



Press Release  
16<sup>th</sup> March 2022

## 86% of Investors Plan to Invest the Same or More in Private Capital Over Next 12 Months

Across private capital 90% of LPs globally said performance had met or exceeded expectations

Today [Preqin](#), the global leader in alternative assets data, tools, and insights, has published its [H1 Investor Outlook for 2022](#). The exclusive survey hears from more than 350 LPs, interviewed in November 2021, investing across alternative assets — breaking down investor sentiment in the following categories: ESG, private equity, venture capital, private debt, hedge funds, real estate, infrastructure, and natural resources.

### Performance and allocation outlook remains positive

Across private capital, an average of 90% of LPs globally said performance had met or exceeded expectations, compared with 72% of hedge fund investors. While competition for assets, valuations, and rising interest rates top the list of investor concerns, more than a third (35%) plan to invest more in private capital over the next 12 months, with a further 51% expecting to invest the same amount, and just 14% planning to invest less.

Preqin first provided its *Investor Outlook* in 2008, and since then, has kept its finger on the pulse of what investors are thinking throughout the alternatives industry. In 2022, investors have come through the pandemic more committed than ever to their alternatives programs. Institutional investors value the diversification, high absolute, and risk-adjusted returns they get from their allocations to alternatives and these benefits have, historically at least, persisted during times of crisis, including both the Global Financial Crisis and COVID-19.

### ESG commitments plateau

Nearly three quarters (72%) of investors believe fund managers are adopting ESG policies because of pressure from existing and prospective LPs, in line with previous years. However, there was a notable increase in the proportion of LPs seeing political pressure as a driver, which climbed from seventh most important factor to third. Crucially, investors do not see ESG as having a negative impact on performance, with 55% saying an ESG focus has no impact. The 23% who see an ESG focus as positive on returns is marginally higher than the 22% who see a negative impact.

In this year's survey, at least 30% of fund managers across all alternatives asset classes have an active ESG policy. Private equity leads the pack, at 43%, followed by private debt and infrastructure, at 39%. Hedge funds (30%) trail the field for the second successive year.

**David Lowery, Senior Vice President, Head of Research Insights at Preqin says:** *"Despite the uncertainty around us, investors, managers, and advisors continue to look for opportunities in the rapidly growing and evolving alternative assets industry. The pandemic that defined the past two years has proven a catalyst for taking a closer look at the value of human and natural capital — climate change and broader ESG concerns are no longer a niche but the norm."*

#ENDS#

Note to editors: please get in touch with [mariella.reason@preqin.com](mailto:mariella.reason@preqin.com) if you would like to receive the full report with asset class breakdowns for: private equity, venture capital, private debt, hedge funds, real estate, infrastructure, natural resources, and ESG.

### About Preqin

Preqin is the Home of Alternatives™, the foremost provider of data, analysis, and insights to the alternatives industry. The company has pioneered rigorous methods of collecting private data for almost 20 years, enabling more than 170,000+ global professionals to streamline how they raise capital, source deals and investments, understand performance, and stay informed. Through close partnerships with its clients, Preqin continuously builds innovative tools and mines new intelligence, helping them to make better decisions every day. For more information visit [www.preqin.com](http://www.preqin.com).

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Commented [JP1]: How is this one worked out?

Commented [MR2R1]: in the second paragraph: (35%) plan to invest more in private capital over the next 12 months, with a further 51% expecting to invest the same amount, 35+51 = 86

Commented [JP3R1]: These are fine, I've just seen its only for private capital!

Commented [JP4]: Same for this one - how was it calculated. I'm getting a different figure when I average it across the asset class, unless it is assigned different proportions

Commented [MR5R4]: I got this from the foreword, not sure how it was calculated

Commented [JP6R4]: These are fine, I've just seen its only for private capital!