

Setter

The 25 Most Sought-After Managers

VC - Q3 2017

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 1300 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 25 Most Sought-After Managers on the Secondary Market

Strategy: VC - Q3 2017

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 New Enterprise Associates (NEA)	Excellent	67	1980	17	New Enterprise Associates XVI New Enterprise Associates XV	USD	3,300	2017
2	—	2 Accel Partners	Very Good	38	1985	17	Accel XII Accel Growth Fund III	USD	475	2014
3	▲	6 Battery Ventures	Very Good	34	1984	15	Battery Ventures XI Battery Ventures XI Side Fund	USD	650	2016
4	▼	3 Technology Crossover Ventures (TCV)	Very Good	34	1995	8	Technology Crossover Ventures VIII Technology Crossover Ventures VII	USD	2,230	2013
5	▼	4 Index Ventures	Very Good	33	1998	9	Index Ventures Growth III Index Ventures VII	EUR	650	2015
6	▲	14 Lightspeed Venture Partners	Very Good	32	1989	14	Lightspeed Venture Partners XI Lightspeed Venture Partners Select Fund	USD	1,200	2016
7	—	7 Sequoia Capital (US)	Very Good	29	1981	21	Sequoia Capital U.S. Growth Fund VI Sequoia Capital Global Growth Fund	USD	1,000	2014
8	—	8 Benchmark Capital	Very Good	29	1995	9	Benchmark Founders' Fund VIII Benchmark Capital Partners VIII	USD	125	2014
9	▼	5 Kleiner, Perkins, Caufield & Byers (KPCB)	Very Good	26	1980	20	KPCB XVII Kleiner Perkins Caufield & Byers XVI	USD	400	2016
10	▼	9 Oak Investment Partners	Good	35	1978	13	Oak Investment Partners XIII Oak Investment Partners XII	USD	750	2010
11	▼	10 Menlo Ventures	Good	35	1981	11	Menlo Ventures XIV Menlo Special Opportunities Fund	USD	450	2017
12	▼	11 Charles River Ventures	Good	29	1970	17	Charles River Partnership XVI Charles River XV	USD	393	2014
13	▲	15 Polaris Venture Partners	Good	28	1996	8	Polaris Venture Partners VIII Polaris Venture Partners VII	USD	400	2017
14	▼	12 Draper Fisher Jurvetson (DFJ)	Good	27	1995	9	Draper Fisher Jurvetson XI Draper Fisher Jurvetson X	USD	325	2014

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	▲ 20	Canaan Equity	Good	26	1997	7	Canaan Equity X Canaan Equity IX	USD USD	675 600	2014 2012
16	▲ 18	Accel Europe	Good	24	2001	4	Accel London IV Accel London III	USD USD	475 529	2013 2008
17	▼ 13	Highland Capital Partners	Good	24	1988	10	Highland Capital Partners IX Highland Capital Partners VIII	USD USD	400 400	2013 2009
18	▲ 25	InterWest	Good	23	1979	10	InterWest Partners X InterWest Partners IX	USD USD	650 606	2009 2005
19	▲ >25	HgCapital Renewable Power Partners	Good	23	2006	2	HgCapital Renewable Power Partners Fund II HgCapital Renewable Power Partners Fund	EUR EUR	542 303	2010 2006
20	▼ 16	Vector Capital	Good	22	1997	5	Vector Capital V Vector Capital IV	USD USD	1,400 1,200	2016 2007
21	▼ 20	Foundation Capital	Good	22	1985	9	Foundation Capital VIII Foundation Capital VII	USD USD	325 282	2015 2013
22	▲ 24	Columbia Capital	Good	22	1989	7	Columbia Capital Equity Partners VI Columbia Capital Equity Partners V	USD USD	500 441	2016 2008
23	▼ 21	Mayfield Fund	Good	22	1981	12	Mayfield Select Mayfield XV	USD USD	125 400	2016 2016
24	▼ 23	Tiger Global Private Investment Partners	Good	22	2007	8	Tiger Global Private Investment Partners X Tiger Global Private Investment Partners IX	USD USD	2,500 2,500	2015 2014
25	▼ 17	Institutional Venture Partners (IVP)	Good	21	1985	11	Institutional Venture Partners XV Institutional Venture Partners XIV	USD USD	1,400 1,000	2015 2013

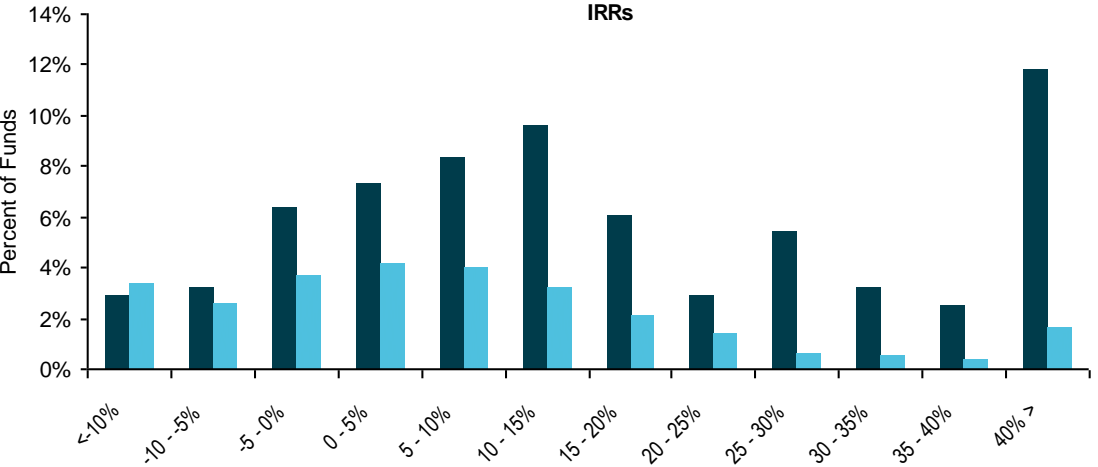
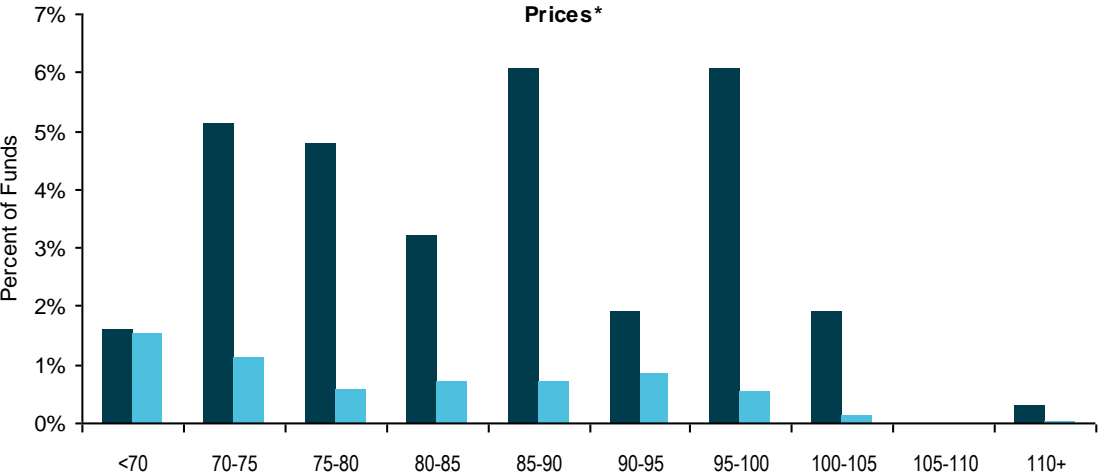
▲ ▼ — Indicate whether the manager has moved up, down or stayed the same rank relative to their rankings on 8/31/16*.

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 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.

How do the Most Sought-After Funds Compare to Less Saleable Funds?

Strategy: VC - Q3 2017

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: 29
- Avg. Number of Prime Buyers Unrated: 1

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

- Avg. Price TOP 25: 81.32% of NAV
- Avg. Price Unrated: 78.89% of NAV

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

- Avg. IRR TOP 25: 12.05%
- Avg. IRR Unrated: 8.84%

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: 327M
- Avg. Fund Size Unrated: 267M
- Avg. Number of Funds Raised TOP 25: 11
- Avg. Number of Funds in Raised Unrated: 2

* 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 5000 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 1900 funds and a survey of over two thirds of the most active secondary buyers globally.

[SecondaryLink.com™](#)

A professional network where over 5000 institutional LPs and GPs connect on primary due diligence and the secondary market.

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