

2015 Set for Even Higher Levels of Private Equity Investment Following Strongest Year since Crisis

55% of private equity firms surveyed by Preqin at the end of 2014 stated they would deploy greater levels of capital in 2015, although 39% suggested it is more difficult to find attractive investments

2014 was the strongest year of private equity investments since the global financial crisis, yet the majority of private equity fund managers are looking to invest more this year. Preqin spoke to 260 firms* worldwide in November last year, and 55% claimed they would be investing a higher amount of capital in 2015 compared to last year. A further 35% of managers suggested they would be investing a similar amount as last year. Although very welcoming to the industry, particularly for those companies seeking financing from private equity sources in 2015, many managers are also expressing concerns about how difficult it is finding attractive investment opportunities in the current market.

Other Private Equity Fund Manager Facts & Views on 2015:

- **2014 Investment Levels:** Through 2014, private equity firms invested \$332bn in buyout deals and \$86bn in venture capital investments. Managers worldwide currently have **over \$1.1tn available in dry powder** (uncalled capital commitments) for private equity investments.
- **Biggest Challenges:** **Fundraising was named as the biggest challenge** facing private equity fund managers this year, stated by 37% of respondents. This was followed by valuations for potential investments, named by 32% of firms.
- **New Fundraisings:** Over a quarter (26%) of respondents were currently in the market with a new fundraise. A further 37% of managers were planning on **launching a new vehicle in 2015**, and another 12% planning a new fund for 2016. Over 2,200 funds are currently being marketed by private equity fund managers.
- **Investor Appetite:** 57% of private equity firms said they had seen an **increase in investor appetite** for private equity over the past year, with only 12% saying they had seen a decrease.
- **Regulation Impact:** Only 16% of respondents indicated they felt **regulation would have a positive impact** on the industry in 2015. This compares to 45% who stated it will change for the worse.

The full results and analysis from Preqin's latest fund manager survey can be found in the 2015 Global Private Equity & Venture Capital Report
To request a complimentary press copy, please email press@preqin.com

Comment:

"The results of Preqin's latest discussions with private equity fund managers worldwide paint a varied picture. On the one hand, off the back of a strong fundraising year and high levels of dry powder, managers are looking to put a lot more capital to work. This is welcome news to the industry, both for companies that receive this capital and those concerned about the level of capital overhang.

A concern of many managers, however, is the availability of attractive investment opportunities. The competition among managers for the best assets, as well as buoyant prices following a strong year for portfolio company exits, is driving up price levels. This is making it more difficult for managers to find a solid pipeline of deals, which could impact returns and, in turn, affect investor appetite."

Christopher Elvin – Head of Private Equity Products, Preqin

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

**Preqin's November 2014 survey of 260 private equity fund managers was composed of 29% buyout firms, 26% growth firms, 21% venture capital firms, 6% fund of funds managers, 5% mezzanine firms, 4% distressed private equity firms and 9% other strategies. In terms of location, 41% were headquartered in Europe, 32% in North America, 13% in Asia and 12% in other regions.*

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.

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