

Investors Set to Grow Alternative Assets Investment Teams

28% of institutional investors expect to increase the size of their alternative assets investment teams within the next two years, while none expect these teams to decrease

Preqin's latest survey of institutional investors globally that are active in alternative assets indicates that these institutions are growing increasingly proactive with their alternative asset portfolios. Almost a third (30%) of investors have grown their investment teams sourcing private equity, hedge fund, real estate and infrastructure opportunities over the past two years, and a similar proportion expect them to grow over the next two years.

As alternative assets become an ever more important part of investor portfolios – over 35% of investors in each of the four main alternative asset classes plan to increase their allocations over the longer term – investors need sizeable teams to identify and monitor alternative assets investments.

Other Key Investor Outlook Facts:

- Only 4% of investors surveyed have decreased the size of their alternative assets investment team over the past year, with 66% having made no changes.
- 41% of private equity investors use an internal investment team to source new investment opportunities. This compares to 27% of hedge fund investors, 25% of real estate investors and 14% of infrastructure investors.
- At least a third of investors in each individual alternative asset class feel positively about the respective asset classes at present, with private equity investors most positive (51%).
- Hedge fund investors are least satisfied with their investments over the past 12 months, with 27% feeling their hedge fund investments have fallen short of expectations.
- A third of real estate investors feel their investments have exceeded expectations, with 14% of infrastructure investors, 12% of private equity investors and 9% of hedge fund investors feeling the same.

For more information and analysis, please see the full report below:

<https://www.preqin.com/docs/reports/Preqin-Investor-Outlook-Alternative-Assets-H2-2014.pdf>

Comment:

“Institutional investors around the world are generally very positive about their investments in alternative assets at the moment. Although hedge funds have not had the best start to 2014 in terms of returns, all four main alternative asset classes are generating solid performance figures over longer investment horizons, and as a result investors are mostly satisfied with their portfolios.

Many investors have indicated to Preqin in our most recent survey that they intend to increase their allocations to alternative assets and make greater level of commitments over the next year. As a result, many investors have recently grown their dedicated investment team to source new opportunities, and a number also intend to grow their teams over the next few years.”

Andrew Moylan, Head of Real Assets Products

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.
- The findings in this press release and Preqin Investor Outlook: Alternative Assets, H2 2014 are based on Preqin's survey of over 380 investors in alternative assets throughout June, July and August 2014. By investor location, 47% of these investors were based in North America, 29% in Europe, 18% in Asia and 6% in Rest of World. When broken down by investor type, 20% were public pension funds, 13% private sector pension funds, 12% foundations, 11% insurance companies, 10% endowment plans, 7% fund of funds managers, 6% asset managers, 4% family offices, 4% banks and investment banks and the remaining 14% fell into other institutional investor categories.

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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

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