


**Private Equity Guide: COVID-19**  
Private Equity Firms and Portfolio Companies

Presented by Efren Acosta and John Kaercher  
May 15, 2020

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# INTRODUCTION

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## Presenters

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## Overview

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- **COVID-19**
  - Unprecedented market disruption and business interruption
  - Shelter-in-place orders
  - Risks and opportunities abound
- **Agenda**
  - Considerations for Private Equity Funds
  - Considerations for Portfolio Companies
  - US Government Financial Assistance Initiatives
  - Working Remotely

# PRIVATE EQUITY FUNDS

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## New Investments

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- **Investment Limitations**
  - Fund sponsors should consider limitations contained in fund partnership agreements including:
    - Concentration limitations
    - Restrictions on investments in particular types of securities
    - Leverage, bridge financing and guarantee limitations
    - Geographic restrictions/limitations
    - Restrictions on investments in funds-of-funds
    - Restrictions on investments in publicly-traded securities
  - Public Securities
  - Investing in Distressed Companies/Concentration Limitations
  - Recycling Capital/Follow-on Investments
- **Access to Capital**
  - Tightening of markets may restrict sponsors from satisfying leverage limitations
  - Consider alternative forms of financing (preferred or mezzanine equity securities, swaps, margin loans, etc.)

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First appeared as part of the conference materials for the  
2020 Private Equity Guide - COVID-19: Private Equity Firms and Portfolio Companies  
session

"Private Equity Guide - COVID-19: Private Equity Firms and Portfolio Companies."