

For immediate release

84% of Family Offices Satisfied with Private Equity Investments; 69% Willing to Consider Forming New GP Relationships

Family offices represent a vital source of capital for the private equity industry, especially for those managers with smaller and mid-sized vehicles. The attributes of family offices differ significantly from other institutions, with family offices having more flexibility and fewer restrictions than investors such as pension funds and insurance companies when committing. Their requirements also differ, with many family offices keen to form close ties with their fund managers.

In order to ascertain exactly how family offices feel towards the private equity market, we conducted a survey of 34 institutions from across the world.

Key findings of the research include:

- Family offices are set to become an increasingly important group of investors to fund managers, particularly as more than two-thirds (69%) will consider forging new relationships with GPs in 2010.
- GPs need to be aware of how the needs of family offices differ from those of other investor groups. More than a quarter (27%) require a closer, more personal, relationship with GPs.
- The track record of a GP is extremely important to family offices: 82% of respondents said this was a key quality they look for in fund managers.
- 84% of family offices are satisfied with the fund terms and conditions they are offered in comparison to just 43% of institutional investors overall, showing that GPs are generally successful at meeting the needs of family offices in this area.
- Of those family offices that want changes to be made to the fund terms and conditions they are offered, 59% felt management fee alignment needed improvement.
- Family offices are generally satisfied with the performance of their private equity portfolios, and are more satisfied than other institutional investors. 19% of family offices feel their private equity investments have exceeded their expectations compared to just 7% of all institutional investor types surveyed by Preqin in December 2009. A further 65% of family offices feel their private equity investments have met their expectations.

To access the full report, please visit: www.preqin.com/familyofficesurvey

Comment:

"Family offices represent a vitally important source of capital for the private equity industry – especially for the mid and smaller sized fund managers. They show a good deal of flexibility and opportunism with regards to making new investments when compared with other investor types which are bound by stricter rules governing investments.

We expect that family offices will grow in importance over the course of the next few years, and we are already seeing an increased number of requests for information on this generally reclusive set of investors from our clients on the road seeking capital for new vehicles." **Helen Kenyon, 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.

Note to editors: Please note that Preqin has now entirely replaced Private Equity Intelligence as the company name. Preqin requests that any attributions be made to 'Preqin', which is an 'alternative assets research and consultancy group'.

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