



# Data Download: Highlights from PEI's LP Perspectives Study

Nicole Douglas

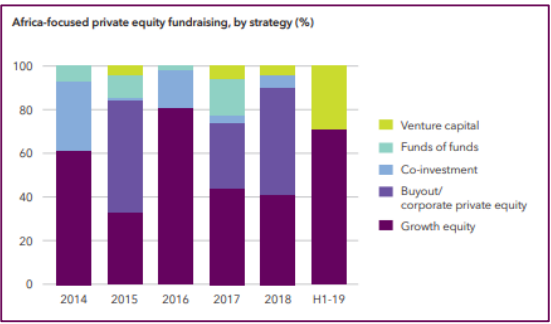
Head of Investor Research, *Private Equity International*

Women in Private Markets, 06 November 2019

[nicole.d@peimedia.com](mailto:nicole.d@peimedia.com)

# PEI's Research & Analytics team

Our Research & Analytics team provides over 4,100 subscribers with granular data on investors, funds managers and stakeholders active in private equity. *Private Equity International* offers unparalleled, actionable intelligence across various products and services:



## Surveys

- Bespoke opportunities for capturing investor sentiment
- Topical findings on fees, co-investment, and performance

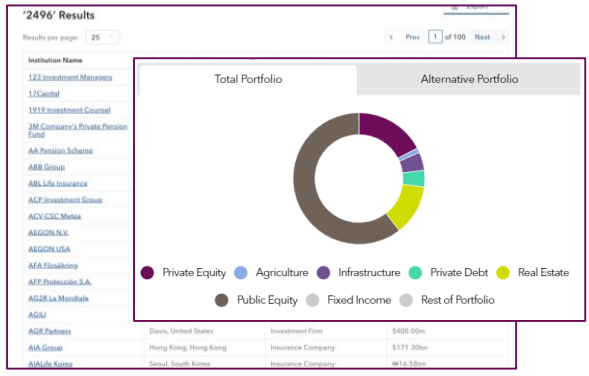
Ranking	Name	Investor	Date	Meeting Type
1	Goldman Sachs	Sawit Semiconductor Manufacturing Company Limited (TSMC)	01-Apr	Q1 Earnings Conference and Conference Call
2	Blackstone	Montana Board of Investments	02-Apr	Board Meeting
3	Lone Star	Santa Barbara County Employees' Retirement System	02-Apr	Board of Investments
4	Ares Mana	San Bernardino County Employees' Retirement Association (SBCERA)	03-Apr	Board of Retirement Meeting
5	HPS Invest	Zurich Insurance Group	03-Apr	Annual General Meeting
6	AXA Invest	Teachers' Retirement System of Louisiana	04-Apr	Board Meeting
7	M&G Invest	Louisiana School Employees' Retirement System	04-Apr	Committees and Board Meetings
8	Apollo Global	Teachers' Retirement System of the City of New York	08-Apr	Investment Committee
9	Oaktree Capital	City of Tucson Supplemental Retirement System	08-Apr	Investment Meeting
10	Intermediate Capital Group	Los Angeles City Employees' Retirement System	09-Apr	Board Meeting
11	Cerberus Capital Management	New Hampshire Retirement System	09-Apr	Board/Investment Committee
12	PGIM Real Estate	Ontario Municipal Employees Retirement System	09-Apr	Board of Trustees

## Rankings

- Benchmark against leading investors and fund managers
- Identify underlying trends and inflection points

## Reports

- Quarterly fundraising reports
- Topical reports on investor sentiment, performance, and market opportunities



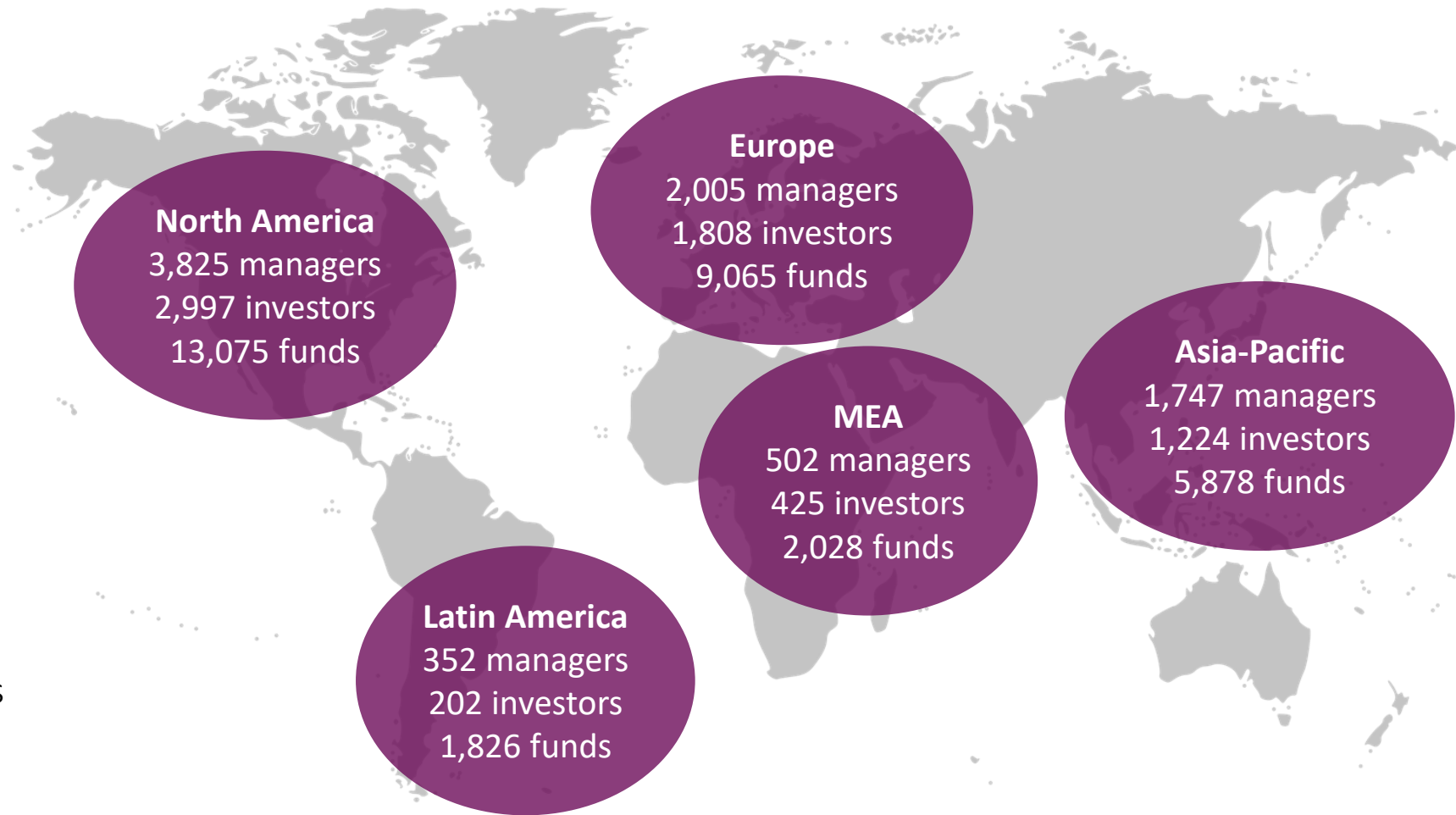
## Database

- Granular insight and bespoke data cuts
- Investor appetite, portfolio, and commitments
- Funds in market, strategies, and targets

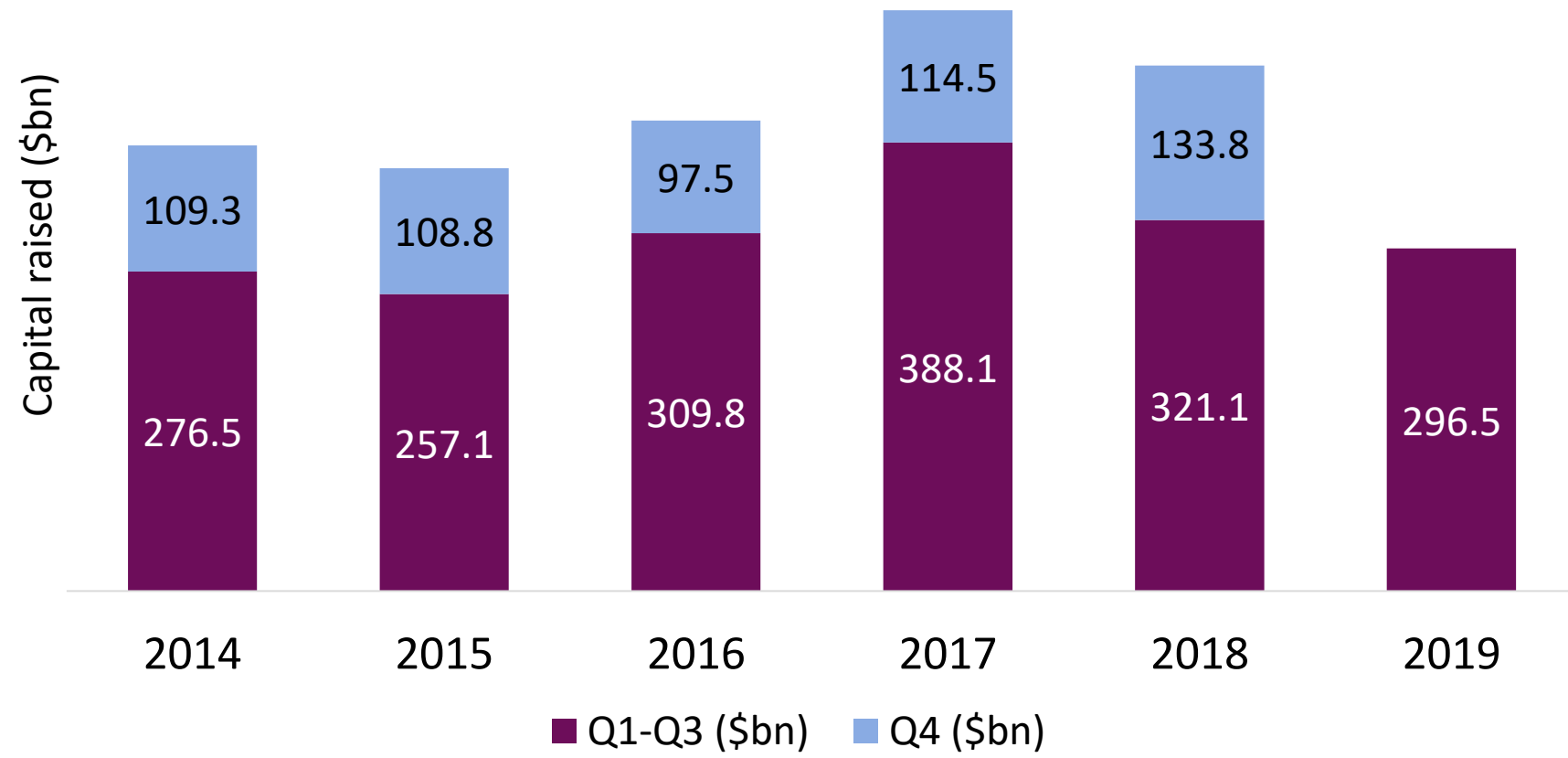
## *Private Equity International Database*

Our deep relationships with investors, fund managers and other industry experts globally allows us to provide thousands of subscribers with granular private equity data:

- Investor appetite (region, strategy, sector), fund commitments, asset allocations, office locations, contacts, bitesize, and complete investment portfolios
- Manager funds in market, strategies, regions, sectors, office locations, and contacts
- Fund sizes, targets, vintages, strategies, regions, and sectors
- Details of investment consultants and placement agents



Fundraising in the first three quarters of the year reached \$296.5 billion, its lowest since 2015



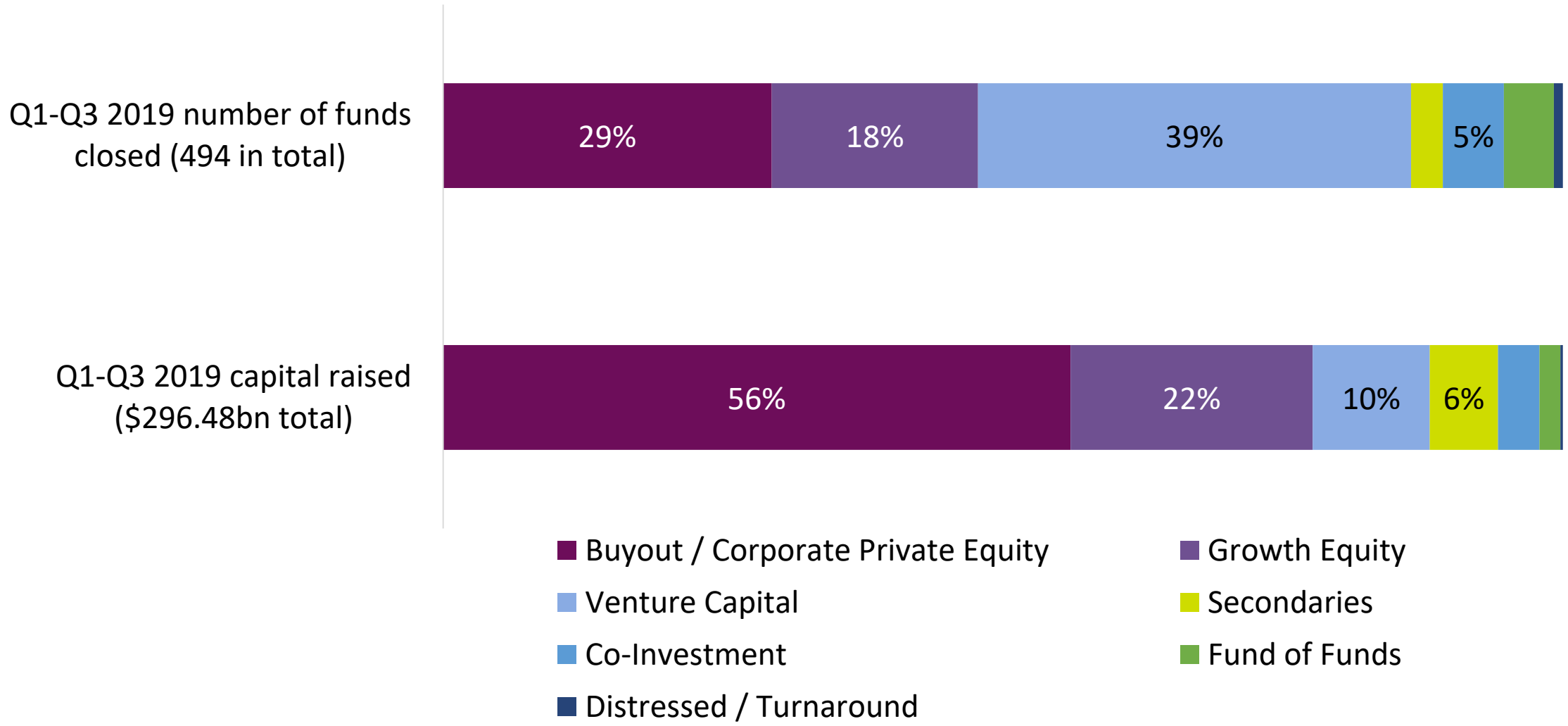
Source: Private Equity International's database

The 10 largest funds in market are targeting \$124.6bn in total, namely with a multi-regional focus

Fund Name	Fund Manager	Amount targeted (\$bn)	Region Focus
Blackstone Capital Partners VIII	Blackstone	25.00	Multi-regional
Yangtze River Delta Collaborative Advantage Fund	Shanghai International Group	13.99	Asia-Pacific
Ardian Secondary Fund VIII (ASF VIII)	Ardian	12.00	Multi-regional
BlackRock Long Term Private Capital	BlackRock	12.00	North America
Lexington Capital Partners IX	Lexington Partners	12.00	Multi-regional
TPG Partners VIII	TPG	11.00	Multi-regional
Permira VII	Permira Advisers	10.93	Multi-regional
Apax X	Apax Partners	10.50	Multi-regional
3G Special Situations Fund V	3G Capital	10.00	North America
Brookfield Capital Partners V	Brookfield Asset Management	9.00	Multi-regional

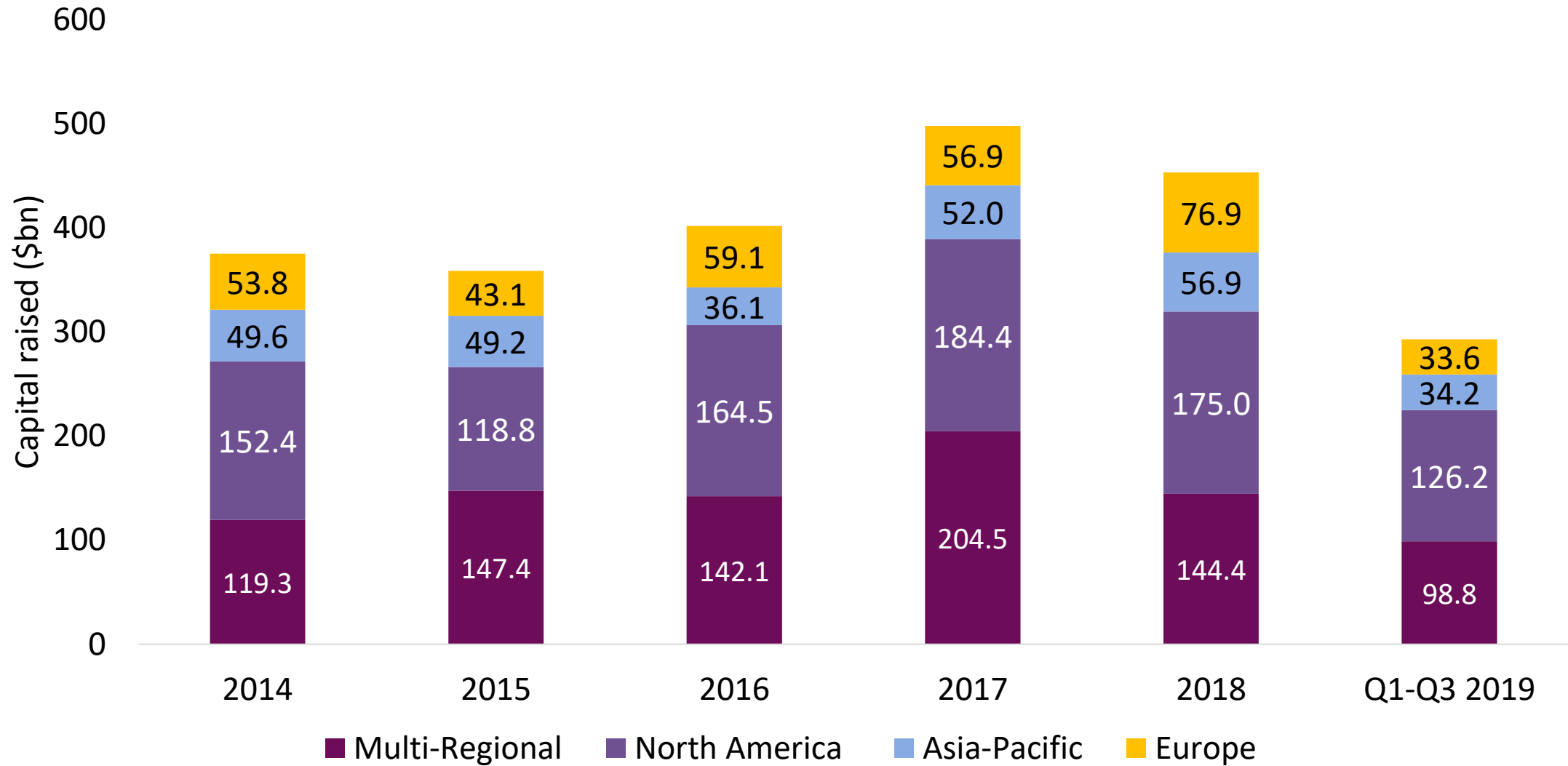
\*BCP VIII raised a record \$26 billion this year, co-founder Stephen Schwarzman wrote in his memoir published in September. It is unclear if the fund has held its final close.

# Buyouts represents over half of total capital raised for 2019 YTD

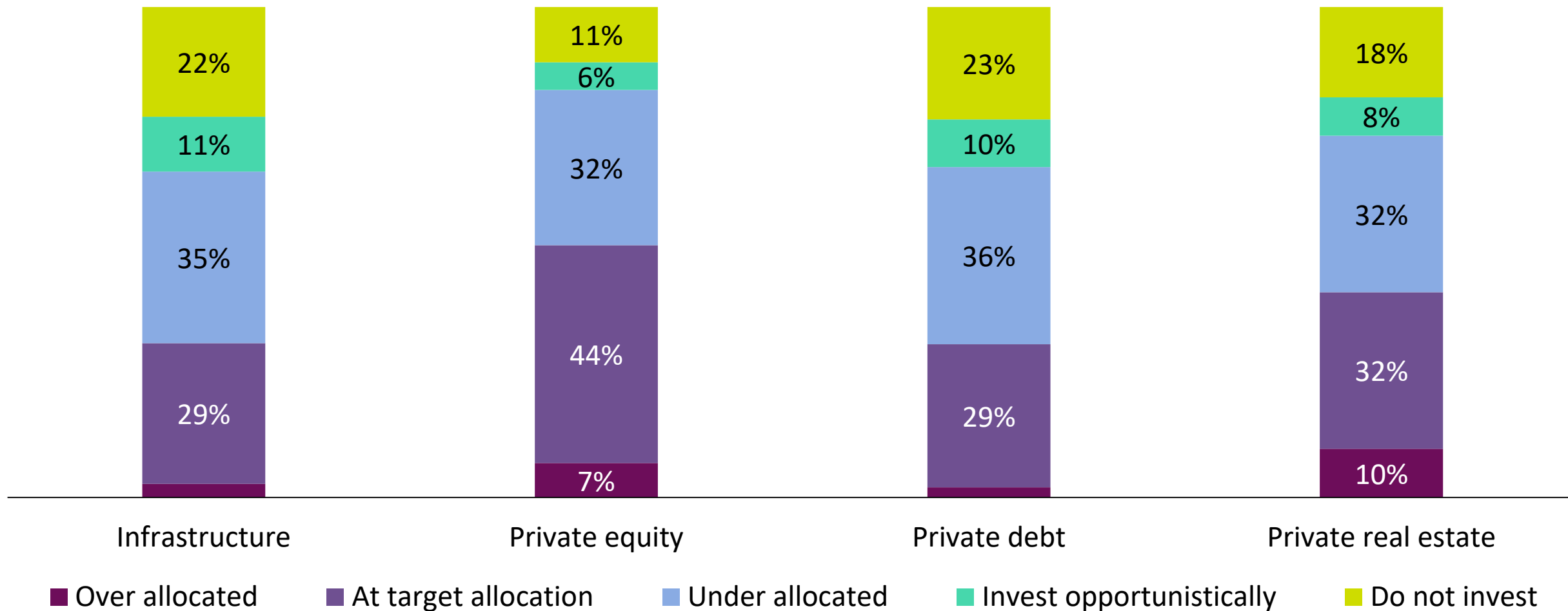


Source: Private Equity International's database

# Regional focus of capital raised (\$bn)



About one third of investors in any given alternative asset class are underweight in their current allocation

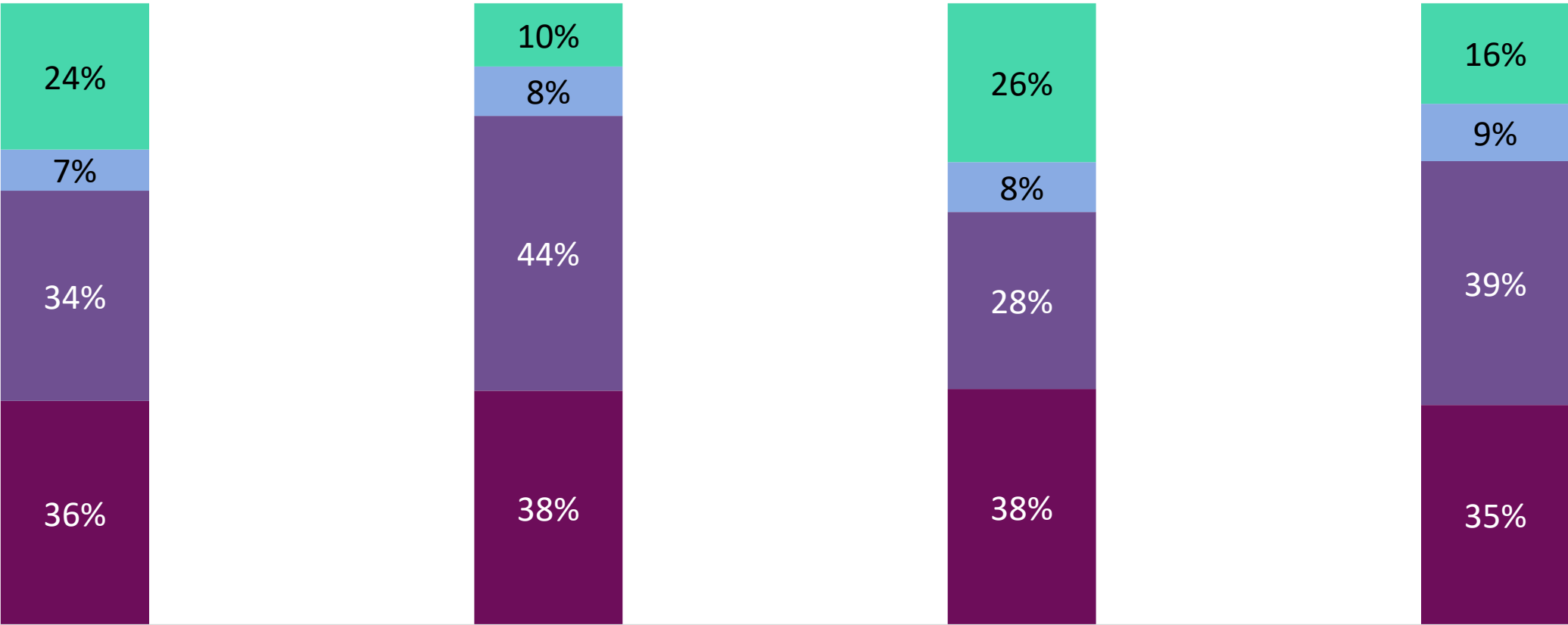


Q: Please indicate your current allocation position for the following asset classes.

Source: Private Equity International's LP Perspectives 2020 study



# Over 80% of investors plan to maintain or increase their investment amount to private equity

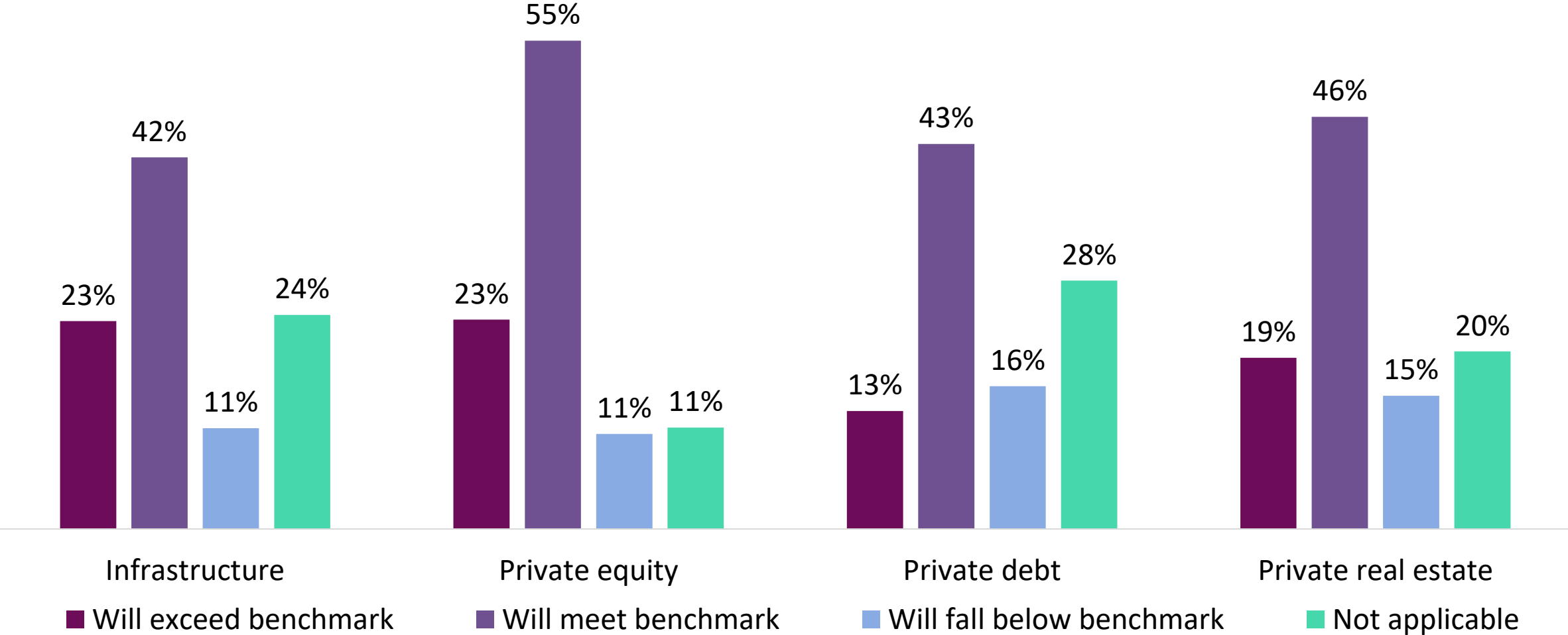


Invest more capital
  Keep investment amount the same
  Invest less capital
  Invest opportunistically

Q: How much capital do you plan to invest in the following asset classes in the next 12 months compared to the previous 12 months?

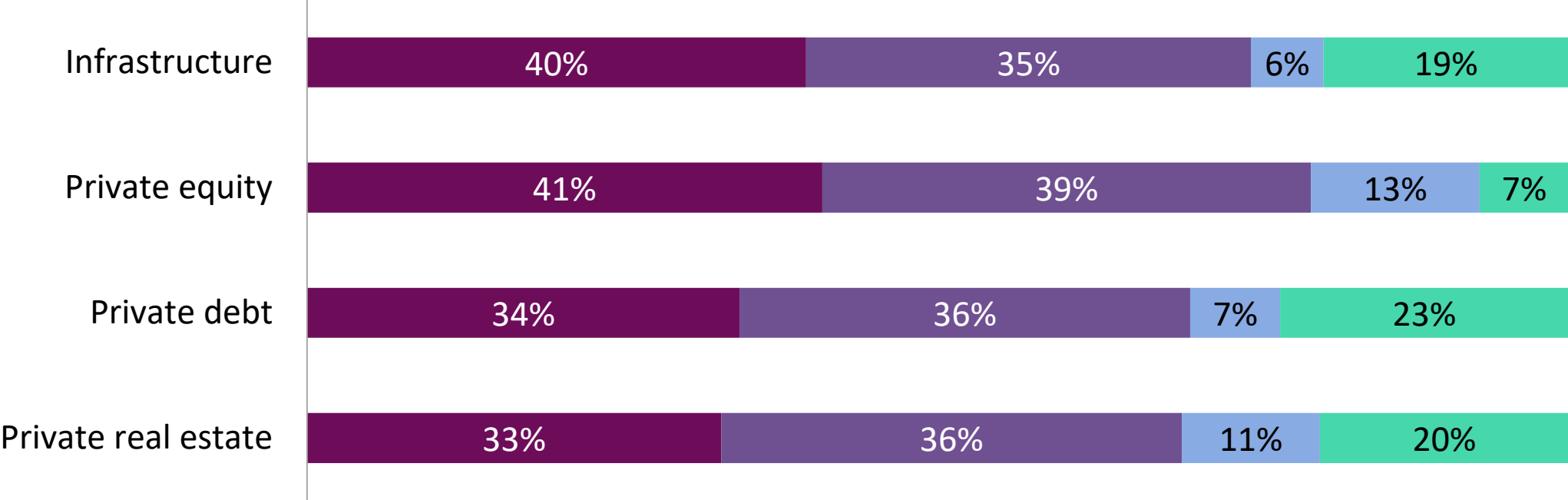
Source: Private Equity International's LP Perspectives 2020 study

# Investors are confident in the performance of their infra and PE investments over the next 12 months



Q: How do you feel asset classes will perform against their benchmark in the next 12 months?  
Source: Private Equity International's LP Perspectives 2020 study

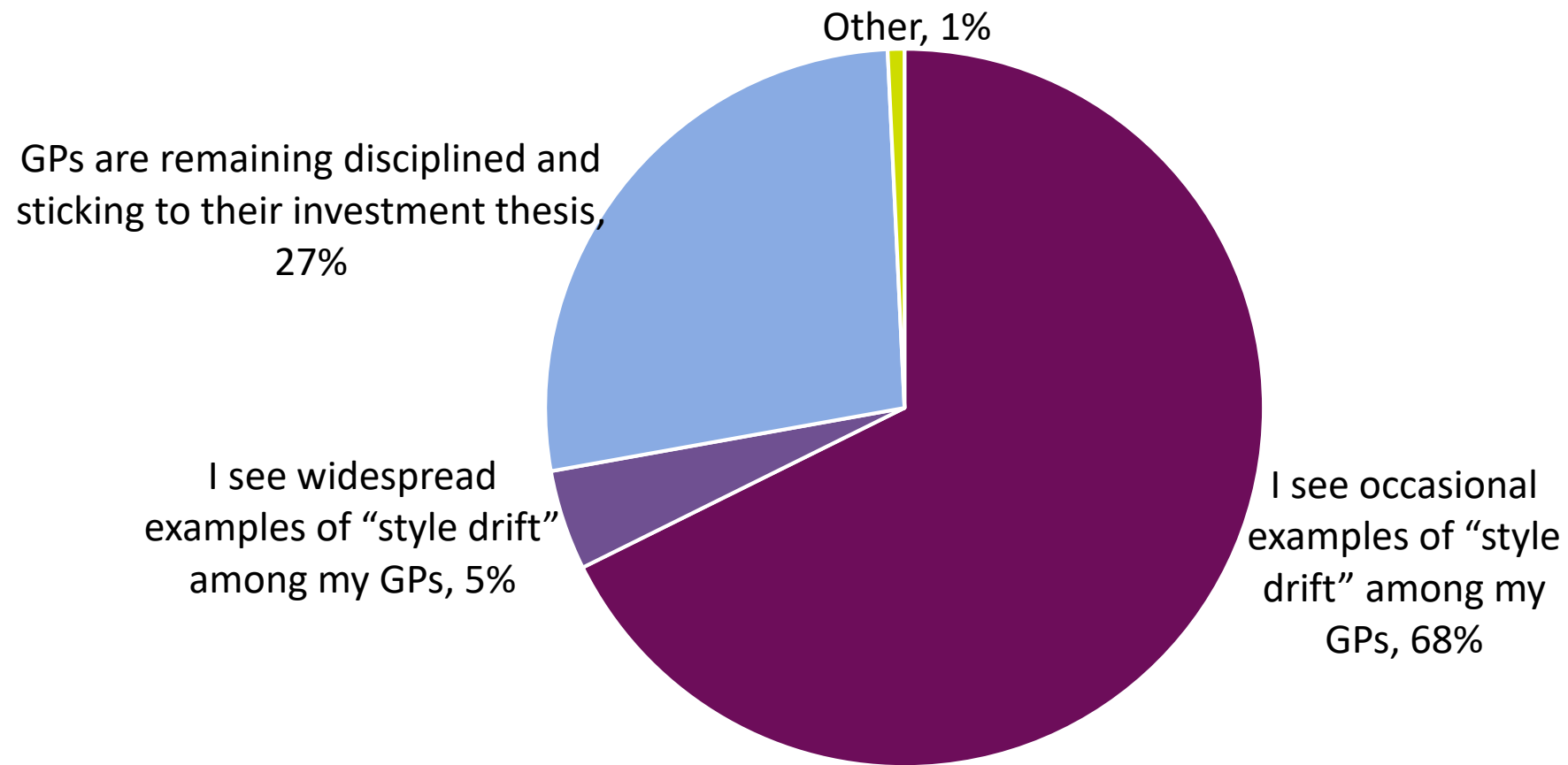
# Investors are most likely to increase their number of GP relationships



■ Increase number of relationships ■ Keep number of relationships the same ■ Decrease number of relationships ■ Unsure

Q: Thinking of your current fund manager relationships, would you like to increase, decrease, or keep the number of relationships the same?  
Source: Private Equity International's LP Perspectives 2020 study

# About one in four LPs believe their GPs are remaining disciplined with their investment behaviour

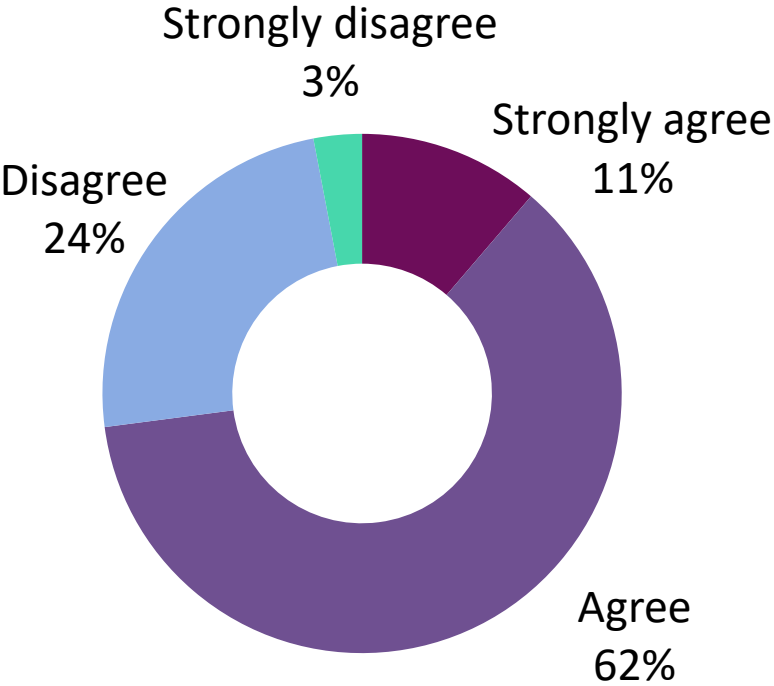


Q: Which of the following best describes your assessment of GP investment behaviour in the last 12 months?

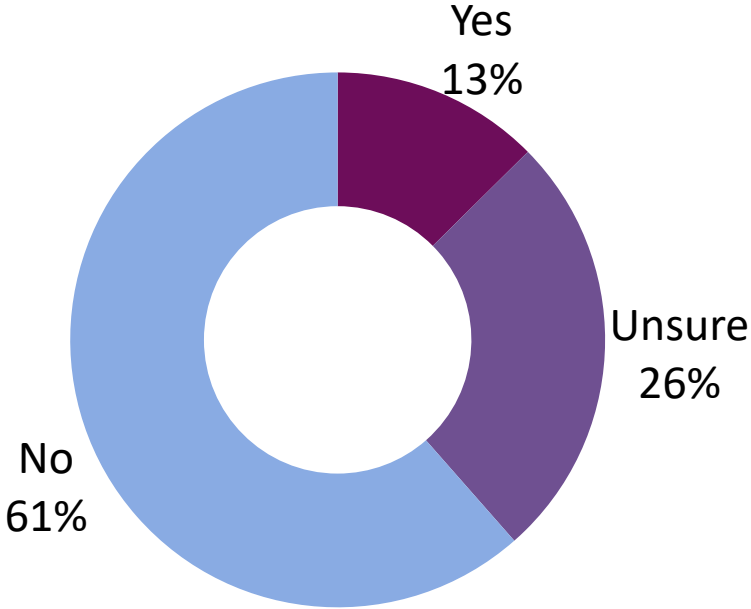
Source: Private Equity International's LP Perspectives 2020 study

# Investors find it difficult to justify fees, yet most are not planning to seek external help with fee validation

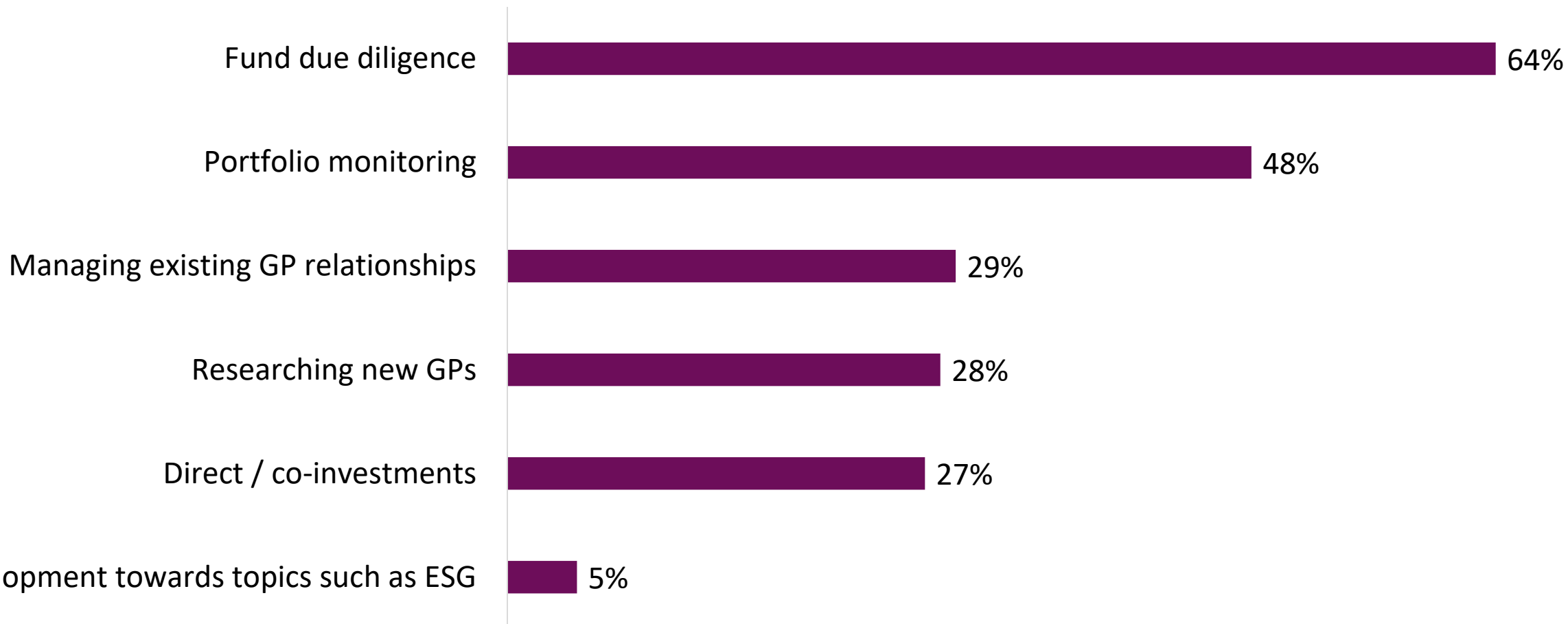
To what extent are fees charged by private equity funds difficult to justify internally?



Over the next 12 months are you planning to seek external help when it comes to fee validation?



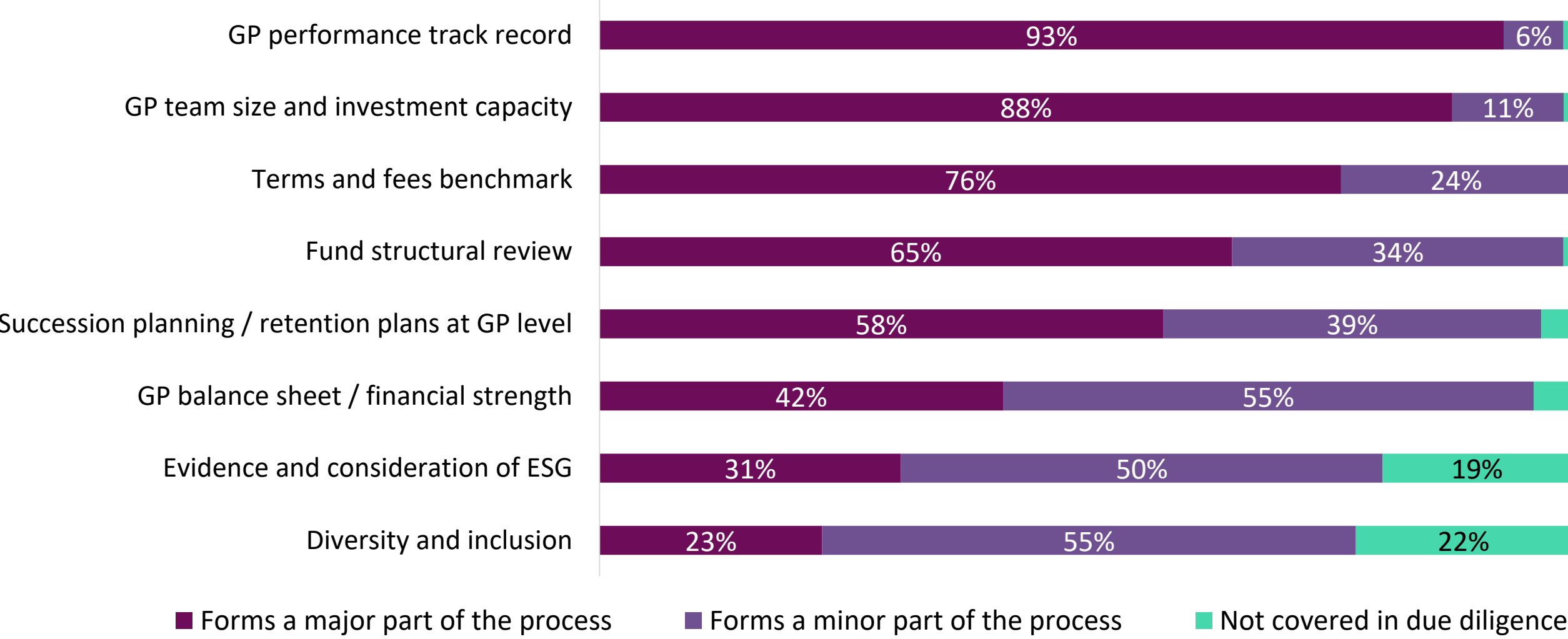
Unsurprisingly, fund due diligence requires the greatest amount of investors' time



Q: Which two of the following activities requires the greatest amount of your time?

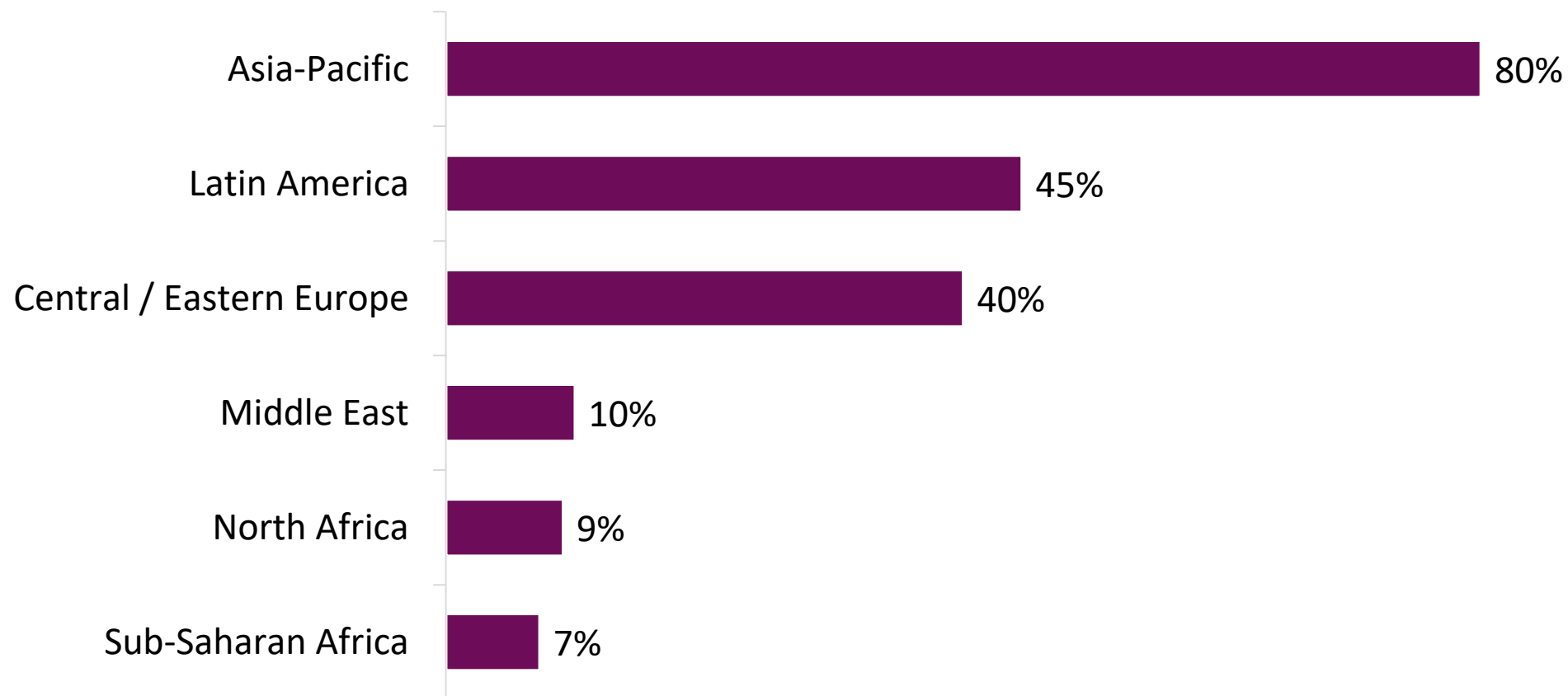
Source: Private Equity International's LP Perspectives 2020 study

# GP track record and capacity are crucial to conducting fund due diligence



Q: How significant a part do the following play in due diligence?  
Source: Private Equity International's LP Perspectives 2020 study

# The majority of investors will consider opportunities in Asia-Pacific over the next 12 months

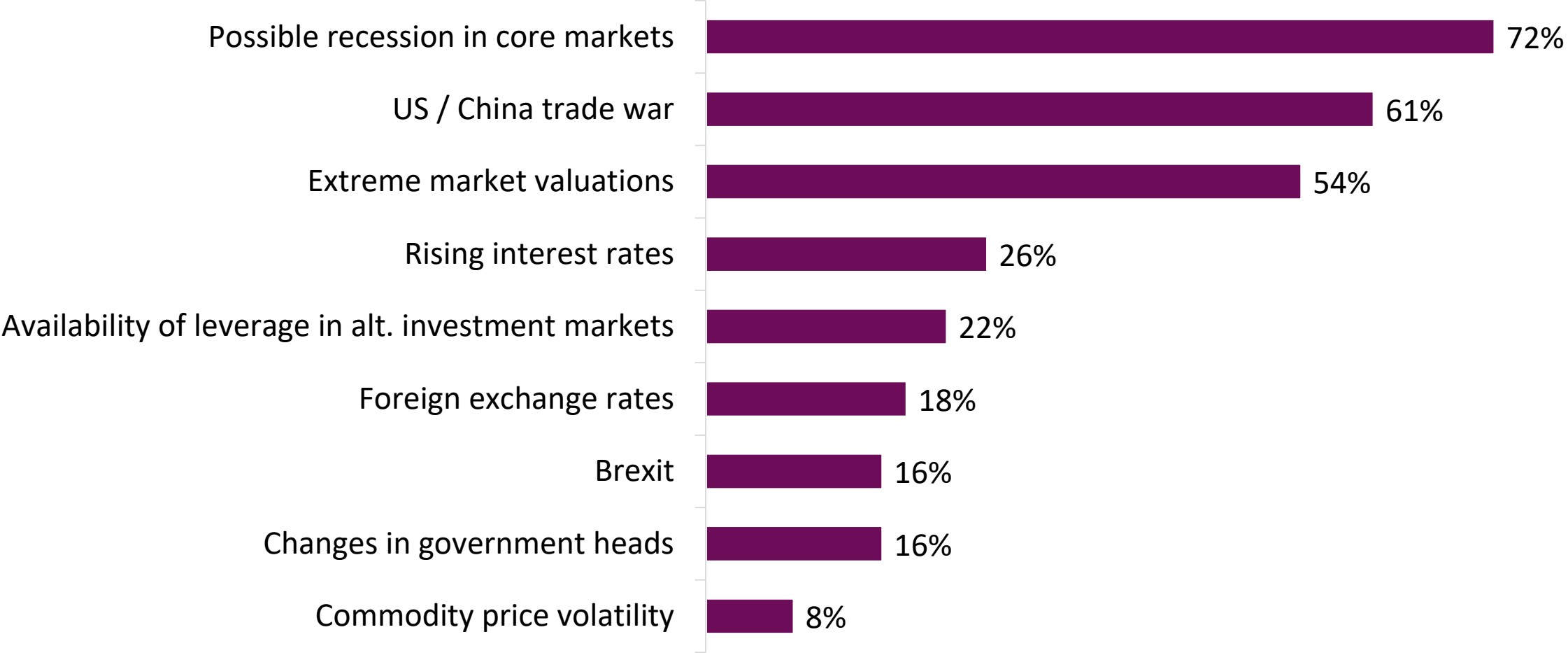


Q: Which emerging market geographies will you consider for investment over the next 12 months? (multiple responses allowed)

Source: Private Equity International's LP Perspectives 2020 study



# Investors anticipate the possibility of a recession as having the greatest impact on performance



Q: Thinking of your private markets portfolio, which three factors will have the greatest impact on performance over the next 12 months? (multiple responses allowed)  
Source: Private Equity International's LP Perspectives 2020 study

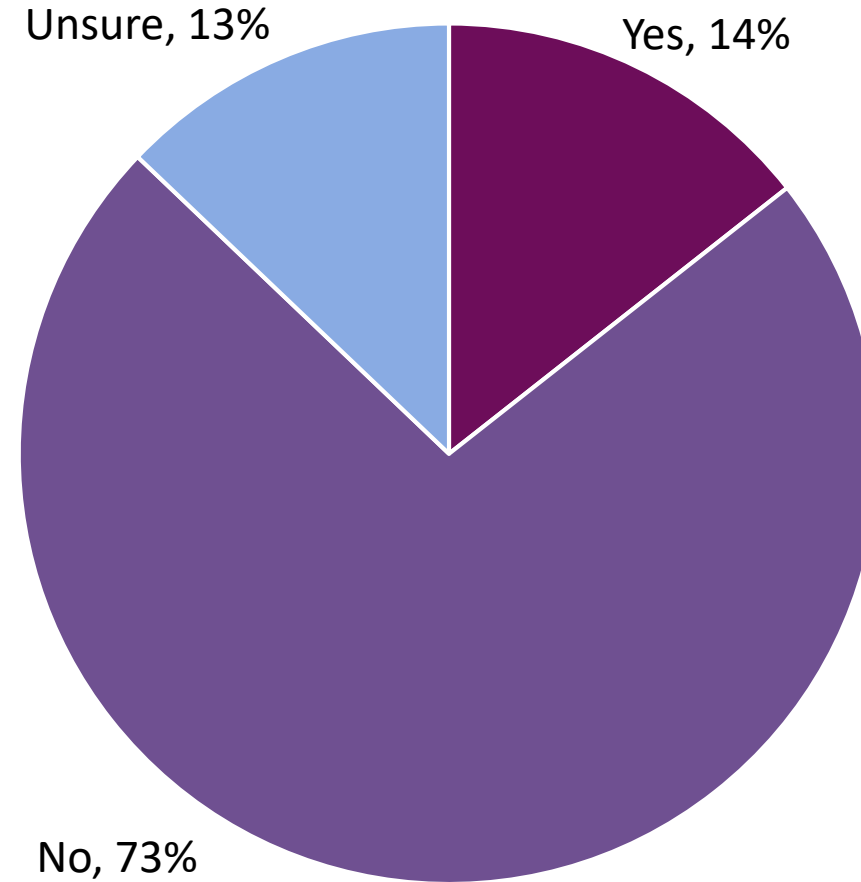
# Investors display mixed sentiment towards co-investment opportunities over the next 12 months



Q: Which factors hinder your participation in co-investing opportunities? (multiple responses allowed)

Source: Private Equity International's LP Perspectives 2020 study

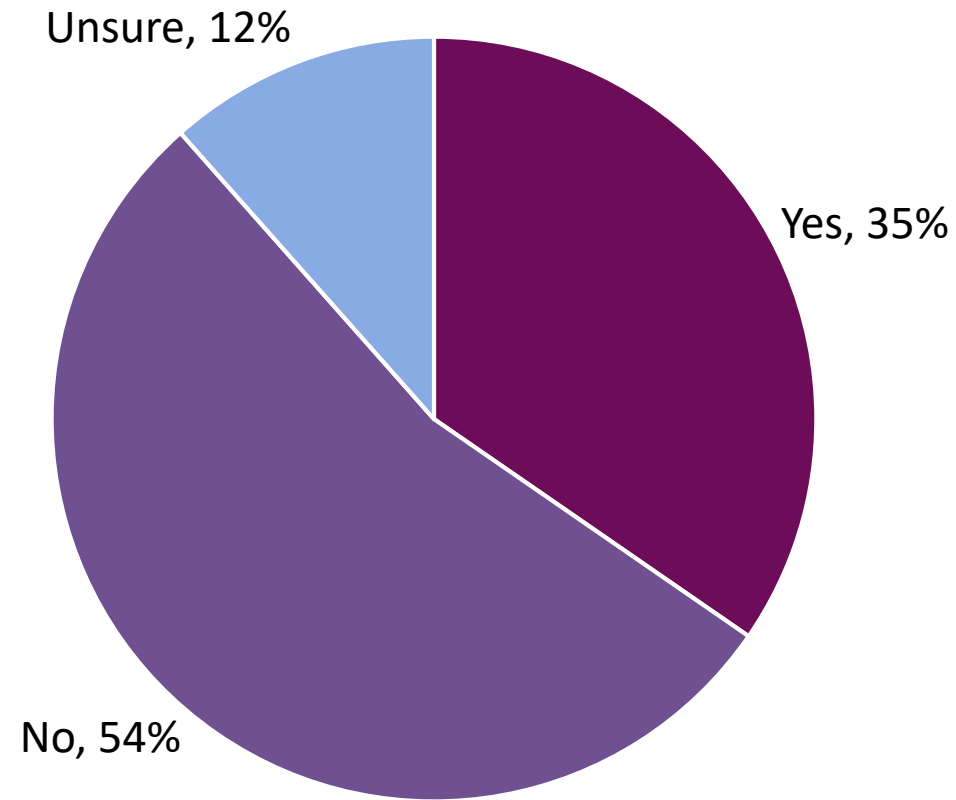
# 14% of investors have refused an opportunity based on a lack of diversity and inclusion



Q: Has your institution ever refused an opportunity based on a lack of diversity and inclusion at the fund manager level?

Source: Private Equity International's LP Perspectives 2020 study

# One third of investors encourage their fund managers to promote gender diversity and inclusion



Q: Do you actively engage your fund managers to promote gender diversity and inclusion?

Source: Private Equity International's LP Perspectives 2020 study

Want more data? (of course you do!)

PEI's Research & Analytics team offers granular insight into the alternatives landscape via rankings, surveys, and our database of investors and managers.

To receive insight from *LP Perspectives 2020* or from the database, please email Nicole Douglas: [nicole.d@peimedia.com](mailto:nicole.d@peimedia.com)

