

# Setter

## Price Report

September 2017

First in the Secondary Market.

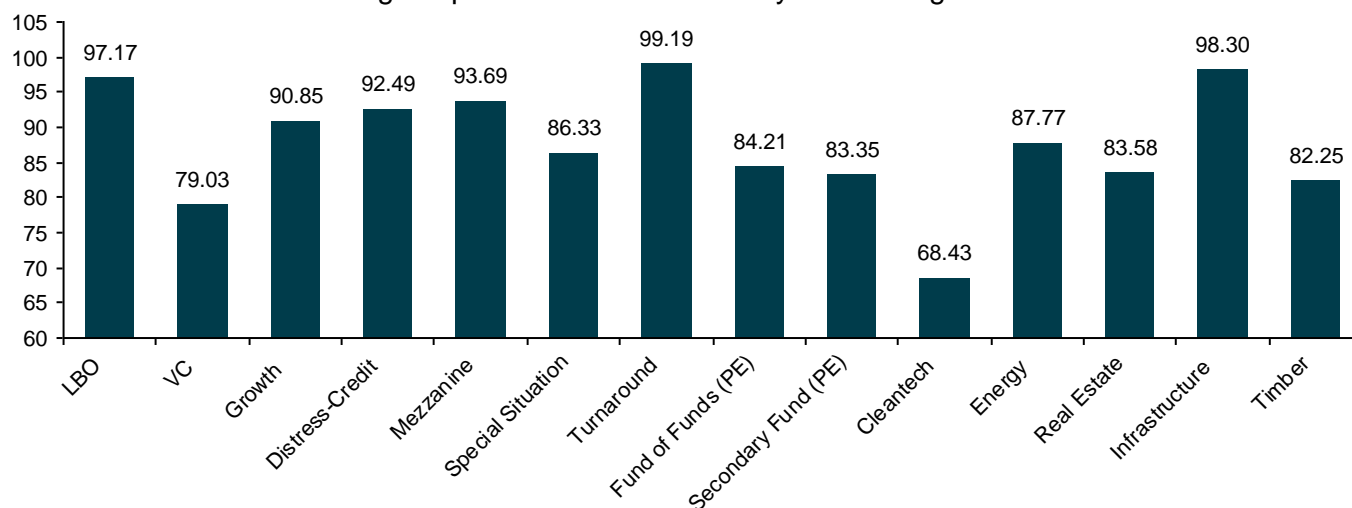
# Setter Price Report

## Price Analysis of Different Fund Strategies

The below data records the average of top prices across various alternative asset classes and time intervals. The average top price is generally derived from prices that Setter observed over the preceding 90 day period through actual bids or indications given by the over 1300 buyers covered by Setter.

Please note that Setter receives more prices from buyers for the more saleable funds (Setter Liquidity Rating of 'Good', 'Very Good' and 'Excellent'). Since these more saleable funds tend to price better than less saleable funds, average prices in this report may be biased towards higher priced funds. Also note that the funds priced in a given period will differ in vintage, geographic focus, etc. which can influence the average price for that period. Finally, certain strategies like cleantech and distress-credit are priced less frequently which in turn causes their average prices to be more variable

Average Top Prices Over The 90 Days Preceding 09/30/17



## Changes in Prices

Sep 30, 2016 vs Sep 30, 2017\*

Type	Funds Priced	Average IRR	Average Multiple	Starting Price*	Ending Price*	Price Change	
LBO	478	12.11	1.93	94.98	97.17	2.31%	▲
VC	127	18.45	1.61	82.44	79.03	-4.14%	▼
Growth	48	7.73	1.30	89.42	90.85	1.59%	▲
Distress-Credit	47	10.54	1.25	85.00	92.49	8.81%	▲
Mezzanine	18	9.47	1.20	90.00	93.69	4.10%	▲
Special Situation	14	0.77	0.68	93.75	86.33	-7.91%	▼
Turnaround	20	15.08	1.59	100.63	99.19	-1.44%	▼
Fund of Funds (PE)	110	10.90	1.36	85.72	84.21	-1.76%	▼
Secondary Fund (PE)	31	20.65	1.51	87.39	83.35	-4.62%	▼
Cleantech	11	7.36	1.23	68.29	68.43	0.21%	▲
Energy	63	3.21	1.13	89.58	87.77	-2.01%	▼
Real Estate	81	9.23	1.10	87.79	83.58	-4.80%	▼
Infrastructure	26	10.63	1.30	88.70	98.30	10.82%	▲
Timber	4	1.32	1.09	85.00	82.25	-3.24%	▼

\*Starting Price and Ending Price are the average top prices of the 90 days preceding these two dates.

# Setter Price Report

## Average Top Prices Over The 90 Days Preceding 09/30/17

### Break Down by Geography

Geography	LBO	VC	Growth	Mezzanine	Distress-Credit	Fund of Funds (PE)	Energy	Real Estate	Infra
N. America	93.89	78.97	94.45	91.50	91.80	83.26	87.83	87.09	93.67
W. Europe	99.62	82.38	99.50	96.25	94.59	87.20	105.00	90.75	100.67
Global	96.07	92.50	57.50		94.00	85.78	87.38	88.25	97.50
Asia	87.00	72.08	80.32		78.50	78.30	69.50	74.81	
Other	82.50	67.00	88.17			89.00		76.00	98.33

### Break Down by Vintage

Vintage	LBO	VC	Growth	Mezzanine	Distress-Credit	Fund of Funds (PE)	Energy	Real Estate	Infra
Pre 2002	85.17	72.44			90.00	77.38		92.50	
2002 - 2005	89.38	74.55	93.33		95.50	83.93	73.33	84.50	97.50
2006 - 2009	93.79	76.38	85.54	95.75	89.82	85.73	80.89	79.27	97.23
2010 - Present	101.39	88.58	93.19	93.32	93.79	90.14	91.88	87.04	99.22

### Break Down by Setter Liquidity Rating

Liquidity Rating	LBO	VC	Growth	Mezzanine	Distress-Credit	Fund of Funds (PE)	Energy	Real Estate	Infra
Excellent	100.48	88.10	92.00				92.56		102.00
Very Good	99.94	91.94	93.93		94.65	86.93	91.19	89.17	98.67
Good	95.16	83.04	94.75	96.50	89.13	82.56	80.56	92.38	98.91
Unrated	93.74	74.04	87.47	93.18	93.42	82.43	90.36	79.61	88.25

### Break Down by Percent Funded

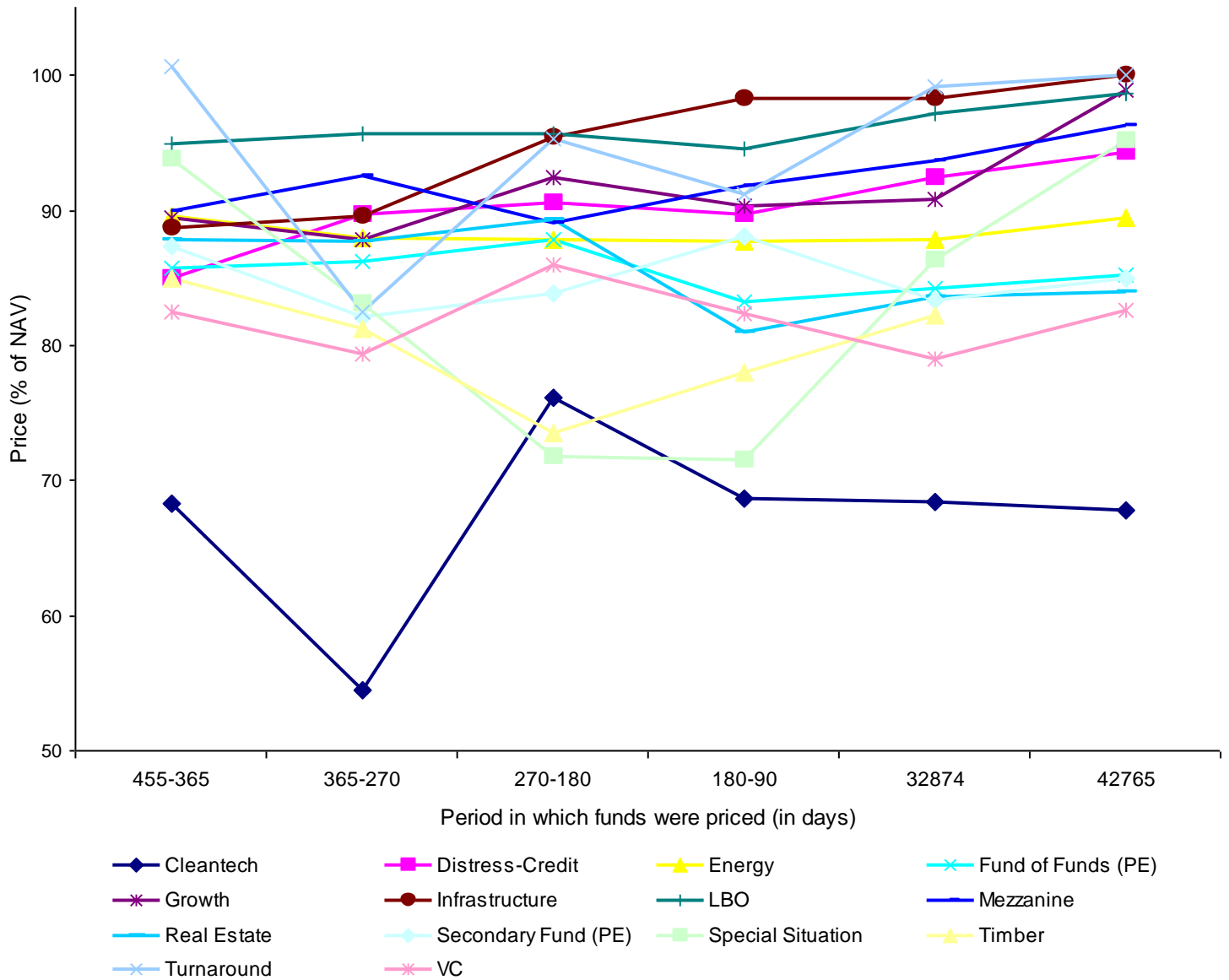
Percent Funded	LBO	VC	Growth	Mezzanine	Distress-Credit	Fund of Funds (PE)	Energy	Real Estate	Infra
0-25%	101.87	90.00	105.00	96.50	91.00		94.83	90.50	
25-50%	103.56	96.50	97.33	86.00	94.17	92.50	97.79	95.00	104.00
50-75%	100.27	80.50	90.50	96.50	98.00	85.88	88.92	91.50	101.83
75-100%	95.15	76.66	87.12	94.50	90.48	83.54	84.84	79.90	97.67

### Break Down by Fund Size

Fund Size	LBO	VC	Growth	Mezzanine	Distress-Credit	Fund of Funds (PE)	Energy	Real Estate	Infra
<\$500M	96.45	74.05	92.45	87.75	94.08	82.89	86.80	81.56	97.00
\$500M - \$1B	95.70	81.47	88.14	96.20	91.08	86.03	87.55	77.78	99.38
\$1B - \$2B	97.47	79.00	91.92	96.50	88.43	86.30	86.15	91.50	96.92
\$2B - \$5B	97.86	85.60	84.50	96.50	94.81	91.00	89.10	91.17	102.50
\$5B+	100.06				92.00		92.06	92.17	96.00

# Setter Price Report

## Price Movement over the Last Year



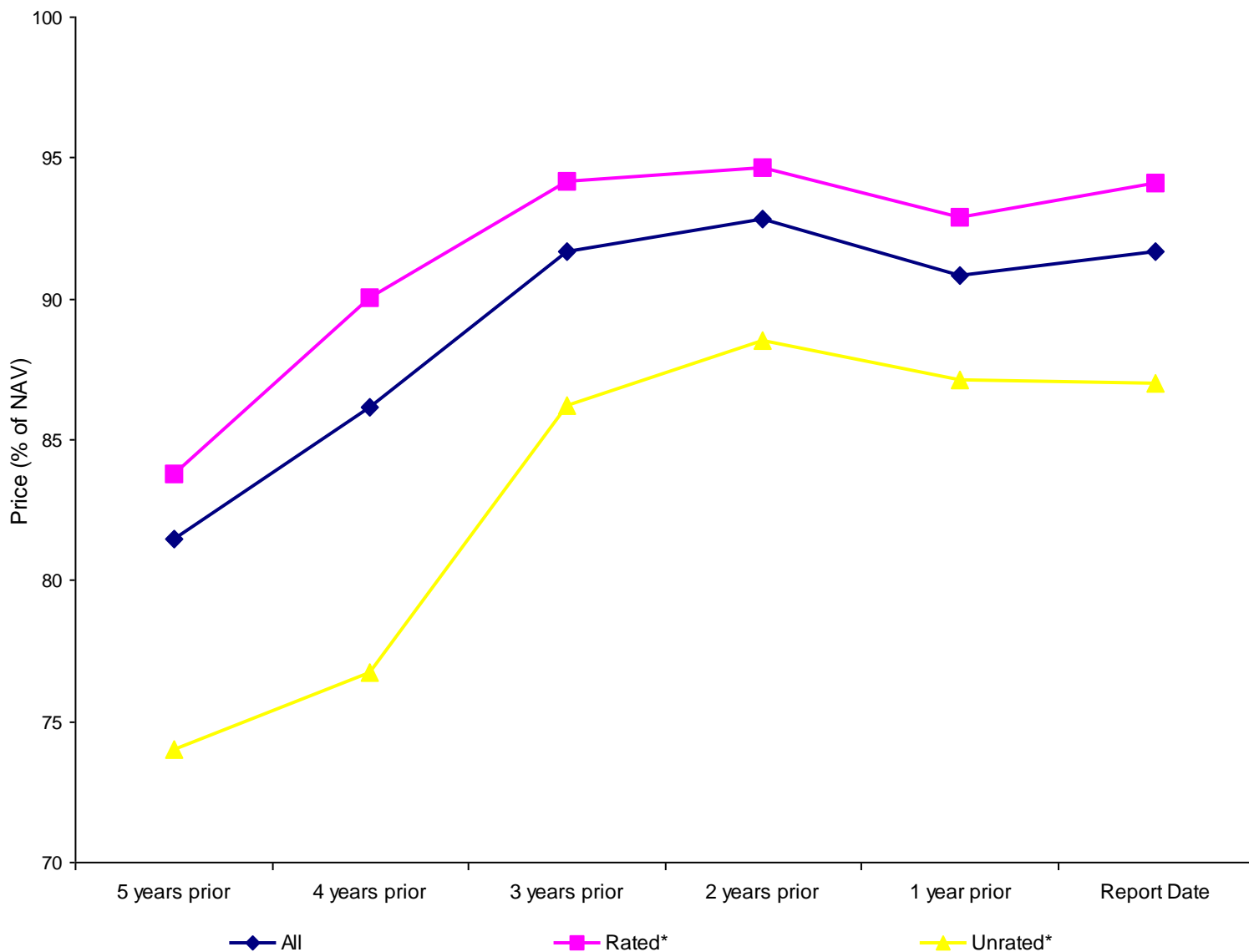
### Source of Price Data

This report summarizes the individual top secondary market prices Setter Capital records over specific time periods based on actual bids and estimates derived from the over 1300 buyers it covers. See below for the number of funds priced in each period. Note that Setter receives more prices from buyers for the more saleable funds (Setter Liquidity Rating of 'Good', 'Very Good' and 'Excellent'). Since these more saleable funds tend to price better than less saleable funds, average prices in this report may be biased towards higher priced funds. Also note that the funds priced in each period will differ in average vintage, geographic focus, etc. which can influence average price for that period. Finally, certain strategies like cleantech and distress credit are priced less frequently which in turn causes the average prices recorded to be more variable.

Funds priced 0-30 days ago	569	Funds priced 180-270 days ago	755
Funds priced 0-90 days ago	1215	Funds priced 270-365 days ago	649
Funds priced 90-180 days ago	942	Funds priced 2 years ago	2314

# Setter Price Report

## Price Movement of the Most Sought-After Funds



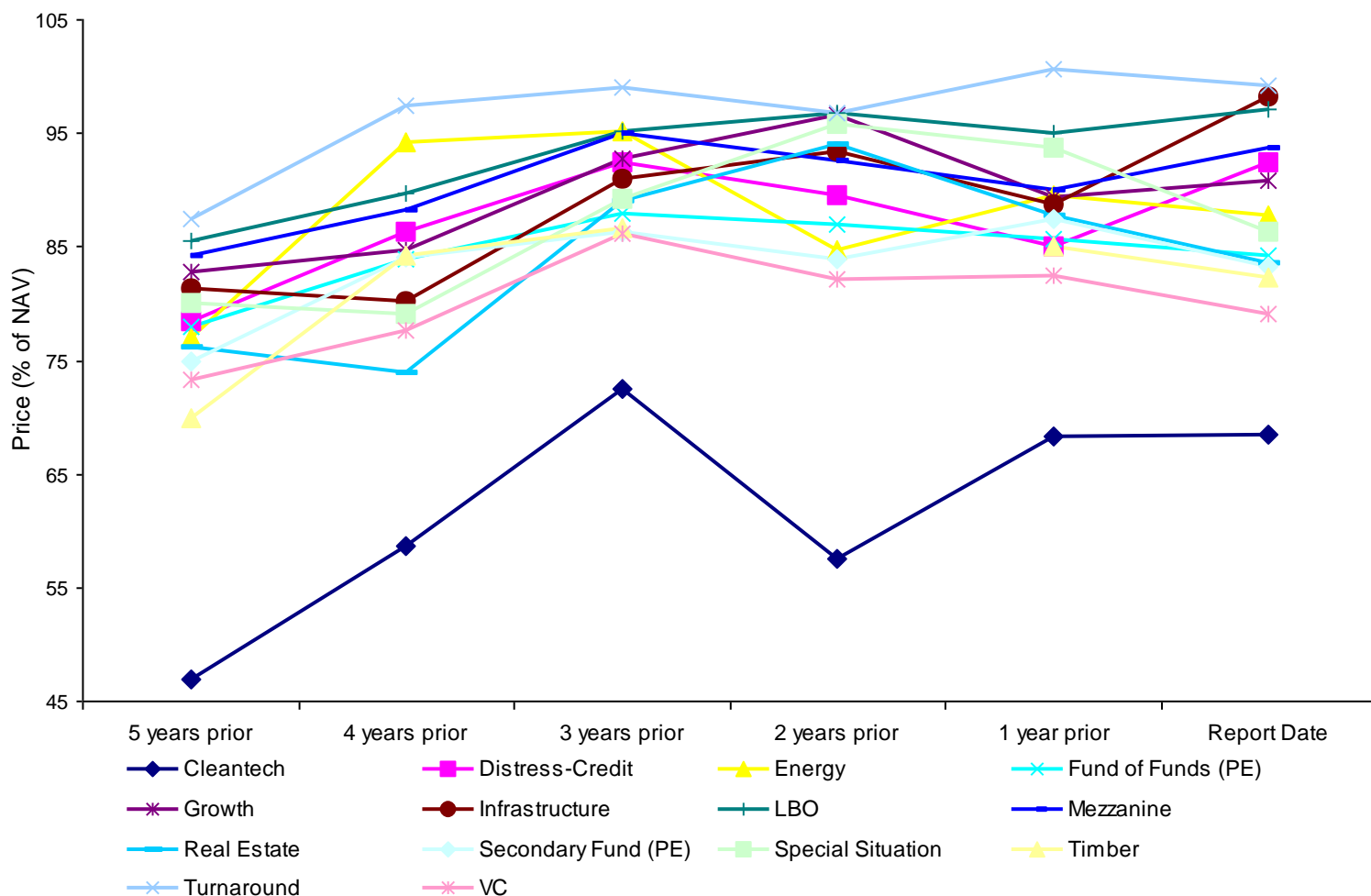
### Broken Down By Liquidity Rating

	5 years prior (A)	4 years prior (B)	3 years prior (C)	2 years prior (D)	1 year prior (E)	Report Date (F)	Price change (E) to (F)
Unrated*	73.99	76.73	86.23	88.50	87.16	87.03	-0.14% ▼
Rated*	83.77	90.06	94.18	94.66	92.90	94.08	1.27% ▲
All	81.47	86.16	91.68	92.84	90.85	91.65	0.88% ▲

\* "Rated" funds are those with a Setter Liquidity Rating of Good, Very Good or Excellent, while "Unrated" funds have not achieved a rating. The Setter Liquidity Rating indicates how sought after and saleable a fund is on the secondary market and are in large part determined by the collective shortlists of the 1300+ 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.

# Setter Price Report

## Price Movement over the Last 5 Years



## Broken Down By Type

	5 years prior (A)	4 years prior (B)	3 years prior (C)	2 years prior (D)	1 year prior (E)	Report Date (F)	Price change (E) to (F)
LBO	85.52	89.74	95.24	96.75	94.98	97.17	2.31% ▲
VC	73.31	77.67	86.11	82.21	82.44	79.03	-4.14% ▼
Growth	82.78	84.72	92.77	96.60	89.42	90.85	1.59% ▲
Distress-Credit	78.44	86.28	92.43	89.64	85.00	92.49	8.81% ▲
Mezzanine	84.25	88.33	95.00	92.58	90.00	93.69	4.10% ▲
Special Situation	80.00	79.17	89.25	95.83	93.75	86.33	-7.91% ▼
Turnaround	87.50	97.50	99.09	96.75	100.63	99.19	-1.44% ▼
Fund of Funds (PE)	78.00	84.00	88.00	87.03	85.72	84.21	-1.76% ▼
Secondary Fund (PE)	75.00	84.17	86.27	83.92	87.39	83.35	-4.62% ▼
Cleantech	47.00	58.75	72.50	57.50	68.29	68.43	0.21% ▲
Energy	77.06	94.21	95.15	84.78	89.58	87.77	-2.01% ▼
Real Estate	76.16	73.88	89.11	94.14	87.79	83.58	-4.80% ▼
Infrastructure	81.40	80.29	91.06	93.42	88.70	98.30	10.82% ▲
Timber	70.00	84.20	86.61	85.00	82.25	82.25	-3.24% ▼

# Setter Price Report

## Recent Movement in Secondary Pricing

### Broken Down By Type

	2 Years (A)	270-365 days (B)	180-270 days (C)	90-180 days (D)	Last 90 Days (E)	Last 30 Days (F)	90 Days Price Change (D) to (E)	
LBO	96.75	95.67	95.66	94.59	97.17	98.71	2.72%	▲
VC	82.21	79.38	85.92	82.31	79.03	82.57	-3.98%	▼
Growth	96.60	87.79	92.43	90.35	90.85	98.94	0.55%	▲
Distress-Credit	89.64	89.72	90.58	89.75	92.49	94.26	3.05%	▲
Mezzanine	92.58	92.50	89.06	91.86	93.69	96.35	1.99%	▲
Special Situation	95.83	83.14	71.75	71.50	86.33	95.20	20.75%	▲
Turnaround	96.75	82.50	95.25	91.25	99.19	99.96	8.70%	▲
Fund of Funds (PE)	87.03	86.22	87.81	83.16	84.21	85.17	1.26%	▲
Secondary Fund (PE)	83.92	82.11	83.83	88.08	83.35	85.00	-5.38%	▼
Cleantech	57.50	54.50	76.10	68.61	68.43	67.75	-0.26%	▼
Energy	84.78	87.96	87.88	87.65	87.77	89.45	0.14%	▲
Real Estate	94.14	87.69	89.36	81.00	83.58	84.00	3.18%	▲
Infrastructure	93.42	89.61	95.38	98.27	98.30	99.96	0.03%	▲
Timber		81.25	73.50	78.00	82.25		5.45%	▲

### Broken Down By Geography

N. America	92.43	89.13	90.70	89.01	87.68	90.84	-1.50%	▼
W. Europe	98.03	93.39	94.75	95.97	98.48	99.61	2.62%	▲
Global	90.75	90.22	92.02	88.41	88.87	92.32	0.51%	▲
Asia	83.50	84.47	88.69	85.18	79.93	80.19	-6.16%	▼
Other	86.35	83.41	81.65	87.21	82.83	95.36	-5.01%	▼

### Broken Down By Liquidity Rating

Excellent	97.32	99.36	98.51	98.45	98.91	100.28	0.46%	▲
Very Good	94.25	94.88	95.13	95.43	94.63	98.84	-0.85%	▼
Good	89.65	87.81	87.77	87.96	90.80	94.50	3.22%	▲
Unrated	87.16	81.73	87.46	84.56	87.03	92.24	2.93%	▲
Average Price Rated	94.66	93.45	92.85	92.86	94.08	97.49	1.32%	▲
Average Price Unrated	87.16	81.73	87.46	84.56	87.03	92.24	2.93%	▲
<b>All Funds</b>	<b>90.85</b>	<b>89.60</b>	<b>91.00</b>	<b>90.04</b>	<b>91.65</b>	<b>95.74</b>	<b>1.78%</b>	<b>▲</b>

# Setter Price Report

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## Definitions

<sup>1</sup> Exposure: NAV + Undrawn

<sup>2</sup> 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

<sup>3</sup> 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<sup>2</sup> 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<sup>2</sup> 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

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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 \$25 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 over two thirds of the most active secondary buyers globally.

## [SecondaryLink.com™](#)

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