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## INVESTOR REPORT Q3 2020

*Buyouts'* interactive and downloadable review of the private equity investor environment

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# \$4.97bn raised by top 15 largest commitments

Fundraising for the year to date has matched previous years as appetite for private equity remains strong, despite travel bans and global lockdowns.

This appetite is strongest among investors committing capital to funds with a multi-regional focus. Of the top 15 largest fund commitments by private equity LPs, over half were to multi-regional funds.

New York State Common Retirement Fund has recently shown notable investment activity. In Q3 2020 it made sizable commitments to CVC Capital Partners VIII and EQT IX.

## Largest known private equity fund commitments made in Q3 2020

Institution	Fund	Manager	Commitment (\$m)	Region	Strategies
Canada Pension Plan Investment Board	CVC Capital Partners VIII	CVC Capital Partners	586.2	Multi-regional	Buyout / Corporate PE
New York State Common Retirement Fund	CVC Capital Partners VIII	CVC Capital Partners	586.2	Multi-regional	Buyout / Corporate PE
Washington State Investment Board	TPG Growth V	TPG	400.0	Multi-regional	Venture Capital / Growth Equity
New York State Common Retirement Fund	EQT IX	EQT	351.7	Europe	Buyout / Corporate PE
Massachusetts Pension Reserves Investment Management Board	CVC Capital Partners VIII	CVC Capital Partners	322.4	Multi-regional	Buyout / Corporate PE
New York State Common Retirement Fund	KKR Asian Fund IV	KKR	300.0	Asia-Pacific	Buyout / Corporate PE
New York State Common Retirement Fund	Stellex Capital Partners II	Stellex Capital Management	300.0	Multi-regional	Buyout / Corporate PE
New York State Teachers' Retirement System	Silver Lake Partners VI	Silver Lake	300.0	Multi-regional	Buyout / Corporate PE
Virginia Retirement System	Oaktree Opportunities Fund XI	Oaktree Capital Management	300.0	Multi-regional	Mezzanine / Debt
Tikehau Capital	Ace Aéro Partenaires	ACE Management	269.7	Europe	Buyout / Corporate PE
Korean Teachers' Credit Union (KTCU)	M&A Loan Fund (including co-investment)	Hana Alternative Asset Management	257.8	Asia-Pacific	Mezzanine / Debt
Florida Retirement System Trust Fund	Blue Torch Credit Opportunities SBAF Fund	Blue Torch Capital	250.0	North America	Mezzanine / Debt
New York State Common Retirement Fund	NYSCRF Pioneer Co-Investment Fund II	Farol Asset Management	250.0	North America	Fund of Funds / Co-Investment
North Dakota Retirement and Investment Office	Sixth Street Fundamental Strategies Partners	Sixth Street Partners	250.0	North America	Mezzanine / Debt
Oregon Public Employees' Retirement Fund	Francisco Partners VI	Francisco Partners	250.0	Multi-regional	Buyout / Corporate PE

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# PE commitment activity remains strong

Of the top 10 most active investors in private equity, the majority are agnostic when it comes to regional appetite. The two investors that have appetite for a shorter list of regions, European Investment Fund and Cathay Life Insurance, also happen to be the two most active when committing to PE funds. Combined, the top 10 most active investors made 168 fund commitments to 2020-vintage funds YTD.

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## Top 10 most active investors based on known PE fund commitments made in 2020 YTD

Institution	Regional HQ	Number of 2020 commitments	Regional appetite
European Investment Fund	Western Europe	24	Central/Eastern Europe, Western Europe
Cathay Life Insurance	Asia-Pacific	19	Asia-Pacific, North America, Western Europe
State of Wisconsin Investment Board	North America	19	All regions considered
San Francisco Employees' Retirement System	North America	18	All regions considered
California State Teachers' Retirement System	North America	17	All regions considered
New York State Common Retirement Fund	North America	17	All regions considered
Texas County and District Retirement System	North America	17	All regions considered
New York State Teachers' Retirement System	North America	13	All regions considered
Los Angeles Fire & Police Pension System	North America	12	All regions considered
Maryland State Retirement and Pension System	North America	12	All regions considered



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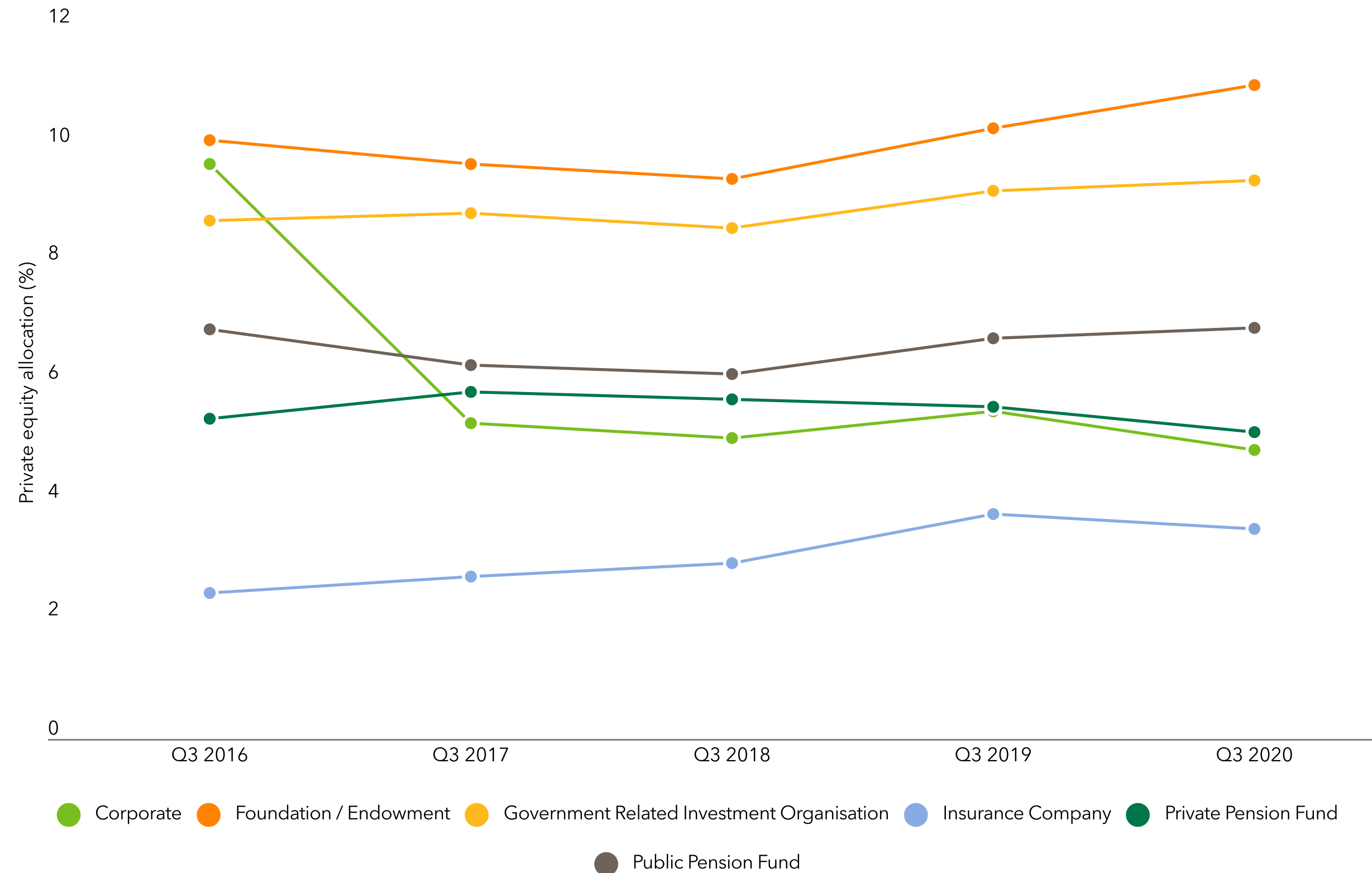
## PE represents 7.5% of the average investor portfolio

Private equity continues to represent a major proportion of institutional investor portfolios, and is often the alternative asset class to which investors allocate the most capital.

On average, private equity constituted 7.49% of an LP's investment portfolio in Q3. Foundations and endowments dedicate an above-average proportion: 11.02%.

Since 2018, the average allocation to private equity has increased from 6.69%, indicating continued appetite for, and confidence in, the asset class.

### Historic private equity allocation by institution type



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# Investors want a larger piece of PE pie

As mentioned on the previous slide, the average allocation to private equity has increased in recent years. Our data show that globally, 82% of institutional investors maintained or shifted more capital into the asset class from Q3 2019 to Q3 2020.

Breaking this down by institution type, foundations and endowments were the most likely to increase their allocation to the asset class (49%), while 34% maintained their allocation to PE.

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## Percentage of institutions increasing, maintaining or decreasing private equity allocations from Q3 2019 to Q3 2020

Investor type	Increased allocation	Maintained allocation	Decreased allocation
Foundation / Endowment	49%	34%	17%
Insurance Company	31%	56%	13%
Private Pension Fund	25%	51%	24%
Public Pension Fund	38%	42%	20%
All investors	41%	41%	18%

82%

Percentage of investors globally that have maintained or shifted more capital into private equity

Foundations and endowments, which allocate 11% of their portfolio to PE and are one of the institution types that dedicates the greatest proportion of a portfolio to the asset class, are also the most likely to increase their PE allocation each year

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# Appetite is strongest for North America

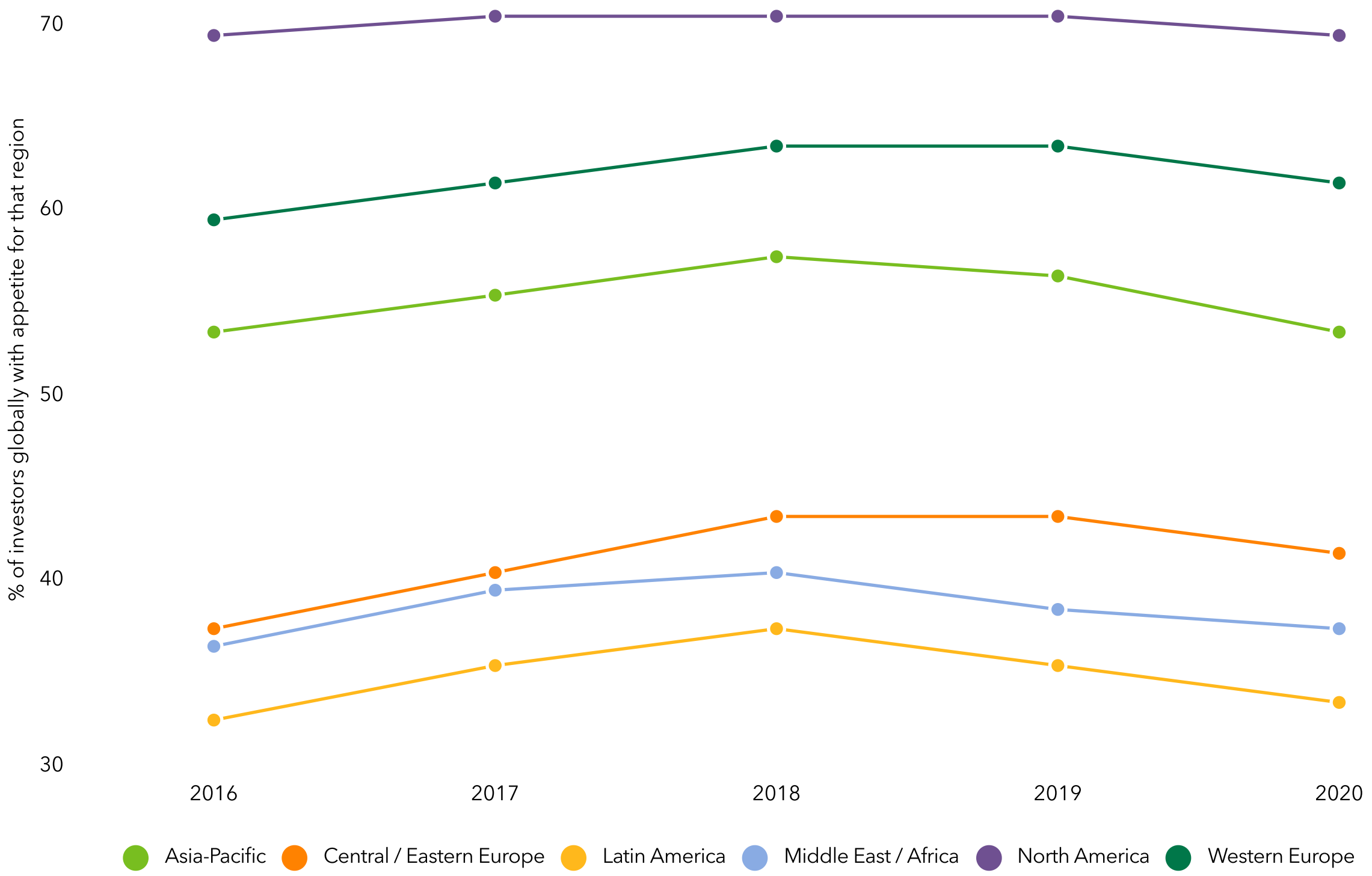
In recent years, investor appetite on a regional level has remained relatively consistent, with LPs displaying the greatest appetite for North America- and Western Europe-focused funds. This is unsurprising, given that North America-focused funds continue to lead by capital raised, accounting for about one-third of the total as of end-September.

Just over half (54%) of investors have appetite for Asia-Pacific focused funds. As to be expected, Asia-Pacific-focused funds accounted for around 10 percent of overall fundraising as of Q3 2020.

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To view New Jersey Division of Investment's recent commitments to Asia-Pacific and North America focused funds

Historical regional appetite of investors globally



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