

NORTH AMERICAN MID-MARKET FIRM OF THE YEAR

1. **New Mountain Capital**
2. Riverside Company
3. Friedman Fleischer & Lowe

According to CalPERS public filings, **New Mountain Capital's** first \$770 million fund, raised in 2000, boasts an annual compound IRR of 28.2 percent through June 30, 2004. Small wonder, then, that fundraising for the middle-market firm's second fund, closed in December, had to be capped at \$1.55 billion, though the fund could have raised up to three times that amount, according to placement agent CSFB. The five-year old New Mountain is led by ex-Forstmann Little partner Steven Klinsky. It often invests in companies without the inclusion of debt. Thus far, New Mountain hasn't had a loser in its portfolio – its first major score was an almost 5x return on a \$115 million investment in Strayer Education. The firm has also doubled its value in National Medical Health Card Systems, in which it sunk \$80 million back in March. Will New Mountain's boon continue through 2005? Many reckon that this is one mountain whose peak has yet to be seen.