



GEN II FUND SERVICES RELEASES SURVEY RESULTS ON THE EFFECTS OF COVID-19 ON PRIVATE EQUITY PORTFOLIO INVESTMENT VALUATIONS

NEW YORK, May 4, 2020 / -- Gen II Fund Services, LLC, a leading global private equity fund administrator, has released the results of a survey on how COVID-19 is affecting PE sponsor portfolio investments. The findings show approximately 80% of PE sponsors believe there could be up to a 25% reduction in the value of portfolio investments in their Q1 valuations. The survey also shows there is still a high degree of uncertainty regarding the long-term effects of COVID-19 on investments and as a result, traditional methodologies for valuing portfolio investments are less reliable. For Q1, sponsors are considering a combination of approaches, including public company comparables, third party valuation services, and adjustments to previously applied valuation methodology.

“The survey gives our clients important insights into how PE sponsors are thinking about valuations under these unprecedented circumstances,” said Co-Founder and Managing Principal, Steven Millner. Norman Leben, Co-Founder and Managing Principal added, “Our clients view us as their trusted advisors, in line with our role, it is important for us to understand and share industry trends and perceptions as they are occurring.”

Gen II surveyed over 150 of its clients from April 8, 2020 through April 24, 2020. Respondents are principally invested in buy-out, real estate, energy/infrastructure, credit, and fund of funds. Below are additional highlights from the study.

- For recently acquired portfolio investments, close to 70% of respondents will be holding investments made within the last 12 months at cost
- Respondents expect to provide additional capital to up to 25% of their portfolio investments
- 80% of respondents will primarily be relying on public market comparables in conjunction with other metrics in their valuation
- Approximately 70% of respondents believe that the effects of COVID-19 will not impact their fund economics
- Sponsors generally intend to report the effects of COVID-19 on a quarterly basis to their investors

To obtain a copy of the survey, contact:

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About Gen II Fund Services

Gen II Fund Services, LLC is one of the largest independent private equity fund administrators, administering over \$350 billion of private capital on behalf of its clients with offices in New York, San Francisco, Boston, Stamford, Dallas, and Luxembourg. Gen II offers private fund sponsors a best-in-class combination of people, process, and technology, enabling fund sponsors to effectively manage their operational infrastructure, financial reporting, and investor communications. The Gen II team is the most experienced and longest tenured team in the private equity fund administration industry, with broad expertise across buyout, funds of funds, real estate, energy, infrastructure, credit, co-investment, hybrid funds, feeder funds, venture capital, retail, and managed accounts.