

# Setter

## The 25 Most Sought-After Managers

European Mid-Market LBO - Q4 2020

First in the Secondary Market.

# Introduction

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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](https://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 25 Most Sought-After Managers on the Secondary Market

Strategy: European Mid-Market LBO - Q4 2020

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
1	—	1 <a href="#">Graphite Capital</a>	Excellent	37	1991	11	Graphite Capital Partners VIII Graphite Capital Partners IX	GBP	457	2013
2	—	2 <a href="#">Chequers Capital</a>	Excellent	31	2002	4	Chequers Capital XVI Chequers Capital XVII	EUR	850	2011
3	▲	10 <a href="#">Norvestor Equity AS</a>	Very Good	30	1995	7	Norvestor VI Norvestor VII	NOK	3,000	2012
4	▲	15 <a href="#">FSN Capital</a>	Very Good	29	2000	6	FSN Capital IV FSN Capital V	SEK	5,303	2013
5	▲	12 <a href="#">Gilde Buy Out Partners</a>	Very Good	29	1996	6	Gilde Buyout Partners V Gilde Buyout Fund VI	EUR	1,100	2015
6	▲	21 <a href="#">Capvis Equity</a>	Very Good	29	1995	6	CapVis Equity IV Capvis Equity V	EUR	720	2013
7	▲	24 <a href="#">Summit Partners Europe</a>	Very Good	29	2010	3	Summit Partners Europe Growth Equity II Summit Partners Europe Growth Equity III	EUR	1,089	2020
8	▲	16 <a href="#">LivingBridge</a>	Very Good	28	1999	8	Livingbridge 6 Livingbridge Enterprise 3	GBP	600	2016
9	—	9 <a href="#">Exponent Private Equity</a>	Very Good	23	2005	4	Exponent Private Equity Partners III Exponent Private Equity Partners IV	GBP	1,000	2014
10	▲	18 <a href="#">CBPE Capital</a>	Very Good	21	1988	13	Close Brothers Growth Capital III CBPE Capital Fund IX	GBP	160	2011
11	▲	19 <a href="#">Axcel</a>	Very Good	20	1994	5	Axcel IV Axcel V	DKK	3,600	2011
12	▲	22 <a href="#">Endless</a>	Very Good	20	2005	4	Endless Fund III Endless IV	GBP	220	2011
13	▲	25 <a href="#">HIG European Capital</a>	Very Good	18	2007	2	HIG European Capital Partners HIG Europe Capital Partners II	USD	600	2007
14	▲	20 <a href="#">Inflexion</a>	Very Good	18	1999	17	Inflexion Supplemental Fund V Inflexion Enterprise Fund V	GBP	600	2019

# The Top 25

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
15	▼ 7	<a href="#">Mid Europa Partners</a>	Good	28	2005	4	Mid Europa Fund IV Mid Europa Fund V	EUR	800	2013
16	▼ 15	<a href="#">capiton AG</a>	Good	26	2002	5	Capiton IV Capiton V	EUR	350	2009
17	▼ 8	<a href="#">Quadriga Capital</a>	Good	26	1996	4	Quadriga Capital Private Equity Fund III Quadriga Capital Private Equity Fund IV	EUR	525	2006
18	▼ 13	<a href="#">Phoenix Equity</a>	Good	23	1992	8	Phoenix Equity Partners 2010 Phoenix Equity Partners 2016	GBP	450	2010
19	▲ 23	<a href="#">Polaris Equity</a>	Good	22	1999	4	Polaris III Polaris IV	EUR	365	2009
20	▼ 11	<a href="#">LBO France</a>	Good	22	1998	19	Hexagone III White Knight IX	EUR	154	2010
21	▼ 3	<a href="#">DBAG Europe</a>	Good	22	1990	8	Deutsche Beteiligungs AG VI Deutsche Beteiligungs AG VII	EUR	700	2012
22	▼ 5	<a href="#">Herkules</a>	Good	21	2004	4	Herkules Private Equity Fund III Herkules Private Equity Fund IV	NOK	6,000	2008
23	▲ >25	<a href="#">ECI Partners</a>	Good	20	1985	8	ECI 10 ECI 11	GBP	500	2013
24	▼ 17	<a href="#">Sovereign Capital</a>	Good	19	1986	5	Sovereign Capital III Sovereign Capital IV	GBP	230	2010
25	▼ 4	<a href="#">Lion Capital</a>	Good	18	1999	5	Lion Capital Fund III Lion Capital Fund IV	EUR	1,530	2010
								USD	1,038	2015

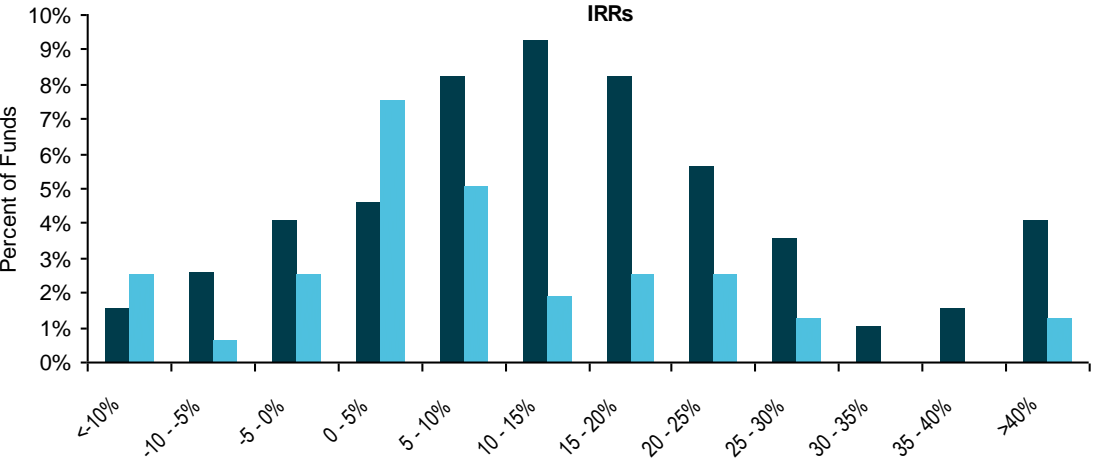
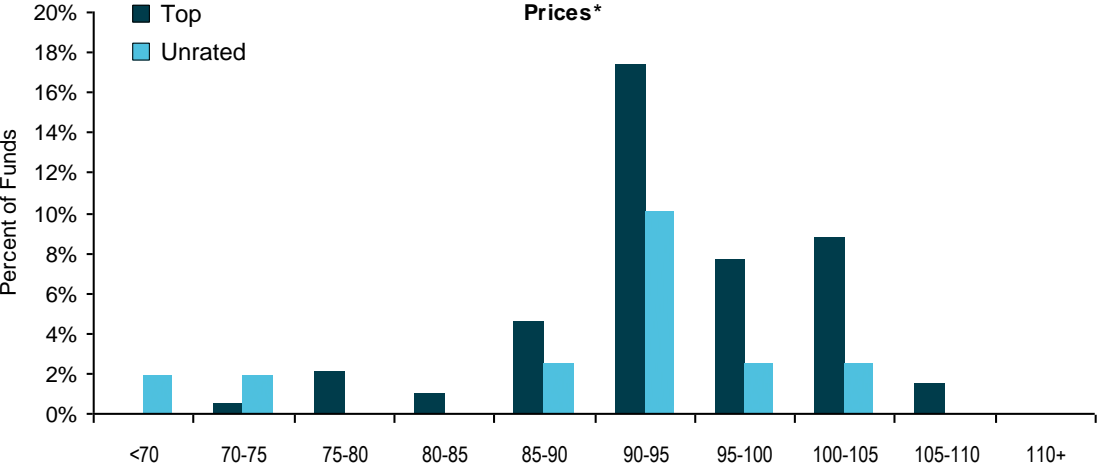
▲ ▼ — Indicate whether the manager has moved up, down or stayed the same rank relative to their rankings on 10/31/19\*.

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?

## Strategy: European Mid-Market LBO - Q4 2020

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 25: 24
- Avg. Number of Prime Buyers Unrated: 3

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

- Avg. Price TOP 25: 93.30% of NAV
- Avg. Price Unrated: 88.65% of NAV

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

- Avg. IRR TOP 25: 13.13%
- Avg. IRR Unrated: 7.90%

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 25: 595M
- Avg. Fund Size Unrated: 594M
- Avg. Number of Funds Raised TOP 25: 7
- Avg. Number of Funds in Raised Unrated: 3

\* 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

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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.

# Disclaimer

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# About Setter

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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.

Setter Capital Inc.  
2 Bloor Street W. Suite 1700  
Toronto, Ontario, Canada  
+1 (416) 964-9555

[www.settercapital.com](http://www.settercapital.com)