

Coller Capital



Emerging Markets Private Equity Association

Survey of Limited Partner Interest in
Emerging Markets Private Equity

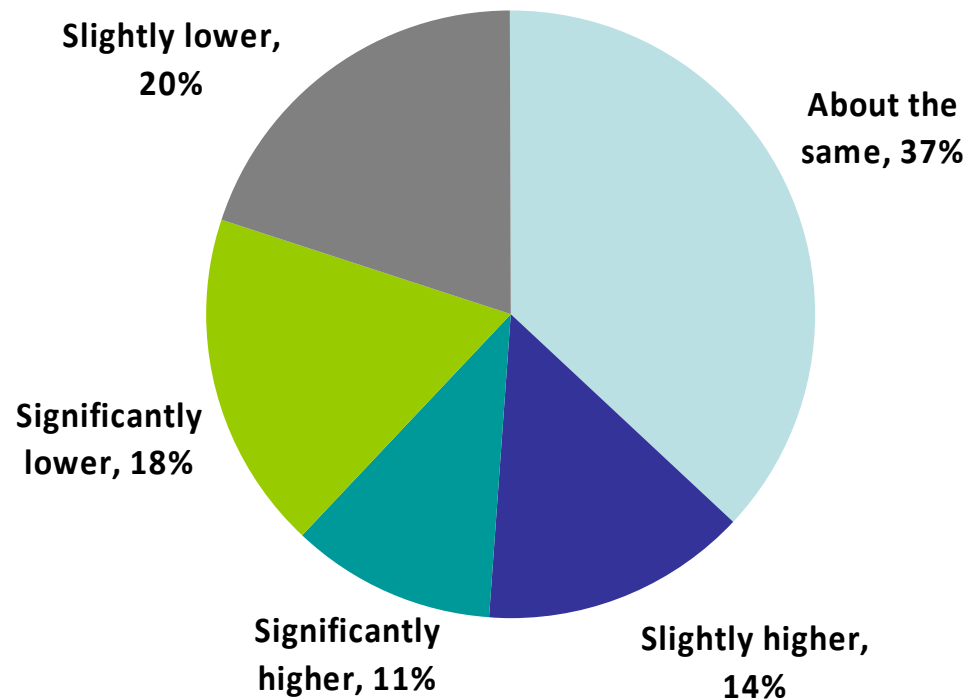
IFC/EMPEA Global Private Equity Conference
May 2009

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Emerging Markets Private Equity Association*

*Erwin Roex, Partner
Coller Capital*

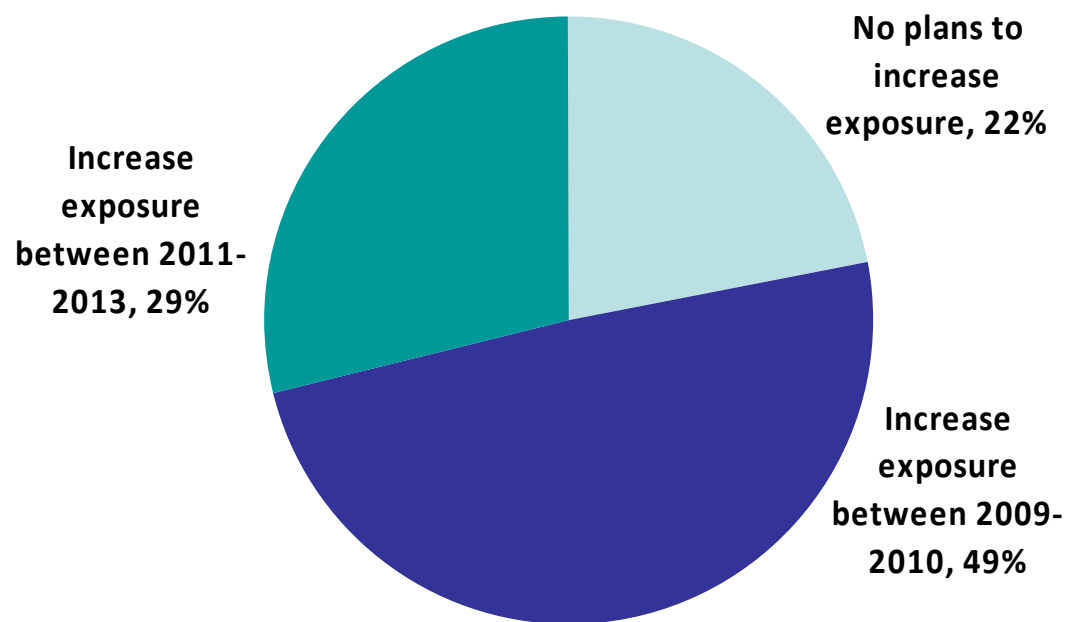
Most EM PE investors remain committed to the asset class

62% of LPs anticipate expanding or maintaining commitments to EM PE in 2009 compared with their actual commitments in 2008



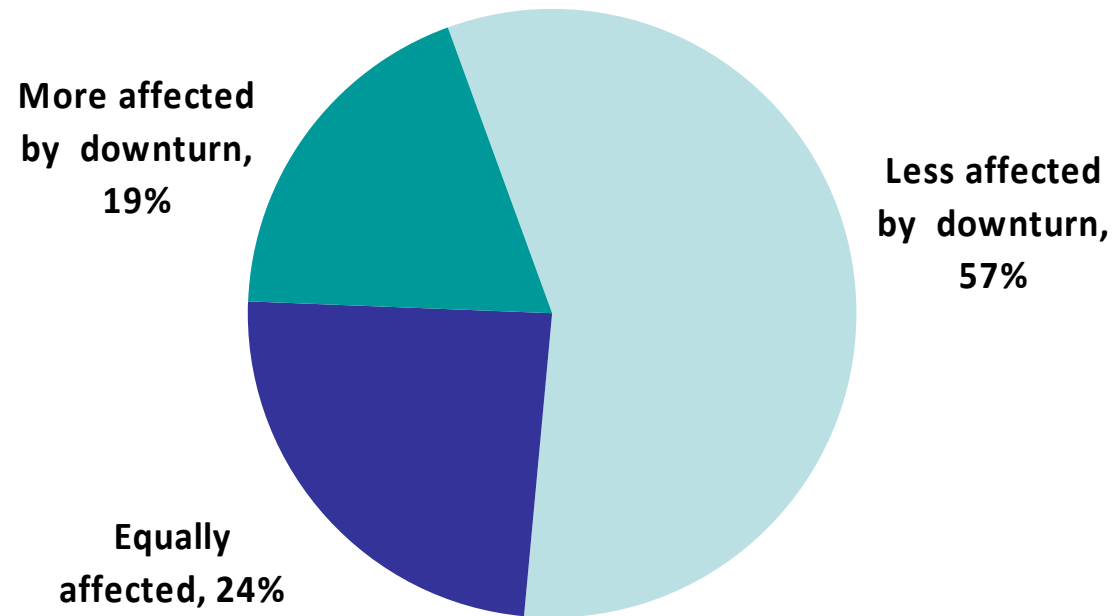
EM PE Investors are seeking new relationships & geographies

LPs planning to increase their PE exposure by adding EM managers and/or geographies over the next 5 years



Recent EM vintages expected to outperform western peers

LP views on performance of 2006/2007 vintage EM PE funds compared to developed market funds



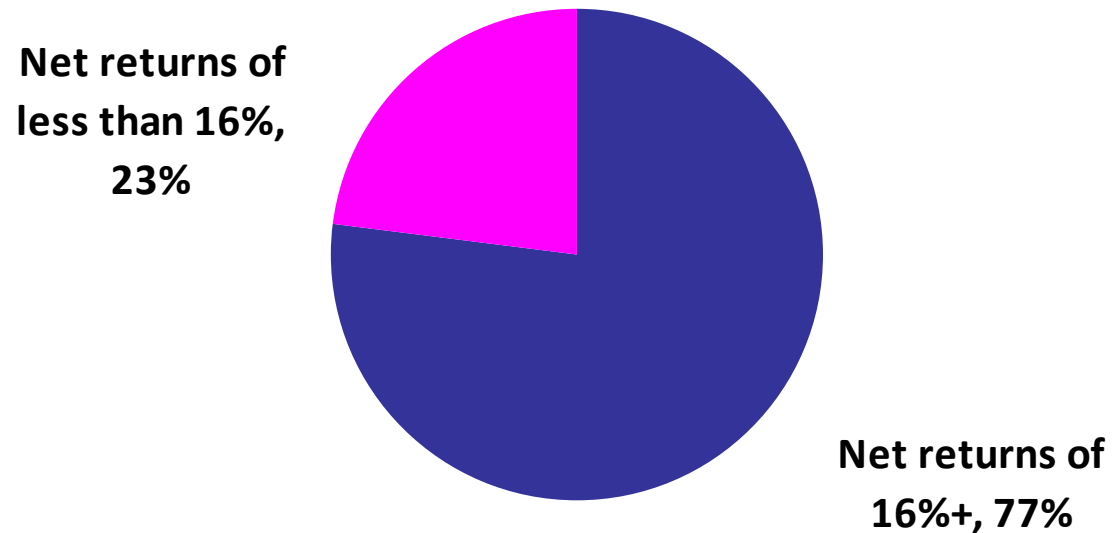
Brazil moved up in attractiveness, now ranked 2nd only to China

EM Attractiveness over Next 12 Months

	2009 Survey	2008 Survey	Change
China	1	1	0
Brazil	2	4	+ 2
India	3	2	- 1
Central & Eastern Europe	4	3	- 1
Latin America (ex Brazil)	5	7	+ 2
Africa (ex South Africa)	6	5	- 1
South Africa	7	9	+ 2
Middle East	8	8	0
Russia/CIS	9	6	-3

LPs expect favorable returns across their EM PE portfolios

LPs' annual net return expectations across their private equity portfolios over the next 3-5 years*



Data relates to returns from new commitments to EM PE funds.

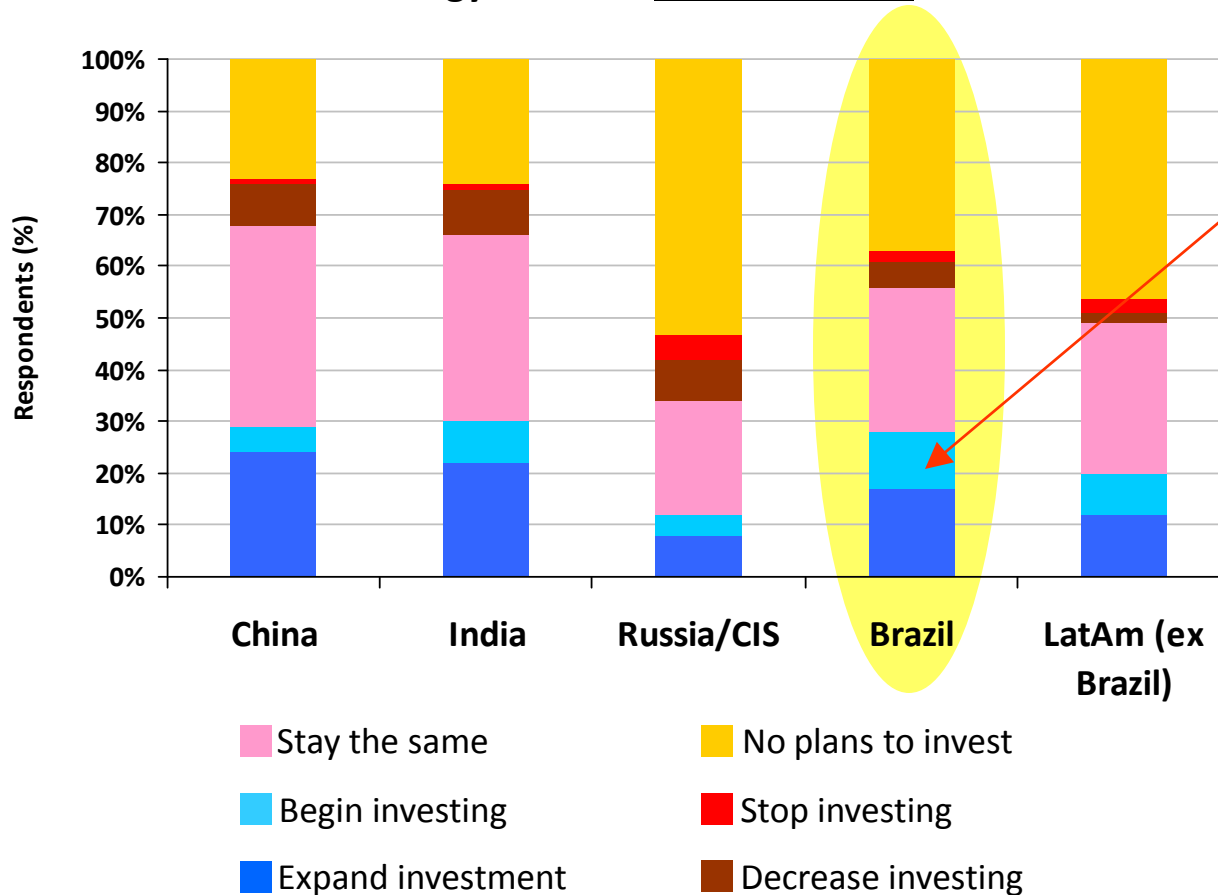
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Interest in Brazil grows

LPs' Planned Changes to Their EM PE Investment Strategy over the Next 1-2 Years

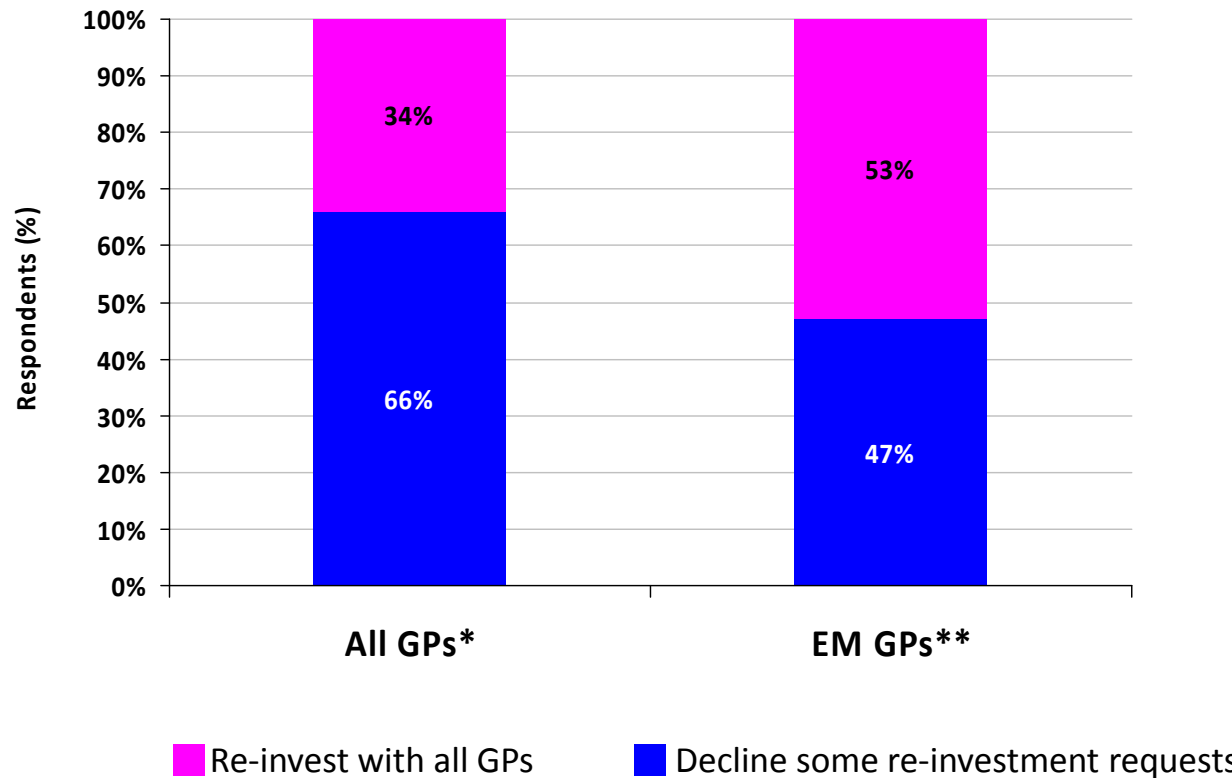


Brazil expected to attract largest net increase in new investors of any EM in next 1-2 years.

- ***17% plan to increase exposure to Brazil***
- ***11% plan to start investing in Brazil***

Just under half of EM PE investors plan to refuse to re-invest with at least one GP over the next 12 months, versus 66% of LPS in the global PE market

LPs that expect not to re-invest with some of their GPs over the next 12 months

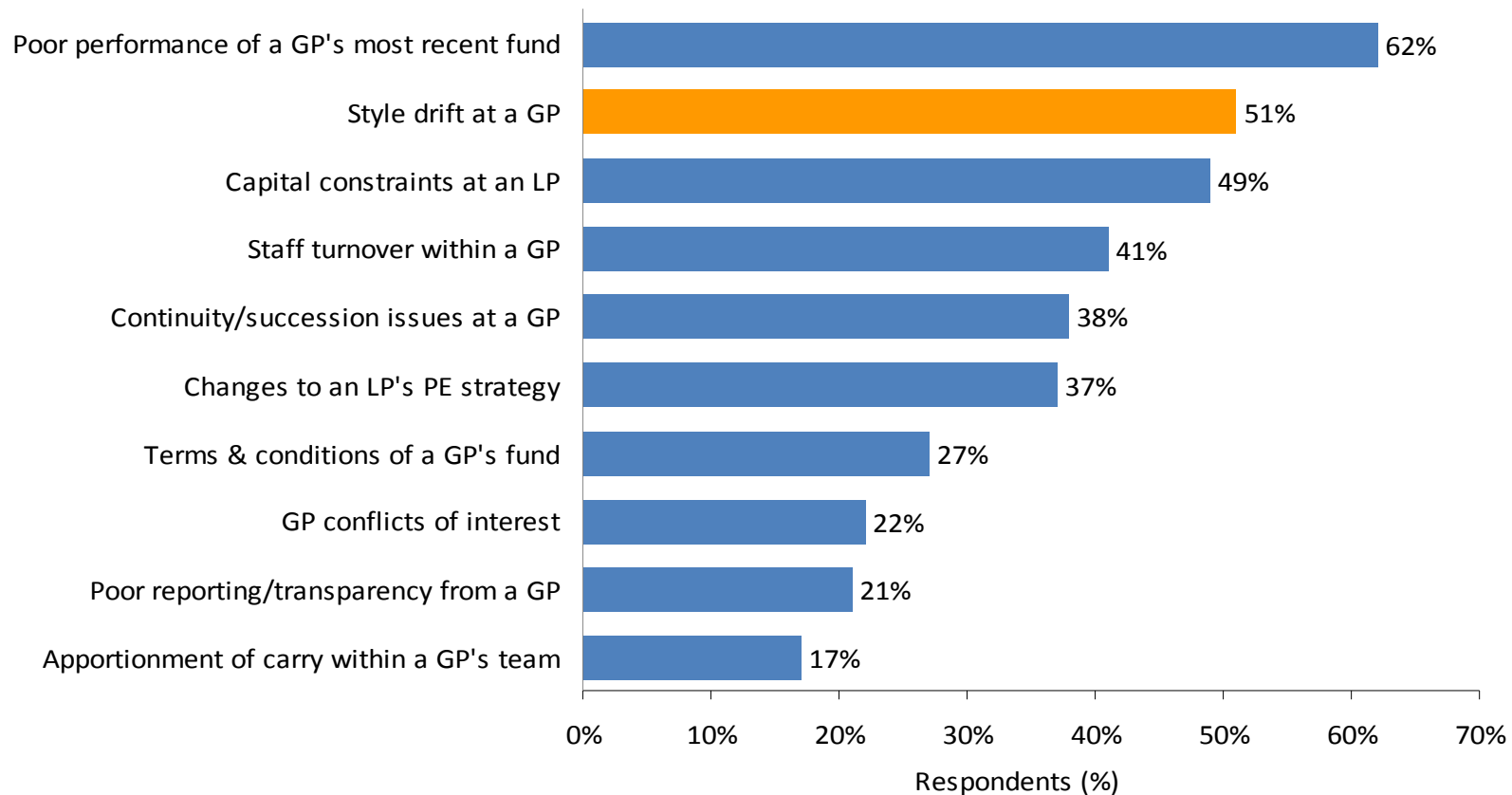


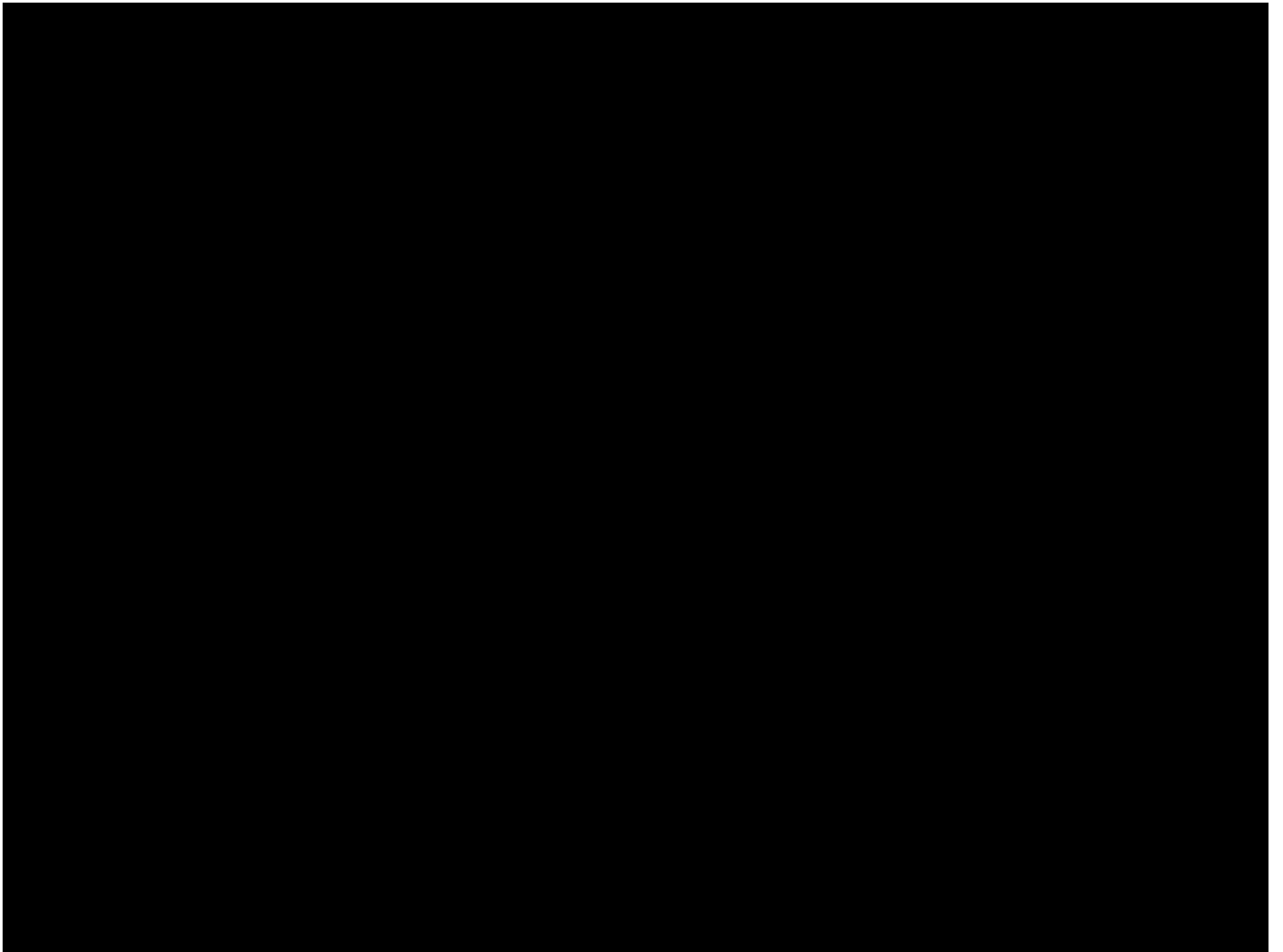
* Colter Capital Global PE Barometer. Data reflects LPs' intentions across the PE market as a whole.

** EMPEA/Colter Capital Survey. Data pertains only to LPs' intentions across EM PE.

Poor performance, style drift concerns and LP capital constraints will drive re-up decisions

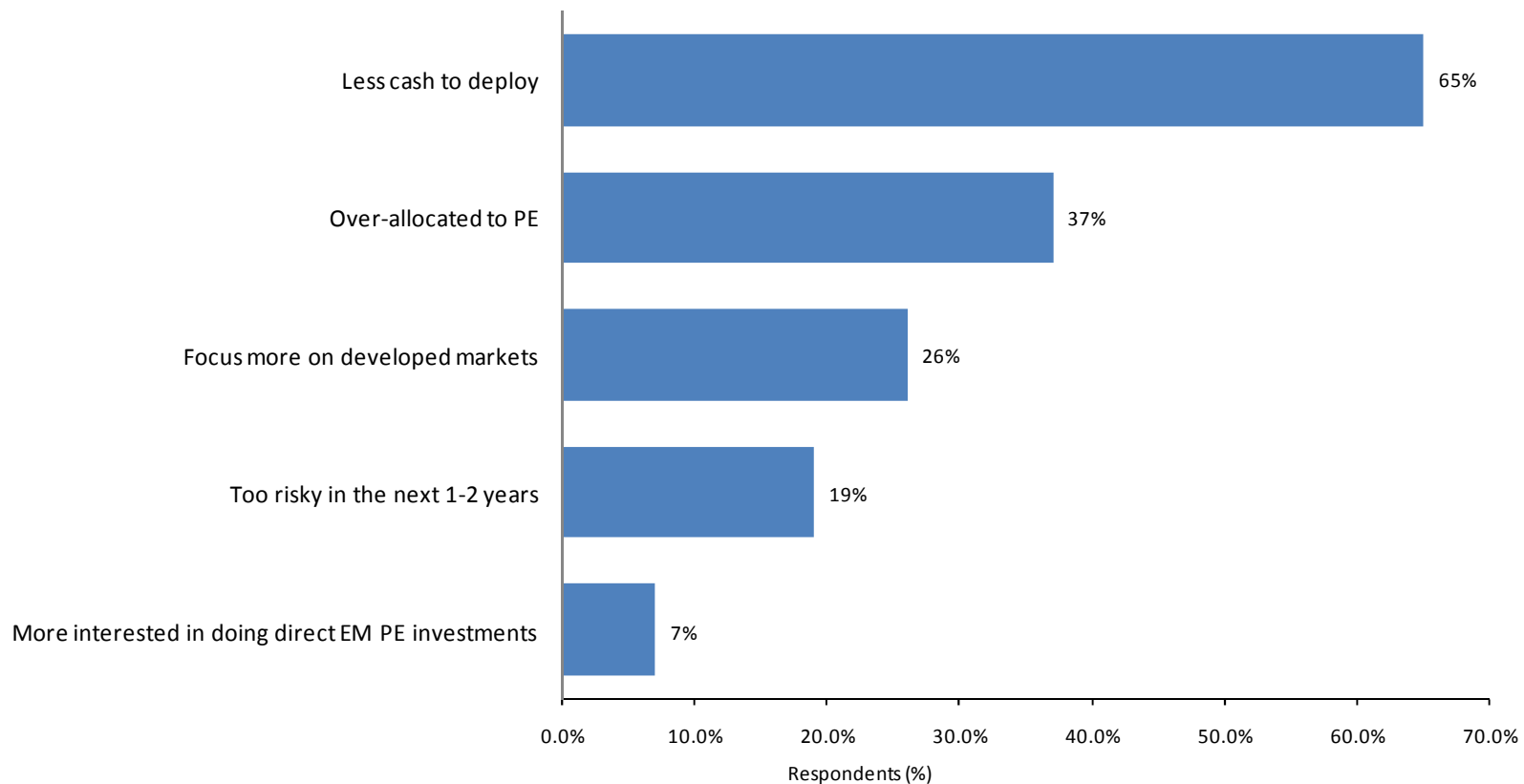
Factors likely to deter LPs from re-investing with some of their EM PE managers over the next 12 months





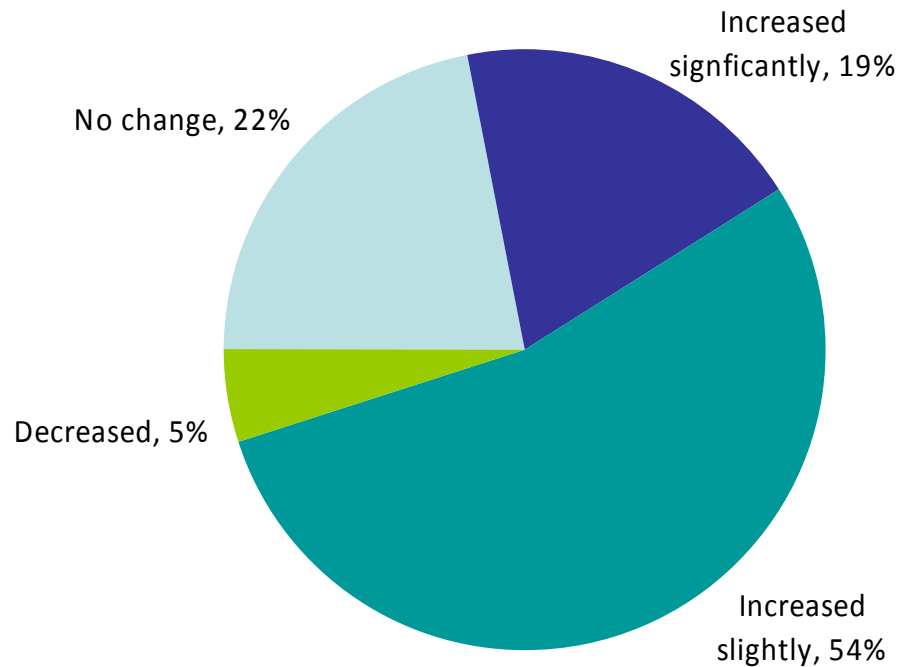
Capital constraint is the primary reason LPs intend to reduce commitments

LPs' reasons for expecting their new commitments to EM PE funds in 2009 to be lower than their actual commitments in 2008



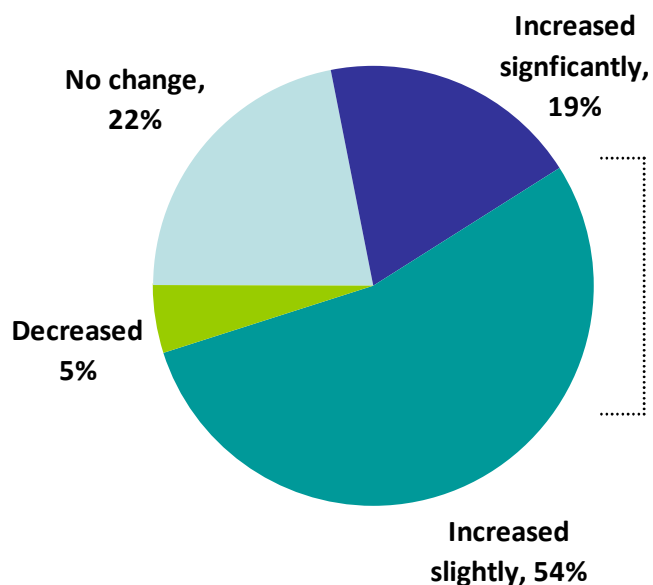
LP's perceptions of risk have changed over the last year

LP views on change in overall risk of EM PE investment over the last 12 months

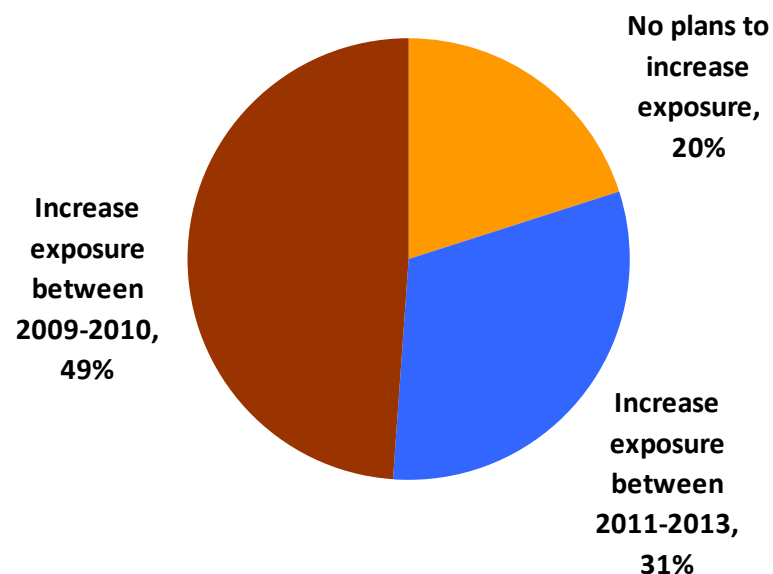


Despite increased risk, LPs plan to increase exposure

LP views on change in overall risk of EM PE investment over the last 12 months



Investment plans of EM PE investors who think EM PE risk has increased recently



Of the 73% of LPs who view EM PE as slightly or significantly riskier, 80% plan to increase exposure over the next 5 years; almost 50% will do so in the next 2 years

The risk premium for EM PE rose from 6.7% in 2008 to 7.2% in the 2009 Survey

LPs' perception of risk premiums required for EM PE funds relative to developed market buyout funds

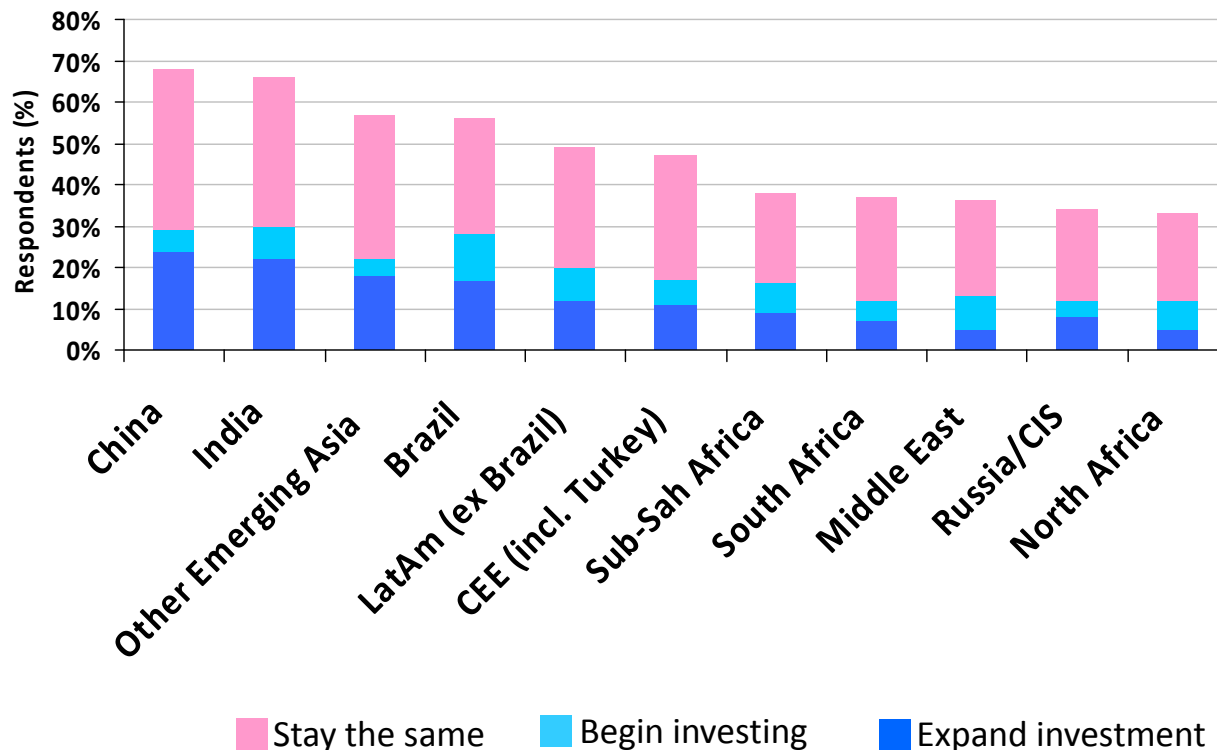
	2009	2008	Change in Risk Premium
China	6.4%	6.3%	0.1%
India	6.4%	6.1%	0.3%
Brazil	6.4%	6.9%	-0.5%
CEE (inc Turkey)	6.4%	5.0%	1.4%
South Africa	7.0%	6.4%	0.6%
Other Emerging Asia	7.3%	N/A	N/A
Middle East	7.3%	6.5%	0.8%
Latin America (ex Brazil)	7.5%	6.7%	0.8%
North Africa*	8.0%	6.7%	1.3%
Russia/CIS	8.4%	6.9%	1.5%
Sub-Saharan Africa (ex S. Africa)*	8.4%	6.7%	1.7%

* Categorized as "Pan Africa" in the 2008 survey.

LP assessment of risk has gone up for all markets except Brazil; China and India relatively unchanged

China and India continue to lead LP investment strategies; Latin American markets are displacing CEE

LPs' planned changes to their EM PE investment strategy over the next 1-2 years



China and India remain the EM PE leading investment destinations with 68% and 66% of LPs planning to maintain, increase or begin investments in these countries respectively.

Brazil expected to attract largest net increase in new investors of any EM in next 1-2 years.

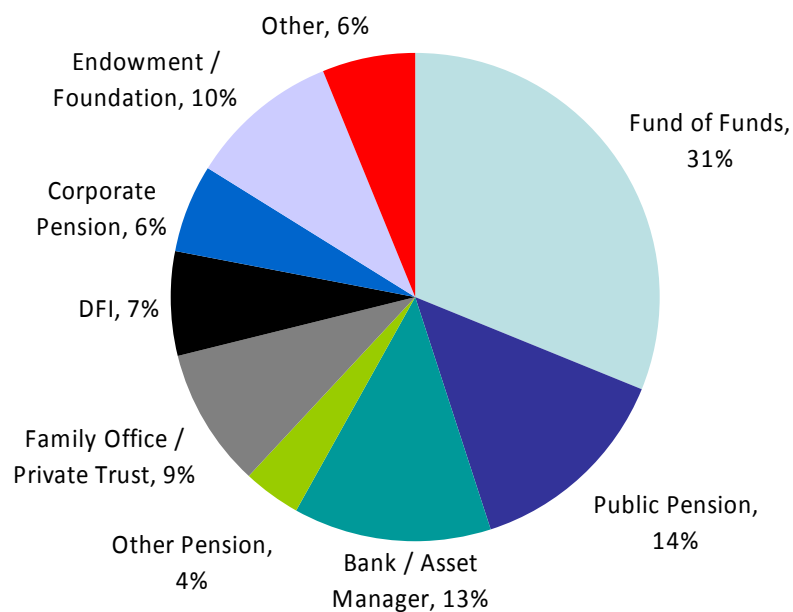
Russia in particular is likely to lose more investors than it is likely to gain over the next 1-2 years.

2009 Survey Respondents

156 investors participated in the survey representative of the LP community in:

- investor location
- type of investing organization
- total assets under management (AUM)

Respondents by Institution Type



Respondents by Region

North America	47%
Europe	41%
Rest of World	12%

Respondents by total PE AUM

Under \$100 million	13%
\$100-\$499 million	27%
\$500-\$999 million	13%
\$1-\$4.9 billion	33%
\$5 billion +	14%

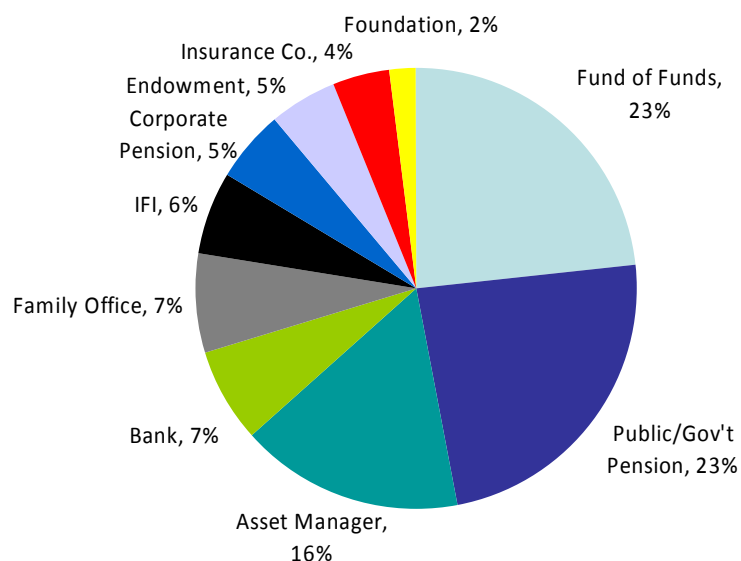
Current EM PE Investing Strategy

Asia	64%
CEE/CIS	49%
LatAm/Carib.	47%
Middle East	26%
Africa	38%

2008 vs. 2009 Survey Respondents

2008 Survey Total Respondents = 81

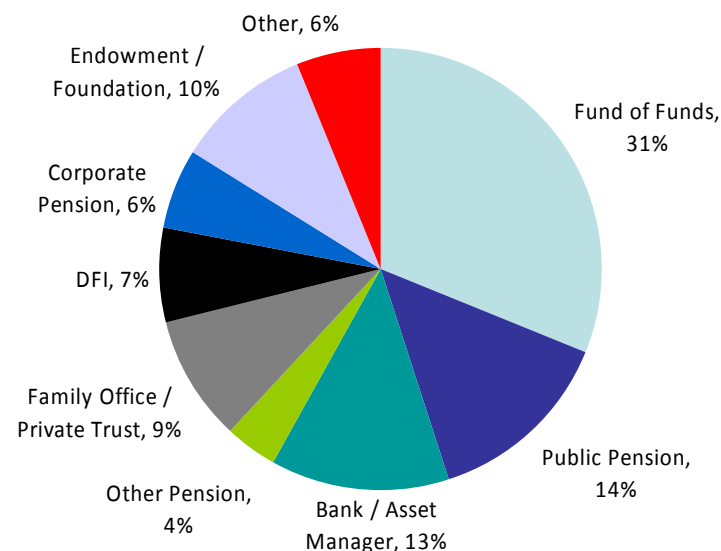
Respondents by Institution Type



Current EM PE Investing Strategy	
Asia	83%
CEE/CIS	57%
LatAm/Carib.	40%
Middle East	11%
Africa	30%

2009 Survey Total Respondents = 156

Respondents by Institution Type



Current EM PE Investing Strategy	
Asia	64%
CEE/CIS	49%
LatAm/Carib.	47%
Middle East	26%
Africa	38%