This report is an excerpt from: **Preqin Quarterly: Private Equity, Q3 2012**. To download the full report please visit: https://www.preqin.com/docs/quarterly/PE/Private_Equity_Quarterly_Q3_2012.pdf

Dry Powder

Following the financial crisis in 2008, the levels of dry powder across the private equity industry have declined. In December 2008, the amount of dry powder stood at $1,069bn but has since fallen to $954bn as of September 2012, as Fig. 46 shows, representing an 11% decrease from December 2008 levels.

When analyzing dry powder by private equity fund type, it is buyout fund dry powder that has undergone the largest proportional decrease, having fallen by 25% in the same period, from $488bn in December 2008 to $366bn in September 2012.

Despite the overall downward trend over the period, distressed private equity and growth have both shown increases in their dry powder levels. Growth funds are sitting on dry powder of $60bn as of September 2012, 41% more than they were in December 2008, while distressed private equity funds have $66bn, 19% more than in December 2008.

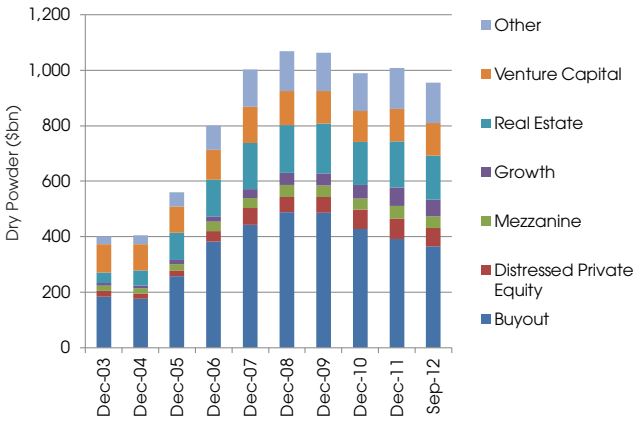
Fig. 47 shows the split of dry powder by the primary geographic focus of the funds. Between December 2008 and September 2012, the amounts of uncalled capital available to primarily Europe- and North America-focused funds decreased by 16% and 15% respectively. Contrastingly, Asia and Rest of World-focused funds saw an increase in dry powder levels of 12%.

Fig. 48 examines the amount of capital invested by and dry powder available to buyout funds with vintages between 2007 and 2011. The median investment period for buyout funds is five years, so funds with a vintage of 2007 or 2008 will be approaching the end of their investment periods within the next two years. As of September 2012, the amounts of capital available to be deployed by vintage 2007 and 2008 funds stand at $39bn and $57bn respectively. Funds with later vintages are still earlier in their investment cycles, and so they have invested less capital. This can be seen with the vintage 2010 and 2011 funds, which have invested $20bn and $22bn respectively.

Preqin's Fund Manager Profiles online service features detailed profiles of private equity GPs and information regarding capital held in reserve. Want to break out historical dry powder data by fund type or target geography? The dry powder held by a specific manager? We can help. For more information, please visit:

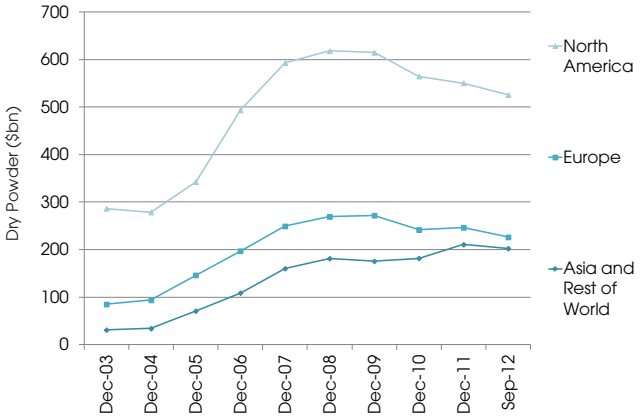
www.preqin.com/fmp

Fig. 46: Private Equity Dry Powder by Fund Type, 2003 - September 2012



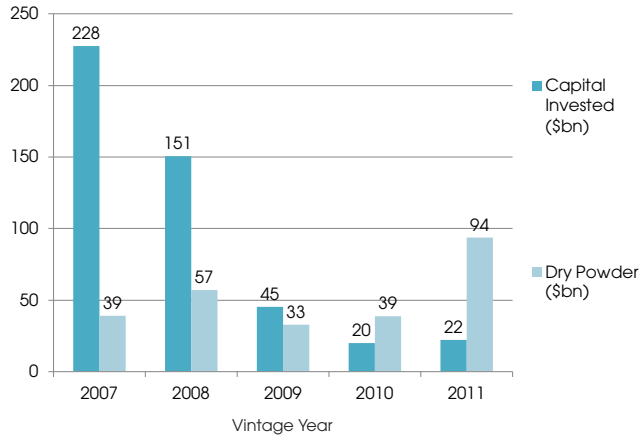
Source: Preqin Fund Manager Profiles

Fig. 47: Private Equity Dry Powder by Primary Regional Focus, 2003 - September 2012



Source: Preqin Fund Manager Profiles

Fig. 48: Buyout Funds - Capital Invested and Dry Powder Remaining by Vintage Year as of September 2012



Source: Preqin Performance Analyst

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