

## One Year PE Returns down by -27.6%; Dry Powder Still High at \$1,079bn Worldwide

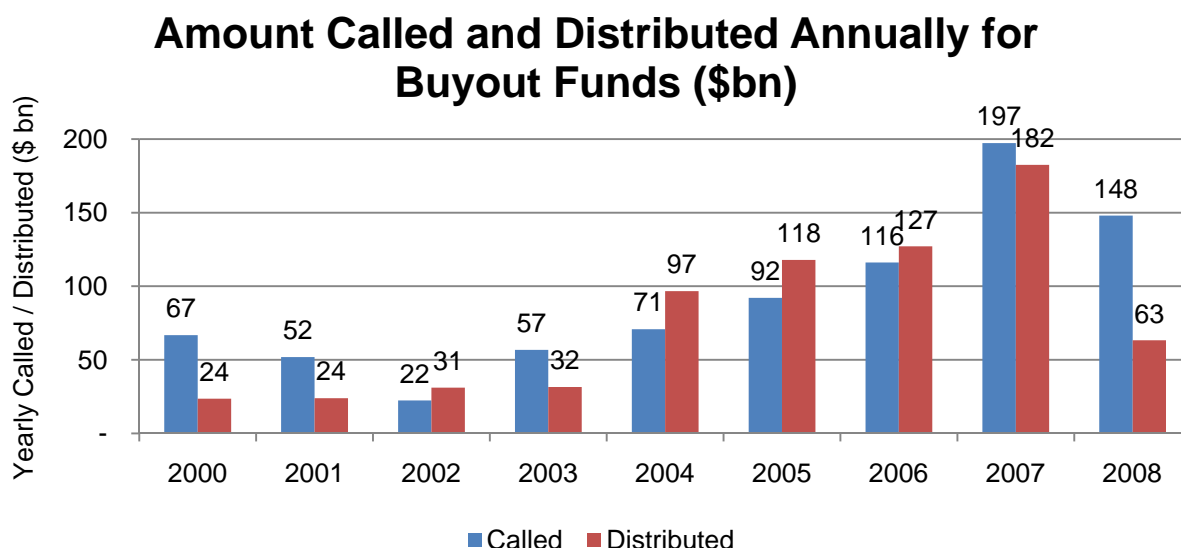
### Preqin Now Offering Free Access to PE Benchmarks Service

#### Overall Returns:

Preqin's latest figures indicate the full toll that the global economic downturn has taken on private equity returns. Overall returns for the industry are down by -27.6% for one year performance compared to this point one year ago.

#### Contributions Outweigh Distributions by 235% - Adding to Denominator Effect

For buyout funds, contributions outweighed distributions by 235% for 2008, and saw the highest imbalance ever in terms of value, with buyout funds calling up a total of \$148bn, while only distributing \$63bn. This sees a significant change from as recently as 2006, when distributions were exceeding contributions. This is a major contributing factor to the denominator effect, with many investors currently having significantly more capital sitting in existing investments than originally anticipated.



#### Dry Powder Remains High

Despite the slowdown in fundraising, dry powder for the industry has remained high as a result of a slowdown in call-ups from fund managers. Private equity firms are sitting on significant firepower and will be able to deploy large amounts of capital as soon as investment conditions improve. Specific dry powder by region and fund type can be seen in the table below:

### Dry Powder - All Private Equity Funds by Type and Region (\$bn)

	Buyout	Distressed Private Equity	Mezzanine	Real Estate	Venture	Other	Total
US	274.7	37.1	30.8	100.3	81.7	84.3	<b>608.9</b>
Europe	175.6	7.5	6.9	44.3	27.5	24.5	<b>286.3</b>
ROW	56.8	5.0	2.8	49.5	43.8	25.5	<b>183.4</b>
<b>Global</b>	<b>507.1</b>	<b>49.6</b>	<b>40.5</b>	<b>194.1</b>	<b>153.0</b>	<b>134.2</b>	<b>1,078.5</b>

## **Preqin Offers Free Access to PE Benchmarks Service**

The data referenced in this press release has been calculated using Preqin's online products: Performance Benchmarks and Performance Analyst.

Preqin is the private equity industry's leading source of private equity performance data, currently holding net to LP data for a total of 4,808 funds of all types on a global scale. In terms of value the database accounts for 70% of all private equity funds ever raised. Preqin sources data directly from both fund managers and also investors, meaning that we are able to utilize multiple sources to check for accuracy, and ensure that we gain data for all private equity funds, and not just those that fund managers want us to know about. As a result the benchmarks we produce are accurate and representative, and are relied upon by thousands of private equity professionals on a daily basis.

We are now offering everyone in the industry (including journalists) the opportunity to gain free access to our powerful benchmarks, and download our informative benchmark reports (available on the product after registering). If you would like to subscribe, please visit: [www.preqin.com/benchmarks](http://www.preqin.com/benchmarks)

### **Comment on Performance and Preqin's Free Benchmarks:**

"Private equity has certainly been affected by the current crisis, but to a lesser extent than listed equity. Compared to public indices, private equity is still generating better returns. As of December 31, 2008, the one-year returns for the Standard & Poor's 500, MSCI Europe and MSCI Emerging Markets were -37.0% , -46.4% and -53.2% respectively, compared with -27.6% for private equity. Horizon IRRs for private equity are also beating these public indices over the three- and five-year periods. This confirms that private equity is one of the most rewarding asset classes available to investors. December 31<sup>st</sup> 2008 represented a low point for the private equity industry, but early data from March 2009 already confirms that the industry is already recovering.

Preqin has always strived to bring increased transparency and understanding to the private equity asset class, and was the first company to provide net to investor performance metrics on a fund specific level. We are proud to now be offering free comprehensive and transparent performance benchmarks to private equity professionals. Preqin's benchmarks are the perfect tools to assess fund performance and understand the current performance trends. Our high level of performance coverage enables us to produce the most meaningful benchmarking and comparative tools available in the industry."

- Etienne Paresys, Head of Performance and GP Data

### **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](http://www.preqin.com)

### **Note to Editors:**

- Please note that Preqin has completely replaced Private Equity Intelligence as the official company name.
- Preqin is spelled without the letter 'U' after the 'Q'.

For more information, please contact:

Etienne Paresys on +44 (0)20 7065 5140 or [eparesys@preqin.com](mailto:eparesys@preqin.com)

For general press enquiries, please contact: Tim Friedman on +44(0)20 7065 5180 or [tfriedman@preqin.com](mailto:tfriedman@preqin.com)