The Wall Street Journal: Investors Still Seek Best Metric to Compare Private-Equity and Stock-Market Returns

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Oleg Gredil, associate professor of finance, was interviewed by The Wall Street Journal for a story about public market equivalent (PME) methods for comparing private equity fund returns to public benchmarks. The Securities and Exchange Commission recently introduced rules to increase transparency in private equity funds but didn't require funds to report their performance based on PME measures, in part because, the agency said, those measures can be confusing. Gredil, co-developer of the Direct Alpha PME method, said PME measures aren't more complicated than internal rate of return and the more the public sees the measures, the more they will understand them.

“It’s a wrong idea to fight confusion with lack of disclosure,” Gredil said.

To read the story in its entirety, visit wsj.com:

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