesting to note that for this quarter, the respective statistics are on par with each other. Traditionally, North America-based investors have accounted for a larger proportion of fund searches than European investors.

In terms of investor type, Preqin's Investor Intelligence shows that public pension funds dominate fund search activity, accounting for 19% of the fund searches issued in Q2, followed by private equity fund of funds managers (16%). Private sector pension funds (9%), insurance companies (8%) and endowment plans (8%) also represent a significant proportion of fund searches issued.

Private Equity Fund Types Sought in the Year Ahead

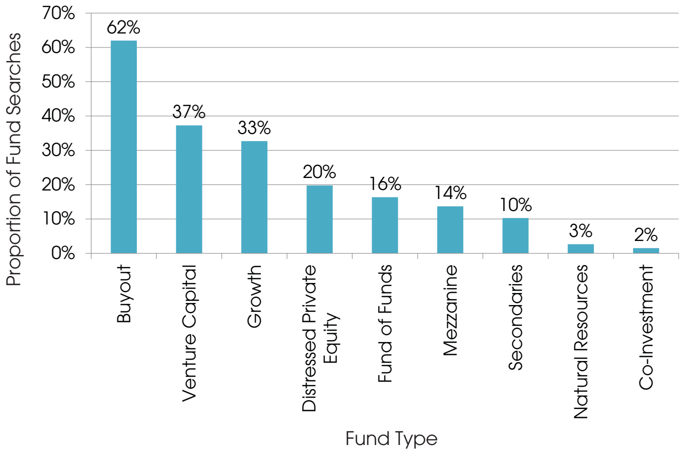
Sixty-two percent of LPs that issued fund searches and mandates in Q2 2014 have indicated a preference for buyout vehicles in the year ahead, making it the most sought after fund type. Interest in venture capital is also prevalent among LPs, with 37% of investors that Preqin spoke to in Q2 2014 planning to invest in this fund type in the year ahead. Fig. 2 reveals that a third of investors have cited a preference for growth funds, and notable levels of LP appetite exist for distressed private equity (20%), funds of funds (16%) and mezzanine (14%) strategies too.

Fig. 1: Private Equity Searches Issued in Q2 2014 by Investor Location



Source: Preqin Investor Intelligence

Fig 2: Private Equity Searches Issued in Q2 2014 by Fund Type



Source: Preqin Investor Intelligence

Fig. 3: Examples of Fund Searches Issued in Q2 2014

Investor	Investor Type	Location	Fund Search Details
North Carolina Department of State Treasurer	Public Pension Fund	North America	North Carolina Department of State Treasurer will commit $1.2bn to between eight and 10 private equity funds over the next 12 months. It will not consider a fund that is looking to raise less than $750mn. The pension plan will target a variety of fund types, including buyout, distressed private equity, venture capital, growth, and natural resources funds that invest in the US and Europe. It will re-up with existing managers in its portfolio, as well as form new GP relationships.
MACSF	Insurance Company	Europe	MACSF is looking to commit €300mn across nine private equity funds in the next 12 months. It is looking to diversify its portfolio and will therefore look at a range of fund types, but with a specific focus on mid-cap buyout funds. It will target opportunities in Europe, particularly France. It plans to work with existing managers in its portfolio as well as form new GP relationships.
Industrial Bank of Kuwait	Bank	Kuwait	The $2bn bank expects to make commitments to either eight or nine new private equity funds over the next six months, with the typical bitesize between $3mn and $5mn. It will commit to mid-market buyout and mezzanine vehicles in North America, Europe and Asia. The bank will solely re-up with existing managers in its investment portfolio.

Source: Preqin Investor Intelligence

Capstone Partners

Global private equity fundraising

We have a successful track record in raising capital for **private equity**, **credit**, **real assets** and **infrastructure firms** from around the world.

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We are partners with each of our clients, helping them reach the next level in fundraising.

ATLAS | HOLDINGS

Atlas Capital Resources II LP

Control investments in distressed opportunities

$900m

PLATTE RIVER EQUITY

Platte River Equity III

Lower middle market investments in targeted industrial sectors

$405m

alpha

Groupe Alpha APEF 6

Mid-Market Buyouts in Continental Europe

€700m

L

L Capital 3

Pan European buyouts in aspirational brands

€400m

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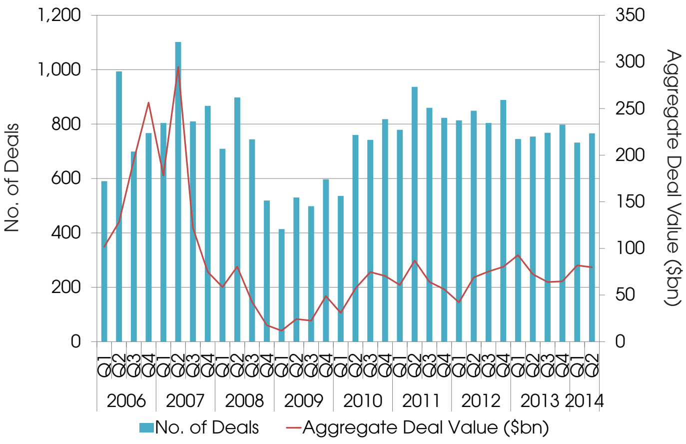
Buyout Deals

The second quarter of 2014 witnessed an increase in the number of private equity-backed buyout deals globally, up from 732 in Q1 2014 to 766 in Q2 (Fig. 1). In contrast, the aggregate value of deals was lower at $80bn compared to $82bn in Q1, although it was 10% higher than the same quarter in 2013. In Q2 2014, there was a significant 69% increase in the aggregate value of European deals, from $16bn in the first quarter to $27bn in Q2 2014 (Fig. 2). Conversely, the aggregate value of deals in North America was 19% lower at $40bn, while Asian deals were 36% lower than Q1.

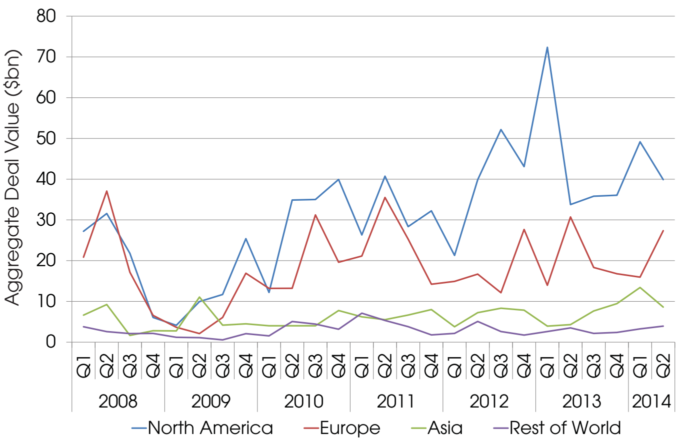
After a sharp fall in Q1 2014, the global number of private equity-backed exits recovered in the second quarter with 394 realizations recorded, the second highest quarterly number in the period 2006 to present (Fig. 3). Similarly, the aggregate value of exits in Q2 was strong at $137bn, which surpassed all previous quarters in the period since 2006, and stands 43% higher than the amount seen in Q2 2013. These encouraging statistics are a reflection of the current buoyant equity market, particularly in Europe, which buyout firms have been eager to capitalize on.

Fig. 1: Quarterly Number and Aggregate Value of Private Equity-Backed Buyout Deals Globally, Q1 2006 - Q2 2014



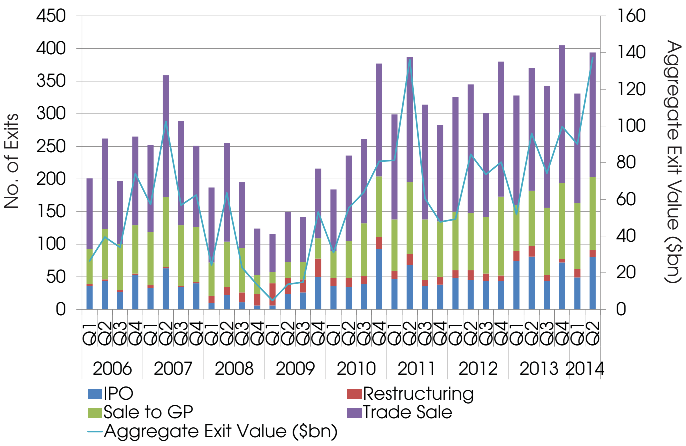
Source: Preqin Buyout Deals Analyst

Fig. 2: Quarterly Aggregate Value of Private Equity-Backed Buyout Deals by Region, Q1 2008 - Q2 2014



Source: Preqin Buyout Deals Analyst

Fig. 3: Global Number of Private Equity-Backed Exits by Type and Aggregate Exit Value, Q1 2006 - Q2 2014



Source: Preqin Buyout Deals Analyst

Fig. 4: Five Largest Private Equity-Backed Buyout Deals Announced in Q2 2014

Firm	Deal Date	Investment Type	Deal Size (bn)	Deal Status	Investors	Bought From/Exiting Company	Location	Primary Industry
Gates Global Inc.	Apr-14	Buyout	5.4 USD	Announced	Blackstone Group	CPP Investment Board, Onex Corporation, Tomkins plc	US	Manufacturing
Advantage Sales and Marketing LLC	Jun-14	Buyout	4.0 USD	Announced	CVC Capital Partners, Leonard Green & Partners	Apax Partners	US	Marketing
First Data	Jun-14	Buyout	3.5 USD	Announced	Kohlberg Kravis Roberts	-	US	Financial Services
Flint Group	Apr-14	Buyout	2.2 EUR	Announced	Goldman Sachs Merchant Banking Division, Koch Industries	CVC Capital Partners	Luxembourg	Manufacturing
Red Lobster, Inc	May-14	Buyout	2.1 USD	Announced	Golden Gate Capital	Darden Restaurants, Inc.	US	Restaurants

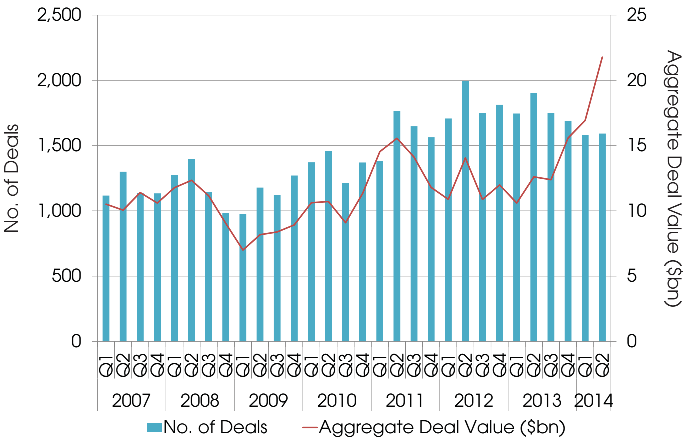
Source: Preqin Buyout Deals Analyst

Venture Capital Deals

During the second quarter of 2014, 1,592 venture capital deals were announced globally, similar to Q1 2014 which witnessed 1,582 financings. Nonetheless, the aggregate value was 29% higher in Q2 compared to Q1, up from $17bn to $22bn (Fig.1), which is the highest quarterly figure recorded in the period since 2007.

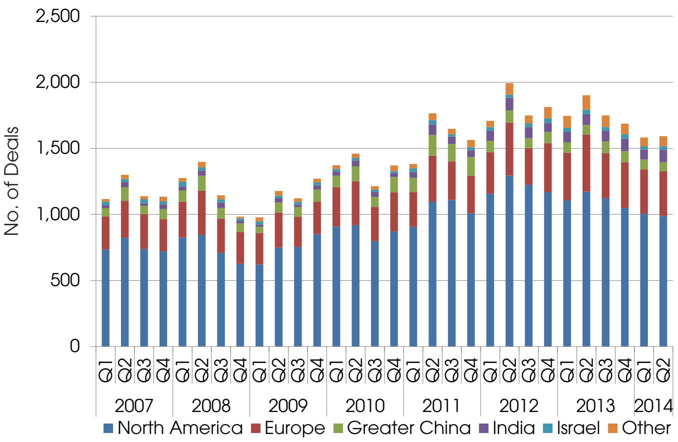
In Q2 2014, 989 venture capital deals took place in North America, making up 62% of the number of global financings (Fig. 2). The value of North American deals reached an aggregate $15bn, accounting for 68% of the global value for this quarter. With several large financings in Greater China in H1 2014, the aggregate value of deals in the region reached $2.6bn in Q2 2014, up from $0.9bn in Q4 2013. Angel/seed financings remain the most common stage of venture capital financing, representing 18% of the total number (Fig. 3). However, this represents a five percentage point decrease in the market share compared to 2013. Series A experienced a three percentage point increase during the same time period.

Fig. 1: Quarterly Number and Aggregate Value of Venture Capital Deals*, Q1 2007 - Q2 2014



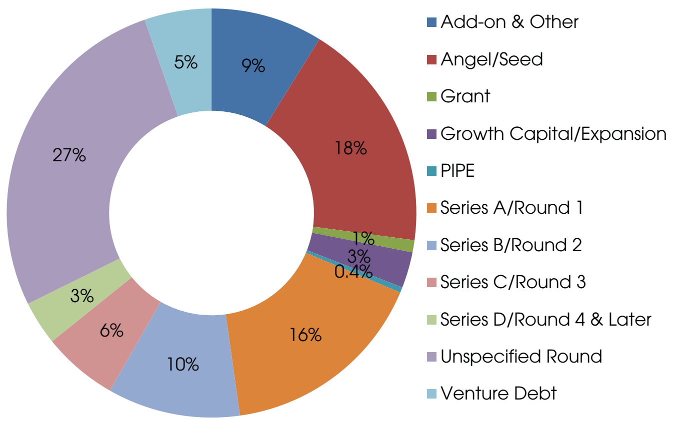
Source: Preqin Venture Deals Analyst

Fig. 2: Quarterly Number of Venture Capital Deals* by Region, Q1 2007 - Q2 2014



Source: Preqin Venture Deals Analyst

Fig. 3: Proportion of Number of Venture Capital Deals by Stage, Q2 2014



Source: Preqin Venture Deals Analyst

Fig. 4: Five Largest Venture Capital Deals in Q2 2014

Portfolio Company Name	Deal Date	Stage	Deal Size (mn)	Investors	Location	Primary Industry
Uber Technologies, Inc.	Jun-14	Series D/Round 4	1,200 USD	BlackRock, Fidelity Equity Partners, Google Ventures, Kleiner Perkins Caufield & Byers, Menlo Ventures, Summit Partners, Wellington Management	US	Telecoms
Airbnb	Apr-14	Unspecified Round	450 USD	Dragoneer Investment Group, Sequoia Capital, T Rowe Price, TPG	US	Internet
Xunlei	Apr-14	Series E/Round 5	310 USD	IDG Capital Partners, Kingsoft, Morningside Group, Xiaomi	China	Internet
meituan.com	May-14	Series C/Round 3	300 USD	Alibaba Group, General Atlantic, Sequoia Capital	China	Internet
Campaign Monitor Pty. Ltd	Apr-14	Series A/Round 1	250 USD	Insight Venture Partners	Australia	Software

Source: Preqin Venture Deals Analyst

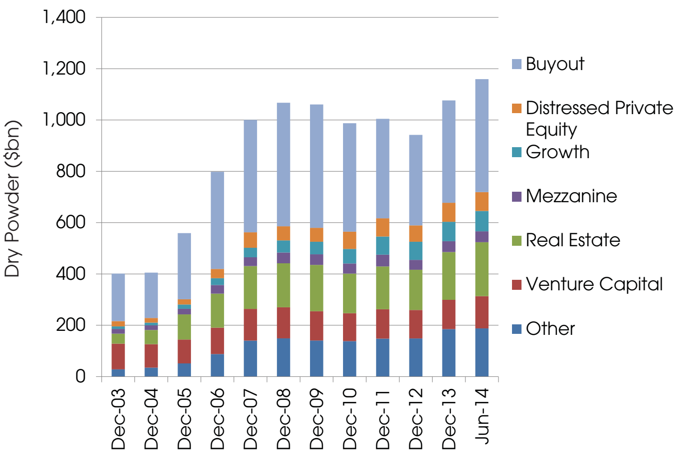
**Figures exclude add-ons, grants, mergers, venture debt and secondary stock purchases*

Fund Performance and Dry Powder

Capital available to private equity fund managers is currently standing at a record high with $1.16tn available for investment, representing an 8% increase from December 2013, as shown in Fig. 1. Data for December 2013 marks a record high for the annual amount of capital distributed back to LPs (Fig. 2). As of the end of 2013, $568bn was distributed back to investors that year, which is a 49% increase on 2012. As investors are receiving more back from private equity investments than ever before, confidence in, and appetite for, the asset class should surely rise.

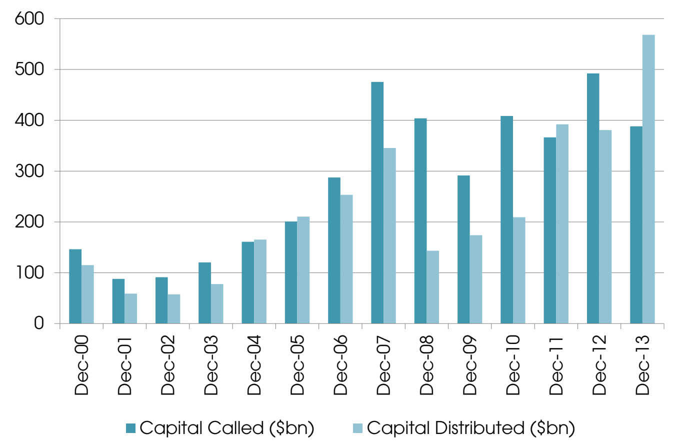
Fig. 3 gives the median net IRRs by vintage year as of 31 December 2013 for buyout funds, venture capital funds and the private equity industry as whole. The chart indicates how for more recent vintages, performance of venture capital funds is currently higher in comparison to vintage years in the early 2000s. With the IPO market remaining buoyant and providing a good route for exits, and with valuations currently running high, venture capital funds with more recent vintages are outperforming their earlier vintage year counterparts. However, as these funds are still early in their fund lives, interim performance measures should be viewed in context as performance metrics can change as the life cycle of the fund progresses.

Fig. 1: Private Equity Dry Powder by Fund Type, December 2003 - June 2014



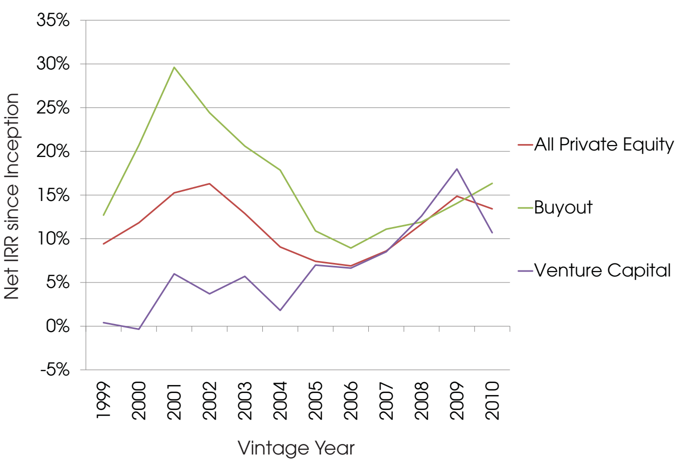
Source: Preqin Fund Manager Profiles

Fig. 2: All Private Equity - Annual Amount of Capital Called and Distributed



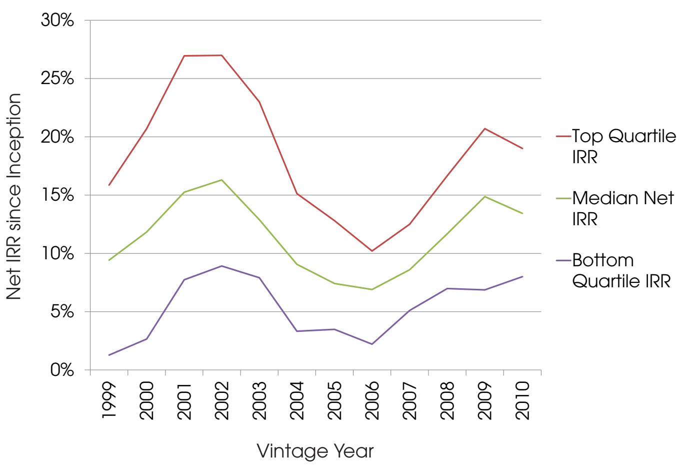
Source: Preqin Fund Manager Profiles & Performance Analyst

Fig. 3: Median Net IRRs by Vintage Year - All Private Equity, Buyout and Venture Capital (As of 31 December 2013)



Source: Preqin Performance Analyst

Fig. 4: All Private Equity - Median Net IRRs and Quartile Boundaries by Vintage Year (As of 31 December 2013)



Source: Preqin Performance Analyst

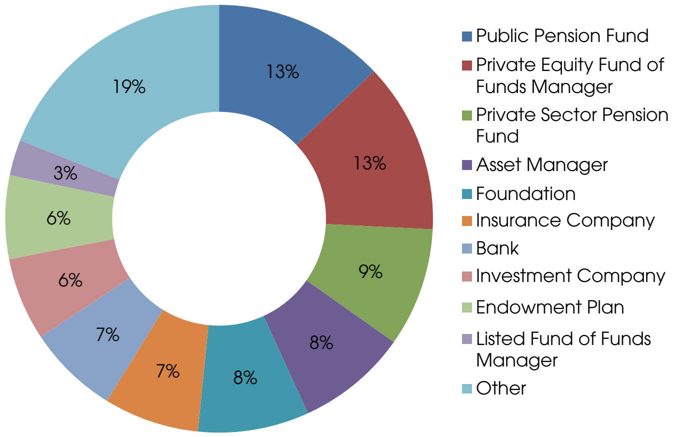
Secondaries

Preqin has identified 334 institutional investors that are considering selling private equity fund interests on the secondary market. As shown in Fig. 1, the largest proportions of these investors are public pension funds and private equity fund of funds managers, which represent 13% each.

A number of secondary transactions reached completion in the second quarter of 2014, a sample of which can be seen in Fig. 2. Unigestion made two sales to Bank of America Capital Advisors, both of which involved interests in buyout funds (Cinven III in June 2014 and EQT III in May 2014). The stakes were purchased through Bank of America Capital Advisors' latest fund of funds vehicle, BA Partners Fund VII, which has a specific investment focus on buyout and growth funds.

Q2 2014 marked a key event in the history of secondaries fundraising with Ardian Secondary Fund VI, the largest dedicated secondaries vehicle to ever be raised, closing on $9bn in April 2014. The five largest secondaries funds currently in market have an aggregate target of over $15bn (Fig. 3). Lexington Capital Partners VIII is the largest of these, with a target size of $8bn. It focuses on acquiring fund stakes in global buyout, venture capital and mezzanine funds.

Fig. 1: Breakdown of Potential Secondary Market Sellers by Investor Type



Source: Preqin Secondary Market Monitor

Fig. 2: Sample of Secondary Transactions Completed in Q2 2014

Seller	Buyers	Fund(s)	Transaction Date
Unigestion	Bank of America Capital Advisors	Cinven III	Jun-14
MLC	Partners Group	BC European Cap VIII, Apax Europe VIII	Jun-14
Unigestion	Bank of America Capital Advisors	EQT III	May-14
Bankia	Akina	Magnum Capital	Apr-14
Atrium Investimentos	BBC Pension Trust	Rockspring PanEuropean Property	Apr-14

Source: Preqin Secondary Market Monitor

Fig. 3: Five Largest Secondaries Funds Currently in Market

Fund	Firm	Target Size (mn)	Latest Interim Close Size (mn)	Fund Status
Lexington Capital Partners VIII	Lexington Partners	8,000 USD	5,500 USD	First Close
Strategic Partners Fund VI	Strategic Partners Fund Solutions	3,500 USD	1,251 USD	First Close
Landmark Equity Partners XV	Landmark Partners	2,500 USD	-	Raising
DB Secondary Opportunities Fund III	DB Private Equity	1,000 USD	-	Raising
Lexington Middle Market Investors III	Lexington Partners	750 USD	-	First Close

Source: Preqin Secondary Market Monitor

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