THE PRIVATE EQUITY MID-MARKET IN FOCUS

With 64% of fund managers recently surveyed by Preqin noting an increase in competition for mid-market* deals in the past 12 months, we take a look at the latest statistics for the mid-market buyout industry.

Aggregate capital raised by mid-market buyout funds closed since 2008 (as at April 2018).

$342bn

Dry powder available to mid-market buyout funds (as at December 2017).

$110bn

Aggregate value of private equity-backed buyout deals by mid-market buyout funds since 2017 (as at April 2018).

$301bn

Fig. 1: Fund Manager Views on the Level of Competition for Transactions Compared to 12 Months Ago by Value Band

Source: Preqin Fund Manager Survey, November 2017

Fig. 2: Fund Types that Investors View as Presenting the Best Opportunities, 2015 - 2017

Source: Preqin Investor Interviews, December 2015 - 2017

Fig. 3: Sample Investors in Recently Closed Mid-Market Buyout Funds

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Firm Name</th>
<th>Fund Size (mn)</th>
<th>Primary Geographic Focus</th>
<th>Sample Investor(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Haven Capital Partners VI</td>
<td>Morgan Stanley Global Private Equity</td>
<td>1,500 USD</td>
<td>Global, North America</td>
<td>TIAA, Principal Life Insurance Company, New England Carpenters Benefit Funds, United Food and Commercial Workers’ Pension Fund, Allegheny County Retirement Board</td>
</tr>
<tr>
<td>Chequers Capital XVII</td>
<td>Chequers Capital</td>
<td>1,090 EUR</td>
<td>Europe, France</td>
<td>State of Wisconsin Investment Board, Massachusetts Pension Reserves Investment Management Board, Alaska Permanent Fund Corporation, Public Employees’ Retirement System of Nevada, Texas County &amp; District Retirement System</td>
</tr>
<tr>
<td>Aurora Equity Partners V</td>
<td>Aurora Capital Group</td>
<td>1,200 USD</td>
<td>North America</td>
<td>TIAA, Manulife Financial, Jackson National Life Insurance Company, Northwestern Mutual Life Insurance Company, Allstate Investments</td>
</tr>
<tr>
<td>Brentwood Associates Private Equity VI</td>
<td>Brentwood Associates</td>
<td>1,150 USD</td>
<td>North America</td>
<td>MetLife Insurance Company, State Farm, Indiana Public Retirement System, Los Angeles City Employees’ Retirement System, Missouri Local Government Employees Retirement System</td>
</tr>
</tbody>
</table>

*Definition of ‘Mid-Market’:

Vintage 1992 - 1996: Small Buyout ≤ $200mn, Mid Buyout $201-500mn, Large Buyout > $500mn

Vintage 1997 - 2004: Small Buyout ≤ $300mn, Mid Buyout $301-750mn, Large Buyout $751mn-$2bn, Mega Buyout > $2bn

Vintage 2005 - 2018: Small Buyout ≤ $500mn, Mid Buyout $501-1,500mn, Large Buyout $1,501mn-$4.5bn, Mega Buyout > $4.5bn
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Fig. 4: PrEQIn Buyout Index by Fund Size* (Rebased to 100 as of 31 December 2007)

Source: Preqin

Fig. 5: Mid-Market Buyout Funds: Median Net IRRs and Quartile Boundaries by Vintage Year

Source: Preqin

Fig. 6: Private Equity-Backed Mid-Market Buyout Deals by Location, 2008 - 2018 YTD (As at April 2018)

Source: Preqin

Fig. 7: Private Equity-Backed Mid-Market Buyout Deals by Industry, 2008 - 2018 YTD (As at April 2018)

Source: Preqin

Fig. 8: Largest Private Equity-Backed Mid-Market Buyout Deals by Mid-Market Buyout Funds, 2017 - 2018 YTD (As at April 2018)

Source: Preqin

*Definition of 'Mid-Market':
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Vintage 1997 - 2004: Small Buyout ≤ $300mn, Mid Buyout $301-750mn, Large Buyout $751mn-$2bn, Mega Buyout > $2bn
Vintage 2005 - 2018: Small Buyout ≤ $500mn, Mid Buyout $501-1,500mn, Large Buyout $1,501mn-$4.5bn, Mega Buyout > $4.5bn