

Glass Half Full? Cash Flows, Capital Calls and Liquidity in Uncertain Times



May 21, 2020

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Gbenga Oladeji, Managing Director, Investments, Johnson & Johnson Pension Trust
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Jen Choi, Managing Director, ILPA (Moderator)

ILPA's Response to COVID-19

- Webcasts and Townhalls – **Replays now available!**
 - COVID-19's Impact on PE Portfolios and LP Operations
 - Through the Wire: Working from Home as an LP
 - LP-GP Town Hall: Key Conversations for Smoother Operations in Rough Seas

- ILPA Connect – Open a New Discussion or Access **Trending Topics**
 - COVID-19 / Becoming a Through the Cycle Investor
 - Actionable ESG
 - Technology for LP Organizations
 - Attracting, Retaining and Incenting LP Talent





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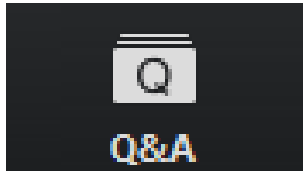
	Wednesday, June 3	Thursday, June 4
First Session (11:00AM ET)	ILPA AGM and Organizational Update Keynote: Fireside Interview Jon Gray, President & COO of Blackstone	ILPA Day 1 Recap Workshop Webinar Key Terms to Scrutinize in a Down Market
Second Session (12:00 PM ET)	Workshop Webinar Subscription Lines: Key Legal Terms to Know	Workshop Webinar Portfolio Construction in Times of Crisis
Third Session (1:00 PM ET)	Workshop Webinar PortCo Monitoring & Valuations	Network-Specific Webinar (Concurrent) Family Office & Insurance

Register now at ilpa.org

Audience Participation



Polling: Be sure to **enable pop-ups** to participate! We'll share and respond to results in real time during the Town Hall.



Online Q&A Box: at the bottom of your screen is a Q&A Box. Ask questions, comment on questions from others, and **upvote** the questions you are most interested in hearing answered.

Agenda

- COVID's Impact on allocations and LP capital forecasts
- Implications for cash flow and pacing models and insights from past crises
- Plans to put new money to work in 2020
- GP liquidity management, including subscription lines use and recycling provisions

Today's Panel



Aaron Daley
Washington State
Investment Board



Gbenga Oladeji
Johnson & Johnson
Pension Trust



Luis O'Shea
Burgiss

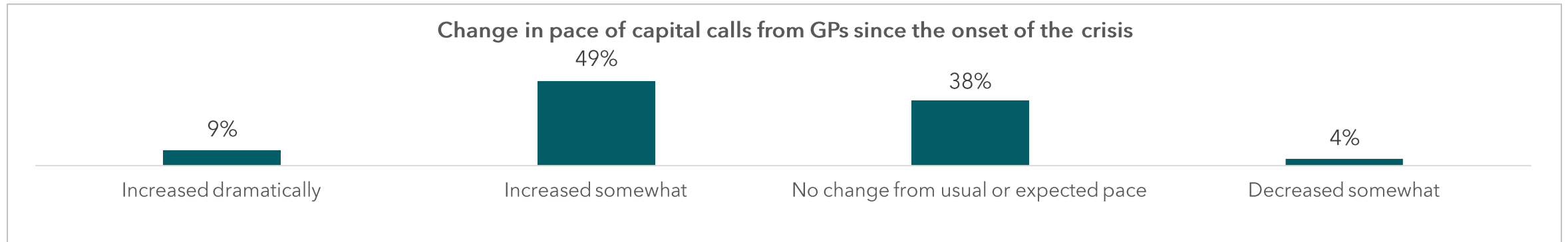


Jennifer Choi
ILPA (moderator)

First, Some Context...

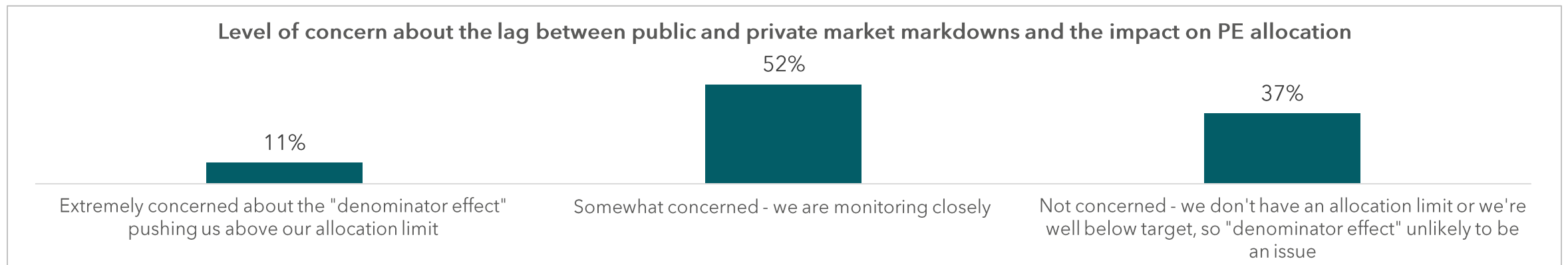
Early in the Crisis, Over Half of LPs Reported an Increase in Capital Calls

March 26

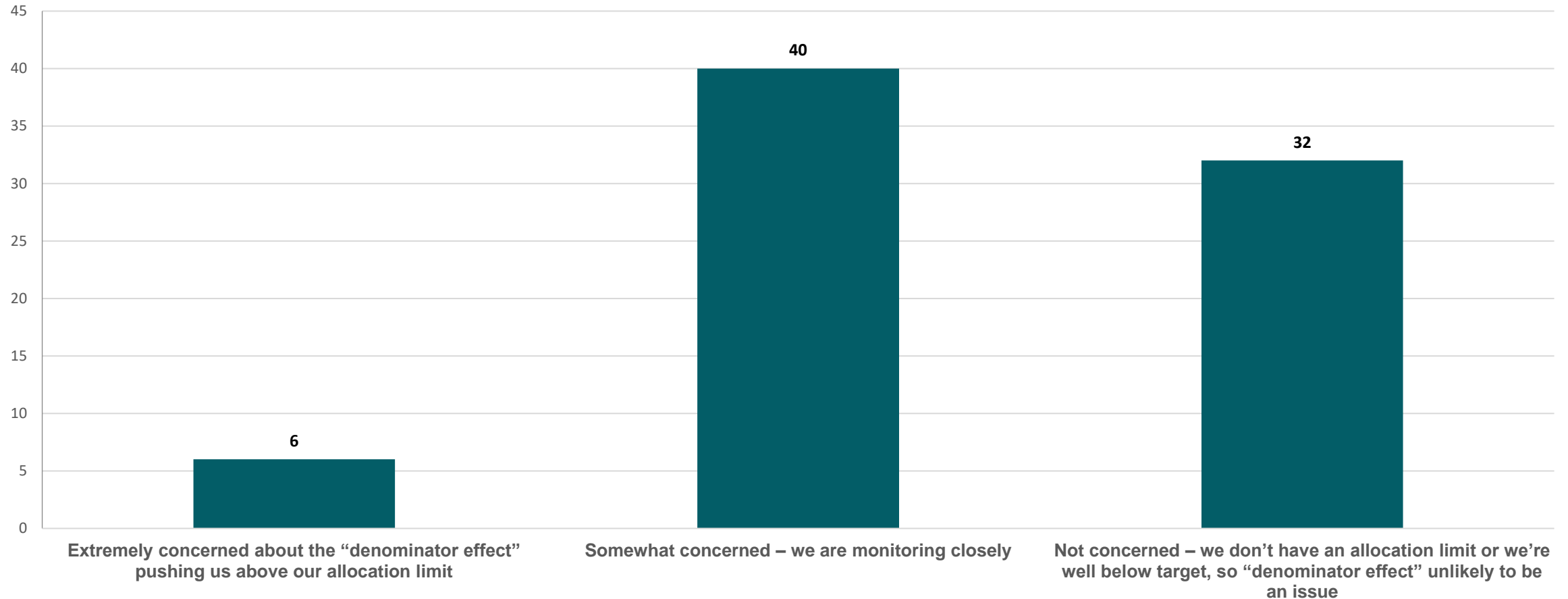


At the Time, More than Half of LPs were Concerned about the Denominator Effect

March 26



Polling Question #1: Now, a few months into the crisis, what is your level of concern about the lag between public and private market markdowns and the impact on your PE allocation?



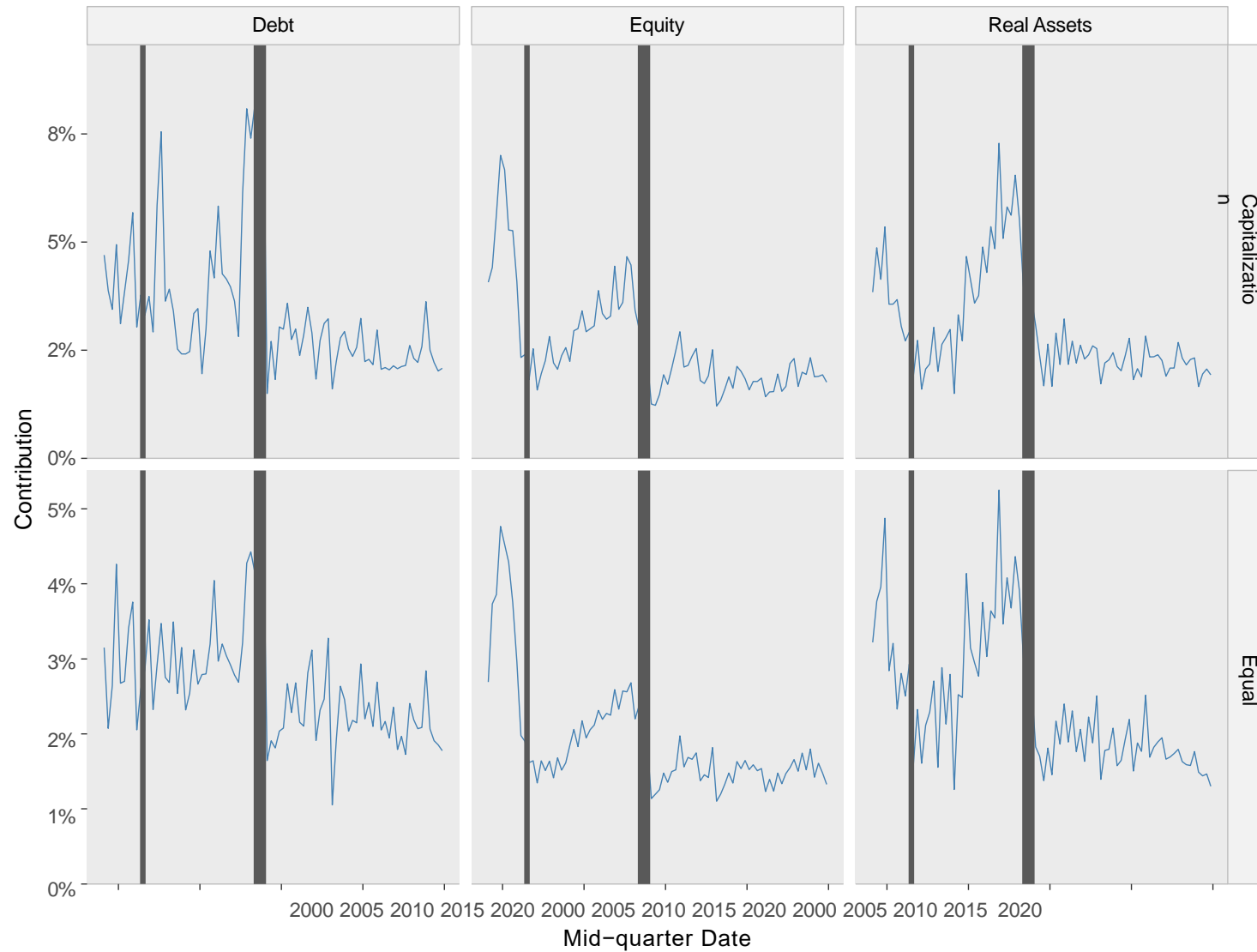
Private Capital During a Crisis

Luis O'Shea

Burgiss Applied Research

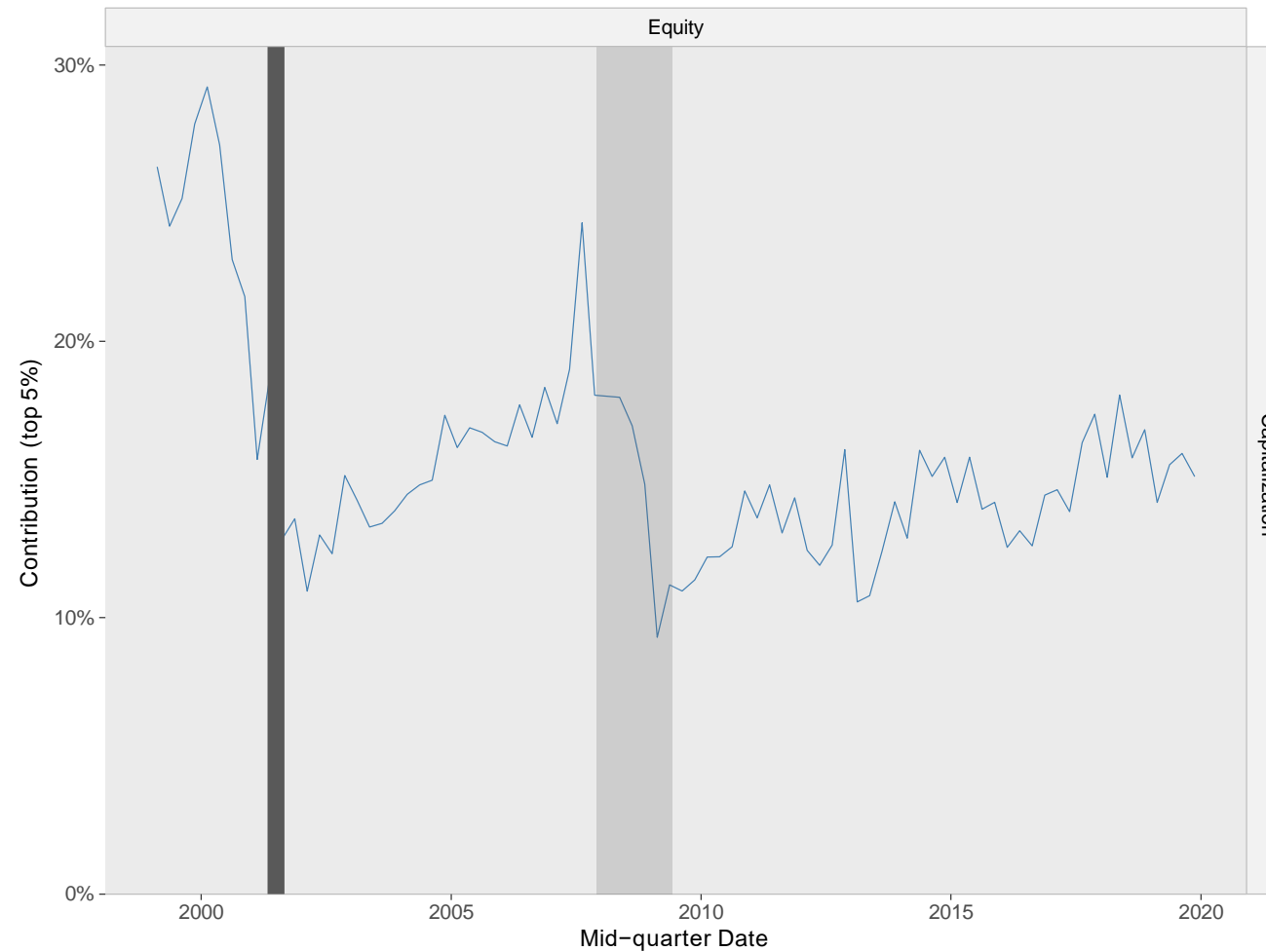
ILPA Town Hall — May 21, 2020

Fund-level capital calls

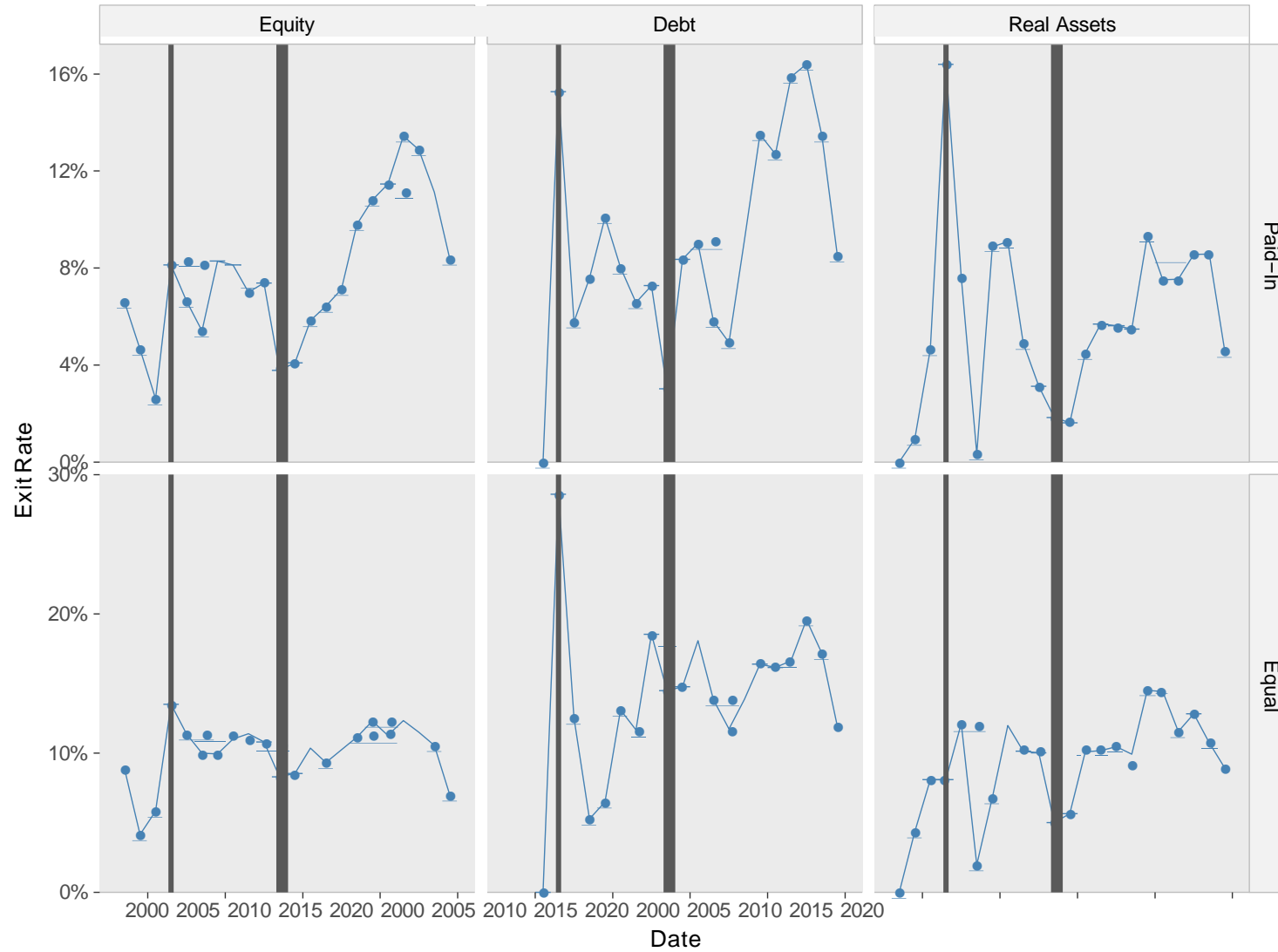


Fund-level capital calls

Top 5% of capitalization-weighted equity funds



Holding-level exits



Latest data

2020 Q1 — unpublished

- Contributions by asset class
- Distributions
- Valuations

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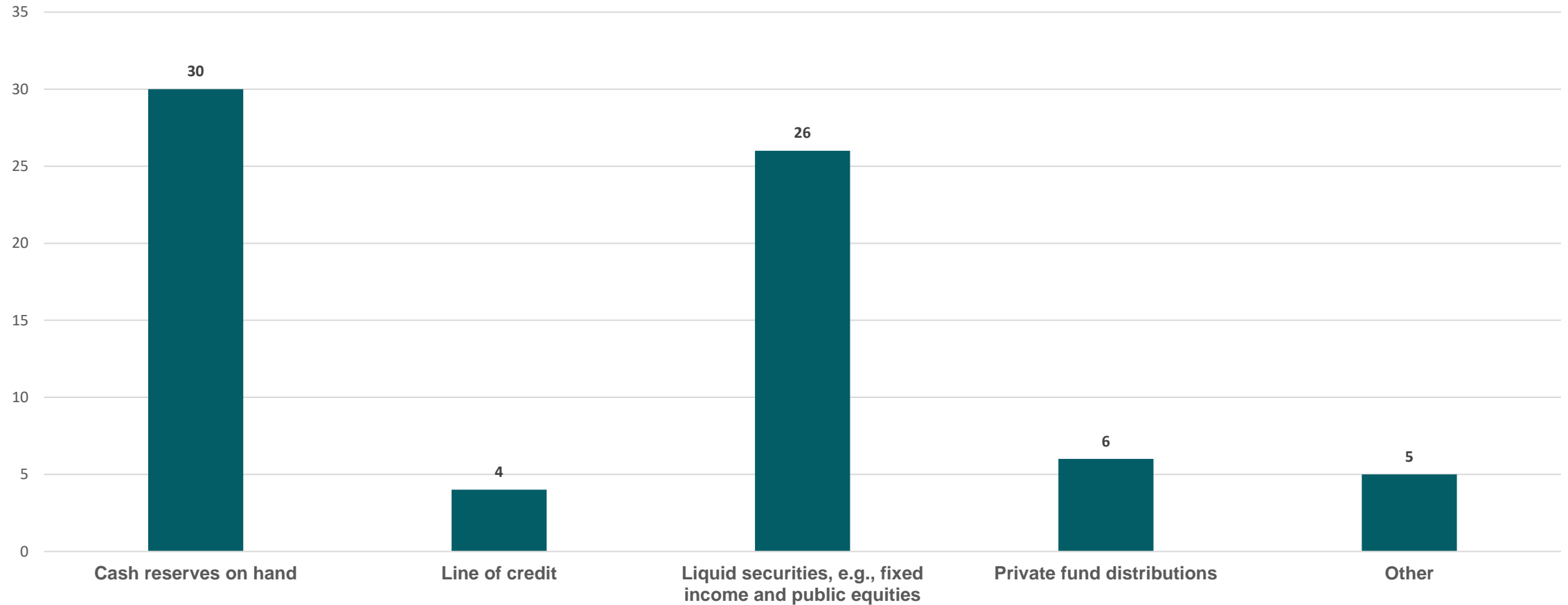
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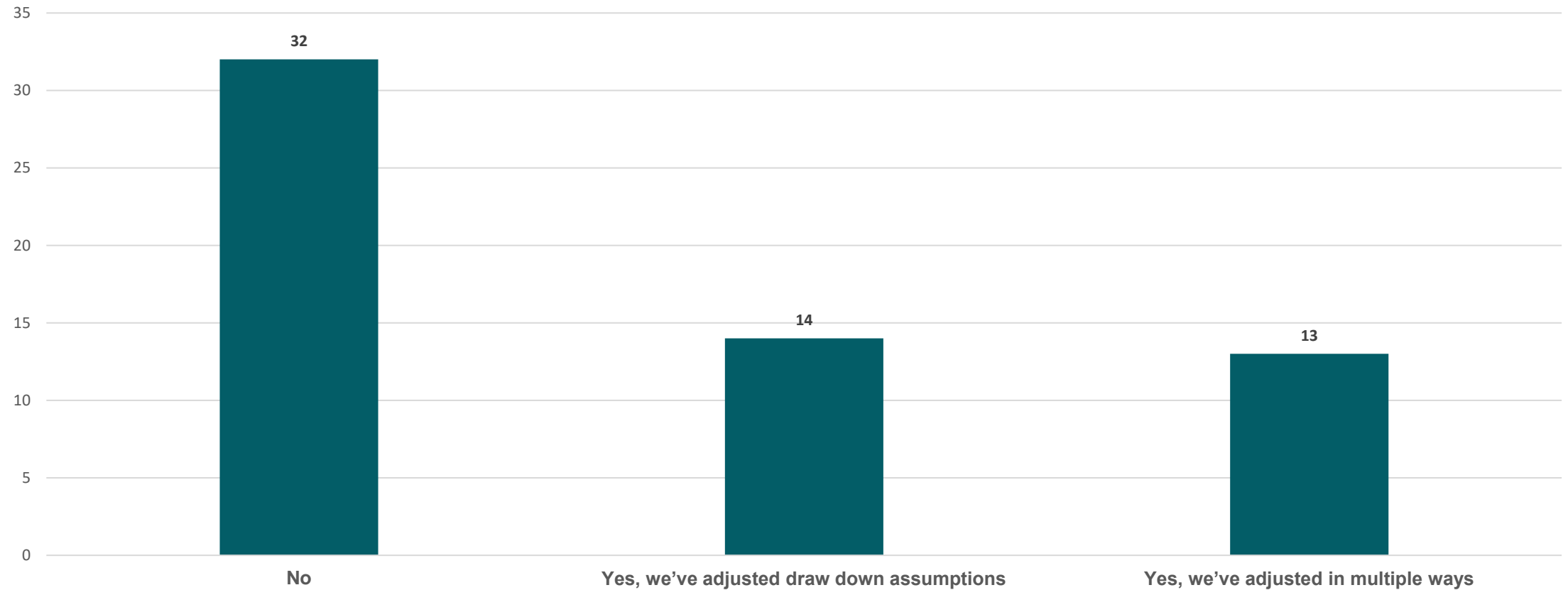
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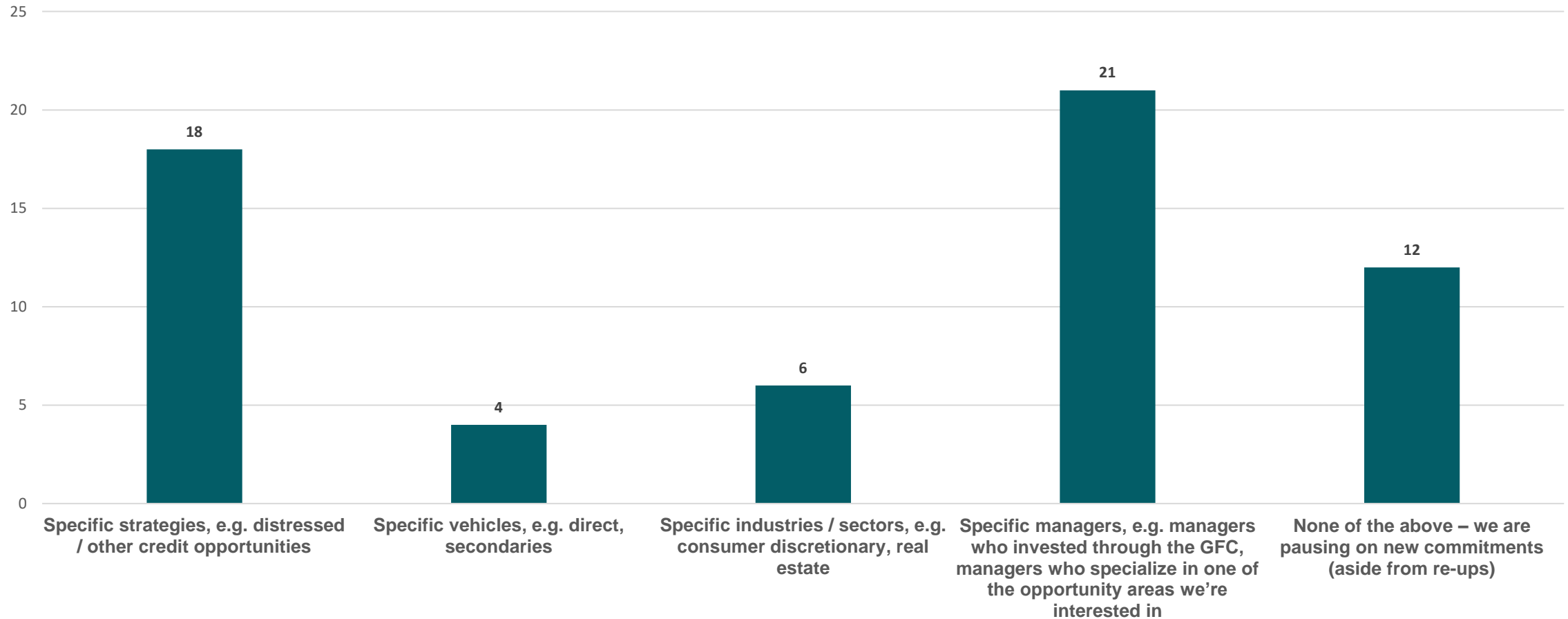
Polling Question #2: Which of the following is your organization's primary source of liquidity for meeting capital calls?



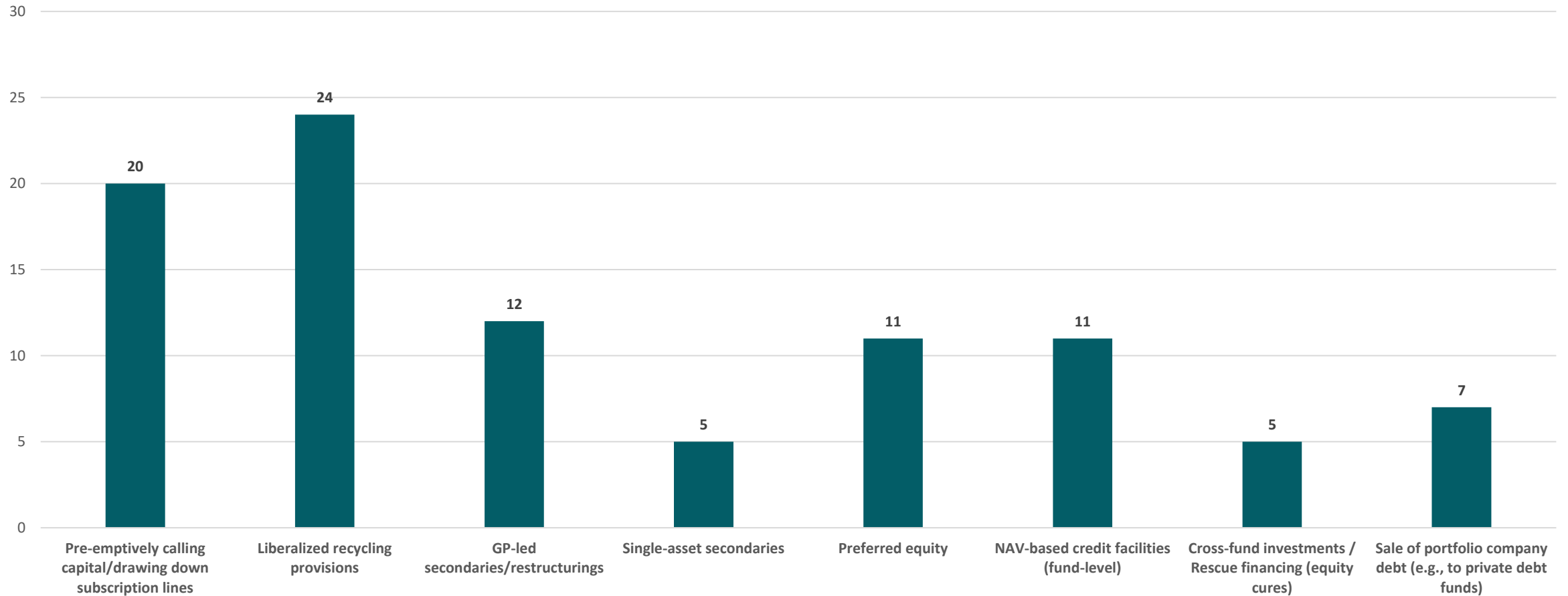
Polling Question #3: Does your model in use account for the impact of subscription lines of credit?



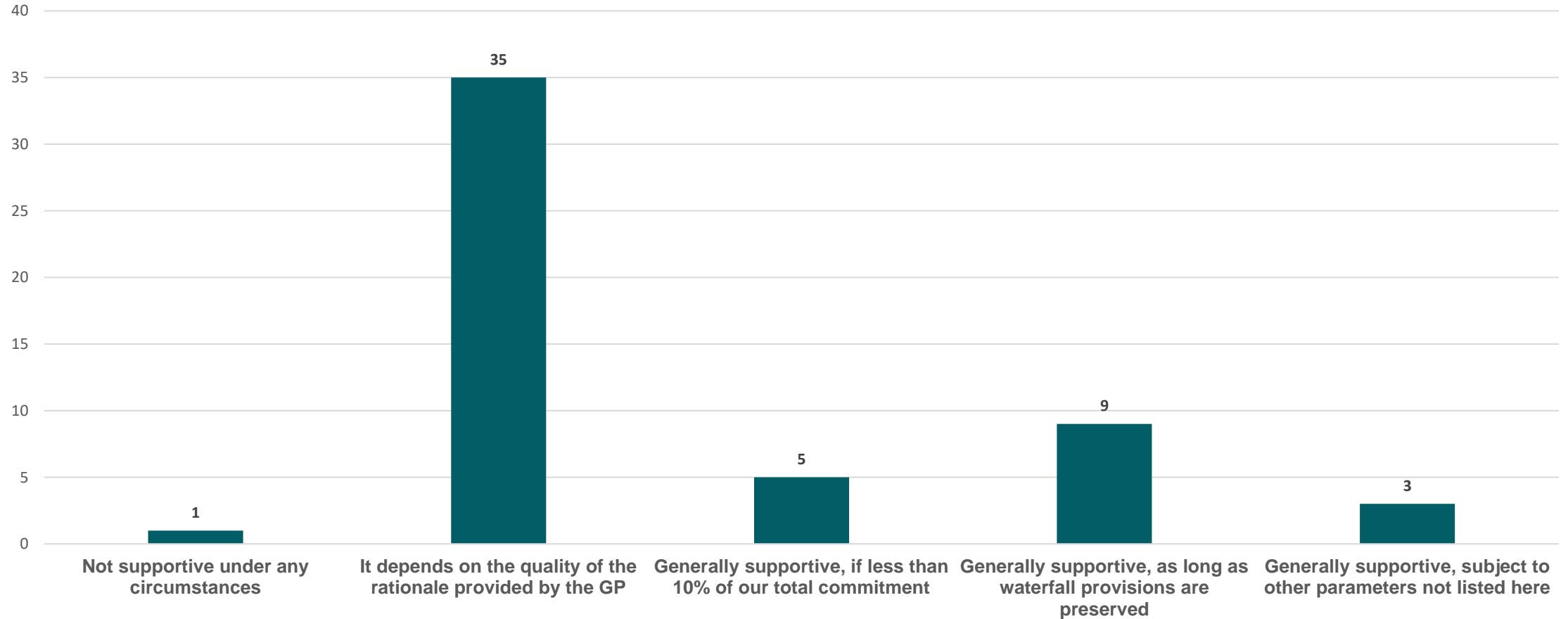
Polling Question #4: Which tactical opportunities, if any, is your organization pursuing as you put new money to work this year?



Polling Question #5: Among the various capital solutions available to GPs to preserve value within the portfolio, which is most attractive to you, depending on the circumstances? (check all that apply)



Polling Question #6: How supportive are you of GP efforts to liberalize recycling provisions?





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