



Managing through challenging times: tax and legal impacts

Keeping Connected Global Tax & Legal & Mobility Virtual Meeting Series — Part 8

COVID-19 and beyond: What Asset Managers need to know

—

May 2020

Topics for discussion



- 1 **Asset Management: Global update**
- 2 **Panel discussion: Business impacts**
- 3 **Panel discussion: Financial impacts**
- 4 **Panel discussion: Investing trends**
- 5 **Q&A**

Administration

Polling questions

- Polling questions will appear as we proceed through the presentation.
- As mentioned, in order to receive the certificate of attendance, we require participants to take part in at least five of the seven polling questions.
- If you qualify for the certificate of attendance, it will be sent to you following the webcast.



Attendee questions

- You may submit questions in the Ask a question button on the left. We will answer as many questions as we can during Q&A. If we are unable to answer your question during the webcast, someone from KPMG may reply via phone or email following the webcast.
- For technical issues, please use the Question Mark button in the upper-right hand corner of the media player.



Your feedback

- When the webcast is over, the webcast player will automatically refresh to display an exit survey. Feel free to complete the survey, as your comments are very valuable to us.





The Asset Management journey



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COVID-19 and beyond: the journey continues

1. **Initial reaction**
Consistent responses



2. **Strategic response**
Divergences developing



3. **The new reality**
Forward thinking



STAKEHOLDERS



Business operations • Financial impacts • Investment effects



Asset Management: Global update



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Panel discussion: Business impacts



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From Reaction through Resilience and Recovery to the New Reality

“Total initial economic loss in the euro area is estimated at 30% of GDP, with a further 2%–2.5% of GDP for each additional month of lock-down.”

“The pandemic will shrink the economies of advanced countries by at least 15 percent. France, Germany, Italy, Spain, UK and the US will see their GDP shrink by more than 25 percent.”

“It’s amazing how slowly habits change, where people get stuck in the ruts of doing things, and then you have a shock like this that can change everything. It forces people to overcome the switching costs, figure out something new and say, ‘Hey, this is way better.’”

“The coronavirus (COVID-19) outbreak has already brought considerable human suffering and major economic disruption. Output contractions in China are being felt around the world, reflecting the key and rising role China has in global supply chains, travel and commodity markets. Subsequent outbreaks in other economies are having similar effects, albeit on a smaller scale. Growth prospects remain highly uncertain.”

“Due to COVID-19, [US unemployment insurance claims] have risen to unprecedented levels, with 30 million workers having initiated claims to unemployment insurance benefits from Sunday, March 15, through Saturday, April 25.”

Sources: Assistant Secretary Michael Faulkender Economy Statement for the Treasury Borrowing Advisory Committee of the Securities Industry and Financial Markets Association; European Central Bank, May 2020; Organisation for Economic Co-operation and Development, March 2020; OECD, Interim Economic Assessment, March 2020; Erik Brynjolfsson, director of the MIT Initiative on the Digital Economy from The Washington Post (<https://www.washingtonpost.com/business/2020/03/21/economy-change-lifestyle-coronavirus/>)



Panel discussion: Financial impacts



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Up for discussion

Valuation

- 1Q valuations
- Impact on NAV
- Financial statement disclosures
- Impact to investor reporting

Liquidity issues

- CARES Act and other tax responses
- Investor considerations
- Fund raising
- Counterparty considerations



Panel discussion: Investing trends



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Up for discussion

Capital trends

Fund Raising; Deployment of Capital; Sector Trends

Deal trends

Private Equity; Real Estate and Infrastructure

Other trends

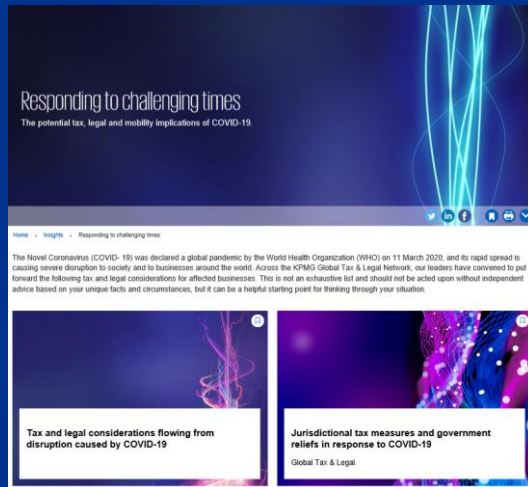
ESG; Governments and Private Capital



Questions?



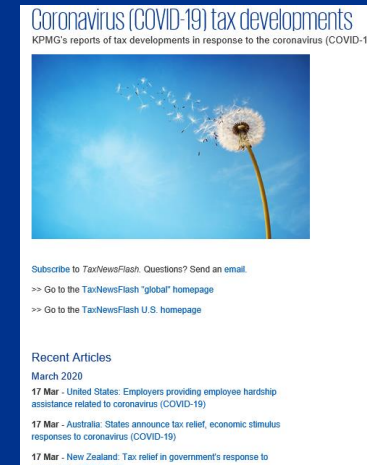
Resources



Responding to challenging times

KPMG site dedicated to business implications of COVID-19 on a global scale – tax, legal and mobility focus

<https://home.kpmg/xx/en/home/insights/2020/03/responding-in-a-crisis.html>



Tax News Flash — COVID-19

KPMG's ongoing roundup of COVID-19 measures taken around the world in response to the situation

<https://home.kpmg/us/en/home/insights/2020/04/taxnewsflash-coronavirus-covid-19-developments.html>





Thank you



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