



PE Connect Autumn 2025

November 2025

By KPMG Private Equity Group



Jersey - PE Connect – Leadership Forum - 6 November 2025



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London – PE Connect – CFO Breakfast - 12 November 2025



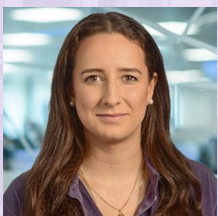
Jonathan Martin
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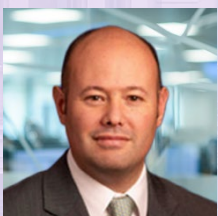
**Nicole Patterson-
Vanegas**
Assistant Manager, Deal
Advisory, Valuations
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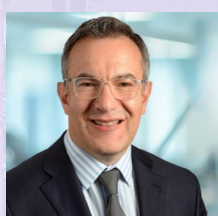
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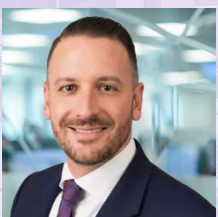
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Asset Management
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Guernsey – PE Connect- Leadership Event – 13 November 2025



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Matt Thomas
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Guernsey

Agenda

- 01** KPMG tech innovation and Private Equity
- 02** PE and Tax update
- 03** PE market update - panel session and Q&A
- 04** Closing remarks



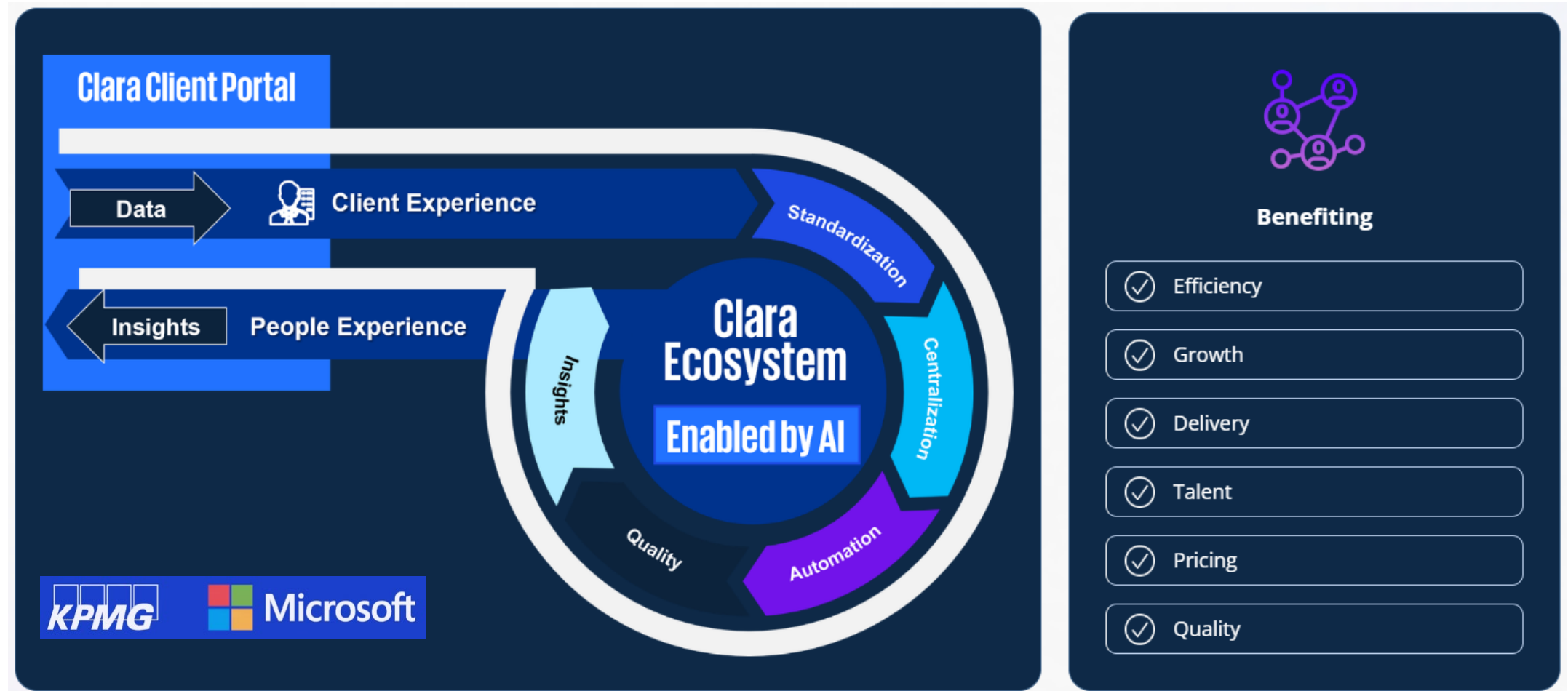
01

KPMG tech innovation and Private Equity



You can with AI.

KPMG Clara



KPMG Clara AI Fundamentals



Latest AI Model Access

GPT-5, GPT-4.1, GPT-4.1 mini, o4 mini – with GPT-4.1 as default.



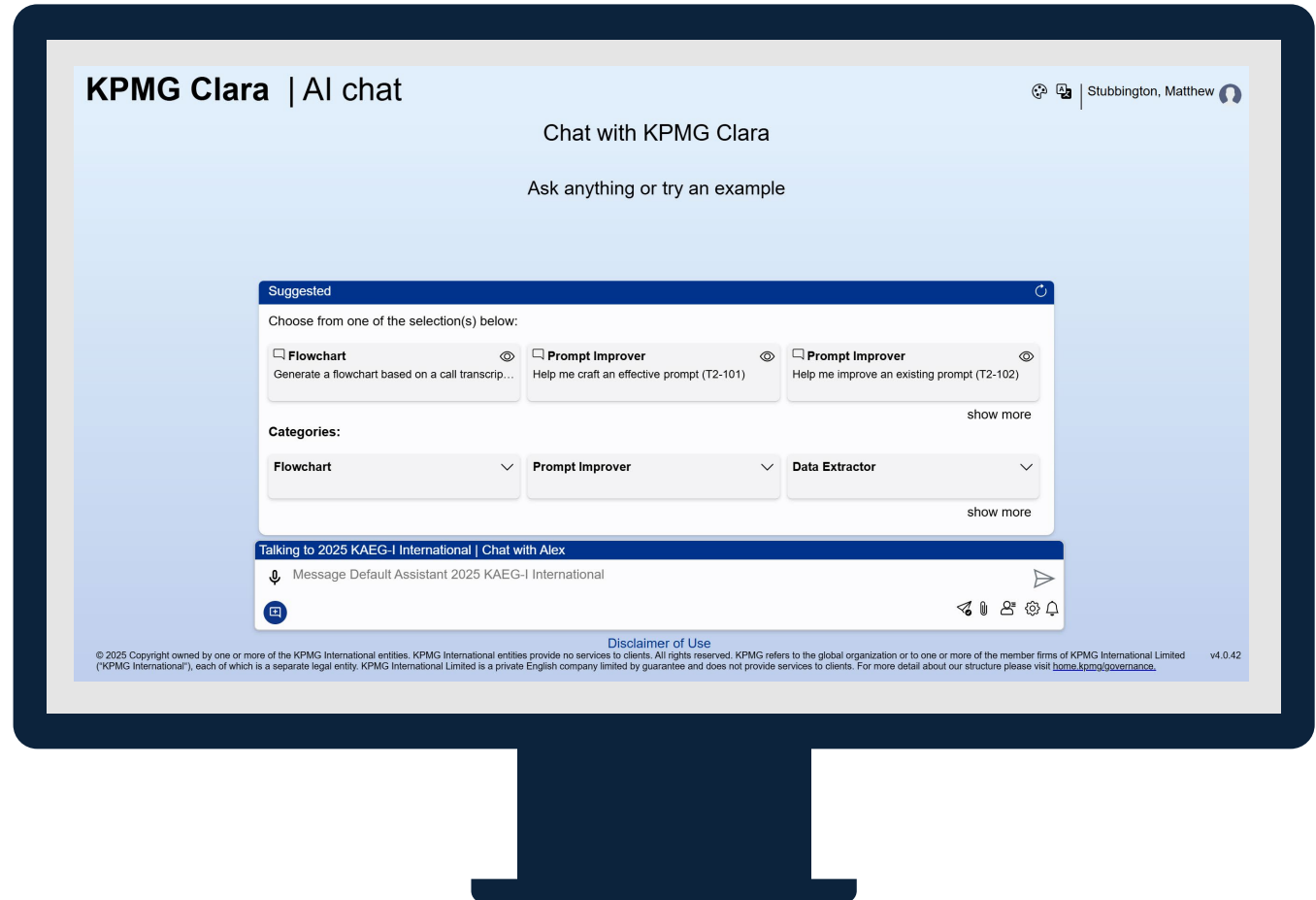
Knowledge Agents

Direct integration with accounting frameworks and KPMG audit methodology.

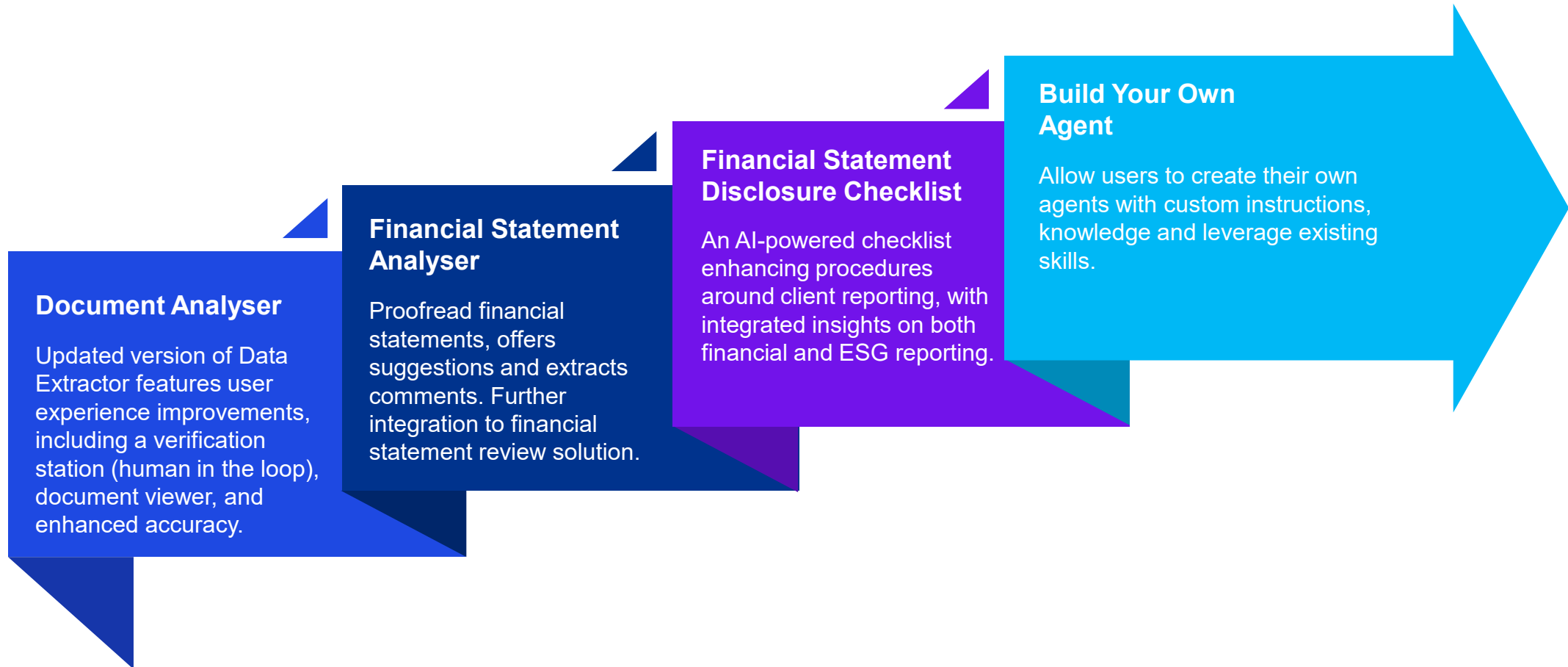


“Trusted AI” Framework

Designed to extract and analyse relevant data, all within KPMG’s “Trusted AI” framework built on security and privacy.



KPMG Clara AI Additional Features



Financial Statement Analyser

KPMG

Clara AI

Home

AI Chat

Financial Statement Checker

First Draft Audit Review Stage

Net asset value per share

The net asset value per ordinary share and the net assets attributable to the ordinary shareholders at 31 January calculated in accordance with the Articles of Incorporation were as follows:

Ordinary shares	2025	2024
Shareholders' funds	US\$1,369,957	US\$1,219,137,000
Number of ordinary shares in issue at the year end	1,024,738,907	1,029,898,907
Net asset value per ordinary share	133.69¢	118.37¢

There are no dilutive or potentially dilutive shares in issue. The aggregate change in assets during the year attributable to the

and across sectors. Our emphasis on finding exceptional companies naturally leads us away from macroeconomics or thematic investing, towards bottom-up analysis. We believe we are able to excel at doing this because we have a differentiated analytical approach, access to the best companies in our universe, and a unique strategy for adding value to our companies.

Drag your file

Baillie Gifford & Co Limited The

☒ Do you want to Proof Read?

☐ Do you want to Extract Comments?

mandatory fields are marked with an asterisk (*)

Financial Statement Checker

Ask me anything...

Guides

Feedback

something that happens overnight or changes at Initial Public Offering ('IPO'). We are simply trying to invest in companies for the longest and steepest part of their growth curves.



no-reply-KPMGClaraAI@kpmg.com

- 11/11/2025 10:08:59 AM

Did you mean "We believe that over

no-reply-KPMGClaraAI@kpmg.com

- 11/11/2025 10:08:59 AM

Did you mean "US\$1,219,137"?

Explanation: The value in the 'Shareholders' funds' column for 2024 includes an extra '000' mistakenly added. It should match the format of the 2025 value, which is 'US\$1,369,957'.

Add a reply

for proper grammar.

Add a reply..

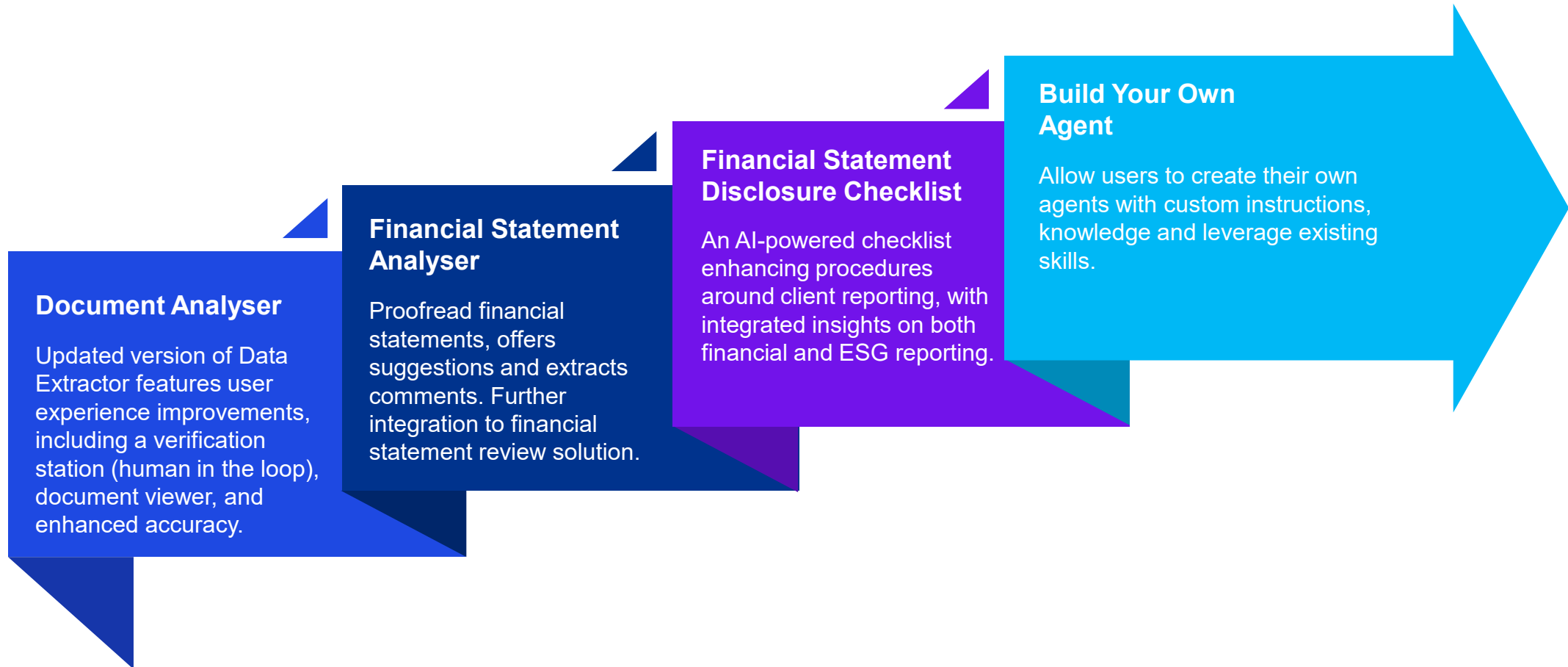
POST

CANCEL

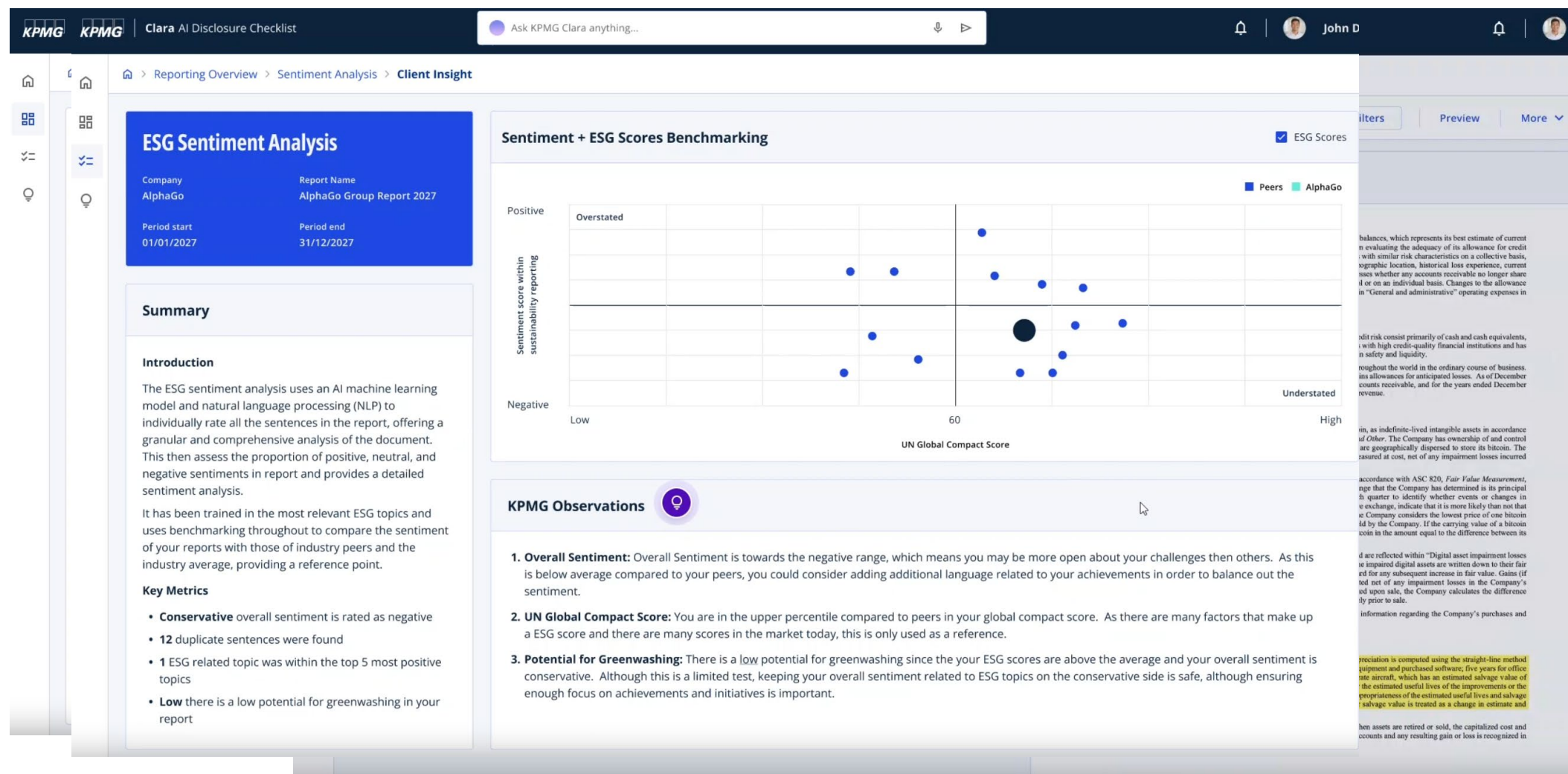
Page 8

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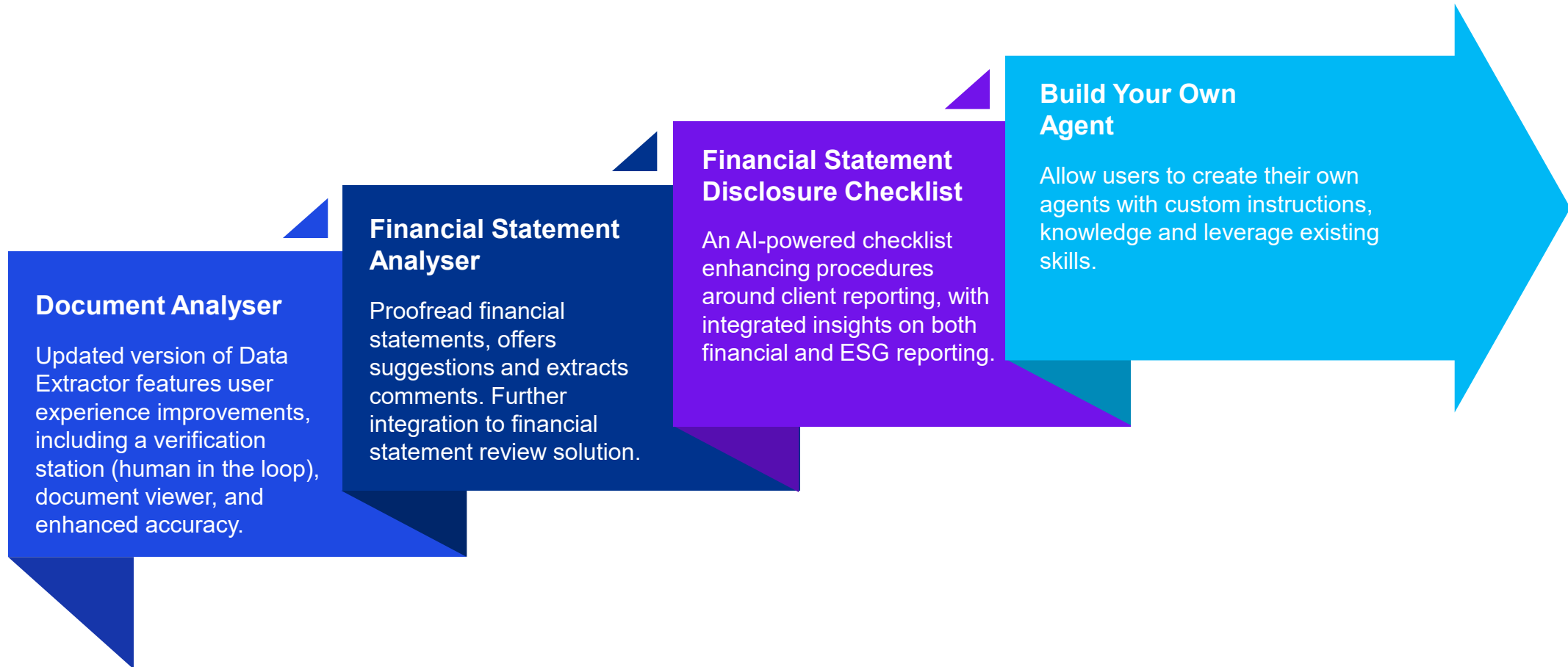
KPMG Clara AI Additional Features



Financial Statement Disclosure Checklist



KPMG Clara AI Additional Features



Build Your Own Agent

 Clara AI

AI Chat

Agent Library

Dashboard

Prompt Library

History

Home > Agent Library > Create Agent

Create Agent

Name *

Independence Tracker

Description *

Compares list of portfolio companies and their subsidiaries provided by private equity client to the KPMG Sentinel independence tree maintained by the audit team.

Instructions *

This agent should compare the entities within the Client file, which contains a list of all portfolio companies and their subsidiaries, to the entities within the KPMG file. Any entities included within the Client file which cannot be found within the Client file are highlighted green to denote a superfluous entity. The tool should disregard punctuation differences where possible i.e. missing full stops, commas or differences in uses of upper and lower cases. If the tool is unsure if an entity within the Client file is correct, it should highlight it with its rationale.

Conversation starter *

Upload your Client and KPMG files for comparison to begin.

Functionality

gpt-5

Reasoning Effort ⓘ Medium

Please select the required functionalities from the list below.

FileSummarize

On ⓘ

Search Files

On ⓘ

Data Analysis

On ⓘ

WebSearch

On ⓘ



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KPMG Clara AI Agents

Clara AI - Agent Platform											
3 User Input Required			1 Request(s) in Progress			4 Completed Request(s)			Start New Request +		
Request Status Request Name Engagement ID Entity Name Audit Area Search Last Updated: 08/05/2025 03:12 PM Refresh Clear											
Request	Submitted Date	Stage	Status	Request Name	Engagement ID	Entity Name	Audit Area	Last Edited	Output		
Cash and cash	08/05/2025	Output	✓	Bank Recon P1	1234567890	Bank Corp.	Substantive Testing	08/05/2025, 10:56:44 AM	Download Copy		
Search for unrecorded	08/05/2025	Output	✓	SURL Completeness In...	1234567890	Test Corp.	Substantive Testing	08/05/2025, 10:56:40 AM	Download Copy		
Trade receivables -	08/05/2025	Output	✓	Trade Receivables In...	1234567890	Test Inc.	Substantive Testing	08/05/2025, 10:56:37 AM	Download Copy		
Cash and cash	08/05/2025	Document Manager	🔄	Bank Reconciliation ...	1234567890	Bank Inc.	Substantive Testing	08/05/2025, 09:36:17 AM	Download Copy		
Cash and Cash	07/24/2025	Document Manager	⚠️	Interim Test Bank Re...	1234567890	Test Inc.	Substantive Testing	07/24/2025, 03:13:12 PM	Download Copy		
Cash and Cash	07/23/2025	Data Manager	⚠️	Test	123957829	Test Inc.	Substantive Testing	07/23/2025, 01:54:32 PM	Download Copy		
Cash and Cash	07/23/2025	Output	✓	Test Corp. Cash Part...	1239832903	Test Inc.	Substantive Testing	07/23/2025, 09:56:58 AM	Download Copy		
Expenses - vouch	07/21/2025	Output	⚠️	Test Expense Vouchin...	123456789	Test Inc.	Substantive Testinq	07/21/2025, 07:26:41 AM	Download Copy		

KPMG Asset Management Audit Platform



The KPMG Approach

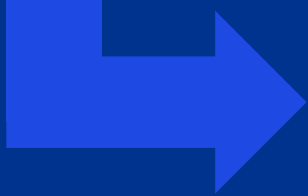
Maintaining professional judgement

Increase efficiencies

Use tech as a tool

Augmenting not replacing

Adding expertise



Enabled by technology but powered by people

People & Tech in Valuations

Introduction

	Advisory services	Audit support
 Overview	• Support clients across multiple sectors and deal stages • Key services for Private Equity: • Recurring portfolio valuations • Independent valuations for continuation funds • Fairness opinions on transactions	• Valuation Advisory work closely with our PE Audit Group • One firm • Expertise leveraged by audit

The Evolving Landscape

Technological shift

- Industry shift: Excel → Automated platforms

Risks

- AI inaccuracies
- FCA review highlights need for stronger valuation processes

Case study: Turn around company

How do we harness these powerful tools effectively?



Innovation at KPMG

01 Across the business

- Globally invest \$7bn in tech, 2.5% of revenue

02 Audit

- 95% auditors use GenAI daily
- KPMG recognised by regulators for tech adoption

03 Valuation Advisory

- GenAI comparable company finder
- Valuation platforms: tech transformation and valuation implementation

Augmentation rather than replacement

The KPMG Approach

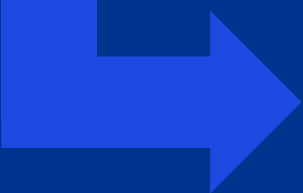
Maintaining professional judgement

Increase efficiencies

Use tech as a tool

Augmenting not replacing

Adding expertise



Enabled by technology but powered by people



02

PE and Tax update

UK tax update

Autumn Budget

Relocations

Autumn Budget

- NI on LLPs
- Align CGT and IT rates
- Freeze on IT thresholds/increase IT rates
- Reduction in tax free threshold on pension withdrawals

Relocations

- HNWs/Fund principals + key execs looking at:
 - Italy, Switzerland, Portugal, Dubai, CI
- Steady stream of HNW interest/ not seeing movement of fund execs to CI

Onshoring

Uncertainty

Onshoring

- Reserved Investor Fund (**RIF**) rules – competition to JPUTs
- Qualified Asset Holding Company(**QAHC**) regime – competition to CI holding vehicles

Uncertainty

- CI can provide certainty and stability

Domestic tax update

Local filing deadline

Local filing deadline

- 30 November

Pillar 2 registration

Pillar 2 registration

31 December 2025 (for entities with a December year end)

Portal in Jersey live

Requirements to consider scope and classification prior to registration

International tax update

Pillar 2

Pillar 2

- Classification/ registration
- US push back – side by side deal

Unshell directive

Un-shell directive

- Parked due to lack of consensus

Trends

Trends

- Beneficial ownership
- Governance
- Substance
- [Beneficial ownership, governance and substance trends across the EU](#)

International tax update

💡 Domestic WHT relief can be denied solely in BO or a similar concept grounds in the majority of the jurisdictions that levy a WHT – 52 percent for dividend payments, 72% for interest payments and 85% for royalty payments.

💡 Only 28% of jurisdictions define BO for dividends; 36% do so for interest and royalties. 40% (dividends) and 23% (interest/royalties) rely on case law or administrative practice instead.

💡 57% of jurisdictions report increased scrutiny from tax authorities on BO and substance

💡 Advance certainty on BO/substance is available in just 50% of jurisdictions.

The background of the slide is a photograph of a coastal town and harbor, likely in the UK. It features a harbor with several boats, a stone pier, and a town built on a hillside overlooking the water. A large, historic stone building, possibly a castle or fortress, is prominent on the right side of the hill. The entire image is covered with a semi-transparent blue overlay.

03

PE market update

KPMG Publications



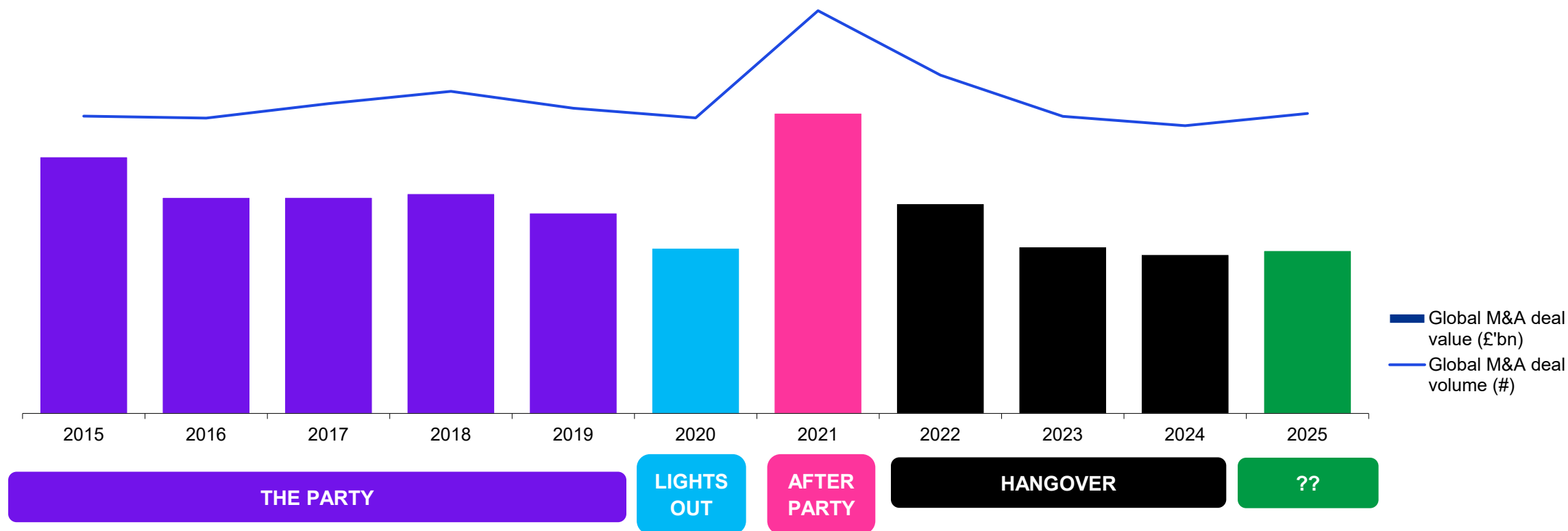
[Q3'25 Pulse of Private Equity — Global insights](#)



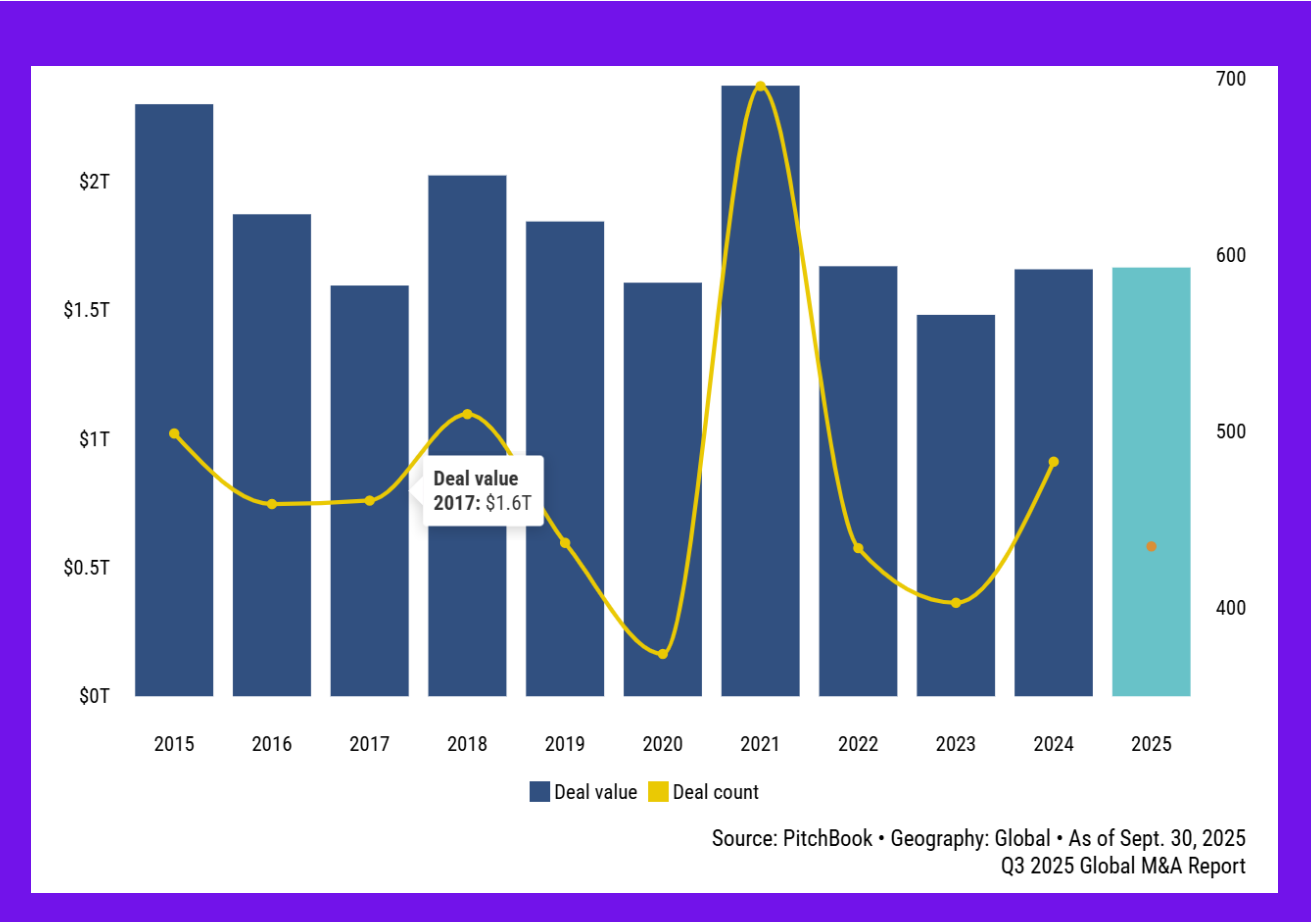
[Value Creation in Private Equity](#)

Global M&A activity

US	0.13%	0.40%	1.16%	1.90%	2.16%	0.36%	0.08%	2.40%	5.09%	5.25%	4.38%	Base rate
UK	0.50%	0.38%	0.33%	0.69%	0.75%	0.22%	0.10%	1.63%	4.67%	4.88%	4.22%	Base rate



Global M&A activity



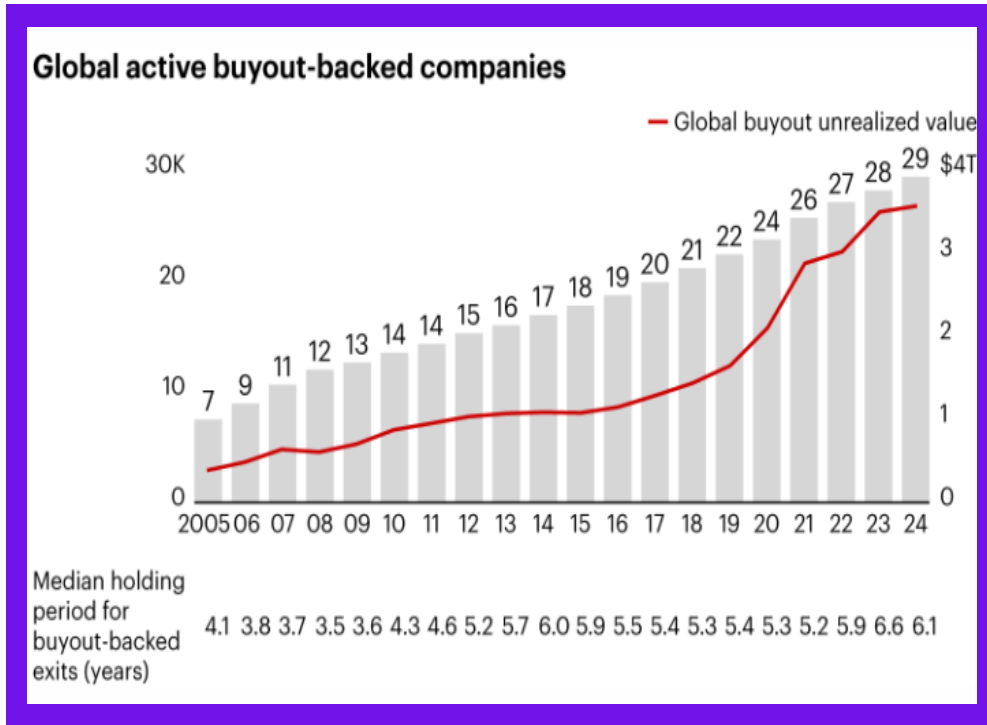
Return of the mega deal



PE Update



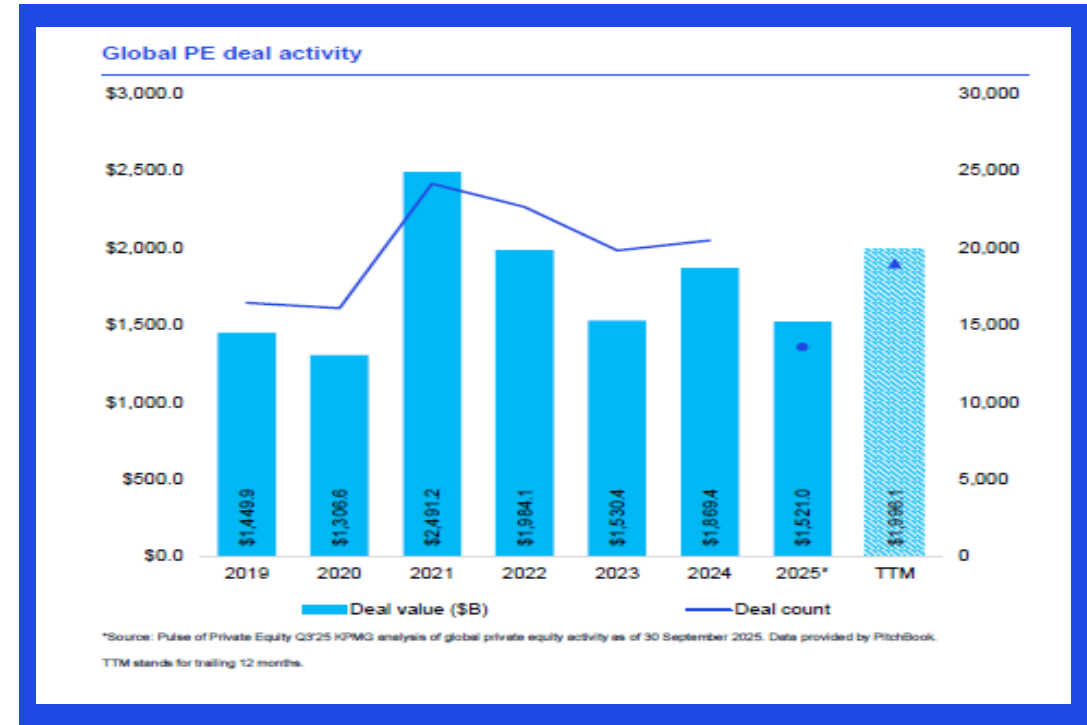
Unrealised value Q3 '25



At Q3 '25 PE firms held more than 30,000 assets, estimated to represent \$3.6 trillion of unrealised value

* Source: Bain Capital

PE Dealmaking trends to Q3' 25



Despite the drop in deal volumes, deal value remains strong driven by very large megadeals. Investors remain cautious and are only going for highest-quality assets.

Capital deployment



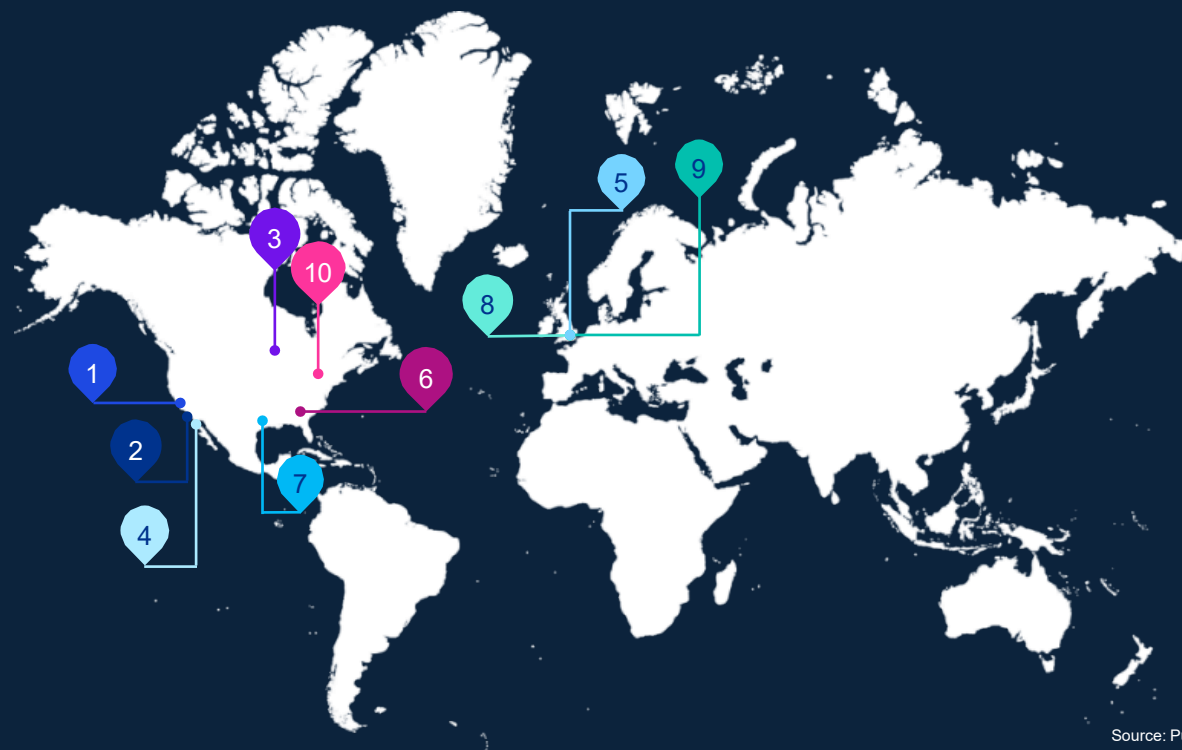
Regional capital deployment

Capital deployment to
Infrastructure AI, & Data centres,

Q3'25 Pulse of Private Equity — Global insights

Global insights

Top 10 global deals announced in Q3 2025



1. **Electronic Arts** — \$54.6B, Redwood City, US — Public-private, *Gaming*
2. **Air Lease** — \$28.2B, Los Angeles, US — Public-private, *Air*
3. **Dayforce** — \$12.4B, Minneapolis, US — Public-private, *Business software*
4. **Sempra Infrastructure** — \$10B, San Diego, US — Buyout, *Energy*
5. **Pension Insurance Corporation** — \$7.7B, London, UK — Add-on, *Financial services*
6. **OneDigital** — \$7B, Atlanta, US — Secondary buyout, *HR services*
7. **Enverus** — \$6.5B, Austin, US — Secondary buyout, *Business software*
8. **Spectris** — \$6.4B, London, UK — Take-private, *Instrumentation*
9. **Reckitt Benckiser Group (Essential Homes unit)** — \$4.8B, London, UK — Corporate divestiture, *Consumer goods*
10. **Green Infrastructure Partners** — \$4.25B, Markham, Canada — PE growth, *Construction & engineering*

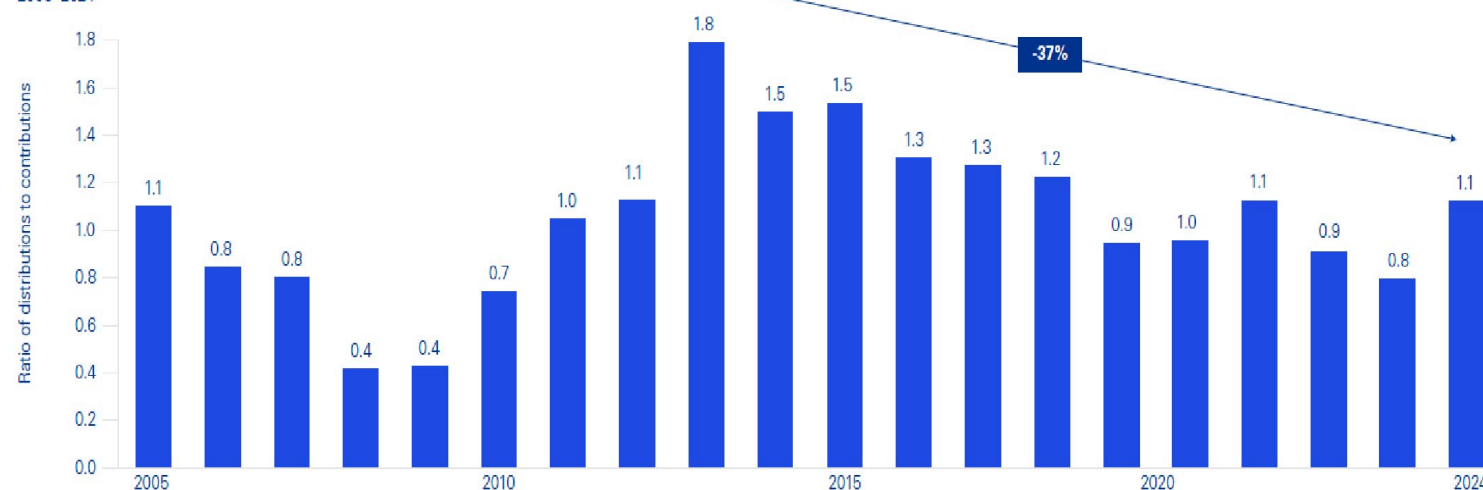
Source: Pulse of Private Equity Q3'25 KPMG analysis of global private equity activity as of 30 September 2025. Data provided by PitchBook.

Liquidity challenges persist

Distributions to paid-in capital (DPI) ratios remain depressed

Distribution drought⁽³⁾

2005–2024¹



■ Ratio of distributions to contributions

Note: ¹As of December 2024, ²Annualised figure for 2025, ³Global PE activity through 31 December 2024, ⁴Pitchbook accessed on 6th August 2025

Value Creation in Private Equity

Slow down in deal making exacerbating liquidity challenges

DPI for recent fund vintages lagging historical peaks. Since 2013, DPI has dropped by ~52%

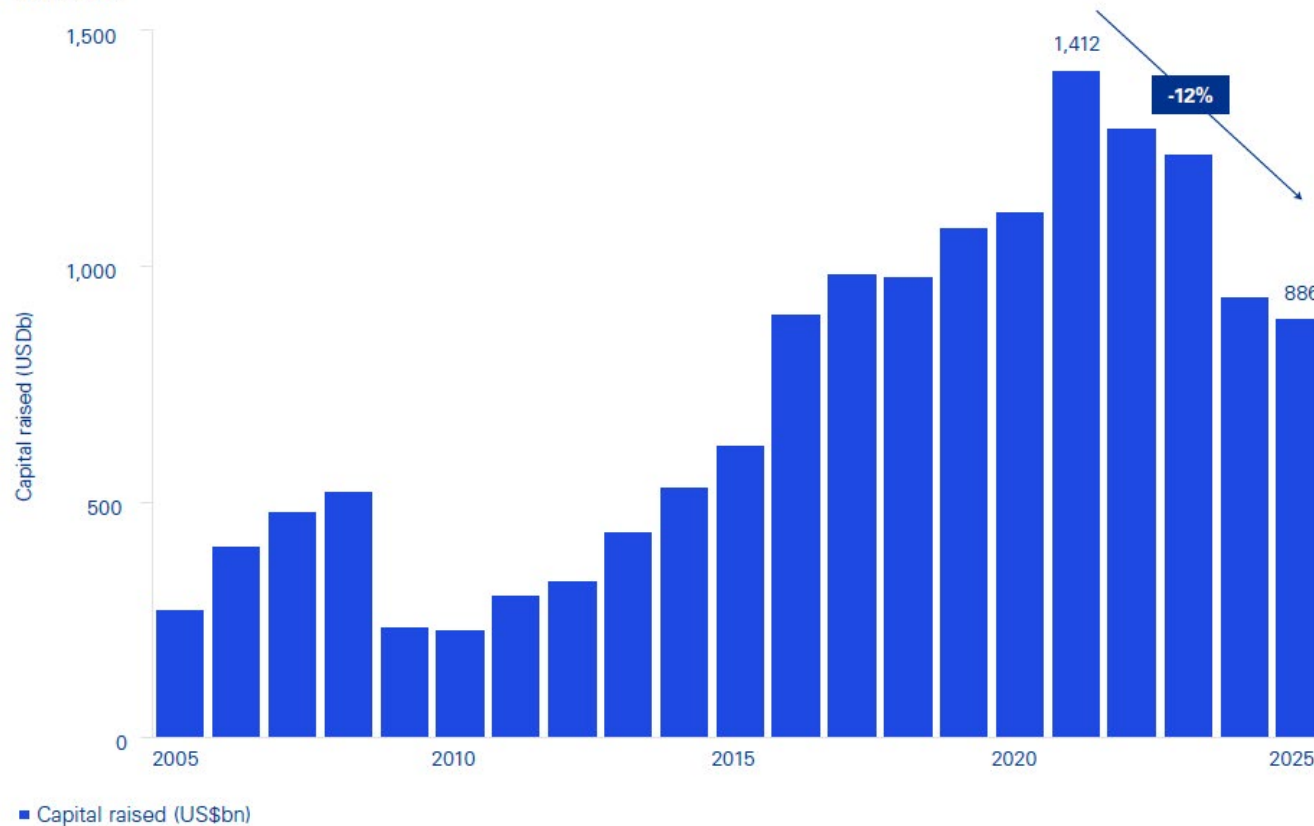
GPs resources are spread over more portfolio companies. Delayed progress from management fees to carry fees affecting staff retention.

Emerging evidence shows LPs are dissatisfied with temporary and minority exits, they are pushing for full, traditional realisations even accepting valuations below recent marks if necessary

Fundraising trends

Fundraising slowdown^(m)

2005–2025²



Note: ²Annualised figure for 2025, ²Global PE activity through 31 December 2024

Source: ^(m)S&P Global and Market Intelligence and related blogs 'IPO activity slowdown stretches through Q1 2024'

Value Creation in Private Equity

**Fundraising
remains very low
in both fund
number and value**

**2025 fundraising
value likely to be
the lowest seen
since 2018**



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