

Setter

The 20 Most Sought-After Managers

European Large LBO - Q4 2020

First in the Secondary Market.

Introduction

The 'Most Sought-After Manager Rankings' are published by Setter on a quarterly and semi-annual basis to capture the ebb and flow of secondary demand across various fund strategies and geographies.

The rankings are largely based on the Setter Liquidity Rating, which assigns funds a rating of Excellent, Very Good, Good or Unrated depending on the number of secondary buyers that want to buy and/or have recently priced a given fund. Please see Definitions at the end of this report for more details.

The number of interested buyers for a given fund are determined by Setter's team of professionals who passionately track the ever changing shortlists and demand of over 1800 secondary buyers both directly and via SecondaryLink.com, where buyers can enter their shortlists and connect with agents and access deals through the Deal Section.

From a primary perspective, the 'Most Sought-After Manager Rankings' provide a unique perspective as strong secondary market demand suggests a fund manager is popular among LPs and low secondary market demand may signal diminishing market sentiment and additional future liquidity risk.

We hope you enjoy!

The 20 Most Sought-After Managers on the Secondary Market

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Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
1	—	CVC Europe	Excellent	94	1996	10	CVC European Equity Partners VII CVC Strategic Opportunities II	EUR	16,400	2017
2	▲	Apax Europe	Excellent	75	1987	13	Apax Europe VIII Apax Europe IX	EUR	5,800	2012
3	▼	EQT (Flagship LBO Funds)	Excellent	72	1995	11	EQT VIII EQT IX	EUR	10,750	2018
4	—	BC Partners	Excellent	64	1987	9	BC European Capital IX BC European Capital X	EUR	6,680	2011
5	▲	Cinven	Excellent	59	1996	7	Cinven VI Cinven VII	EUR	7,000	2015
6	▲	PAI Europe	Excellent	59	1998	8	PAI Europe VI PAI Europe VII	EUR	3,291	2015
7	▼	Nordic Capital	Excellent	57	1986	11	Nordic Capital Fund VIII Nordic Capital Fund IX	EUR	3,591	2013
8	—	Permira	Excellent	57	1985	20	Permira VI Permira VII	EUR	7,500	2016
9	▲	Carlyle Europe Partners	Excellent	55	1998	6	Carlyle Europe Partners IV Carlyle Europe Partners V	EUR	3,870	2015
10	▼	Charterhouse Capital Partners	Excellent	54	1989	7	Charterhouse Capital Partners IX Charterhouse Capital Partners X	EUR	4,000	2009
11	▲	Bridgepoint Europe	Excellent	53	1998	9	Bridgepoint Europe V Bridgepoint Europe VI	EUR	4,000	2014
12	▲	Bain Capital Europe	Excellent	48	2000	5	Bain Capital Europe IV Bain Capital Europe V	EUR	3,750	2014
13	▲	HgCapital (PE funds)	Excellent	42	1989	11	HgCapital 8 Hg Saturn	GBP	2,500	2017
14	▲	Triton	Excellent	41	1999	6	Triton Fund IV Triton Fund V	EUR	3,556	2013
								EUR	5,000	2019

The Top 20

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
15	▼	13 Industri Kapital (IK)	Excellent	40	1989	9	IK VIII Fund IK IX	EUR	1,850	2016
16	▲	18 KKR Europe	Excellent	36	1999	7	KKR European Fund IV KKR European Fund V	EUR	3,250	2014
17	▼	16 Waterland Private Equity	Excellent	35	2000	7	Waterland Private Equity Fund VI Waterland Private Equity Fund VII	EUR	1,278	2015
18	▼	10 Altor	Very Good	41	2003	5	Altor Fund IV Altor Fund V	EUR	2,124	2013
19	—	19 Investindustrial	Very Good	33	2000	9	Investindustrial Fund VI Investindustrial Fund VII	EUR	2,035	2016
20	—	20 TDR Capital	Very Good	32	2002	6	TDR Capital III TDR Capital IV	EUR	2,096	2013
								EUR	3,500	2017

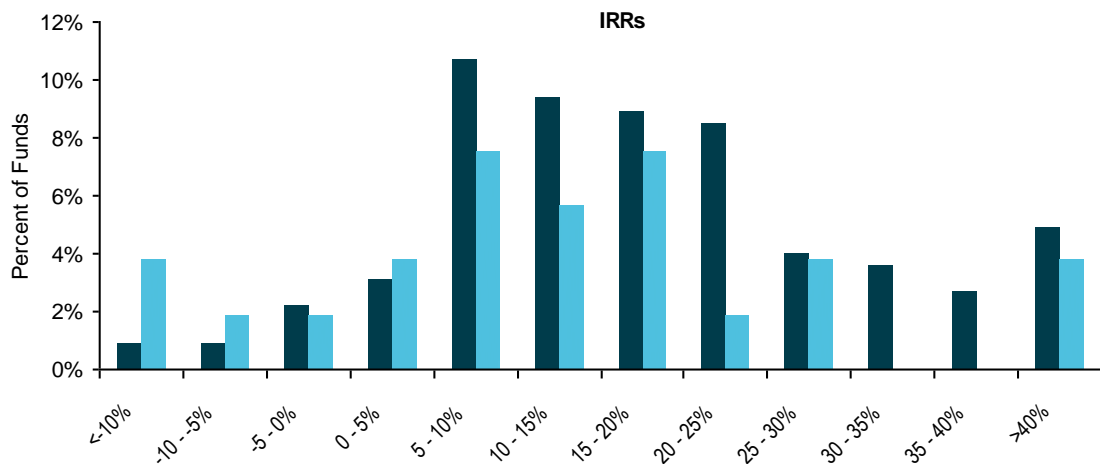
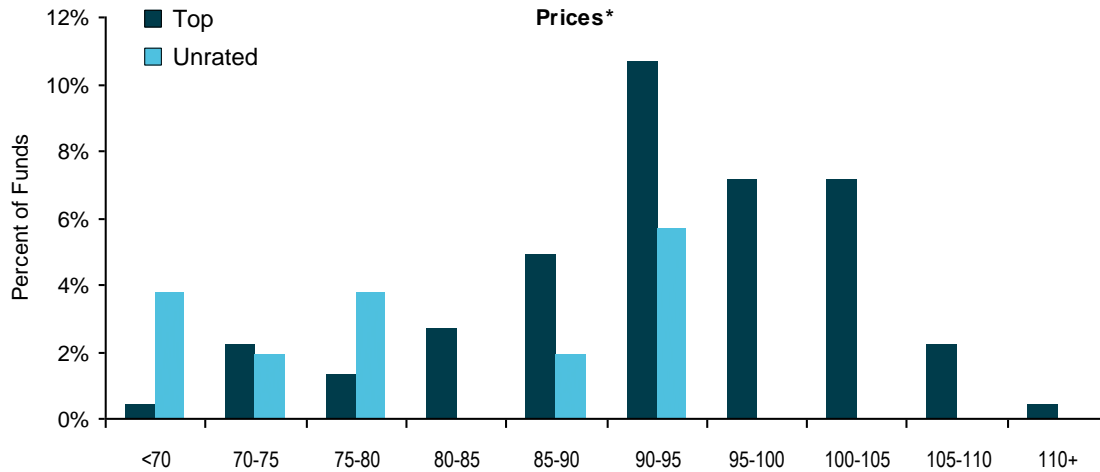
▲ ▼ — Indicate whether the manager has moved up, down or stayed the same rank relative to their rankings on 10/31/19*.

The rankings are based on the Setter Liquidity Ratings which rates fund families as Excellent, Very Good, Good and Unrated depending on how sought after and saleable they are on the secondary market. The Ratings are in large part determined by the collective shortlists of the 1800+ buyers Setter Capital covers, which are conveyed directly or via SecondaryLink. See the last page for more details and limitations of the Setter Liquidity Rating.

How do the Most Sought-After Funds Compare to Less Saleable Funds?

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Below is a comparison between the funds of the Most Sought-After managers (which are listed on the previous pages) and funds of Unrated managers.



Noteable Differences

With respect to buyer demand, there are significantly more Prime Buyers* for the Most Sought-After Managers than for the managers with a Setter Liquidity Rating of Unrated:

- Avg. Number of Prime Buyers TOP 20: 52
- Avg. Number of Prime Buyers Unrated: 9

Accordingly, the funds of Most Sought-After Managers price better than funds of Unrated managers:

- Avg. Price TOP 20: 92.76% of NAV
- Avg. Price Unrated: 80.72% of NAV

Not surprisingly, the Most Sought-After Managers' funds have performed better than those of Unrated managers:

- Avg. IRR TOP 20: 16.28%
- Avg. IRR Unrated: 10.77%

The Most Sought-After Managers also tend to have raised the most capital - on average they have raised more funds and larger funds than Unrated managers:

- Avg. Fund Size TOP 20: 2,731M
- Avg. Fund Size Unrated: 1,666M
- Avg. Number of Funds Raised TOP 20: 9
- Avg. Number of Funds in Raised Unrated: 7

* Please see the last page for definitions and report limitations. This report should not be relied upon to make investment decisions. Pricing is subject to selection bias (e.g. it is more difficult to get pricing for Unrated funds, resulting in lower priced funds being underrepresented).

Definitions

Exposure: NAV + Undrawn

Prime Buyers are buyers that are existing investors in the fund family, have it on their shortlist or have recently priced it. Other buyers, who have a general interest in buying this type of fund but not the fund specifically (“General Buyers”), are not included in the number of indicated prime buyers

The Setter Liquidity Rating (SLR) is a subjective measure of the relative liquidity of non-redeemable alternative investment funds and is not a measure of the investment merits or quality of a fund. The SLR and number of Prime Buyers are determined by Setter Capital and rely in part on subjective assessments of: the seriousness, capacity and number of interested buyers for a fund; and the ease of transfer. The SLR and number of Prime Buyers should not be relied upon to make any investment decision or to predict the future liquidity of a fund. Also, the SLR is not intended as a measure or indicator of the liquidity of a fund's underlying portfolio holdings. The SLR applies to an entire series of funds, or 'fund family', and individual funds within a fund family may be more or less illiquid than the SLR indicates. For instance, lightly funded funds or very old funds are often less liquid than funds that are greater than 30% funded or less than seven years old. Also, smaller interests and very large interests have fewer buyers with less liquidity. The liquidity of a fund and the SLR can change at any time, as demand for a fund family changes or transfer becomes more or less restrictive or Setter Capital re-evaluates or gains new insight into a fund's relative liquidity. See the article 'Setter Capital Liquidity Rating' for more details. The SLR is not provided as a service and Setter Capital, SecondaryLink and DiligenceLink therefore assume no responsibility for any losses alleged to be the result of the use of the SLR or for any purported reliance upon the rating. The SLR may be flawed and Setter Capital welcomes suggestions to improve its usefulness.

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About Setter

Established in 2006, Setter Capital is a leading independent advisory firm specializing in providing liquidity solutions for fund managers and institutional investors in the secondary market for alternative investments. We serve a diverse institutional client base including some of the world's largest pensions, endowments, investment consultants and fund managers. To date, Setter Capital has completed over 500 transactions, representing more than \$30 billion in liquidity across venture capital, private equity, infrastructure, real estate, real asset, and hedge fund investments.

Setter Capital's mission is to make the secondary market more transparent and efficient for all market participants. To this end, Setter provides the market with complimentary secondary market research and analytical tools such as:

[The Setter Liquidity Rating™](#)

A unique rating system that allows buyers, sellers and creditors to assess the relative liquidity of over 7000 different fund families.

[The Setter Volume Report™ and the Setter Price Report™](#)

Two semi-annual reports that provide the most comprehensive and accurate assessments of the secondary market. Data is based on pricing of over 2000 funds and a survey of the most active secondary buyers globally.

[SecondaryLink.com™](#)

A professional network where over 6000 institutional LPs and GPs connect on primary due diligence and the secondary market.

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