

LPX AG LAUNCHES INAUGURAL BAROMETER TRACKING THE LISTED PRIVATE EQUITY UNIVERSE

- *The total market capitalisation of Listed Private Equity has increased nearly five-fold over the past decade*
- *Listed Private Equity outperformed the FTSE Global All Cap Index, returning 350% (vs 220%) over the same period*

London, 8 June 2022: LPX AG, a market-leading alternatives research and index provider, has launched its inaugural Listed Private Equity Barometer, designed to provide detailed data-led insight into the global listed private equity market. Published on a quarterly basis, it presents a snapshot of valuations, performance attribution, allocation, and ESG metrics. The LPX Listed PE Barometer is informed by the LPX Index Series, which serve as standard benchmarks for the private equity asset class.

Over the past 20 years, the listed private equity market has grown steadily in terms of market capitalisation and number of listings. The total market capitalisation of the liquid listed private equity market amounted to EUR 332.17 billion by end of May 2022.

Private markets have experienced rising interest from investors across the spectrum, including institutions that did not previously invest in private markets and individual investors who had no access. Regulatory tailwinds promise further growth and allocation in private markets over the coming years. Total assets managed by listed fund managers increased strongly from EUR 290 billion in 2010 to over EUR 2 trillion by end of 2021.

Private equity as measured by the LPX50 Index has performed strongly over recent years (64% over the past two years, 68% over three years and 82% over five years, as measured in EUR), outperforming the FTSE Global All Cap Index (which returned 38% over two years, 46% over three years and 63% over the past five years, respectively). Ares Management, Blackstone Group, Oakley Capital Investments and HgCapital Trust were among the top 10 performers in the LPX50 Index over the past 12 months - returning 33%, 32%, 18% and 17%, respectively*.

The market performance of Listed Private Equity as measured by the LPX50 Index, is down by 16% in 2022. However, on a fundamental basis as measured by the NAV Index, Listed Private Equity is up 6%, resulting in an increasing discount which currently amounts to around 22%.

The LPX50 Index includes both sector specialists and generalists, which provides access to a diversified private equity investment portfolio across industry sectors. The past 10 years have witnessed a shift in sectoral allocation: exposure to Financials has decreased from 31% to 22%, whereas exposure to Information Technology has increased from 6% to 15%.

Recent regulatory progress towards objective, traceable and quantifiable ESG reporting standards has also expanded the scope for more comparative insight into companies' impact and performance against benchmarks and peers. Currently, 97% of companies within the LPX50 index are covered by third-party ESG rating agencies such as MSCI, Sustainalytics, S&P and Bloomberg.

Dr Michel Degosciu, Co-Founder and Managing Director of LPX AG, said: "Private equity has experienced strong growth over the past few years, reflecting an increased investor appetite for alternative investments. Private market assets under management have increased significantly and a productive IPO environment has led to the successful close of many private equity deals. Current valuation levels continue to offer attractive investment opportunities in private equity, making it an increasingly valuable asset class to monitor in a periodic and systematic way."

** All figures are updated as of May 2022*

About the LPX Index Series:

The *LPX50 Listed Private Equity Index* is designed to represent the global performance of the 50 most highly capitalised and liquid listed PE companies. The index is diversified across regions, private equity investment styles, financing styles and vintages. All members of the index are structured as 'evergreens' and invest on an ongoing basis, which allows immediate access to a diversified private equity investment portfolio across different vintage years without any associated J-Curve effect.

The *LPX50 NAV Index* reflects the fundamental value creation of global listed PE companies based on the net-asset value (NAV) development of the 50 largest companies, serving as a meaningful barometer for the current valuation environment over time. It allows direct comparison with traditional private equity investments via limited partnerships, and is based on a standardised NAV model, which ensures transparency and comparability.

ENDS

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About LPX AG

LPX AG is a leading research house in the field of Listed Alternatives and offers investment professionals a wide range of services, covering the global listed private equity universe. Having been at the vanguard of alternative asset democratization since 2004, LPX AG offers representative benchmarks for the asset classes Private Equity, Infrastructure and Private Debt. It also offers investment advisory and research data based on in-depth research, to a broad array of financial institutions seeking liquid exposure to alternative asset classes.