

Unrealized Capital in Tail-End Funds: Q3 2016

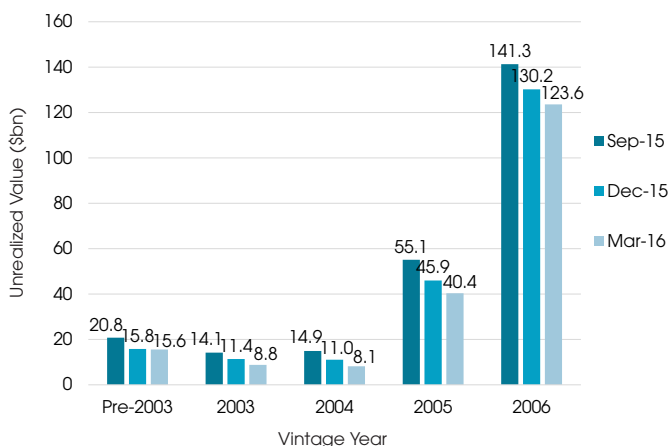
The growth in the number of completed GP-led deals such as fund restructurings and recapitalizations is a function of the amount of assets locked in funds that are at or close to the end of their pre-agreed lifetimes. As this issue persists, it is likely that GPs will continue to turn to a secondary market awash with capital in order to obtain the cash and time needed to successfully realize the investments in these mature funds, while offering investors the opportunity for immediate liquidity.

Unrealized assets in buyout, growth and venture capital funds of vintage 2006 and older are broadly down in March 2016 from December 2015 figures. Combined, in buyout and growth funds of at least 10 years old, aggregate unrealized capital stands at \$196bn as of March 2016, compared with \$214bn in December 2015 (Fig. 1). For venture capital funds of vintage 2006 or older, the total unrealized value as of March 2016 is \$80bn, compared with \$93bn in December 2015 (Fig. 4).

There is some disparity, however, between managers that have successfully raised a new vehicle within the last seven years and those that have not. For buyout and growth funds, unrealized assets among managers with no recent fundraising success rose from \$23bn in December 2015 to \$29bn in March 2016, with the increase greatest for pre-2003 vintage vehicles (Fig. 2). Managers of buyout and growth funds with a successful recent fundraise, on the other hand, saw a drop in unrealized assets from \$191bn in December to \$167bn in March 2016 (Fig. 3).

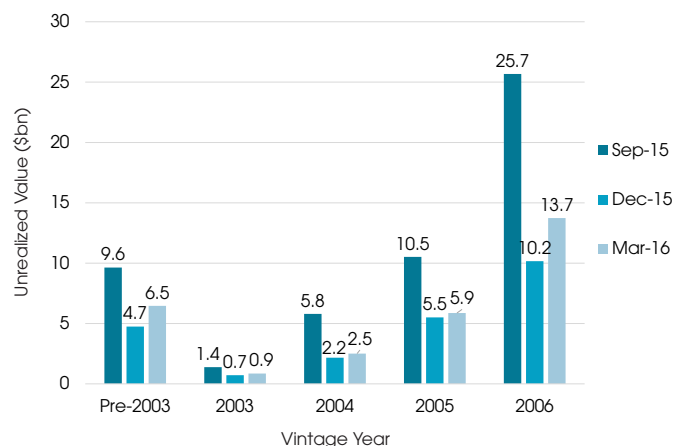
In terms of geography, managers of buyout, growth and venture capital funds of vintage 2006 or older across all regions experienced a reduction in unrealized assets between December 2015 and March 2016. Europe-based managers saw the greatest decrease, from \$68bn to \$58bn (Fig. 7).

Fig. 1: Unrealized Value in Buyout and Growth Funds: Vintage 2006 and Older



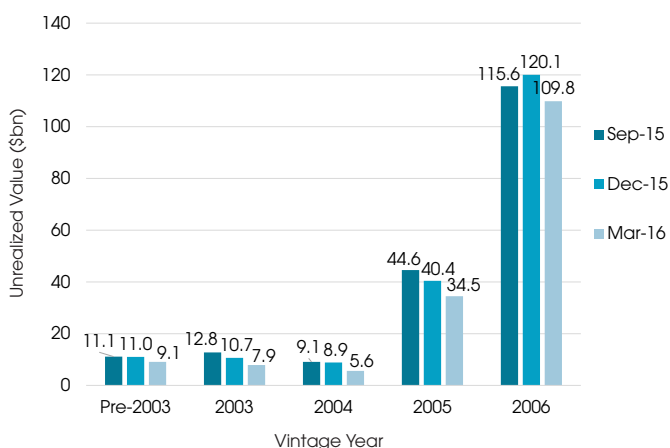
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 2: Unrealized Value in Buyout and Growth Funds: Vintage 2006 and Older (Manager Has Not Closed Fund since 2009)



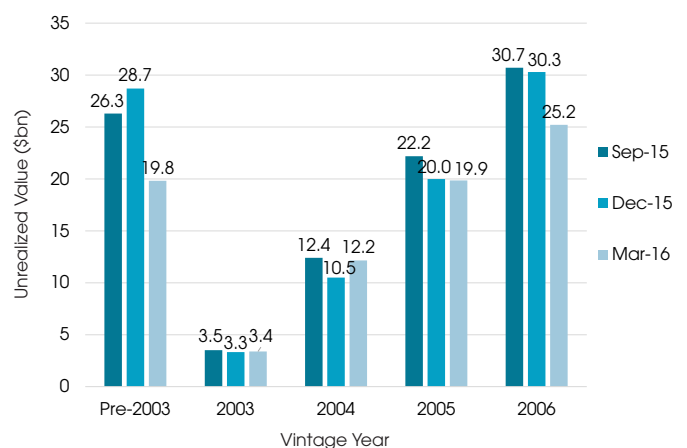
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 3: Unrealized Value in Buyout and Growth Funds: Vintage 2006 and Older (Manager Has Closed Fund since 2009)



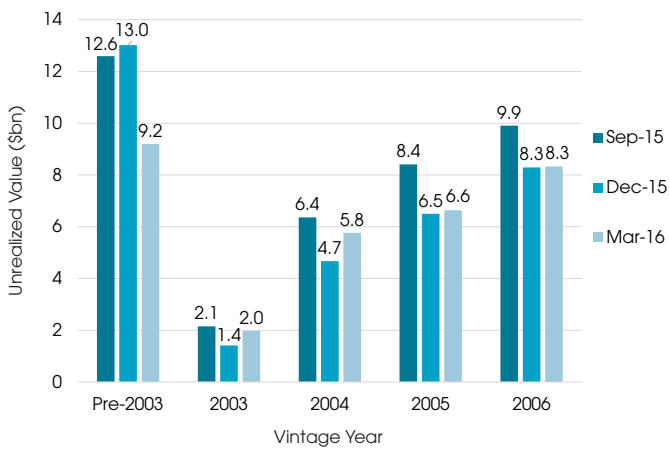
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 4: Unrealized Value in Venture Capital Funds: Vintage 2006 and Older



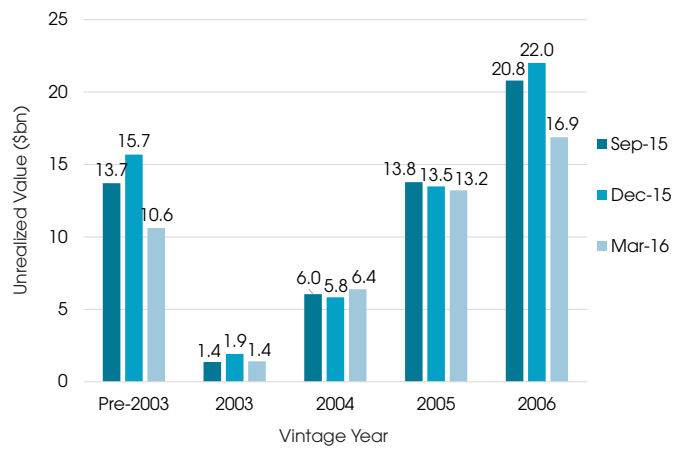
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 5: Unrealized Value in Venture Capital Funds: Vintage 2006 and Older (Manager Has Not Closed Fund since 2009)



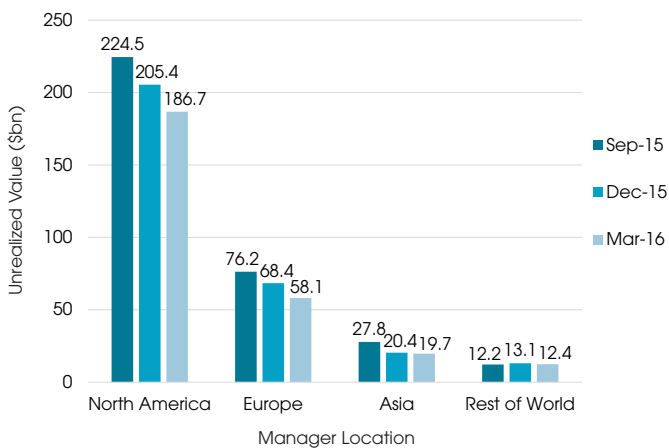
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 6: Unrealized Value in Venture Capital Funds: Vintage 2006 and Older (Manager Has Closed Fund since 2009)



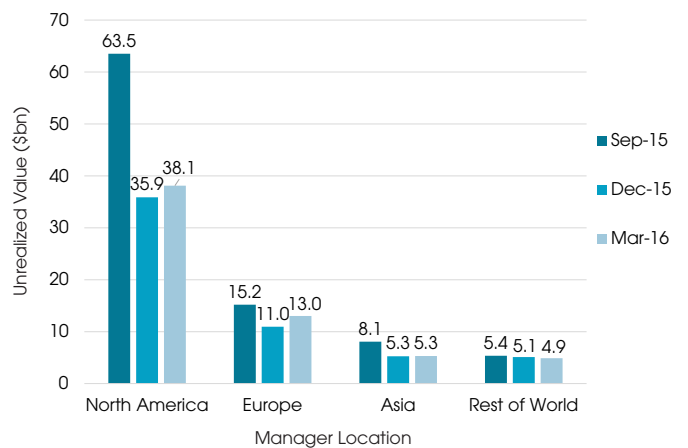
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 7: Unrealized Value in Buyout, Growth and Venture Capital Funds by Manager Location: Vintage 2006 and Older



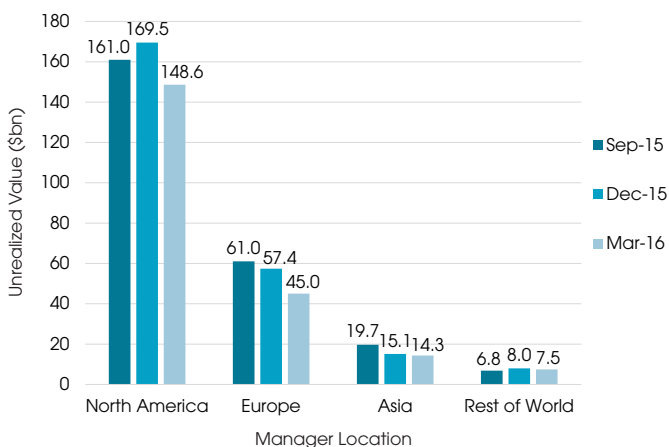
Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 8: Unrealized Value in Buyout, Growth and Venture Capital Funds by Manager Location: Vintage 2006 and Older (Manager Has Closed Fund since 2009)



Sources: Preqin Secondary Market Monitor and Private Equity Online

Fig. 9: Unrealized Value in Buyout, Growth and Venture Capital Funds by Manager Location: Vintage 2006 and Older (Manager Has Closed Fund since 2009)



Sources: Preqin Secondary Market Monitor and Private Equity Online

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