



Private Equity Market Update

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About Preqin

Data, solutions, and insights for alternative assets professionals.

Multi-award-winning service.

Founded in 2003.



Today's Agenda

Private Equity in 2020

How did the industry fair in 2020?

Opportunities & Investor Appetite in 2021

Where are Investors planning to allocate capital in H1 2021 & beyond?

The Future of Alternatives

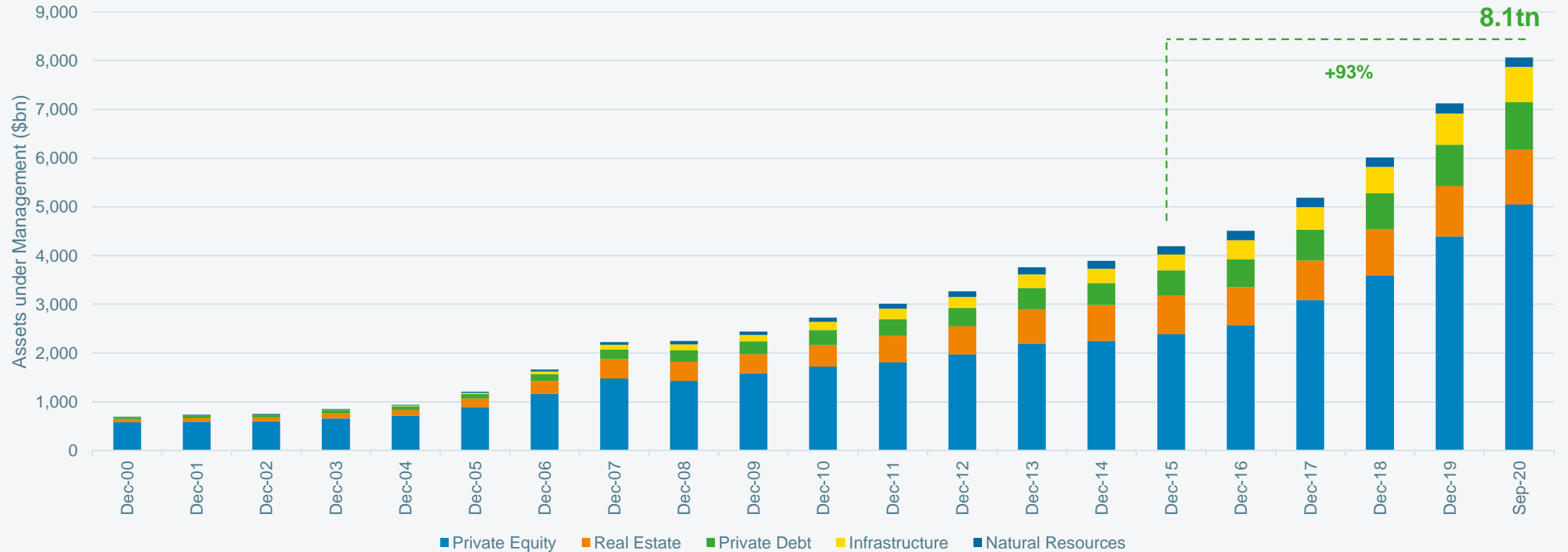
2025 Outlook and Projections

Private Equity Overview

AUM, Dry Powder, Fundraising & Deal Volume

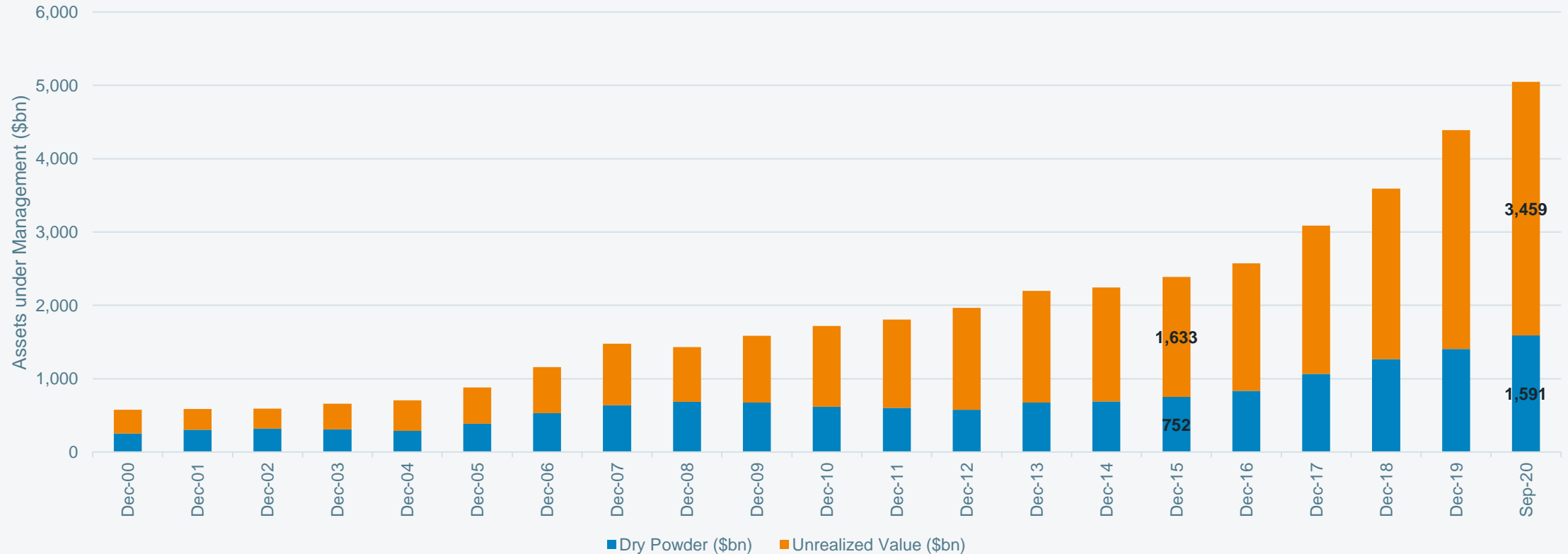
Private Capital AUM Continues to Climb

Private Capital Assets under Management by Asset Class, 2000 - Q3 2020



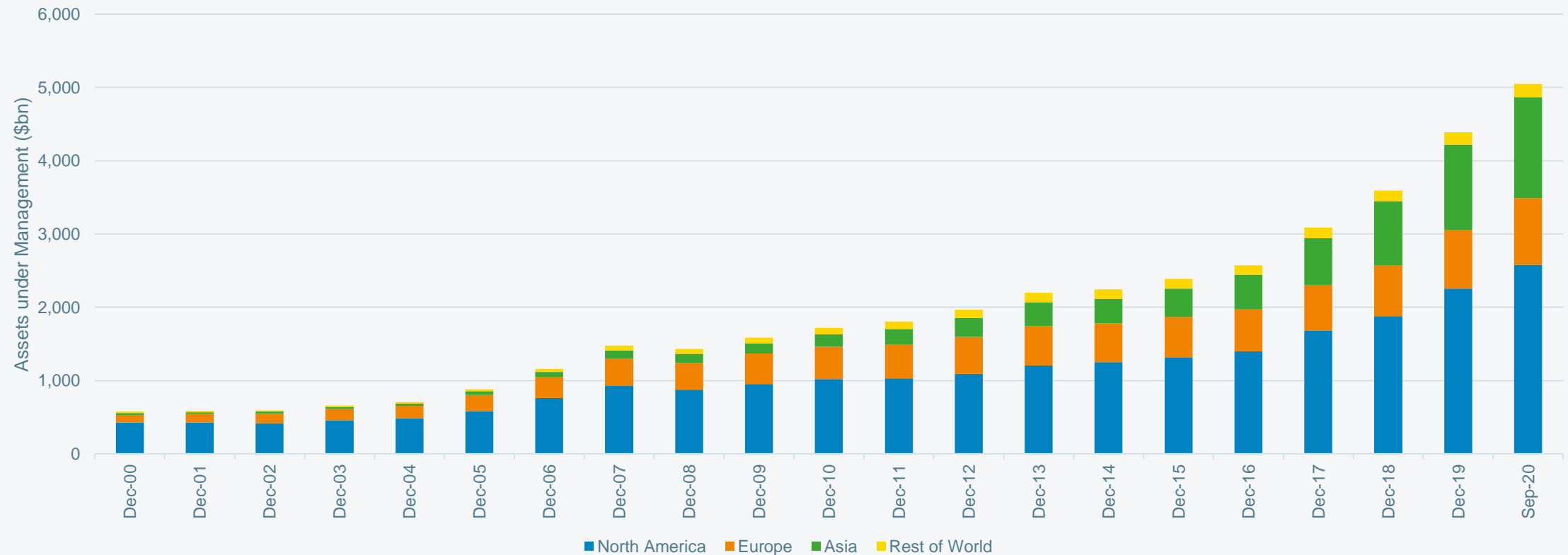
Private Equity AUM Doubling Since 2015

Private Equity Assets under Management, 2000 - Q3 2020



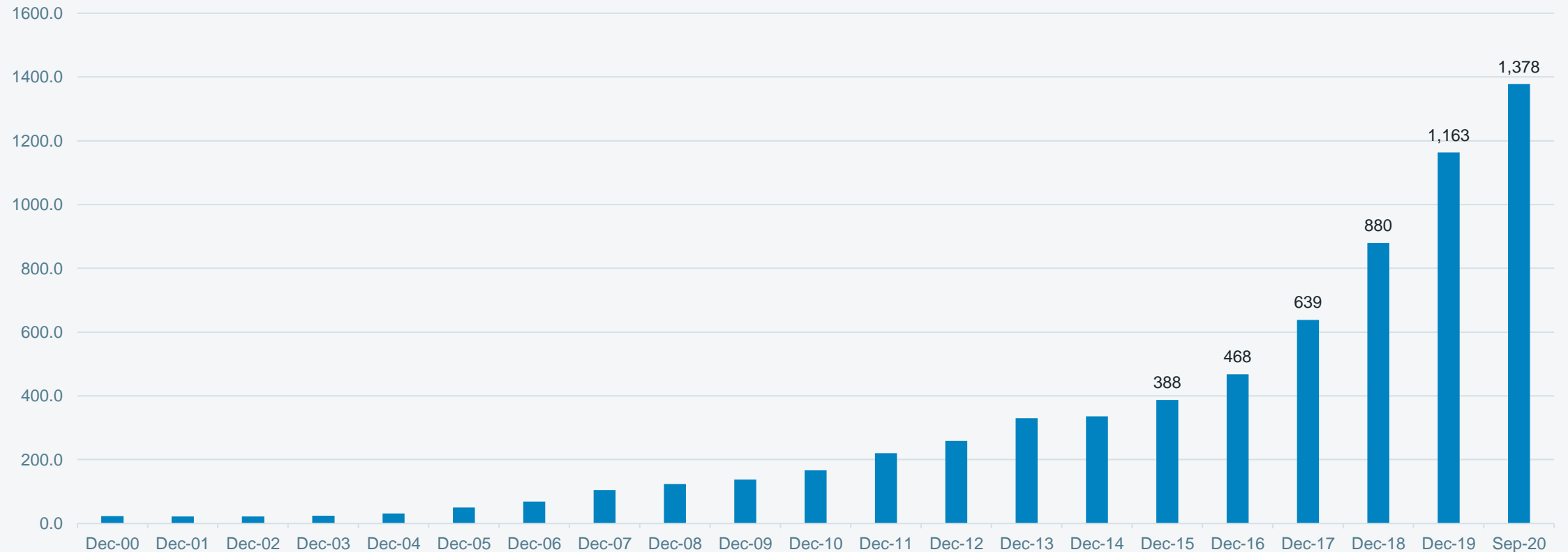
AUM Increase Driven by North America & Asia-Focused Vehicles

Private Equity Assets under Management by Primary Geographic Focus, 2000 - Q3 2020



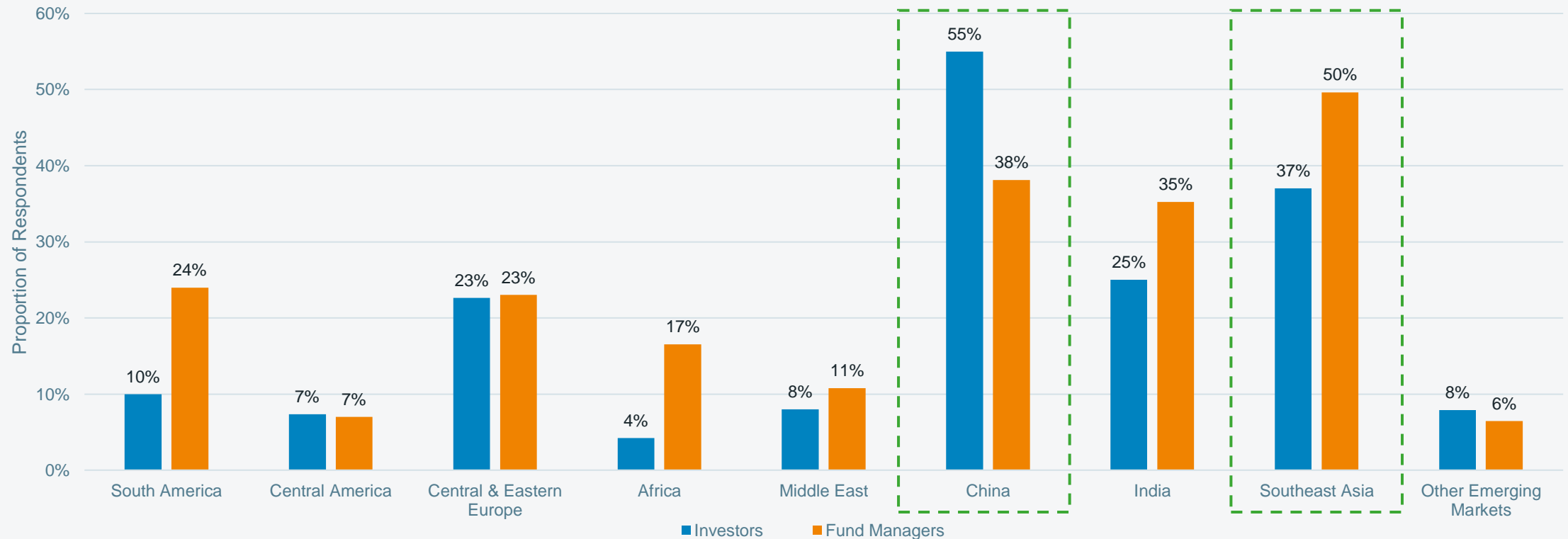
Asia-Focused AUM Experiences Exponential Growth Since 2015

Asia-Focused Private Equity Assets Under Management, 2000 – Q3 2020



Driven by Investor & Fund Manager Demand & Opportunities

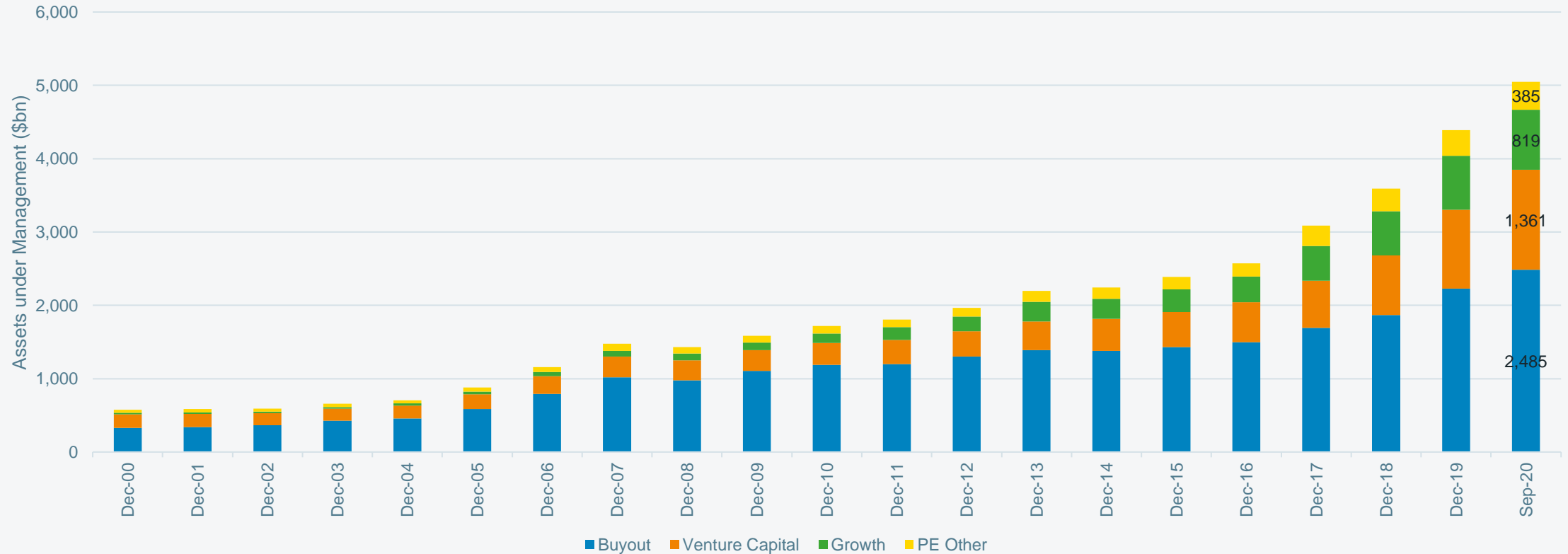
Emerging Markets that Will Present the Best Opportunities in 2021: Investors vs. Fund Managers



Source: Preqin Investor and Fund Manager Surveys, November 2020

Buyout & Venture Vehicles Account for +76% Market Share

Private Equity Assets under Management by Strategy, 2000 - Q3 2020



Decrease in Funds Closed by ~20% Compared to 2019

Global Private Equity Fundraising, 2001 - 2021 YTD



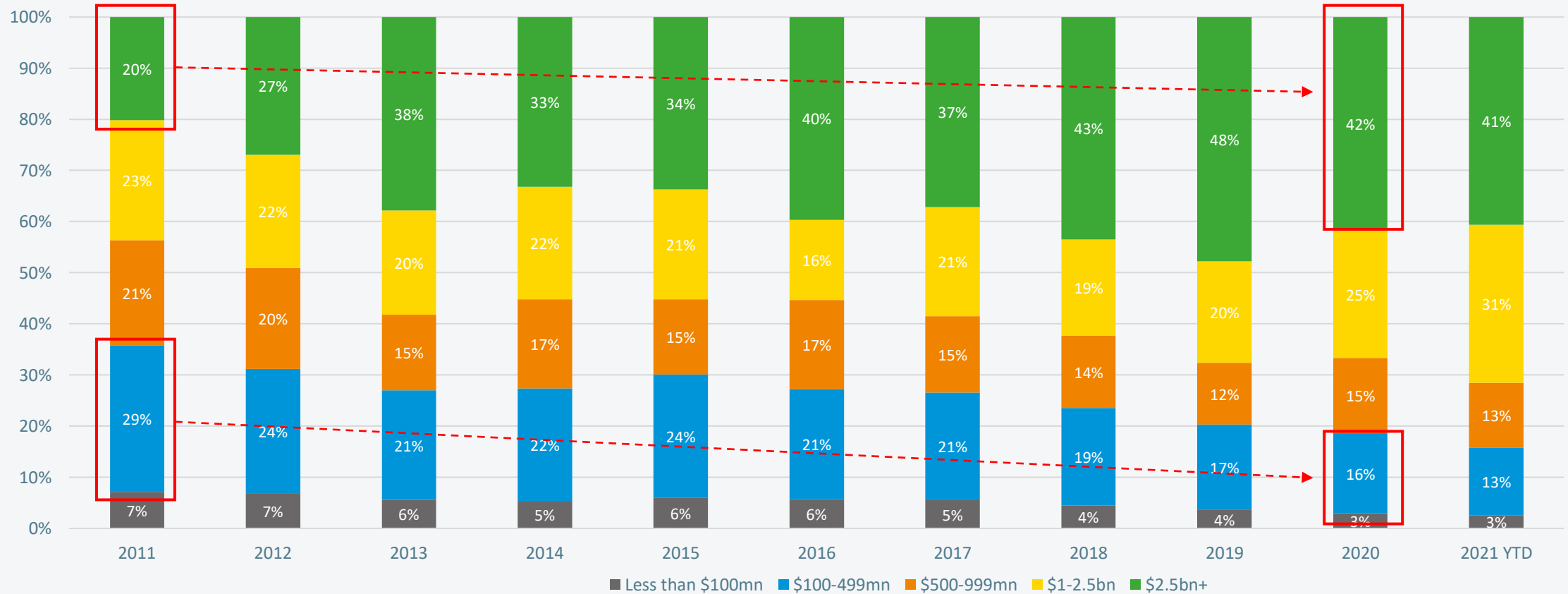
North America & Asia-Focused Funds Saw the Largest Decreases

Private Equity Funds Closed by Primary Geographic Focus, 2001 - 2021 YTD



Capital Continues to Flow to Top Tier Managers & Funds

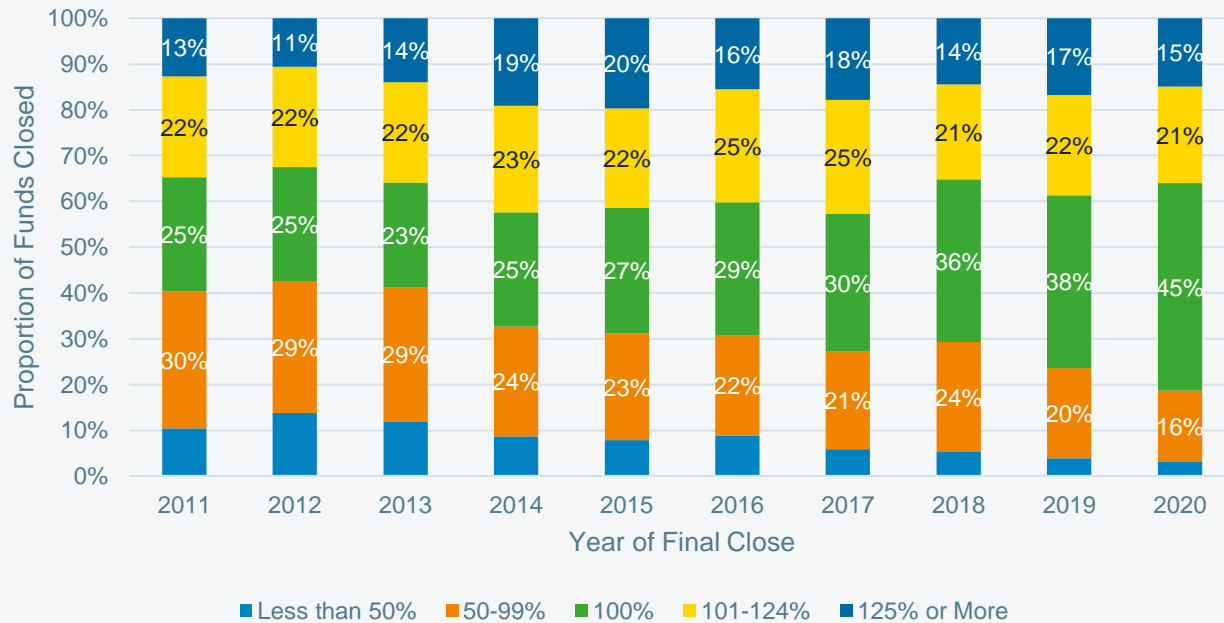
Percentage of Aggregate Capital Raised by Fund Size, 2011 – 2021 YTD



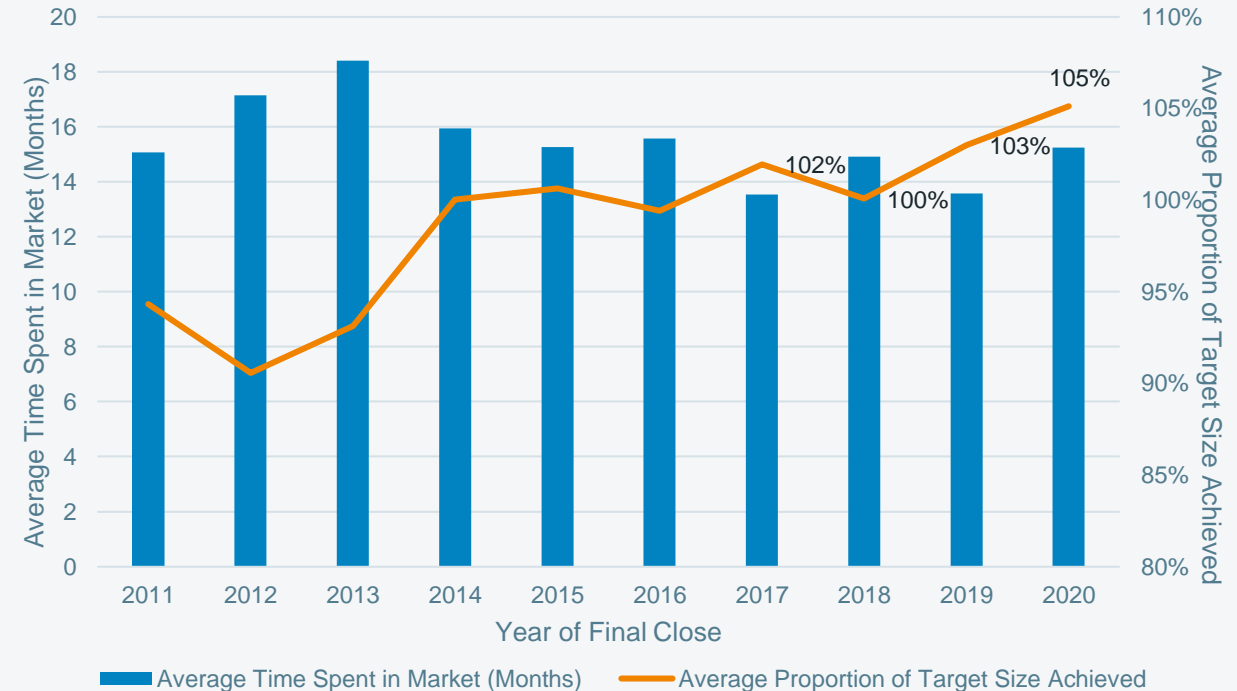
Source: Preqin Pro

Highest Average Proportion of Target Size Achieved at 105%

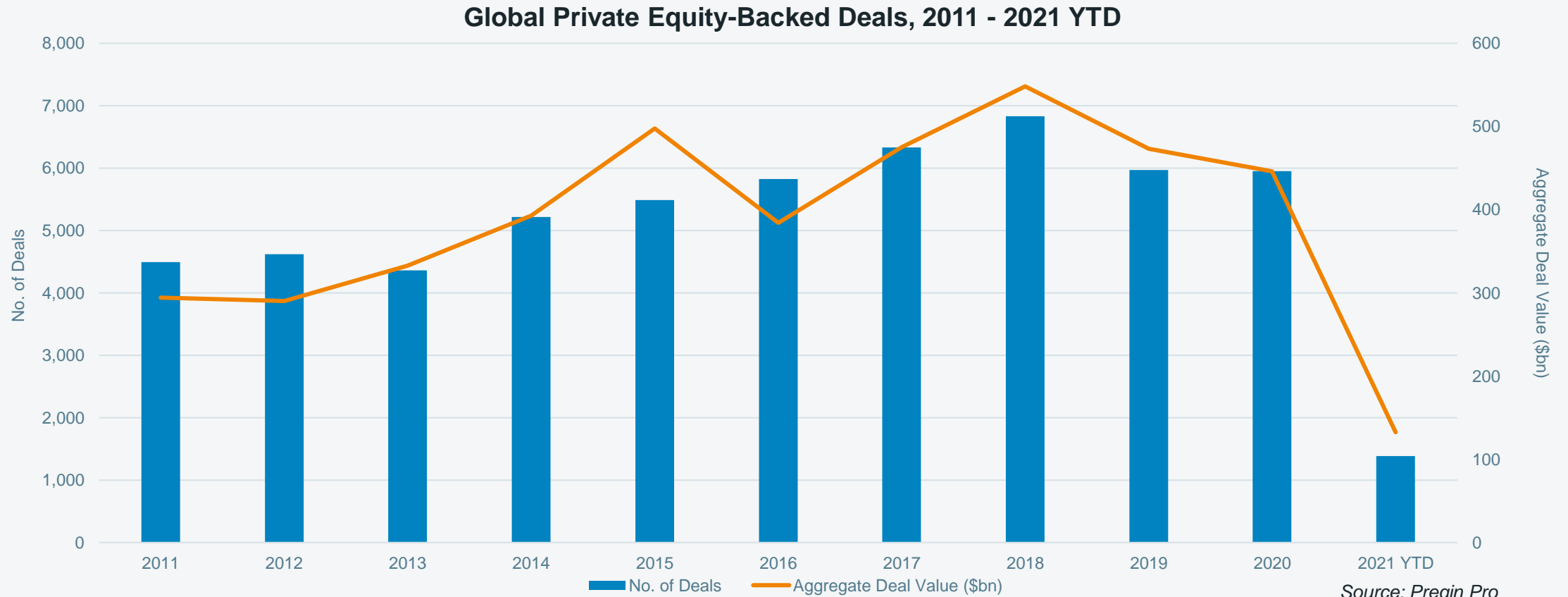
Private Equity Funds Closed by Proportion of Target Size Achieved, 2011 - 2020



Private Equity Fundraising Success, 2011 - 2020

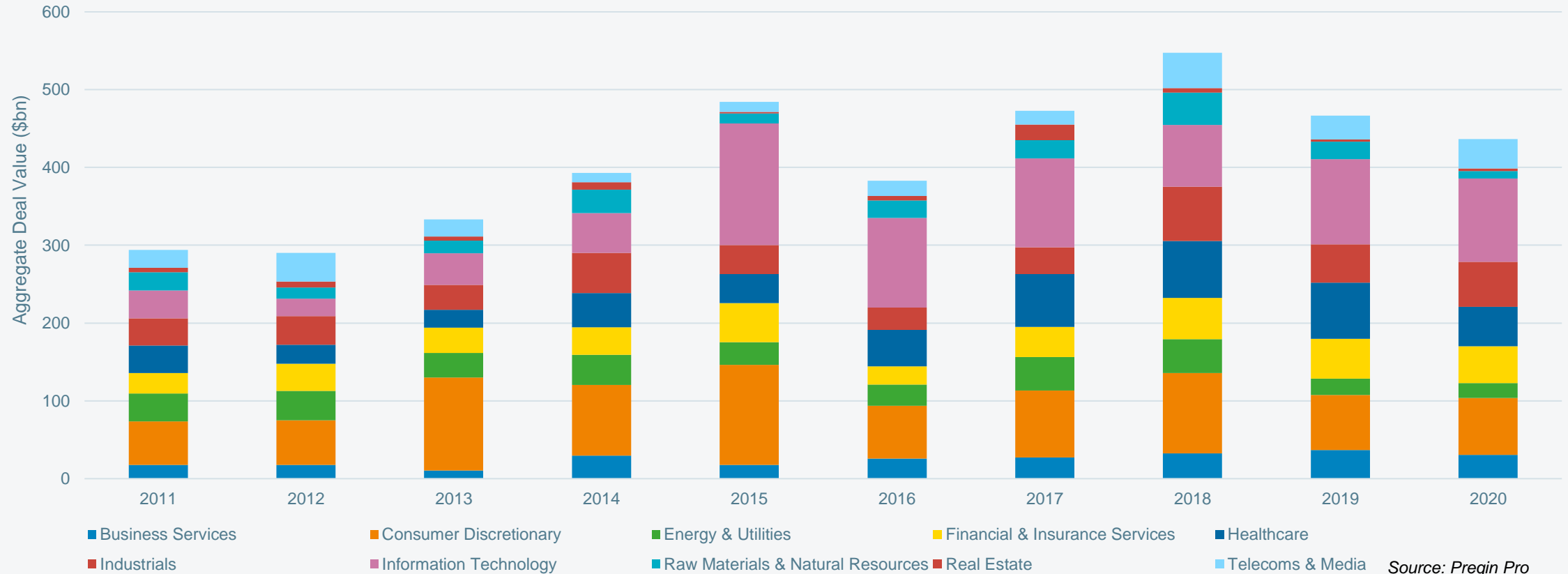


Private Equity-Backed Deals



Private Equity-Backed Deals by Sector

Aggregate Value of Private Equity-Backed Deals by Industry, 2011 - 2020

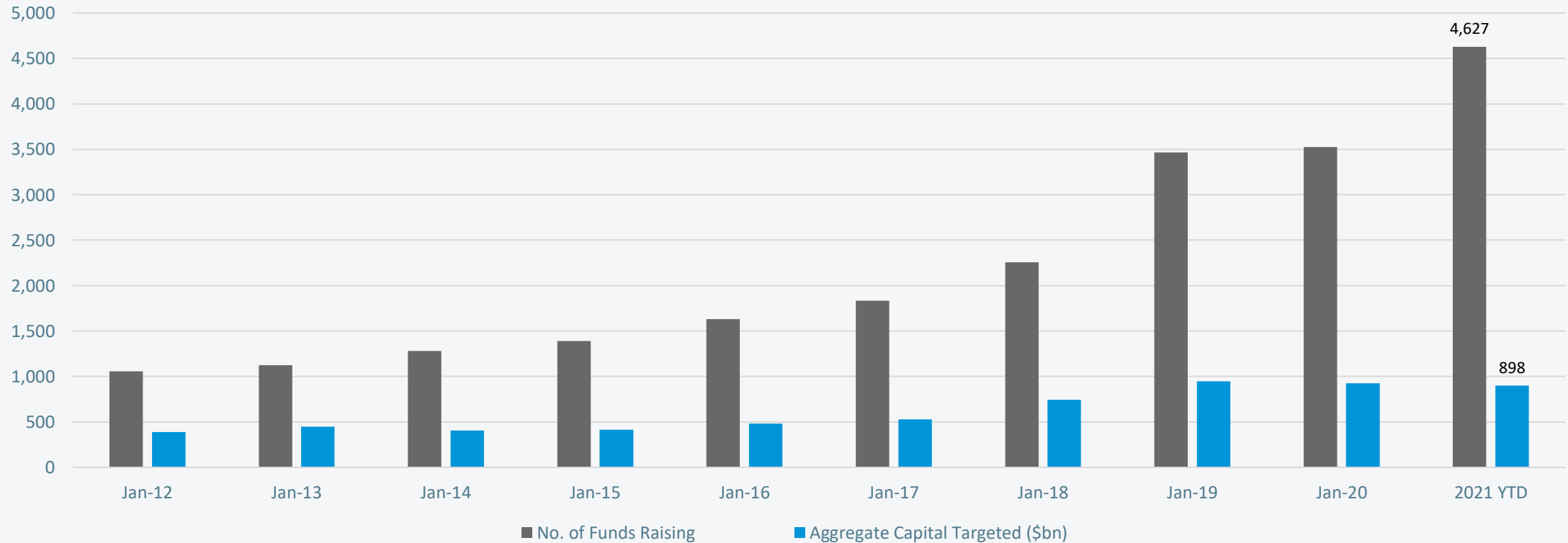


Source: Preqin Pro

Opportunities & Investor Appetite

Record Number of Funds in Market

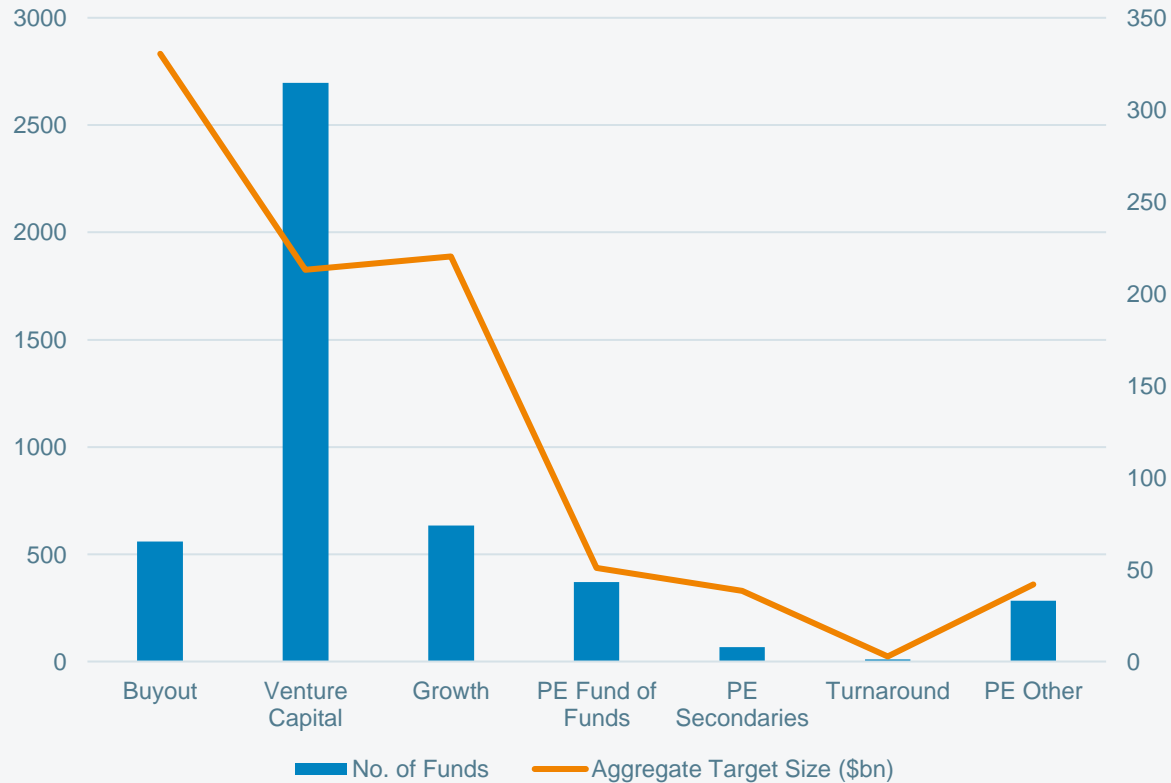
Private Equity Funds in Market, 2012 - 2021



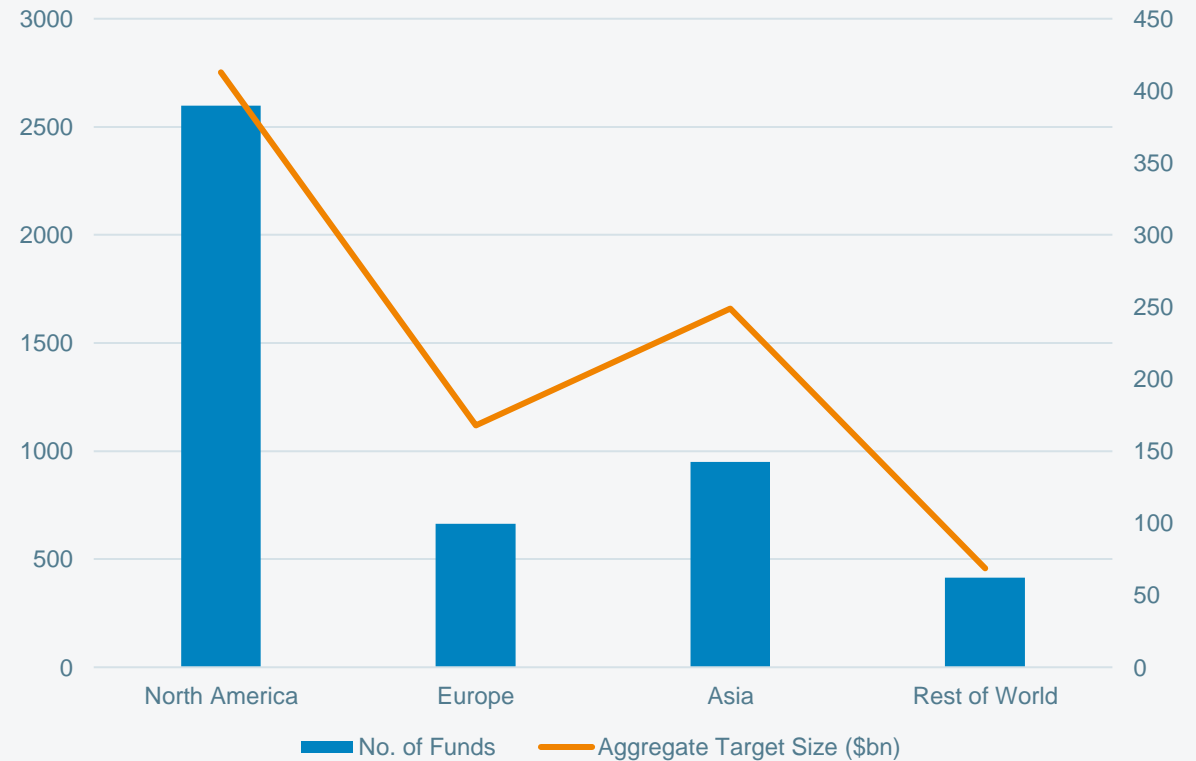
Source: Preqin Pro

North America + Asia Account for ~74% by Aggregate Target Size

Private Equity Funds in Market by Primary Strategy, Q1 2021



Private Equity Funds in Market by Primary Geographic Focus, Q1 2021



Secondaries Fundraising Skyrocketed in 2020

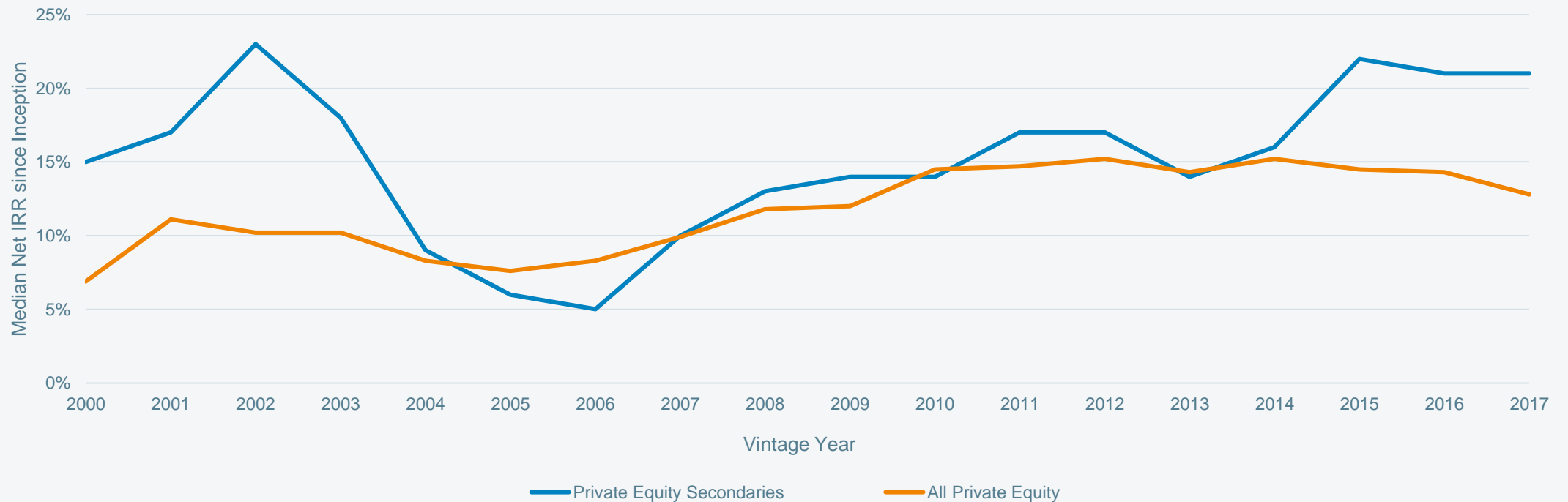
Global Private Equity Secondaries Fundraising, 2000 - 2020



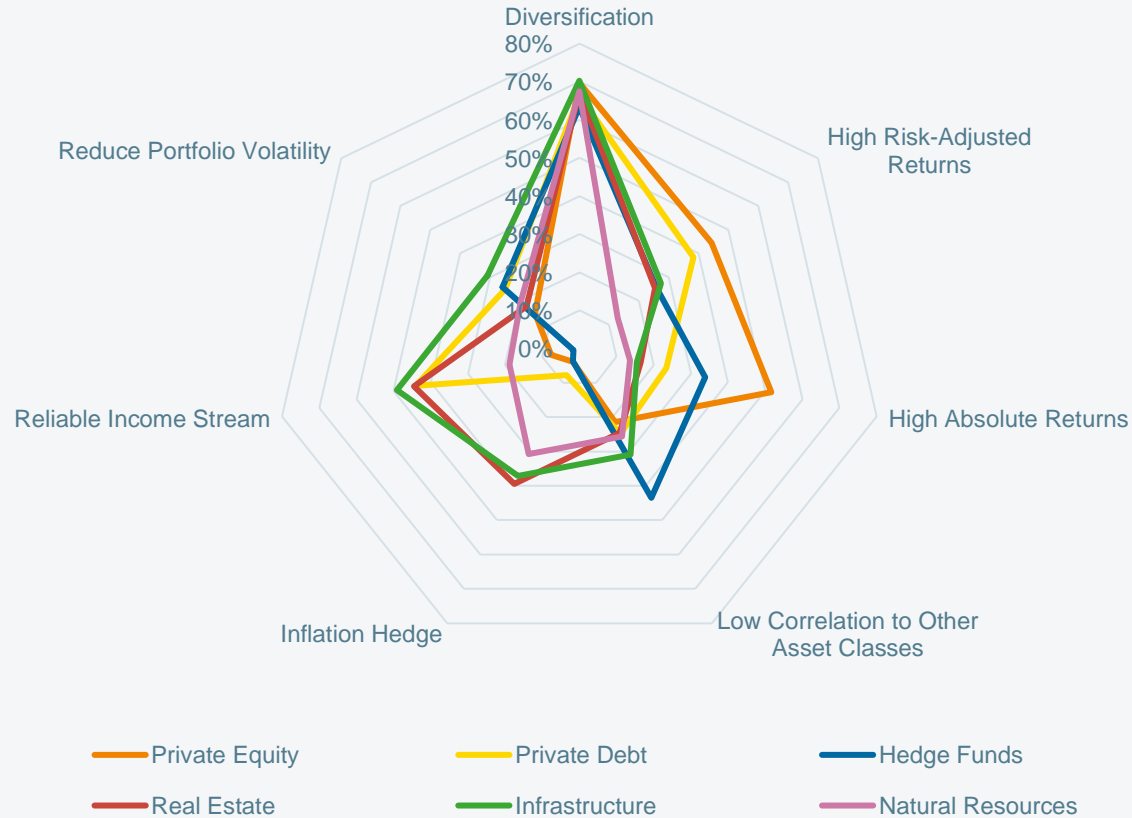
Source: Preqin Pro

Secondaries Net IRRs vs. Standard Private Equity Strategies

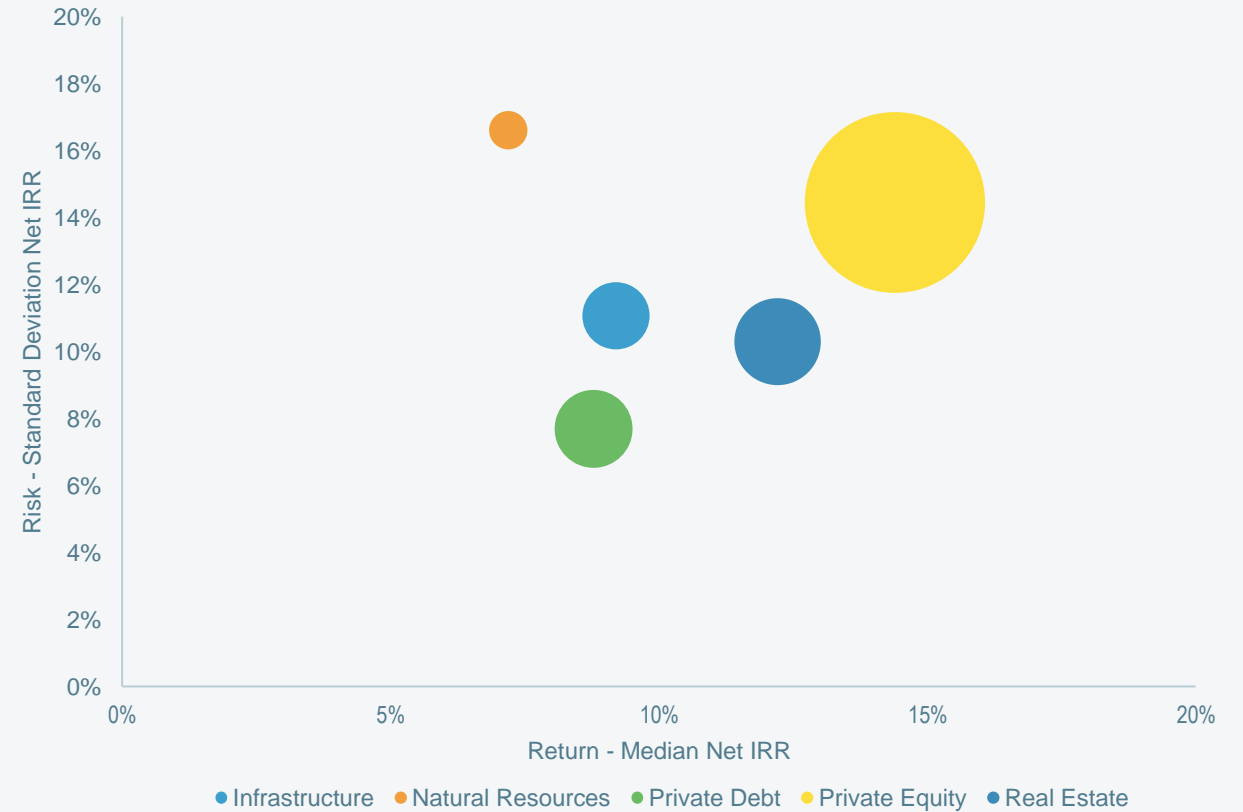
Median Net IRRs by Vintage Year: Private Equity Secondaries vs. All Private Equity



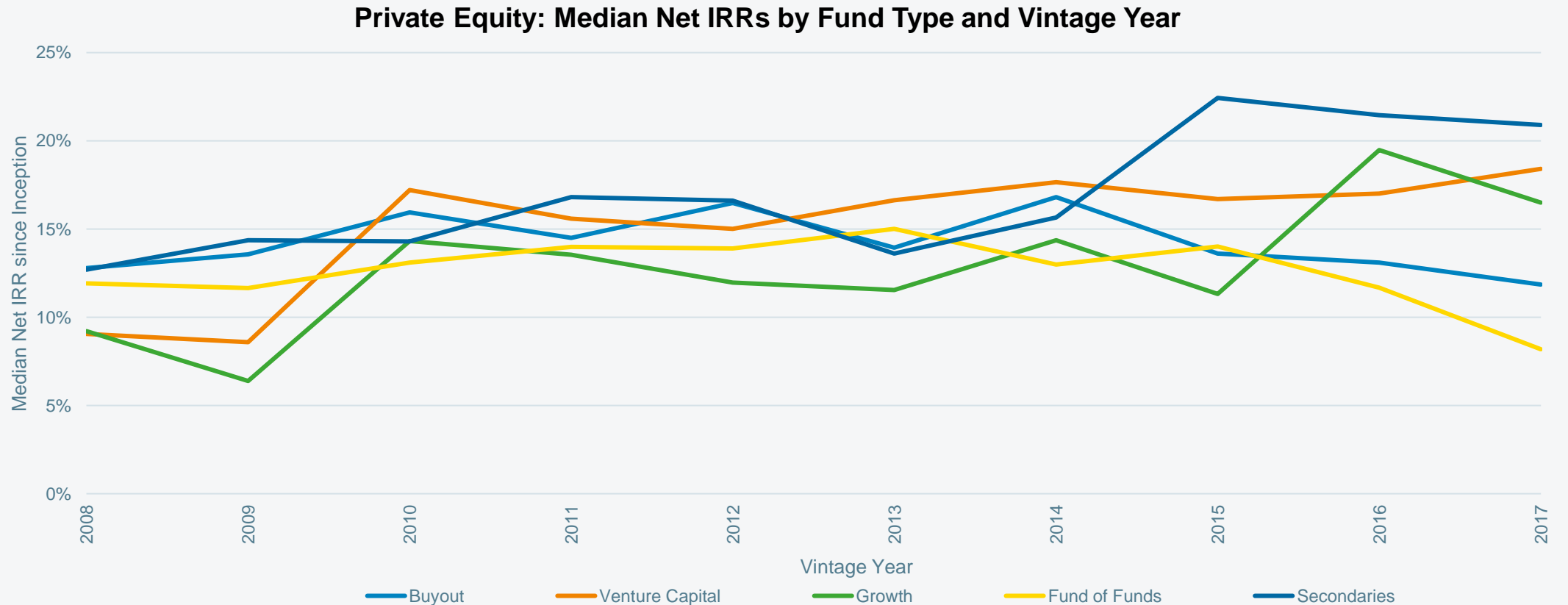
Investors Seek Exposure to Private Equity for Diversification & High Absolute Returns



Private Capital: Risk/Return by Asset Class (Vintages 2008-2017)*



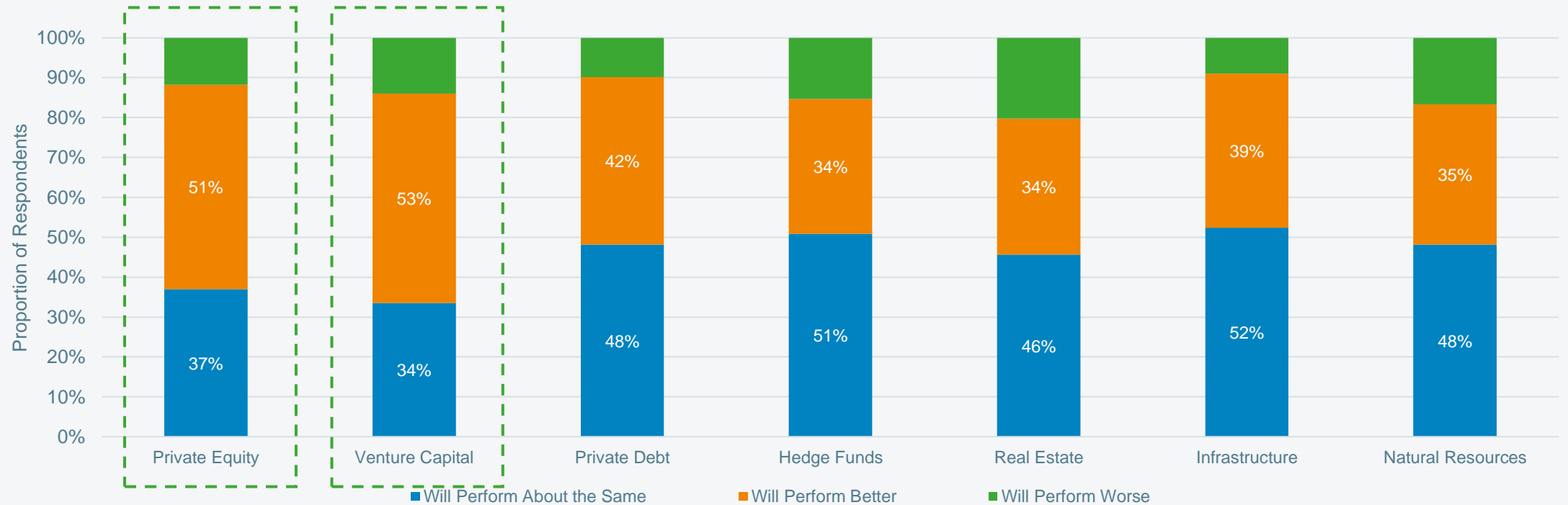
Median Net IRRs by Fund Type



Source: Preqin Pro. Most Up-to-Date Data

Investors Remain Confident & Optimistic

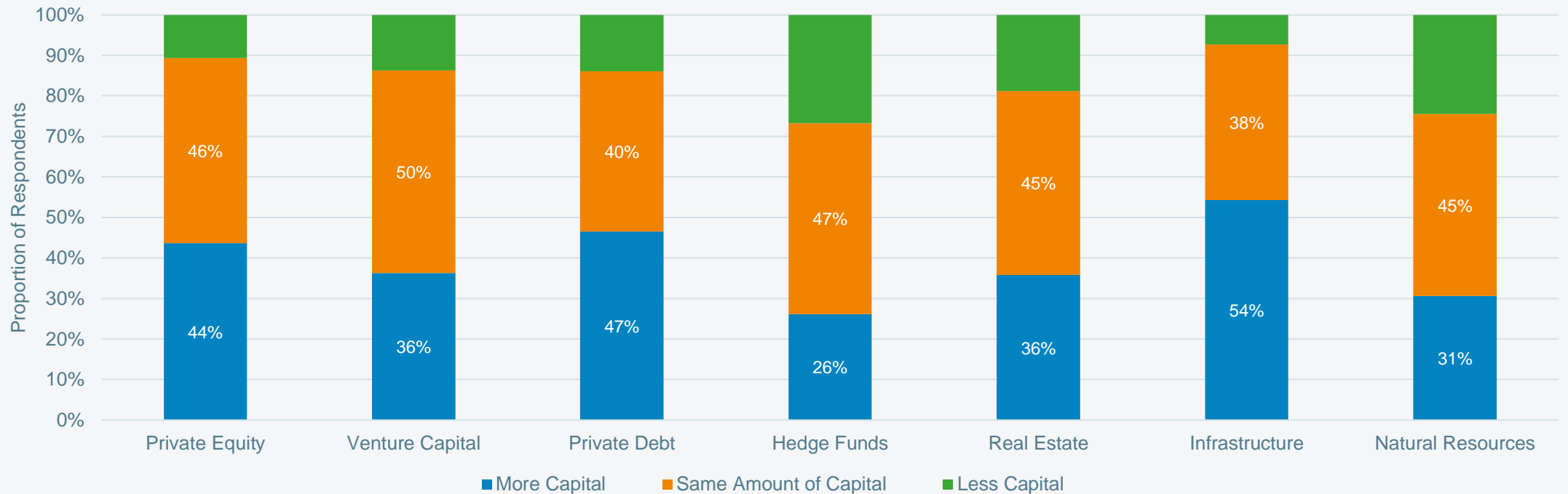
Investor Expectation for Alternative Assets Performance in the Next 12 Months Compared to the Previous 12 Months



Source: Preqin Investor Survey, November 2020

Planning to Commit More Capital to Private Equity

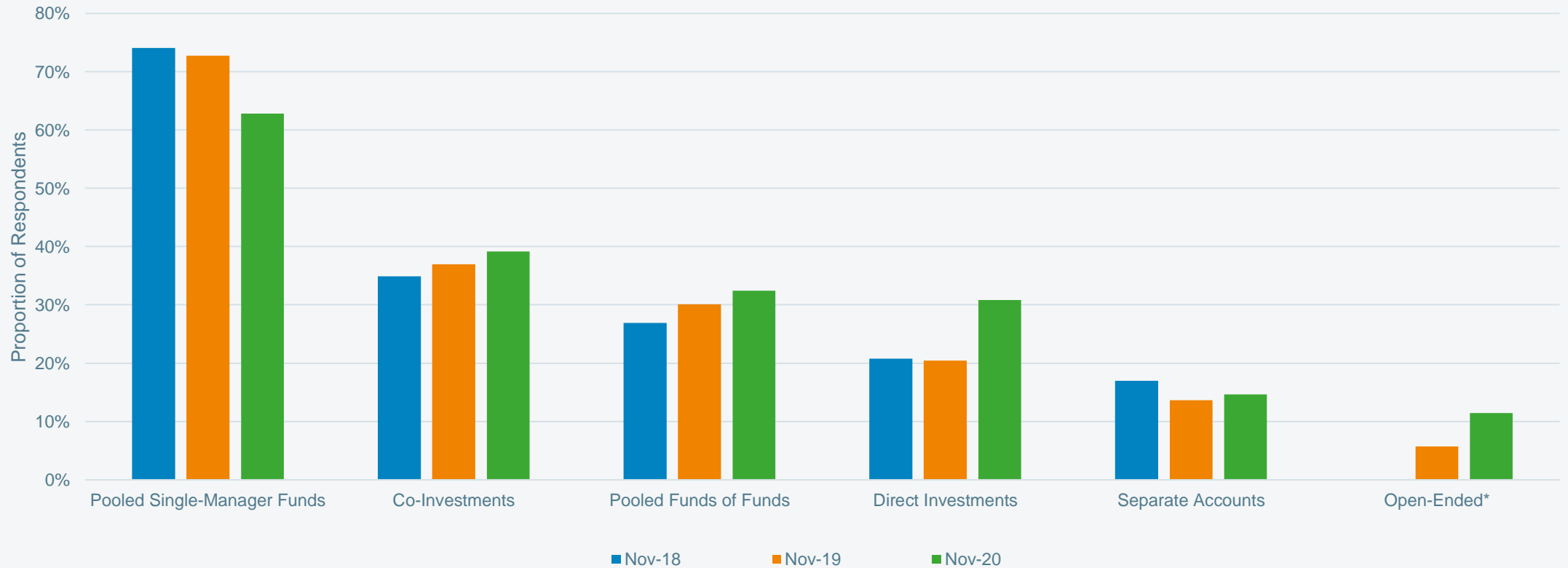
Investors' Expected Capital Commitments to Alternative Assets in the Next 12 Months Compared to the Previous 12 Months



Source: Preqin Investor Survey, November 2020

More Investors are Targeting Direct Investments & Co-investment Opportunities

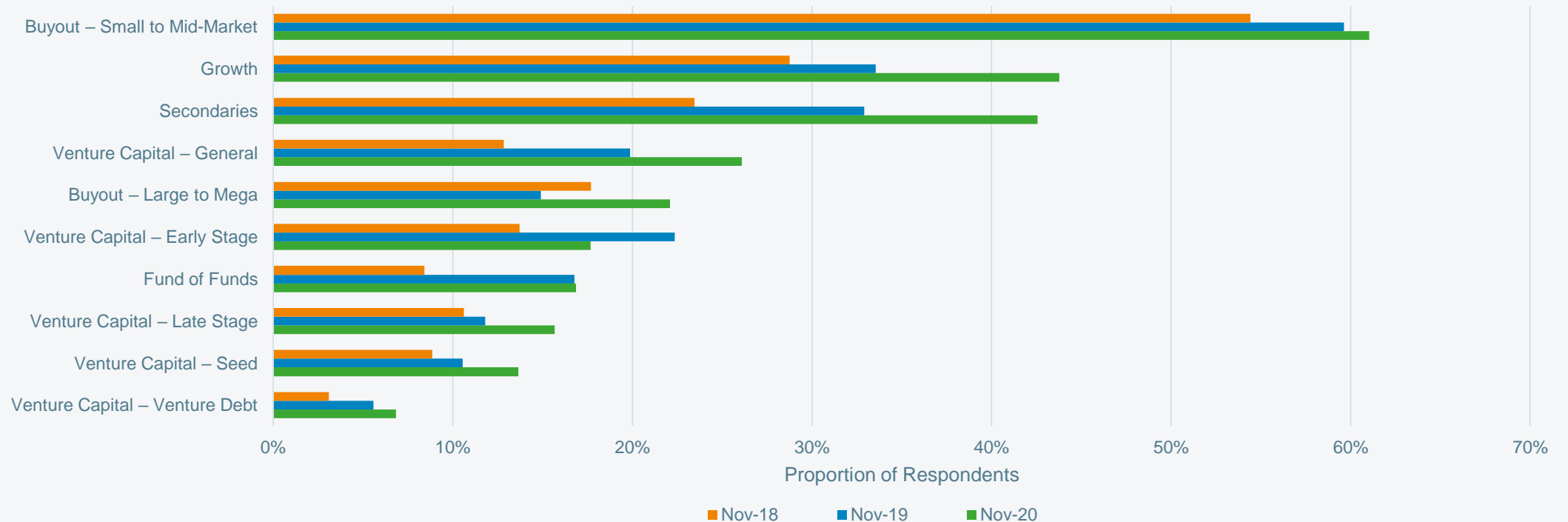
Private Equity Fund Structures Targeted by Investors in the Next 12 Months, 2018 - 2020



Source: Preqin Investor Surveys, November 2018 - 2020

Buyout, Growth & Secondaries Seen as Opportunities

Investor Views on the Fund Types Presenting the Best Opportunities in Private Equity, 2018 - 2020

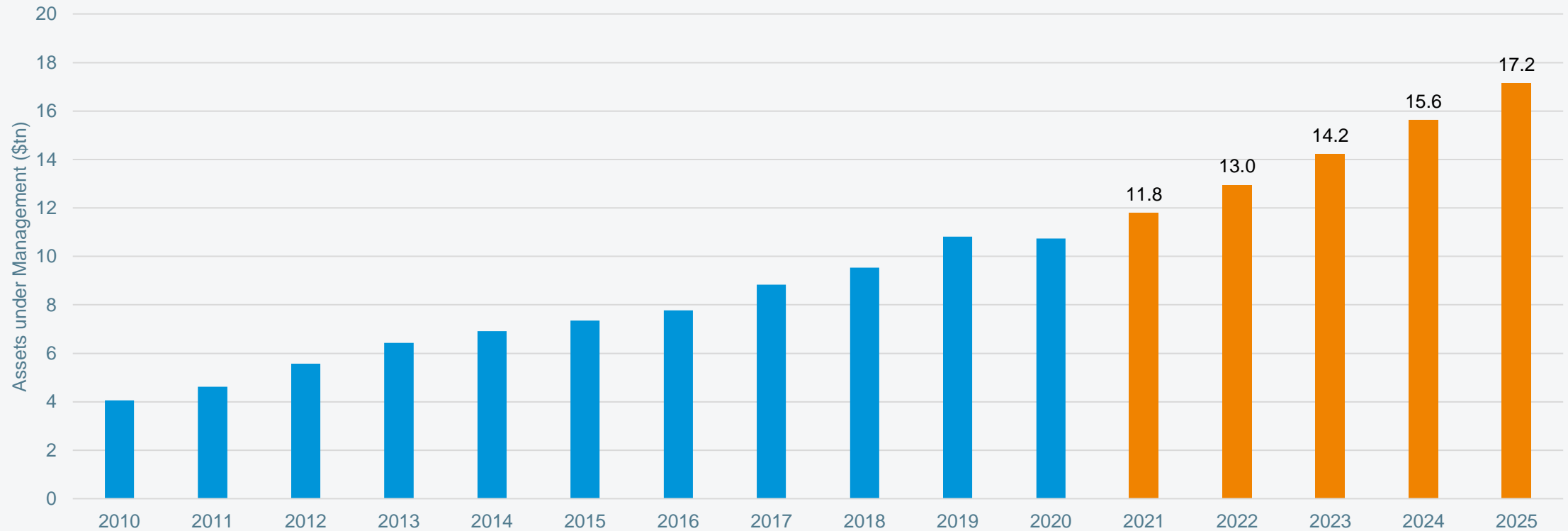


Source: Preqin Investor Surveys, November 2018 - 2020

The Future of Alternatives

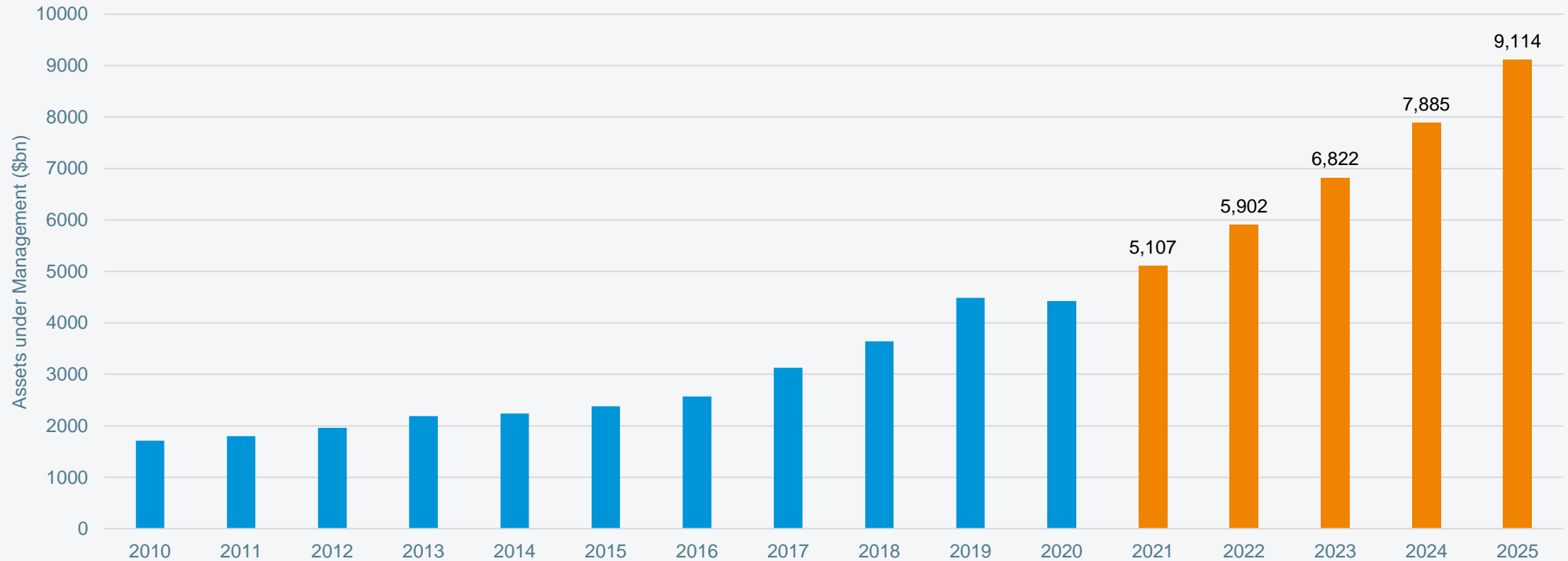
Projecting AUM of \$17tn as of 2025

Alternative Assets under Management and Forecast,
2010 - 2025*



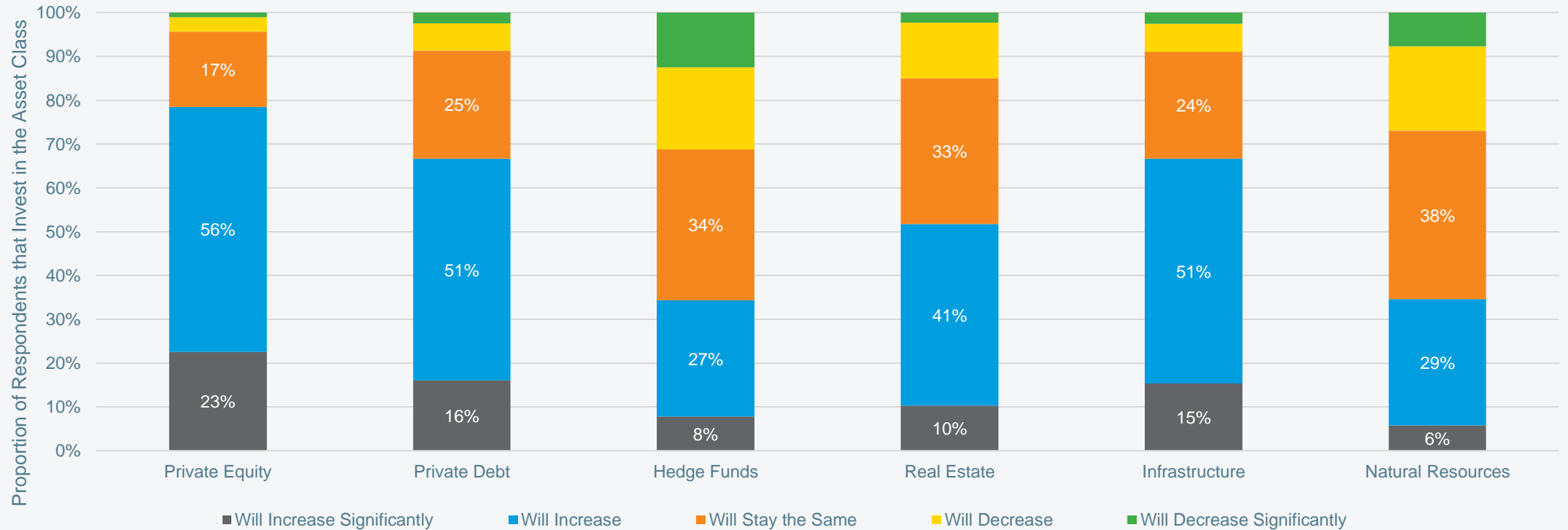
Private Equity AUM to Reach \$9bn

Private Equity Assets under Management and Forecast, 2010 - 2025*



Overwhelming Majority of Investors Plan to Increase Exposure to Alternatives

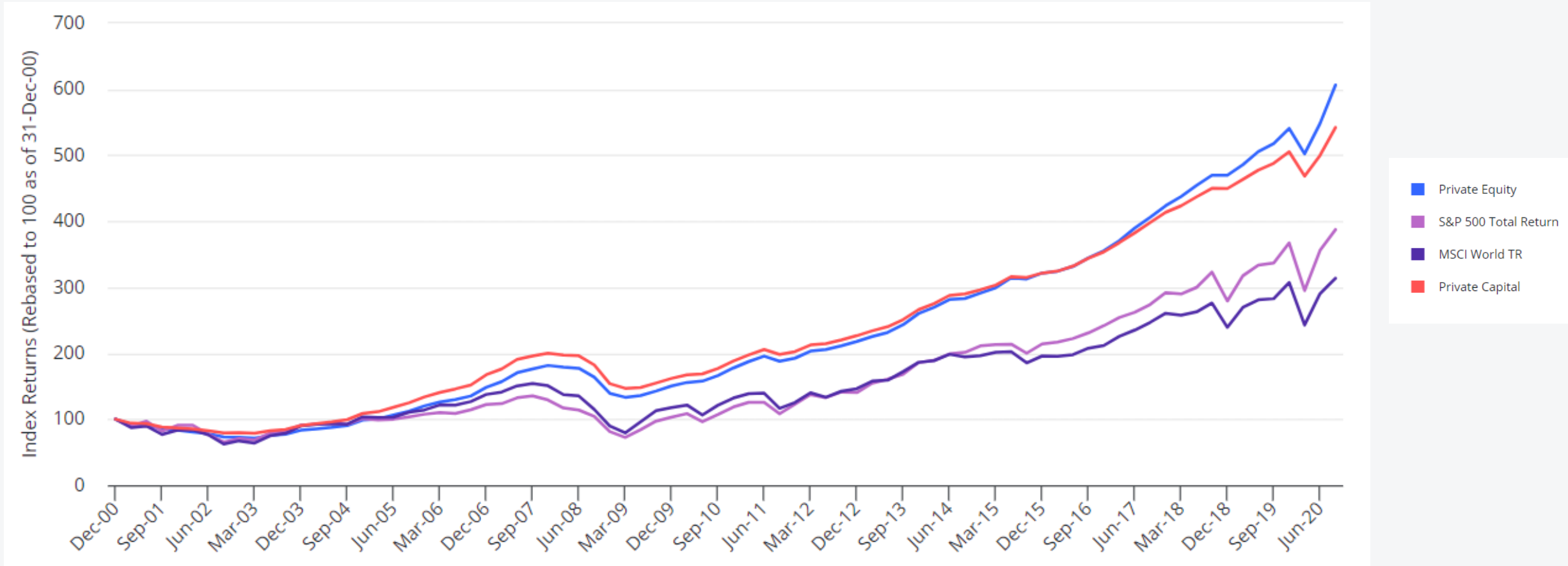
Investors' Plans for Their Allocation to Alternatives by 2025 by Asset Class



Source: Preqin Investor Survey, August 2020

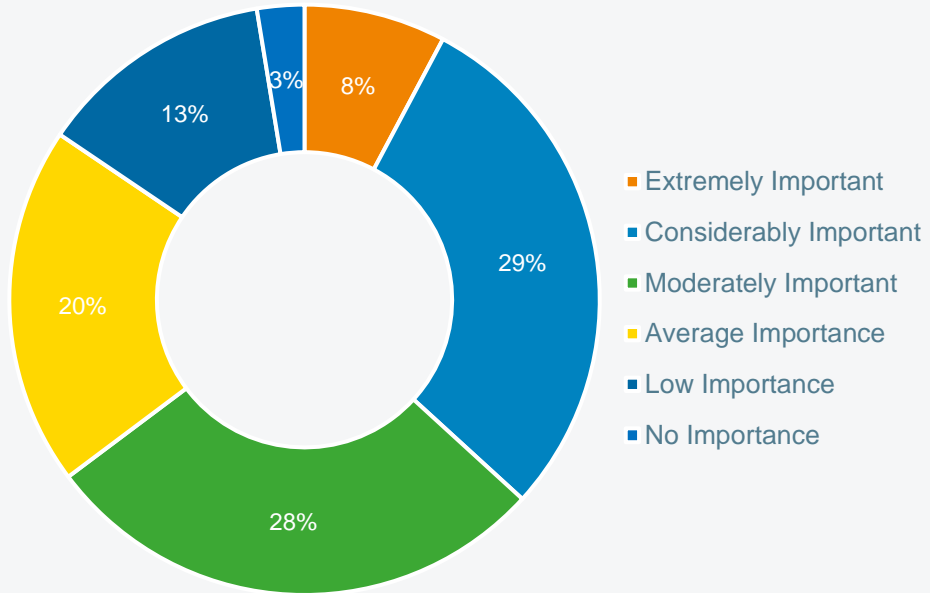
Private Equity Outperforms Over the Longer Term

PrEQIn Quarterly Index vs. Public Markets

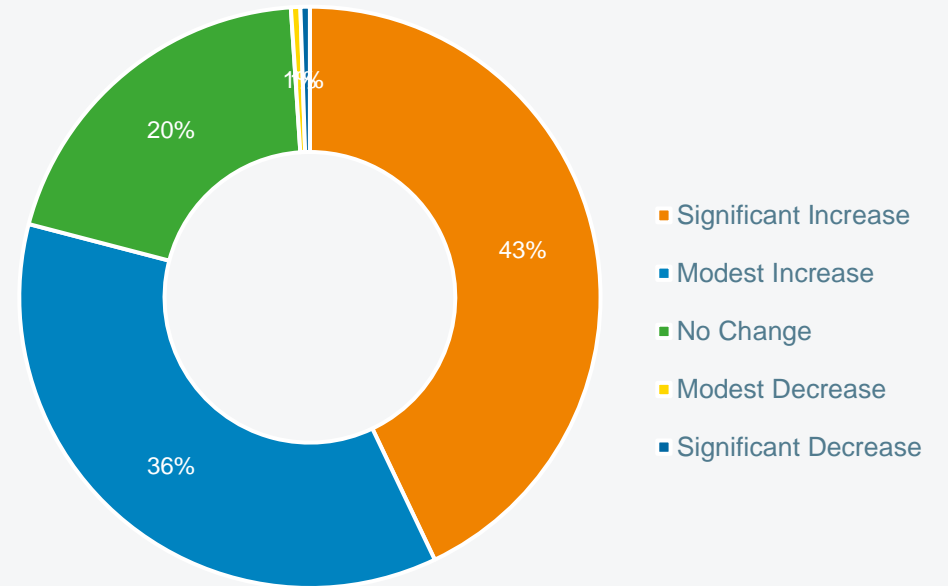


The Continued Rise of ESG

Investor Views on the Importance of ESG in Investment Decisions

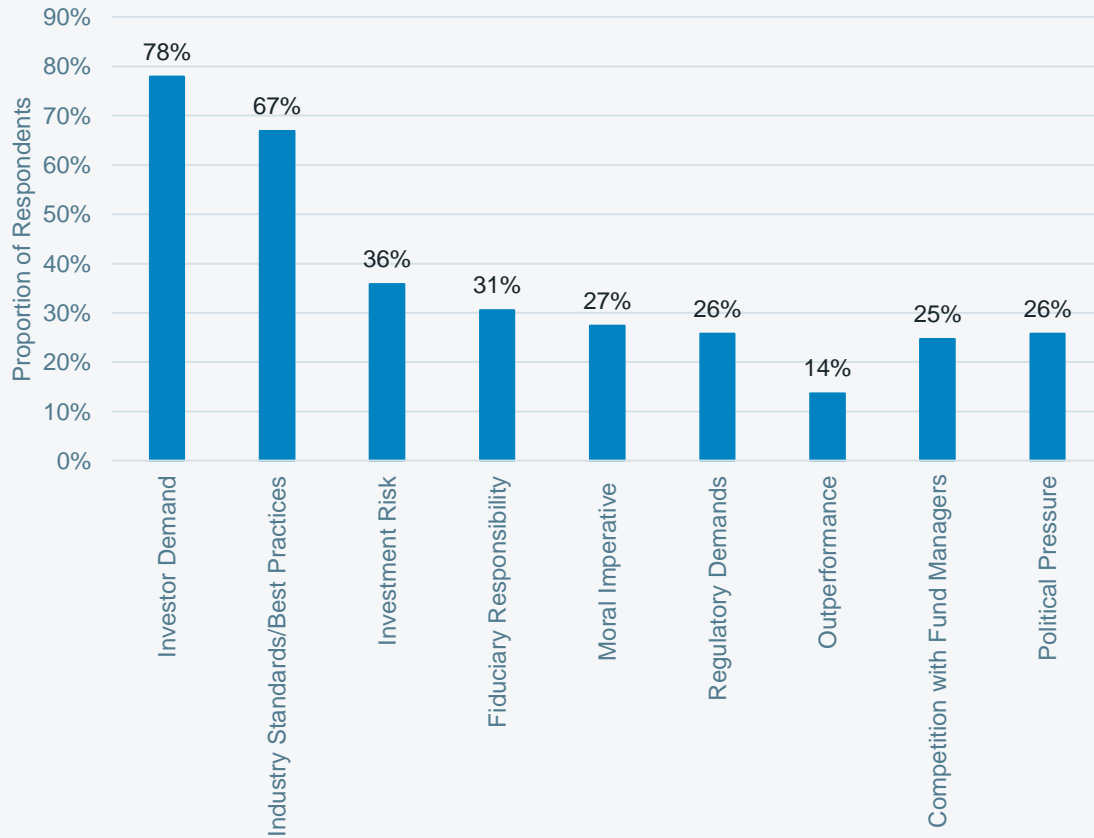


Investor Views on the Change in Interest in/Demand for Their Organizations' ESG Capabilities or Strategies over the Past 12 Months

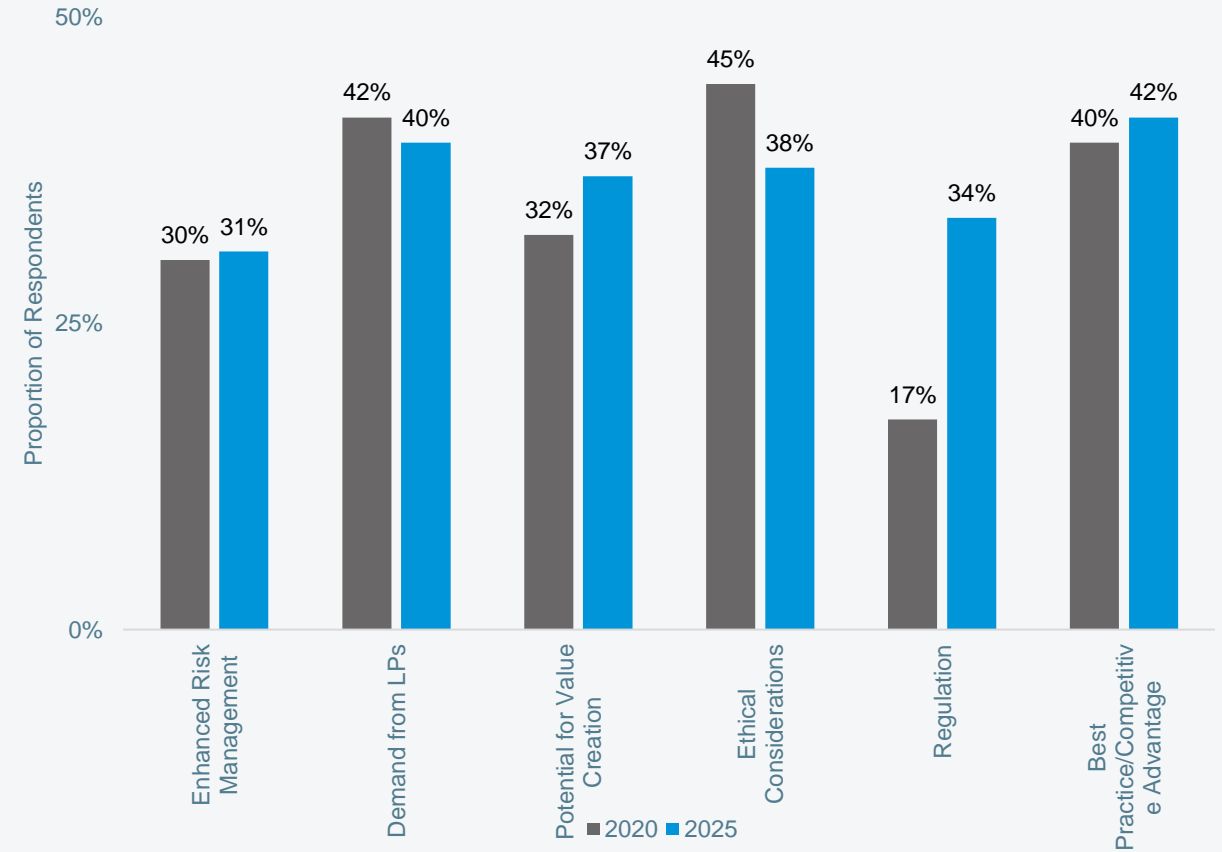


Investor Demand and Industry Standards Driving ESG Demands

Investor Views on Why Fund Managers Establish an ESG Policy

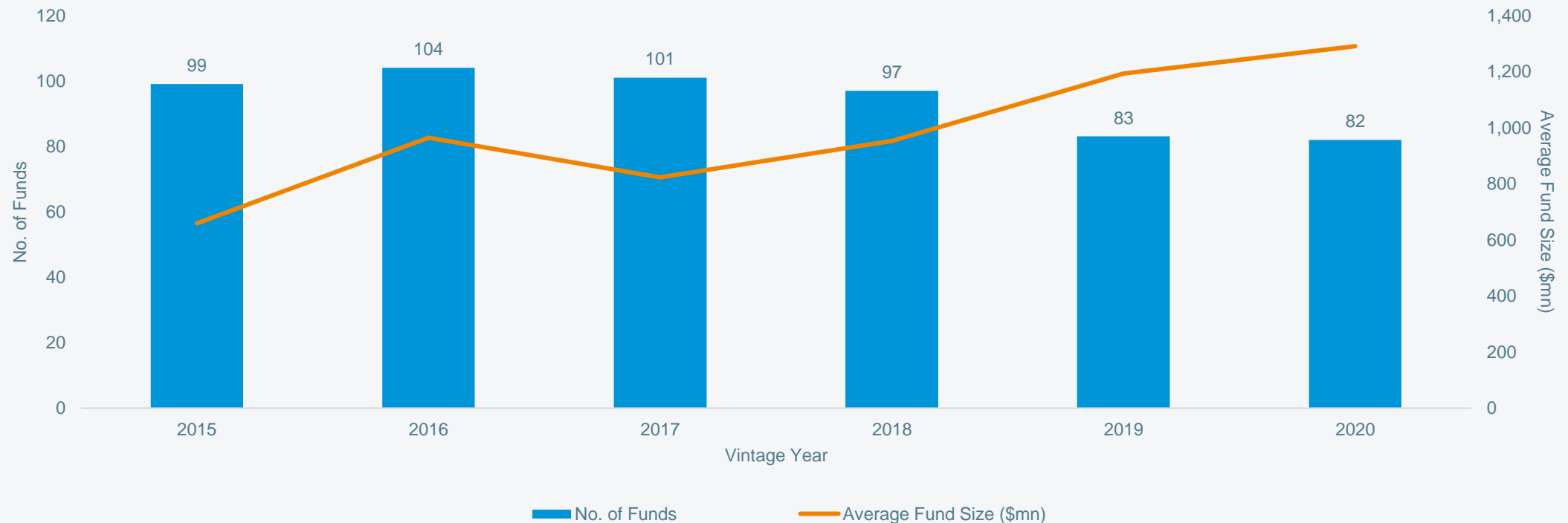


Fund Manager Views on What Is Driving the Adoption of ESG Monitoring and Reporting, 2020 vs. 2025



Average Size of ESG-Focused Funds Increasing

Average Size of Private Capital Funds with an ESG Policy in Place by Vintage Year



Summary

- AUM has continued to **increase** despite the turmoil and uncertainty that we experienced in 2020
 - Private Capital AUM stands at \$8tn+ as of September 2020
- Future AUM growth is to be driven by **Private Equity** and **Private Debt**
 - Projecting upwards of \$17tn in 2025
- Investors remain **confident** and **committed** to Alternatives over the longer term
- Asia growing in terms of opportunities and AUM market share
- ESG continues to be an **important factor** in capital allocation – investor demand and need for a competitive advantage

Further Information....



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