

Private Equity Investors Confident in Latin American Investments **43% of private equity investors active in Latin America will look to increase their allocations to the region over the longer term.**

Preqin's survey of over 40 global private equity investors with an interest in Latin America shows that investors continue to look to invest in the region, despite fundraising levels decreasing significantly to 22 funds raising a total of \$5.1bn in 2012, from the 41 funds targeting the region that closed in 2011 on an aggregate \$15.2bn. Preqin Special Report: Latin America reveals that 28% of investors with existing exposure to or an interest in investing in Latin America will be increasing their private equity allocations to the region over the next 12 months, and 61% will be maintaining their current allocations in 2013.

Other Key Facts:

- 38% of investors stated that they will be committing to a Latin America-focused fund in 2013, and 7% will look to make a commitment in 2014.
- 59% of Latin America investors view Brazil as presenting the best investment opportunities within Latin America. However, investors are increasingly looking to diversify their investments, with 52% of investors stating that Colombia presented the best investment opportunities, followed by Mexico (41%) and Peru (17%).
- Brazil represented 43% of the aggregate capital raised by all Latin America-focused funds in 2012.
- Venture capital deal flow in Latin America increased significantly in 2012, with a 70% increase in the number and a 143% increase in the aggregate value of venture capital deals compared to 2011. However, the number of buyout deals completed in Latin America remained at 59 for both 2011 and 2012, and the aggregate value of buyout deals decreased slightly from \$3.1bn to \$3bn over the same time period.
- Brazil has accounted for 57% of the number and 82% of the aggregate value of private equity-backed buyout deals in Latin America from 2008 to 2012. Mexico attracted the second highest number of buyout deals over this time period (18%), but only accounted for 4% of the total value of private equity-backed buyout deals.
- Deal flow in Latin America may increase in the next 12 months as December 2012 saw the amount of uncalled capital available for investment (dry powder) reach an all-time high of \$35bn for Latin America-focused funds.

For more information, please see the full report:

http://www.preqin.com/docs/reports/Preqin_Special_Report_Latin_America.pdf

Comment:

"The aggregate capital raised by Latin America-focused private equity funds closed in 2012 was significantly lower than the amount raised in 2011, and fundraising will likely remain challenging for fund managers looking to raise capital for vehicles targeting the region. It is important to note, though, that 43% of investors with a current or prior interest in Latin American private equity investment that were interviewed by Preqin in January 2013 are intending to increase their allocations to the region in the long term.

Our research has also shown that, although Brazil remains the most prominent destination for Latin America-focused private equity investment, other countries in the region, such as Colombia and Mexico, are also attracting a significant amount of investor interest. Recent fundraising trends, however, suggest many still choose to gain exposure to these countries via funds with a pan-regional rather than country-specific focus."

Helen Kenyon, Senior Manager, Preqin

For more information, please see the full report:

http://www.preqin.com/docs/reports/Preqin_Special_Report_Latin_America.pdf

Note to Editors:

- Preqin is spelled without the letter 'U' after the 'Q', the company name being an amalgamation of the former name, Private Equity Intelligence.

About Preqin:

Preqin is the leading source of information for the alternative assets industry, providing data and analysis via online databases, publications and bespoke data requests.

Preqin has built a reputation in the alternative assets industry for providing the most comprehensive and extensive information possible. Leading alternative assets professionals from around the world rely on Preqin's services daily, and its data and statistics are regularly quoted by the financial press. For more information, please visit: www.preqin.com

For general press information, please contact: Helen Kenyon +44 (0)20 7645 8880 or press@preqin.com