

Mid-Market Private Equity



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Monday, April 30, 2012, 4:00 PM - 5:00 PM

Speakers:

- **James Gordon**, Founder and Managing Partner, The Edgewater Funds
- **Hovey Kemp**, Partner, Goodwin Procter
- **Brian Reynolds**, Managing Partner, Chatham Capital
- **Ted Virtue**, CEO, MidOcean Partners
- **Barry Volpert**, Managing Partner and Co-Founder, Crestview Partners

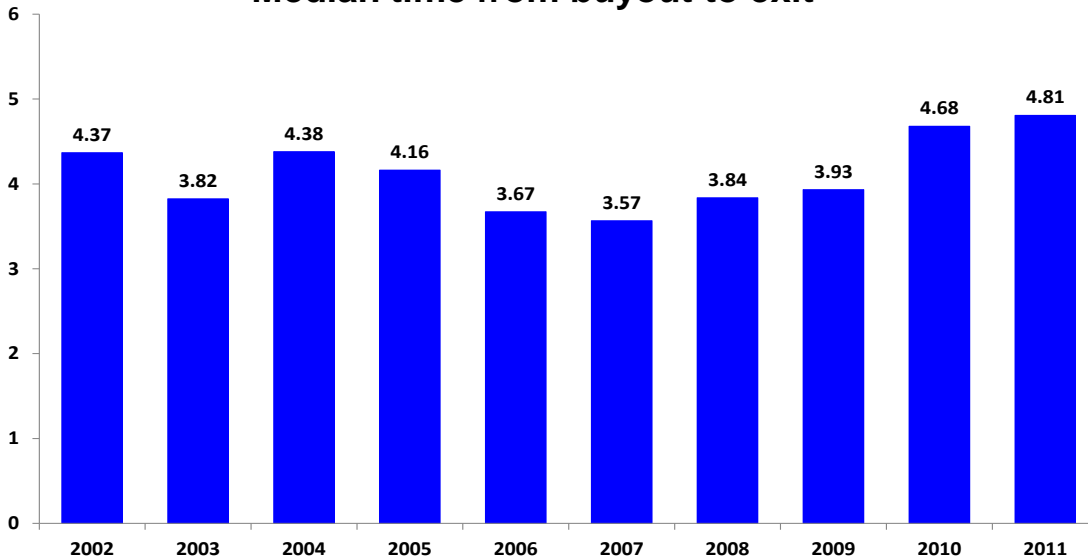
Moderator:

Adam Sokoloff, Global Head of Financial Sponsors Group, Jefferies & Co. Inc.

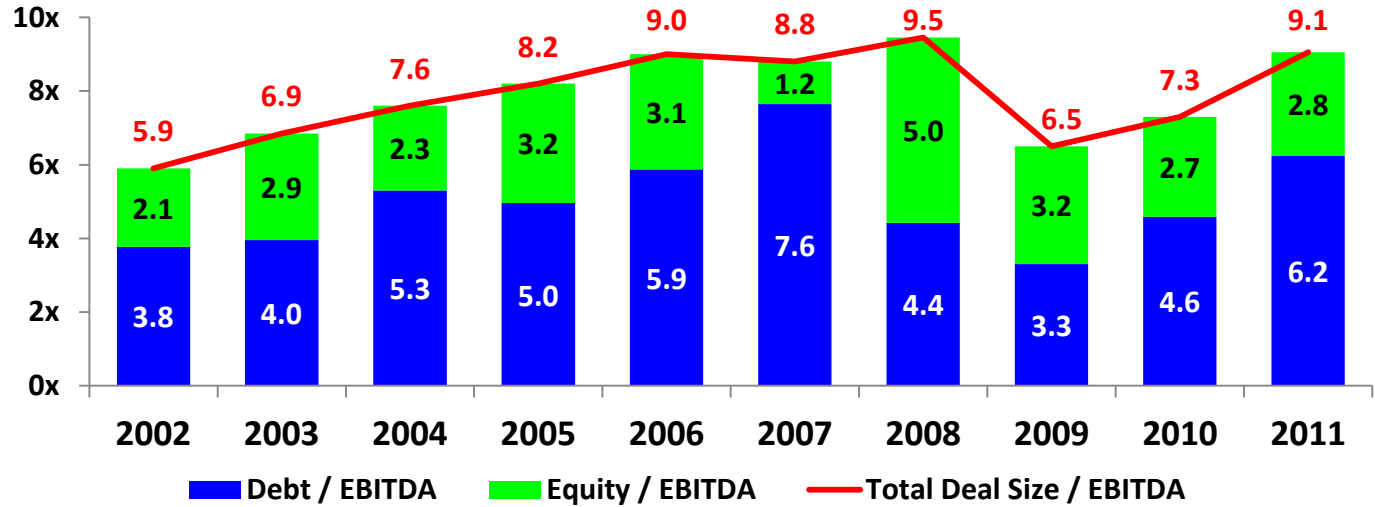
Increase in holding length in the U.S. PE market

of years held

Median time from buyout to exit



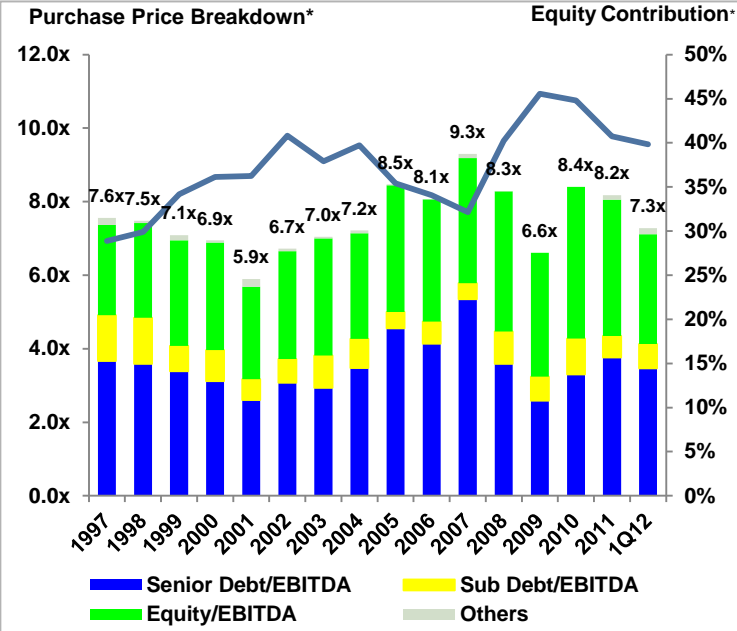
EBITDA multiples of U.S. buyout transactions



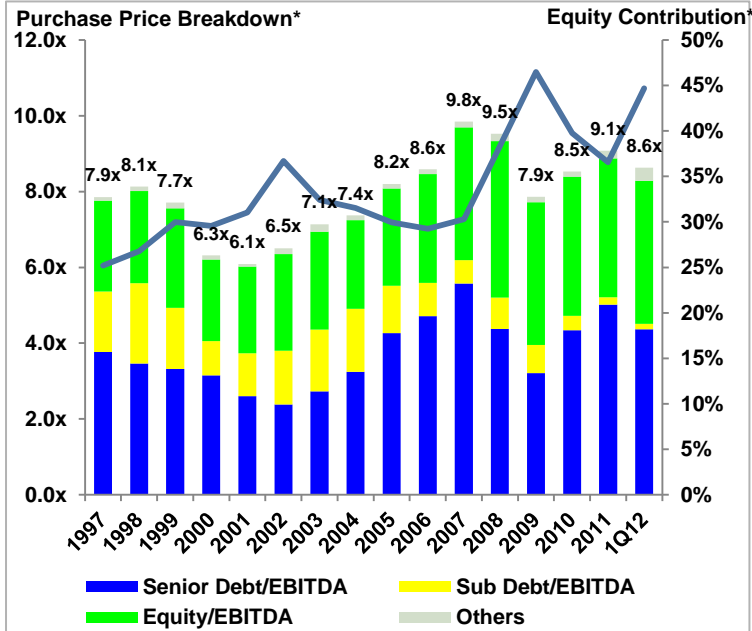
Source: PitchBook.

Purchase prices and equity contribution of middle market & large cap LBOs

Middle Market LBO Loans⁽¹⁾



Large Cap LBO Loans⁽¹⁾



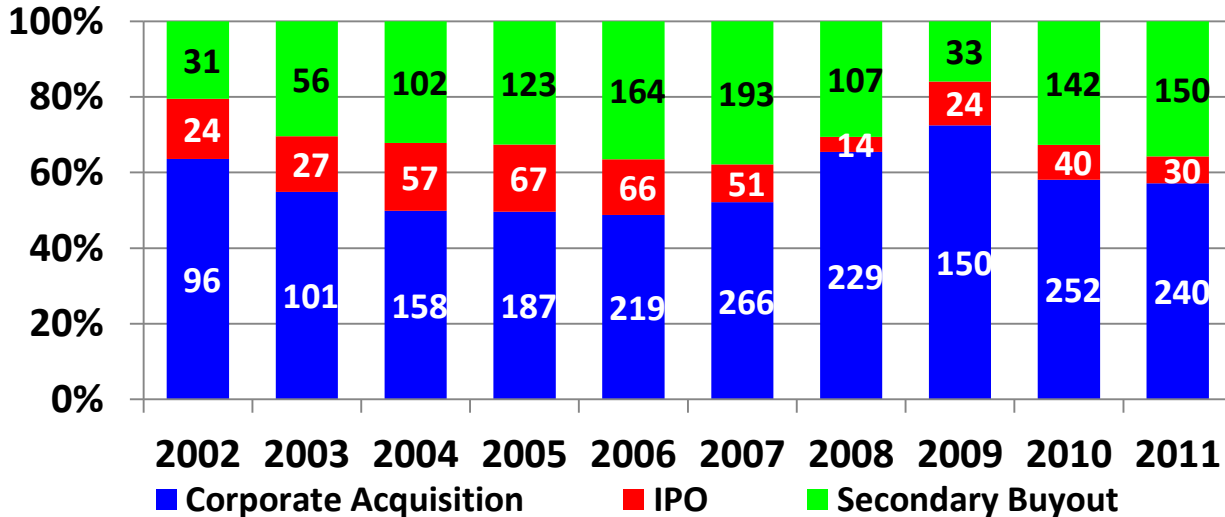
(1) Middle Market is defined as issuers with EBITDA of \$50 million or less; Large Cap is defined as issuers with EBITDA more than \$50 million.
 *Equity component of Purchase Price Breakdown represents total equity (new + rollover). Equity Contribution includes only new equity.

U.S. P.E. investors exited \$108bn in 2011

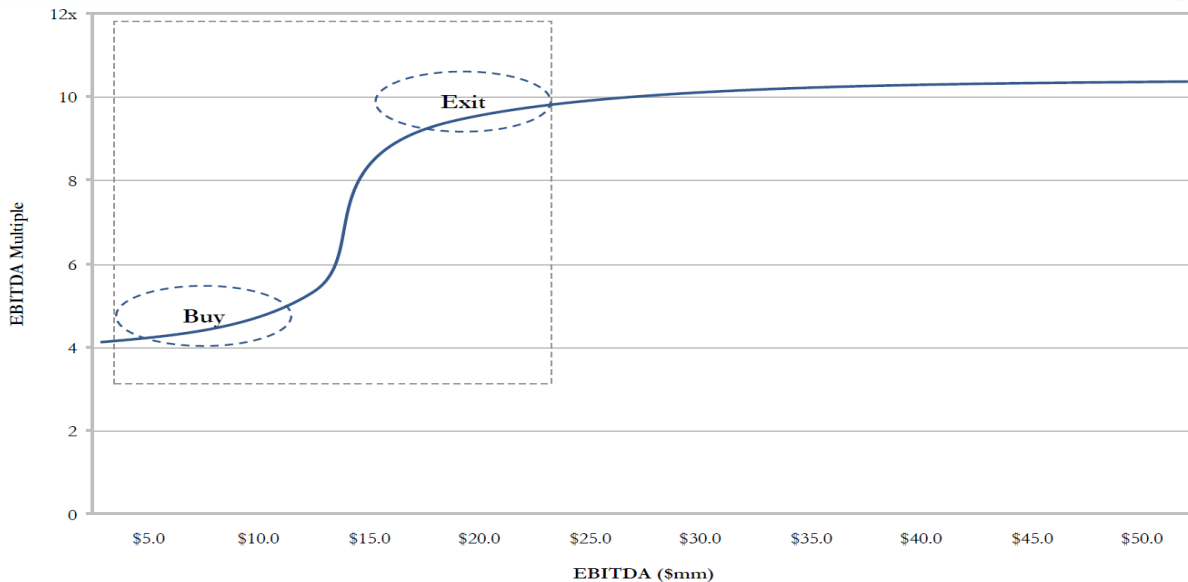
Percentage of P.E. exit volume (count) by exit type



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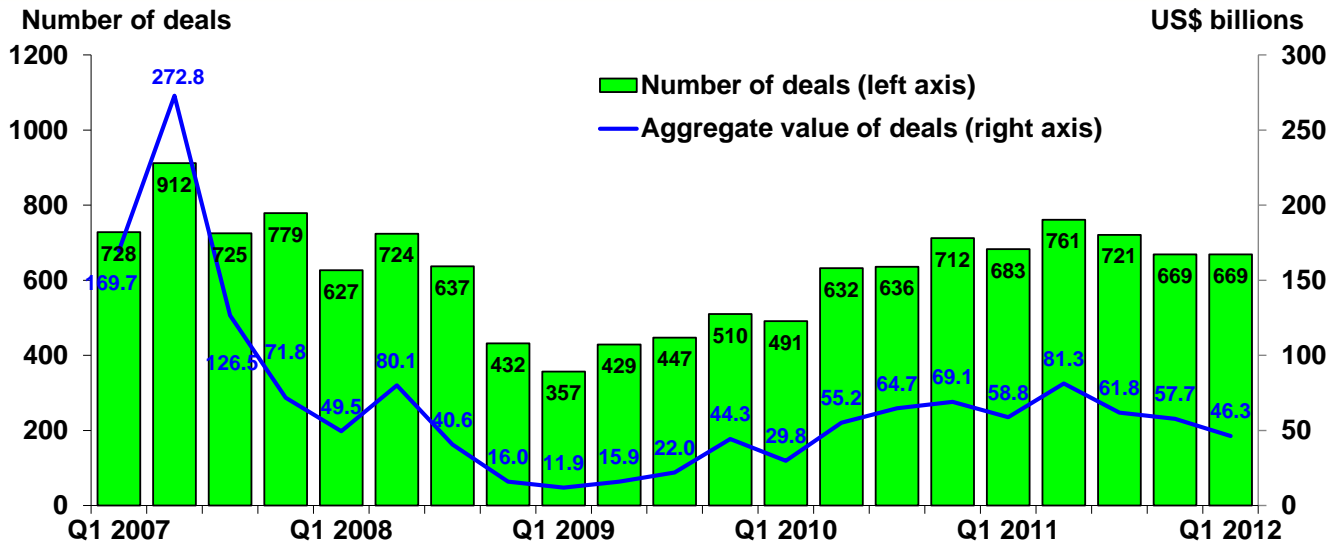


Value creation



Source: CapIQ & The Edgewater Funds

Global private equity buyout deals



Source: Preqin.

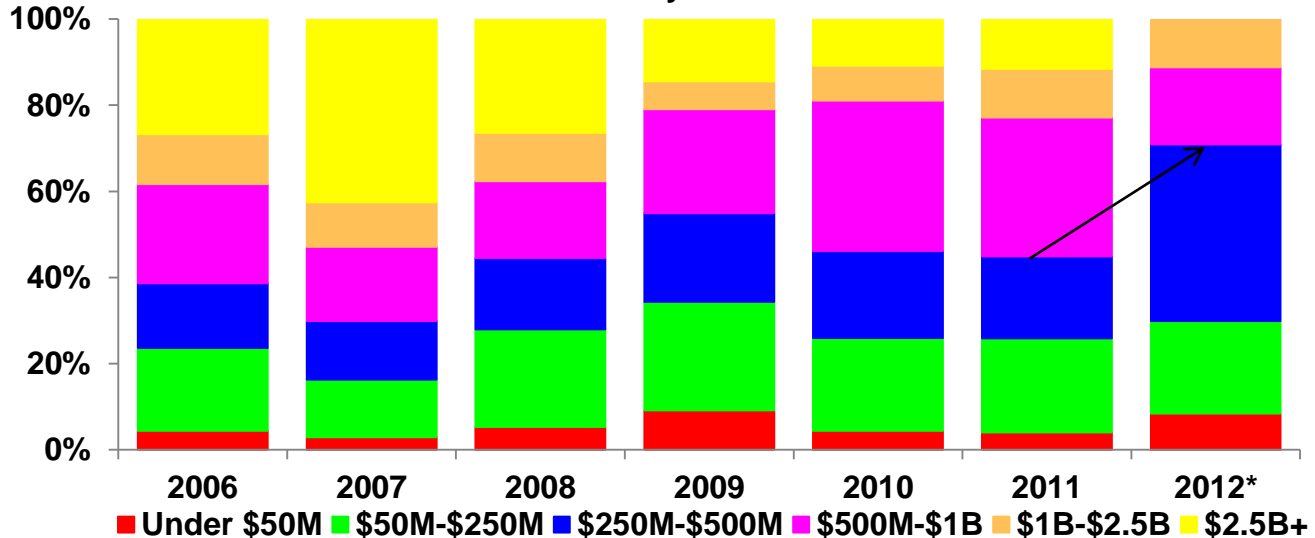
Small to medium deals reemerged in 1Q 2012

Deals less \$500m accounted for around 70% of the capital invested



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Investment amount by deal size



Source: Pitchbook

* End of 1Q 2012

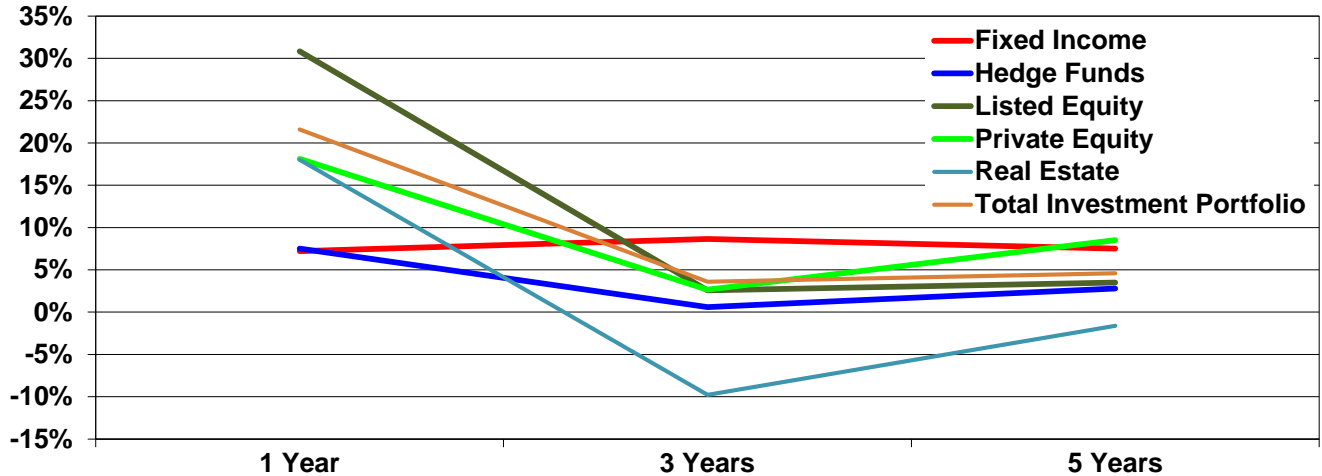
Public pension funds' returns by asset class

as of Q2 2011



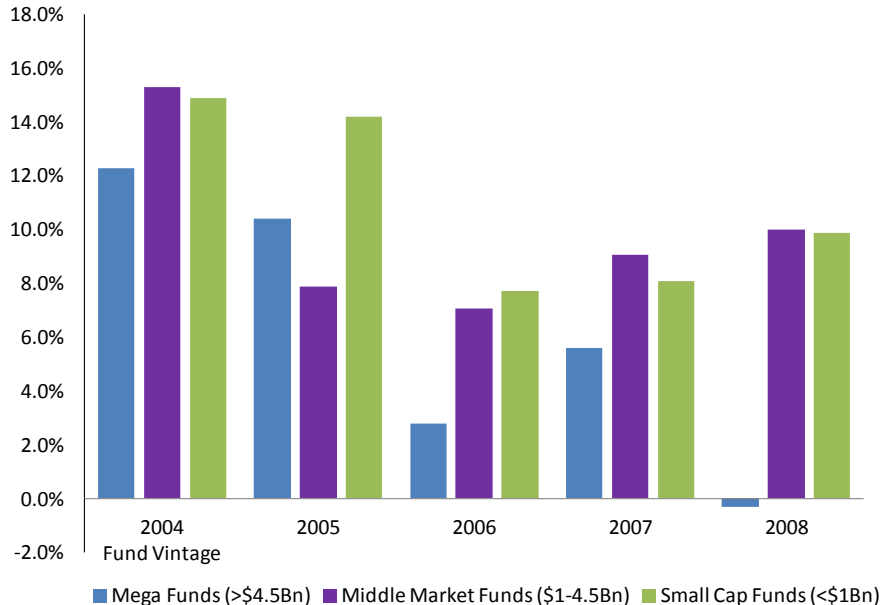
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Median Returns of Pension Plans by Asset Class as of 30 June 2011



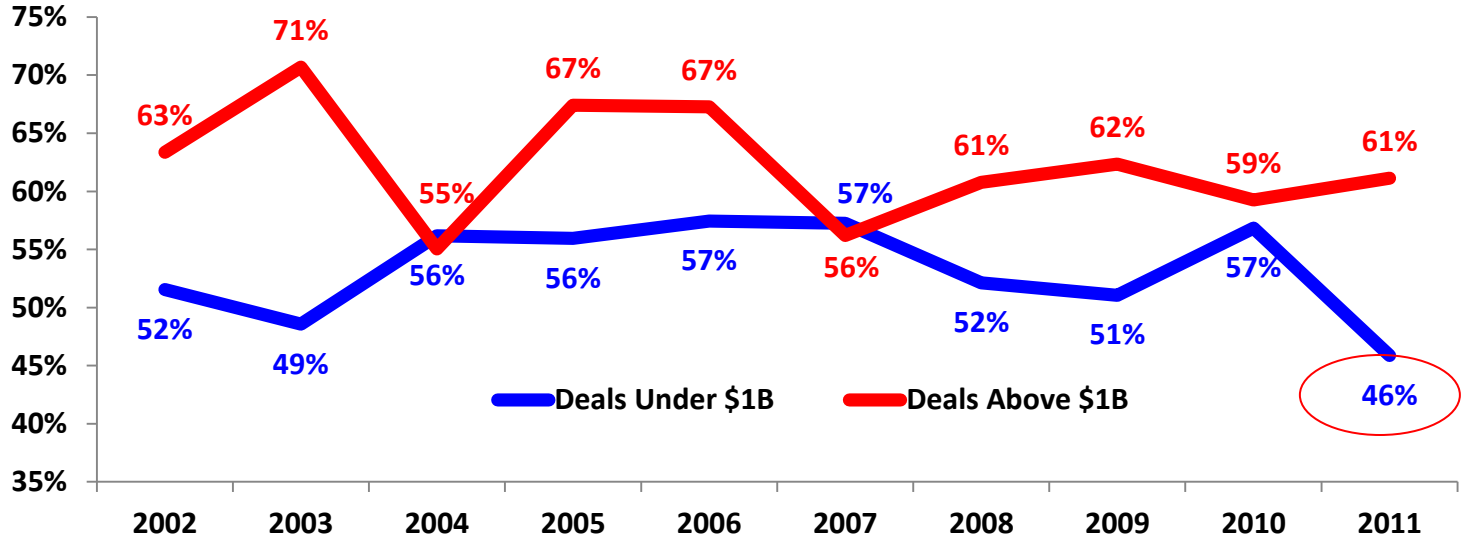
Source: Preqin and Bain.

Median benchmark buyout fund performance



Source: Preqin Median Benchmark Performance Data as of June 30, 2011

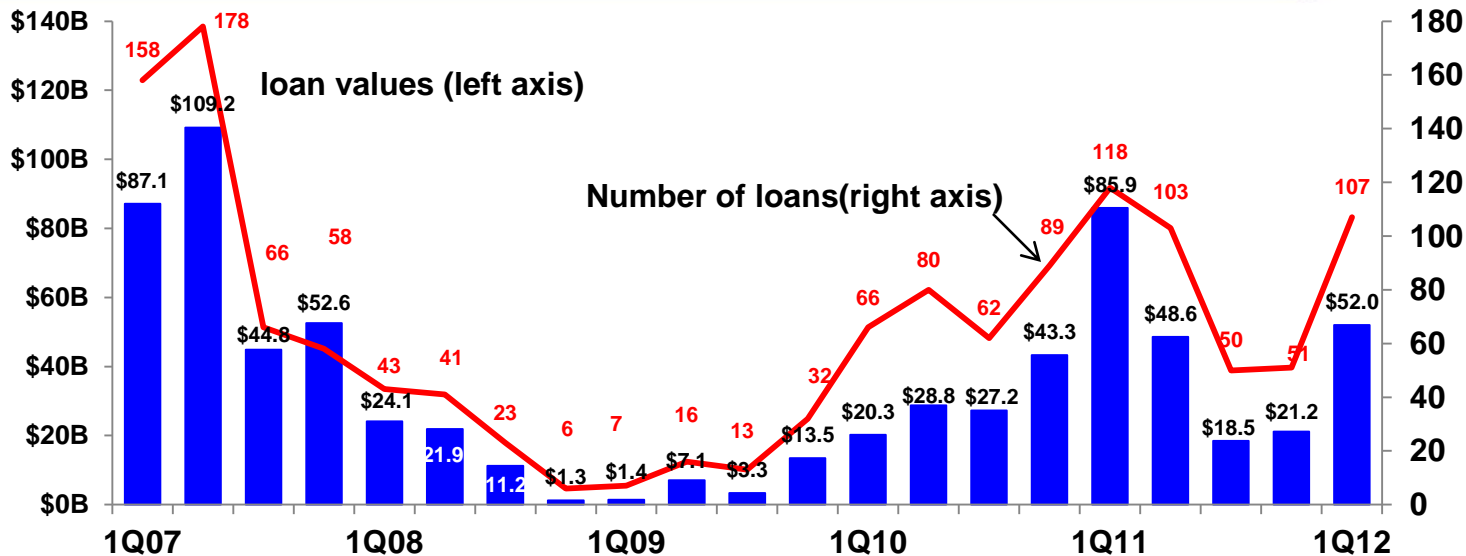
Percentage of debt used in buyouts



Total U.S. sponsored loan volume

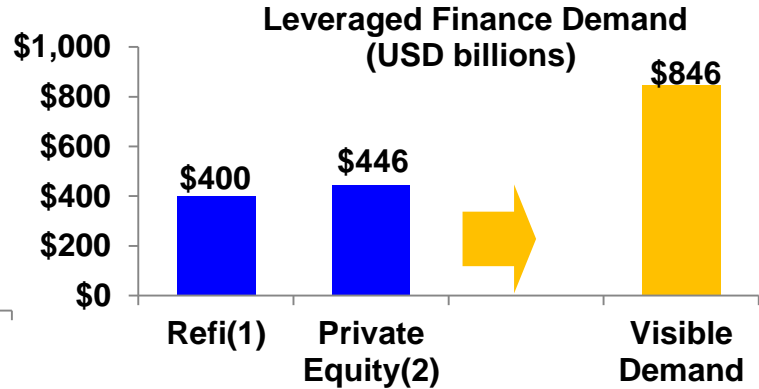
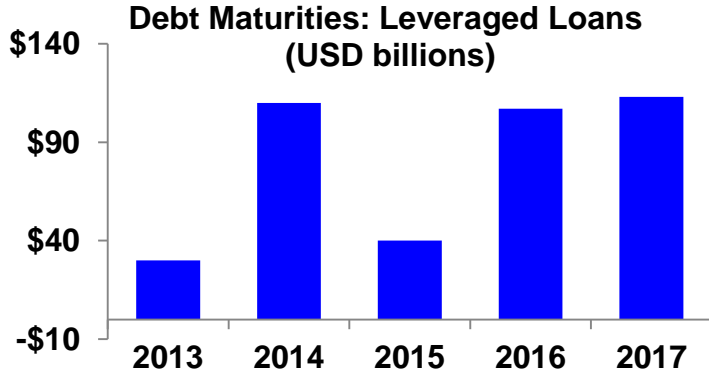


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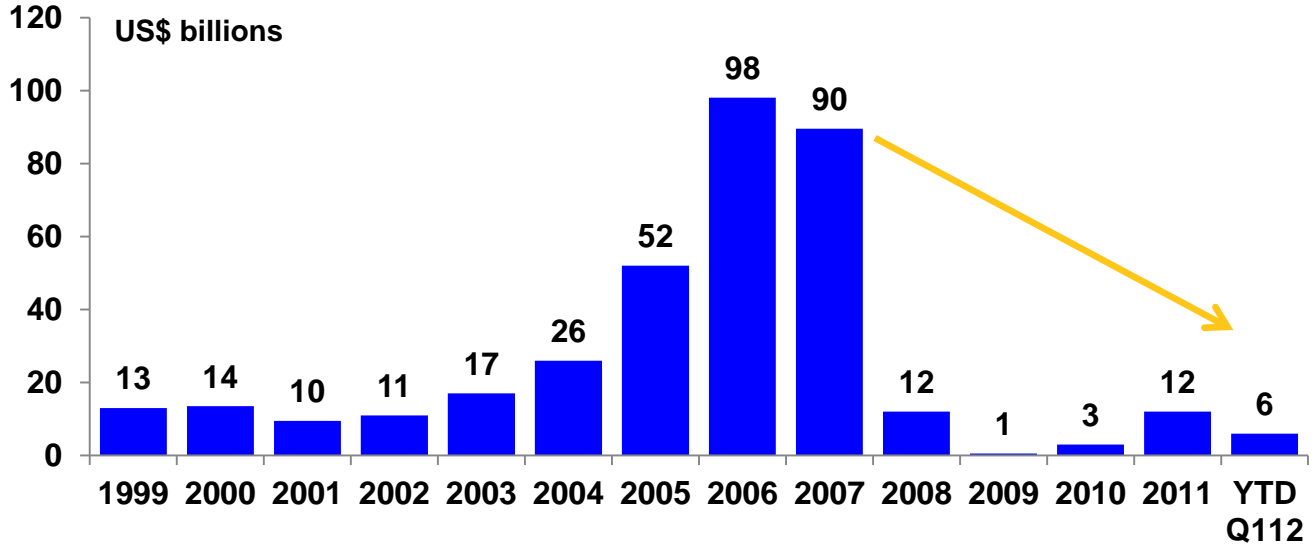
Source: S&P Leveraged Commentary & Data.
 Includes all sponsored loan volume (leveraged buyouts, acquisitions, refinancing, recaps, etc).
 Reflects only transactions financed in the syndicated debt markets.

Visible demand for debt capital

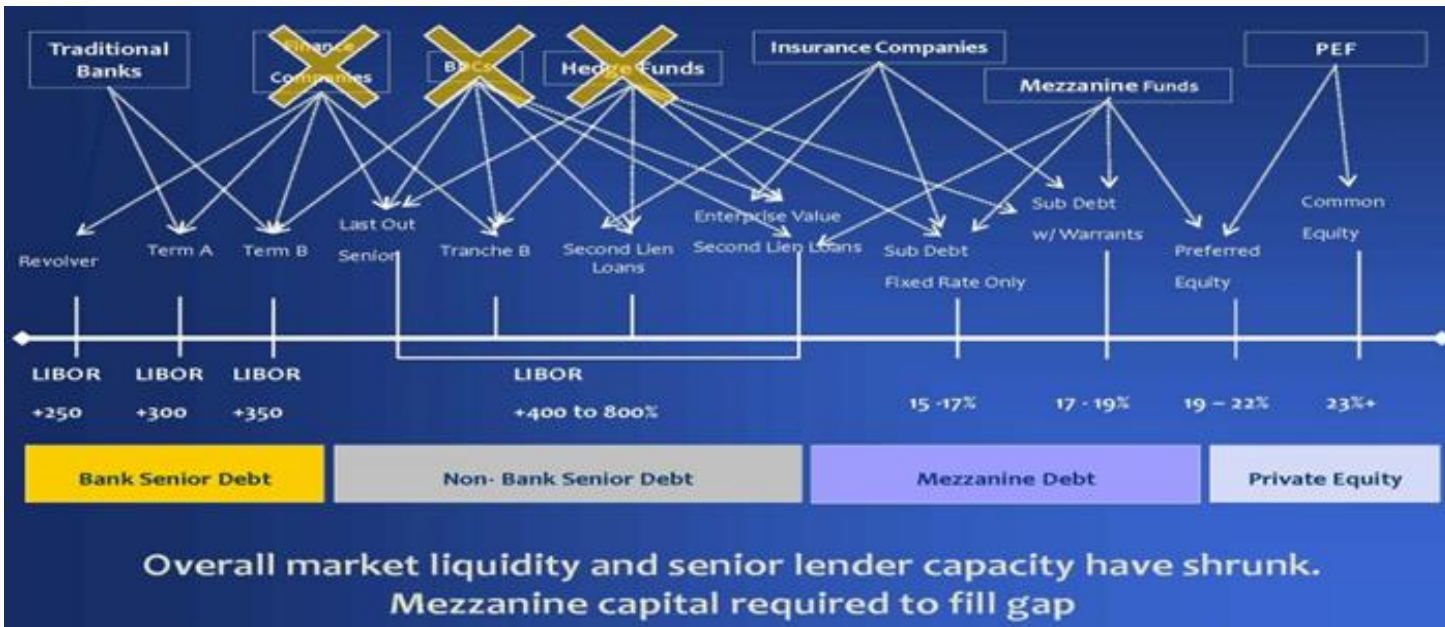


Source: S&P Leveraged Commentary and Data

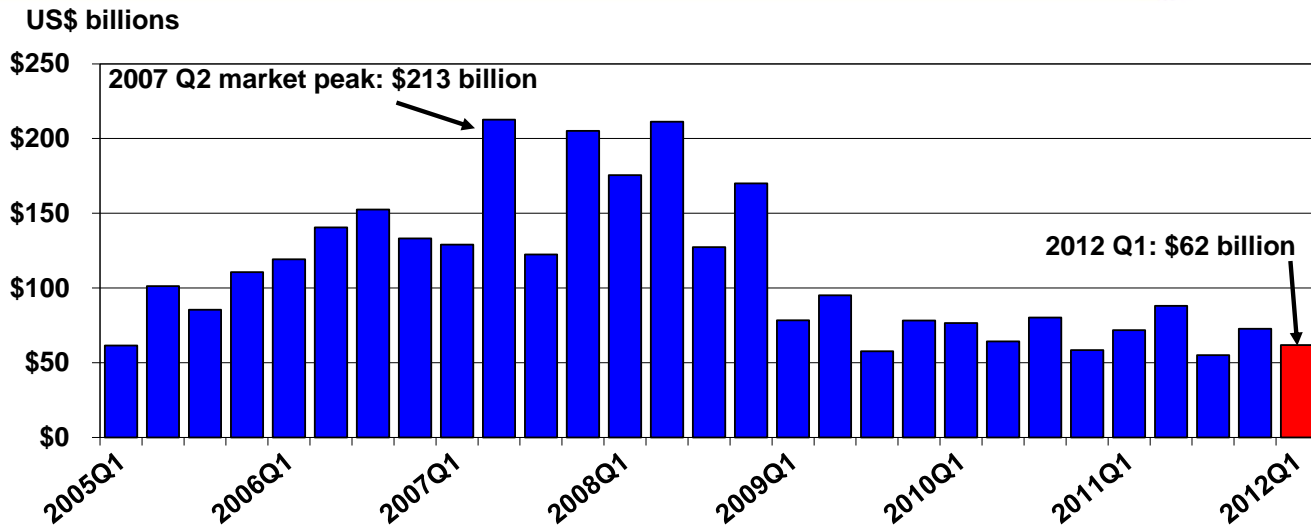
Global CLO Issuance



Industry participants exit



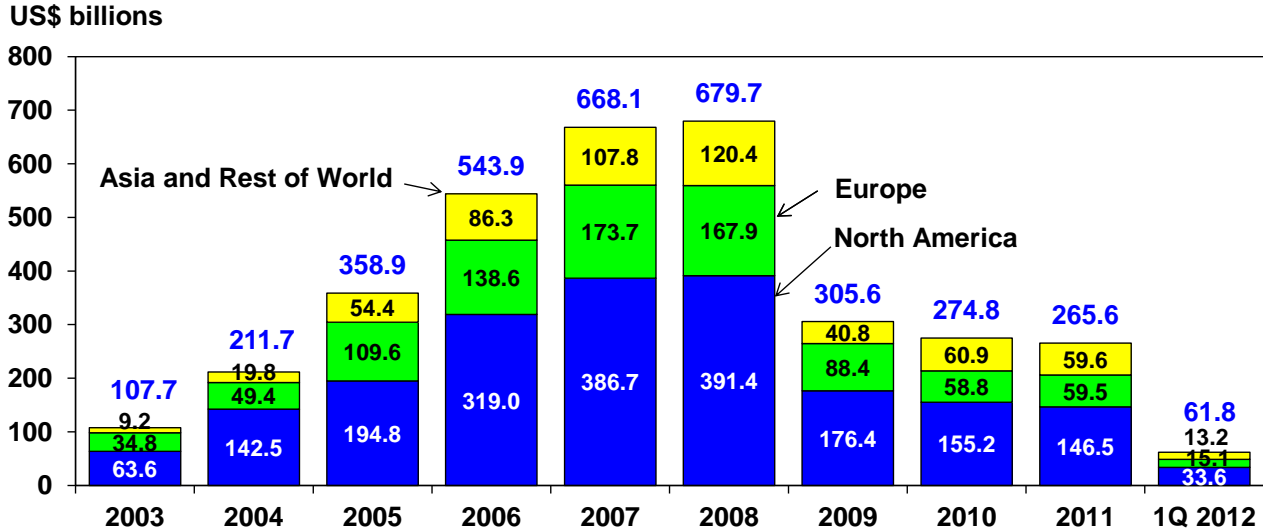
Global private equity fundraising



Source: Preqin.

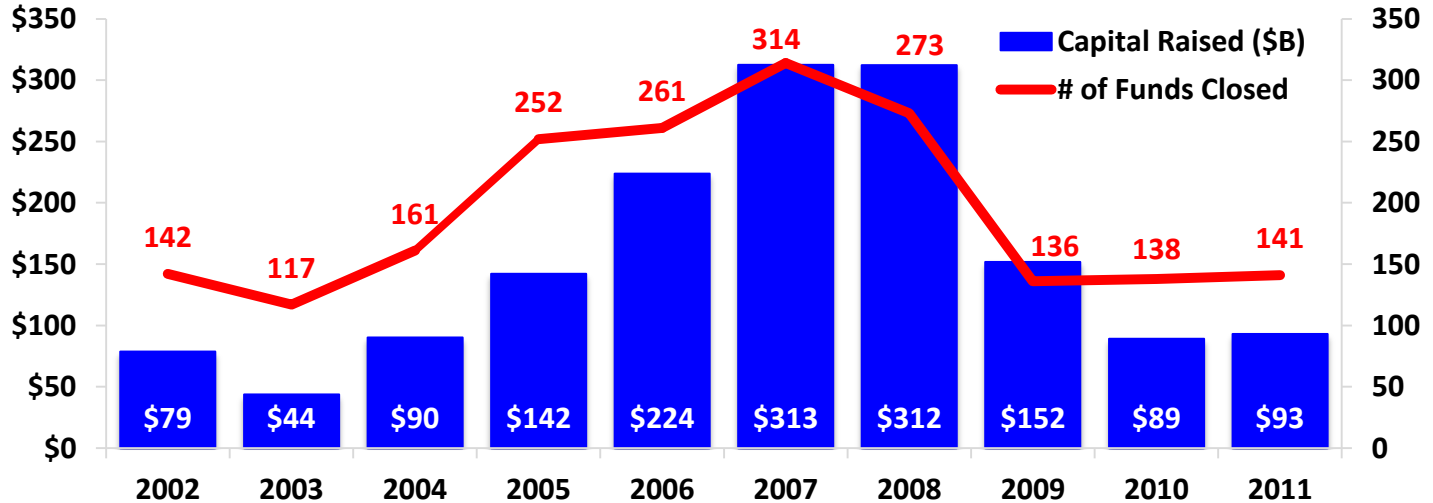


Global private equity fundraising by region



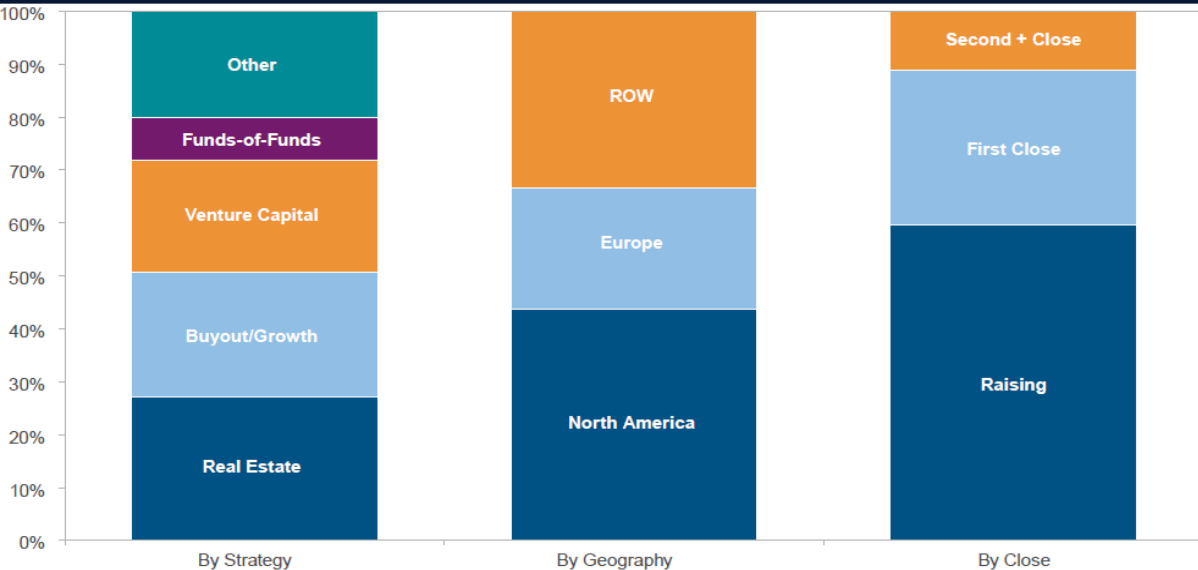
Funds closed and total capital raised by year in the U.S.

US\$ billions



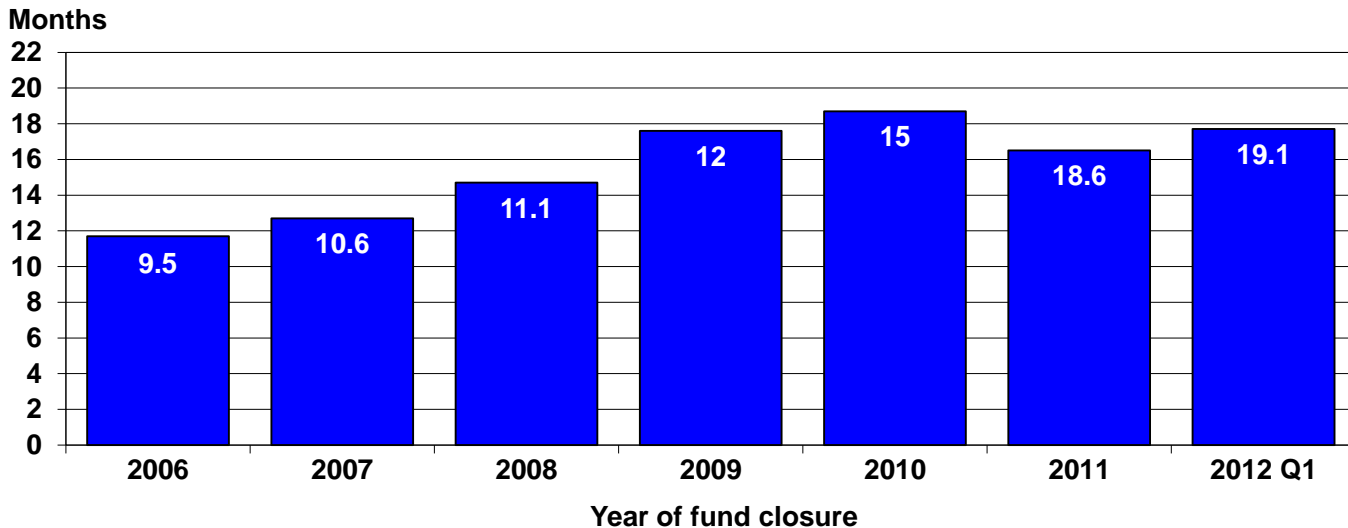
No. of groups seeking money continues to grow

Breakdown of fund on the road



Source: Preqin (January 2012)

Average time required to close funds



Source: Preqin.

PE investors sitting on \$425B of dry powder

