

## FOR IMMEDIATE RELEASE

### NEW EATON PARTNERS SURVEY FINDS INSTITUTIONAL INVESTORS PLAN TO INCREASE PRIVATE MARKET ALLOCATIONS

#### *Inflation, Higher Interest Rates, and ESG Considerations Factor Into Strategic Planning*

**ROWAYTON, Conn., October 7, 2021** – A new survey from Eaton Partners, one of the largest placement agents and financial advisory firms, and a wholly owned subsidiary of Stifel Financial Corp. (NYSE: SF), finds institutional investors remain constructive on private capital markets against a backdrop of rising inflation, potentially higher interest rates, and increased scrutiny on environmental, social, and governance (ESG) issues.

The latest “Eaton Partners LP Pulse Survey” questioned leading limited partners (LPs) from around the world about their views on alternative investments. Key findings include:

- Most (71%) think an uptick in fund closings is either possible or likely before the end of the year, although more than a third (38%) of those respondents admit there could be a delay into 2022.
- Roughly two-thirds (65%) are planning to increase private market allocations in 2022. Investment strategies of particular interest include buyouts (44%), venture capital (44%), growth equity (42%), and private credit (40%).
- A fund manager’s track record (89%) is considered the most important factor when evaluating a potential new investment, followed by strategy (62%), management team (58%), and fees (36%).
- While the pace of return varies, an overwhelming number of LPs surveyed (82%) expect to be back in the office at some point, and three-quarters (76%) view any COVID-induced changes in the fund marketing process as temporary.

“As the world navigates new challenges related to the ongoing pandemic, inflationary pressures, supply chain disruption, and market volatility, LPs remain confident in the ability of private capital markets to weather these storms,” noted Jeff Eaton, Global Co-Head and Managing Director at Eaton Partners. “Institutional investors are laser-focused on the financial performance of fund managers as they look to target and increase their allocations in the private markets. This back-to-basics approach is indicative of an industry adjusting to continued volatility and uncertainty among many external factors.”

The survey also indicates the threat of inflation and potentially higher interest rates are also factoring into strategic planning, as is increased scrutiny of ESG and socially responsible investing (SRI) considerations.

- 89% are at least somewhat concerned about heightened inflation; 13% consider themselves “very” concerned.
- While the Federal Reserve has indicated higher interest rates are on the horizon, that doesn’t yet appear to be a major concern for investors, as 74% say rising rates would have little to moderate impact on investment allocations. Only 11% say the impact would be significant.
- ESG factors are an increasing catalyst for investors, as roughly three-quarters (73%) say they’re either focused or will put increased focus on climate change, and nearly one-third (32%) believe being socially responsible investors likely improves investment returns compared to 16% who think such a focus would hurt returns.

“The current investor sentiment indicates strong confidence in the private capital markets as the macroeconomic future remains in flux with day-to-day adjustments to the hybrid post-pandemic workplace,” said Peter Martenson, Managing Director at Eaton Partners. “Fund managers that are willing to adapt to the rapidly shifting needs of limited partners, such as a focus on ESG factors, while providing exemplary service in an environment that is opaque, will be the ones that excel in tomorrow’s markets.”

Click [here](#) to view the full survey results.

The online survey of 46 top institutional investors was conducted from September 14, 2021, through September 30, 2021.

### **About Eaton Partners**

Eaton Partners, a Stifel Company, is one of the world’s leading fund advisory and capital placement agents, having raised more than \$114 billion across more than 160 highly differentiated alternative investment funds and offerings. Founded in 1983, Eaton advises and raises institutional capital for investment managers across alternative strategies – private equity, private credit, real assets, real estate, and hedge funds/public market – in both the primary and secondary markets. Eaton Partners maintains offices and operates throughout North America, Europe, and Asia.

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