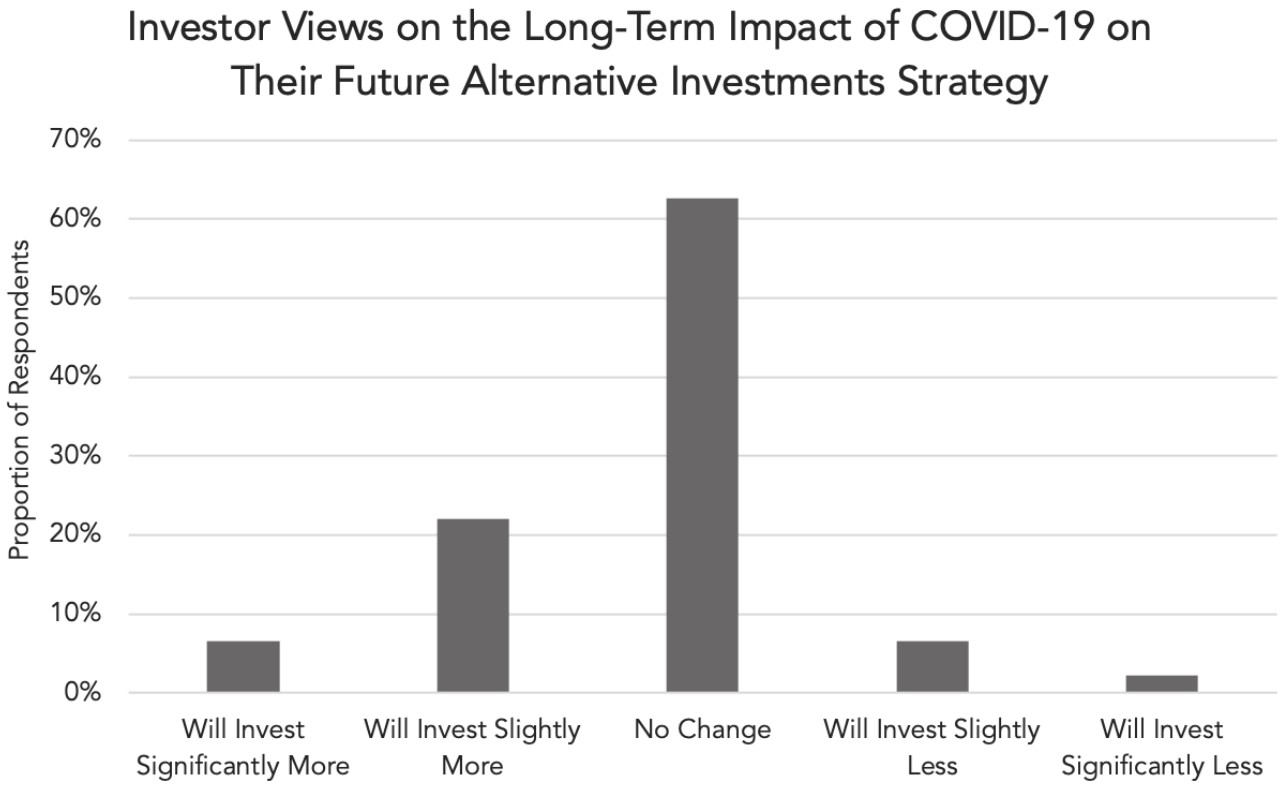
Private Debt Intelligence – 5/4/2020

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Investors' Response to COVID-19

Chart



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As a result of a survey conducted by Preqin to investors in April 2020, 59% of investors said that the number of commitments they plan to make to alternatives in 2020 has "slightly" or "significantly" decreased. Investors are also reducing the amount of capital they intend to commit to alternatives; sixty percent of them plan to decrease the size of their planned commitments either "slightly" or "significantly."

On this flip side, 63% do not anticipate any long-term effect on their future alternative investment strategy. So, although investors are cautious in the short term, many believe that COVID-19 will not have a lasting impact on their alternatives programs. Furthermore, 29% of investors aim to divert more capital toward alternatives in the long term.

While the survey results clearly indicate a strong sense of caution among the investment community right now, there is much to suggest that investors are planning for the longer term and continuing to invest.

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