

# Beyond Investment Returns: What's Driving PE Perception with LPs?

## Top Findings

01

### Most LPs trust private equity firms to do the right thing

74% of LPs say they generally trust large-cap and mid-market buyout firms to do the right thing. Within financial services, only traditional asset managers and corporate banks ranked higher.

02

### Leadership quality, transparency, and reputational strength are leading drivers of trust in PE

More than 8 in 10 LPs cite high quality leadership (83%), transparency across the organization (81%), and firms' reputational strength (81%) as top trust factors.

03

### For many LPs, employee welfare, DE&I and ESG are as or more important than investment returns

About 1 in 3 LPs say they give equal or more weight to ESG factors – including GPs' employee welfare policies, (33%), DE&I initiatives (32%), culture (34%), and ethics (32%) – than they do to GPs' financial performance when making investment decisions.

04

### Private equity remains a magnet for LPs' capital, but some are pulling back

45% of LPs say their organizations have recently boosted allocations to the asset class, while 28% have significantly cut them. Germany stood out as the only market where more LPs have lowered allocations (36%) than raised them (35%).

05

### While trust runs strong, so does advocacy for stricter regulation

74% agree that tighter government oversight and regulation of the industry is needed, with half endorsing some or all of U.S. Senator Elizabeth Warren's proposed Stop Wall Street Looting Act, despite its possible negative impact on financial returns.

06

### LPs differ over the potential impact of Warren's bill on PE performance

More German and Canadian LPs say it would hurt PE performance more than help. U.K. and U.S. investors lean the other way, especially ones in the U.S., 53% of whom say it would make the asset class more attractive financially.