

## FOR IMMEDIATE RELEASE

### **NEW EATON PARTNERS SURVEY FINDS CONCERNS OVER DENOMINATOR EFFECT, CAPITAL CALLS, AND LIQUIDITY APPEAR OVERBLOWN**

#### *Half of Institutional Investors Surveyed Making No Change to Private Market Allocations Amid COVID-19 Crisis*

ROWAYTON, Conn., May 26, 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), indicates that most institutional investors are sticking with their private market allocations despite increased stress from the COVID-19 pandemic. Half (51%) of the limited partners (LPs) surveyed say they are making no changes to their portfolios at this time, while 23% are increasing allocations and 26% are cutting allocations. This sentiment has weakened slightly when compared with the 64% of LPs who said they were planning to stay the course when questioned last month.

Findings from the latest Eaton Partners LP Pulse Survey also suggest that some of the biggest fears surrounding the private capital markets appear overblown. A majority of respondents (55%) are not concerned about the denominator effect, where the lag between public and private market valuations impacts allocation ability. Roughly half (51%) have not seen a noticeable change in capital calls and a majority (56%) say LPs are not facing liquidity issues.

Survey respondents also anticipate a shift in the way investors evaluate future opportunities, with 20% saying their new normal will be heavily reliant on video conferences over in-person meetings with general partners (GPs). Another 53% expect to have a mix of virtual and physical meetings. Only 27% expect things to go back to the way they were before the COVID-19 pandemic.

The latest “Eaton Partners LP Pulse Survey” questioned 71 leading LPs in recent weeks about how COVID-19 could influence their investment strategies in the private capital market. Other key findings include:

- Over the next two months, 20% of respondents say they are “triaging” their current portfolio versus 36% who are focusing on the long-term impact of their investment strategy. 44% are equally focused on both.
- Private equity continues to be the most appealing alternative asset class right now (45%), up from 39% from the April survey. Private credit trailed at 27% and hedge funds at 17%.
- Roughly half (52%) of respondents are focused on infrastructure as a strong asset class for investments this year with data/tech and ESG/renewables strategies in greatest demand.
- Almost two-thirds of respondents (62%) believe there will be an elevated interest in asset-backed strategies this year.
- In terms of COVID-19’s impact on due diligence procedures, 43% say there has been no significant impact, compared to 28% of investors who say they are reevaluating the areas that need to have a larger emphasis in the process. 16% have increased emphasis on disaster preparedness.

“As investors grapple with volatile markets and ongoing uncertainty about the true impact of COVID-19, they will benefit from strategies that offer strong uncorrelated returns to the public equity markets,” noted Jeff Eaton,

Partner at Eaton Partners. “At Eaton Partners, we are seeing an increased appetite for actionable opportunities among investors looking to take advantage of perceived market dislocations. Interest in infrastructure continues to grow, particularly in data and IT as well as ESG-focused sectors like renewables, power, and water. We also expect to see more opportunities in healthcare and other mission critical sectors like technology, mobility, and e-commerce.”

Full survey results [are available here](#).

The online survey of 71 top institutional investors was conducted from May 13, 2020 through May 19, 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.

Eaton Partners is a division of Stifel, Nicolaus & Company, Incorporated, Member SIPC and NYSE. Eaton Partners subsidiary Eaton Partners (U.K.) LLP is authorized and regulated by the Financial Conduct Authority (FCA). Eaton Partners subsidiary Eaton Partners Advisors (HK) Limited is approved as a Type 1-licensed company under the Securities and Futures Commission (SFC) in Hong Kong. Eaton Partners and the Eaton Partners logo are trademarks of Eaton Partners, LLC, a limited liability company. © Eaton Partners, 2020

### **Stifel Company Information**

Stifel Financial Corp. (NYSE: SF) is a financial services holding company headquartered in St. Louis, Missouri, that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel’s broker-dealer clients are served in the United States through Stifel, Nicolaus & Company, Incorporated, including its Eaton Partners business division; Keefe, Bruyette & Woods, Inc.; Miller Buckfire & Co., LLC and Century Securities Associates, Inc. The Company’s broker-dealer affiliates provide securities brokerage, investment banking, trading, investment advisory, and related financial services to individual investors, professional money managers, businesses, and municipalities. Stifel Bank and Stifel Bank & Trust offer a full range of consumer and commercial lending solutions. Stifel Trust Company, N.A. and Stifel Trust Company Delaware, N.A. offer trust and related services. To learn more about Stifel, please visit the Company’s website at [www.stifel.com](http://www.stifel.com). For global disclosures, please visit <https://www.stifel.com/investor-relations/press-releases>.

### **Media Contacts**

Neil Shapiro, (212) 271-3447  
[shapiro@stifel.com](mailto:shapiro@stifel.com)

Jeff Preis, (212) 271-3749  
[preisj@stifel.com](mailto:preisj@stifel.com)