

2021

Bloomberg Mandates

Allocator Insights

Hedge Funds & Private Markets

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Bloomberg Mandates Platform

Bloomberg Mandates is an exclusive platform, accessible via **MNDS <GO>** on the Bloomberg Terminal®, for institutional investors and alternative investment managers to efficiently connect. Allocators use the community to communicate allocation and fund investment preferences to prospective fund managers.

MNDS provides complete coverage across asset classes, including:

- Allocations made through connections forged through the community.
- More efficient connections between institutional investors at CIO or fund selector level, and IR/marketing heads at funds through better understanding of the community member's needs and requirements.
- The ability to leverage Bloomberg's global network of key players in the alternatives industry.

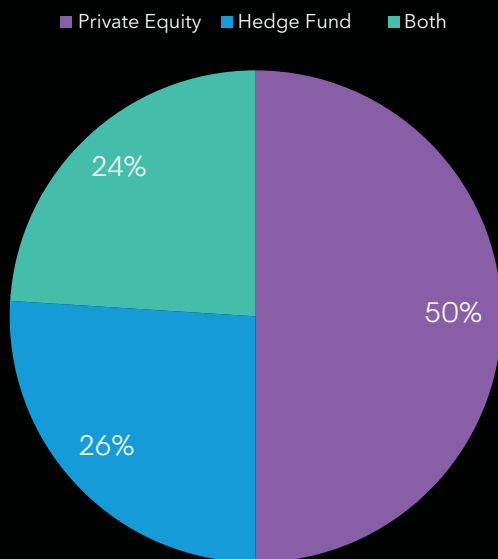
Each year, Bloomberg surveys users of the Bloomberg Mandates Platform to better understand the alternative investment landscape. This year, **145 participants** completed the digital survey – 50 institutional investors, who post mandates and make allocations, and 95 hedge fund or private markets funds (inclusive of private equity, private debt, infrastructure, venture capital, real estate and other private markets managers.)

Who answered the survey and what type of alternative funds do they invest in?

As mentioned in the introduction, 145 clients completed the digital survey - 50 institutional investors, who post mandates and make allocations, and 95 hedge fund or private markets funds (inclusive of private equity, private debt, infrastructure, venture capital, real estate and other private markets managers).

Of the allocators surveyed, 50% allocated exclusively to private equity, 26% allocated exclusively to hedge funds, and 24% allocated to both private equity and hedge funds.

To which of the following alternative funds does your firm currently allocate?

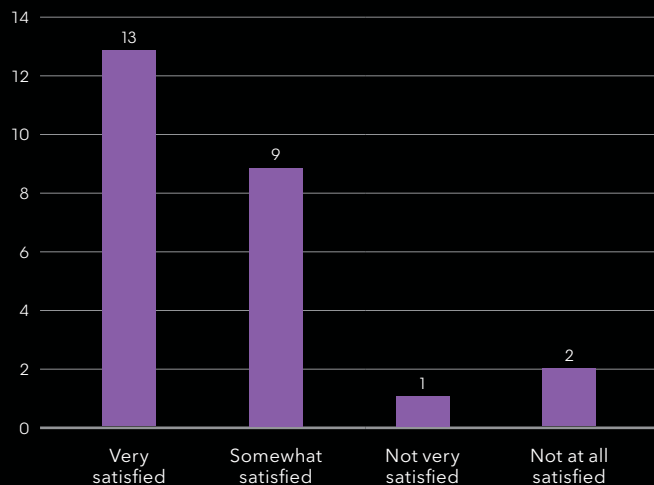


Hedge Fund and Private Equity Performance Satisfaction

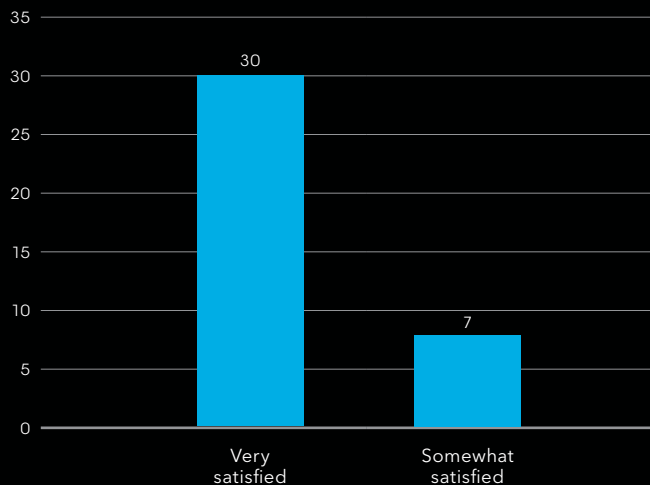
Of allocators surveyed, 52% were very satisfied with the performance of Hedge Fund investments over the past 12 months.

Additionally, 81% responded as very satisfied with the performance of private equity investments over the past 12 months, with 0% responded as not very satisfied or not at all satisfied for the same criteria.

How satisfied is your firm with the performance of Hedge Fund investments over the past 12 months?



How satisfied is your firm with the performance of Private Equity investments over the past 12 months?

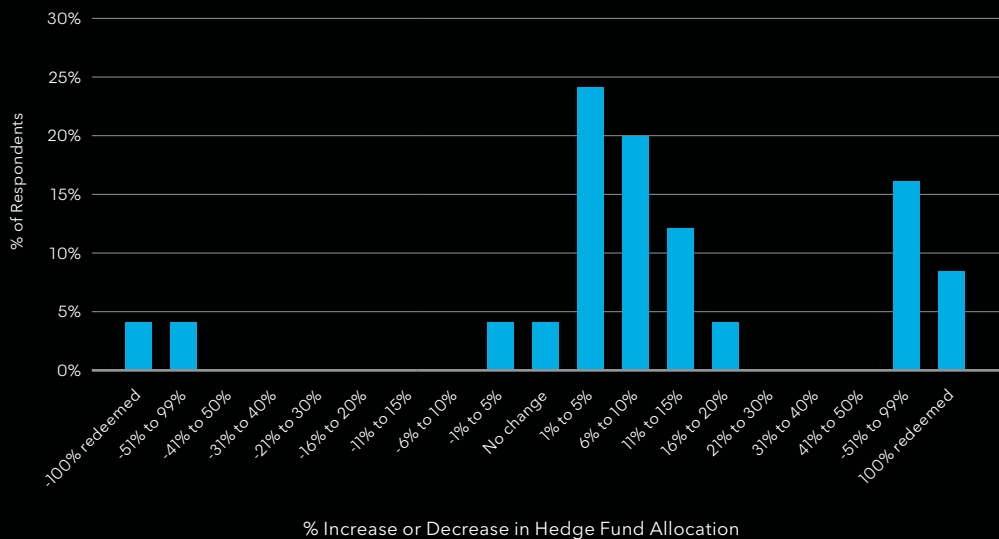


Allocations to Hedge Funds in 2020

Roughly a quarter of allocators made no change to the size of their hedge fund allocation (24%).

There was a significantly larger population of allocators who increased their allocations (60%) rather than decreased (16%).

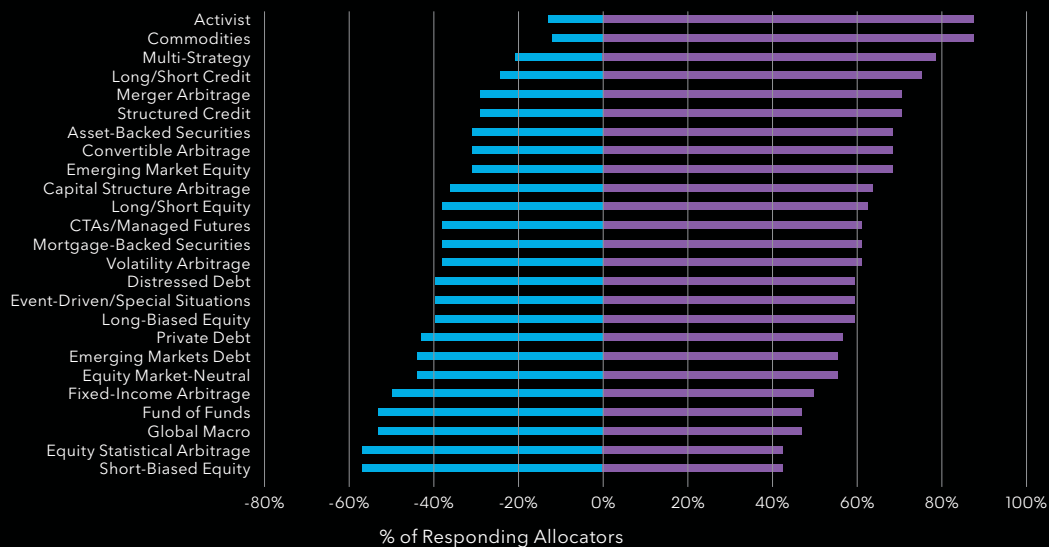
In 2020, by what percentage did your Hedge Fund allocation increase/decrease?



Hedge Fund Strategy Performance Expectations: H2 2021

The top five hedge fund strategies expected to outperform are activist (88%), commodities (88%), multi-strategy (79%), long/short credit (76%), and merger arbitrage (71%). The top five hedge fund strategies expected to underperform are fixed-income arbitrage (50%), fund of funds (53%), global macro (53%), equity statistical arbitrage (57%) and short-biased equity (57%).

Which of the following hedge fund strategies does your firm anticipate will outperform and underperform in 2021? Select all that apply.

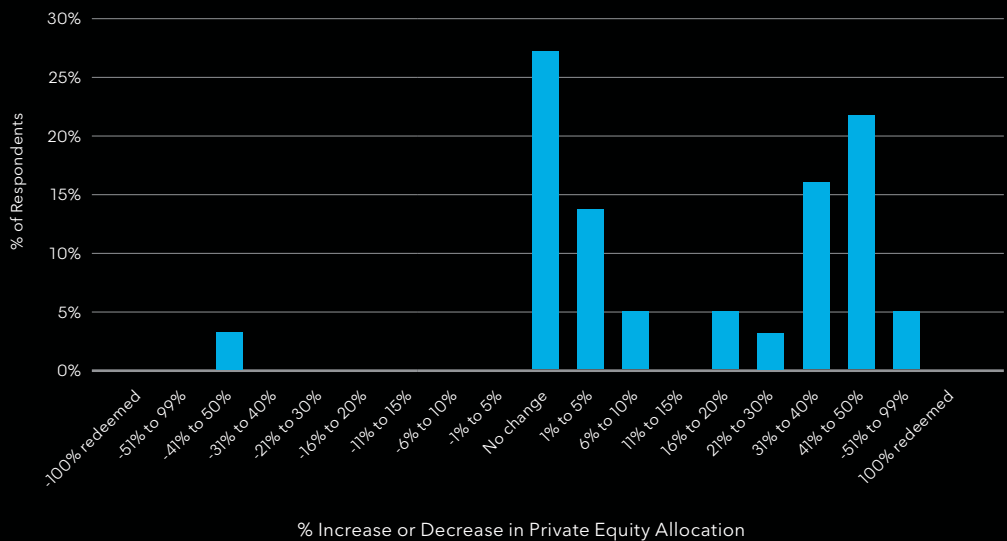


Allocations to Private Equity Funds in 2020

Roughly a quarter of allocators made no change to the size of their hedge fund allocation (27%).

There was a significantly larger population of allocators who increased their allocations (70%) rather than decreased (3%).

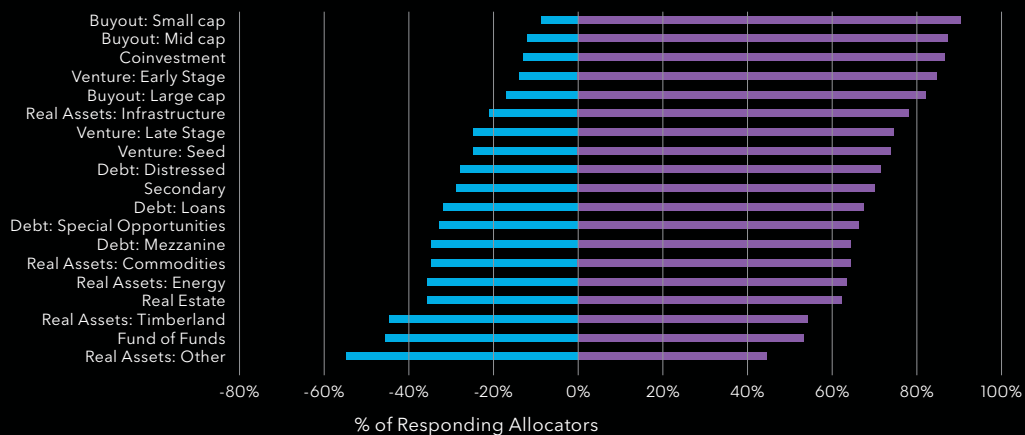
In 2020, by what percentage did your firm's private equity allocation increase/decrease?



Private Equity Strategy Performance Expectations: 2H 2021

The top five private equity strategies expected to outperform are buyout: small cap (91%); buyout: mid cap (88%); co-investment (87%); venture: early stage (86%); and buyout: large cap (83%). The top five private equity strategies expected to underperform are real assets: energy (36%); real estate (38%); real assets: timberland (45%); fund of funds (46%); and real assets: other (55%).

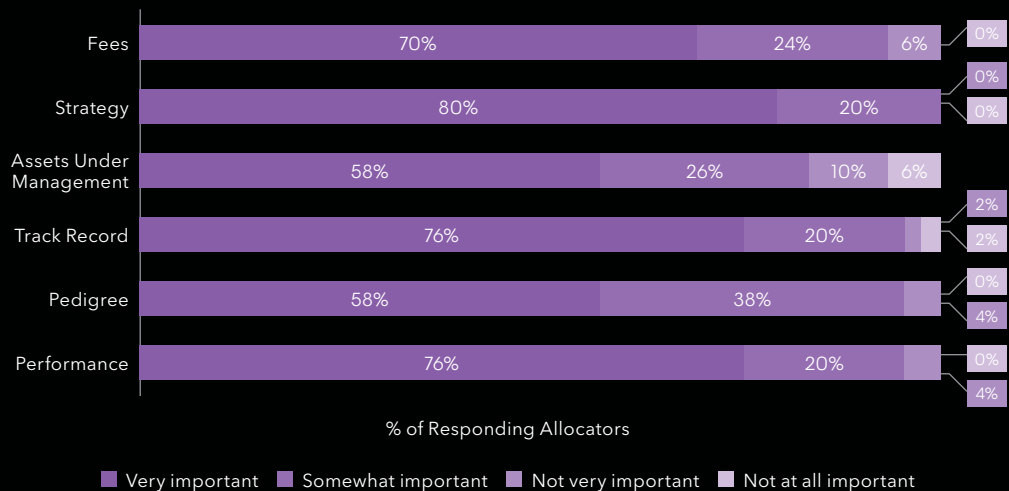
Which of the following private equity strategies does your firm anticipate will outperform and underperform in 2021? Select all that apply.



Investment Decision Factors

Strategy was the most important factor in making an investment decision, with 80% of allocators ranking it "Very important," 20% ranking it as "Somewhat important," and 0% ranking it "Not very important" or "Not at all important." Assets under management was the least important factor in making an investment decision, with 58% of allocators ranking it "Very important," 26% ranking it as "Somewhat important," 10% ranking it "Not very important," and 6% ranking it "Not at all important."

How important are the following factors when making an investment decision?



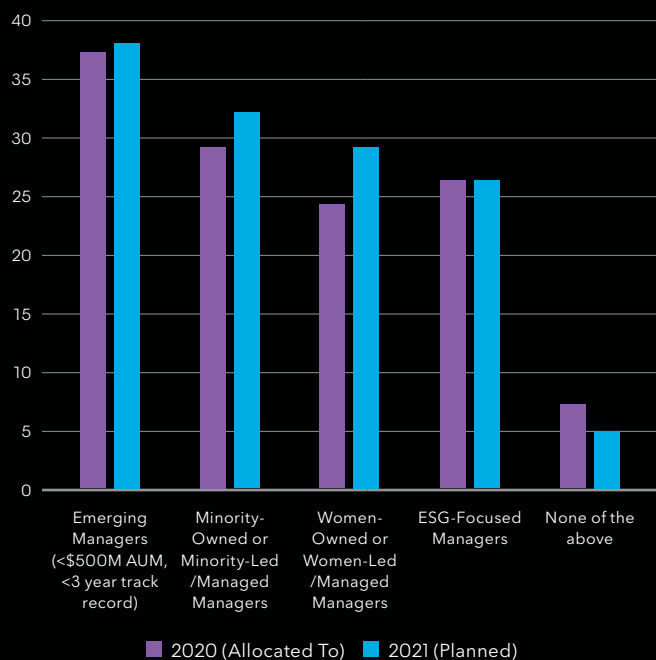
Allocation to Emerging, Minority, Women, and ESG Managers

In 2020, 74% of allocators invested in emerging managers, 58% invested in minority-owned or minority-led/managed managers, 52% invested in ESG-focused managers, 48% invested in women-owned or women-led/managed managers, and just 14% invested in none of the above.

In 2021, 76% of allocators plan to invest in emerging managers, 64% plan to invest in minority-owned or minority-led/managed managers, 58% plan to invest in ESG-focused managers, 52% plan to invest in women-owned or women-led/managed managers, and just 10% plan to invest in none of the above.

Women-owned or women-led/managed managers had the largest growth, from 48% to 52%, respectively.

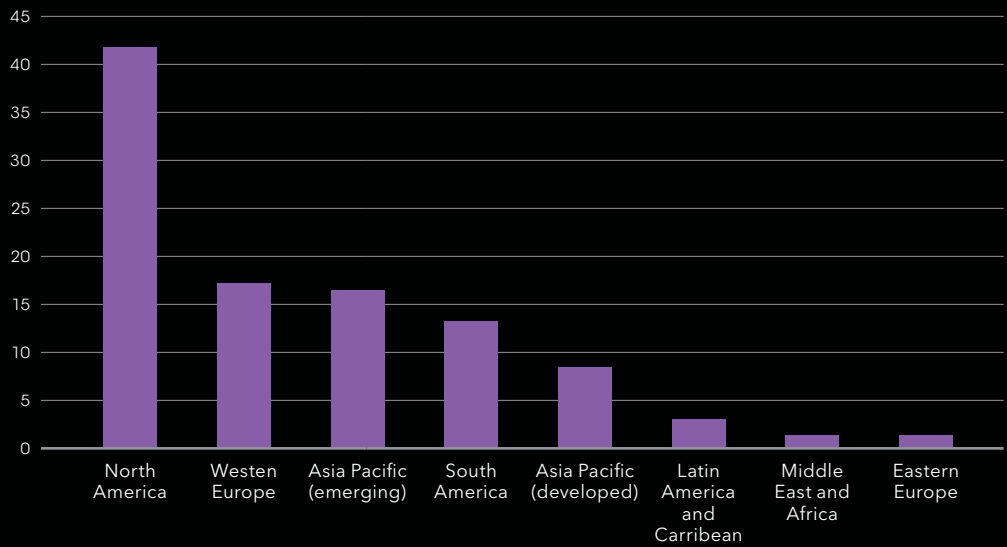
In 2020, which of the following types of managers did your firm make an allocation to? Select all that apply.



Investments by Region

Of the surveyed allocators, 84% reported plans to allocate in North America and 34% in Western Europe. Just 2% reported plans to allocate in the Middle East and Africa and 2% in Eastern Europe.

In which region(s) is your firm actively looking to invest in 2021? Select up to 3 regions.

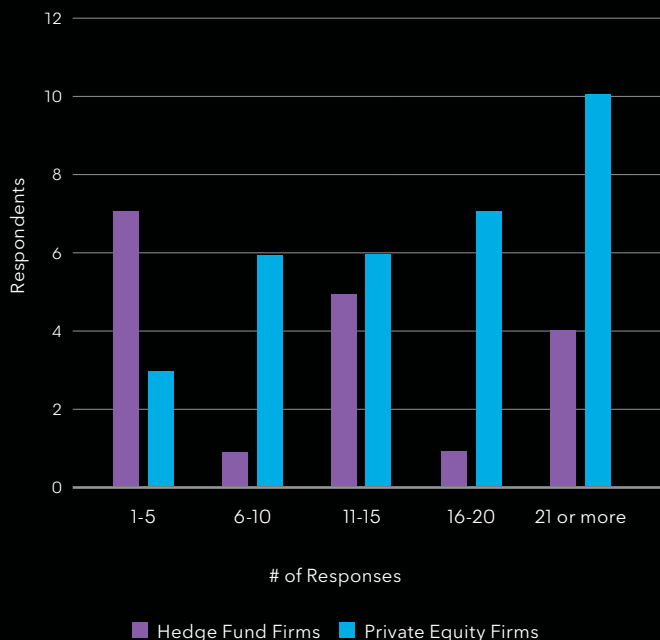


Mandate Response and Allocation Rate

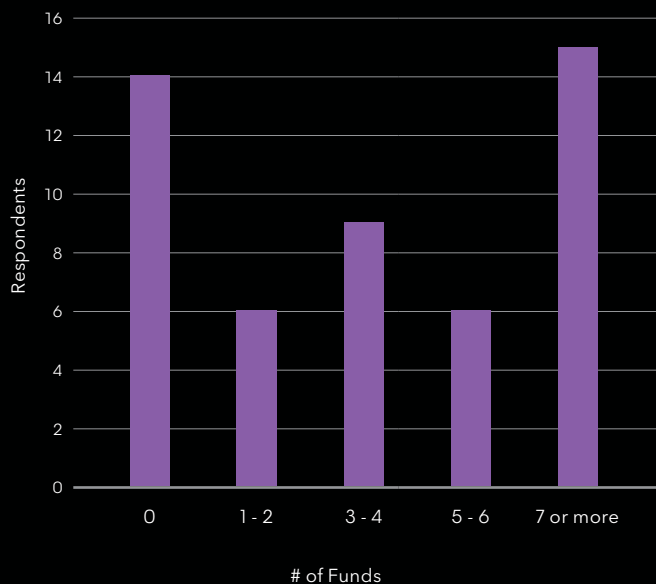
27% of allocators surveyed received 21 or more responses from private equity firms and 16% of allocators surveyed received 21 or more responses from hedge fund firms.

73% of allocators made at least one investment from their Bloomberg Mandate. 30% of allocators surveyed invested in seven or more funds as a result of their Bloomberg Mandate.

How many responses did your firm receive on your Bloomberg Mandate(s)?

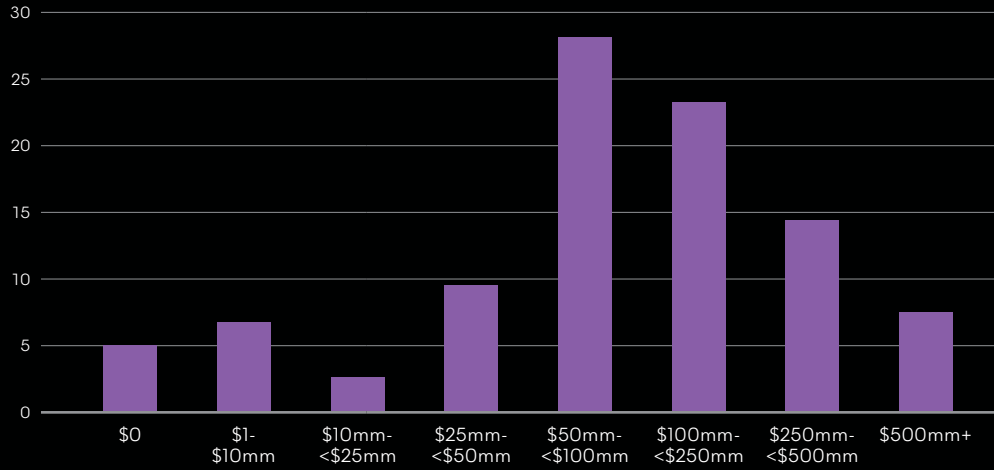


How many funds did your firm invest in as a result of the Mandate you posted on Bloomberg?



Fund Profile Breakdown

Approximately how much total capital did your firm raise in 2020?



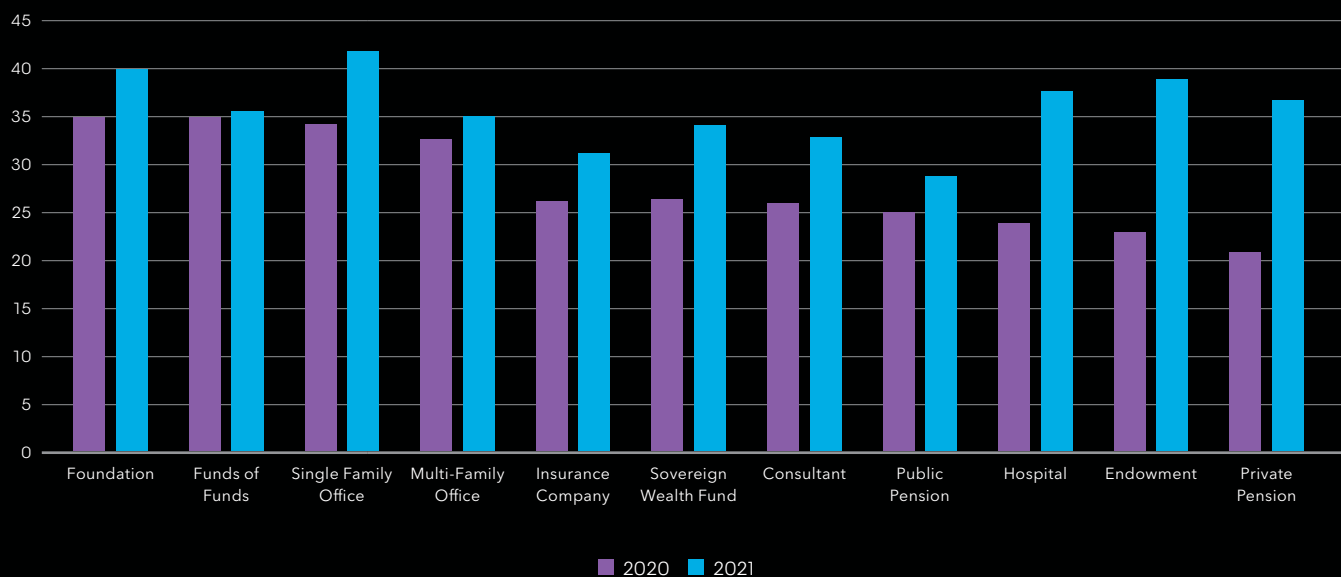
Capital Raising by Investor Type

Foundations (37%), fund of funds (37%) and single family office (36%) were the top investor types for capital raising in 2020 among surveyed funds.

Single family office (44%), foundation (42%) and endowments (41%) are the top investor types for planned capital raising in 2021 among surveyed funds.

The largest change from 2020 actual allocation to 2021 planned allocation was among private pensions, endowments and hospitals.

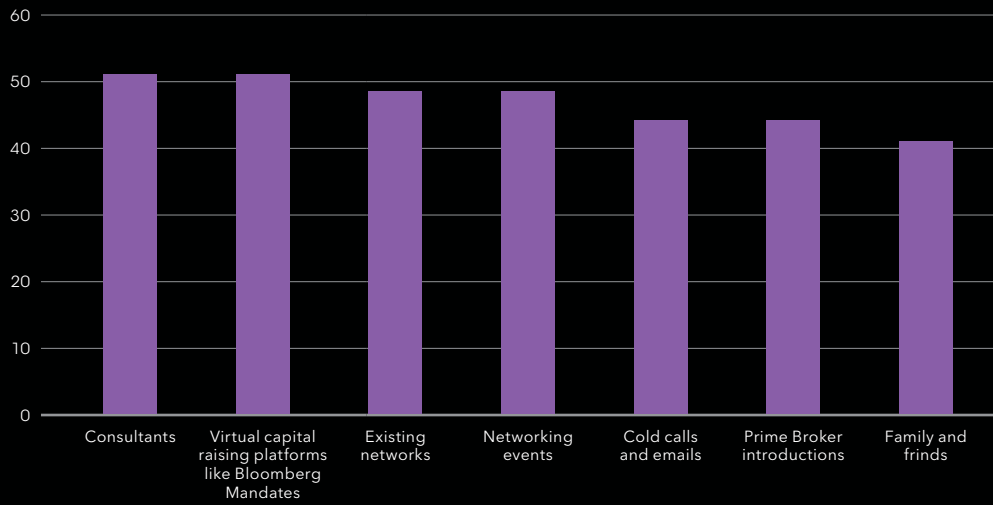
From which type(s) of investors did your firm raise capital in 2020 and plan to raise capital from in 2021? Select all that apply.



Capital Raising by Lead Type

Surveyed private equity and hedge funds plan to utilize consultants (54%) and virtual capital raising platforms (54%) to source new investor leads in 2H 2021.

How will your firm seek to source new investor leads in 2H 2021? Select all that apply.



YoY Closed Private Equity Funds

YTD, the largest proportion of closed private equity funds are **buyout** strategy funds (34.59%), while the smallest proportion currently are **fund of funds** (2.51%). For more insight into the trends and momentum that shape the current private equity landscape, request a complimentary copy of Bloomberg's [Private Equity Chartbook](#).

Proportion of all PE Funds Closed by Reported Value, Vintage & Strategy

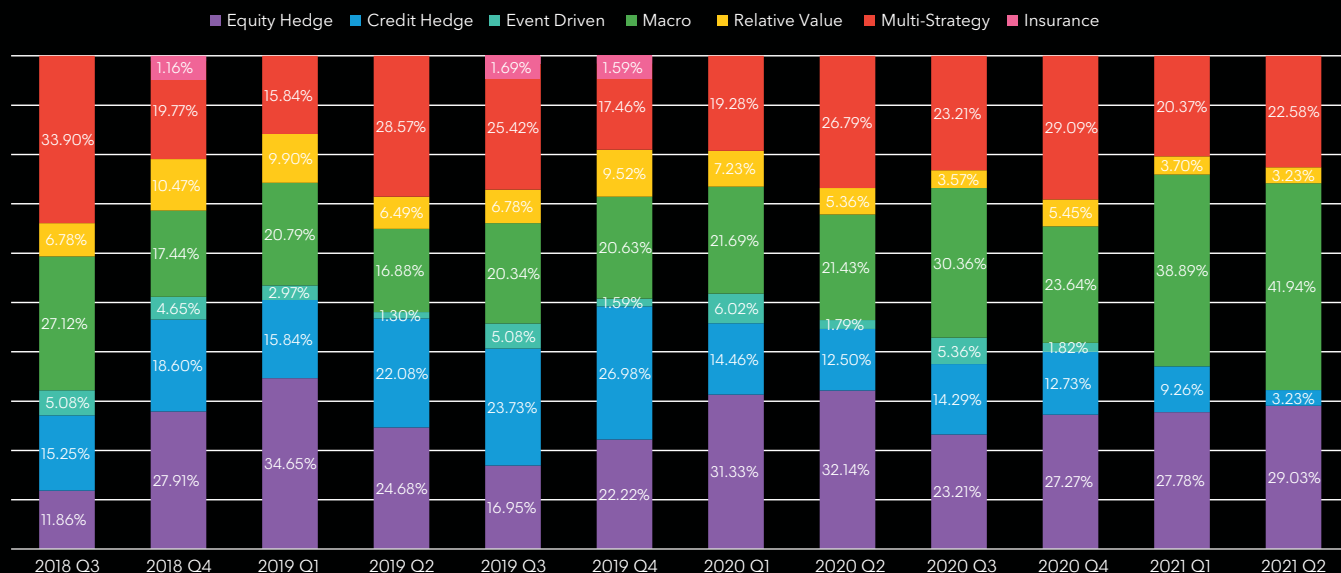


New Hedge Fund Launches

In the prior quarter (2021 Q1), most new fund launches were **macro** funds (39%) - a 62.5% increase from the preceding quarter (2020 Q4). **Event-driven** funds saw the fewest new launches (0%) last quarter. **Macro** strategy saw the largest increase (65%) from 2020 Q4 to 2021 Q1.

For more insight into the trends and momentum that shape the current hedge fund market, request a complimentary copy of [Bloomberg's Hedge Fund Chartbook](#).

Proportion of Hedge Funds Launched by Strategy & Date

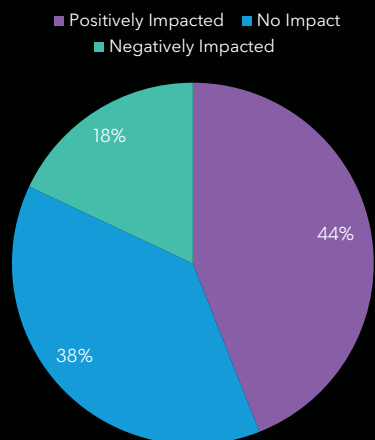


Virtual Due Diligence

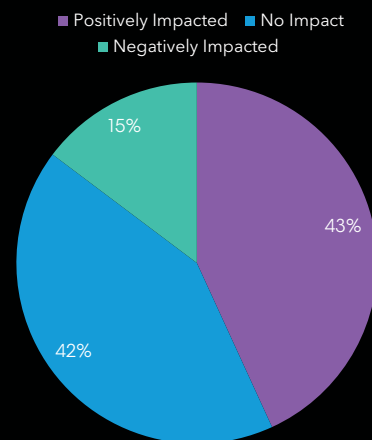
44% of surveyed allocators responded that virtual due diligence positivity impacted their firm's investing efforts in 2020.

Similarly, 43% of surveyed private equity and hedge funds responded that virtual due diligence positively impacted their firm's capital raising efforts.

ALLOCATORS: How did virtual due diligence impact your firm's investing efforts in 2020?



FUNDS: How did virtual due diligence impact your firm's capital raising efforts in 2020?



34% of surveyed allocators invested in 7+ funds following purely virtual due diligence processes over the last 12 months.

How many managers did your firm allocate to following a purely virtual due diligence process over the last 12 months?



Bloomberg Mandates MNDS <GO>

Bloomberg Mandates Platform leverages Bloomberg’s global network to efficiently connect institutional investors with alternative funds to assist in manager research and capital raising.

Restricted to funds, end institutional investors and consultants, Bloomberg Mandates Platform is a closed community. Institutional investors do not require a Bloomberg Terminal to use the platform.

The function is found at **MNDS <GO>**.

Contact the Bloomberg Mandates team at mandates@bloomberg.net to leverage our network and to learn more.



Bloomberg Mandates Contributing Analysts

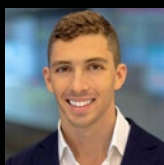


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