

Private Equity Proves Popular Despite Market Turmoil

23% of investors believe private equity has become more attractive in light of recent volatility in financial markets

A further 64% of investors do not view private equity any differently as a result of the current financial climate and 14% find it less attractive, Preqin research has found.

Many investors feel that private equity has become increasingly attractive as public markets have become more volatile, with some identifying opportunities in times of economic distress and others planning to look to emerging markets for new investments.

More than three-quarters, 76%, of a sample of 300 investors interviewed in October and November 2011 plan to make new fund commitments over the coming 12 months, while 92% expect to maintain or increase their allocations over the longer term, further illustrating their confidence in the asset class. Just 8% intend to decrease their exposure to private equity over the next three to five years.

To view the full report, please see:

http://www.preqin.com/docs/newsletters/PE/Preqin_Private_Equity_Spotlight_November_2011.pdf

Comment:

The global financial crisis undoubtedly prompted many LPs to re-evaluate their private equity strategies. Many have become more cautious and selective when choosing fund managers to invest with. However, despite recent volatility in the wider financial markets, investors generally remain positive about the private equity asset class, and many believe that there are good investment opportunities ahead.

While investor appetite is there, the crowded fundraising market means that investors are well positioned to be selective about the funds they choose to commit to, so the challenge remains for fund managers to market their funds in the best possible way and to ensure that they target the right investors if they are to enjoy success in this competitive market.

Emma Dineen, Manager – Private Equity Investor Data

Note to Editors:

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

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.

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