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NEW EATON PARTNERS SURVEY INDICATES HIGH EXPECTATIONS FOR PRIVATE CAPITAL MARKET PERFORMANCE IN 2021 *Majority of LPs Plan to Increase Allocations to Alternative Investments*

ROWAYTON, Conn., December 17, 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 a majority of institutional investors plan to increase their private market allocations next year, and expect those investments to either meet or exceed performance benchmarks.

The latest “Eaton Partners LP Pulse Survey” questioned leading limited partners (LPs) from around the world, over the past two weeks, about their views on alternative investments heading into 2021. Key findings include:

- 57% of those surveyed say they will modestly or significantly increase their private market allocations, with 43% planning to make no changes at this time. Importantly, no respondents anticipate cutting allocations.
- Investors are expecting solid performance from their private market investments. Three-quarters (76%) of those surveyed believe performance will meet or exceed their benchmarks, although 21% concede there are too many unknown variables to forecast potential returns.
- Private equity (62%) is seen as the most attractive alternative asset class heading into 2021, followed by real assets (23%) and private credit (15%).
- More than one-third of those surveyed (34%) believe the COVID-19 trajectory will have the most significant impact on their investing strategies in 2021, ahead of economic conditions (33%), market valuations (21%), or potential policy changes under the new Biden administration (10%).

“We anticipate a strong start to 2021 in fundraising as a result of pent-up demand by institutional investors,” said Jeff Eaton, Partner at Eaton Partners. “The fundraising environment is going to be very competitive, where strong track record performance will be paramount. Our survey found that 72% of institutional investors consider the prior success of a manager the single most important factor when evaluating a new investment.”

“LPs will also be looking to capitalize on recent market dislocation, with survey respondents most interested in buyout (48%) and venture (40%) strategies,” added Peter Martenson, Partner at Eaton Partners. “We also expect investors will seek unique and differentiated fresh ideas as the year unfolds, undoubtedly creating opportunities for emerging managers to capture market share. In fact, our survey found that an overwhelming majority (71%) of respondents say their interest in emerging and first-time fund managers is about the same, or even greater, than in 2020.”

While fund closings were down sharply in 2020, the survey finds more than half of respondents (52%) anticipate a push for closings in the first half of 2021. One-fifth (20%) think closings will be concentrated in the back half of the new year, and 28% say it's too hard to predict given the economic and pandemic uncertainty.

Finally, while investors have gotten comfortable making investments without physically meeting managers, 70% of survey respondents say virtual meetings are just a backstop until COVID-19 is behind us and travel opens up again. Only 20% consider virtual meetings a fine substitute for face-to-face interactions. As such, a gradual uptick is expected of high-value in-person meetings complemented by the continued use of virtual interactions as 2021 progresses.

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

The online survey of 61 top institutional investors was conducted from November 30, 2020, through December 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 \$100 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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