LPX AG
Florastrasse 17 - CH 8008 Zürich
+41 (0)44 382 90 20
info@lpx-group.com - www.lpx-group.com

Cheap entry into Private Equity investments: Listed Private Equity firms are trading at significant discounts

Many listed investment companies are currently trading at valuations below the value of their holdings. The average discount on the net asset value at the end of September is around seven percent. For comparison: Before the financial crisis, the investment companies traded for years at premiums on the book value of more than 20 percent. This is the result of a study by LPX AG, a provider of indices and research for listed alternative investments.

"Due to the discounts, investors can currently invest at a reduced rate in investment companies and thus in a diversified portfolio of Private Equity investments," explains Michel Degosciu, founder and CEO of LPX AG. Moreover, transactions concluded in the past have shown that the book values reported by the companies are realistic. "Private Equity companies are traditionally conservative. Exits above book value are the rule rather than the exception. "

The largest discounts are observed by Private Equity firms from Europe (around 11%) and the United Kingdom (around 14%). In the US, the discounts are on average only about four percent significantly leaner. Comparing the different categories of investors, the discounts for mezzanine lenders are particularly low (about 1 percent). Discounts are particularly large among Private Equity funds of funds (about 16 percent).

"Especially in Europe, we still see substantial discounts that are fundamentally unjustified. Investors can therefore currently buy relatively cheap assets through Listed Private Equity companies, "says Degosciu. For example, he refers to real estate stocks, some of which are valued at premiums of 20 percent or more.

LPX AG's analysis includes all 120 listed investment companies worldwide that have qualified for inclusion in the index universe of LPX indices based on criteria such as market capitalization, liquidity and others.

Contact details:

Sebastian Müller
ASSET – Agentur für Finanzkommunikation
Tel: +49 (0)163 7 83 43 97
Mail: mueller@asset-communication.de

Michel Degosciu
LPX AG
Tel: +41 (0)44 382 9022
Mail: md@lpx-group.com
www.lpx-group.com