

Private Equity Outperforms Listed Markets following Crisis S&P 500 Index shows greater initial decline than PrEQIn Index from start of downturn

Private equity returns have fared better than their listed counterparts both before and since the onset of the financial crisis, according to analysis carried out by Preqin. The PrEQIn Index, available through the Preqin Investor Network – the free dedicated platform for private equity investors, shows that returns from private equity investments fell by less than those from listed investments in the immediate aftermath of the crisis, and have since recovered more quickly.

The PrEQIn Index shows that all private equity strategies, with the exception of venture capital, have outperformed the S&P 500 since 31st December 2000. However, there is significant variation in the performance of the best and worst private equity fund managers. This, coupled with more than 1,830 funds currently seeking investor commitments, means that the vital fund selection decisions investors need to make are more challenging than ever.

The **Preqin Investor Network** is a new tool to help LPs through the investment process, containing information on new funds open for investment, managers' prior track records, and industry-leading research on the latest trends in the private equity market.

The PrEQIn Index also reveals:

- The PrEQIn All Private Equity Index (rebased to 100 as of 31st December 2000) stands at 198.5 as of Q3 2011, while the S&P 500 stands at 105.1 as of Q3.
- The Index demonstrates that manager selection is imperative for investors; the performance of best and worst private equity funds varies considerably. The PrEQIn Top Quartile Index shows large quarterly increases up until the financial crisis, and begins to move up again during 2009, continuing its steep increase to 509.5 as of Q3 2011.
- The Bottom Quartile Index, meanwhile, peaked at 80.7 in Q4 2007 before enduring quarterly decreases as a result of the crisis, and has remained relatively flat since, standing at 49.1 as of Q3 2011.
- Distressed private equity funds have performed the best out of all private equity strategies, and the PrEQIn Distressed Private Equity Index stands at 322.1 as of September 2011.

Comment:

"Preqin has created the first ever index covering the entire private equity industry in order to help investors with their asset allocation decisions, comparing private equity to other asset classes on a like-for-like basis. The PrEQIn Index, available through the Preqin Investor Network – the new dedicated private equity research platform specifically designed for investors – demonstrates how private equity as an asset class has outperformed listed equities. The Index, rebased to 100 at 31st December 2000, had almost doubled by 30th September 2011 to 198.5, while the S&P 500 had reached 105.1.

More than this, Preqin Investor Network lets investors see details for all new funds on the road, plus details of the managers' track records, so they can see all the available investment opportunities, and pick the ones that are best for them."

Mark O'Hare – CEO, Preqin

About Preqin Investor Network:

Preqin Investor Network is a continually updated online resource that is entirely free to access for accredited investors. Drawing on Preqin's industry-leading premium research, it provides up-to-date intelligence on: fund managers' track records, including performance data for firms currently in market; benchmarking tools, industry horizon IRRs and the PrEQIn Index; and constantly updated intelligence regarding private equity funds currently on the road.

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

Note to Editors:

Preqin is spelled without the letter 'U' after the 'Q'.

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