The Q1 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.

Investors in Private Equity

An overview of the future investment plans of private equity investors.

Deals

Analysis of private equity-backed buyout and venture capital deals.

Fund Performance

A look at private equity performance over time.

Plus, Special Guest Contributor: Clay Deniger, Capstone Partners

preqin

alternative assets. intelligent data.

Foreword

2013 was one of the strongest years for private equity fundraising, with an aggregate $493bn raised by 1,022 funds. What we saw last year was a significant increase in the average fund size, as more capital was placed with fewer fund managers. However, the fact that the private equity industry was able to raise such capital means that investor appetite for the asset class was strong. The question that is on everyone's lips is whether this enthusiasm for private equity fund investments can be carried on into 2014, and if 2013 was a sign of better things to come or an anomaly.

The first quarter of 2014 saw 185 private equity funds reach a final close and raise an aggregate $98bn, a 14% increase on the amount of capital raised during the same period in 2013, but the lowest number of funds to close in any quarter since Q3 2009, resulting in the continuation of the trend of fund sizes increasing. Preqin's investor survey, carried out in December 2013, indicated that investors were still keen to commit to private equity funds in short term, with over two-thirds (68%) of LP respondents expecting to make their next private equity fund commitments in the first half of 2014. Private equity dry powder continues to grow, as more capital is raised by private equity fund managers, with $1.1tn available to fund managers as of March 2014, representing a 2.9% increase from December 2013.

Q1 2014 saw 688 private equity backed-buyout deals, with an aggregate value of $80bn, with notable growth in North America (49% rise in total value of deals) and Asia (42% rise) compared to Q4 2013. However, the number of private equity-backed buyout exits in Q1 2014 was the lowest quarterly level since Q3 2012. Q1 2014 was encouraging for venture capital deal flow and most notably in China, which saw an increase of 150% in aggregate deal value compared to Q4 2013. Overall in Q1 2014, there were 1,402 venture capital financings valued at $15.6bn globally, the highest quarterly value in the period since 2007.

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

Fundraising Interview with Clay Deniger

Capstone Partners

In 2013 and thus far in 2014, there seems to be a proliferation of first-time fund offerings entering the market. Do you see this phenomenon and what do you think is driving it?

We do see this as an important dynamic in private equity today. As far as drivers go, it all starts with the supply of available capital to back first-time managers. There has never been a shortage of investment professionals interested in forming inaugural funds, but there have been periods of time when “first-time fund” was a pejorative term and was a non-starter for many LPs. That perspective has changed and today, for the right groups, there is high quality LP capital available for first-time funds.

At the end of the day, LPs commit to first-time managers because they have an investment premise that cannot be addressed by more mature funds. Investors hate uncertainty and will almost always choose a manager that can show a history of stability and outperformance from an existing platform. However, if they feel strongly about a macro-opportunity, and they cannot access that opportunity through mature fund platforms, first-time managers become their only choice.

Today we see this mismatch of investment strategy supply and LP allocation demand most often in the middle-market and lower middle-market. There is currently a generally accepted premise that risk adjusted returns are more attractive in the smaller, less competitive markets. LPs are attempting to apply that investment premise in an environment where funds have increased in size and shifted focus to larger transactions, moving away from the smaller deals that may have made up a significant part of their historical track record. To the extent LPs wish to remain in that smaller space, they must find new managers, which creates opportunity for first-time and emerging managers.

Are there any strategy categories where first-time funds tend to have the most success?

I do not think there is anything special about a strategy that inherently makes it well suited for a first-time fund. Today, it is more about scarcity of existing managers in a particular strategy. I mentioned that middle-market and lower-middle market strategies are in high demand, but the first-time fund demand is actually focused more on strategies where LPs have few existing options. Distressed or special situations are good examples. There are limited quality options for LPs to look at in lower middle-market distressed. Tech buyout is another good example. Many of the successful incumbents have moved out of the lower middle market, and LPs who have made good money (or seen others make money) with those now larger tech buyout funds, have little choice but to back emerging teams if they want access to that original smaller segment of the market.

What are the most important considerations for a first-time fund manager?

Successfully raising a first-time fund is extremely difficult, so the first step is to take a hard look in the mirror to decide if the raw material exists to successfully complete a fundraise. Start to finish, this is a long process, and even if the fundraise timeline is compressed, there is a significant startup period where there will be no cash flow and no certainty of success, so the initial buy-in must be strong.

In order of importance, I would say a manager contemplating forming a first fund should consider: (i) will I have formal access to a relevant historical track record that demonstrates cash to cash performance; (ii) do I have any relationships in the LP community that can serve as a starting point for anchor investor conversations; (iii) am I willing to stake a significant percentage of my personal liquid net worth as a GP commitment; (iv) do I have a supporting team that shares the dream and will be committed prior to a fund closing; (v) and does my strategy represent a differentiated offering in a category where LPs have an appetite for investment.

While first-time managers do not always have tidy track record pages to present, they must have some demonstrable proxy for their ability to generate outsized returns. LPs must conclude that there is a unique capability within a team that will allow it to outperform. LPs are willing to be handheld in understanding investment history, but in today’s regulatory environment, GPs must be extremely cautious in referring to synthetic or virtual track records, so it becomes a bit of a dance.

Given our role in life, it is a self-serving comment, but we feel it is particularly important that first-time funds get help from an advisor that, based on a prior track record in first-time funds, brings a level of credibility to an offering. It becomes that advisor’s responsibility to generate enough exposure for a new manager, in a finite amount of time, to spark the momentum necessary to catalyze interest.

What do you find are LPs’ main concerns when evaluating first-time funds?

Partnership risk and reproducible performance are two big concerns. There is no secret sauce for underwriting either concern. Partnership risk is best addressed when the professionals who are coming together have a history of working together. That can take many forms, from working side by side at a prior firm, to working as investor and operator in a particular deal. Regardless, an LP will want comfort that the GP is not trying a partner relationship for the first time.

The primary underwriting exercise for an LP is gaining comfort with the GP’s ability to generate returns. That rarely comes from qualitative arguments alone. The hardest thing for a new sponsor to articulate is how their experience in the past translates to achieving targeted returns in the future. To the extent there is an existing track record as part of the first-time sponsor's pitch, LPs will first scrutinize the credibility and validity of the track record (and they are willing to jump through some hoops in navigating a complex story), and second they will look to confirm that the conditions under which historical success was achieved can be reproduced in the new fund structure. In other words, even if a new manager brings a successful attributed track record from a large, brand name fund, the LP will want to know that the same success can be produced without the support of the former mother ship.

So given those risks, why would an LP back a first-time fund?

LPs must believe the first-time fund manager represents a value proposition they cannot get in a more mature manager. Additionally, some LPs pride themselves on uncovering the next great manager. However, more importantly, many LPs have learned the hard way that the most successful emerging managers may not add a significant number of new investors in their second fund. If you are an LP or an advisor to LPs and you want to access the best groups in the middle-market, you may not have the luxury to wait for a Fund II or III. We have seen a shift lately in the extent to which consultants and advisors are willing to underwrite first-time funds, in that they have been shut out (or cut back) by the most attractive managers when they try to jump on the train after it has left the station.

From a marketing and positioning standpoint, it is clearly the objective of a first-time manager to create this view of future scarcity and exclusivity. But, that is hard to do, and it often comes down to the way an offering "feels" in the market. You will hear LPs say, "This feels like one we need to back this time around or we will miss it the next time".

What are the implications for LPs underwriting larger mature funds?

In the environment we are discussing, the underwriting of partnership and team risk changes for the large and mega funds. LPs typically look for indications that there are cracks in the partnership, in the internal comp structures, or issues in the relationships that make up the partnership. We are seeing departures of investment professionals from larger funds that are otherwise happy, well compensated, constructive members of larger teams. The availability of stake capital for these spin-out teams means they have real options to run their own show. Many times we see managers take substantial pay cuts to leave a large shop and start their own firm. They leave on relatively pleasant terms, and there were few warning signs that they were likely to depart. That makes it difficult for LPs to predict departures of important team members.

That said, part of what makes larger funds attractive is their ability to operate their platform as an institution and they are able to absorb departures by filling in with strong bench strength.

Do first-time managers need to plan for below market terms?

Not necessarily, but they should plan to be aggressive on terms where appropriate. There tends to be fairly binary outcomes with first-time funds. I mentioned that early momentum is extremely important for first-time funds, and terms are a good indicator of momentum. We advise managers to use incentive terms surgically and early. Attractive terms should be a carrot to encourage anchor investors to move early, as opposed to sitting on the sidelines, but those incentives should be targeted and limited to the initial part of a fundraise. Although LPs clearly like more attractive terms, a term sheet that presents a below market structure can also hint at a subpar offering. Quality first-time teams should be able to secure terms bordering on full market.

What are the types of incentive terms you are referring to?

The most common (and effective) incentives are reduced fee and carry. So on a 2%/20% deal, that may be 1.75% and 17.5%. Additional incentives can include preferential access to co-investments, no fee overage side cars, and, in rare cases involving very early/very large commitments, positions in the GP entity itself.

What are the alternatives for a manager that cannot raise a committed pool?

We regularly counsel very capable investment managers not to go to market with a formal fund structure. One can burn a huge amount of time and resources chasing a first closing of a fund only to have nothing to show for it. Instead, we often suggest that if there are key components of the story missing, the manager needs to find ways to do deals outside of a fund structure, either as a fundless sponsor partnering with a more established PEG or by using non-committed capital from friends and family or other relationships to establish a proven track record of successfully sourcing, managing and exiting investments.

Do you believe we are seeing a paradigm shift, and the market will be permanently more receptive to first-time sponsors going forward?

While some of the behavior shifts will be a permanent part of the private equity landscape, the math would suggest this phenomenon will not go on forever, at least not at this rate. Most LPs are culling the total number of GP relationships. The deck starts stacked against new relationships and is even more stacked against unproven new teams. Eventually, capital will flow to the opportunity in the lower middle-market (if the past is a guide, probably overflow), so we may be talking about a window for first-time managers as opposed to a paradigm shift. That said, there will always be a market for high quality investment managers with proven track records and existing LP relationships. In addition, there will always be small pockets of investment allocation reserved for "emerging managers" (which can mean lots of things), but I suspect that part of the reason we are seeing many inaugural funds enter the market is because managers realize there is a point in time opportunity to access start up LP capital.

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.

Clay Deniger is a Managing Partner responsible for North American Operations including project management, transaction structuring, and firm operations.

www.csplp.com

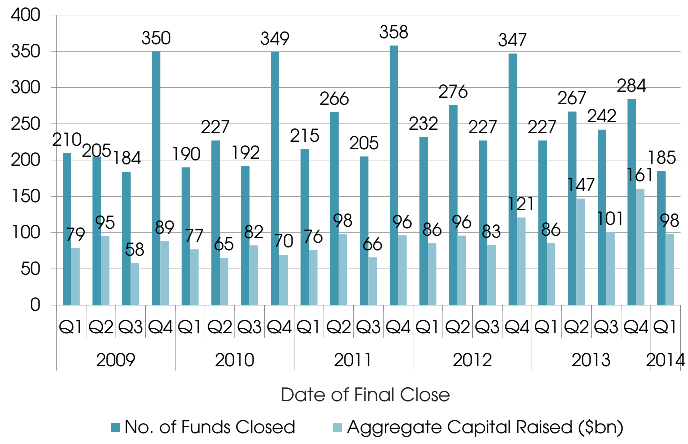
Fundraising in Q1 2014

Preqin's Funds in Market product shows that $26bn was raised by 135 private equity funds via interim closes in Q1 2014. In addition, the quarter saw 185 private equity vehicles reach a final close, raising an aggregate $98bn, a 14% increase on the amount of capital raised during the same period in 2013, but the lowest number of funds to close in any quarter since Q3 2009 (Fig. 1). The drop in number of funds, combined with an uptick in the aggregate capital raised for the first quarter of the year compared to the same period last year, has resulted in a larger average final close size. This is a reflection of the bifurcated private equity industry, with large, established fund managers raising the majority of capital and first-time fund managers experiencing less success. Of the 185 funds that closed, 50% closed above target, 15% met their target and 35% fell short of their fundraising goal.

Preqin's **Funds in Market** contains detailed information for all 2,116 private equity funds currently in market, including target size, interim closes, geographic focus and more.

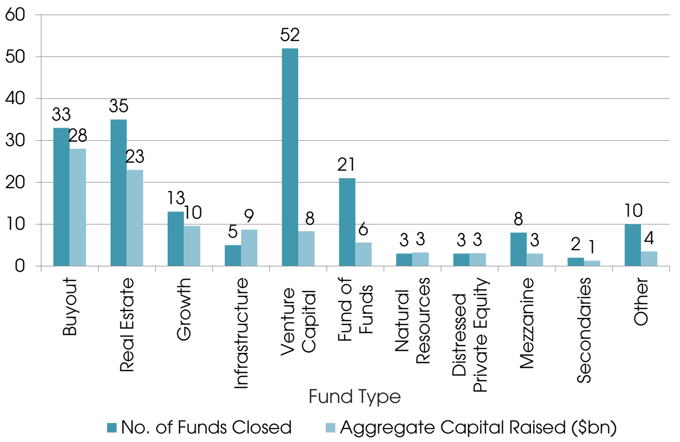
For more information, please visit: www.preqin.com/fim

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



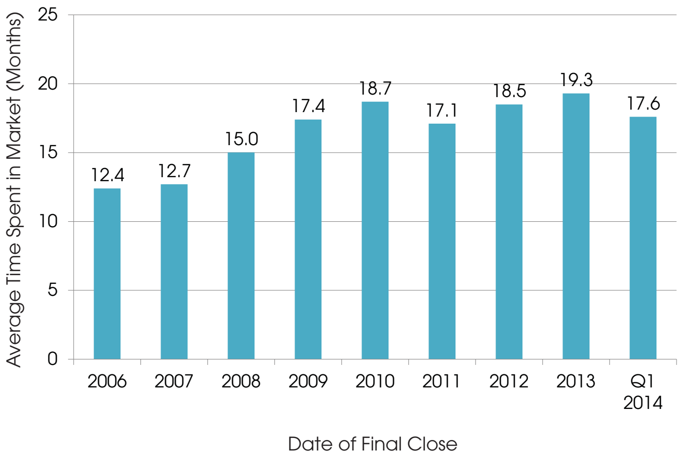
Source: Preqin Funds in Market

Fig. 2: Breakdown of Private Equity Funds Closed in Q1 2014 by Fund Type



Source: Preqin Funds in Market

Fig. 3: Average Time Taken for Private Equity Funds to Achieve a Final Close, 2006 - Q1 2014



Source: Preqin Funds in Market

Fig. 4: 10 Largest Private Equity Funds to Hold a Final Close in Q1 2014

Fund	Firm	Type	Final Size (bn)	Firm Country	Fund Focus
Blackstone Real Estate Partners Europe IV	Blackstone Group	Real Estate	5.1 EUR	US	Europe
Pimco Bravo Fund II	PIMCO	Real Estate	5.5 USD	US	Europe, US
Energy Capital Partners III	Energy Capital Partners	Infrastructure	5.1 USD	US	North America, US
Golder Thoma Cressey Rauner XI	GTCR Golder Rauner	Buyout	3.9 USD	US	North America, US
Affinity Asia Pacific Fund IV	Affinity Equity Partners	Buyout	3.8 USD	Hong Kong	ASEAN, Asia, Australia, Greater China, South Korea
TDR Capital III	TDR Capital	Buyout	2.0 EUR	UK	West Europe
CDH Fund V	CDH Investments	Growth	2.6 USD	China	China, US
Pine Brook Road Partners II	Pine Brook Partners	Growth	2.4 USD	US	Global, North America, US
Technology Crossover Ventures VIII	Technology Crossover Ventures	Growth	2.2 USD	US	Asia, Europe, North America, US
LS Power Equity Partners III	LS Power Group	Infrastructure	2.1 USD	US	US

Source: Preqin Funds in Market

Institutional Investors in Private Equity

Preqin's latest investor survey carried out in December 2013 revealed that the proportion of investors below their target allocation to private equity has increased from 28% to 39% in a year, while the proportion of investors at their target allocation to private equity has decreased from 57% to 44% (Fig. 1). The fact that more investors are now below their target allocations than in previous years demonstrates the potential for private equity fundraising to increase further in 2014 and beyond, with LPs likely to commit more capital to asset class to reach their desired level of exposure. The survey revealed that investors are keen to commit capital to new private equity funds in the short term, with over two-thirds (68%) of LP respondents expecting to make their next private equity fund commitment in the first half of 2014 (Fig. 2).

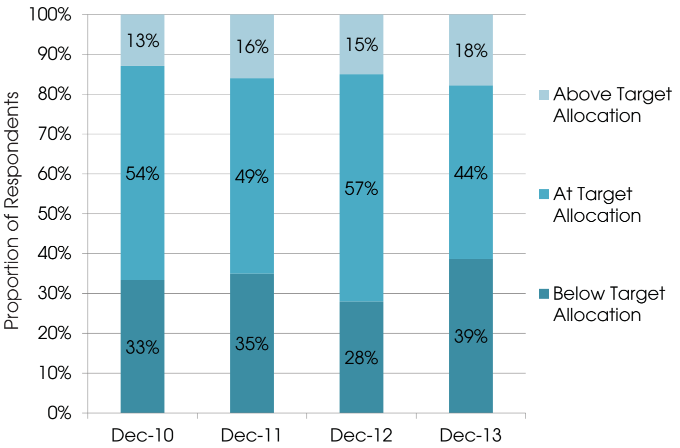
The fund types and regional preferences of the investors that have issued fund searches in Q1 2014 are depicted in Figs. 3 and 4. Buyout funds are the most sought after fund type by investors searching for new opportunities; 78% of LPs we spoke to in Q1 2014 that are seeking new funds are looking to add new buyout fund commitments to their portfolios over the next 12 months. Europe stands out as a hotspot for investors, with 95% of LPs that Preqin spoke to in Q1 2014 seeking Europe-focused fund opportunities in the year ahead. Investors have experienced an increase in confidence in these economies and their ability to provide returns as they recover from the sovereign debt crisis.

Preqin's **Investor Intelligence** provides comprehensive profiles for over 5,200 private equity investors worldwide.

Extensive profiles include current and target allocations, fund type and geographic preferences, future investment plans, key contact information and more.

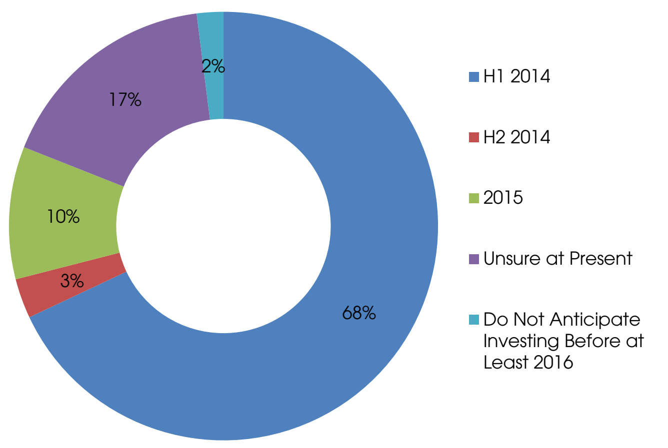
For more information, please visit: www.preqin.com/ii

Fig. 1: Proportion of Investors At, Above, or Below Their Target Allocations to Private Equity, December 2010 - December 2013



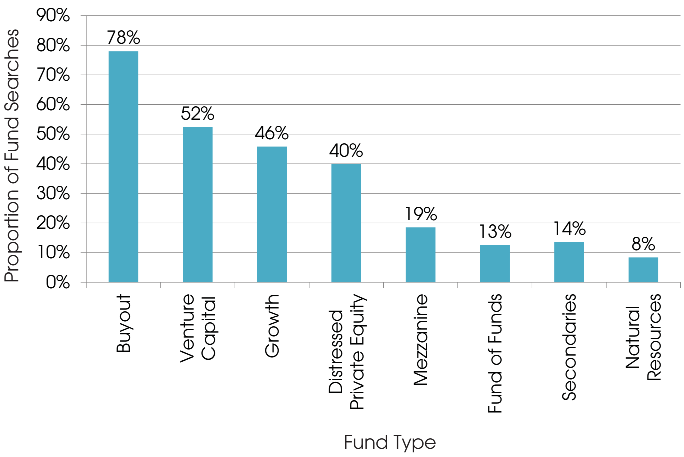
Source: Preqin Investor Interviews, 2010 - 2013

Fig. 2: Investors' Timeframe for Next Intended Commitments to Private Equity Funds



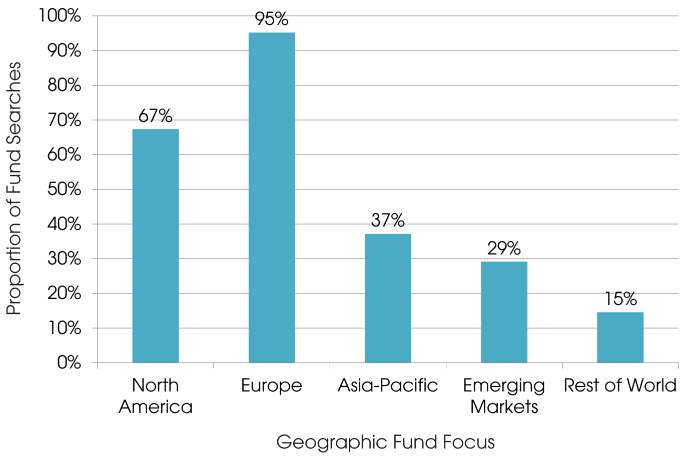
Source: Preqin Investor Interviews, December 2013

Fig. 3: Private Equity Fund Searches Issued by Investors in Q1 2014 by Fund Type



Source: Preqin Investor Intelligence

Fig. 4: Private Equity Fund Searches Issued by Investors in Q1 2014 by Geographic Fund Focus



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.

Our ability to differentiate our clients in a highly competitive market and our longstanding relationships with active investors in North America, Europe, Asia and the Middle East are key to our success.

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

Capstone Partners

www.csplp.com

Americas – Europe – Middle East – Asia Pacific

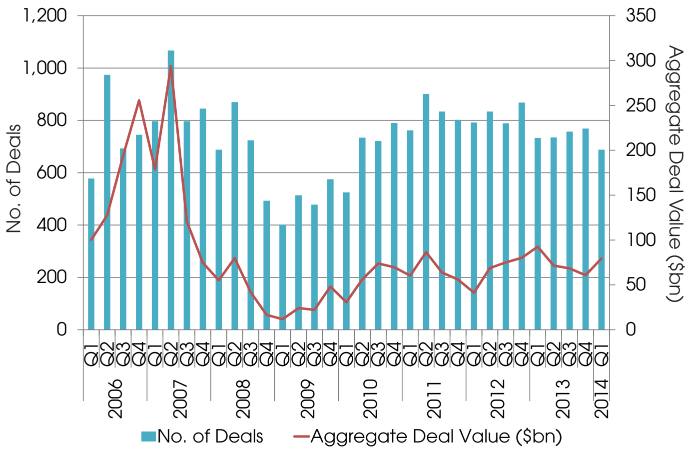
Securities placed through CSP Securities, LP
Member FINRA/SIPC

Buyout Deals

The first quarter of 2014 saw 688 private equity backed-buyout deals announced with an aggregate value of $80bn, representing a 31% rise in the aggregate value of such deals globally on the previous quarter (Fig. 1). Europe was the only region to see a fall in aggregate deal value from the previous quarter, from $17bn in Q4 2013 to $16bn in Q1 2014 (Fig. 2). In contrast, North America saw a 49% rise in total value of deals from the previous quarter, though this was also equivalent to a 34% drop compared to Q1 2013. The aggregate value of deals in Asia stood at $13bn in Q1 2014, 42% higher than Q4 2013 and a significant 232% above the Q1 2013 value.

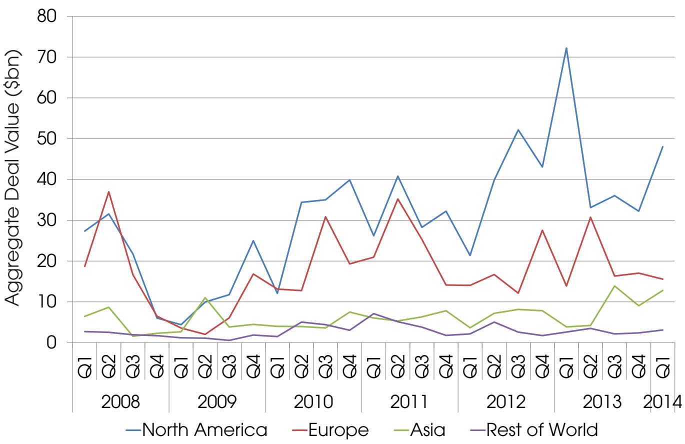
Despite falling by 7% from $94bn in Q4 2013 to $87bn in Q1 2014, the global aggregate value of exits in Q1 was 69% higher than in the first quarter of 2013 (Fig. 3). The number of exits globally was just 310 in the first quarter of 2014, the lowest level since Q3 2012, and 22% below the corresponding figure from Q4 2013.

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



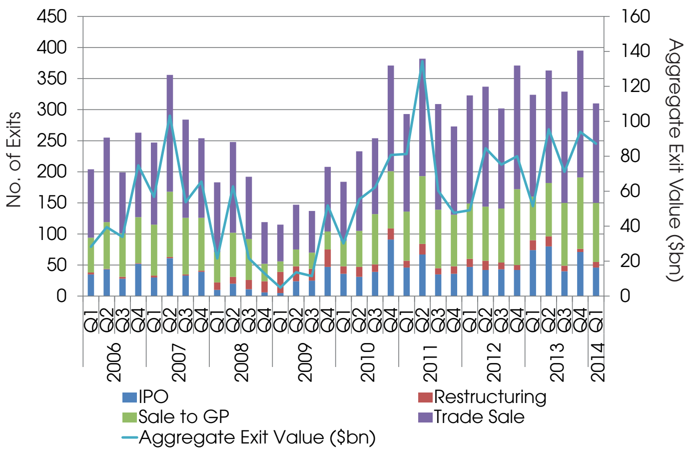
Source: Preqin Buyout Deals Analyst

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



Source: Preqin Buyout Deals Analyst

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



Source: Preqin Buyout Deals Analyst

Fig. 4: Five Largest Private Equity-Backed Buyout Deals Announced in Q1 2014

Firm	Deal Date	Investment Type	Deal Size (bn)	Deal Status	Investors	Bought From/Exiting Company	Location	Primary Industry
Safeway, Inc.	Mar-14	Merger	9.4 USD	Announced	Albertsons LLC, Cerberus Capital Management, Kimco Realty Corporation, Klaff Realty LP, Lubert-Adler Partners, L.P, Schottenstein Real Estate Group	-	US	Retail
MultiPlan, Inc.	Feb-14	Buyout	4.4 USD	Completed	Partners Group, Starr Investment Holdings	BC Partners, Silver Lake	US	Healthcare IT
Ortho-Clinical Diagnostics, Inc.	Jan-14	Buyout	4.2 USD	Announced	Carlyle Group	Johnson & Johnson	US	Medical Technologies
Industrial Packaging Group	Feb-14	Buyout	3.2 USD	Announced	Carlyle Group	Illinois Tool Works Inc.	US	Manufacturing
Nets Holding A/S	Mar-14	Buyout	17.0 DKK	Announced	Advent International, ATP Lifelong Pension, ATP Private Equity Partners, Bain Capital, Via Venture Partners	Danske Bank, DnB NOR Bank, Nordea Bank	Denmark	Financial Services

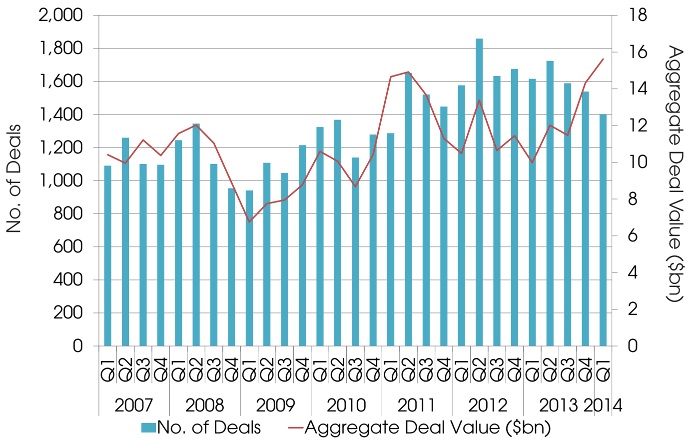
Source: Preqin Buyout Deals Analyst

Venture Capital Deals

In Q1 2014, 1,402 venture capital financings were announced globally, a drop compared to the 1,539 financings witnessed the previous quarter. Despite this decline, the aggregate deal value increased between Q4 2013 and Q1 2014, from $14.3bn to $15.6bn, which is the highest quarterly figure recorded in the period 2007-Q1 2014 (Fig.1). During Q1 2014, 874 deals took place in North America (Fig. 2), with the value of such deals reaching an aggregate $10.6bn, contributing 68% to the global value for the quarter and representing a 23% increase from Q4 2013. With several large financings in Greater China in Q1 2014, there has been an increase in the aggregate value of such deals of 150%, from $0.8bn in Q4 2013 to $2.0bn. Europe witnessed a 42% decrease in the value of deals from the previous quarter.

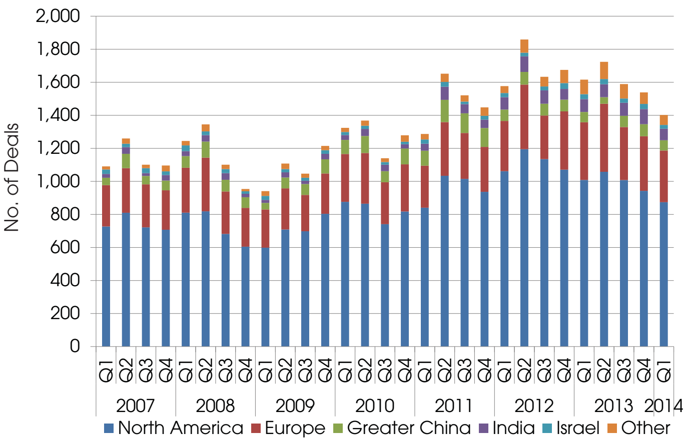
Angel/seed financings remain the most common stage of financing at 19% of the total (Fig. 3). Series A-D & later, as well as growth capital/expansion financings experienced a slight increase in the market share compared to 2013.

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



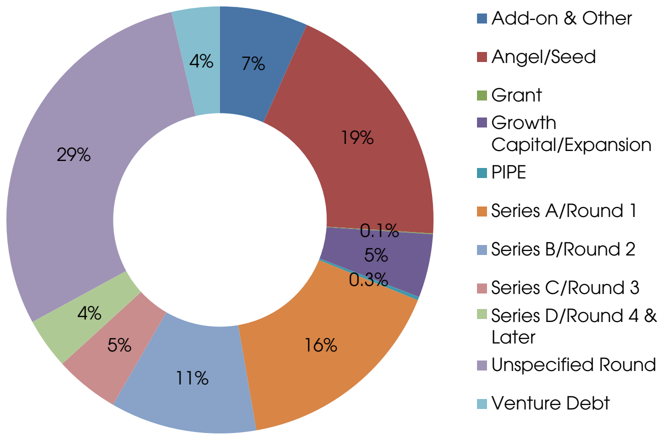
Source: Preqin Venture Deals Analyst

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



Source: Preqin Venture Deals Analyst

Fig. 3: Proportion of Number of Venture Capital Deals by Stage, Q1 2014



Source: Preqin Venture Deals Analyst

Fig. 4: Five Largest Venture Capital Deals in Q1 2014

Portfolio Company Name	Deal Date	Stage	Deal Size (mn)	Investors	Primary Industry	Location
Cloudera	Mar-14	Series F/Round 6	740 USD	Intel Corporation	Software	US
DianPing	Feb-14	Unspecified Round	400 USD	Tencent	Internet	China
Dropbox	Feb-14	Series C/Round 3	350 USD	BlackRock, Index Ventures, Morgan Stanley Alternative Investment Partners, T Rowe Price	Internet	US
Tango	Mar-14	Series D/Round 4	280 USD	Access Industries, Alibaba Group, Draper Fisher Jurvetson, Qualcomm Ventures, TOMS Capital, TransLink Capital	Telecoms	US
JD.com	Mar-14	Pre-IPO	214 USD	Tencent	Internet	China

Source: Preqin Venture Deals Analyst

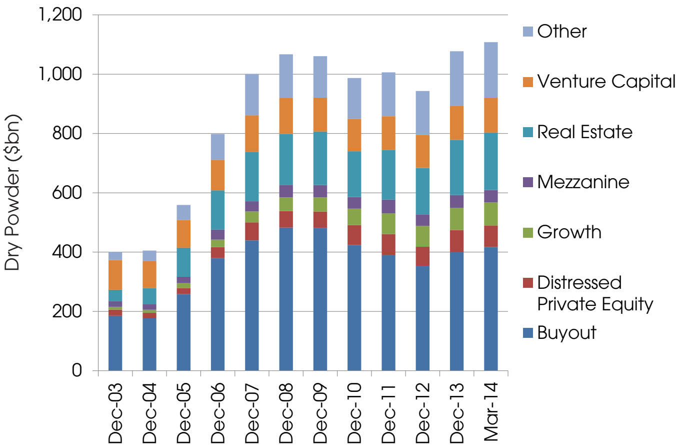
**Figures exclude add-ons, grants, mergers, venture debt and secondary stock purchases*

Fund Performance and Dry Powder

Private equity dry powder has continued to increase during the first quarter of 2014, with $1.1tn available to fund managers as of March 2014, representing a 2.9% increase from December 2013.

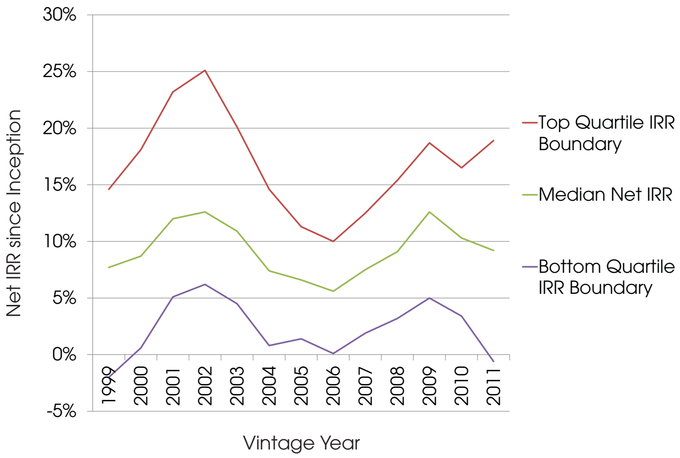
Fig. 3 shows an indication of the risk and return profiles of the main private equity fund types based on funds with vintage years between 2001 and 2011. With the standard deviation of net IRR measuring the risk of each strategy and the median IRR measuring the level of return, strategies appearing towards the lower right of the chart represent the most favourable risk and return trade-off. Secondaries funds are currently showing the highest median IRR of 14.6%, with a standard deviation of net IRR of 15.4%. In contrast, mezzanine funds generate a comparatively lower median IRR of 8.8%. However, with a standard deviation of net IRR of 6.5%, mezzanine represents a less risky strategy.

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



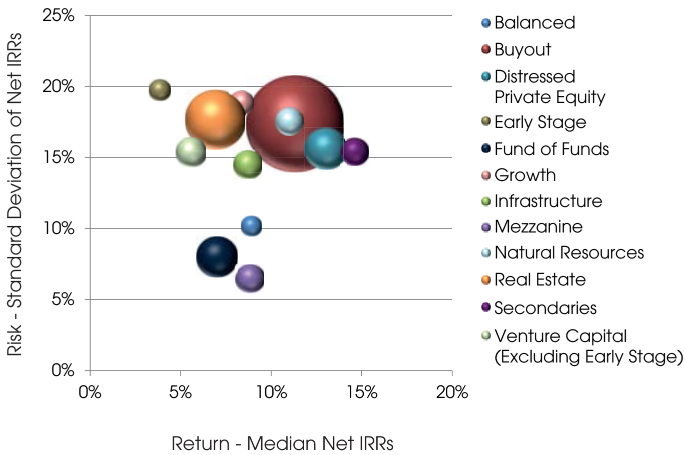
Source: Preqin Fund Manager Profiles

Fig. 2: All Private Equity - Median Net IRRs and Quartile Boundaries by Vintage Year



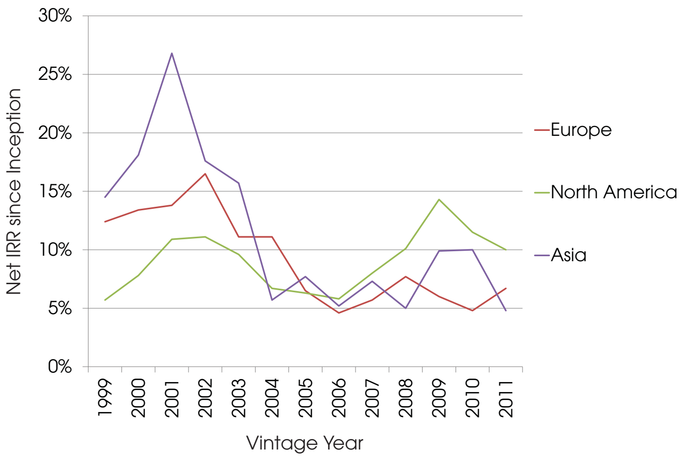
Source: Preqin Performance Analyst

Fig. 3: Risk and Return by Fund Strategy (Vintage 2001-2011 Funds)



Source: Preqin Performance Analyst

Fig. 4: Median Net IRRs by Vintage Year and Geographic Fund Focus



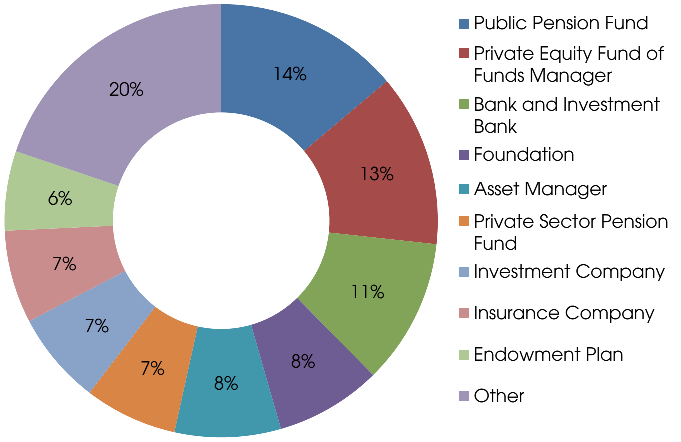
Source: Preqin Performance Analyst

Secondaries

Preqin has identified 255 institutional investors that consider selling private equity fund interests on the secondary market. As can be seen in Fig. 1, the largest group of these investors are public pension funds, which constitute 14%. Private equity fund of funds managers make up the next greatest proportion (13%) of potential sellers.

The first quarter of 2014 saw a number of secondary transactions completed, with a sample selection of transactions in the quarter listed in Fig. 2. The most notable transactions involved Pantheon purchasing a $500mn portfolio of predominantly US-focused large-cap funds, which Teachers' Retirement System of the State of Illinois put up for sale in late 2013, and Lexington Partners purchasing a €600mn portfolio of US- and Europe-focused funds from National Pensions Reserve Fund (NPRF). The sale was a strategic move by NPRF as a part of a conscious shift of focus to domestic opportunities. At the start of Q2 2014, there are 29 secondaries vehicles in market seeking aggregate capital of over $32bn, with the 10 largest shown in Fig. 3.

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



Source: Preqin Secondary Market Monitor

Preqin's **Secondary Market Monitor** can be used to access comprehensive information on all aspects of the secondary market. View detailed profiles for 378 potential buyers of fund interests and 255 LPs that are looking to sell fund interests, as well as 29 private equity secondaries funds currently in market and 203 closed since 2003.

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

Fig. 2: Sample of Secondary Transactions Completed in Q1 2014

Seller	Buyers	Fund(s)	Transaction Date
Scottish Widows Investment Partnership	ARCIS Group	Sigma Technology Venture Fund	Mar-14
Scandinavian Private Equity Partners	Idinvest Partners	IK VII Fund	Mar-14
Aviva Life and Pensions	HarbourVest Partners	Electra European Fund II	Feb-14
National Pensions Reserve Fund	Lexington Partners	-	Jan-14
Teachers' Retirement System of the State of Illinois	Pantheon	-	Jan-14
Goldman Sachs AIMS Private Equity	Strategic Partners Fund Solutions	Graphite Capital Partners V	Jan-14
Abbott Capital Management	Willowridge Partners	Cinven II	Jan-14
Goldman Sachs AIMS Private Equity	Strategic Partners Fund Solutions	Doughty Hanson & Co III	Jan-14
SWAN Private Equity	Coller Capital	Montagu IV	Jan-14
Avalon Ventures	Banca Intermobiliare di Investimenti e Gestioni	Investindustrial Fund III	Jan-14

Source: Preqin Secondary Market Monitor

Fig. 3: 10 Largest Secondaries Funds in Market by Target Size

Fund	Firm	Target Size ($mn)	Latest Interim Close Size ($mn)	Fund Status
Lexington Capital Partners VIII	Lexington Partners	8,000	5,500	First Close
Ardian Secondary Fund VI	Ardian	7,000	5,000	Second Close
Strategic Partners Fund VI	Strategic Partners Fund Solutions	3,500	-	Raising
Vintage Fund VI	Goldman Sachs AIMS Private Equity	3,000	3,500	Fifth Close
Landmark Equity Partners XV	Landmark Partners	2,500	-	Raising
Pomona Capital VIII	Pomona Capital	1,300	1,695	Fourth Close
DB Secondary Opportunities Fund III	DB Private Equity	1,000	-	Raising
Lexington Middle Market Investors III	Lexington Partners	750	-	First Close
Committed Advisors Secondary Fund II	Committed Advisors	556	413	First Close
Unigestion Secondary Opportunity Fund III	Unigestion	513	135	First Close

Source: Preqin Secondary Market Monitor

The Q1 2014 Preqin Quarterly Update: Private Equity

preqin

alternative assets. intelligent data.

Preqin Private Equity Online

With global coverage and detailed information on all aspects of the private equity asset class, Preqin's industry-leading Private Equity Online services keep you up to date on all the latest developments in the private equity universe.

Source new investors for funds and co-investments

Find the most relevant investors, with access to detailed profiles for over 5,200 institutional investors actively investing in private equity, including future fund searches and mandates, direct contact information and sample investments.

Identify potential investment opportunities

View in-depth profiles for over 2,100 unlisted private equity funds currently in the market, including information on investment strategy, geographic focus, key fundraising data, service providers used and sample investors.

Find active fund managers in private equity

Search for firms actively targeting private equity investments. View information on key contacts, firm fundraising and performance history, and applied strategies of the firm when investing in portfolio companies and assets.

Analyze the latest private equity fundraising activity

See which firms are currently on the road raising a private equity fund and which will be coming to market soon. Analyze fundraising over time by fund strategy and location.

See the latest buyout and venture capital deals and exits

View details of more than 93,000 buyout and venture capital deals, including deal value, buyers, sellers, debt financing providers, financial and legal advisors, exit details and more. Identify forthcoming exits and expected IPOs.

Benchmark performance

Identify which fund managers have the best track records, with performance benchmarks for private equity funds and performance details for over 6,700 individual named funds.

Examine fund terms

See the typical terms offered by funds of particular types, strategies and geographical foci, and assess the implications of making changes to different fees.

Find out how Preqin's range of products and services can help you:

www.preqin.com/privateequity

If you want any further information, or would like to apply for a demo of our products, please contact us:

New York:

One Grand Central Place
60 E 42nd Street
Suite 630, New York
NY 10165

Tel: +1 212 350 0100
Fax: +1 440 445 9595

London:

Equitable House
47 King William Street
London
EC4R 9AF

Tel: +44 (0)20 7645 8888
Fax: +44 (0)87 0330 5892

Singapore:

One Finlayson Green, #11-02
Singapore 049246

Tel: +65 6305 2200
Fax: +65 6491 5365

San Francisco:

580 California Street
Suite 1638, San Francisco
CA 94104

Tel: +1 415 635 3580
Fax: +1 440 445 9595

Email: info@preqin.com
Web: www.preqin.com