

Session 9

LP Panel – Update on Market Trends



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Panelists:

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Moderator:

Stuart Waugh
Managing Director
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LP's Appetite for Private Equity

- LP appetite in the current environment
- “Denominator effect”
- 2009/2010 allocations
- Secondary market allocations and strategies
- Direct investing vs. fund investing



Investment Strategy and Target Returns

- Sectors most likely to generate returns:
 - Buyouts?
 - large?
 - mid-market?
 - Venture capital?
 - Distressed funds?
 - Mezzanine funds?
- Competition for capital from infrastructure and real estate opportunities
- Return targets



Private Equity in Foreign Markets

- Private equity investments outside of Canada
- Geographic expansion into emerging markets - will it continue?
 - Asia?
 - Latin America?
 - South Africa?



Alignment and Governance

- Current LP influence in setting terms
- Views on the following topics/issues:
 - Reductions in fund size?
 - Extended fundraising periods?
 - Governance issues?
 - Premium carry?
- LP's response when GPs seek to amend terms



Valuations

- Mark to market valuations: impact of FAS 157 on private equity
- GP best practices in implementing mark to market valuation policies
- Hot buttons for LPs



Tips for GPs in the Current Environment

- LPs “wish list” for 2009/2010
- Where do LPs see the best opportunities?
- Key GP differentiators in the current environment

