


Private Equity Guide: COVID-19

Private Equity Firms and Portfolio Companies

Presented by Efren Acosta and John Kaercher


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Presenters



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Overview

- **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

New Investments

- **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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[Private Equity Guide - COVID-19: Private Equity Firms and Portfolio Companies.](#)

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