

1. Executive Summary

The financial crisis affected the performance of private equity profoundly, with recent years showing industry returns deeply in the red. For funds of recent vintages, the 'J-curve' effect of private equity performance was replaced by the 'W-curve' effect as early strong performance was hit by downward portfolio revaluations at the onset of the market crash, only to subsequently rebound to levels approaching the early gains. As shown in Fig. 1.1, the one-year rolling horizon IRRs indicate that the downturn in performance reached its nadir in March 2009, with improvement since that point, but to what extent have the early signs of recovery been fully realized?

In Fig. 1.2, data accurate to December 31st 2010 shows that the one-year IRR for all private equity stood at 18.8%, buyout funds at 22.6% and venture funds at 10.9%, with mezzanine funds and real estate funds at 8.6% and 4.7% respectively. Three-year performance is lower, with real estate and venture funds still in negative territory as a result of the downturn.

Breaking Down Private Equity Performance Metrics

As private equity is a relatively high-risk and low-liquidity asset class with long-term horizons, it is important for fund managers to demonstrate outperformance in comparison to traditional financial instruments. Fig. 1.3 shows the risk and return by vintage for buyout funds, highlighting that for funds of recent vintages the ratio of risk to return is significant. Inflated deal prices and high degrees of leverage employed in the private equity industry boom-period resulted in short-term under-performance following the collapse of the markets; however, private equity should be evaluated with its long-term horizons in mind. Fig. 1.4 shows the median returns received by public pension plans for their private equity portfolios, relative to that of their other asset class portfolios over the one, three, five and ten-year horizons. During the crisis private equity was hit extremely hard by the market crash; however, over both five and 10 years, median public pension fund private equity performance has been higher than any of the other asset classes shown.

Fig. 1.1: One-Year Rolling Horizon IRRs by Fund Type



Fig. 1.2: Private Equity Horizon IRRs as of 31 December 2010

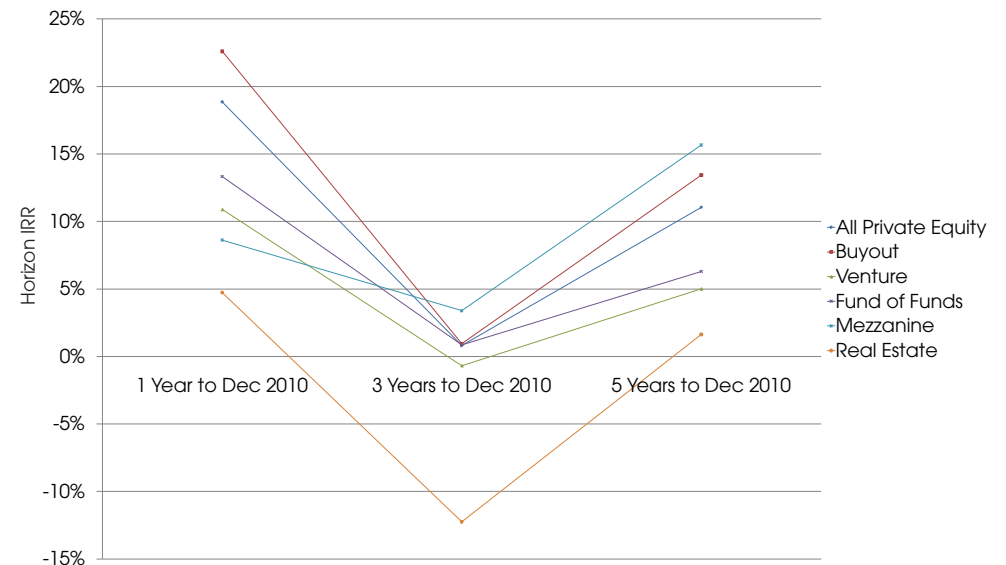


Fig. 1.3: Risk and Return by Vintage - Buyout Funds

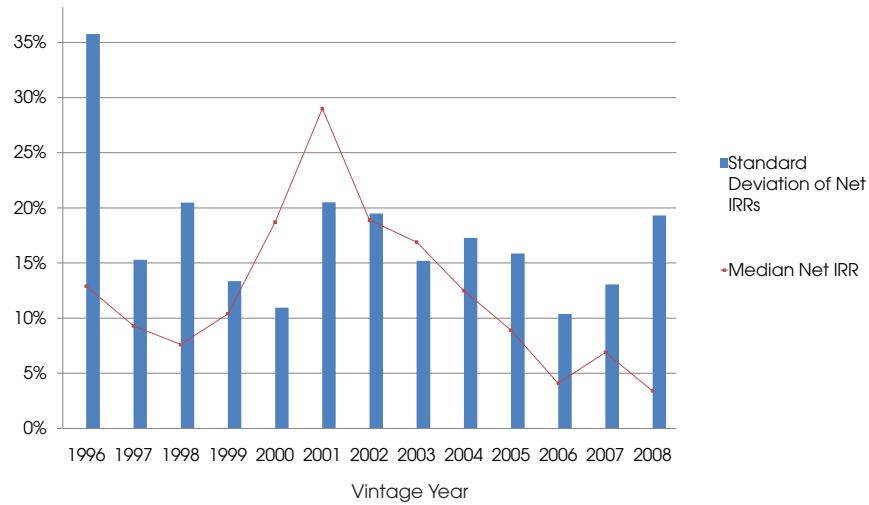


Fig. 1.4: Median Returns Received by Public Pension Plans by Asset Class as of 31 December 2010

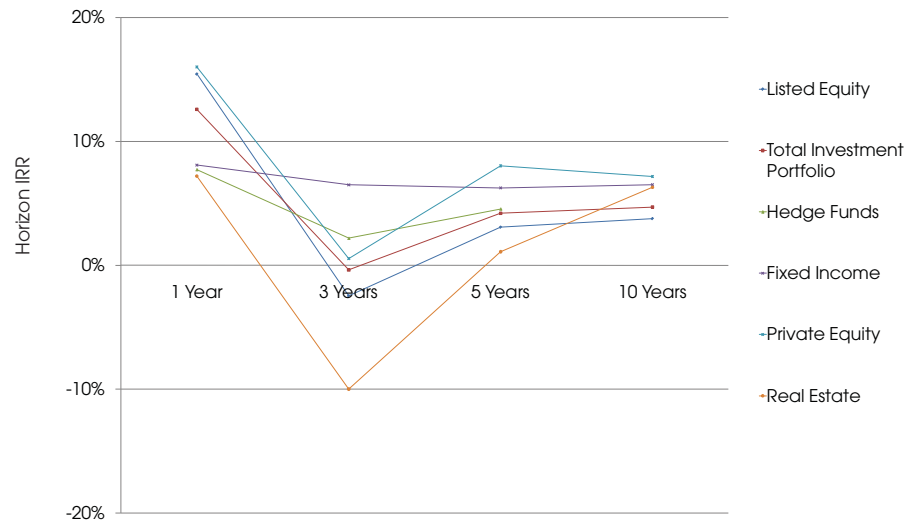


Fig. 1.5: Private Equity Performance - Median IRR, Quartile Boundaries and Mid-Points of Top and Bottom Quartiles - Vintages 1998 - 2008

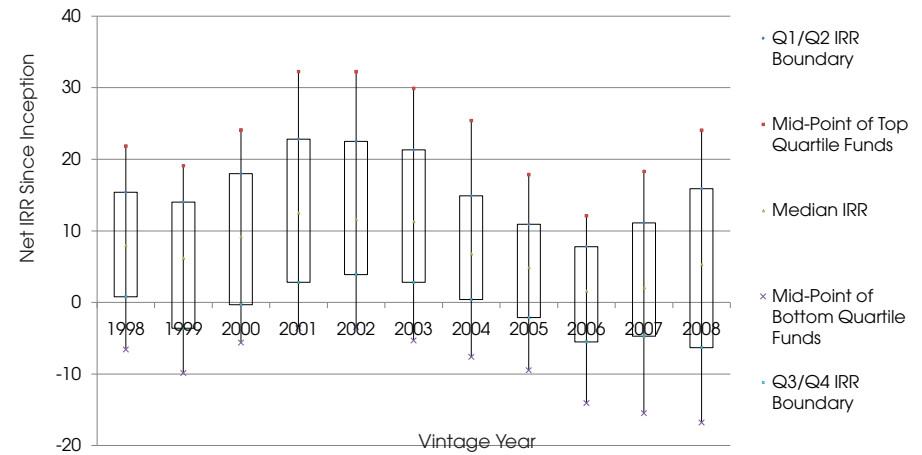


Fig. 1.6: Top Five Buyout Funds for Vintages 2006 - 2008

| Rank | Fund | Firm | Vintage | Net IRR (%) |
|------|---------------------------------------|---------------------|---------|-------------|
| 1 | Anacacia Partnership I | AnaCacia Capital | 2007 | 53.9 |
| 2 | American Securities Partners V | American Securities | 2008 | 52.1 |
| 3 | Ares Corporate Opportunities Fund III | Ares Management | 2008 | 34.7 |
| 4 | Waterland Private Equity Fund III | Waterland | 2006 | 32.0 |
| 5 | Actera Partners | Actera Group | 2007 | 30.6 |

Despite this, private equity performance metrics can obfuscate the true picture, as median returns and whole-industry IRRs do not fully represent the actual returns being experienced by individual institutions investing in the asset class. The performance of individual fund managers can vary widely, resulting in a significant spread of returns experienced by different investors. Fig. 1.5 shows the median net IRR for each fund vintage; it also shows the top and bottom performance quartile boundaries as well as highlighting the middle value of all top and bottom quartile IRRs. For example, for 2008 vintage funds the mid-point net IRR of top quartile funds stands at 24.1%, whereas the corresponding mid-point net IRR for bottom quartile funds stands at -16.8%. This indicates that the gulf between the mid-point of top quartile funds and bottom quartile funds is significant.

The Importance of Fund Selection

As we have seen, the overall performance of private equity shows that despite the impact of the financial crisis, the asset class can remain attractive for investors, but the spread between the best and worst performing private equity fund managers highlights the importance, and the significant consideration required, in selecting the right funds for investment. Private equity returns are very dependent on choosing managers with the appropriate strategies, resources and talent to successfully generate returns.

The task of choosing where to commit capital is generally dependent on a variety of selection criteria; identifying the best performing managers remains a key issue for institutional investors. While past performance is not a guarantee of future success, it can be a helpful indicator as to where a manager's talent and expertise

lies and there is a significant correlation between the performance of predecessor and successor funds.

Identifying the best performing managers is also problematic as not all funds can be 'top quartile', and therefore access to accurate, transparent and reliable performance data/benchmarks is an important part of the process of comparing different managers. As a result, the 2011 Preqin Private Equity Performance Monitor, now in its eighth edition, can assist in this complex task and also provide fund managers and marketers with the necessary tools to effectively place their vehicles and strategies in context, allowing them to benchmark themselves against their peers and examine where they stand against other specific vehicles and fund types.

Fig. 1.6 shows the top five buyout funds of vintages 2006-2008 by net IRR achieved

so far. The funds in this list, all with IRRs of more than 30%, further demonstrate how widely private equity performance can vary, with each significantly outperforming its respective median benchmark. In the body of this review, more tables like this are available, showing the best performing funds broken out into different vintages, fund types and regions.

Consistent Performance

However, it is not just individual fund performance that long-term investors in the asset class are interested in. In order to achieve high returns continually over a longer period of time, investors are keen to identify which managers have consistently outperformed their peers over multiple generations of funds, rather than just on a one-off occasion. Fig. 1.7 shows a top 10 list of buyout fund managers that have consistently outperformed the

Fig. 1.7: Top 10 Consistent Performing Buyout Fund Managers

| Firm | Location | Overall Number of Funds with Quartile Ranking | Number of Funds in Top Quartile | Number of Funds in Second Quartile | Average Quartile Rank |
|------------------------------|-------------|---|---------------------------------|------------------------------------|-----------------------|
| Altor | Sweden | 3 | 3 | 0 | 1.00 |
| Waterland | Netherlands | 3 | 3 | 0 | 1.00 |
| Ares Management | US | 3 | 2 | 1 | 1.33 |
| Charlesbank Capital Partners | US | 3 | 2 | 1 | 1.33 |
| Inflexion | UK | 3 | 2 | 1 | 1.33 |
| TowerBrook Capital Partners | UK | 3 | 2 | 1 | 1.33 |
| AEA Investors | US | 5 | 3 | 2 | 1.40 |
| Archer Capital | Australia | 5 | 3 | 2 | 1.40 |
| Patria Investimentos | Brazil | 5 | 4 | 0 | 1.40 |
| Berkshire Partners | US | 7 | 5 | 1 | 1.43 |

benchmarks assigned to them. Each fund has been assigned a quartile ranking using Preqin's Performance Analyst database, which contains performance data for over 5,600 private equity funds worldwide, with net IRR and net multiple achieved given equal weighting. Funds ranked in the top quartile are given a score of one, funds in the second quartile are scored two, and so on. The table is compiled using only funds for which Preqin holds performance data and has assigned a quartile ranking. For this reason, funds with vintage years 2009 and 2010 have been excluded; furthermore, the list only includes fund managers which have raised at least three funds of a similar strategy.

Two of the firms shown, Altor and Waterland, have both achieved a top quartile ranking with all of their funds that fit the criteria, and thus both have the best score available – 1.00. Extended lists of consistent performers, broken out into the various fund types, are available in the Consistent Performers chapter of the 2011 Preqin Performance Monitor.

[The 2011 Preqin Private Equity Performance Monitor](#)

Now in its eighth edition, this year's 350-page 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 we have introduced a number of new analyses, including 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. We have also added a new dimension to our listings, showing the top performing funds by fund type and by vintage year.

Performance information is sourced from both GPs and LPs, ensuring that strong and poor fund performance alike is reported. Multiple sources are used to ensure accuracy. The 2011 Preqin Performance Monitor also includes: detailed analysis sections examining key trends by different fund type, size and region; the examination of risk and return for different fund types; benchmarks for the different fund types, regions and vintage years; recent developments affecting performance; an analysis of listed private equity performance; dry powder and assets under management; and more. We hope that you find this year's edition of the Performance Monitor to be a useful and effective tool, and as ever welcome any feedback that you may have.

The 2011 Preqin Private Equity Performance Monitor

A comprehensive guide to private equity fund performance

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2. Methodology

The 2011 Preqin Private Equity Performance Monitor is focused on the performance of private equity funds available to institutional investors. Direct investments in unlisted corporate securities are not included in this publication.

The fund-level performance data and subsequent analysis contained in the Monitor is collated from our online database – Performance Analyst – the world's most extensive and transparent database of private equity fund performance. At its launch in 2003, Performance Analyst provided data for 1,086 individual funds. Performance Analyst now holds fund level performance data for 5,627 funds - an 11% increase from last year's total. Subscribers to this online service can view all of the data present in the Monitor and gain access to constantly updated fund level performance data. Further information can be found at www.preqin.com.

At Preqin, we aim to show fund-level performance data from the perspective of the LP. Therefore all performance metrics used in the Monitor show the net position to the investor and as such all commitments, contributions, distributions, remaining

values and IRRs are based on the position of the institutional investor before tax but after the GP's management and carry fees have been deducted.

The data is gathered from many different sources and using a variety of means. The majority of our data is obtained through Freedom of Information Act requests to institutional investors. These include CalPERS, Washington State Board Investment, Florida State Board of Administration and many others in the US and the UK. Limited partners are our initial source of performance data and to date there are over 300 public pension funds and endowments contributing data.

Another highly significant and very important source of data is from GPs. Our GP contributors now total 1,316 and have wide ranging investment strategies and geographic foci. As many of our online subscribers are prospective investors who can view performance data on a fund level, GPs recognize the importance of providing the most accurate and up-to-date data consistent with our net-to-LP performance metrics definitions, in order to represent their funds in the most accurate way.

Our wide range of data sources and our extensive research program allows us to verify data for individual funds ensuring a high level of confidence in the accuracy of the data we hold. At Preqin we greatly appreciate GPs that have contributed data on their funds and therefore we are happy to offer those GPs free access to our Performance Benchmark module of Performance Analyst as well as offering a discount on access to the full version. Should you wish to receive further details about contributing data please contact us or visit our website at www.preqin.com for further details.

At Preqin we realize the value of GP feedback on each fund and prior to the release of the Monitor we invited GPs to comment on their individual fund performance to ensure that the data we include in this publication is as accurate as possible. This took place during May and June 2011 and we still welcome any further feedback, which can be incorporated onto the database when it is received.

The date for which the performance figures are valid is provided in the fund listings and is an important consideration for the reader

in order to correctly interpret the data. The Monitor shows the most up-to-date information available at the time of going to press in July 2011. The majority of the data presented in this book is as of the fourth quarter of 2010 or the first quarter of 2011. The instances when the data is older than this will mostly relate to funds with more mature vintages that have distributed most of their capital back to the investors and therefore the data will not change too much. In order to make the most appropriate fund-level comparisons, percentages have been used to represent all performance metrics. The following chart gives an overview of the performance metrics displayed in the fund listings sections of the Monitor. 'Called percentage' will refer to the ratio of called capital at the date provided against the total amount committed to the fund, whereas 'distributed percentage (DPI)' reflects the amount received by the investor as a percentage of the paid-in capital to date. The 'residual value to paid-in capital percentage (RVPI)' is a measure of the remaining value of the portfolio expressed as a percentage of paid-in capital to date. The multiple is the sum of the distribution and the remaining value expressed as a times factor of the total capital called to

date. The vintage year is the year in which the first investment was made.

At Preqin, we generate benchmarks for all the main performance metrics – called, DPI, RVPI, multiple and IRR – using the median, average, pooled or money-weighted value. However, owing to lack of space, the only benchmark displayed in the Monitor is the median IRR. All benchmark data generated by Preqin is available to subscribers of Performance Analyst and also gives the user the option of creating custom benchmarks from their own user-defined fund universe. All benchmarks are transparent in terms of their constituent funds, which are accessible to the user.

Quartile rankings are also assigned to individual funds. Each fund universe constitutes funds with similar fund types, geographies and vintage years and the quartiles are assigned using a combination of the IRR and multiple rankings of each constituent fund, with an equal weight placed on each of these metrics. In the case where the sample size is small, the funds are assigned a quartile ranking generated against the private equity industry as a whole.

The 2011 Preqin Private Equity Performance Monitor aims to conduct analysis and provide insight to all private equity types from many different geographic regions. We use the term 'private equity' to denote a variety of fund types such as buyout,

venture, mezzanine, distressed debt, special situations, turnaround, real estate, infrastructure, natural resources, balanced, secondaries and fund of funds. Additional notes regarding our methodologies can be found on our website www.preqin.com and should readers have any further questions relating to either the methodology or performance data they are welcome to contact us.

Preqin Ltd.

July 2011

1. Called (%)

Percentage of LP's commitment contributed to date. E.g. an LP with a \$1mn commitment will have paid in \$900,000 to date.

6. Benchmark IRR:

The median IRR for the relevant peer group. We have specific benchmarks for buyout, venture, early stage, fund of funds, real estate and mezzanine funds. Funds of a different type are benchmarked against "All Private Equity". E.g. in this case vintage 2005 US buyout funds.

2. Distribution (%)

Distributions received to date as a percentage of called capital. E.g. an LP with a \$1mn commitment has received \$292,500 – this is 32.5% of the \$900,000 called.

10. Fund Specifics:

Fund size is the total commitment received by the fund – vintage and region focus are used for benchmarking. e.g. In this case, the benchmark is 2005 US buyout funds

8. Date Reported:

This is the 'as at date' for the valuations and performance. E.g. in this case the data is valid as of 31 Dec 2010.

| Firm name | Fund | Vintage | Fund Size (Mn) | Region Focus | Called (%) | Distributed (%) DPI | Rem. Value (%) RVPI | Multiple (X) | Net IRR (%) | Benchmark IRR (%) | Quartile | Date Reported |
|--------------------------|-----------------|---------|----------------|--------------|------------|---------------------|---------------------|--------------|-------------|-------------------|----------|---------------|
| Mega Capital Partners | Mega Fund I | 2005 | 100 USD | US | 90.0 | 32.5 | 105.1 | 1.38 | 8.0 | 8.0 | 2 | 31-Dec-10 |
| | Mega Fund II | 2006 | 50 USD | US | 60.0 | 29.7 | 52.7 | 0.82 | -6.5 | 4.0 | 4 | 31-Dec-10 |
| Example Capital Partners | Example Fund I | 2002 | 500 USD | Europe | 100.0 | 219.0 | 36.3 | 2.55 | 46.4 | 28.1 | 1 | 31-Dec-10 |
| | Example Fund II | 2005 | 700 USD | Europe | 90.0 | 13.9 | 112.4 | 1.26 | 10.3 | 10.3 | 3 | 31-Dec-10 |

9. Firm Name/Fund:

The name of the fund manager and their corresponding fund.

3. Value

Valuation of unrealized investments as percentage of called capital. E.g. an LP with a \$1mn commitment has unrealized investment valued at \$945,900 – which is 112.4% of the \$900,000 called.

7. Quartile Ranking:

This shows which quartile of the relevant peer group the fund falls into. We put equal weight on the IRR and value multiple. E.g. this fund is a second quartile fund.

4. Multiple:

Distributions plus unrealized value. E.g. in this case 1.26 – which is $(13.9\% + 112.4\%) / 100$

5. Net IRR:

The net IRR earned by the LP to date after fees and carry. E.g. in this case 10.3%, counting both distributions and unrealized value.

4. Trends in Private Equity Performance

The past performance of a fund manager is an important consideration for prospective investors. Whether seeking to form new fund manager relationships or deciding whether to re-invest with an existing partnership, the knowledge that a fund manager has been able to achieve top quartile returns with its previous funds is an important factor in the decision. As well as a prospective GP's past track record, LPs are also interested in the performance of their more recent funds currently participating in an environment more closely resembling that of today. At Preqin, we assign benchmarks from the third year of a fund's life in order to compare its performance against its peers. By examining the quartile changes from over 12 years' worth of historic returns over time, we are able to gain an insight into how performance of a fund at various stages of its investment life cycle can indicate the likely performance of the fund at maturity.

Figs. 4.1 and 4.2 show the relationship of the quartile rankings at the fourth year of investment with the quartile rankings at maturity for buyout and venture funds respectively. These graphs give an indication of the relevance of early performance to a fund's final quartile ranking and show that,

especially for top and bottom quartile funds, early performance can act as a predictor for future relative performance.

Fig. 4.1 shows the relationship between the quartile ranking at the fourth year of investment and at maturity for buyout funds. This graph shows that 50% of buyout funds ranked in the top quartile after their fourth investment year remained in the top quartile at maturity, and 75% of top quartile buyout funds at year four went on to achieve above median returns. Only 4% of such vehicles went on to achieve bottom quartile returns. Similarly, for buyout funds which are ranked in the bottom quartile after year four, 74% are ranked in the third or fourth quartile at maturity. However, it should be noted that 12% of such funds were able to achieve top quartile returns at the end of their fund lives. For venture funds, Fig. 4.2 shows that 60% of funds ranked in the top quartile during their fourth investment year have gone on to achieve top quartile returns at maturity. No venture funds that were ranked in the bottom quartile during the fourth investment year were able to achieve top quartile returns at the end of their fund lives, with only 8% achieving returns above the median.

Fig. 4.1: Buyout Funds - Relationship between Quartile Ranking at Fourth Investment Year and at Maturity

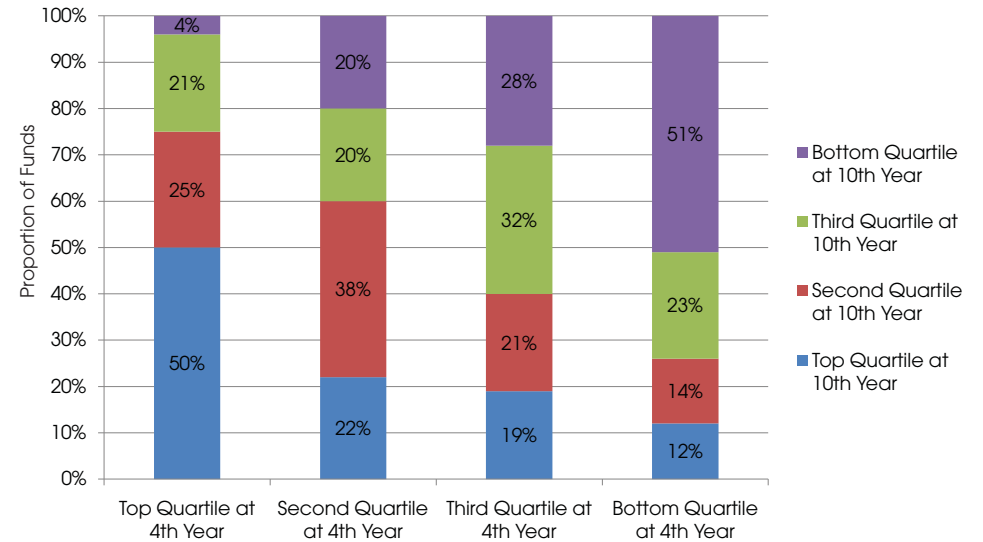
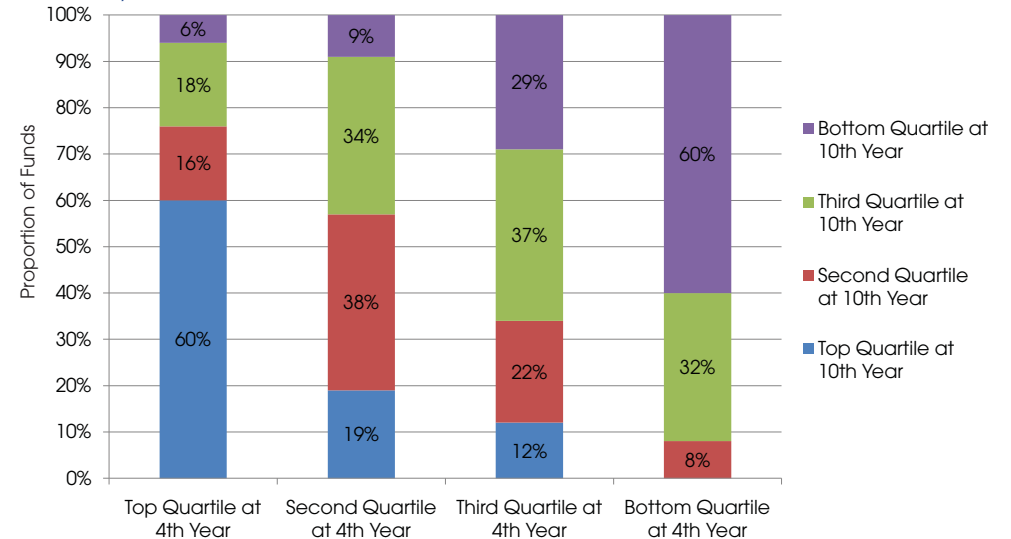


Fig. 4.2: Venture Funds - Relationship between Quartile Ranking at Fourth Investment Year and at Maturity



Top 10 Funds of Funds for Vintages 1990-1995

| Rank | Fund | Firm | Vintage | Fund Size (Mn) | Type | Region Focus | Called (%) | Distr. (%) DPI | Value (%) RVPI | Multiple (X) | Net IRR (%) | Date Reported |
|------|---|-------------------------------|---------|----------------|---------------|--------------|------------|----------------|----------------|--------------|-------------|---------------|
| 1 | Capital Dynamics Participation II | Capital Dynamics | 1993 | 3 USD | Fund of Funds | Europe | 100.0 | 785.0 | 0.0 | 7.85 | 69.4 | 30-Jun-11 |
| 2 | Capital Dynamics Participation IV | Capital Dynamics | 1993 | 3 USD | Fund of Funds | Europe | 100.0 | 782.0 | 8.0 | 7.90 | 62.0 | 30-Sep-10 |
| 3 | Capital Dynamics Participation I | Capital Dynamics | 1992 | 4 USD | Fund of Funds | Europe | 100.0 | 355.0 | 0.0 | 3.55 | 53.6 | 30-Jun-11 |
| 4 | Endowment Venture Partners II | Commonfund Capital | 1993 | 175 USD | Fund of Funds | US | 100.0 | 488.5 | 4.3 | 4.93 | 48.6 | 31-Mar-11 |
| 5 | Capital Dynamics US Private Equity 1992 | Capital Dynamics | 1992 | 18 USD | Fund of Funds | US | 100.0 | 525.0 | 4.0 | 5.29 | 48.6 | 30-Sep-10 |
| 6 | Pantheon Europe 1994 | Pantheon Ventures | 1994 | 128 EUR | Fund of Funds | Europe | 100.0 | 280.3 | 1.0 | 2.81 | 43.8 | 31-Dec-10 |
| 7 | Capital Dynamics Participation III | Capital Dynamics | 1993 | 3 USD | Fund of Funds | Europe | 100.0 | 299.0 | 0.0 | 2.99 | 37.1 | 30-Jun-11 |
| 8 | Venture Investment Associates | Venture Investment Associates | 1993 | 180 USD | Fund of Funds | US | 100.0 | 273.0 | 0.0 | 2.73 | 36.6 | 30-Jun-11 |
| 9 | HarbourVest Partners IV Partnership | HarbourVest Partners | 1993 | 196 USD | Fund of Funds | US | 96.0 | 336.9 | 0.0 | 3.37 | 34.8 | 30-Jun-11 |
| 10 | Knightsbridge Integrated Holdings II | Knightsbridge Advisers | 1992 | 59 USD | Fund of Funds | US | 100.0 | 374.2 | 5.2 | 3.79 | 33.6 | 30-Jun-10 |

Top 10 Real Estate Funds for Vintages 1990-1995

| Rank | Fund | Firm | Vintage | Fund Size (Mn) | Type | Region Focus | Called (%) | Distr. (%) DPI | Value (%) RVPI | Multiple (X) | Net IRR (%) | Date Reported |
|------|----------------------------------|---|---------|----------------|-------------|--------------|------------|----------------|----------------|--------------|-------------|---------------|
| 1 | RAR/CREL Investment Fund II | Rockwood Capital | 1995 | 83 USD | Real Estate | US | 100.0 | 138.1 | 0.0 | 1.38 | 32.7 | 30-Jun-11 |
| 2 | Brazos Fund | Lone Star Funds | 1995 | 250 USD | Real Estate | US | 98.3 | 147.4 | 0.0 | 1.47 | 32.3 | 30-Jun-11 |
| 3 | Westbrook Real Estate Fund I | Westbrook Partners | 1995 | 684 USD | Real Estate | US | 101.0 | 226.5 | 0.0 | 2.26 | 26.4 | 30-Jun-11 |
| 4 | AG Realty Fund II | Angelo, Gordon & Co | 1995 | 33 USD | Real Estate | US | 100.0 | 215.0 | 0.0 | 2.15 | 25.0 | 30-Jun-11 |
| 5 | Chesapeake Property Finance Fund | Alex. Brown Realty | 1994 | 20 USD | Real Estate | US | 100.0 | 221.5 | 0.0 | 2.22 | 24.6 | 30-Jun-11 |
| 6 | AG Realty Fund | Angelo, Gordon & Co | 1994 | 30 USD | Real Estate | US | 100.0 | 197.0 | 0.0 | 1.97 | 23.0 | 30-Jun-11 |
| 7 | BlackRock Asset Investors | BlackRock Realty | 1995 | | Real Estate | US | 105.9 | 137.0 | 0.0 | 1.37 | 21.9 | 30-Jun-11 |
| 8 | BPG Investment Partnership II | BPG Properties | 1995 | 66 USD | Real Estate | US | 97.0 | 220.0 | 0.0 | 2.20 | 21.0 | 30-Jun-11 |
| 9 | RAR/CREL Investment Fund I | Rockwood Capital | 1990 | 202 USD | Real Estate | US | 100.0 | 104.1 | 0.0 | 1.04 | 20.7 | 30-Jun-11 |
| 10 | Whitehall Street V & VI | Goldman Sachs Merchant Banking Division | 1994 | 1,055 USD | Real Estate | US | 96.1 | 235.1 | 0.6 | 2.36 | 19.4 | 30-Jun-10 |

to differentiate themselves from their peers and raise new capital quickly. Fig. 5.2 shows that 61% of top quartile fund managers were able to close their new fund within the first year, with 37% completing the fundraising process within six months. Only 3% of top performing fund managers took over 25 months to close their new fund. In contrast, 18% of bottom quartile fund managers spent longer than 25 months raising a new fund, showing that a correlation appears to exist between the top and bottom quartile managers and the time spent fundraising.

To assess the success of a fundraising effort, as well as time spent on the road, another key measure is whether a fund manager has achieved its initial fundraising target. This is the focus of Fig. 5.3, which shows that top quartile fund managers are more likely to exceed their fundraising targets, with 58% of such managers closing their fund above target. Just 23% of top performing managers closed their fund below target, compared to 41% of bottom quartile fund managers. 59% of bottom quartile managers were able to close on or above target, compared with 77% of top performing firms.

This analysis indicates that performance does have a significant effect on the fundraising process, and that the effect is most significant for top and bottom quartile funds and managers, as one might expect. It is also important to note here that while past performance is an important consideration

for LPs, there are clearly other factors that also influence the fund selection process.

Fig. 5.2: Effect of Past Performance on Time Spent on the Road for New Funds

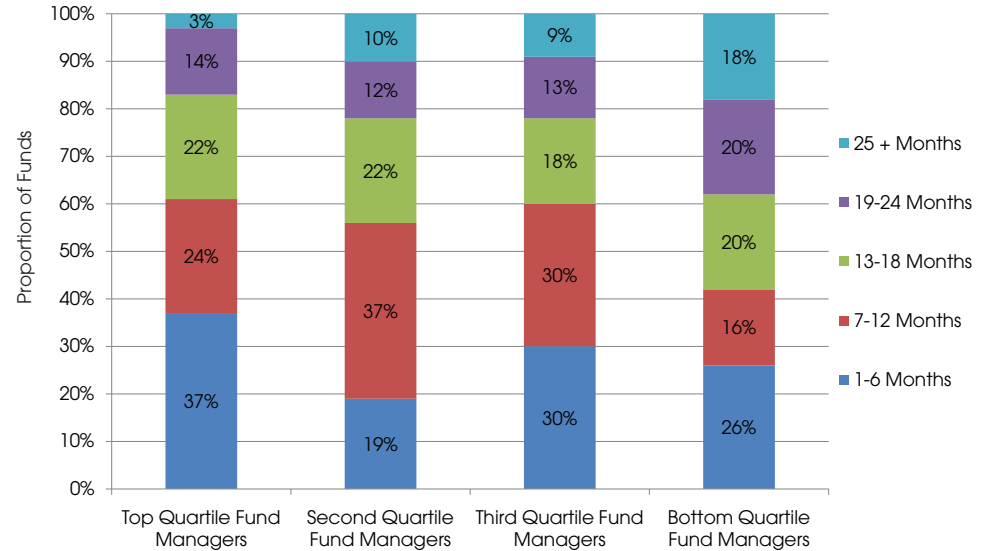
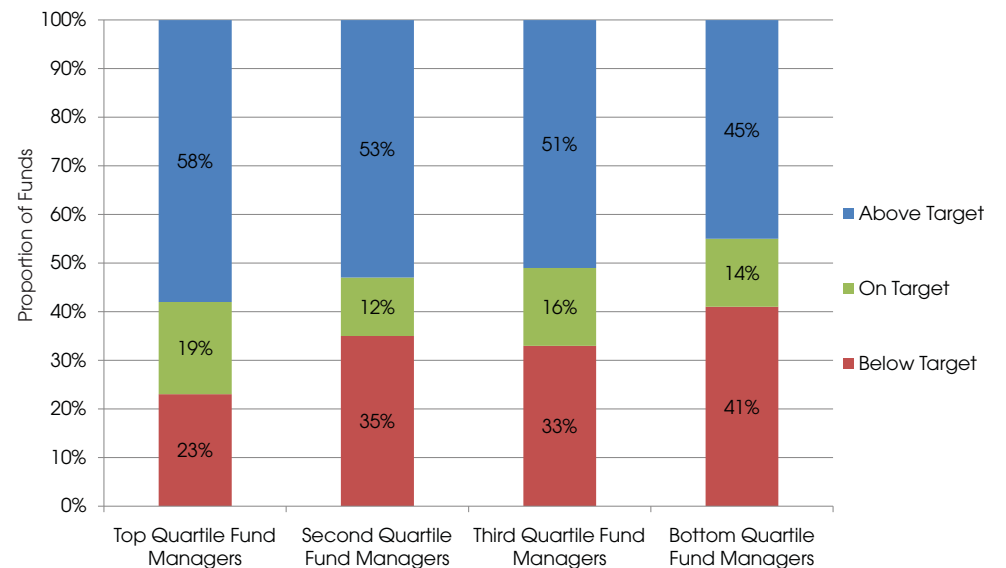


Fig. 5.3: Effect of Past Performance on Fundraising Target



Median All Private Equity, All Regions, as at March 2011

| Vintage | Number of Funds | Median Fund | | | Multiple Quartiles | | | IRR Quartiles (%) | | | Max/Min (%) | |
|---------|-----------------|-------------|--------------|----------------|--------------------|--------|------|-------------------|--------|-------|-------------|---------|
| | | Called (%) | Dist (%) DPI | Value (%) RVPI | Q1 | Median | Q3 | Q1 | Median | Q3 | Max | Min |
| 2011 | 15 | 5.0% | 0.0% | 66.3% | 0.98 | 0.80 | 0.24 | n/m | n/m | n/m | n/m | n/m |
| 2010 | 69 | 21.0% | 0.0% | 97.9% | 1.04 | 0.98 | 0.93 | n/m | n/m | n/m | n/m | n/m |
| 2009 | 58 | 32.7% | 0.9% | 101.0% | 1.23 | 1.06 | 0.92 | n/m | n/m | n/m | n/m | n/m |
| 2008 | 165 | 51.1% | 6.0% | 95.0% | 1.25 | 1.08 | 0.93 | 19.7% | 9.6% | -4.2% | 97.3% | -50.8% |
| 2007 | 191 | 69.0% | 7.4% | 93.5% | 1.27 | 1.05 | 0.94 | 14.0% | 5.6% | -1.0% | 98.8% | -40.6% |
| 2006 | 185 | 85.6% | 15.0% | 90.0% | 1.27 | 1.08 | 0.93 | 8.6% | 3.9% | -2.9% | 32.0% | -100.0% |
| 2005 | 156 | 91.2% | 28.5% | 81.5% | 1.38 | 1.18 | 0.97 | 9.8% | 7.0% | 1.4% | 96.0% | -93.5% |
| 2004 | 116 | 98.4% | 52.2% | 70.5% | 1.69 | 1.26 | 1.03 | 21.3% | 9.3% | 3.0% | 85.9% | -41.8% |
| 2003 | 77 | 97.2% | 95.0% | 56.4% | 1.76 | 1.54 | 1.18 | 23.0% | 15.1% | 5.3% | 60.2% | -28.2% |
| 2002 | 65 | 99.0% | 122.9% | 32.0% | 2.05 | 1.57 | 1.30 | 25.9% | 16.5% | 10.0% | 72.0% | -47.2% |
| 2001 | 97 | 100.0% | 134.6% | 23.4% | 2.01 | 1.55 | 1.21 | 26.5% | 15.7% | 5.5% | 70.0% | -100.0% |
| 2000 | 123 | 100.0% | 133.8% | 19.5% | 2.08 | 1.52 | 1.14 | 23.5% | 13.9% | 6.9% | 73.0% | -66.2% |
| 1999 | 94 | 100.0% | 125.8% | 5.2% | 1.80 | 1.44 | 0.84 | 15.0% | 9.4% | 0.8% | 39.7% | -40.6% |
| 1998 | 110 | 100.0% | 143.0% | 0.0% | 1.93 | 1.49 | 1.13 | 18.0% | 11.0% | 3.4% | 514.3% | -100.0% |
| 1997 | 118 | 100.0% | 161.0% | 0.0% | 2.30 | 1.66 | 1.30 | 30.3% | 13.6% | 6.2% | 267.8% | -26.7% |
| 1996 | 84 | 100.0% | 170.0% | 0.0% | 2.24 | 1.80 | 1.35 | 27.8% | 14.4% | 7.3% | 147.4% | -33.3% |
| 1995 | 80 | 100.0% | 167.0% | 0.0% | 2.30 | 1.69 | 1.23 | 28.0% | 16.8% | 6.3% | 447.4% | -19.9% |
| 1994 | 75 | 100.0% | 182.4% | 0.0% | 2.47 | 1.81 | 1.46 | 34.7% | 19.0% | 10.5% | 92.2% | -22.0% |
| 1993 | 73 | 100.0% | 220.7% | 0.0% | 3.22 | 2.21 | 1.56 | 37.4% | 19.9% | 11.0% | 121.4% | -14.8% |
| 1992 | 61 | 100.0% | 163.0% | 0.0% | 2.30 | 1.63 | 1.22 | 28.7% | 16.9% | 7.0% | 110.4% | -49.9% |
| 1991 | 40 | 100.0% | 224.7% | 0.0% | 3.04 | 2.25 | 1.84 | 31.1% | 22.5% | 11.2% | 346.4% | -0.5% |
| 1990 | 56 | 100.0% | 190.1% | 0.0% | 2.46 | 1.90 | 1.35 | 21.0% | 15.6% | 7.0% | 74.4% | -35.9% |
| 1989 | 72 | 100.0% | 228.4% | 0.0% | 3.32 | 2.29 | 1.60 | 30.3% | 16.4% | 10.7% | 198.5% | -42.1% |
| 1988 | 49 | 100.0% | 215.6% | 0.0% | 3.02 | 2.16 | 1.64 | 29.9% | 14.9% | 9.8% | 54.5% | -9.3% |
| 1987 | 42 | 100.0% | 215.2% | 0.0% | 3.22 | 2.15 | 1.36 | 21.3% | 14.5% | 7.0% | 31.3% | -12.4% |
| 1986 | 34 | 100.0% | 187.5% | 0.0% | 2.37 | 1.88 | 1.38 | 16.5% | 10.3% | 5.5% | 65.0% | -4.9% |
| 1985 | 38 | 100.0% | 184.8% | 0.0% | 2.71 | 1.85 | 1.43 | 17.5% | 12.4% | 6.8% | 40.7% | -3.0% |
| 1984 | 31 | 100.0% | 209.3% | 0.0% | 2.85 | 2.09 | 1.57 | 15.5% | 12.6% | 7.6% | 96.2% | 1.7% |
| 1983 | 23 | 100.0% | 169.6% | 0.0% | 2.64 | 1.70 | 1.57 | 17.2% | 9.9% | 6.2% | 51.6% | -3.5% |
| 1982 | 15 | 100.0% | 175.3% | 0.0% | 2.69 | 1.76 | 1.70 | 13.1% | 9.7% | 7.7% | 64.3% | -1.6% |
| 1981 | 10 | 100.0% | 141.9% | 0.0% | 1.87 | 1.42 | 1.01 | 17.7% | 9.7% | 3.3% | 67.4% | -0.3% |

Fig. 22.4: Real Estate - Net IRR Deviation from Median Benchmark

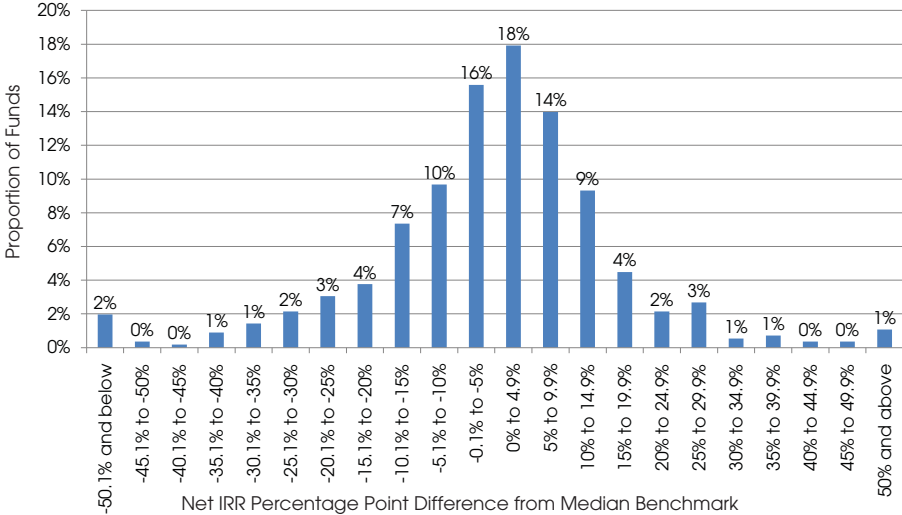


Fig. 22.5: Real Estate - Median Net Multiple: Value Added vs. Opportunistic Funds



Fig. 22.6: Real Estate - Annual Contributions and Distributions with Net Cash Flow (LP with \$10mn commitment)

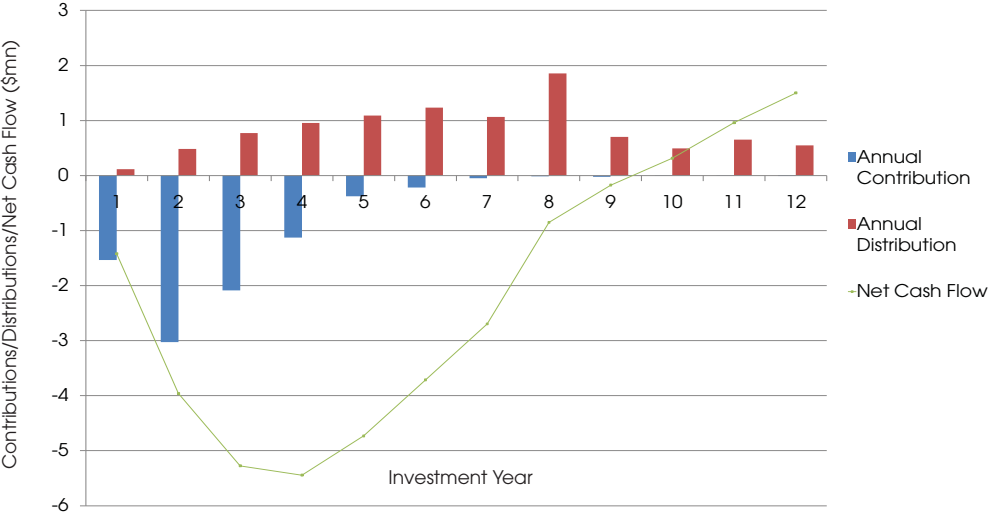
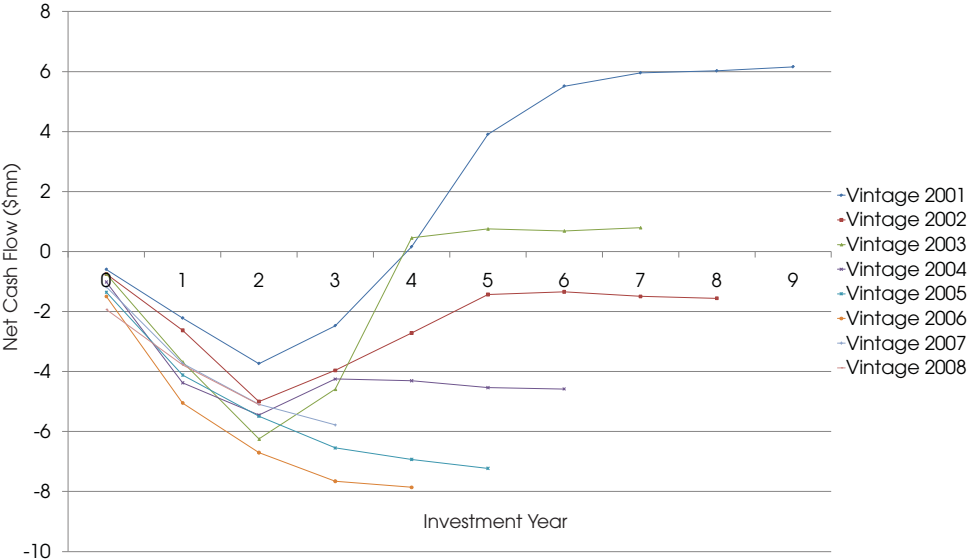


Fig. 22.7: Real Estate - Net Cash Flow by Vintage Year (LP with \$10mn Commitment)



| Firm Name | Fund | Vintage | Fund Size (Mn) | Region Focus | Called (%) | Distributed (%) DPI | Rem. Value (%) RVPI | Multiple (X) | Net IRR (%) | Benchmark IRR (%) | Quartile | Date Reported |
|------------------------|--|---------|----------------|--------------|------------|---------------------|---------------------|--------------|-------------|-------------------|----------|---------------|
| 3i | 3i 94 LMBO Plan | 1994 | 170 GBP | Europe | 98.4 | 140.0 | 0.0 | 1.40 | 11.7 | 41.8 | 4 | 30-Jun-11 |
| | 3i UK Investment Partners | 1996 | 415 GBP | Europe | 96.8 | 131.0 | 9.8 | 1.41 | 8.3 | 21.5 | 4 | 31-Dec-10 |
| | 3i UK Investment Partners II | 1997 | 378 GBP | Europe | 95.2 | 114.0 | 0.0 | 1.14 | 2.6 | 14.2 | 4 | 30-Jun-11 |
| | 3i Europe Partners III | 1999 | 1,995 GBP | Europe | 90.5 | 204.0 | 7.8 | 2.12 | 19.7 | 17.0 | 2 | 31-Dec-10 |
| | 3i Japan Buyouts Fund | 2000 | 20,000 JPY | ROW | 30.0 | 163.8 | 0.0 | 1.64 | 32.8 | 18.3 | 2 | 30-Jun-11 |
| | 3i Europe Partners IV | 2003 | 3,000 EUR | Europe | 95.8 | 164.4 | 37.7 | 2.02 | 28.2 | 22.6 | 2 | 31-Dec-10 |
| | 3i Europe Partners V | 2006 | 5,000 EUR | Europe | 75.5 | 10.0 | 63.0 | 0.73 | -14.1 | -0.1 | 4 | 31-Dec-10 |
| 40/86 Advisors | Conseco Capital Partners II | 1994 | 624 USD | US | 12.5 | 279.6 | 0.0 | 2.80 | 92.2 | 19.8 | 1 | 30-Jun-11 |
| ABN AMRO | Third Causeway Development Capital | 1990 | 60 GBP | Europe | 100.0 | 143.0 | 0.0 | 1.43 | n/a | 21.1 | 4 | 30-Jun-11 |
| | Fourth Causeway Development Capital Fund | 1995 | | Europe | 94.0 | 118.6 | 0.0 | 1.19 | n/a | 17.6 | 2 | 30-Jun-11 |
| ABRY Partners | ABRY I | 1989 | 35 USD | US | 71.0 | 492.0 | 0.0 | 4.92 | 64.0 | 31.8 | 1 | 30-Jun-11 |
| | ABRY II | 1995 | 250 USD | US | 100.0 | 315.2 | 10.2 | 3.25 | 47.3 | 14.6 | 1 | 30-Jun-10 |
| | ABRY III | 1997 | 581 USD | US | 99.5 | 91.4 | 17.6 | 1.09 | n/a | 6.6 | 3 | 31-Dec-10 |
| | ABRY IV | 2000 | 776 USD | US | 71.0 | 105.1 | 147.3 | 2.52 | 20.7 | 14.5 | 1 | 30-Jun-10 |
| | ABRY V | 2005 | 900 USD | US | 90.3 | 140.4 | 57.1 | 1.97 | 19.4 | 8.0 | 1 | 31-Dec-10 |
| | ABRY VI | 2008 | 1,350 USD | US | 87.0 | 3.3 | 116.2 | 1.19 | 18.7 | 3.4 | 2 | 31-Dec-10 |
| Accel-KKR | Accel - KKR Company | 2000 | 250 USD | US | 100.0 | 114.9 | 64.1 | 1.79 | 6.5 | 14.5 | 3 | 31-Dec-10 |
| | Accel-KKR Capital Partners III | 2008 | 600 USD | US | 33.3 | 0.0 | 96.0 | 0.96 | -5.7 | 3.4 | 3 | 31-Mar-10 |
| Accent Equity Partners | Accent Equity 2003 | 2003 | 250 EUR | Europe | 96.0 | 134.0 | 60.6 | 1.95 | n/a | 22.6 | 3 | 31-Mar-11 |
| | Accent Equity 2008 | 2007 | 380 EUR | Europe | 48.3 | 0.0 | 126.4 | 1.26 | n/a | 2.1 | 1 | 31-Mar-11 |
| ACI Capital | ACI Capital II | 2006 | 335 USD | US | 67.7 | 0.0 | 14.1 | 0.14 | -59.5 | 4.5 | 4 | 30-Sep-10 |
| ACON Investments | Bastion Capital Fund | 1994 | 125 USD | US | 98.0 | 197.2 | 0.0 | 1.97 | 18.9 | 19.8 | 2 | 30-Jun-11 |
| | Acon-Bastion Partners Fund II | 2007 | 478 USD | US | 85.4 | 0.0 | 190.0 | 1.90 | 25.1 | 5.6 | 1 | 31-Mar-11 |
| | ACON Latin America Opportunities Fund | 2009 | 173 USD | ROW | 24.4 | 0.0 | 131.8 | 1.32 | n/m | n/m | n/m | 31-Mar-11 |
| Actera Group | Actera Partners | 2007 | 475 USD | Europe | 67.0 | 0.0 | 196.0 | 1.96 | 30.6 | 2.1 | 1 | 31-Mar-11 |

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