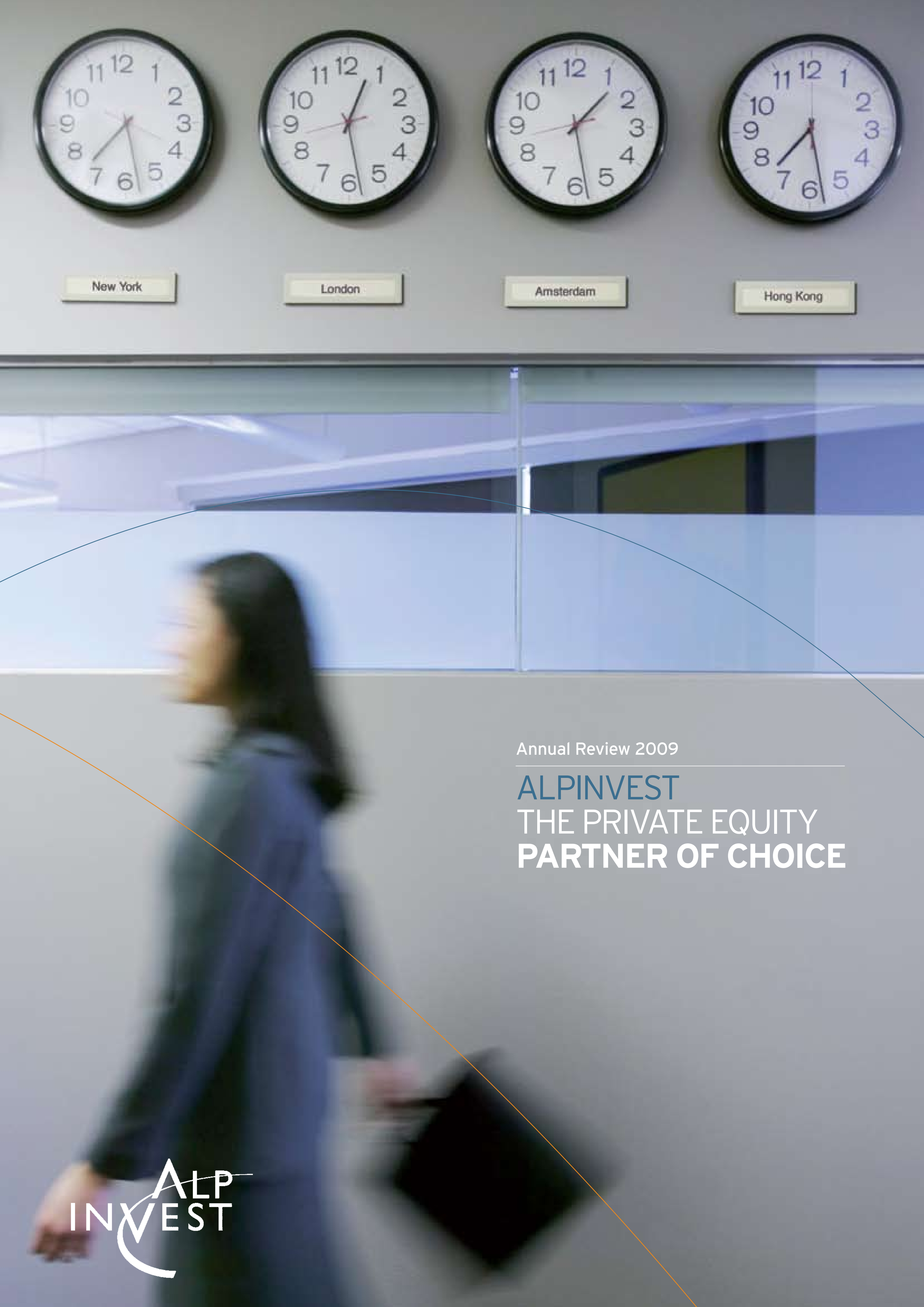


Annual Review 2009

ALPINVEST
THE PRIVATE EQUITY **PARTNER OF CHOICE**

ALP INVEST

OUR SHAREHOLDERS

APG

APG was incorporated in March 2008 to administer the collective pension scheme for the government and educational sectors in the Netherlands. The pension scheme had assets of approximately €240bn (as per December 31, 2009). With 2,500 staff, APG administers the pensions of 2.7m Dutch citizens.

For further information visit
www.apg.nl

PGGM

PGGM is a leading Dutch pension fund administrator and asset manager. It administers the pension scheme for Pensioenfonds Zorg en Welzijn and for pension fund AENA. Furthermore, PGGM provides asset management for these funds as well as for pension fund Particuliere Beveiliging, pension fund Architectenbureaus and pension fund Cultuur. PGGM has more than €86bn of pension assets invested on behalf of more than two million current and former employees (as per December 31, 2009).

For further information visit
www.pggm.nl

OUR PROFILE

AlpInvest Partners is one of the largest independent private equity managers in the world. Over the past decade, we have received commitments of more than €46bn and have achieved a consistently strong performance for our investors. We are the private equity manager for APG and PGGM Investments, which manage the assets of two large Dutch pension funds.

Through our focus, investment approach, dedicated teams, business processes and robust returns, we strive to be the partner of choice for our investors, general partners and other stakeholders around the world.

OUR HIGHLIGHTS

2009 TOTAL INVESTMENTS:

€1.7bn

2009 TOTAL REALIZATIONS:

€1.0bn

2009 TOTAL COMMITMENTS RECEIVED FROM INVESTORS:

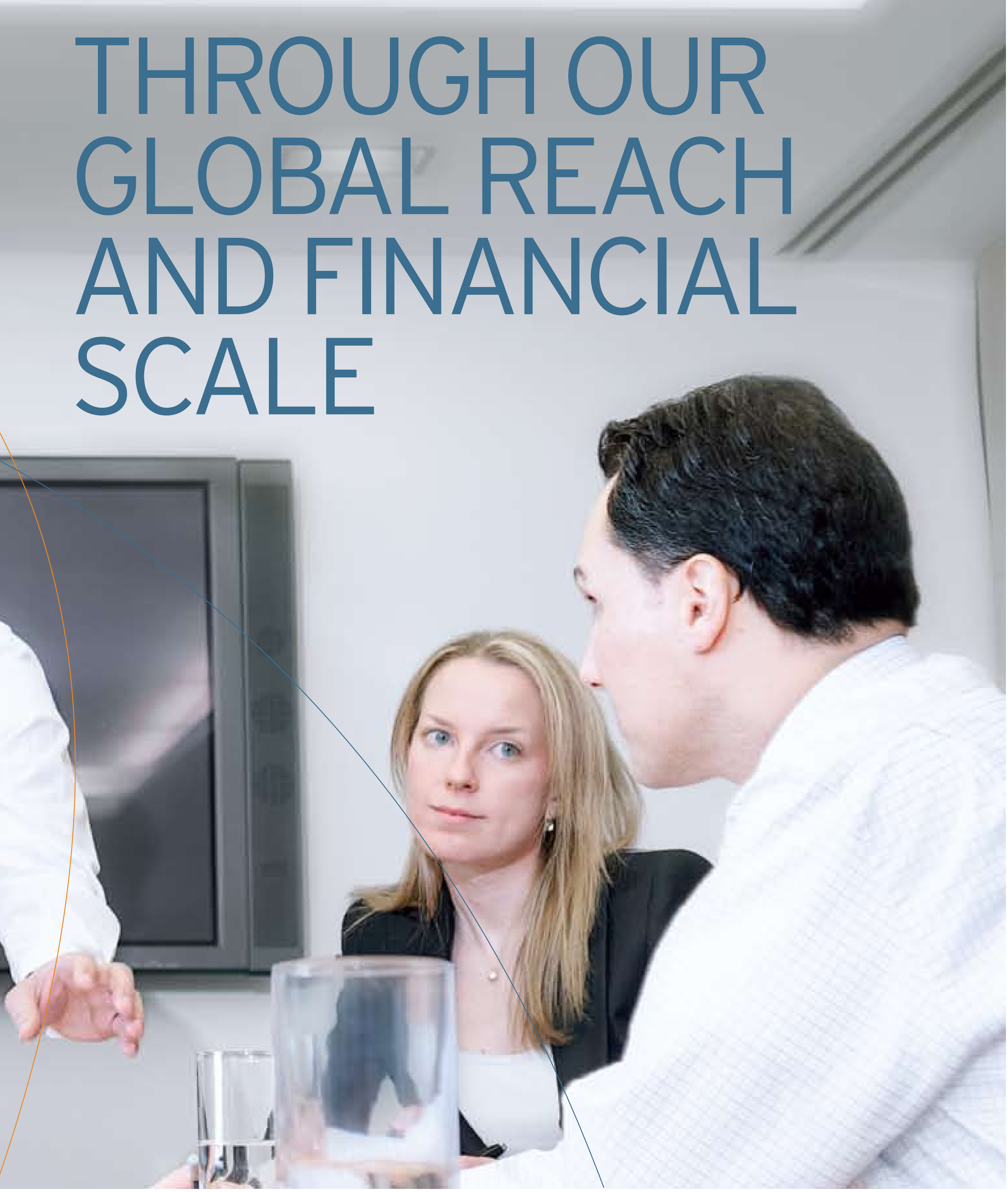
€5.3bn

ALPINVEST RANKING AMONG INFLUENTIAL EUROPEAN PRIVATE EQUITY INVESTORS:

No.1

PARTNER OF CHOICE

THROUGH OUR GLOBAL REACH AND FINANCIAL SCALE



OUR BUSINESS

AlpInvest covers a broad range of private equity – primary fund investments, secondary investments, co-investments and mezzanine investments. Each area of our business has a dedicated investment team and derives real and specific benefits from the others. We invest globally and have offices in Amsterdam, Hong Kong, London and New York.

INVESTMENTS

CO-INVESTMENTS

The team invests alongside private equity firms in leveraged buyouts and growth capital transactions across Asia, Europe and North America. It has invested €4bn including 102 buyout transactions.

For further information
See page 14

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:	TOTAL INVESTED:
€5.9bn	€4.0bn
2009 NEW INVESTMENTS:	NEW PORTFOLIO COMPANIES:
€105m	4

FUND INVESTMENTS

The team invests in private equity funds across a broad spectrum of geographies, sectors and investment stages. It has committed €28bn to 240 general partners globally.

For further information
See page 18

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:	TOTAL COMMITMENTS TO PE FUNDS:
€31.8bn	€28.0bn
2009 NEW COMMITMENTS:	NEW GP RELATIONSHIPS:
15	2

MEZZANINE INVESTMENTS

The team provides debt financing for buyouts and growth capital transactions. It works together with leading mezzanine partners and has a presence in Asia, Europe and North America. It has invested €1bn in 48 transactions.

For further information
See page 24

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:	TOTAL INVESTED:
€1.9bn	€1.0bn
2009 NEW INVESTMENTS:	NEW PORTFOLIO COMPANIES:
€67m	2

SECONDARY INVESTMENTS

The team acquires private equity investments and commitments from other investors. Investments are made across the private equity spectrum. It has committed €3.8bn to 52 transactions.

For further information
See page 28

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:	TOTAL INVESTED:
€5.1bn	€3.8bn
2009 NEW COMMITMENTS:	2009 TRANSACTIONS:
€106m	3

GLOBAL PRESENCE

NEW YORK

NUMBER OF EMPLOYEES	38
OF WHICH INVESTMENT PROFESSIONALS	30

LONDON

NUMBER OF EMPLOYEES	4
OF WHICH INVESTMENT PROFESSIONALS	3

AMSTERDAM

NUMBER OF EMPLOYEES	70
OF WHICH INVESTMENT PROFESSIONALS	31

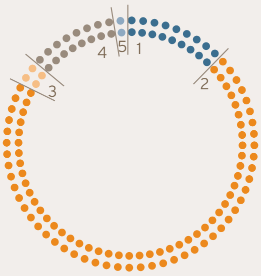
HONG KONG

NUMBER OF EMPLOYEES	9
OF WHICH INVESTMENT PROFESSIONALS	7

COMMITMENTS

ALPINVEST COMMITMENTS TO PRIVATE EQUITY
€bn

COMMITMENTS RECEIVED FROM INVESTORS
BY INVESTMENT TYPE



	€
1 CO-INVESTMENTS	5.9bn
2 FUND INVESTMENTS	31.8bn
3 MEZZANINE INVESTMENTS[1]	1.9bn
4 SECONDARY INVESTMENTS	5.1 bn
5 OTHER	1.1 bn

1 This includes mezzanine direct investments only.

COMMITMENTS RECEIVED FROM INVESTORS
BY INVESTOR TYPE

1 PENSION FUNDS	99.6%
2 INSURANCE COMPANIES	0.2%
3 GOVERNMENT AGENCIES	0.2%

COMMITMENTS RECEIVED FROM INVESTORS
BY GEOGRAPHY

1 WESTERN EUROPE	99.8%
2 NORTH AMERICA	0.2%

YEAR IN REVIEW

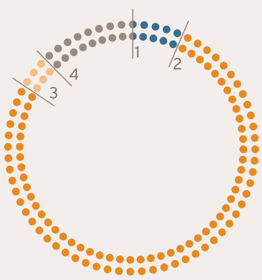
For many private equity managers, 2009 was one of the most difficult years in living memory. AlpInvest was not immune to the challenges that affected our peers but our structure, strategy and culture provided genuine and effective support through the year.

Positioning ourselves as the partner of choice for primary, secondary, co-investment and mezzanine opportunities, we continued to work with private equity firms in all parts of the world on a wide range of investments and funds.

During the year, one of our two shareholders, APG, committed €5.3bn to a new mandate for the years 2009 and 2010. This was highly significant, particularly as the commitment was made during such a difficult year. For AlpInvest, it was both an endorsement of our strategy and an affirmation of our relationship with APG.

2009 was a demanding year but our people, our general partners and portfolio companies worked exceptionally hard to combat the worst effects of the economic downturn. Like no other year before it, 2009 validated private equity as an industry and AlpInvest's own business model.

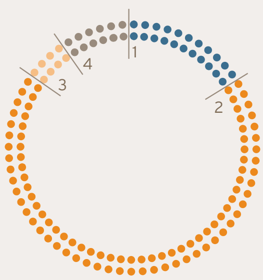
2009 TOTAL INVESTMENTS
ACROSS KEY INVESTMENT AREAS



	€
1 CO-INVESTMENTS	105m
2 FUND INVESTMENTS	1,325m
3 MEZZANINE INVESTMENTS[1]	67m
4 SECONDARY INVESTMENTS	216m

1 This includes mezzanine direct investments only.

2009 TOTAL REALIZATIONS
ACROSS KEY INVESTMENT AREAS



	€
1 CO-INVESTMENTS	157m
2 FUND INVESTMENTS	650m
3 MEZZANINE INVESTMENTS[1]	52m
4 SECONDARY INVESTMENTS	92m

1 This includes mezzanine direct investments only.

CHAIRMAN'S INTRODUCTION

OTTO VAN DER WYCK
CHAIRMAN

LOOKING AHEAD, WE EXPECT MARKET CONDITIONS TO IMPROVE IN 2010 BUT RECOVERY IS LIKELY TO BE GRADUAL AND THERE MAY WELL BE SETBACKS ALONG THE WAY.

In many respects, 2009 was a year of two halves. During the first half of the year, financial markets were inactive, banks were inaccessible and the mood was grim. In the second half, conditions eased and a degree of normality returned.

AlpInvest held true to its strategy throughout this period, because we firmly believe our integrated model offers the most effective approach to private equity in good times and in bad. The results for 2009 highlight our resilience.

During the year, we focused on managing our existing portfolio, even as potential new transactions were evaluated. Time was also spent analyzing and interpreting regulatory initiatives that may affect the private equity industry.

We are particularly concerned by the Directive on Alternative Investment Fund Managers (AIFMs), which has been proposed by the European Commission as a way of enhancing transparency and harmonizing regulatory standards for all AIFMs.

At AlpInvest, we are keen to be open and transparent with our stakeholders. Indeed this Annual Review is testament to this desire. However, we are troubled by some of the Commission's proposals, which we feel may increase costs and reduce returns across the private equity industry, without providing any tangible benefits to our wider stakeholder community.

Certain other regulatory initiatives arouse our concern on a global level, notably those which potentially affect the supply of private equity and debt capital.

We continue to monitor developments closely and make our voice heard where appropriate.

In 2009, the AlpInvest Supervisory Board held four meetings with the Executive Committee. We reviewed investment performance, organizational developments, financial strategy, the 2009 budget and the findings of the Audit Committee. We were also pleased to welcome André ten Damme as a new member of the Supervisory Board, replacing Roderick Munsters who left the Supervisory Board after five years.

Throughout 2009, my colleagues at AlpInvest worked extremely hard in what was undoubtedly one of the most difficult years in recent history. I would personally like to express my gratitude and appreciation to them.

Looking ahead, we expect market conditions to improve in 2010 but recovery is likely to be gradual and there may well be setbacks along the way.

I am confident however, that AlpInvest is well positioned to benefit from opportunities as they arise in the year to come. Over the past ten years, we have built an international footprint and global reach. We have developed an integrated investment approach, dedicated investment teams, robust governance and risk management structures and a framework for responsible investing. We strive to be a partner of choice for all our stakeholders and, in so doing, deliver long-term returns to our investors.

CHIEF EXECUTIVE'S REVIEW

VOLKERT DOEKSEN
CHIEF EXECUTIVE

"2009 WAS THE YEAR PRIVATE EQUITY SHOWED THE WORLD ITS MODEL WORKS AND PROVED THAT ALIGNING THE INTEREST OF MANAGEMENT AND SHAREHOLDERS CREATES GENUINE RESILIENCE.

KEY HIGHLIGHTS

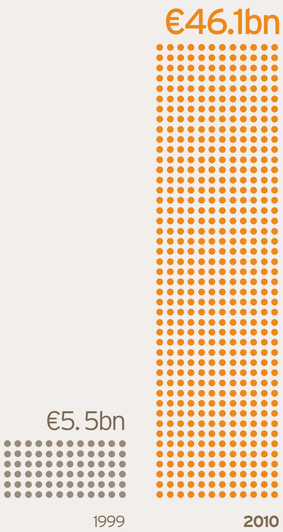
TOTAL INVESTMENTS IN 2009:

€1.7bn

NEW COMMITMENTS RECEIVED IN 2009:

€5.3bn

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:



2009 was the year private equity showed the world that its model works. Silencing the sceptics and challenging the doubters, the industry proved that aligning the interests of management and investors creates genuine resilience. Compared to businesses not owned by private equity, there were fewer defaults, fewer company collapses and fewer admissions of defeat.

AlpInvest witnessed this process first-hand during 2009. We saw private equity-owned companies and general partners confronting problems early and employing a range of solutions to put them right.

These solutions included the financial restructuring and cost-cutting exercises that are traditionally associated with economic downturns. But there were numerous examples too of private equity partners working with management to improve sales, enhance supply chain processes and create a positive environment in the workplace, which helped staff and managers deliver in a difficult environment. Such fundamental business practices were employed consistently over the past year transforming portfolio companies and putting them in pole position to benefit from economic recovery. Of course, not every private equity firm dealt with the downturn in this way. Some were more aggressive, more innovative and more prepared to do the heavy lifting than others.

At AlpInvest our model and our structure facilitate breadth of vision and analytical depth. The strong funding support we have from our two shareholders, APG and PGGM, enables us to be diversified in terms of sector and geography and allows us to be influential in our investment choices. With offices in Amsterdam, Hong Kong, London and New York, we are well represented across the major financial centres and have access to private equity, mezzanine and distressed debt managers in Europe, Asia and the Americas. Our assets under management have grown consistently since our foundation in 2000 and in 2009 we secured ample funding for the next two years.

This commitment has three important consequences. First, it gives comfort to our general partners, lending weight to our belief in and support for long-term value creation. Second, it allows us to focus on investing rather than sourcing capital. And third, it gives us real fire power in large secondary transactions, co-investments and mezzanine transactions.

This has been especially beneficial over the past two years. AlpInvest adopts a highly analytical approach to investment. We take pride in the depth of our research and we are able to do this, at least in part, thanks to the ongoing support of our shareholders.

Our business model plays a fundamental role in our approach as well. Combining primary fund investments, secondary investments, co-investments and mezzanine allows us to develop deep and lasting relationships with our general partners. Furthermore, the range of our activities provides an integrated approach to private equity investment that helps us deliver consistently strong returns across the economic cycle.

There is no doubt that 2009 was a challenging year. In the first half, private equity was in virtual hibernation. In the second half, however, activity picked up. Opportunities became available, lending resumed and in the last quarter of the year, there was a marked increase in the number of exits through initial public offerings and trade sales.

At AlpInvest, we are committed to building a diversified portfolio across vintage years. During 2009, we invested in each of our four business areas and broadened our general partner relationships. Conditions were tough but we supported our partners and were impressed by their efforts.

We expect conditions to improve in 2010, albeit gradually. Economies should grow stronger, earnings are starting to pick up, interest rates are likely to remain low and activity, particularly in emerging markets, is recovering.

As we start the new decade, many general and limited partners are in cautious mode but we are keen to put our capital to work across all our businesses. We are not indiscriminate investors, naturally, but we do believe there are plenty of good opportunities in the current environment.

In the past, private equity has clearly outperformed public equity and AlpInvest has comfortably outperformed many of its peers. We expect to continue to do so in the years to come.

Private equity has not been immune from the financial crisis, but it coped better than many expected. At AlpInvest, we are committed to playing our part in the industry and helping our general partners and companies to survive, flourish and prosper, whatever the economic environment.

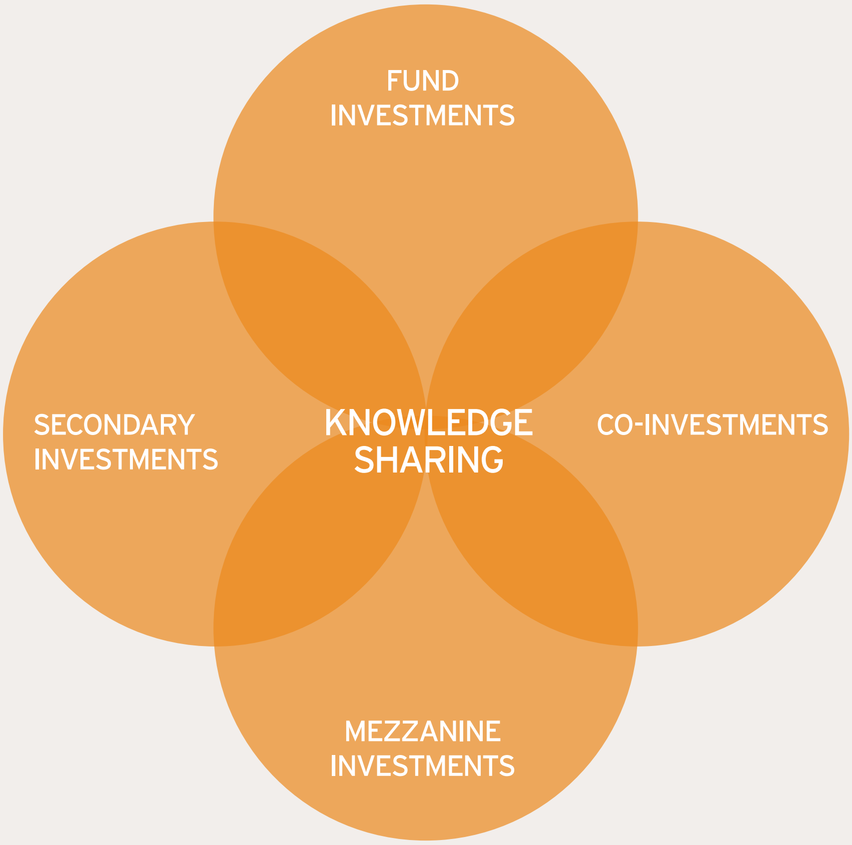
PARTNER OF CHOICE

THROUGH OUR INTEGRATED APPROACH TO INVESTMENTS

INVESTMENT APPROACH

AlpInvest adopts an integrated approach to private equity investment because we believe this delivers tangible benefits to all our stakeholders.

KNOWLEDGE AND RESOURCE SHARING
SYNERGIES BETWEEN SPECIALIZED TEAMS



At AlpInvest we seek to create an environment where the most informed choices can be made and risks appropriately identified and mitigated.

In this way, we endeavour to maximize returns for our shareholders and work in collaboration with our general partners and other stakeholders.

INTEGRATED APPROACH

We are committed to investing across the private equity spectrum – funds, secondary investments, co-investments and mezzanine. This integrated approach confers several distinct advantages.

First and foremost, we develop closer relationships with our general partners. As co-investors or mezzanine finance providers in many of the funds where we are present on a primary or secondary basis, we engage with general partners on a number of levels. This multiple involvement deepens and broadens our relationship with them.

As a result, we gain access to information about funds, portfolios and their underlying assets in a more detailed and timely manner than many of our peers, as our co-investment and mezzanine teams frequently become aware of developments at portfolio companies at an early stage.

Our breadth of vision also allows us to better assess the risk/reward profiles of many of the investment opportunities we consider. This helps us to source deals more effectively and make more informed investment decisions.

Our approach is reinforced by a consistent focus on quality investment processes.

INVESTMENT PROCESS	INVESTMENT COMMITTEE
DEAL PROPOSITION	
QUICK SCAN	
DUE DILIGENCE	
PRELIMINARY INVESTMENT PROPOSAL	APPROVAL TO PROCEED
FURTHER DUE DILIGENCE	
FINAL INVESTMENT PROPOSAL	APPROVAL TO PROCEED
INVESTMENT FINALIZED/EXECUTED	
QUARTERLY/SEMI-ANNUAL REVIEW	

INVESTMENT PROCESS

Monitoring trends

Keeping abreast of economic, financial and regulatory developments is a crucial part of AlpInvest's decision-making process. Our Research and Allocation Committee analyzes and interprets macro-developments in the world at large. The committee includes representatives from all our businesses, and it assesses a wide variety of issues that may influence the types of investment we make and the emphasis we place on sectors, geographies and asset classes. Throughout 2009, this Committee gave AlpInvest a perspective on the economic downturn and allowed us to communicate our views cogently and professionally to our employees and our shareholders.

Making smart choices

Our processes are structured, analytical and rigorous. We believe in, and encourage, thorough examination of each potential investment by all our partners and their colleagues.

Our investment teams source and evaluate potential investments, make recommendations and review progress once an investment is made.

Our teams operate proactively, sourcing opportunities from around the world.

When our investment teams decide to pursue an opportunity, they undertake in-depth due diligence and market analysis, considering both financial and non-financial issues. In 2009, for example, we integrated corporate social responsibility into our due diligence effort. The teams' findings are included in a preliminary investment proposal and these proposals are assessed at a weekly Investment Committee meeting, in which all our partners are involved. Questions are raised and issues are discussed in a constructive and consultative manner.

If partners indicate their support for a proposal, further due diligence is undertaken by the investment team. If the investment still looks favorable, a final investment proposal is drafted to address outstanding issues and present any additional findings. This is presented to the Investment Committee. At this point a final investment decision is made.

Managing the portfolio

At AlpInvest, we have always taken our responsibilities as a portfolio manager seriously, consistently reviewing our investments across the firm. Since the economic downturn, we have intensified this process. Co-investments, mezzanine and core-value driver fund investments are reviewed on a quarterly basis while other fund and secondary investments are reviewed semi-annually. These reviews are undertaken by the investment teams and executive management, monitoring both quantitative and qualitative performance. As part of the process, information is analyzed and discussed and remedial actions proposed where necessary. We have also started to monitor our portfolio for developments that could be sensitive from a responsible investment perspective. Whenever such a sensitive situation arises, we evaluate the right way to respond to the general partner in question, the company and our investors. It is of course our intention to handle these situations appropriately for all parties and we are still exploring how to take this forward in the best possible way.

Our approach to investing and our investment process help us deliver attractive returns to our shareholders. We remain committed to our model and its evolution over the coming years.

INVESTMENT REVIEW
CO-INVESTMENTS

The team invests alongside leading private equity sponsors in leveraged buyouts and growth capital transactions throughout Europe, North America and Asia. To date, it has invested €4bn including 102 buyout transactions.

OVERVIEW 2000 – 2009

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:

€5.9bn

TOTAL INVESTED:

€4.0bn

TOTAL BUYOUT TRANSACTIONS:

102

TOTAL COMPANIES CURRENTLY IN PORTFOLIO:

83

INVESTMENTS IN 2009

NEW INVESTMENTS:

€105m

COMPANIES:

4

OUR BUSINESS

AlpInvest's co-investments team invests directly in companies. We always invest alongside a general partner and our investments range from €10m to €150m in any single situation. We are broadly represented across the corporate spectrum, from relatively small businesses to much larger entities, and we invest in a diverse spread of geographies, sectors and deal types, from leveraged buyouts to growth capital.

Our role in individual investments ranges from very active, where AlpInvest is a bid partner alongside the lead sponsor, to more passive, where we are a member of a co-investment syndicate.

We prefer transactions where the lead sponsor takes a majority stake in a portfolio company but we are prepared to consider other investments. These include corporate partnerships, where we provide a solution to companies with financing issues, and investments where the general partner is a minority shareholder.

We consider each transaction on its own merits, using a rigorous selection process. Initially, investment proposals are reviewed by our global co-investments team, which operates out of Amsterdam, Hong Kong, London and New York. Ultimately, investment decisions are taken by the firm-wide Investment Committee. Our selection process benefits from the AlpInvest integrated approach, as we obtain information on markets and general partners from other parts of the business.

Once we have made an investment, our team monitors performance through regular discussions with the general partner and the portfolio company as well. If AlpInvest is a more active partner, we may hold a seat on the board of the company. We prepare quarterly reviews for each investment and these are assessed by our partners across the firm to discuss progress, areas of concern and valuation.

DEVELOPMENTS IN 2009

During 2009, the co-investments team held its own despite the difficult economic and financial background. Opportunities were few and far between but we were able to review most of the interesting deals on offer.

In the first half of 2009, many deals were withdrawn from the market, often because agreement could not be reached between buyer and seller. During economic downturns, sellers frequently expect more than buyers are either willing or able to give, and 2009 was no exception to this rule.

In addition, a number of companies were ultimately sold to strategic buyers, who had greater access to liquidity and were able to take synergy benefits into account when pricing transactions.

During the second half of 2009, conditions improved. Banks were more willing to lend and bond and equity markets recovered strongly. This provided greater flexibility for general partners and increased their interest in new deals.

At AlpInvest, we completed four transactions in 2009, two in Asia and two in the UK. The Asian deals both concerned companies in the food and beverage sector, one in Korea and one in China.

In the UK, we co-invested with Close Brothers to buy a laundry whitening and chemicals business, Warwick International. And we co-invested with Palamon Capital Partners to buy a dental chain, Associated Dental Practices (ADP).

Our co-investments team also worked closely with general partners and management teams to help them overcome some of the challenges presented by the economic downturn to our portfolio companies.

Our general partners were much more involved in these situations than we were, given our role as co-investors rather than lead investors. Nonetheless, we were engaged in discussing and implementing measures designed to compensate for limited or no top-line growth. These included improving supply chain processes to reduce working capital, changing product mix to enhance margin, cutting costs and keeping a close eye on capital expenditure.

In conjunction with the lead general partner, we tried to find innovative and productive ways to improve companies' indebtedness. In some cases, short-term maturities were replaced with longer term facilities; in other cases, we improved the financial structure of the company by acquiring debt at a discount. Occasionally, too, companies had to be completely refinanced or debt had to be completely restructured. Across the portfolio, however, we experienced no administrations or Chapter 11 insolvencies. We believe this is testament to the due diligence we undertake before and during the deal process.

We also developed a structured approach to deal with financial problems in portfolio companies which enabled us to respond to them in a professional and consistent manner.

Overall, we were pleased with the deal-flow that we saw, but disappointed to have completed transactions worth just €105m during the year. We spent much of our time on portfolio management and we were impressed with our general partners' approach to portfolio companies.

OUTLOOK

There is no doubt that conditions in 2010 have debuted more favorably than last year. Debt markets have re-opened, general partners have funds to deploy and the economic environment is widely expected to improve.

We remain concerned, however, about the sustainability of banks' willingness to lend and we believe bond and debt markets are likely to remain highly volatile this year. Against that, the co-investment universe has changed during the recession in ways that should benefit AlpInvest. A number of financial institutions have withdrawn from the market, including investment banks, some sovereign wealth funds and other limited partners. This means there will be less competition for deals. While some general partners are flush with capital, others have limited funds at their disposal so they are keen to engage with co-investment partners, particularly those that have shown their commitment to this asset class through the economic cycle.

INVESTMENT CASE

ASSOCIATED DENTAL PRACTICES

Associated Dental Practices (ADP) is the third-largest dental care operator in the UK, focusing on the provision of healthcare services to the National Health Service.

The company operates 123 branded practices and employs 340 dentists, serving some 1.5m patients annually, mainly across Southern England.

In 2009, AlpInvest invested in ADP alongside Palamon Capital Partners and two other co-investors. The investment opportunity was initially sourced through our mezzanine team and the co-investments team knows the lead investor well, having invested with them in a previous deal.

Palamon intends to use ADP as a platform to consolidate the UK's highly fragmented NHS dental market in which the top five players currently account for less than 6% of total UK practices. We believe the business could prove an attractive investment opportunity, thanks to its strong growth profile, scalability, contracted revenue base and high-quality management team.

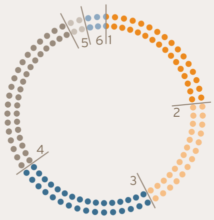
INVESTMENT REVIEW
CO-INVESTMENTS

PORTFOLIO DIVERSIFICATION

AlpInvest aims to invest in a broad range of sectors and geographies, creating significant diversification in our portfolio. The sector breakdown of our co-investments since 2000 can be found below. From a geographical perspective, 51% of our investments are in Europe, 46% in North America and 3% in the rest of the world.

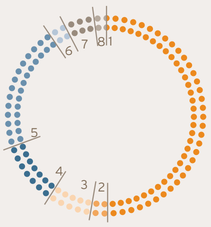
SECTOR DISTRIBUTION

MANDATE
2000–2002



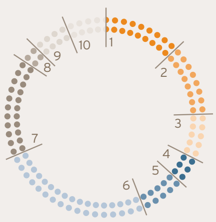
	%
1 Consumer discretionary	23
2 Consumer staple	19
3 Healthcare	23
4 Industrials	30
5 Information technology	2
6 Materials	3

MANDATE
2003–2005



	%
1 Consumer discretionary	50
2 Energy	3
3 Financials	6
4 Healthcare	10
5 Industrials	20
6 Information technology	3
7 Materials	5
8 Telecommunications services	2

MANDATE
2006–2008



	%
1 Consumer discretionary	13
2 Consumer staple	11
3 Energy	8
4 Financials	5
5 Healthcare	7
6 Industrials	25
7 Information technology	15
8 Materials	4
9 Telecommunications services	5
10 Utilities	7

INVESTMENT CASE

EDMC

Education Management Corporation is one of the largest providers of post-secondary education in North America, offering undergraduate and graduate degrees through the Art Institutes, Argosy University, the Brown Mackie Colleges, and South University brands.

AlpInvest co-invested in Education Management in 2006 alongside Providence Equity Partners, who lead the transaction with Goldman Sachs.

The relationship was originally fostered by the funds team and a subsequent joint marketing effort between funds and co-investments led to the invitation from Providence to invest in the transaction. Since the investment was made, the company has grown from 80,000 students to more than 135,000 students, resulting in a 55% increase in revenue and a 43% increase in EBITDA.

In October 2009, Education Management completed an initial public offering (IPO). This resulted in approximately $400m of proceeds, used to reduce the company's outstanding debt balance. Though the equity investors did not recognize a return from the IPO, proceeds are expected to be recognized in subsequent secondary offerings.

Even at the start of 2010, we began to see the impact of this. General partners have shown us an increasing number of deals and we have already invested €145m in new transactions.

We are cautious about 2010 but we do believe attractive opportunities will present themselves and we are confident that AlpInvest is well positioned to see, assess and take advantage of those opportunities.

INVESTMENT STATUS

AlpInvest has received €5.9bn of commitments for its co-investment programme over the past nine years. Almost €4.0bn has already been invested, including €3.7bn in 102 buyout transactions.

2009 INVESTMENTS

In 2009, AlpInvest invested €105m in co-investments. This included €76m in four new companies and €29m in follow-on investments for existing portfolio companies.

2009 REALIZATIONS

AlpInvest co-investments team had two full and four partial realizations in 2009 for a total amount of €154m. We also received €3m from other sources, mainly earn-out payments and the release of escrow accounts from former exits.

CO-INVESTMENTS PORTFOLIO OVERVIEW[1]

AS PER DECEMBER 31, 2009

Vintage years	Investment focus	Mandate Amount (€m)	Capital Invested (€m)	Available for investments[2] (€m)
2000 - 2002[1]	BUYOUT AND VENTURE CAPITAL CO-INVESTMENTS	800	759	16
2003 - 2005	BUYOUT CO-INVESTMENTS	1,090	918	73
2006 - 2008	BUYOUT CO-INVESTMENTS	2,760	2,177	196
2009 - 2010	BUYOUT CO-INVESTMENTS	1,055	0	1,055
	BUYOUT CO-INVESTMENTS - OTHER MANDATES	171	129	36
TOTAL		**5,876**	**3,983**	**1,376**

[1] The Co-Investment Mandate 2000 - 2002 includes the investments made by the former AlpInvest N.V. (mainly pre-vintage year 2000). The Co-Investment Mandate 2000 - 2002 contains Buyout, Life Sciences and Technology investments. Life Sciences and Technology were discontinued late 2003.

[2] Based on the terms of the relevant mandates.

2009 CO-INVESTMENT TRANSACTIONS[1]

WARWICK INTERNATIONAL	
SECTOR	Materials
LOCATION	UK
DATE OF COMPLETION	Jan-09

Warwick International is a manufacturer of oxygen-based bleaching systems for the detergents and biocides industries. The company exports 95% of its product to more than 60 countries globally. AlpInvest invested alongside Close Brothers. www.warwickint.com

ADP	
SECTOR	Healthcare
LOCATION	UK
DATE OF COMPLETION	Dec-09

Associated Dental Practices (ADP) is one of the major providers of NHS dentistry in UK with 123 practices serving 1.5m patients across the country. The lead investor in this transaction is Palamon Partners. www.adp-dental.com

[1] AlpInvest invested in a further two transactions in 2009 that are not listed by name for confidentiality reasons.

2009 REALIZATIONS

Company name	Description
ALLTEL	Full exit
DOLLAR GENERAL	Dividend payment and partial sale of our position at IPO
GEMALTO	Partial sale of our position in listed company
ROUNDY'S	Dividend payment
TRANSDIGM	Full exit
WARNER CHILCOTT	Partial sale of our position in listed company

INVESTMENT REVIEW
FUND INVESTMENTS

AlpInvest's fund investments team invests in private equity funds across a broad spectrum of geographies and sectors. Since inception, the team has committed €28bn to 240 general partners globally. Their funds invest in buyouts, growth capital, venture capital distressed and mezzanine, as well as clean technology.

OVERVIEW 2000 – 2009

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:

€31.8bn

TOTAL COMMITTED TO PRIVATE EQUITY FUNDS:

€28bn

OF THIS **€19.1**bn INVESTED BY THE FUNDS:

70%

TOTAL NUMBER OF FUND INVESTMENTS:

475

COMMITMENTS IN 2009

NEW COMMITMENTS:

15

NEW GENERAL PARTNER RELATIONSHIPS:

2

OUR BUSINESS

AlpInvest's fund investments business aims to invest in such a way that its investors are exposed to a diverse spread of geographies, sectors and investment types.

We form close, long-term relationships with general partners, working with firms that deliver superior performance on a consistent basis.

We aim to make annual commitments of around €2bn each year and, since our foundation, we have committed €28bn to 240 general partners. More than €19bn of that capital has been invested to date across 475 fund investments. Our individual allocations to funds range from €5m to €400m, depending on the overall size and specifics of each situation.

In every case, we employ a rigorous selection process to ensure that we are working with the best managers in their given field. Adopting a top-down, bottom-up approach to our investment choices, we analyze both the markets where we are keen to have a presence and the general partners operating in those areas.

We focus on creating a balanced portfolio over time, investing in funds that allocate resources to large buyouts, mid-market firms, emerging markets, venture capital, mezzanine and distressed opportunities.

In every segment of the market, we investigate the range of investment opportunities, comparing numerous private equity firms in any given field before narrowing down the choice to our selected partners.

We are able to work in this way because we have several key advantages that distinguish us from our peers. The size and support of our shareholders, APG and PGGM, give us a solid standing within the industry and often allows us to invest larger amounts in given funds, if we choose to do so. Our long-term funding structure also means that we can focus attention on fund selection, so we can better understand and evaluate the performance of existing and potential general partners.

The AlpInvest business model helps to gain access to detailed and timely information as well, so we can evaluate portfolios accurately and independently.

DEVELOPMENTS IN 2009

Fund investing was challenging in 2009, but despite that it was also a year of real achievement. Across the board, adjustments had to be made to valuations and returns, but general partners worked hard to secure and protect their funds and their portfolio companies.

They were quick to approach companies and work with them to reduce spending, adjust investment planning and generally adapt to the new environment. As the year progressed, it became clear that fewer companies than expected had defaulted on their debt obligations and the survival rate was much higher than anticipated, particularly given the budgetary and financial constraints within which these businesses were operating.

Adjusting to the economic slowdown was painful – but it was not catastrophic. Indeed, within fund investments, we felt that 2009 confirmed the ability of private equity managers to help portfolio companies in tough times as well as in good. The year also reinforced our belief in our selection process. From our inception, we have favoured hands-on managers and this active approach was particularly beneficial last year, when conditions were both difficult and unpredictable.

FUND ALLOCATIONS

AlpInvest is keen to invest in every vintage but this was not easy in 2009. The market virtually closed for new business during the first half of the year and even in the second half, there was limited scope for commitments. As a team focused on long-term relationships, we tend to work with many of the same general partners each year. But few of our relationship partners raised funds last year so the opportunities were scarce.

To mitigate this scenario of an unbalanced fund portfolio, we undertook three specific initiatives. For many years, we have adopted a flexible approach in terms of annual allocations to managers. When markets are active, we allocate capital from the following year to the existing year. Conversely, when markets are slow, as they were in 2009, we allocate funds from that year to the next year. This allows us to operate with a degree of consistency across every vintage.

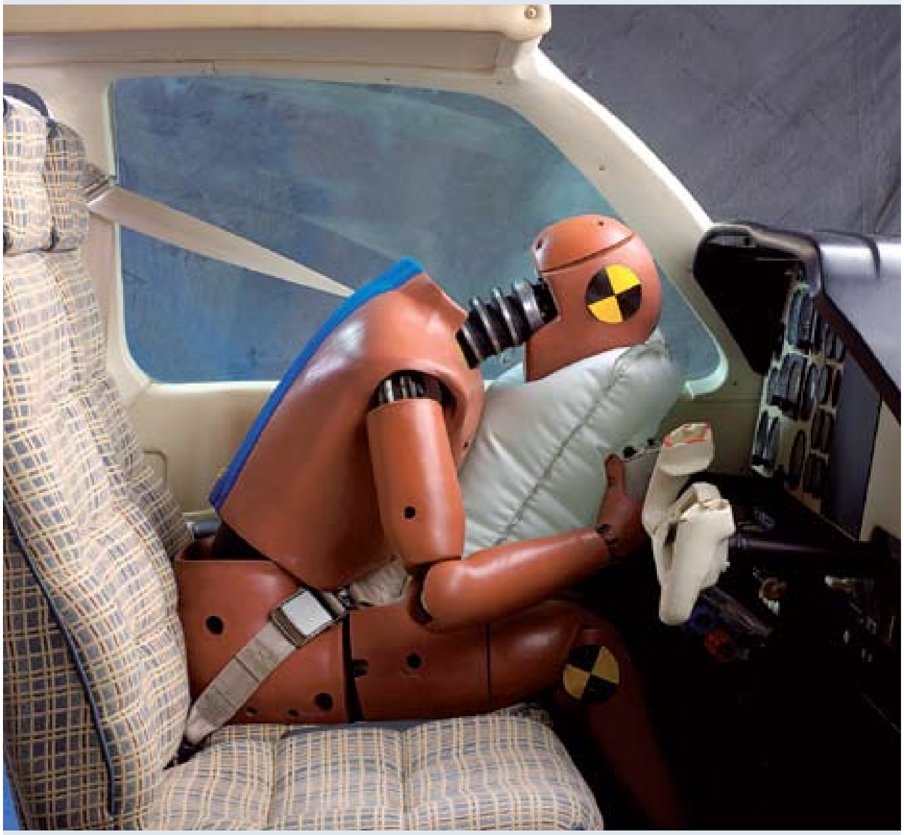
We also pursued some non-standard solutions, including purchased primary transactions. Many limited partners were looking for ways to secure liquidity in 2009. We were able to provide solutions for these investors by purchasing commitments they had made to funds in prior years. Unlike secondary investments, these are at least 80% unfunded, but we source them through our involvement in the traditional secondary market.

Finally, we were more willing in 2009 to consider investing with new managers or spin-offs from existing firms, without compromising our investment standards. But we remain keen both to develop our long-term relationships and build on them by adding new general partners to our roster.

During the year, we made commitments to 15 funds with a 2009 vintage year and an additional eight commitments to funds expected to have a 2010 vintage. This was considerably lower than in previous years but we believe it reflects well on our ability to source high-quality funds even under the most challenging of circumstances. It should also be stressed that we would not allocate capital simply to conform to any predetermined allocation standards. We aim to invest consistently in every vintage but we will only do so if the right opportunities present themselves.

INVESTMENT CASE

BERKSHIRE PARTNERS



Berkshire Partners is a well-established mid-market private equity firm with a 20-year track record.

The firm pursues investments across a number of industries including consumer, industrials and business services, generally focusing on companies that are strong financial performers and market leaders with solid prospects for growth. AlpInvest first committed capital to Berkshire Partners in 2006 as part of our US mid-market allocation. Since that time, our relationship with the general partner has grown beyond that of solely a fund investor to a strategic partner capable of leading mezzanine financings for Berkshire's portfolio companies. AlpInvest has reviewed a steady flow of financing opportunities in potential Berkshire transactions and has worked with the general partner in pursuing transactions. To date, we have provided mezzanine financing for two portfolio companies in Berkshire's current fund, AmSafe and Grocery Outlet.

INVESTMENT REVIEW
FUND INVESTMENTS

MANAGING CHANGE

The general partners with whom we work dealt conscientiously with the economic downturn. In so doing, however, many needed additional support for portfolio companies. Their funds were fully invested so they turned to limited partners, including us, for help. There was a wave of follow-on funds or add-on funds, launched to provide extra capital for struggling businesses.

Some investors were unable to participate, whereas others were reluctant to participate. However, the situation encouraged limited partners to become more actively involved on advisory boards and to ensure their needs were being addressed, including fair terms for new capital provision.

Indeed, market conditions triggered a widespread debate about the relationship between general and limited partners in primary funds, which we hope will lead to enhanced disclosure, strengthened claw back arrangements and a reduction in outdated traditions such as transaction fees. AlpInvest has been actively involved in these discussions and is a founding subscriber to the International Limited Partners Association (ILPA) principles.

As part of our own active approach to investment, we began in 2009 to monitor our portfolio more comprehensively. We moved from twice-yearly to quarterly reviews for core value driver funds and we have stepped up our qualitative and quantitative analysis. We have been helped in this regard by our involvement in co-investment, mezzanine finance and secondary funding. This spectrum allows us to view our portfolio through multiple windows, which in turn provides more insightful analysis and judgement.

As 2009 drew to a close, restructurings and top-up requests became a less frequent feature of the funds landscape. The market began to normalize and there was a renewed focus on new business activity.

OUTLOOK

In fund investing, the biggest driver of activity is the macro-economy and financial market developments. We believe that economic conditions have stabilized but the outlook is not risk-free. Uncertainties remain and we will be monitoring the environment closely to ensure that we are abreast of events.

It is already clear, however, that more general partners are willing to re-engage with the market and start investing fresh capital. The current environment presents some attractive prospects and we believe the amount of capital invested in private equity in 2010 will be meaningfully higher than in 2009.

Emerging markets should present some particularly interesting opportunities and we are well positioned to benefit from them, through the relationships we have built up across Asia, including China.

We do not expect to see mega-deals this year but activity has begun to pick up in transactions with an enterprise value of €1bn to €5bn and deals in the mid-market space. Venture capital has been dealt a considerable blow by the economic downturn but here too, managers are coming back to the market and activity is increasing.

The breadth and depth of our approach, the skills of our professionals and the relationships we have with our general partners give us confidence for the future.

INVESTMENT CASE

APAX PARTNERS

Apax Partners is a global, large-buyout private equity firm typically investing in companies with a value of between €1bn and €5bn.

The firm focuses on investments in five core sectors: technology and telecommunications, retail and consumer, financial and business services, media and healthcare.

AlpInvest has been a fund investor with Apax Europe for 10 years. Our first commitment, to Apax Europe IV, dates back to 1999. Since then, we have built up exposure across all business lines: fund investments, secondary investments and both equity and mezzanine co-investments.

We have participated in four successive funds in the Apax Europe line, the latest being Apax Europe VII. Over the past decade, we have committed more than €700m to Apax funds, making us one of the firm's longest-standing and largest investors. In late 2009 we also participated in an innovative transaction with respect to Apax Europe VII, which gave existing investors the opportunity to transfer part of their undrawn commitments to AlpInvest and other investors. Through this transaction, we increased our exposure to the undrawn commitments of the fund.

Moreover, we have completed a number of co-investments alongside Apax Europe funds, most recently as a co-investor in Marken, a provider of specialized logistics and support services to the biopharmaceutical industry.

FUNDS UPDATE

As of December 31, 2009, AlpInvest had committed a total of €28bn to private equity funds through its fund investments strategy. Of this figure, €19.1bn, or 70%, had been invested by the funds. The remaining 30% is uncalled but we expect it to be invested in a range of attractive opportunities over the next few years. Indeed, opportunities for investing are likely to be attractive in 2010 and 2011, following the economic downturn of prior years.

Our portfolio is designed to be robust enough to weather even the most adverse market conditions. We are invested in 475 funds and these are diversified across market segments, geographies, deal sizes and vintage years. Furthermore, the portfolio companies themselves are involved in a wide range of different industries.

At the end of 2008, we expected to see a heightened number of defaults in private equity-owned companies. Corporate earnings were sharply lower and financing conditions were very tough. In the event, there were fewer defaults in 2009 than expected, thanks to swift actions taken by private equity firms working with management teams. Our funds were also helped because a number of transactions within them employed 'covenant-lite' structures, which have fewer traditional default triggers.

At the fund portfolio level, AlpInvest employs no debt. Our commitments to individual funds consist of equity contributions only.

INVESTMENT REVIEW
FUND INVESTMENTS

INVESTMENT CASE

CDH

CDH is a China-focused private equity fund investing in growth and expansion stage companies, both private and state owned.

The firm targets industry and sector leaders with strong management teams. While it has no set industry focus, the general partner selects companies that are positioned to benefit from long-term macro-economic and consumer spending growth and from anticipated consolidation and restructuring trends.

AlpInvest has had a strong relationship with CDH since its inception in 2002, when AlpInvest was one of the first limited partners to commit to the firm. This relationship has progressed over time to include commitments to four subsequent funds raised by the general partner and several co-investments in some of its signature deals. CDH has offices in Beijing and Hong Kong and its core team has worked together since 1995. This team, which has built one of the strongest track records in the market, is now a leader in China's private equity industry. AlpInvest was one of the largest investors participating in CDH Fund IV's first closing and was able to secure full allocation to continue its ongoing relationship with the firm.

GP RELATIONSHIPS

Between 2000 and 2009, AlpInvest made a total of 374 fund investments managed by 211 different general partners (GPs).

Private equity is inherently a long-term asset class. The average holding period for an individual buyout investment is 5.5 years and, as general partners invest a fund's capital over three to five years, our commitment to a fund can remain active for 12 to 14 years after launch.

The length of such commitments reflects AlpInvest's stated long-term commitment to private equity as an asset class. This is further evidenced by the continuity of our investment relationships. Many of our fund commitments are with general partners, with whom we have an existing relationship. As a result, we are able to exert considerable influence on fund governance. Our team members serve on the advisory boards of 81% of all the active funds in our portfolio. As proponents of active portfolio management, we consider each commitment on its own terms and are always open to new general partner relationships, but we remain committed in principle to those with whom we have chosen to invest.

FUND COMMITMENTS OVERVIEW[1]

Segment	% of capital committed	GPs[2]	Funds
GLOBAL LARGE BUYOUT	39%	21	55
EUROPE MID-MARKET	13%	29	46
US MID-MARKET	14%	40	60
NON-TRADITIONAL MARKETS[3]	9%	37	70
VENTURE CAPITAL	11%	57	95
DISTRESSED	3%	11	16
CLEANTECH	2%	8	8
MEZZANINE	3%	12	17
FUND-OF-FUNDS	6%	6	7
TOTAL	100%	221	374

[1] Vintage Years 2000 - 2009.
[2] As a GP can have funds in more than one category, the total is larger than mentioned in the text above.
[3] Non-traditional markets include markets outside of Europe and the US to the extent not covered by Global Large Buyout.

2009 NEW FUND COMMITMENTS

The fund investments team made new commitments to 15 funds with a 2009 vintage year for AlpInvest. Of these, 13 were to funds where a prior commitment had been made with the general partner and two represented new relationships. During 2009, we also made eight commitments to funds that are expected to have a 2010 vintage. Of these, six were to funds where we have an existing relationship with the GP so 25% constituted new relationships.

2009 PORTFOLIO ACTIVITY

In 2009, a total of €1.3bn of capital was called to fund investments by our general partners. The most recent 2006 – 2008 mandate supplied €900m, or 69% of the total.

During the year, AlpInvest received €650m of proceeds from investments. Within this figure, 38% came from the 2000 – 2002 mandate, 24% came from the 2003 – 2005 mandate and 31% came from the 2006 – 2008 mandate.

FUND INVESTMENTS PORTFOLIO OVERVIEW
AS PER DECEMBER 31, 2009

Vintage years	Investment focus	Mandate Amount[2] (€ m)	Capital Committed[2] (€ m)	Capital invested[2] (€ m)	Invested as % of Committed[3] (€ m)
2000 – 2002[1]	BUYOUT AND VENTURE CAPITAL	10,853	9,998	9,255	100%
2003 – 2005	BUYOUT AND VENTURE CAPITAL	4,545	4,524	3,932	90%
2006 – 2008	BUYOUT AND VENTURE CAPITAL	11,500	11,449	5,108	46%
2009 – 2010	BUYOUT AND VENTURE CAPITAL	3,160	712	15	2%
2007 – 2009	CLEAN TECHNOLOGY	500	411	147	35%
2000 – 2009	MEZZANINE FUNDS	1,130	811	587	73%
	BUYOUT AND VENTURE CAPITAL – OTHER MANDATES	96	88	72	84%
TOTAL		**31,784**	**27,994**	**19,115**	**70%**

[1] The Fund Investment Mandate 2000 – 2002 includes pre-vintage year 2000 commitments made by our investors and AlpInvest predecessors.

[2] At historical foreign exchange rates.

[3] Based on foreign exchange rate as per December 31, 2009.

2009 NEW FUND COMMITMENTS[1]

Fund	Segment	Relationship	Description
ANGELO GORDON PRIVATE EQUITY IV	Distressed	Existing	Opportunistic value investments in middle market businesses in North America
ALTOR FUND III	EU mid-market	Existing	Buyouts and growth investments in the Nordic mid-market
CHARLESBANK EQUITY VII	US mid-market	Existing	Middle-market investment strategy; majority control or highly structured minority private equity investments primarily in companies located in the US
CITIC CAPITAL CHINA PARTNERS II	NTM[2]	New	Primarily buyout and control investments in China, with a focus on restructuring state owned enterprises
GSR VENTURES III	NTM[2]	Existing	Technology-focused early stage venture capital fund in China.
INDEX VENTURES V	Venture	Existing	Multi-stage (seed to late stage) VC investments in technology and life sciences.
LINCOLNSHIRE EQUITY IV	US mid-market	New	Control buyouts of lower-middle market businesses primarily in North America.
WATERLAND PRIVATE EQUITY IV	EU mid-market	Existing	Buyouts and growth investments in the lower end of the mid-market of the Netherlands, Belgium and Germany, buy-and-build is the preferred strategy within an overall growth focused strategy.

[1] Additionally, AlpInvest committed to four general partners that manage seven funds with a 2009 vintage which are not listed by name for confidentiality reasons.

[2] Non-traditional markets.

INVESTMENT REVIEW
MEZZANINE INVESTMENTS

AlpInvest's mezzanine team provides debt financing for buyouts and growth capital transactions. The team works together with leading mezzanine partners and has a presence in Asia, Europe and North America. To date, it has invested €1bn in 48 transactions.

OVERVIEW 2000 – 2009

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:

€1.9bn

TOTAL INVESTED:

€1.0bn

TOTAL TRANSACTIONS:

48

TOTAL COMPANIES CURRENTLY IN PORTFOLIO:

34

INVESTMENTS IN 2009

NEW INVESTMENTS:

€67m

COMPANIES:

2

OUR BUSINESS

Mezzanine capital offers private equity firms a financial instrument that helps to plug the gap between senior bank lending and equity. Sitting below senior debt but above equity, mezzanine is classified as subordinated capital and the increased risk incurred by those who provide it is reflected in the terms and the structure of individual deals.

Unlike most other forms of funding, mezzanine finance can be tailor-made to suit the individual requirements of general partners and their portfolio companies. In some cases, for example, the annual cash-paid coupon is limited in exchange for a higher ultimate repayment through interest accruals and/or participation in the equity upside. In other cases, the reverse may be true. In every case, however, mezzanine capital is flexible and this is what makes it such a valuable financing tool.

AlpInvest has been involved in the provision of mezzanine capital for several years, operating out of Hong Kong, London and New York, as this allows for close proximity to our general partner relationships. We have completed 48 transactions and our target investment range is €10m to €75m.

Our strategy focuses on the creation of a well-diversified portfolio of investments across a broad range of industries and geographies. Typically, we invest between €30m and €40m in any individual deal but we have the flexibility to commit substantially more depending on the specific circumstances. We can play different roles, ranging from the sole provider of mezzanine finance to working with a syndicate of lenders.

Investment proposals are reviewed at a global meeting with the co-investment team and final decisions are taken in the firm-wide investment committee. We monitor investments based on monthly management reports and through close contacts with general partners, which enable us to anticipate potential difficulties early on. We review investments once every quarter in detail and discuss the results with our partners across the firm.

Mezzanine finance is a natural extension of our role as a leading limited partner in the private equity industry. Offering mezzanine capital to our general partners strengthens our relationships with them and provides AlpInvest with detailed information on how general partners operate and the performance of their portfolio companies.

General partners also appreciate our willingness and ability to offer funding throughout the economic cycle. There is a recognition too, that the strength, support and stability of our principal shareholders underpin our structure and our long-term approach.

DEVELOPMENTS IN 2009

Mezzanine capital was originally devised as a high-risk, high-reward financing instrument. In 2006 and 2007, however, the inherent risk of the product has been underestimated. Many banks, hedge funds and other institutions chose to participate in the market, increasing competition and driving down terms.

Over the past two years, the true nature of mezzanine finance has been revealed and a number of recent participants have withdrawn from the sector. This has had several beneficial consequences for AlpInvest.

First, terms and conditions have improved so they are now more commensurate with the risks associated with the mezzanine asset class. Second, general partners are now more focused on engaging with those firms that are able and willing to offer mezzanine capital and with whom they have strong relationships. The availability of subordinated debt has been reduced and senior debt is less prevalent too, so there is a need to find solid, well-established mezzanine providers who are prepared to work constructively with general partners in supporting their transactions.

INVESTMENT CASE

NDS

In August 2009, AlpInvest invested €28m mezzanine in NDS Ltd, the leading provider of media content security and platform infrastructure solutions for pay-TV operators.

NDS's core technologies include conditional access, which ensures pay-TV content and services can be accessed only by paying customers, and custom embedded applications, enabling services such as digital video recording and video on demand. The business is headquartered in Staines in the UK and employs around 4,000 employees worldwide.

NDS is attractive as a mezzanine investment on several levels. It has significant recurring revenues, market leadership and recession-resilience characteristics. The high barriers to entry in this area provide NDS with the ability to capitalize on the continued growth of the market for pay TV.

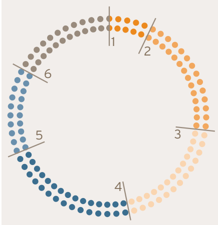
INVESTMENT REVIEW
MEZZANINE INVESTMENTS

PORTFOLIO DIVERSIFICATION

AlpInvest aims to invest in a broad range of sectors and geographies, creating significant diversification in our portfolio. The sector breakdown of our mezzanine investments since 2002 can be found below. From a geographical perspective, 60% of our investments are in North America, 32% in Europe and 9% in the rest of the world. Historically, there has been a bias towards North America but there is a continued effort to invest elsewhere and over the last three years we have increased our exposure to Europe and the rest of the world.

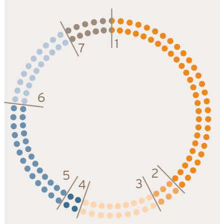
SECTOR DISTRIBUTION

MANDATE
2002–2004



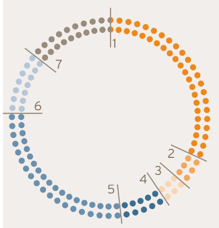
	%
1 Consumer discretionary	7
2 Consumer staple	20
3 Financials	20
4 Industrials	22
5 Materials	14
6 Services	17

MANDATE
2005–2006



	%
1 Consumer discretionary	38
2 Consumer staple	5
3 Financials	12
4 Healthcare	4
5 Industrials	19
6 Information technology	14
7 Materials	8

MANDATE
2007–2009



	%
1 Consumer discretionary	32
2 Consumer staple	5
3 Energy	4
4 Healthcare	8
5 Industrials	27
6 Information technology	10
7 Materials	14

Nonetheless, as with all markets, competition remains. In some cases, this results in mezzanine financing being offered on terms that do not adequately reflect the risks, in our opinion. In these cases, we simply do not participate. This, combined with extremely limited mezzanine activity throughout 2009, has led to us completing just two deals with a combined value of €58m. We are pleased with the deals we did complete, both of which offer substantial downside protection and attractive risk-adjusted returns for our investors.

The first was for a US deep-discount supermarket chain, Grocery Outlet, where we worked with the mid-market buyout specialist, Berkshire Partners. The second was for NDS, a company that provides the technology behind paid-for television. Permira was the general partner in this deal.

AlpInvest has invested in Berkshire and Permira funds for a number of years, during which time we have come to know both firms very well. The mezzanine deals we completed with them during such a difficult year are a genuine testament to the value of our relationship-driven approach.

Certain deals from prior years also required restructuring in 2009. Balancing the demands – and needs – of equity and debt holders is exceptionally challenging but again, we benefited from the strong relationships that we have with our general partners. As such, discussions were constructive and we hope they will ultimately prove their worth.

OUTLOOK

The mezzanine market was not easy in 2009 but conditions began to improve towards the end of the year. Our disciplined approach across the cycle has helped us to avoid many of the pitfalls experienced by the market. Although the economic picture remains unclear for 2010, the environment will almost certainly be better than it was last year.

The new decade has started well for our team as we are one of the three providers of mezzanine finance in a high-profile transaction in the UK. We are providing £40m of mezzanine capital and our participation in the deal reflects our relationship with the general partner and the work we put in through much of 2009. Our involvement in this transaction underlines our willingness to commit the resources required to deliver sizeable mezzanine commitments, working alongside general partners in complex deal processes. It also demonstrates our ability to invest on behalf of our investors in what we believe is a strong business at attractive returns.

Mezzanine capital will continue to be competitive and complex in 2010, but we believe that, as the overall market in private equity picks up, mezzanine finance will prove a rewarding investment class. Our strong relationships with general partners and continued ability to invest in mezzanine positions us very well, giving us access to deal opportunities and the information required to make superior investment decisions.

INVESTMENT CASE

GROCERY OUTLET

In November 2009, AlpInvest invested $45m of senior subordinated notes to serve as lead mezzanine provider in Berkshire Partners' investment in Grocery Outlet.

Grocery Outlet is an extreme discount retailer of brand name food, beverages and general merchandise, with prices often up to 60% less than conventional retailers. Given the strong niche market position, unique independent operator model and strong positioning of the business in both a recessionary and growth environment, Grocery Outlet is an attractive mezzanine opportunity.

MEZZANINE PORTFOLIO OVERVIEW[1]
AS PER DECEMBER 31, 2009

Vintage years	Investment focus	Mandate Amount (€m)	Capital Invested (€m)	Available for investments[2] (€m)
2000 - 2002	MEZZANINE DIRECT INVESTMENTS	33	33	0
2002 - 2004	MEZZANINE DIRECT INVESTMENTS	148	81	22
2005 - 2006	MEZZANINE DIRECT INVESTMENTS	285	279	0
2007 - 2009	MEZZANINE DIRECT INVESTMENTS	1,400	581	495
TOTAL		**1,866**	**975**	**517**

[1] Direct investments only.
[2] Based on the terms of the relevant mandates.

2009 MEZZANINE TRANSACTIONS

GROCERY OUTLET

SECTOR	Consumer staple
LOCATION	California, US
DATE OF COMPLETION	Nov-09

Grocery Outlet is a discount retailer of brand name food, beverages and general merchandise. The company includes over 130 stores in six western states. www.groceryoutlet.com

NDS

SEGMENT	Consumer discretionary
LOCATION	UK
DATE OF COMPLETION	Aug-09

NDS is the leading global provider of media content security and platform infrastructure solutions for Pay-TV operators. The business was acquired by Permira in 2008. AlpInvest acquired mezzanine in a secondary purchase. www.nds.com

2009 REALIZATIONS

Company name	Description
GOODMAN GLOBAL	Dividend proceeds via recapitalization
TERREMARK	Sale of remaining shares

INVESTMENT STATUS

AlpInvest's direct mezzanine programme has received €1.9bn of commitments since 2000. Our current mandate, 2007 - 2009, has €495m of capital available for future investments.

2009 INVESTMENTS

In 2009, AlpInvest made two mezzanine direct/co-investments totalling €58m. In addition, we invested €9m in follow-on investments, creating a combined total of €67m.

2009 REALIZATIONS

AlpInvest had €52m of cash inflows in 2009 from our outstanding mezzanine portfolio, of which €47m was due to interest income and €5m from realizations.

INVESTMENT REVIEW
SECONDARY INVESTMENTS

AlpInvest's secondary investments team acquires private equity investments and commitments from other investors. To date, the team has committed €3.8bn to 52 transactions. Investments are made across the private equity spectrum, including buyout, growth capital, mezzanine, venture capital, fund-of-funds and distressed funds.

OVERVIEW 2000 – 2009

TOTAL COMMITMENTS RECEIVED FROM INVESTORS:

€5.1bn

TOTAL COMMITMENTS MADE TO SECONDARY TRANSACTIONS:

€3.8bn

OF THIS, €3.3BN IS INVESTED BY THE PRIVATE EQUITY FUNDS:

87%

TOTAL NUMBER OF SECONDARY TRANSACTIONS:

52

INVESTMENTS IN 2009

NEW COMMITMENTS:

€106m

TRANSACTIONS:

3

OUR BUSINESS

AlpInvest's secondary investments business focuses on the purchase of private equity assets from other investors who either need or want to sell those assets or restructure their portfolios.

Typically, we interact with pension funds, endowments, family offices, banks and insurance companies that are looking for liquidity or restructuring solutions for their private equity portfolios.

Since our foundation, we have invested €3.8bn in 52 transactions. Individual investments range from €10m to €2bn and from the relatively simple purchase of a single limited partnership interest to more complex transactions, involving the spin-out of investment teams or the combination of fund investing and secondary investing.

We aim to be the preferred buyer of the highest quality assets at the appropriate price. Over the past decade, this strategy has consistently achieved best-in-class returns for our investors. We hope to maintain that performance in the years ahead, underpinned by focusing on our strengths and integrated investment approach.

This confidence stems from a fundamental belief in the strength of our structure and business model, which gives us excellent and timely access to information about funds, portfolios and their underlying assets. Our integrated investment approach differentiates us from other operators in the secondary market and ultimately positions us to make a better assessment of upsides and risks in secondary transactions. We also seek to mitigate risk by creating a portfolio diversified over companies, sectors, geographies and general partners.

In each case, we employ extensive due diligence. Our investment team analyzes potential portfolios in a rigorous and detailed manner. Most time is spent evaluating companies within any given portfolio, assessing the quality of the assets, the risks associated with those assets and the general partners responsible for those assets.

Operating from Amsterdam and New York, we source deals locally but execute globally. Our Amsterdam team is responsible for sourcing European transactions while our New York team sources transactions from North American investors. Through our office in Hong Kong, we are also kept abreast of activity in Asia.

DEVELOPMENTS IN 2009

The secondary investments market in 2009 can be divided into two parts. In the first eight months, conditions were harsh. Economic visibility was extremely low so it was hard to predict which investments would weather the storm. In this high-risk environment, AlpInvest took the decision to set the bar high. During this period, a substantial amount of our time was spent on portfolio management and we were able to improve existing transaction terms in a number of instances.

Also, we encouraged general partners and portfolio companies themselves to act swiftly to the changes in the environment, by focusing on liquidity preservation, restructuring debt, shifting business emphasis and strengthening management teams where appropriate. We believe our active portfolio management approach will enhance returns over the medium term and, in the here and now, this approach distinguishes AlpInvest from other secondary investment managers.

Despite the tough environment, we did complete one transaction in this period, a €25m portfolio purchase at an attractive price.

In the last four months of 2009, there were more opportunities to invest. A degree of economic stability developed and this allowed us to be more certain in our investment analysis. We analyzed and made offers on several funds but ultimately completed only two transactions, because many portfolios were withdrawn from the market. A low completion rate is however not uncommon in periods when the market is in search of a new equilibrium. During the year, there was frequently a mismatch between sellers' expectations and AlpInvest's risk/reward assessment, so we only invested €106m, compared to €1.2bn in 2008. The amount we invested was lower than we would have liked, but we believe that we made the most of the prevailing environment. While we are keen to take an active investment approach where appropriate, we recognize that it is not always possible, and that it is most important to make the correct investment decisions.

INVESTMENT CASE

NAZCA CAPITAL

In 2009, AlpInvest engaged with Nazca Capital through a fundraising process for a new Spanish mid-market fund.

In 2008, it became apparent that Fortis Bank NV, the owner and sole backer of the Spanish low to mid-market leader Nazca Capital, had earmarked these assets as non-core.

Fortis was keen to find a replacement investor who would acquire Nazca's assets under management and support the team over the long-term, through the provision of top-up funding for its existing portfolio companies and fresh capital for new investments.

AlpInvest was chosen by both the Nazca Capital team and Fortis to partner with the Spanish firm, thanks to our strong track record of stapled and spin-out transactions.

AlpInvest provided resources from both the fund investments and secondary investments teams to support Nazca in its fundraising – introducing the firm to institutional investors, preparing information on the underlying portfolio companies and performing due diligence sessions. We also supported Nazca's fundraising efforts by syndicating part of the secondary transaction to new investors. This resulted in a €110m first closing of Fondo Nazca III within two months.

The complexity of this transaction and the time it took to complete allowed us to monitor portfolio company developments throughout the economic downturn and confirm that companies in the portfolio were rapidly adapting their business strategies to the new environment, creating substantial value in the process. In a challenging Spanish market, this gave us comfort that, in Nazca, we are backing a world-class team.

INVESTMENT REVIEW
SECONDARY INVESTMENTS

INVESTMENT CASE

US MID-MARKET

A limited partner in North America was keen to generate liquidity by selling part of its cornerstone commitment in a fund managed by a top-tier mid-market buyout manager.

The selling limited partner wanted to retain a smaller position in the fund but was anxious to maintain its strong, long-term relationship with the general partner. So it focused on finding a buyer that was acceptable to the general partner.

The underlying assets comprised approximately ten portfolio companies in a variety of North American industries. AlpInvest's primary and secondary investments teams worked closely together, proactively sourcing the opportunity more than a year before it formally came onto the market.

We positioned ourselves as the preferred buyer through our strong existing relationship with the general partner, to whom we had also made a recent primary commitment. We provided the seller with relevant transaction flexibility and an expeditious and discreet process.

Our primary relationship and unique due diligence approach allowed us to perform extensive analysis of the underlying assets in the portfolio. We believe this will prove to be a rewarding investment.

We are very pleased with the transactions we completed during the second half of the year. One concerned the spin-out of Nazca Capital, a Spanish mid-market private equity manager, from Fortis Bank SA, where AlpInvest acquired the existing investments from Fortis and provided Nazca Capital with a cornerstone commitment to its next fund. The other involved the disposal of assets by a limited partner in a leading mid-market fund. In both cases, we worked with our fund investments team, adding greater value to the transactions through close cooperation across the AlpInvest group.

OUTLOOK

We are optimistic about secondary investments activity in 2010. The differential between sellers' and buyers' expectations should narrow as sellers become more realistic and pricing begins to reflect underlying values more accurately. We expect transaction volumes to increase substantially in 2010 and 2011 and we believe we are well placed to participate in this recovery. We have funds to invest, an excellent business model and strong relationships with general partners and limited partners globally. Our existing portfolio is robust, the market is increasingly attractive and our team has the skills and resources to take our business forward.

GP RELATIONSHIPS

Since inception, AlpInvest secondary investments has acquired more than 290 interests managed by 145 general partners. Our total commitments comprise an allocation of approximately 55% to small and mid-buyout; 40% to large buyout; and 5% to venture capital. Geographically, approximately 51% of our commitments are allocated to Europe, 46% to North America and 3% to the rest of the world.

AlpInvest holds an advisory board seat in 45% of the fund interests that were acquired by secondary investments. More than 55% of the general partners we have investments with through our secondary portfolio have relationships with our primary funds team as well.

2009 TRANSACTIONS

AlpInvest secondary investments committed €106m across three transactions in 2009, compared to €1.2bn across 12 transactions in 2008.

2009 PORTFOLIO ACTIVITY

For the 12 months ending December 31, 2009, AlpInvest secondary investments received proceeds from 35 deals out of 52, totalling €92m compared to €214m received in 2008.

SECONDARY INVESTMENTS PORTFOLIO OVERVIEW
AS PER DECEMBER 31, 2009

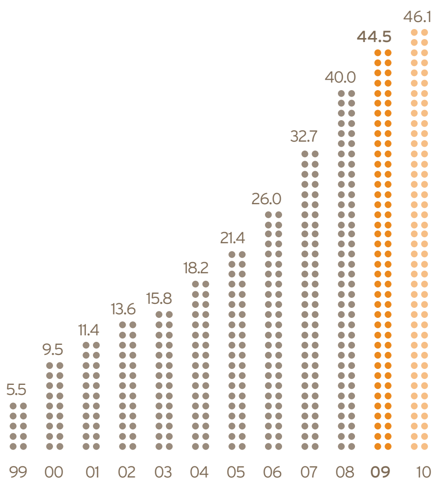
Vintage years	Investment focus	Mandate amount[2] (€ m)	Capital committed[2] (€ m)	Capital invested[2] (€ m)	Invested as % of committed[2] (€ m)
2000 - 2002	BUYOUT AND VENTURE CAPITAL	519	519	509	99%
2003 - 2005	BUYOUT AND VENTURE CAPITAL	998	994	924	93%
2006 - 2008	BUYOUT AND VENTURE CAPITAL	2,250	2,147	1,714	80%
2009 - 2010	BUYOUT AND VENTURE CAPITAL	1,055	0	0	0%
2002 - 2009	MEZZANINE FUNDS	207	108	118	109%[1]
	BUYOUT AND VENTURE CAPITAL - OTHER MANDATES	55	52	41	79%
TOTAL		5,084	3,820	3,306	87%

[1] Capital invested exceeds capital committed mainly due to realized investments that have been reinvested.
[2] At historical foreign exchange rates.
[3] Based on foreign exchange rate as per December 31, 2009.

FINANCIAL PERFORMANCE

AlpInvest started out in 2000 with €5.5bn of committed capital. Today, ten years later, we have received commitments of more than €46bn.

TOTAL CAPITAL COMMITTED TO ALPINVEST
€bn



Throughout the past decade, we have generated above-average returns for our shareholders and, even though the past two years have been among the most challenging in living memory for the private equity industry, we have continued to deliver.

Our 2000 – 2002 mandate contributed steady returns in 2009 and we are particularly pleased with the performance of our 2003 – 2005 mandate, which is nearing the stage where it most accurately reflects the long-term returns that can be generated from private equity investment. Our 2006 – 2008 mandate for funds, secondaries and co-investment and our 2007 – 2009 mezzanine mandate have been heavily impacted by the global economic downturn. But returns have still improved from 2008 to 2009. Looking forward, we believe these mandates are well positioned to deliver further performance gains. Low deal volumes in 2008 and 2009 meant that a significant amount of capital from our current mandates has not yet been invested. We expect to invest this capital at attractive terms over the next three to four years.

The post-2007 financial crisis has shown that private equity is a cyclical industry. But investing in leading funds, developing close relationships with GPs and pursuing a long-term strategy have helped us to maximise our returns even in the toughest of environments.

The tables below show the returns that AlpInvest has achieved to date in its key mandates.

GROSS LIFE TO DATE IRR[1]
AS PER DECEMBER 31, 2009

Mandate	2000	2001	2002	2003	2004	2005	2006 - 2008[3]
FUND INVESTMENTS	6.8%	20.5%	15.9%	12.2%	5.3%	0.4%	-12.2%

Mandate	2000 - 2002	2003 - 2005	2006 - 2008[3]
CO-INVESTMENTS	14.7%	45.7%	-22.5%
SECONDARY INVESTMENTS	56.4%	28.8%	-4.3%
DIRECT INVESTMENTS[2]	-1.6%	56.8%	
TOTAL PRIVATE EQUITY[4]	**11.6%**	**23.6%**	**-13.7%**

Mandate	2000	2002 - 2004	2005 - 2006[3]	2007 - 2009[3]
MEZZANINE[5]	14.5%	24.2%	2.6%	0.5%

PERCENTAGE OF MANDATES THAT HAS BEEN INVESTED
AS PER DECEMBER 31, 2009

Mandate	2000 - 2002	2003 - 2005	2006 - 2008
TOTAL PRIVATE EQUITY	**86%**	**86%**	**55%**

Mandate	2000	2002 - 2004	2005 - 2006	2007 - 2009
MEZZANINE	98%	71%	89%	33%

[1] Internal Rate of Return, based on fixed foreign exchange rates.
[2] The direct investment activities were spun out in 2005.
[3] Due to the J-cure effect (as explained on page 47), the results only begin to become meaningful after five years of the start of the mandate. However, please note the J-curve is deeper for the 2005 - 2006, 2006 - 2008 and 2007 - 2009 mandates due to market circumstances.
[4] Total Private Equity IRR includes Fund Investments' results for relevant time periods.
[5] The mezzanine mandates include mezzanine fund, secondary and direct investments.

PARTNER OF CHOICE

THROUGH OUR RESPONSIBLE APPROACH TO INVESTMENT

CORPORATE SOCIAL RESPONSIBILITY

Across the corporate landscape, there is a growing recognition that good corporate social responsibility (CSR) promotes stronger management, enhances stakeholder relationships and creates better-performing companies in the long term.

At AlpInvest, our prime motivation is to optimize returns for our shareholders and their beneficiaries. We believe this priority is neatly aligned with the promotion of effective CSR at AlpInvest itself, among our general partners and, crucially, within the companies in which we and they are invested.

CSR is also an important topic for our shareholders and the pension funds they serve. As worldwide leaders in the field of responsible investment, they take a proactive approach to the integration of sustainability and corporate governance as investment considerations in their portfolios.

Environmental, social and governance (ESG) issues can have a serious impact on businesses – and their investors. In the private equity context, association with a company that is involved in questionable practices can adversely affect the reputation of managers, general and limited partners. Conversely, companies that take their responsibilities seriously are likely to be more innovative, well organized and more geared towards delivering returns to their investors. So we are strongly committed to engaging with companies and GPs to improve their CSR performance.

Although we have always taken our responsibilities as an investor seriously, we formalized our approach to CSR in 2008 with the creation of the AlpInvest CSR framework.

During 2009, the first full year of this new approach, we focused on the implementation of our policy across investment and management processes. We communicated our views to a wide range of stakeholders and engaged in a number of ESG initiatives. We have also become a signatory to the UN-backed Principles for Responsible Investment.

KEY OUTCOMES FOR 2009

In the 2008 Annual Review, we set out four priorities for 2009.

First, we aimed to include CSR as part of all investment decisions and portfolio management processes.

Second, we aimed to improve communication with all our stakeholders.

Third, we aimed to engage with general partners, limited partners and managers across the industry with a view to implementing and promoting our CSR policy.

Fourth, we aimed to develop CSR guidelines for AlpInvest as a company.

We are pleased to report that we have made significant progress in each of these areas. A robust CSR framework has now been constructed within AlpInvest and our professional teams have incorporated CSR into their processes.

We have made our views clear to those with whom we work most closely and the wider private equity community.

We have also completed our CSR guidelines for AlpInvest as a company.

OUR APPROACH TO CSR

At AlpInvest, we firmly believe that the first step towards becoming an effective advocate of CSR is to inculcate the correct processes and procedures across our business. Once we know what we stand for as a firm, we can communicate our beliefs to our general partners and, where appropriate, the companies in which we are invested.

During 2009, therefore, we developed guidelines for all our investment teams – funds, secondary, co-investments and mezzanine – on the integration of our CSR policy. Delegates from the investment teams were closely involved in the implementation process to ensure guidelines and training were tailor-made for each area of our business. All our investment professionals were trained on the implementation of these guidelines.

For each of our teams, CSR has now become an integral part of the due diligence process for new investment opportunities. Due diligence findings are included in investment proposals and are therefore taken into account in each investment decision we make.

For the funds team, the priority is to analyze and seek comfort on the CSR standards of our general partners. We have therefore developed a CSR survey, which is sent to general partners as part of the due diligence process whenever we invest in a new fund.

In the secondary investments business line, the priority is to ensure that each company within a given portfolio conforms to our exclusion policy and we screen new investments accordingly.

In co-investments and mezzanine investments, our priority is to assess how CSR is embedded in those companies, whether potential risks might arise around environmental, social or governance issues and what policies are or will be put in place to deal with these risks.

We also seek an active dialogue with general partners and portfolio companies to encourage them to improve their own CSR approach. Many GPs already incorporate CSR almost instinctively into their investment analysis processes, but a more structural approach to due diligence, portfolio management and reporting could prove beneficial. At the portfolio company level, improvements can frequently be made as well but we are pleased to note that an increasing number of companies now recognize the importance of CSR.

Our investment professionals monitor our portfolio on a regular basis to assess developments that could be sensitive from a CSR perspective. These situations are discussed in our CSR committee and, we then consider the most appropriate way to respond to the GP involved, the company and our investors. In 2009, 11 of these situations were reviewed by the CSR committee.

Communication is an integral part of effective corporate responsibility and we have endeavoured to convey our CSR policy internally and externally. This Annual Review is one example and our website now includes a section on responsible investment. In 2009, we also started to include CSR in our investor reports.

With regard to our general partners, we have highlighted our commitment to CSR and engaged in a number of discussions individually and on a group-wide basis. We have underpinned this by contributing articles to private equity magazines and talking on CSR at industry conferences.

We are keen to drive forward effective CSR across our business and our investments. We therefore work with peers and managers in the private equity industry to promote sustainability and governance as a key factor in investment choices and portfolio management. We are involved in a number of ESG initiatives in the industry, including the Institutional Limited Partners Association (ILPA) and the Principles for Responsible Investment (PRI).

INVESTMENT CASE

ANGELENO INVESTORS III

Through its clean technology mandate, AlpInvest made a commitment in 2009 to Angeleno Investors III, a private equity fund focused on high-growth alternative energy and energy-related companies.

The fund plans to make investments in a diverse group of expansion and, in certain cases, later-stage companies across a variety of market segments, including solar, wind, power infrastructure, energy efficiency, advanced materials, waste management, emissions control and clean transportation. Examples of the firm's prior investments include GT Solar (solar equipment technologies), TPI Composites (wind blade manufacturing) and CODA Automotive (electric vehicles and battery manufacturing). Angeleno Group is based in Los Angeles and its principals have been working together since 2001.

INVESTMENT CASE

GRID NET

Grid Net is a recent investment of Braemar Energy Ventures II. Through its clean technology mandate, AlpInvest made a commitment in 2007 to this cleantech venture capital fund.

The firm invests primarily in early and expansion-stage energy technology companies, focused on increasing productivity and enhancing efficiency while minimizing energy consumption, waste or pollution.

Grid Net is a leading provider of Smart Grid and Smart Home, an IP-based network operating system, network management platform and application software for utilities and their customers. The company's software products enable the delivery of secure, scalable, real-time, and high-performing 4G/Fibre smart grid services, including smart metering, distributed generation and distribution automation.

A smart grid delivers electricity from suppliers to consumers using two-way, real-time, digital technology to optimize utility distribution networks and control appliances at consumers' homes, thereby saving energy, reducing costs and increasing reliability and transparency. These modernized electricity networks are being promoted by many governments as a way of addressing energy independence, global warming and emergency resilience issues, and it is Grid Net's goal to provide the network operating systems and management control plane to enable this to take place on a highly secure broadband platform. To date, Grid Net is the only company to develop a 4G/Fibre network operating system/platform specifically designed to manage data intensive smart meter and smart grid router networks. Coupled with the company's strong blue-chip channel partners, Braemar sees strong potential in Grid Net's product offering.

We have become a PRI signatory and have been actively involved in the steering committee of the PRI private equity workstream. We have also helped draft the ILPA principles on best governance and are a founding subscriber to them.

We believe that private equity is well positioned to benefit from the increased focus on ESG matters. Even though many firms have yet to implement a structured approach to CSR, as long-term, majority shareholders, they can make changes and benefit from the impact of those changes at exit.

KEY OBJECTIVES FOR 2010

We made substantial headway during 2009 and we expect to make further progress over the coming months. For 2010, we have five priorities.

First, we intend to evaluate the way in which CSR has been implemented in our investment processes.

Second, we intend to improve the implementation of CSR in our investment processes.

Third, we will maintain our active role in a number of industry initiatives, including the PRI private equity steering committee.

Fourth, we will pursue engagement initiatives. We will analyze the implementation of CSR among a group of our core general partners and we will continue to engage more widely with general partners, limited partners and other interested parties.

Finally, we will develop a system to identify sustainable investments in our existing portfolios.

CLEANTECH

In 2007, we received a $500m Cleantech mandate from our shareholders. This mandate runs to 2010, it is global in scope and focuses on clean technology private equity funds. Since 2007, we have committed €412m to nine clean technology funds located in the US and Europe. So far, these nine funds have invested in more than 55 underlying companies.

The funds were chosen, following a highly selective search process, from nearly 100 dedicated clean technology private equity firms. At AlpInvest, five investment professionals monitor the clean technology universe.

The Cleantech portfolio ranges from funds focused on investing in ground-breaking technology to those focused on deploying capital for later-stage implementation of proven technologies.

Fundraising for clean technology managers declined in 2009 so AlpInvest chose to commit to just one new manager during the year. Fundraising slowed in response to a less active financing market in the first half of 2009 as well as constrained investor allocations due to liquidity or portfolio issues. However, private equity financings for clean technology companies rebounded in the second half of 2009 and the public markets became more receptive to new issues, with a growing backlog of clean technology IPOs. This gives us renewed confidence about future fundraising and investment activity. Moreover, one of our shareholders, APG, has granted us a further allocation of €180m for 2010 for Cleantech funds and co-investments to be committed.

HUMAN RESOURCES

HR HIGHLIGHTS
AS PER DECEMBER 31, 2009

TOTAL NUMBER OF EMPLOYEES:

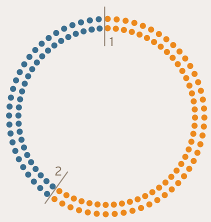
121

AVERAGE YEARS AT ALPINVEST[1]:

7.7

[1] Senior investment professionals (managing partners, partners and principals).

DIVERSITY
GENDER



1	Male	72
2	Female	49

DIVERSITY
NATIONALITY

DUTCH	56
AMERICAN	34
BRITISH	8
CHINESE	4
AUSTRALIAN	2
BELGIAN	2
CANADIAN	2
NEW ZEALAND	2
AUSTRIAN	1
GERMAN	1
INDIAN	1
IRISH	1
KOREAN	1
MALAYSIAN	1
RUSSIAN	1
SLOVAKIAN	1
SOUTH AFRICAN	1
TAIWANESE	1
THAI	1

Our people make AlpInvest what it is – a partner of choice for shareholders, general partners and other stakeholders. They play a crucial role in the execution of our strategy and the ability to attract, develop and retain staff with the requisite investment experience is crucial to our success. Our culture combines a determination to succeed with an informal and friendly approach to colleagues and we strive to ensure that our people are motivated, well supported and fulfilled in their work.

All new professionals receive an introduction programme to the firm and employees are encouraged to develop and broaden their skills. Further training is given on the job and, based on individual development needs, employees may follow further external training courses. Through semi-annual performance appraisals, we aim to ensure that all personnel maintain their responsibilities and enhance their skills.

We are well diversified throughout the organization with 72 men and 49 women from 20 different nationalities. Evidence of the success of our approach may be seen from the low employee turnover at senior investment level. On average, our senior professionals have been with the firm for more than seven years and last year, we had just one departure at principal level. As per March 2010, Helen Lais, one of our partners, also left the firm.

We take our responsibilities as an employer seriously and constantly try to maintain a positive working environment, where people feel encouraged to express opinions, pursue new ideas and communicate with colleagues. Business ethics and integrity are central to our culture and we have a detailed compliance manual and a dedicated compliance officer.

PARTNER OF CHOICE

THROUGH OUR ROBUST GOVERNANCE PROCESSES

GOVERNANCE

At AlpInvest, we are committed to delivering superior returns to our investors. Robust corporate governance plays a crucial part in this endeavour. To that end, the Company is managed along defined and highly-structured lines, comprising a Supervisory Board, an Executive Committee and five sub-committees, each with their own clear-cut roles and responsibilities.

The Executive Committee focuses on strategy and operations, while the Supervisory Board monitors the Executive Committee, providing a broader perspective as well as independent oversight and control. Separating the executive role from the supervisory role helps to provide the appropriate checks and balances within our organization and ensures that the Company is effectively governed. The Supervisory Board and the Executive Committee are in continuous dialogue and meet regularly through the year. The sub-committees provide further support to our governance model.

SUPERVISORY BOARD

The role of the Supervisory Board at AlpInvest is to oversee the Executive Committee's strategy and policies and the general course of business within the organization. Our Board comprises two representatives from our shareholders and three independent directors.

COMMITTEES OF THE SUPERVISORY BOARD

Remuneration Committee

Topics discussed in 2009 included managing partners' appraisals, compensation and objectives for the year.

Audit Committee

Items reviewed by the Audit Committee in 2009 included the SAS 70 report, the auditor's report, compliance and risk assessment.

EXECUTIVE COMMITTEE

The Executive Committee is made up of the managing partners and is responsible for setting AlpInvest's strategy, executing policies and managing operations. The Committee is also responsible for all non-investment related activity within the organization.

PARTNERS

All partners, including managing partners, participate in the weekly investment meeting and are responsible for deciding which investment opportunities to pursue.

COMMITTEES

HR Committee

Erik Bosman, Volkert Doeksen, Tjarko Hektor, Sander van Maanen, Erik Thyssen, Maarten Vervoort.

Key topics discussed in the HR Committee in 2009 included senior promotions and roles within AlpInvest, performance management, recruitment, training and education.

Research and Allocation Committee

Wim Borgdorff, Peter Cornelius, Paul de Klerk, Iain Leigh, Wouter Moerel, Elliot Royce, George Westerkamp.

Key topics discussed in the Research and Allocation Committee in 2009 included industry cycles and private equity returns, lessons from the economic and financial crisis, the global economic outlook and financial markets, private equity markets and strategic asset allocation.

CSR Committee

Wim Borgdorff, Paul de Klerk, Sander van Maanen, Elliot Royce, Erik Thyssen.

Key topics discussed in the CSR Committee included integration of CSR in the investment and portfolio management processes, engagement with GPs and other parties in the industry, CSR communication and potential CSR issues in the investment portfolio.

SUPERVISORY BOARD

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1. Otto van der Wyck, Chairman
Otto van der Wyck is Chairman of investment company and family office, Salland Ltd, and sits on the board of the Government of Singapore Investment Company S.I. Ltd. Mr van der Wyck founded BC Partners and Citicorp Venture Capital, two leading European private equity firms and previously worked at Shell and Rothschild Intercontinental. He was appointed Chairman of AlpInvest Partners in 2004.

2. Adriaan Nühn
Adriaan Nühn is the former CEO of Sara Lee International and Executive Vice President of Sara Lee Corporation. Mr Nühn began his career with Xerox Corporation and later joined Richardson Vicks/Procter & Gamble. He is Non-Executive Chairman of Sligro N.V and Macintosh Retail Group N.V. and holds non-executive board positions at, LEAF B.V., Heiploeg B.V. and Anglovaal Industries Ltd (AVI). Mr Nühn is also on the board of WWF (World Wildlife Fund) in the Netherlands, the HAFF (Holland America Friendship Foundation) and MKI (Medical Knowledge Institute). He has been a member of AlpInvest Partners' Supervisory Board since 2004.

3. Else Bos
Else Bos is Chief Institutional Business and Deputy Chief Executive Officer at PGGM. Ms Bos joined PGGM in 2003 as Director Third Parties, Operations & Staff. In March 2005, she was appointed Chief Executive Officer, Investments and a member of the PGGM board of governors. Ms Bos was previously with NIBC Asset Management, where she was COO/CFO. From 1983 to 2001, Ms Bos held various senior management posts at ABN AMRO. Ms Bos is a member of the board of the UN Principles for Responsible Investment and sits on the board of a number of leading Dutch institutions. She has been a member of AlpInvest Partners' Supervisory Board since 2004.

4. Raymond G. Chambers
Raymond Chambers is a philanthropist and humanitarian. He is the founding Chairman of the Points of Light Institute, the Millennium Promise Alliance, Malaria No More and the New Jersey Performing Arts Center. Mr Chambers also co-founded the National Mentoring Partnership and America's Promise Alliance, with Colin Powell.

In February 2008, the Secretary-General of the United Nations appointed Mr Chambers as the first Special Envoy of the Secretary-General for Malaria and in December 2008 President Bush recognized Mr Chambers with the Presidential Citizens Medal for his work helping children worldwide. He has been a member of AlpInvest Partners' Supervisory Board since 2007.

5. André ten Damme
André ten Damme is a member of the board of directors and CFO of APG Group NV (All Pensions Group). Mr ten Damme has been CFO at ABP Pension Fund since 2007 and was CFO at CapGemini Netherlands between 2004 and 2007.

He was a Partner at Ernst & Young Consulting and a member of the Financial Services management team of EY Netherlands from 1997 and started his career in 1988 as a Consultant at Moret Advies. Mr ten Damme joined the AlpInvest Supervisory Board in 2009.

EXECUTIVE COMMITTEE

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1. Volkert Doeksen, Managing Partner, CEO
Volkert Doeksen is the Chief Executive Officer of AlpInvest Partners. He chairs the Executive Committee and helped to found the firm in 2000. With 25 years of investment experience, Volkert oversees AlpInvest's strategic direction, policy-making and investment decisions. Before joining AlpInvest, Volkert was a Partner and Director at Dresdner Kleinwort Benson in New York, where he led a team sourcing and executing transactions for the firm's $3bn private equity portfolio. Previously, he was an investment banker at Dillon Read and Morgan Stanley and received a law degree from Leyden Law School. He is a Director of DTG and chairs the Millennium Promise Netherlands Foundation.

2. Paul de Klerk, Managing Partner, CFO/COO
Paul de Klerk is the Chief Financial Officer and Chief Operating Officer of AlpInvest Partners. He is a member of AlpInvest Partners Executive Committee and helped to found the firm in 2000. In addition to leading operations and finance at AlpInvest, Paul heads the portfolio review and valuation process and the exchange of information with investors. Before joining AlpInvest, Paul was responsible for one of the largest corporate banking units at ABN AMRO in the Netherlands. Paul received a degree in tax law from the University of Amsterdam, a degree in civil law from the University of Utrecht, and an MBA from Columbia University. Paul is a founder of the Private Equity Industry Guidelines Group.

3. Wim Borgdorff, Managing Partner
Wim Borgdorff heads AlpInvest's funds and secondary investments teams. He is a member of AlpInvest Partners Executive Committee and helped to found the firm in 2000. Bringing nearly 20 years of alternative investment experience to his role at AlpInvest, he joined the firm from ABP Investments, where he set up the alternative investments unit. Previously, he was a Managing Director at ING Asset Management. Wim received an MS, cum laude, from Delft University of Technology, an MA in real estate from Amsterdam University, and an MBA from Erasmus University Rotterdam. He is a member of the supervisory boards for KFN and Cório, and sits on the advisory boards of Apax and Permira.

4. Iain Leigh, Managing Partner
Iain Leigh is responsible for AlpInvest's North American co-investments and mezzanine activities. He is a member of AlpInvest Partners Executive Committee and helped to found the firm in 2000. Bringing more than 30 years of related experience to AlpInvest, Iain joined the firm from Dresdner Kleinwort Benson, where he was the Managing Investment Partner responsible for US direct buyout transactions and an executive committee member for the global private equity business. Previously, he was Director of Investment Banking at Kleinwort Benson Ltd. Iain received an MBA from Brunel University in England and is a Fellow of the Chartered Association of Certified Accountants in the UK. He is a board member of The Nielsen Company.

5. Erik Thyssen, Managing Partner
Erik Thyssen is responsible for AlpInvest's co-investment activities in Europe and Asia. He is a member of AlpInvest Partners Executive Committee and a founder of the firm. With nearly 25 years of related private equity experience, Erik joined AlpInvest from Fortis Bank Nederland, where he was an executive board member responsible for commercial banking. Previously, he was the Managing Director of corporate and investment banking at Generale Bank Nederland. Erik received a law degree from Antwerp University and has completed the CEDEP-INSEAD General Management Program. He represents AlpInvest on the boards of Maxeda and Ontex.

PARTNERS

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1. Erik Bosman
Erik is responsible for European co-investment and mezzanine activities at AlpInvest. He joined the firm in 2000 from its predecessor, Parnib, where he was an investment manager responsible for deal execution. Previously, Erik was a financial analyst with NIBC Bank in London.

2. Tjarko Hektor
Tjarko co-leads AlpInvest's secondary investments team. He joined the firm in 2000 from its predecessor, Parnib, where he was responsible for buyout transactions. Previously, Tjarko was at NIB Capital, where he covered corporate acquisition and structured finance transactions.

3. Wouter Moerel
Wouter co-leads AlpInvest's secondary investments team. He joined the firm in 2005 from The Carlyle Group, where he was a principal responsible for investments in the telecoms and media sector. Previously, Wouter was at JPMorgan and Lehman Brothers.

4. Elliot Royce
Elliot leads AlpInvest's US fund investments team. He joined the firm in 2007 from Allianz Private Equity Partners, where he led US investment activities and was a member of the global investment and management committees. Previously, Elliot worked at GE Equity, McKinsey, Dillon Read and CSFB.

5. Sander van Maanen
Sander is responsible for sourcing and executing Asian co-investments for AlpInvest. He joined the firm in 2001 from the Boston Consulting Group, where he was a project leader on assignments for the boards of multinational firms. Previously, he worked at Procter & Gamble.

6. Maarten Vervoort
Maarten is responsible for executing AlpInvest's European fund investments programme and supporting the co-investment and secondary investment groups. He joined the firm in 2000 from PricewaterhouseCoopers, where he was a senior executive manager of strategy and organizational design.

7. George Westerkamp
George is responsible for the origination and execution of AlpInvest's co-investment transactions in Europe. He joined the firm in 2000 from its predecessor, Parnib, where he managed deal execution with a focus on Benelux mid-market buyout transactions. Previously, he was responsible for Asian ship and aircraft finance activities at NIB Capital.

RISK MANAGEMENT

Risk management is an integral part of our business. We apply the highest standards across the firm and employ a rigorous control framework across all business lines, geographies and professional functions.

We are committed to quality and this is embedded throughout the firm in our values, code of conduct and personnel management. Managing partners and partners adopt a hands-on approach to operational control and discipline, monitoring performance, risk, quality and operations as part of their daily responsibilities. Management reports and review procedures bring all aspects of the business under management supervision, while detailed policies and procedures are in place to consider and manage risks and enable consistency and standardization in our operations.

Risk assessment and mitigation strategies are discussed with our Audit Committee, and our external auditor, PricewaterhouseCoopers Accountants N.V., provides further reassurance by performing audits on an ad-hoc basis.

EXTERNAL RISKS

AlpInvest invests in developed and emerging markets so our investments are impacted by macro-economic and geo-political developments as well as changes in government policies and regulations. To mitigate such circumstances, we aim to diversify our investment portfolio across geographies, industries and investment stages. We also conduct extensive research before entering new markets and monitor our portfolio on a regular basis.

STRATEGIC RISKS

The Executive Committee is responsible for setting the firm's strategy, which is reviewed by the Supervisory Board. Our strategy takes into account market and sector developments, as well as internal and external risk factors. We monitor external trends and forecasts, while consistently reviewing our underlying assumptions and tracking the performance of our investments as developments or events can impact on the firm's performance or financial position.

REPUTATIONAL RISKS

Our operations and/or our organization may be negatively affected or disrupted by several factors, including unenforceable contracts, lawsuits, adverse judgments, fraud, or negative publicity. To reduce the likelihood of such events, we rigorously assess the companies in which we invest. Any indication of unethical practices is identified either during the due diligence process or, later on, through interaction with portfolio companies. Investing guidelines are stipulated in all our mandates and contracts are managed by our legal department.

BUSINESS CONTINUITY RISK

AlpInvest's funding comes largely from our two main sponsors, APG and PGGM investments, which could change their strategy regarding allocation to the private equity asset class or decide to use other firms to manage their assets. To mitigate this, contracts with our shareholders are structured so they offer continuity to the management company for a prolonged period of time. We update our shareholders on a regular basis with detailed information on their portfolios and strive to ensure our strategies remain aligned. There is also a risk that senior management expertise may be lost. However, remuneration is based on long-term incentive arrangements, designed to create a long-term alignment with AlpInvest.

INVESTMENT RISKS

Investment decisions

Our ability to source and execute quality investments depends on several factors. We need to attract, develop and retain professionals with the requisite investment experience. We need to optimize information sharing and synergy benefits across our investment teams. And we need to undertake thorough assessments of each investment opportunity, using collective knowledge and experience.

Bearing this in mind, AlpInvest carefully assesses each fund manager's skills and track record before making an investment commitment. From the initial investment assessment to the finalization of the transaction, AlpInvest employs a methodical process, involving partners and investment teams.

Investment performance

The performance of our portfolio depends on a range of factors, including the quality of the initial investment decision and the ability of the fund manager or portfolio company to drive performance and achieve its business strategy.

As part of our portfolio management programme, we review our investments on a detailed and regular basis and employ a rigorous process to manage our relationships with fund managers and portfolio companies.

Investment concentration

AlpInvest invests across a range of economic sectors and jurisdictions. Our investment policy is designed to achieve a diversified portfolio across market segments, geographies, industries, deal sizes and vintage years. We have investment guidelines in place to address concentration risk, including limits on the percentage interest held in any one fund or portfolio company. Asset allocation is discussed regularly by our Research and Allocation Committee and compliance reports are reviewed on a quarterly basis to ensure allocations fall within these guidelines.

TREASURY AND FUNDING RISKS

Market risk

As an advisory firm, AlpInvest has limited exposure to financial assets. Cash is typically held in short-term deposits with reputable banks, while our management company has limited exposure to adverse movements in interest rates and foreign exchange rates. We typically hedge foreign currency exposure when providing funds to our main operating subsidiaries.

Credit risk

AlpInvest is dependent on funding from its shareholders, who are regulated by the Dutch Central Bank and the Dutch Authority for Financial Markets. Mandates are in place between the parties, which define the minimum amounts our shareholders commit to AlpInvest for investment purposes. These are subject to certain limitations, which are monitored through compliance procedures.

Liquidity

AlpInvest informs shareholders on a timely basis of forthcoming liquidity requirements. Under our mandate terms, we have access at all times to sufficient liquidity to fund our investments. Cash management procedures include cash flow forecasting and liquidity monitoring.

OPERATIONAL RISKS

Our investment teams coordinate investment and portfolio management processes. Our qualified and experienced staff support the executive management and the investment teams in the areas of transaction processing, accounting, reporting, risk management, legal and regulatory, tax, HR, compliance and research.

Our investment management process is subject to an annual SAS 70 Type II audit to attest to the design and operating effectiveness of our internal controls. AlpInvest also holds a licence from the Dutch Authority for the Financial Markets pursuant to clause 2:96 Act on Financial Supervision ('Wet op het financieel toezicht').

AlpInvest is exposed to a range of operational risks that can arise from inadequate or failed systems, processes and people, or from external factors affecting any of these. They include risks around human resources, legal and regulatory issues, tax, information technology system failures, business disruption and internal control weaknesses. All staff are required to undertake probity checks and sign the company compliance manual, including the code of conduct.

Operational risk management across the entire organization is underpinned by clearly defined roles, segregation of duties, delegated authorities and monitoring at all levels. AlpInvest relies on a number of third-party service providers to support our operations, including information technology, insurance and pensions. We work with reputable firms and have relevant service level contracts with a number of these parties.

LEGAL, TAX AND REGULATORY RISKS

AlpInvest is required to comply with legal, regulatory and other external requirements, as well as contractual agreements. Our in-house team of senior legal and tax professionals provides advice, reviews and negotiates documentation and helps us meet our regulatory obligations. An external law firm monitors and updates AlpInvest on relevant legal and regulatory developments.

POLICIES

Conflicts of interest

Conflicts of interest can arise but we have internal conflict management policies and guidelines in place to reduce these instances and address such conflicts that do arise in a way that protects and deals fairly with the interests of all those involved.

Valuation standards

For our direct and co-investments (equity and mezzanine), we determine fair value based on the International Private Equity and Venture Capital Guidelines (September 2009, endorsed by the European Venture Capital Association). Determination of fair value involves a significant degree of management judgment and takes into consideration the specific nature, facts and circumstances of each investment, including, but not limited to, the price at which the investment was acquired, current and projected operating performance, trading values on public exchanges for comparable securities, and financing terms currently available.

For investments in private equity funds, we use the valuations provided to us by the general partners, in conjunction with our own mechanisms, including initial due diligence and ongoing portfolio management. Due to the time lag in the statements provided by the general partners versus the timing of AlpInvest's financial reporting, fair market value is extracted from the most recent information available from the general partners before the end of the calendar year. This is typically September 30 so it is adjusted for actual cash flows from the date of the reported valuations to the financial statement date. As valuations depend to some extent on stock market conditions, AlpInvest closely monitors public equity market developments during the last quarter of the year and assesses whether, in the event of tangible movements, any valuation adjustment is required.

REMUNERATION

Remuneration at AlpInvest is long term, multi layered and performance oriented. It is designed to incentivise Partners and other employees to deliver to the best of their ability and keep them committed to the firm. In this way, we endeavour to align our employees' interests with those of our investors.

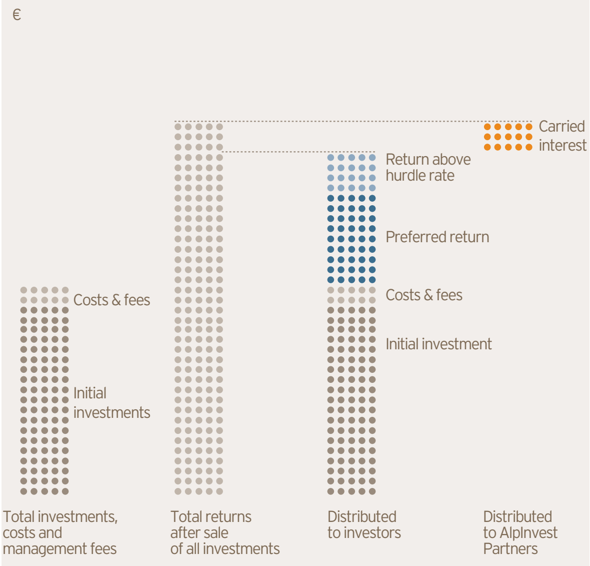
One of the most distinctive ways in which private equity differs from other asset classes is the explicit alignment of interest between general partners, limited partners and management teams. At AlpInvest, we have chosen to emulate this approach to remuneration because we believe it is the most effective way to retain and motivate key staff, ensuring they stay focused on delivering value to our investors. Our remuneration includes bonuses, deferred compensation and carried interest.

We are keen to remunerate professional and support staff fairly, appropriately and objectively. We use an independent remuneration consultancy, appointed by the Supervisory Board, to help us structure bonuses and deferred compensation schemes and we set specific targets together at the beginning of the year. Most of our deferred compensation pays out after three years.

Our carried interest is calculated according to mainstream private equity practice. Specifically designed as an additional form of motivation, carried interest is only paid after our shareholders have received both principal and a preferred return on their original investments. All costs and management fees, including salaries and bonuses, have to be repaid as well. And once all expenses have been covered and investment returns have exceeded a certain level – the so-called hurdle rate – additional returns are shared between AlpInvest and our shareholders. The way in which this capital is distributed is pre-defined and pre-agreed with our shareholders on each mandate. Frequently, carried interest does not become payable until seven to nine years after a mandate commences, so it promotes long-term alignment between AlpInvest and our shareholders. Our remuneration structure also encourages our senior people to remain with the firm, which is important given the long-term nature of private equity investment.

In line with our stated strategy of aligning pay to performance, remuneration was significantly lower in 2009 than in previous years. This reflects the economic downturn and its impact on our investment results during this period.

DISTRIBUTION OF RETURNS



WHAT IS PRIVATE EQUITY?

The private equity industry is best known for making equity investments in privately held companies that are not listed on a stock exchange. Investments are long term by nature and the businesses acquired often have significant potential for growth. The most common types of investment are: buyouts, where an investor acquires a controlling stake in an existing company from its current owners; venture capital, where new capital flows into a start-up; and growth capital, which helps expand or restructure operations.

Private equity firms strive to deliver above-average growth in their portfolio companies. Experience, focus and capital create an environment where positive returns can be generated. After several years, typically between three and seven, the private equity manager sells the company, usually at a premium to the purchase price. The company can be sold through an exit on a stock exchange, known as an IPO, through a trade sale to a corporation or to another private equity investor.

Private equity firms raise money for their investments through funds, typically structured as limited partnerships. A group company of the private equity firm acts as the general partner, or GP, and capital is raised primarily from institutional investors, such as pension funds, banks and insurance companies. These investors, known as limited partners, or LPs, are not actively involved in managing the funds, but they regularly assess the quality of investments and have an important consultative or supervisory role.

One of private equity's distinguishing characteristics is the alignment of interest that flows through the entire value chain, from LP to GP to portfolio company management. GPs are remunerated via a periodic management fee and a share in the profits earned by the fund. This is called carried interest and typically involves up to 20% of the profits of the fund. In most cases, carried interest becomes payable only after the limited partners have achieved repayment of their original investment plus a defined return hurdle rate so remuneration is linked to out performance. Company management teams normally invest in the company too and have clear performance-linked incentives. Thus, management is encouraged to deliver above-average growth, GPs are focused on making that happen and LPs are rewarded for providing the necessary capital.

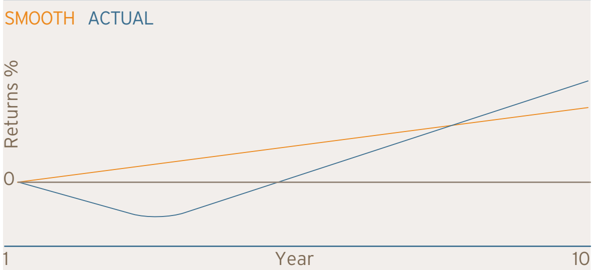
Over the past five decades, private equity has become a global asset class, with billions of dollars under management. But in recent years, the industry has been criticized on a number of levels, ranging from lack of disclosure to overly aggressive use of leverage. During the economic crisis, however, private equity firms have fared better than expected and, in many cases, default rates have been lower than in the public markets. A global survey published by the World Economic Forum concluded that private equity tends to have a positive impact on employment, management and productivity compared with other ownership structures. (Reference: Globalization of Alternative Investments, Working Papers Volume 1: 'The Global Economic Impact of Private Equity Report 2008' and Volume 2: 'The Global Economic Impact of Private Equity Report 2009'.)

J-CURVE

The J-curve in private equity is used to illustrate the historical tendency of private equity funds to deliver negative returns in early years and investment gains in the later years. Initially, investment returns are negative because management fees are drawn from committed capital and under performing investments are identified and written down at an early stage. In later years, as companies are sold, ideally for more than the purchase price, cash starts to flow to the limited partners.

Private equity measures returns, using a mechanism called the internal rate of return, or IRR. This calculates underlying returns, taking into account money invested, money returned and unrealized investments. After three to five years, the interim IRR should provide a meaningful guide to the ultimate returns to be expected from a specific fund, although the period is generally longer for early-stage funds. For the AlpInvest mandates, where capital is committed over periods of three years, the IRR becomes meaningful approximately five years after the start of the mandate.

J-CURVE
SMOOTH VERSUS ACTUAL RETURNS



GLOSSARY

Advisory board	A committee of limited partners within an individual private equity fund that is delegated by the GP to give clearance and guidance on, among other things, situations involving a possible conflict of interest.
Carried interest	A share of the profits realized by a private equity fund that are allocated to general partners of the fund. Carried interest typically becomes payable once the limited partners have achieved repayment of their original investment in the fund plus a defined minimum return (the 'hurdle rate').
Commitment	Commitments received by AlpInvest refer to the amount of capital that our investors through their mandates have pledged to AlpInvest to invest on their behalf. Commitments made by AlpInvest refer to the amount of capital we have pledged as a limited partner to a private equity fund and/or portfolio company.
Deal flow	The number of potential investment opportunities available.
Due diligence	Investigation and analytical process that precedes a decision to invest in a company or commit to a private equity fund. The purpose is to determine the attractiveness, risks and issues regarding a potential transaction.
Exit	Liquidation of holdings by a private equity fund. Among the various methods of exiting an investment are: trade sale, sale by public offering (including IPO) and sale to another private equity firm.
Follow on investments	Additional capital invested in a portfolio company which has already received funding from AlpInvest.
General Partner (GP)	These are the private equity firms that select investments, structure deals, monitor investments and design the appropriate exit strategies on behalf of the limited partners.
Internal rate of return (IRR)	Measurement of return – the discount rate that causes the net present value of all cash flows to equal zero.
Investments	The total amount of drawndown capital which has actually been invested in companies (either directly or through a fund).
Limited partner (LP)	An investor in a limited partnership.
Limited partnership	The legal structure used by most private equity funds. The partnership consists of a general partner, who manages a fund, and limited partners, who invest money but have limited liability and are not involved with the day-to-day management of the fund.
Management fee	Fee received by general partners from the limited partners to cover the costs of operating the fund.
Mandate	Contractual agreement given by our investors to AlpInvest to manage a specified amount of capital (commitment) for a defined period of time on their behalf.
Portfolio company	The underlying company or entity into which a private equity fund invests.
Realizations	Money returned to AlpInvest including interest, dividends and proceeds from the exit of underlying portfolio companies.
Sponsors	Refers to general partners of private equity funds.
Strategic buyers	Industrial investors/companies.
Terms and conditions	The financial and management conditions under which limited partnerships are structured.
Vintage year	Can be either the formation year of a private equity fund and/or the year of the first investment.

Statement of disclosure

This is AlpInvest's second Annual Review and its purpose is to increase the understanding of AlpInvest Partners N.V. and to improve communication with our stakeholders.

The Walker Guidelines, as published by the British Private Equity and Venture Capital Association (BVCA), are one of the prominent initiatives on increased disclosure and it is our intention to follow these guidelines as a basis for our report.

We are advocates of transparency and believe the private equity industry will benefit from more open communication with all stakeholders. We have tried to be as open as possible in this Annual Review. However, some areas remain subject to legal confidentiality clauses between AlpInvest Partners, our investors, or the parties we invest in and invest with. Some types of information could also be commercially sensitive. As a result, we are not able to publicly disclose all of the information we provide to our client investors.

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