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NEW STIFEL AND EATON PARTNERS SURVEY FINDS INVESTORS PLAN TO MAINTAIN PRIVATE EQUITY ALLOCATIONS OVER NEXT 12 MONTHS

Team Cohesion Identified as Most Important Factor When Evaluating New Investment Opportunities

STAMFORD, Conn., August 1, 2023 – A new survey from Stifel Financial Corp. (NYSE: SF) and Eaton Partners, a Stifel Company, indicates a majority of institutional investors have no plans to change their private equity allocations over the next six to 12 months despite perceived headwinds, including tightening credit and possible economic recession.

Survey respondents also identified team cohesion as the most important factor when evaluating new investment opportunities over other considerations, including returns, fund size, and fees.

The latest Stifel/Eaton Partners LP Pulse Survey questioned dozens of leading limited partners (LPs) on their approach to private equity investing. Key findings include:

- While 61% plan to hold private equity allocations steady in the near term, 18% are considering increasing allocations while 21% may reduce allocation dollars.
- LPs rank Buyouts (65%) and Growth Equity (39%) among the top asset classes of focus and Healthcare (80%) and Industrials (60%) as most favored sectors.
- Roughly half (49%) expect similar volumes in 2024 year over year for their existing managers back in market with their next fund. More than one-quarter (28%) expect an increase in volumes next year compared to 2023 levels, while 23% percent anticipate a decrease.
- Most investors (57%) are taking a “business-as-usual” approach when managing the increased volume of existing managers back in market with their next fund, although half (50%) also expressed a willingness to consider reducing the number of managers they invest with.
- Tightening credit, possible recession, and declining distributions are seen as greatest risks to private equity performance.
- Three-quarters (75%) list team cohesion as the most important criteria when evaluating a new private equity investment, followed by returns, GP commitment, and fund size.
- Outside of the United States, LPs identify continental Europe (65%), the UK (41%), India (24%), and Southeast Asia (19%) as geographies of possible interest for investment.

“Despite tightening credit and looming fears of a recession, our latest survey suggests that LPs remain cautiously confident in the outlook for private capital markets over the coming year, with many expecting either similar or

increased volumes for existing managers in 2024 compared with this year,” said Chris Maduri, Managing Director at Eaton Partners.

“These survey findings confirm what we see in the marketplace during this period of economic uncertainty,” added Eric Deyle, Managing Director at Eaton Partners. “LPs are concentrating allocations within a narrower pool of existing managers back in market, shifting their focus to resilient sectors and asset classes, and reassessing top priorities when evaluating new private equity investments.”

Eaton Partners, which provides leading fundraising, advisory, and capital solutions capabilities as part of the investment banking team at Stifel, offers investment managers direct access to Stifel’s broader banking services, including over 600 professionals across 24 offices. With deep experience in the secondaries market, Stifel and Eaton combined have advised and executed on more than \$2.5 billion worth of secondary transactions over just the last three years.

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

The online survey of 44 top institutional investors was conducted from June 23, 2023, through July 26, 2023.

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 for over 185 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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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 Stifel Independent Advisors, LLC. 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. For global disclosures, please visit <https://www.stifel.com/investor-relations/press-releases>.

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