

Asia-focused Private Equity Real Estate Funds Outperform European and North American Counterparts

71% of funds generating above median returns according to Preqin Global Benchmark

Research conducted for the latest edition of Preqin's Real Estate Spotlight publication reveals that the performance of Asia and Rest of World-focused private equity real estate funds has been excellent, with close to half of all the funds that Preqin holds data for that focus on this area (53) appearing in the top 25% of all funds worldwide for their respective vintage years.

Private Equity Real Estate in Asia:

- 46% of Asian-focused private equity real estate funds appear within the top quartile according to the Preqin Global Performance Benchmarks
- Just 8% of such funds are in the bottom quartile
- The Asian private equity real estate market was not immune to the impact of the financial crisis however, and the region's share of the total funds raised globally declined from 19.4% in 2008 to 10.6% and 8.8% in 2009 and 2010 to date respectively.
- There was a significant decline in the amount of capital committed to funds in the region by foreign investors in 2009; 25% of capital raised was committed by such investors, compared to 48% in 2008. However, this figure has since risen again, with the proportion of commitments made by foreign investors during 2010 to date standing at 55%.
- The proportion of funds raised by foreign managers declined in 2009, from 47% in 2008 to 25%. The figure remains the same in 2010 to date with increasing numbers of domestic managers raising funds.
- The fundraising downturn is unlikely to last, with 45% of respondents to the latest Preqin survey stating an interest in Asia and Rest of World-focused vehicles.
- There are currently 49 new Asia-focused PERE vehicles on the road, seeking an aggregate \$17.8 billion, 13.2% of the global aggregate target.

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Comment:

"Despite the recent dip in capital raised for Asia-focused funds, these vehicles have performed in a more consistent manner than their North American and European equivalents. If this trend continues once the property markets recover, then investors will quickly recognize the benefits of committing to Asian funds.

The increasing experience being gained by domestic fund managers, as well the increased sophistication of institutional investors in the region, indicates that Asian funds can begin to command an even more prominent position within the global fundraising market. This, combined with the renewed enthusiasm of foreign managers and investors for the region, means a growing supply of capital can be expected to enter the Asian fund industry in the near future." **Andrew Moylan, Manager of Real Estate 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.

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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'.

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