

Setter

The 30 Most Sought-After Managers

US Middle Market 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 30 Most Sought-After Managers on the Secondary Market

Strategy: US Middle 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	▲ 14	Accel-KKR Capital Partners	Very Good	33	2000	7	Accel-KKR Capital Partners V Accel-KKR Capital Partners VI	USD	1,300	2015
2	▲ 10	JLL Partners	Very Good	32	1991	8	JLL Partners Fund VI JLL Partners Fund VII	USD	807	2009
3	▲ 25	Paine & Partners	Very Good	29	2002	4	Paine Schwartz Padawan Fund Paine & Partners Capital Fund V	USD	733	2019
4	▲ 5	Water Street Capital	Very Good	27	2006	4	Water Street Healthcare Partners III Water Street Healthcare Partners IV	USD	752	2013
5	▼ 3	Riverside Capital Appreciation Funds	Very Good	26	1995	12	Riverside Micro-Cap Fund V Riverside Capital Appreciation Fund VII	USD	1,200	2018
6	▼ 1	Wellspring Capital Partners	Very Good	22	1996	7	Wellspring Capital Partners V Wellspring Capital Partners VI	USD	1,200	2011
7	▲ 28	Insight Equity	Very Good	19	2005	5	Insight Equity II Insight Equity III	USD	430	2010
8	— 8	JC Flowers	Good	27	2002	8	JC Flowers III JC Flowers IV	USD	2,300	2009
10	▲ 16	Graham Partners	Good	23	1999	7	Graham Partners Investments IV Graham Partners V	USD	550	2017
10	▲ 19	Riverside Partners Funds	Good	23	2000	5	Riverside Partners V Riverside Partners VI	USD	561	2013
11	▲ >30	Seidler Equity Partners	Good	23	2000	7	Seidler Equity Partners VI Seidler Equity Partners VII	USD	600	2017
12	▲ 13	Nautic Partners Funds	Good	22	2000	5	Nautic Partners VIII Nautic Partners IX	USD	900	2016
13	▼ 9	Avista Capital Partners	Good	20	2005	5	Avista Capital Partners IV Avista Healthcare Partners	USD	775	2015
14	▼ 7	Trivest Partners	Good	20	1990	7	Trivest Partners VI Trivest Discovery Fund	USD	630	2017

The Top 30

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
15	▲ 21	RoundTable Health Care Partners	Good	19	2001	5	RoundTable Healthcare Partners IV RoundTable Healthcare Partners V	USD USD	650 700	2015 2018
16	▲ >30	Brentwood Associates	Good	19	1980	12	Brentwood Associates V Brentwood Associates Private Equity VI	USD USD	688 1,150	2013 2017
17	▼ 11	MidOcean Partners	Good	18	1999	6	MidOcean Partners IV MidOcean Partners V	USD USD	300 1,200	2015 2017
18	▼ 15	Vestar	Good	17	1988	7	Vestar Capital Partners VI Vestar Capital Partners VII	USD USD	804 1,080	2013 2017
19	▲ 26	JMI Equity	Good	16	1992	7	JMI Equity Fund VIII JMI Equity Fund IX	USD USD	1,030 1,200	2014 2018
21	▲ >30	Endeavour Capital Funds	Good	16	2000	5	Endeavour Capital Fund VI Endeavour Capital Fund VII	USD USD	675 775	2011 2014
21	▲ 22	WestView Capital	Good	16	2005	4	Westview Capital Partners III WestView Capital Partners IV	USD USD	430 700	2013 2017
24	▲ >30	Swander Pace Capital	Good	16	1997	6	Swander Pace Capital V Swander Pace Capital VI	USD USD	350 510	2013 2016
24	— 24	Tenex Capital Management	Good	16	2011	2	Tenex Capital Partners Tenex Capital Partners II	USD USD	452 814	2011 2016
24	▲ >30	Wind Point Partners	Good	16	1984	8	Wind Point Partners VII Wind Point Partners VIII	USD USD	915 985	2009 2015
25	▲ >30	Industrial Growth Partners	Good	15	1997	5	Industrial Growth Partners IV Industrial Growth Partners V	USD USD	600 800	2011 2016
26	▲ >30	Cressey & Co.	Good	15	2009	5	Cressey & Co Fund V Cressey & Co. Fund VI	USD USD	615 995	2014 2018
27	▼ 20	Spectrum Equity Investors	Good	14	1994	11	Spectrum Equity Investors VIII Spectrum Equity IX	USD USD	1,289 1,500	2017 2020
30	▼ 4	Sterling Group Partners	Good	14	2001	4	Sterling Group Partners III Sterling Group Partners IV	USD USD	820 1,284	2010 2015
30	▲ >30	Ridgemont Equity Partners	Good	14	2012	4	Ridgemont Equity Partners II Ridgemont Equity Partners III	USD USD	995 1,650	2015 2018
30	▼ 6	LLR Partners	Good	14	2000	5	LLR Equity Partners IV LLR Equity Partners V	USD USD	950 1,200	2012 2017

The Top 30

Rank	Prior Rank	Fund Family	Setter Liquidity Rating	Prime Buyers	First Vintage	Funds in Fund Family	Latest Closed funds	Currency	Fund Size	Vintage
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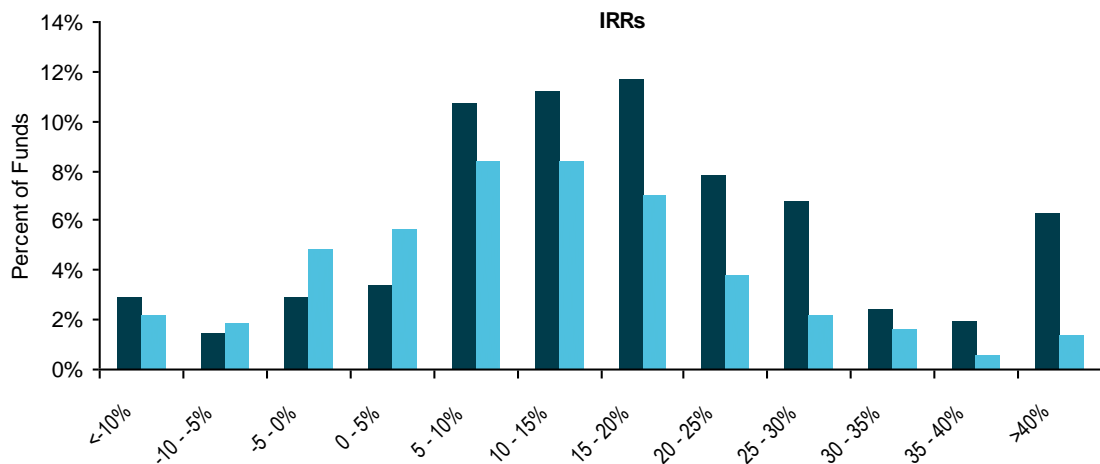
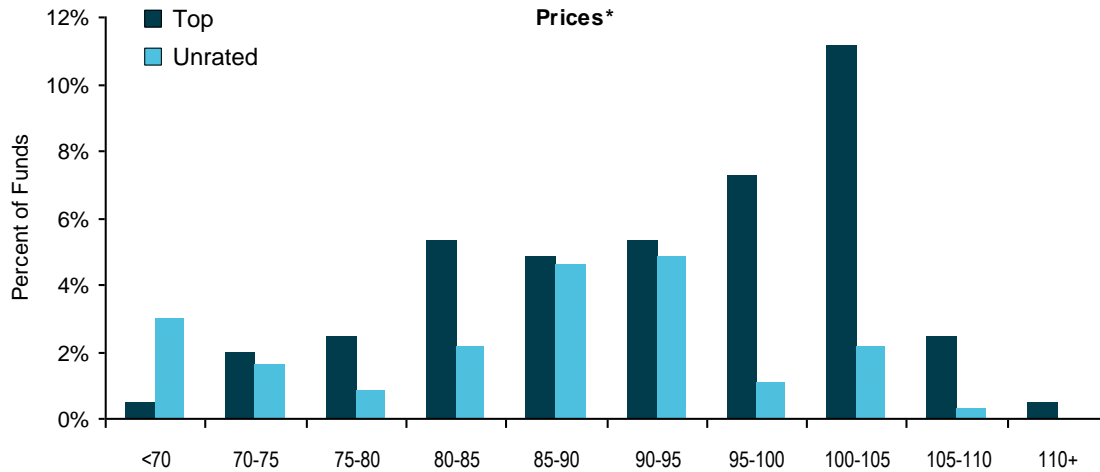
▲ ▼ — Indicate whether the manager has moved up, down or stayed the same rank relative to their rankings on 10/31/19*.

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 30: 20
- Avg. Number of Prime Buyers Unrated: 4

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

- Avg. Price TOP 30: 91.78% of NAV
- Avg. Price Unrated: 85.30% of NAV

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

- Avg. IRR TOP 30: 14.63%
- Avg. IRR Unrated: 10.35%

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 30: 683M
- Avg. Fund Size Unrated: 638M
- Avg. Number of Funds Raised TOP 30: 6
- Avg. Number of Funds in Raised Unrated: 4

* 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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