

European LPs seek to increase allocations to private equity, survey finds

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European institutional investors are looking to increase their allocations to private equity from the current average level of 1.1 per cent to 3.2 per cent of their total portfolio within five years, according to a survey carried out by Mackewicz & Partners on behalf of Adveq, LGT Capital Partners and Ergo Equity Partners. This would potentially result in an increase of capital for private equity investing of E130bn.

The majority of this capital is likely to remain in Europe and to flow into the buy-out segment, the survey revealed. It would also mean that competition among LPs for access to the top tier funds would increase significantly.

'The economic significance of private equity as the engine of our economy is set to increase,' said Bruno Raschle, managing director and founder of the Adveq Group. 'At the same time, the private equity industry is undergoing radical change. Only the best providers will be in a position to benefit from the first upturn since the bursting of the big bubble at the end of the 90s.'

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