

FOR IMMEDIATE RELEASE

EATON PARTNERS SURVEY FINDS MAJORITY OF INSTITUTIONAL INVESTORS BULLISH ON ALTERNATIVE ASSETS HEADING INTO 2020 *Private Equity Investments in Focus Heading Into U.S. Presidential Election*

ROWAYTON, Conn., January 21, 2020 – A new survey from Eaton Partners, one of the largest capital placement agents and fund advisory firms and a wholly owned subsidiary of Stifel Financial Corp. (NYSE: SF), finds an overwhelming majority of institutional investors are still bullish on alternative assets heading into 2020, even after surprisingly strong returns last year. More than half (52%) describe their 2019 portfolio performance as better than anticipated.

Nearly three-quarters of those surveyed (72%) expect alternative assets, as a group, to either meet or exceed benchmarks this year. According to the survey, institutional investors are most encouraged by private equity investments, despite at least some concern about anti-private equity rhetoric coming from the U.S. presidential campaign trail.

The “Eaton Partners LP Pulse Survey” questions more than 50 leading limited partners (LPs), who share their views on a variety of issues that could influence investment strategies and returns in the private capital market.

2020 Investment Outlook

- More than half of those surveyed (57%) expect to allocate the most capital to private equity strategies in 2020 compared to real assets (20%), private credit (12%), or hedge funds (11%).
- Nearly six in ten respondents (59%) believe the strongest risk-adjusted returns will be found in North America versus Europe (20%), Asia (20%), or Latin America (1%).
- According to the survey, market valuations will have the most significant impact on investment strategies (28%), followed by a possible U.S. recession (23%), a potential change in the U.S. presidential administration (19%), geopolitical events like the trade war (16%), or something else entirely (14%).

Views on Presidential Politics

- Sixty-eight percent are at least somewhat concerned about the anti-private equity rhetoric from some U.S. presidential candidates, but only 7% say they are “very” concerned.
- Nearly two-thirds of respondents (64%) expect President Trump to be re-elected, virtually unchanged from the October LP Pulse Survey, despite the impeachment proceedings.
- Michael Bloomberg’s entry into the campaign seems to have somewhat disrupted the Democratic field, with 12% of LPs predicting the former New York City mayor will win the presidency. Eleven percent think Joe Biden is headed to the Oval Office (down from 15% in the October survey), and just 2% now expect Elizabeth Warren to be victorious (down from 15% in the October survey).

“Institutional investors are approaching 2020 with cautious optimism,” said Peter Martenson, Partner at Eaton Partners. “Even though the outlook has brightened somewhat since our last survey, we still expect LPs to seek out recession-resistant strategies, pockets of compelling value, and uncorrelated cash flow streams given the late stage of the current economic cycle. Investors will pick and choose their spots, so it is vital that fund managers be able

to differentiate themselves effectively and demonstrate how they are well-positioned for the forward-looking economic environment.”

The online survey of 57 top institutional investors was conducted from December 12, 2019, through January 10, 2020.

About Eaton Partners

Eaton Partners, a Stifel Company, is one of the world’s largest capital placement agents and fund advisory firms, having raised more than \$140 billion across more than 140 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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