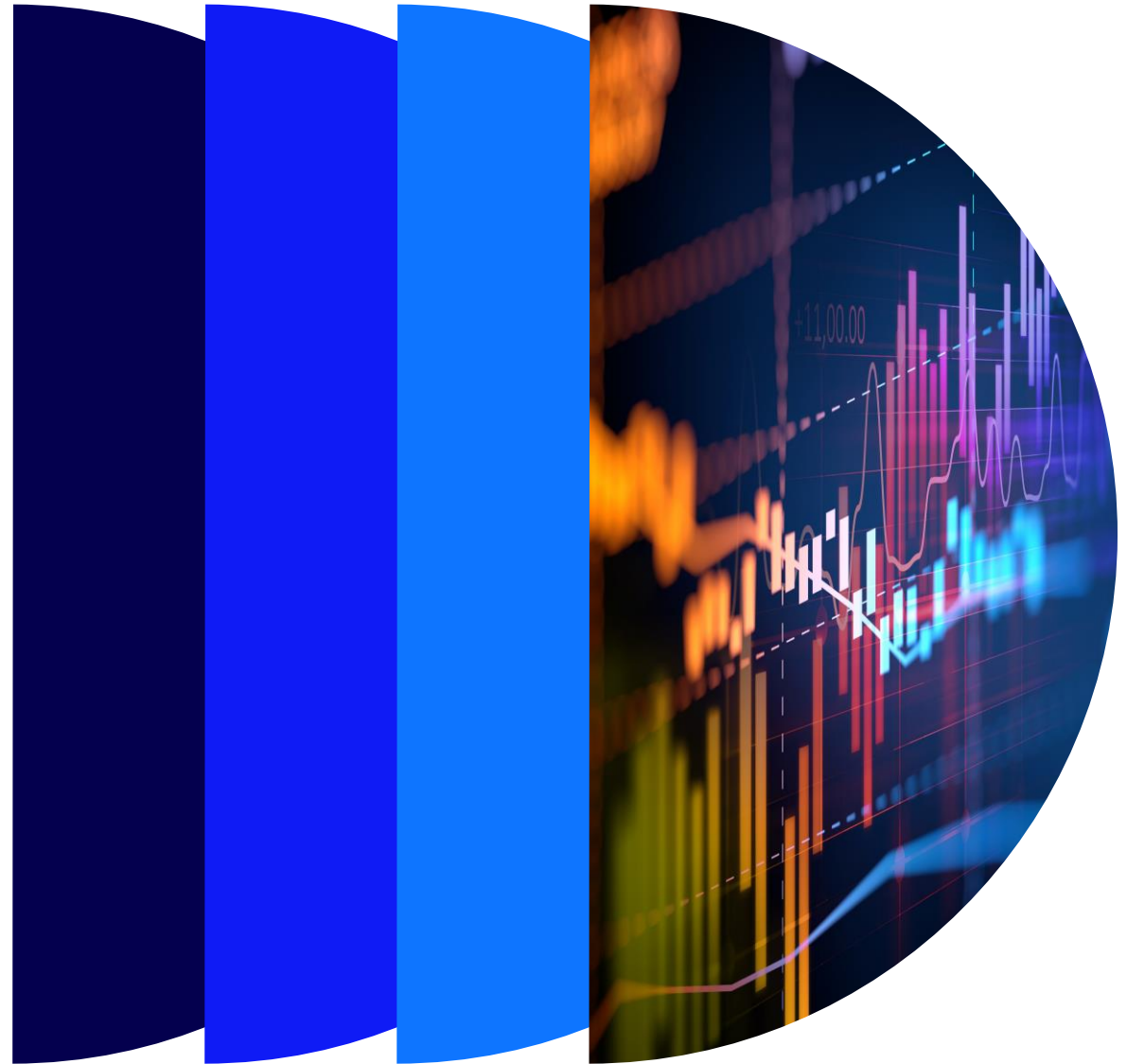


2023 LP Survey on Private Equity

4-Market Survey of Limited Partners

June 2023



Aggregate Results

2023 Limited Partners Survey on Private Equity

4-market online quantitative survey among

494 GLOBAL LIMITED PARTNERS*

APAC n=

106

Europe n=

114

Middle East n=

169

North America n=

105

* Each region has been equally weighted (25% each) for the purposes of the **All Market** averages

PE = Private Equity

SWF = Sovereign Wealth Fund

LP = Limited Partner

HNWI = High Net Worth Individual

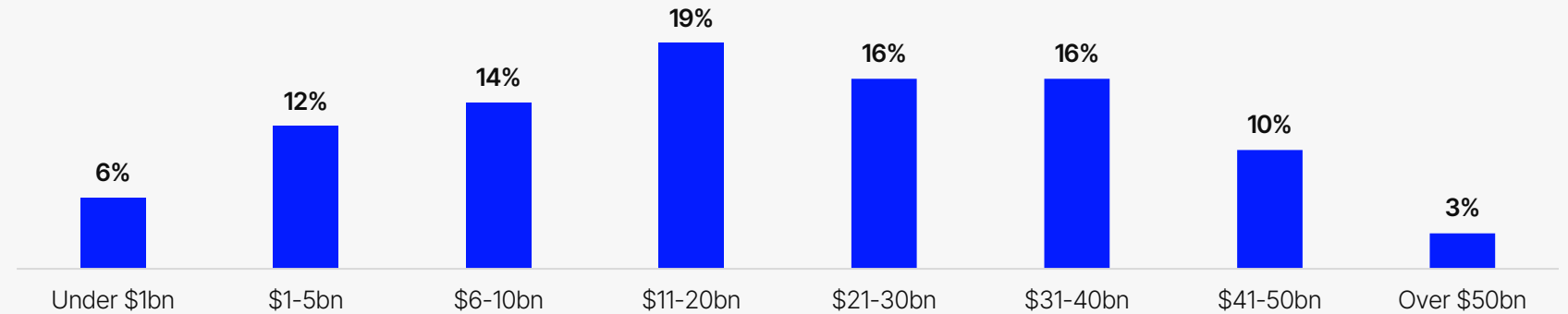
GP = General Partner

LP Sample Details

LP Type

Pension Fund	23%
Family Office	17%
HNWI or Wealth Manager for HNWI	13%
Insurer	13%
Foundation	13%
SWF	12%
Endowment	9%

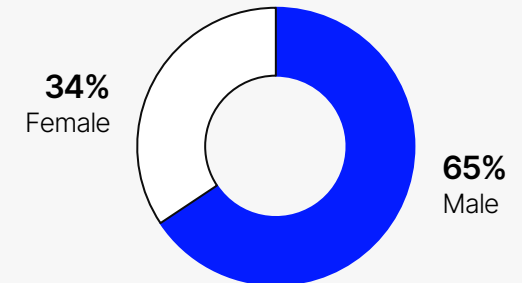
AUM



Countries

Australia	France	Japan	Singapore
Bahrain	Germany	Kuwait	UAE
Canada	Hong Kong	Oman	USA
Egypt	India	Saudi Arabia	United Kingdom

Gender



2023 LP Survey on Private Equity.

Q1. What is your gender? [1% of respondents selected "Non-binary / Third gender"]

Qv. What is the AUM (assets under management) range of your organization as of 31 March 2023? [3% of respondents selected "Prefer not to say"] [Due to rounding, percentages do not add up to 100%]

Qc. What type of organization do you work for?

LPs Continue to Evolve Their Expectations of PE

Depending on the region, LPs show varying expectations, perceptions of PE, and capital allocation plans—showing that PE communication programs should adapt to the regions they want to attract capital from.

1

Reputational Premium



Reputation commands a premium. Nearly 40% of LPs say reputation is more important than investment returns when deciding which PE firm to commit capital to.

2

ESG Demands



Despite ESG backlash, LPs are still holding GPs to increasingly high standards. 60% say that ESG-linked financial incentives for investment teams are very or extremely important when deciding where to allocate capital.

3

Social Media



LPs rely heavily on social media to evaluate PE firms and personnel. 94% of LPs say that social media profiles of key PE firm personnel are important to informing their decision to invest in a fund.

4

Concerns Around Strategy

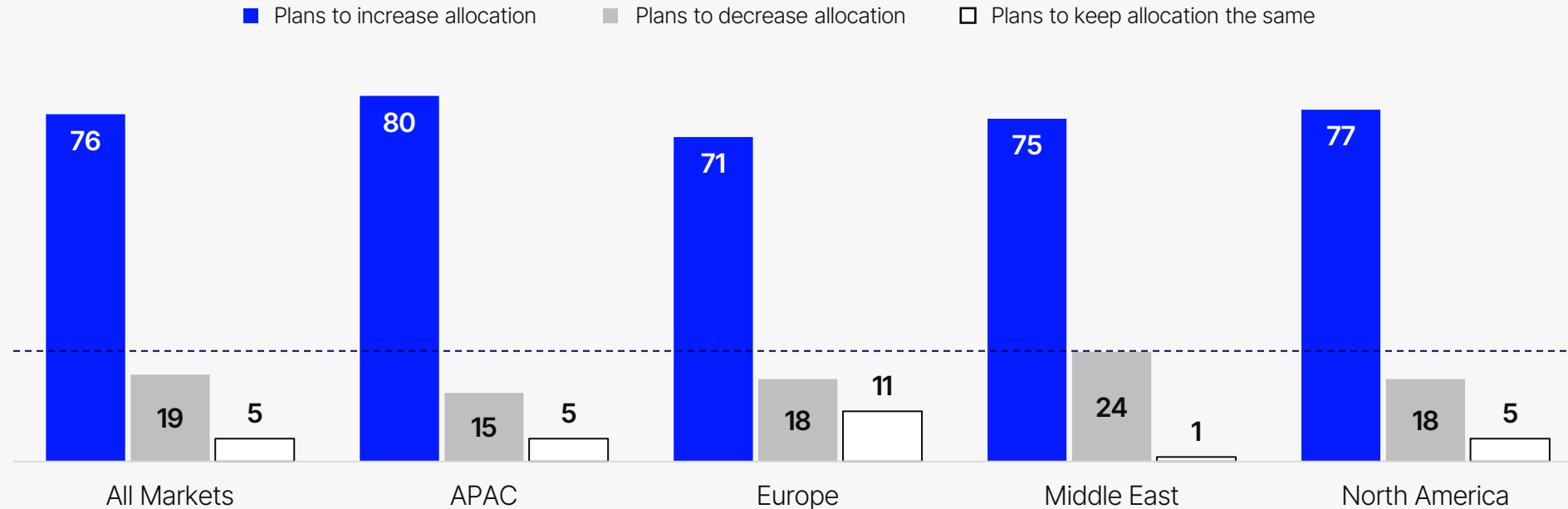


1 in 5 LPs think the GPs they have invested in have not effectively communicated that they have the right strategy to generate adequate returns in an economic downturn.

LP Allocation and Investment Plans

PE Remains Attractive Destination for LP Allocations; Headwinds in Middle East

Percent of LPs who say their organization plans to change the amount they allocate to PE investments in the next 12 months



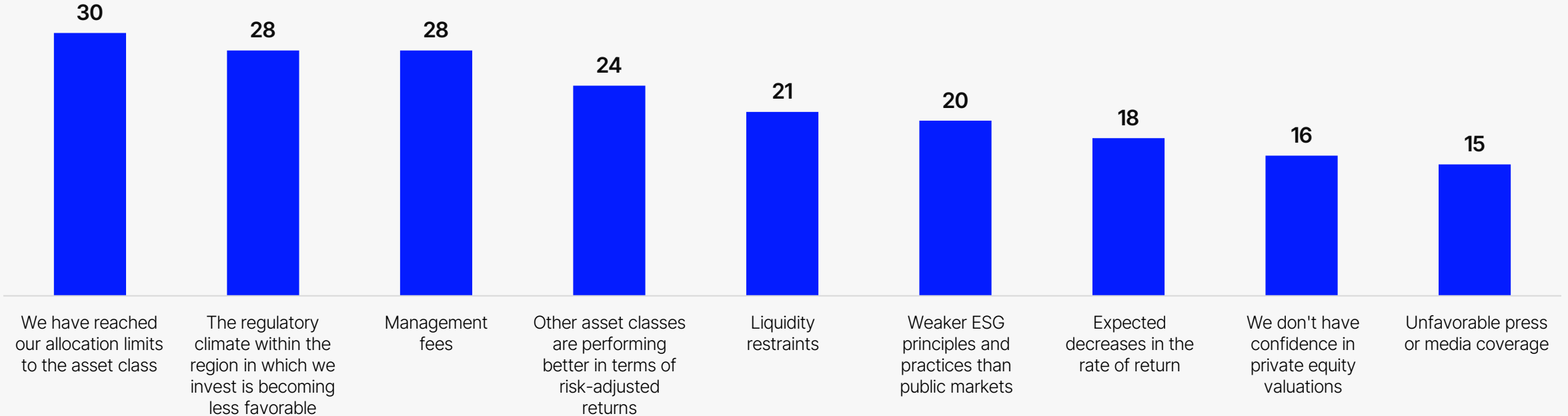
91% of SWFs

surveyed across all four markets said they plan to increase allocations to PE, 16% more than the next closest LP (Endowments at 76%).

2023 LP Survey on Private Equity. Q1. Has your organization recently changed, or does it plan to change in the next 12 months, the percentage of assets under management that it allocates to Private Equity investments?

For LPs Decreasing PE Commitments, Allocation Limits Most Cited Reason









Percent who cite reason for decreasing allocation to PE investments



2023 LP Survey on Private Equity. Q2a. Why is your organization decreasing its allocation to Private Equity? (Tick all that apply)

For LPs Increasing PE Commitments, Regulatory Climate Most Cited Reason

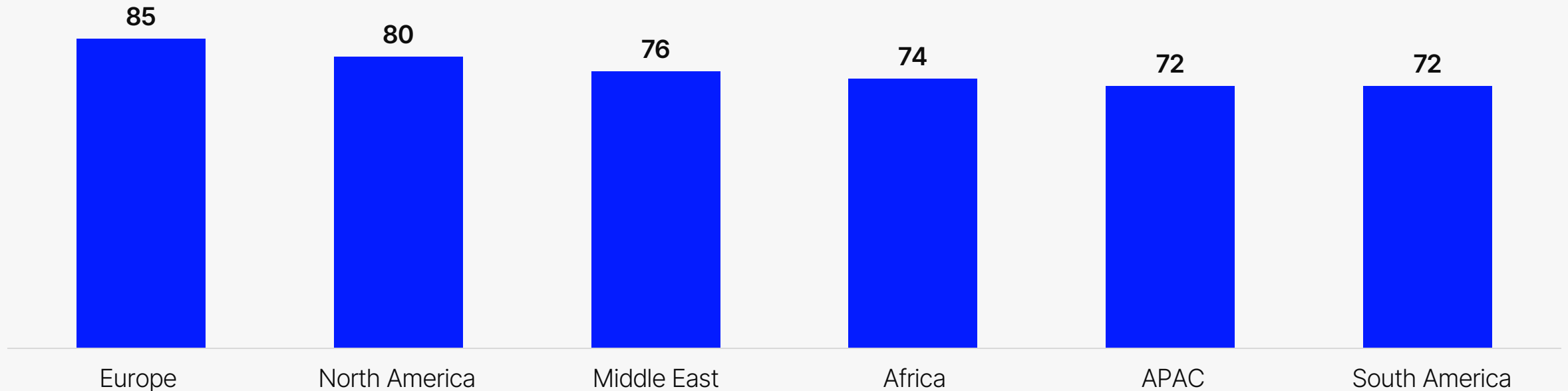
Percent who cite reason for increasing allocation to PE investments

	All Markets	APAC	Europe	Middle East	North America
The regulatory climate within the region in which we invest is becoming more favorable	 36	38	49	30	30
Expected increases in the rate of return	 34	41	26	41	28
Increasingly attractive co-investment opportunities	 33	39	21	39	33
Improvement in ESG principles and practices	 33	29	30	38	36
It is performing better than other asset classes in terms of risk-adjusted returns	 32	40	31	30	28
Favorable terms available on management fees	 29	27	31	30	28
To diversify our portfolio	 29	27	21	30	37
Withdrawal of other LPs provides more investment opportunity	 24	24	26	20	26

2023 LP Survey on Private Equity. Q2b. Why is your organization increasing its allocation to Private Equity? (Tick all that apply)

LPs Most Likely to Allocate to European Strategies in Near-Term

Percent who say they are likely to allocate PE capital to the following regions in the next 12 to 18 months



2023 LP Survey on Private Equity. Q5. How likely, if at all, are you to allocate private equity capital to the following regions in the near-term (next 12 to 18 months)? [Net Likely Score, "Somewhat Likely," "Very Likely"]

LPs Want to Allocate to Tech, More Than Any Other Sector

Sectors that LPs want to allocate PE capital to in the next 12 - 18 months

Technology

28%

Financial Services

25%

Services

19%

Healthcare

18%

Real Estate

18%

2023 LP Survey on Private Equity. Q3. Which sectors, if any, are you most likely to allocate Private Equity capital to in the near-term (next 12 to 18 months)? (Tick up to three)



High Net Worth Individuals ("HNWI") and APAC investors

most likely out of all LP types to want to allocate
PE capital to technology:

41%

of HNWI respondents

33%

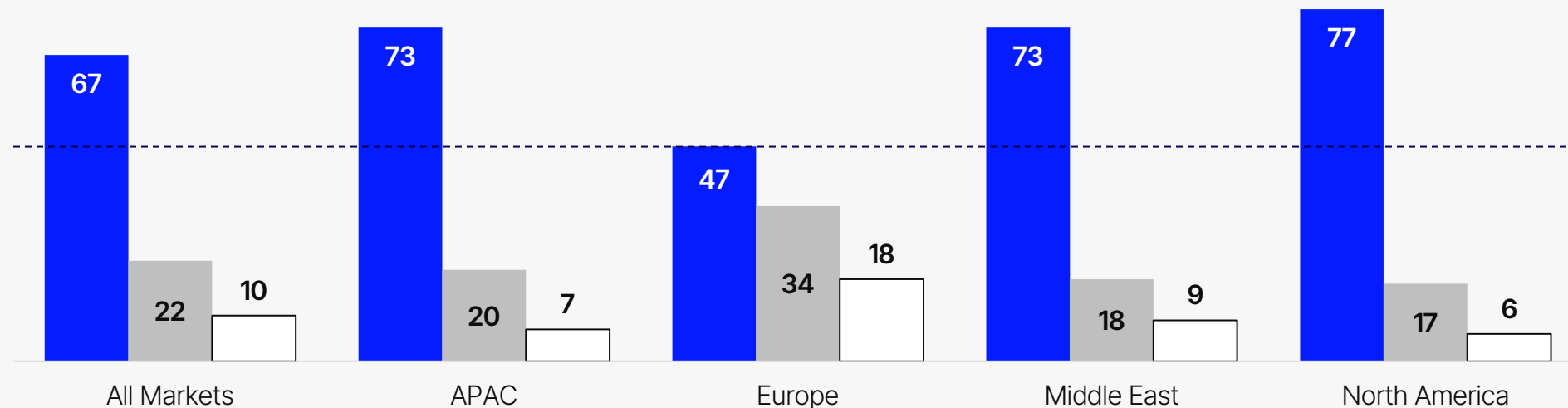
of APAC respondents

State of PE Reputation and Communication Channels

European LPs Have Least Positive Perception of PE

Percent of LPs who say

■ Current perception of the PE industry is positive ■ Current perception of the PE industry is neutral □ Current perception of the PE industry is negative



**In Europe
1 in 4**

say their opinion of PE reputation has negatively changed over the past two years regarding supporting the health and growth of their portfolio companies

2023 LP Survey on Private Equity. Q11. How would you characterize your current perception of the Private Equity sector/industry as a whole? [Net Positive Score, "Somewhat Positive," Very Positive"] [Net Negative Score, "Somewhat Negative," "Very Negative"] [Due to rounding, percentages do not add up to 100%] Q12. How, if at all, has your opinion of Private Equity reputation changed over the past two years across each of these dimensions? [Net Negative Score, "Somewhat More Negative," "Negative"]



Nearly 40% of LPs Say Reputation is More Important Than Investment Returns

When deciding which PE firms to commit capital to

2023 LP Survey on Private Equity. Q8. Which, if any, of the following are more important than investment returns in your decision-making regarding which specific Private Equity funds to commit capital to? (Tick all that apply)

Top five considerations that LPs say are more important than investment returns

37% Good reputation in the market

40% High quality leadership team

34% Healthy corporate culture

30% Strong ESG program

29% Diversity of investment team

50% of HNWI cited good reputation in market, more than any other option selected by any LP type

Firm and Executive Social Media Content is Key Source of Intel for LPs

Percent of LPs who say

94%

Social media profiles of key PE firm personnel are important when deciding to invest in a fund

92%

PE firm social media content is important when deciding to invest in a fund

2023 LP Survey on Private Equity. Q14. To what extent, if at all, are the social media profiles of (e.g., LinkedIn) of key Private Equity firm personnel important when it comes to informing your investment decision in a specific Private Equity fund? Q13. To what extent, if at all, is Private Equity firm's social media content (e.g., LinkedIn) important when it comes to informing your investment decision in a specific Private Equity fund? (Net Important Score, "Somewhat Important," "Very Important")

LPs Want to See Communication on a Range of Topics on Social Media from GPs

Percent of LPs who say communications on the following topics are very or extremely useful on social media

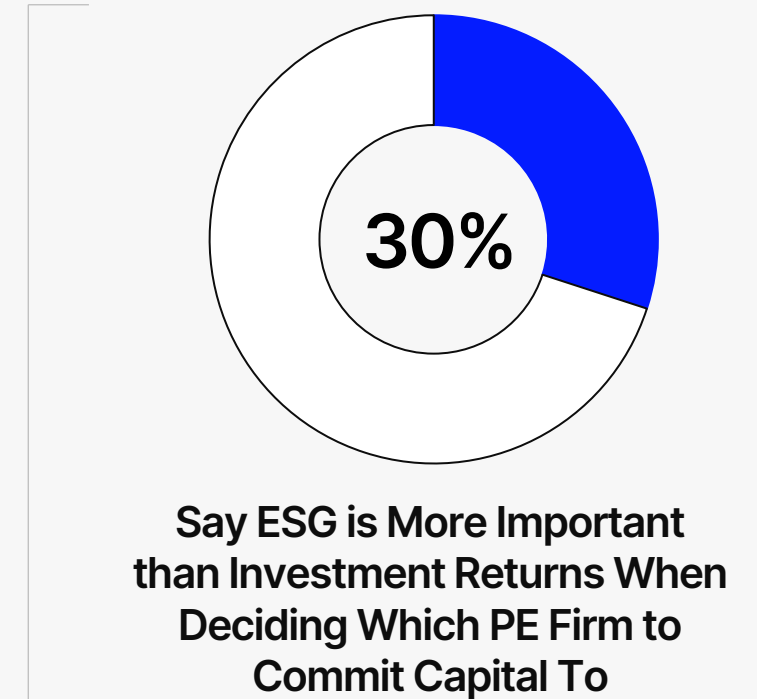
	All Markets	APAC	Europe	Middle East	North America
Press coverage of the firm and/or its leadership	58	63	54	54	62
Insights sharing societal and/or economic impact of portfolio companies	57	62	47	58	62
News regarding portfolio companies	56	61	50	52	62
Investment strategy	56	58	52	53	62
Transaction announcements	56	61	46	55	61
Firm culture	55	58	49	59	55
Commentary from firm leadership on relevant issues that impact their approach to investing	55	68	39	49	63
Progress on ESG and DEI	54	55	47	53	63
Examples of the GP's positive societal and/or economic impact	53	54	42	55	61

2023 LP Survey on Private Equity. Q15. How useful, if at all, would you find the following communications on social media (e.g., LinkedIn) about the following topics when deciding whether to allocate to a Private Equity Fund?

LP Communications and Stakeholder Management

Despite Backlash, ESG Expectations Are Growing

ESG Considerations LPs Say are Very or Extremely Important When Deciding Which PE Fund to Allocate Capital To



2023 LP Survey on Private Equity. Q8. Which, if any, of the following are more important than investment returns in your decision-making regarding which specific Private Equity funds to commit capital to? (Tick all that apply) Q9. How important, if at all, are each of the following ESG considerations in your decision-making regarding which specific Private Equity funds to commit capital to? Unless indicated, all options refer to practices at GP-level.

Scope to Improve LP Relationships

Percent of LPs who say

18%

Of LPs globally say PE firms are failing or doing poorly at exercising fiduciary duty

22%

Of family offices say PE firms are failing or doing poorly at generating returns

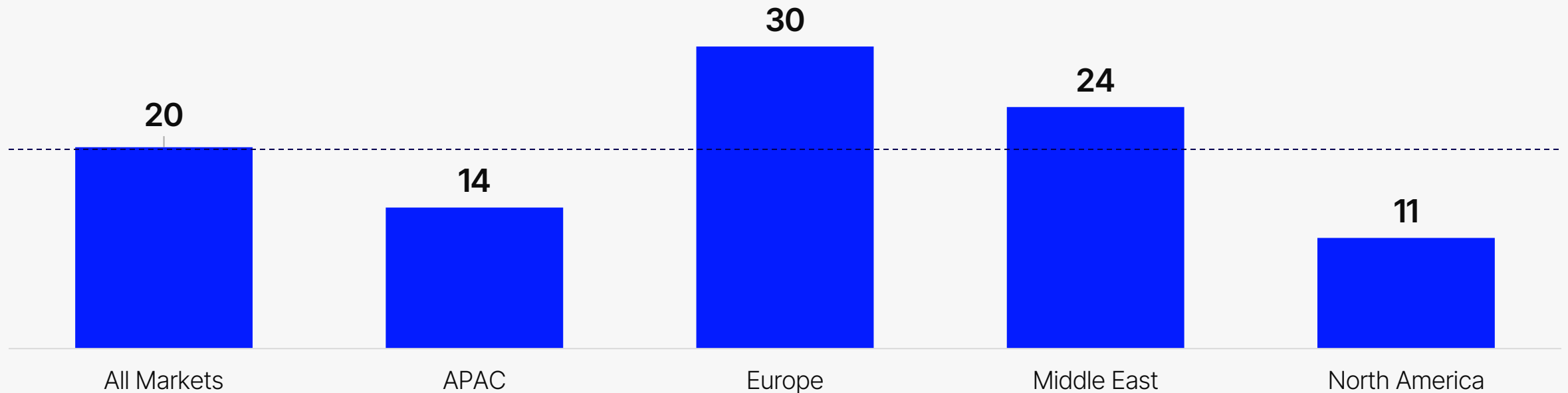
27%

Of Middle East LP say PE firms are failing or doing poorly at addressing the needs of their investors

2023 LP Survey on Private Equity. Q10. How well or poorly do you feel Private Equity firms are currently doing in each of the following areas? Please indicate your answer using the 5-point scale below.

1 in 5 LPs Say GPs Not Effectively Communicating Plans for an Economic Downturn

Percent who say PE funds they have invested in have not effectively communicated that they have the right investment strategies in place to generate adequate returns in an economic downturn



2023 LP Survey on Private Equity. Q20. Have the Private Equity funds in which you invested effectively communicated that they have the right investment strategy to generate adequate returns in an economic downturn?

Optimize Your Communications to Reflect LPs' Enhanced Needs

The regional differences among LPs presents an opportunity for GPs who take note of these nuances. Stand out by playing to LPs' different preferences and communications needs.

Double Down on Brand Building

1

Bolster efforts to protect and establish your firm's brand. Reputation is playing a major role in driving LP commitments to the asset class.

Continue Evolving on ESG

2

With expectations on ESG continuing to grow, evolve your firm's program to meet LPs' heightened standards.

Optimize Social Media

3

The data is clear. LPs are using social media not only for diligence, but also for ongoing information. Take full advantage of professional channels like LinkedIn to maximize your communication program.

Show How Your Strategy Fits the Environment

4

Given ongoing concerns about the macroeconomic picture, proactively communicate how your strategy is right for the current economic environment.



Thank you

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