



Lexington Partners Closes Lexington Middle Market Investors IV at \$2.66 Billion

– Specialized Fund Targets Middle Market Interests in Global Secondary Market –

NEW YORK – September 27, 2017 – Lexington Partners (“Lexington”), the largest independent manager of secondary acquisition funds, today announced the final close of Lexington Middle Market Investors IV, L.P. and associated vehicles (“LMMI IV”) at \$2.66 billion. The fund, which commenced investing at the beginning of 2017, exceeded its initial \$2 billion target and accepted commitments up to its hard cap. LMMI IV is the fourth fund in Lexington’s specialized middle market series.

LMMI IV will acquire growth capital, small, and middle market buyout interests in the global secondary market. In addition to portfolio and single-interest acquisitions, LMMI IV will target general partner-led transactions such as spin-outs, restructurings, tender offers, and strip sales.

LMMI IV secured the majority of its commitments from existing investors and also received significant commitments from new investors around the world. Of the total committed capital, over 40% was raised from investors in North America, approximately 30% from investors in Asia and the Middle East, 20% from investors in Europe, and 7% from investors in Latin America. Limited partners included pension funds, insurance companies, financial institutions, and other sophisticated investors such as endowments, foundations, and high net worth individuals.

Commenting on the fund closing, Marshall Parke, International Managing Partner of Lexington, said, “We are grateful for the strong support for LMMI IV from a distinguished investor base consisting of many longstanding investors as well as prominent new investors commencing or increasing their private equity programs.”

Lexington estimates that annual industry-wide secondary volume averaged \$30 billion per year over the five-year period 2012-2016, a level that is expected to be surpassed in 2017 with projected volume in excess of \$40 billion. It is Lexington’s view that the secondary market will continue to experience significant growth in the years ahead due to the substantial amount of capital committed to private equity funds, the trend towards more active portfolio management, and the desire among select investors for earlier liquidity. Furthermore, the adoption by high-quality sponsors of innovative liquidity solutions for their limited partners through GP-led transactions has the potential to increase secondary turnover rates.

To date, LMMI IV has completed 15 secondary transactions, committing to invest 22% of the fund’s capital to middle market interests managed by 25 sponsors in the U.S. and Europe. Commenting on the fund’s investment strategy, Wilson Warren, Partner of Lexington, said, “We look forward to continuing to provide high-quality middle market buyout exposure to our limited partners on a diversified, lower-risk basis through attractive acquisitions in the global secondary market.”

In addition to LMMI IV, which specializes in middle market interests, Lexington executes two other secondary investment strategies: Lexington Capital Partners VIII, the firm’s global secondary acquisition fund, and Lexington Emerging Partners, which focuses on the growth markets of Asia and Latin America. Together, these three secondary funds have \$13 billion of committed capital.

About Lexington Partners

Lexington Partners is a leading global alternative investment manager primarily involved in providing liquidity to owners of private equity and other alternative investments and in making co-investments alongside leading private equity sponsors. Lexington Partners is the largest independent manager of secondary acquisition and co-investment funds with more than \$38 billion in committed capital. Lexington has acquired over 2,800 secondary and co-investment interests through 710 transactions with a total value in excess of \$44 billion, including \$12 billion of syndications. Lexington also invests in private investment funds during their initial formation and has committed to more than 350 new funds in the U.S., Europe, Latin America, and the Asia-Pacific region. Lexington has offices strategically located in major centers for private equity and alternative investing – New York, Boston, Menlo Park, London, Hong Kong, and Santiago. Lexington also has senior advisors located in Asia, Australia, and Latin America. Additional information may be found at www.lexingtonpartners.com.

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This announcement appears as a matter of record only.

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Innovative Directions in Alternative Investing

\$2,660,000,000

Lexington Middle Market Investors IV, L.P.

*THIS PARTNERSHIP HAS BEEN ESTABLISHED TO ACQUIRE
MIDDLE MARKET BUYOUT INTERESTS
IN THE GLOBAL SECONDARY MARKET.*

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