

NEWS RELEASE



Marco Wulff,
Managing Partner & CEO
Montana Capital Partners

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Private equity’s role grows in volatile times: Montana Capital Partners annual survey results

- **Allocations to private equity continue to rise, secondaries now No. 2 long-term strategic preference for investors**
- **Secondaries expected to be more resilient in a downturn, investors increasingly turn to healthcare and business services**
- **Market uncertainties leading to increased demand for liquidity through secondaries**

ZUG, Switzerland, 15 Nov. 2022 – Montana Capital Partners (“mcp”) has published its 10th Annual Investor Survey, titled “The role of private equity in volatile times — how leading investors respond to the new market environment”, which explores the current investment strategies and preferences of global private equity investors, including large institutional investors and reputed family offices and foundations.

Allocations to private equity have surged in 2022 amidst decreasing public market valuations, rising inflation, and geopolitical conflicts. The survey finds that 71% of family offices and foundations and 33% of institutional investors now allocate 15% or more of their portfolio to private equity, a significant increase compared to 49% and 21%, respectively, in 2021.

Increased allocations are a result of the strong performance of the asset class and a fundraising environment that has seen general partners (GPs) come back to market faster than ever and forced investors to accelerate their deployment. Meanwhile the “denominator effect” has meant that for 8 out of 10 respondents, private equity portfolios have maintained their value or increased during the first half of the year, while stock markets plummeted.

To navigate the current market environment and mitigate the impact of a potential recession, investors have turned to resilient industries such as healthcare and business services, and investment strategies expected to be less impacted in a downturn, such as mid-market buyouts and secondaries.

Secondaries are the No. 2 long-term strategic preference of investors behind mid-market buyouts and ahead of growth capital, venture capital and private debt, among others, with a preference for complex secondaries and fund portfolio acquisitions. With a quarter of

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institutional investors expecting to sell positions in the next 12 months, we can expect to see attractive investment opportunities in the near term.

Marco Wulff, managing partner and CEO at mcp, commented: “While it is currently more difficult to identify and create value and there are elevated market uncertainties, we also see heightened interest in and attractive opportunities for secondaries. We believe that we will be able to generate alpha by partnering with the right GPs and by taking advantage of the market correction to invest in assets with strong fundamentals at lower valuations.”

Eduard Lemle, managing partner at mcp, added: “Secondaries are expected to perform well in the current market environment, as some LPs may be willing to accept a higher discount in exchange for immediate liquidity, which will create attractive buying opportunities. Secondaries are also an attractive complement to regular primary and direct private equity allocations, due to their high level of diversification, reduced blind pool risk, and earlier repayment of capital.”

ABOUT THE MCP ANNUAL INVESTOR SURVEY

The 2022 Annual Investor Survey represents the 10th edition of a successful series of yearly comprehensive studies on the global private equity market conducted by Montana Capital Partners. It is based on two parts: an online survey of more than 60 of the industry’s leading family offices and institutional investors worldwide during the months of August and September 2022; furthermore, a subset of these investors were interviewed in depth to provide further insights into the results. Throughout the report, family offices, multifamily offices and foundations/endowments are classified as “family offices and foundations”. Investors from insurance companies, pension funds, banks, asset managers, and sovereign wealth funds are classified as “institutional investors”. The full report can be accessed via the microsite for the [Annual Investor Survey](#).

ABOUT MCP

Montana Capital Partners (“mcp”) is a Swiss-based private equity firm focused on attractive niches of the secondary market, as well as on high-quality asset management solutions. mcp acts as advisor to five secondary funds with total assets under management of more than €3.4 billion (US\$3.5 billion). All mcp funds were oversubscribed and closed at their hard cap.

The firm focuses on directly sourced transactions to create innovative and customized solutions that mutually benefit investors as well as sellers and GPs. Such solutions include structures like deferred payments, earn-outs, preferred equity and securitization elements, as well as tailored solutions for GP-led transactions such as tender offers, continuation funds (either entire funds or single/multiple assets), spin-outs, and stapled transactions.

In 2021, mcp joined forces with PGIM to strengthen its market positioning and global footprint. The firm benefits from PGIM’s global network and expertise, while providing access to a new and differentiated investment opportunity to PGIM’s clients. For more information visit www.mcp.eu.

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