

Investor sentiment in light of covid-19

How we conducted the Covid-19 Study

At a turbulent time for the industry, LP opinions are more important than ever. PEI's *Covid-19 Study* captures investor and fund manager sentiment by gathering insight on how institutions are responding to this market inflection point.

For this 2020 study, PEI's Research & Analytics team surveyed 80 institutional investors with allocations to private equity and 120 fund managers who have raised a private equity fund in excess of \$100 million over the past five years.

Fieldwork was carried out in March 2020. Participation in the study was anonymous, with the findings amalgamated and presented in this special report.

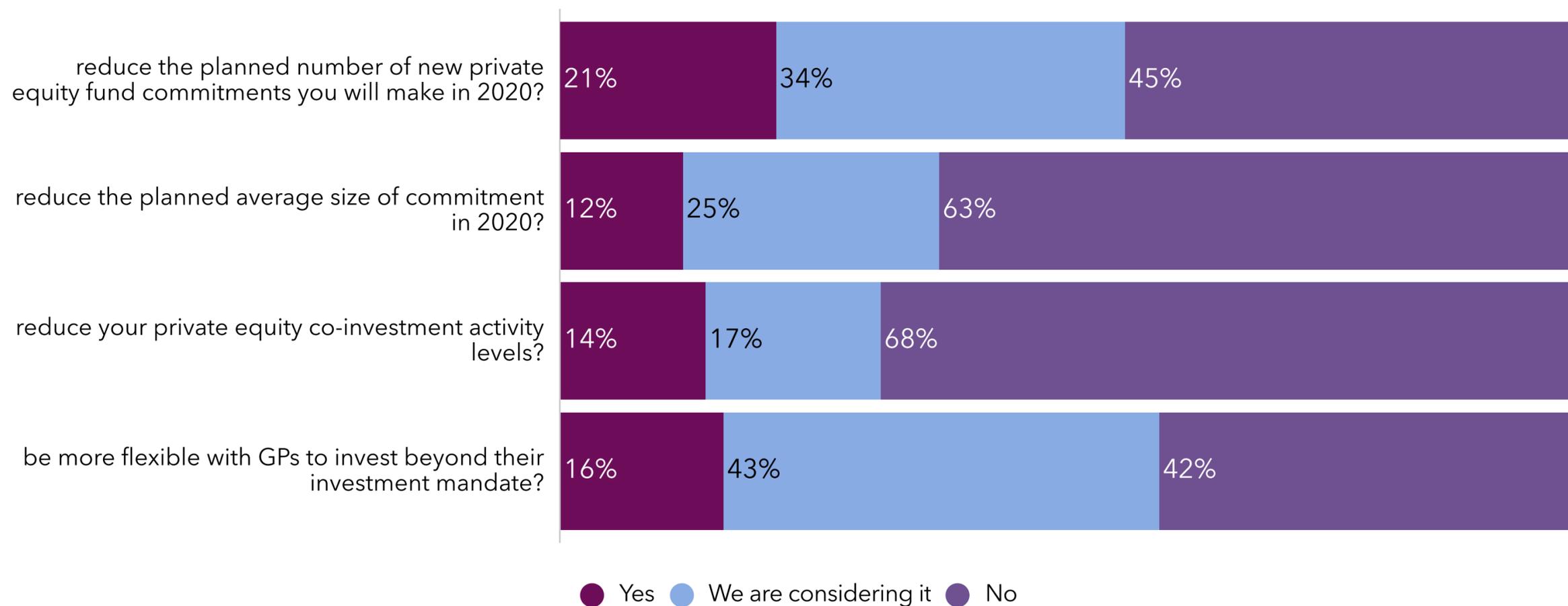
PEI recognises that investors and fund managers may be facing personal and professional challenges given covid-19, and so we appreciate the respondents to this study taking the time to share their thoughts with us.

To support communities that have been affected by covid-19, PEI made a \$5 charitable donation to UNICEF for every response received.

Investors consider changes to their game plan

During these unprecedented times, covid-19 is impacting all businesses. When it comes to investment plans for the remainder of 2020, over half of investors are either considering or planning a reduction in the number of new fund commitments. Twelve percent will also reduce the planned average size of commitments made in 2020.

Directly because of covid-19, will you...



Source: Private Equity International's Covid-19 Study

[Click here](#)

to read about how CalPERS has prepared itself for covid-19



Our balance sheet liquidity is very healthy and remains so for the foreseeable future

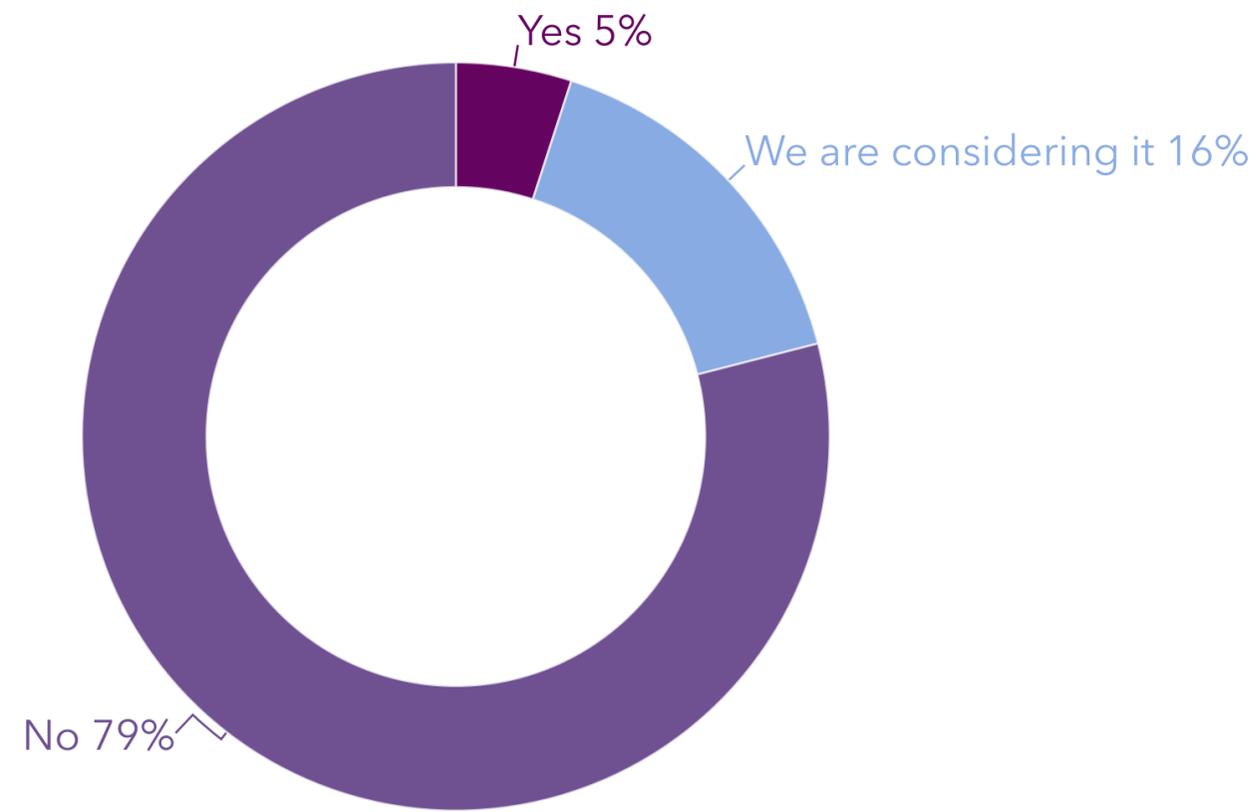
Ben Meng, Chief Investment Officer, CalPERS

Private Equity International

Denominator: Overweight in private equity

According to our [LP Perspectives Study](#), - conducted in late 2019 - 32 percent of limited partners were under their target allocations, while 51 percent were at or above their target allocations. This will have changed dramatically with the drop in value of liquid portfolios. Findings from our covid-19 study show more than one LP in five is either planning or considering being more active as sellers on the secondaries market because of the denominator.

In direct response to the likely denominator effect, will you be more active on the secondaries market as a seller?



Source: Private Equity International's Covid-19 Study

[Click here](#)

to read more on how LPs are bracing for the denominator effect



Some clients will postpone some of these investment decisions, because they want to see how this crisis works

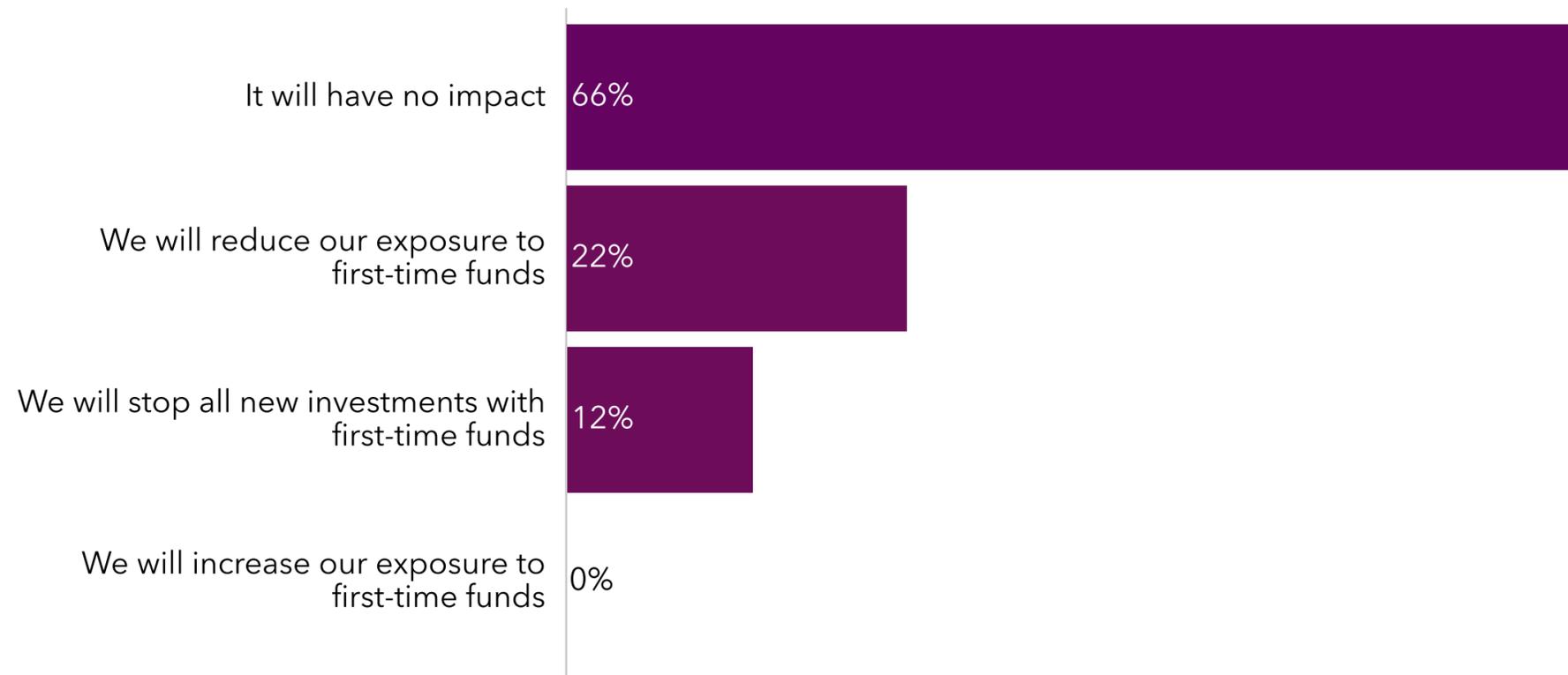
Andrei Frei, Co-Chief Executive of Partners Group

Private Equity International

First time funds face a tougher, longer road

For two-thirds of investors, covid-19 will have no impact on their appetite for investing in first-time funds. One in 10, however, will stop all new investments with first-time funds, while a further fifth of investors will "reduce their exposure" to them.

What impact will covid-19 have on your appetite for investing in first-time/debut managers?



Source: Private Equity International's Covid-19 Study

[Click here](#)

to read more on first-time funds during the time of covid-19



We are frankly saying to GPs which have yet to kick off initial roadshows, 'Look, there's no way of coming out right now'

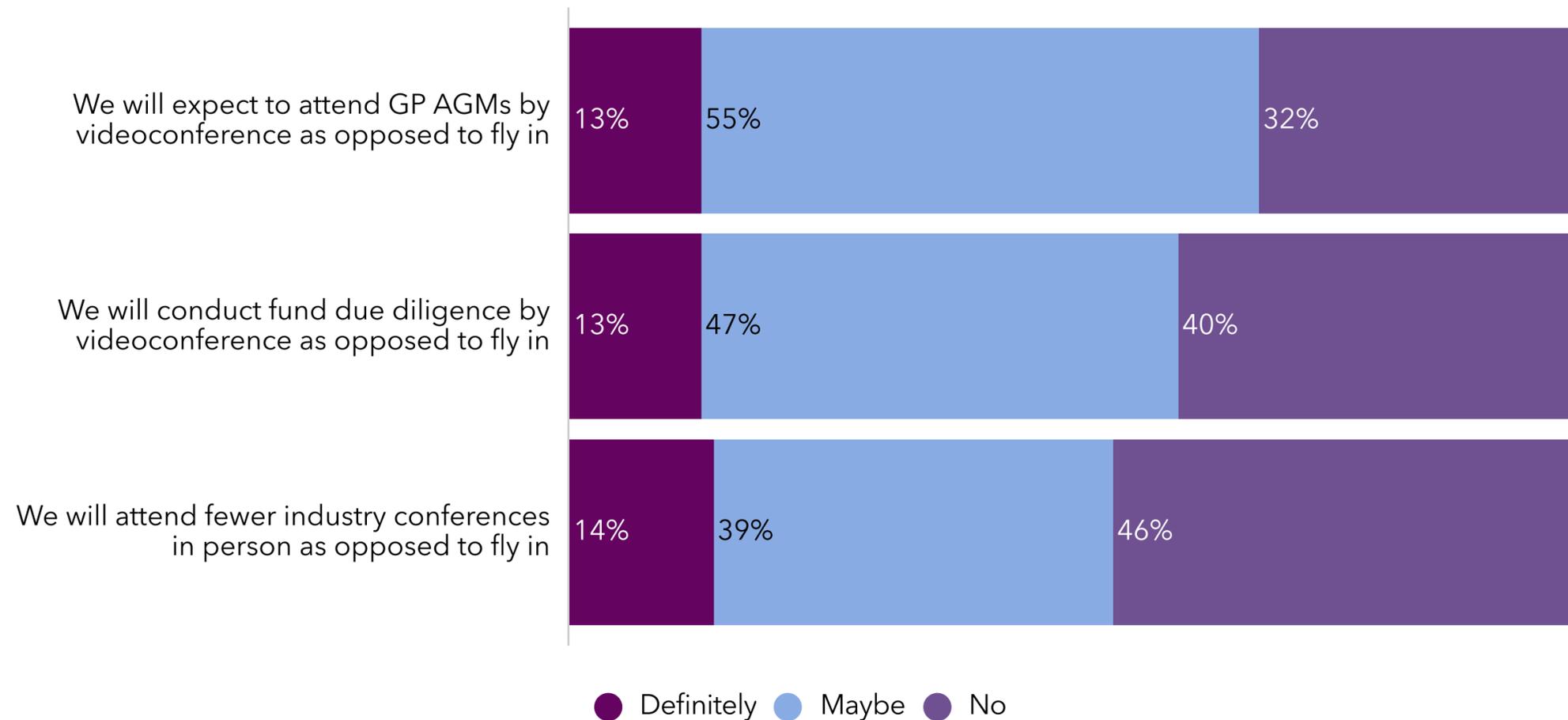
Julian Pearson, Co-Founder of placement firm FirstPoint Equity

Private Equity International

The new normal

The pandemic is affecting investors not only in terms of their portfolio, but also in the way that business is being conducted. Investors have revealed through this study that they expect many components of their role and responsibilities to be carried out through digital communication.

Which of the following do you expect to do once "normal" business life returns?



Source: Private Equity International's Covid-19 Study

[Click here](#)

to stay up-to-date on upcoming PEI conferences

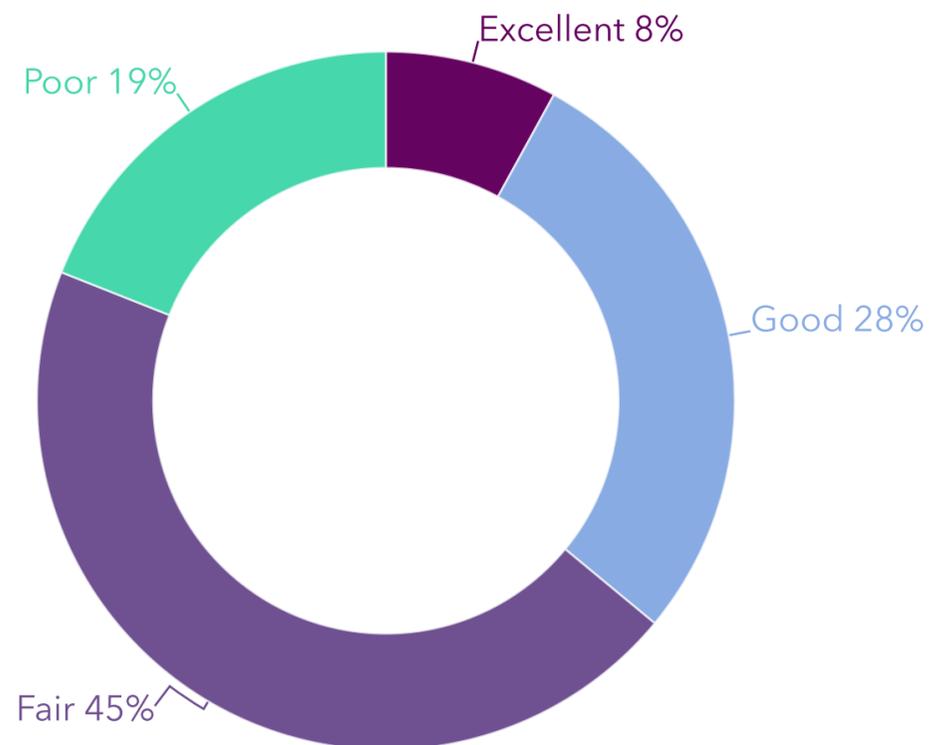


Private Equity International

Seeking clarity in murky times

Almost two-thirds of investors do not feel they have good visibility on the impact of covid-19 on their funds' portfolio companies. When we asked fund managers about their correspondence with investors, 61 percent stated they are being asked by LPs for more frequent reporting of portfolio company revenues in light of covid-19.

What level of visibility do you feel you have on the impact of covid-19 on your PE portfolio performance?



Source: Private Equity International's Covid-19 Study

[Click here](#)

to read more on what LPs are expecting from their GPs in light of covid-19



Detailed analysis would probably take at least a week to put together, by which time it would no longer be accurate.

Sam Robinson, managing partner, North-East Private Equity

Private Equity International



This report was compiled from data collected from *PEI's Covid-19 Study* published in April 2020.

Dan Gunner

Director of Research and Analytics

Private Equity International

dan.g@peimedia.com

+44 207 566 5423

Nicole Douglas

Head of Investor Research

Private Equity International

nicole.d@peimedia.com

+44 203 879 3894