



20 Aug 2025
 (Wednesday)
 2:30 pm – 3:30 pm

Navigating What's Next in Public vs Private Equity Markets

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香港退休計劃協會

The Hong Kong Retirement Schemes Association

OPENING REMARKS & MODERATOR



Mr. Alfred LEE

Honorary Treasurer of the Executive Committee and
Member of Business Strategy Sub-committee
HKRSA

PART I – UNDERSTANDING THE BASICS

SPEAKER



Ms. Elaine WONG, CFA, CAIA

**Vice President, Hong Kong & Macau Institutional Business
Wellington Management**

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Topics to cover in this webinar

PART ONE

Understanding the basics of Public Equity and Private Equity

PART TWO

The intersection of Public Equity and Private Equity

PART THREE

Fireside chat

PART FOUR

Q&A

Recent Poll: Private markets strategy over next 10 years

Overall

In aggregate, do you expect your total private asset allocation a decade from now to be?

	#	%
Much higher	10	6
Higher	72	42
About the same	73	42
Lower	15	9
Much lower	3	2
Total	173	100

Recent Poll: Private markets strategy over next 10 years

Specific strategies

A decade from now, do you expect to have meaningfully different allocation to any of the private assets below?

Please select all that apply	#	%
More exposure to Private Equity	77	58
More exposure to Private Credit	71	54
More exposure to Private Infrastructure	45	34
More exposure to Private Real Estate	34	26
Less exposure to Private Equity	25	19
Less exposure to Private Real Estate	13	10
Less exposure to Private Credit	10	8
Less exposure to Private Infrastructure	2	2
Total respondents	132	—

Definitions and Structures of Public and Private Equity

CATEGORY	PUBLIC EQUITY	PRIVATE EQUITY
Access	Easy via brokerage accounts or mutual funds	Limited — via private equity funds or direct deals
Liquidity	High — shares can be bought/sold daily	Low — capital is locked in for years
Return	Varied – depending on style and sector	Potentially higher return
Investment horizon	Short to medium term	Long term
Regulation	Heavily regulated by relevant regulators	Less stringent regulation than public markets
Transparency	Higher transparency and disclosures	Lower — limited public disclosure
Exit strategy	Easy – Sell shares on stock exchanges or make a mutual fund redemption	Complex — Requires finding a buyer in the secondary market or wait for distribution from the fund
Investors	Retail and institutional investors including MPF funds	Accredited investors, institutions, and now (potentially) MPF funds ¹

¹Only listed PE funds that are approved by the MPFA under section 8(2) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation (the Regulation) may be invested by an MPF fund. For more details, refer to the FAQ published by The Mandatory Provident Fund Schemes Authority (MPFA).

PART II – INTERSECTION OF PRIVATE AND PUBLIC EQUITY

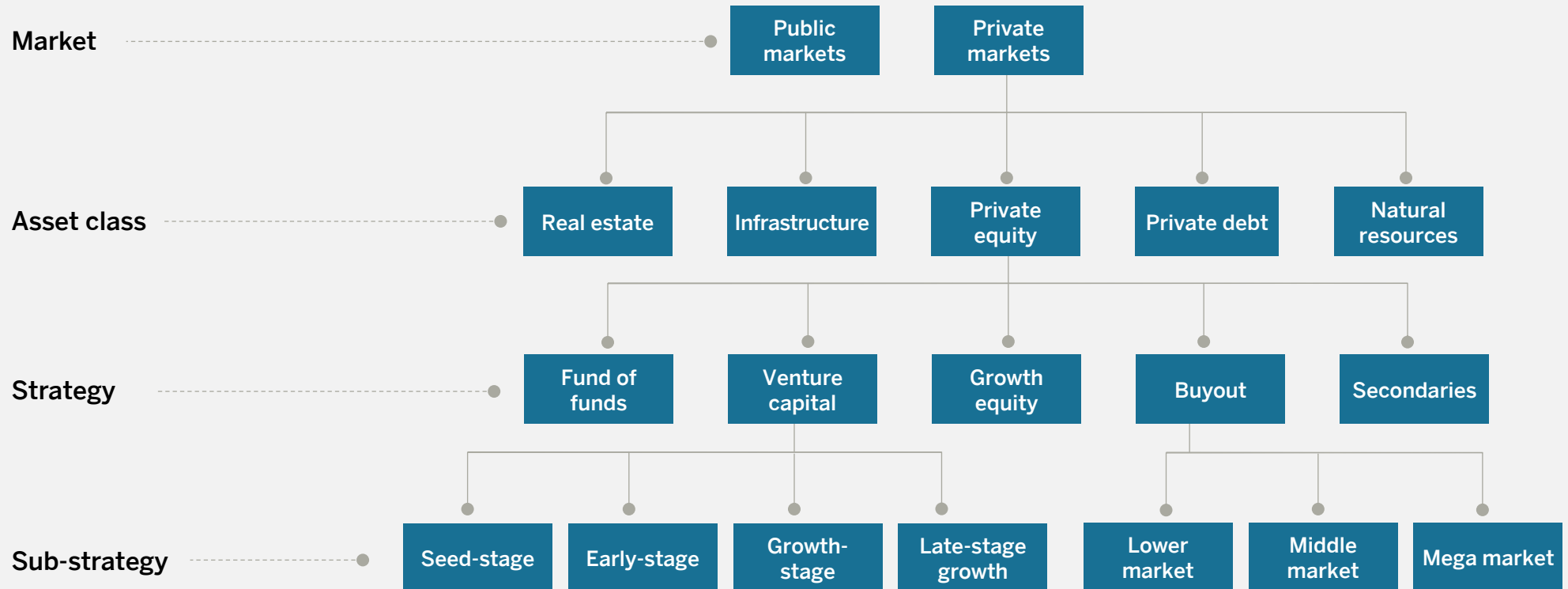
SPEAKER



Ms. Xiaying ZHANG, CAIA

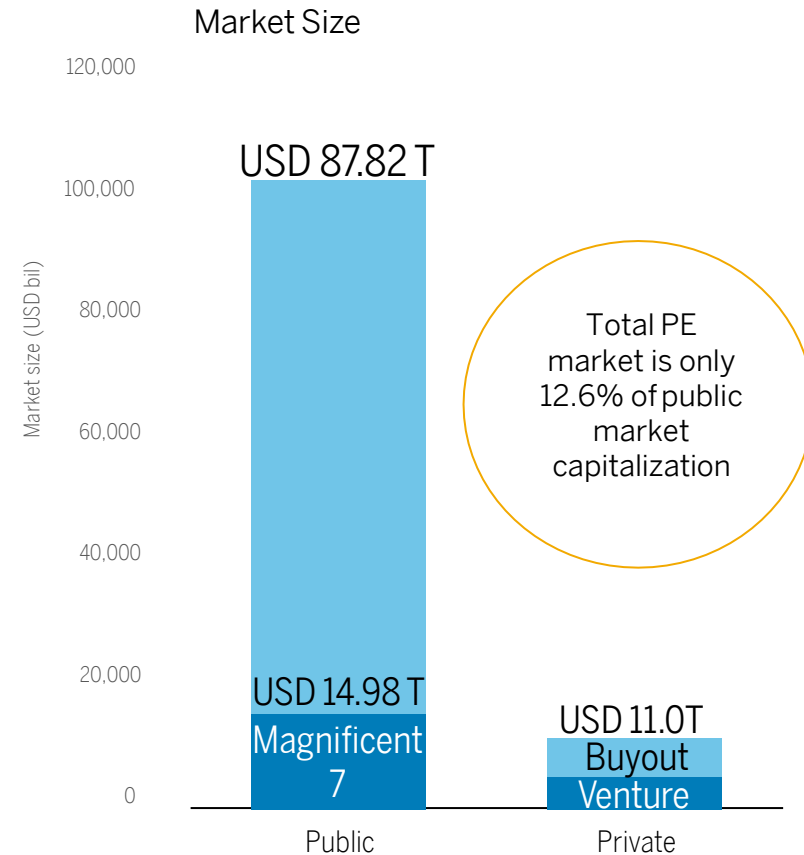
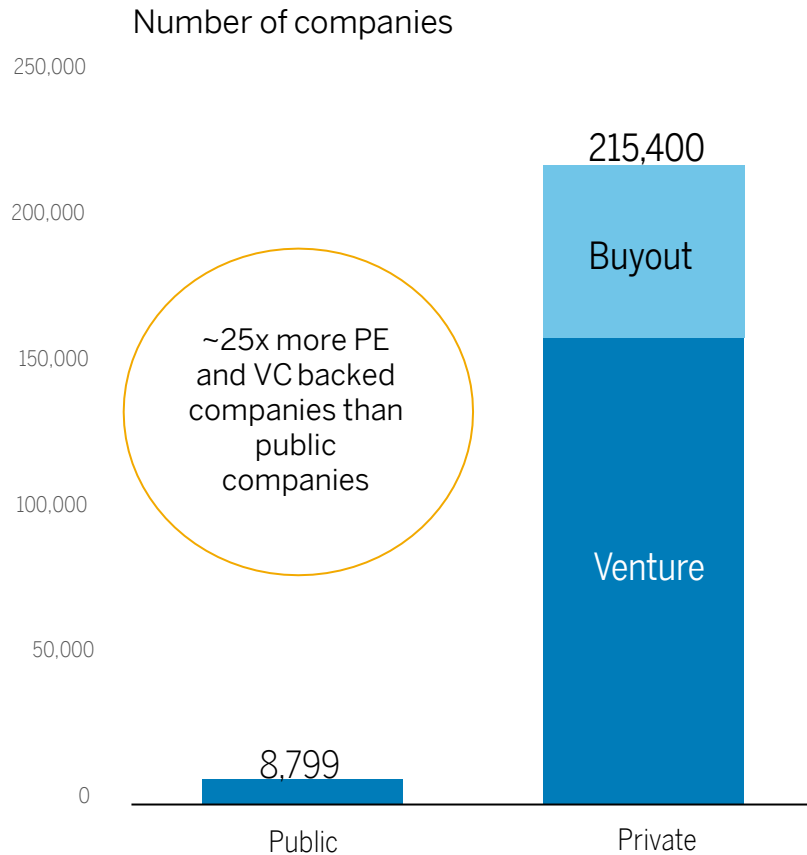
Director of Private Investments, APAC
Wellington Management

A unique risk/return proposition vs other PE allocations



For illustrative purposes only. This figure represents the major asset classes within private markets, strategies within private equity, and sub-strategies within venture capital and buyout. This is not fully inclusive of all asset classes, strategies, or sub-strategies. The boxes in yellow represent the key focus areas of this discussion.

Intersection of Private and Public continues to grow

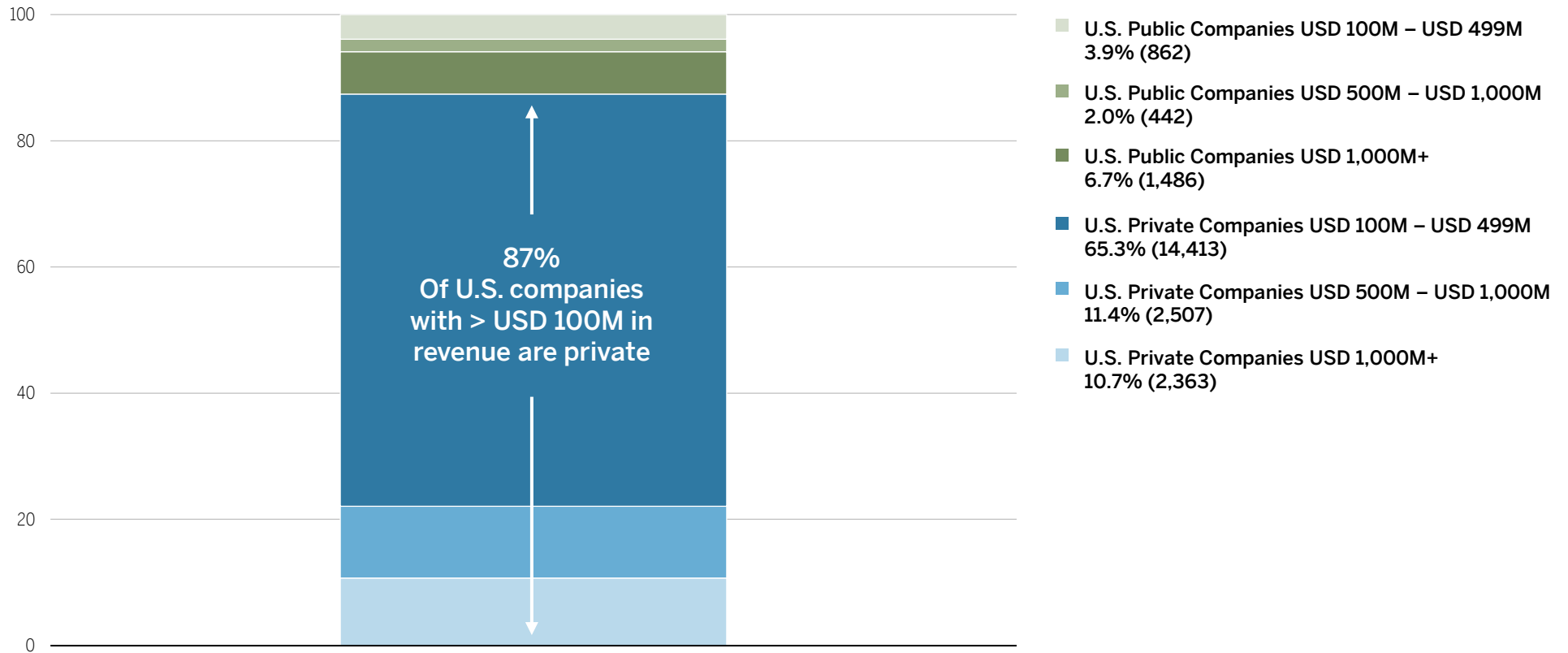


Sources: Private company approximate count: Pitchbook as of 2 October 2024. Public company count: MSCI ACWI as of 30 September 2024. Private market size: MSCI ACWI as of 30 September 2024. Private market size: Preqin as of December 2023.

Private vs public companies in the US

Private markets are more relevant then ever

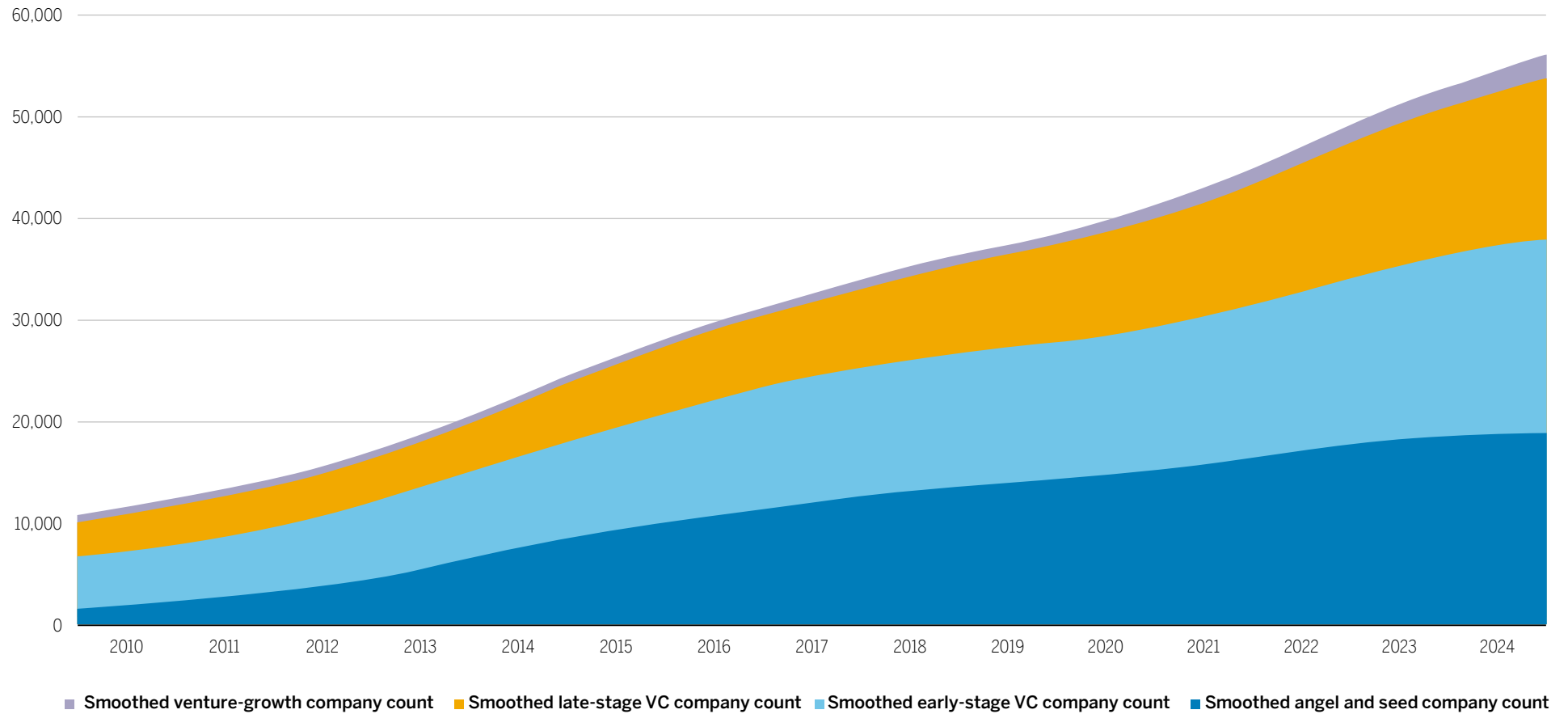
% of U.S. companies (Revenue > USD 100M)



Sources: Hamilton Lane, Capital IQ as of February 2023. Pitchbook data presented from 2018 – 30 September 2023 | **PAST RESULTS DO NOT PREDICT FUTURE RETURNS.** | Data is that of a third party. While data is believed to be reliable, no assurance is being provided as to its accuracy or completeness. There can be no assurance the investment will be profitable or avoid losses. Other investments will have different results. Information provided as of the date noted. | This material is not suitable for a retail audience.

Expanding supply of late-stage growth companies

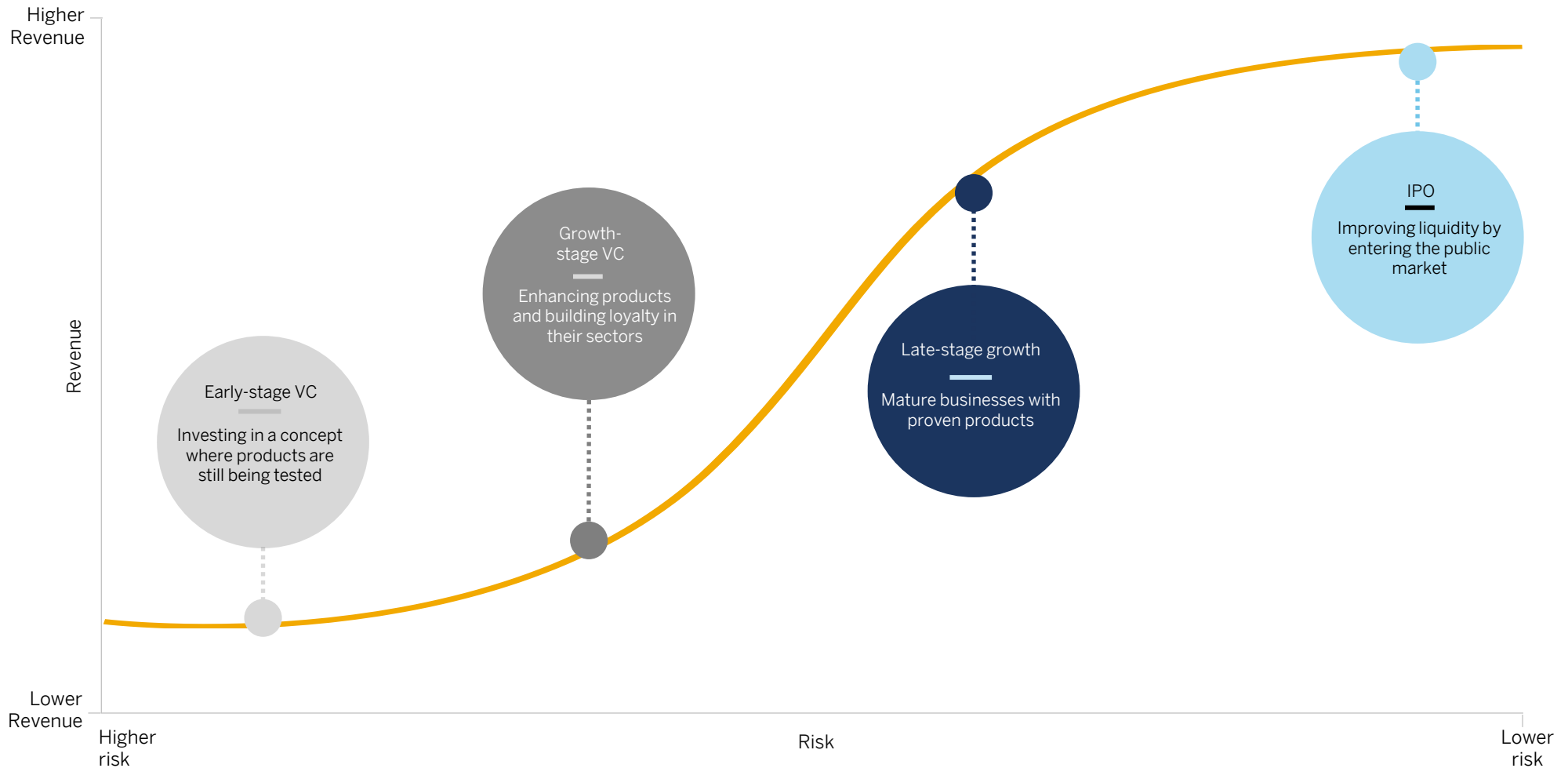
More than 50,000 US companies now VC-backed



Source: PitchBook NVCA Venture Monitor Data, Inc. | As of December 2024 | This chart is for illustrative purposes only.

Key risks and characteristics of venture capital by stage

For illustrative purposes only. This is a generalized example only and actual results may vary.



The case for late-stage growth

Private for longer, but not forever

4 potential motivations for public listing

01



Liquidity for employees

- Equity makes up a significant portion employee compensation in start ups but is difficult to liquidate outside of the public market

02



Liquidity for investors

- GPs and other investors who have financed the rapid growth need to cash in and return capital

03



Cheaper access to capital

- Companies want access to the vast pools of capital only available on the public markets

04



Enhanced brand recognition and trust

- Public companies typically see increased exposure relative to the private peers

COMPANIES ACCRUE MORE VALUE ON PRIVATE SIDE, BUT CAN APPRECIATE MEANINGFULLY POST IPO

For illustrative purposes only. Not representative of all factors.

Implications for private equity fund allocation

Potential benefits and risks

BENEFITS

- **Diversification:** Private equity funds offer exposure to sectors and strategies not typically available in public markets.
- **Long-Term growth:** PE's longer investment horizon aligns well with the long-term nature of retirement savings.
- **Innovation access:** MPF members may indirectly benefit from early-stage and growth investments in sectors such as technology, healthcare and sustainability.

RISKS

- **Liquidity constraints:** PE investments are illiquid and may not align with all MPF fund structures.
- **Valuation transparency:** Unlike public equities, private assets are not marked-to-market daily.
- **Operational readiness:** MPF trustees and managers will need to build or partner for PE expertise, due diligence, and risk management.

PART III – FIRESIDE CHAT

SPEAKERS



Ms. Elaine WONG

Vice President

Hong Kong & Macau Institutional Business
Wellington Management

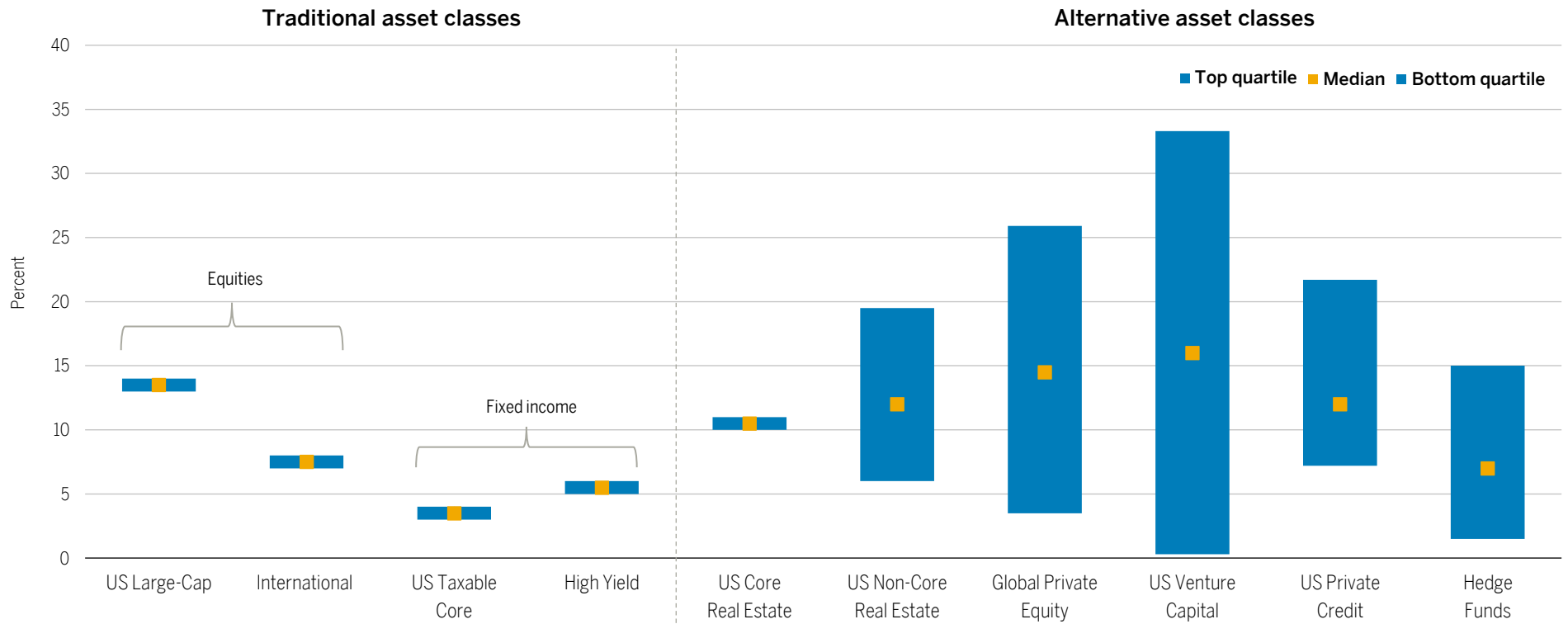


Ms. Xiaying ZHANG

Director of
Private Investments, APAC
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Manager selection is critical...

Private investments have historically demonstrated great differentials in Top- vs. Bottom-Quartile managers, even within a specific asset class or sub-asset class (%)

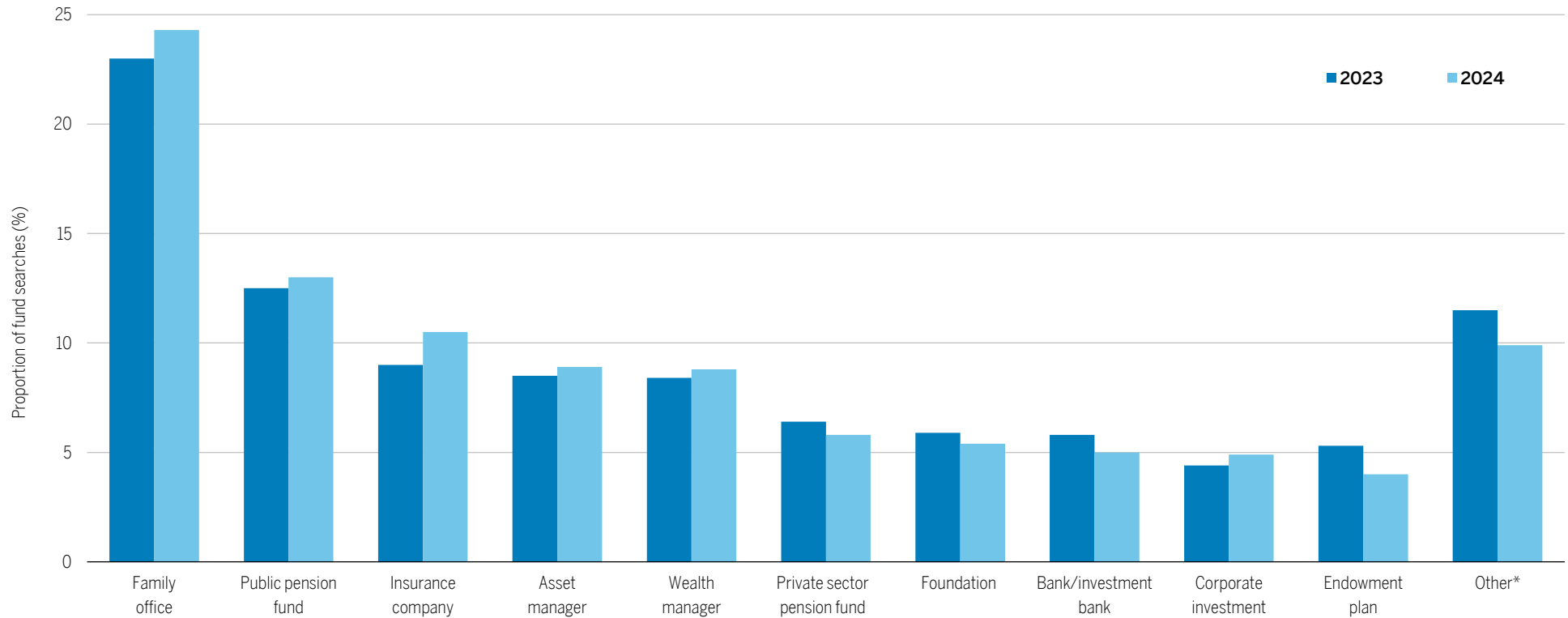


Sources: Cambridge Associates/Thomson Eikon, HFR Research, Morningstar, NCREIF, Morgan Stanley Global Investment Office as of 31 December 2021 | We base manager dispersion on 10-year annualized returns for the manager peer groups for each asset class presented in the chart. | This chart is for illustrative purposes only.

Investor interest remains steady

Family offices, Wealth managers, Insurance companies, Asset managers

Fund searches by investor type, 2023 vs 2024



Source: Preqin Pro | Other includes fund manager, government agency, investment company, investment trust, sovereign wealth fund, and superannuation scheme. | This chart is for illustrative purposes only.

PART IV – Q&A SESSION



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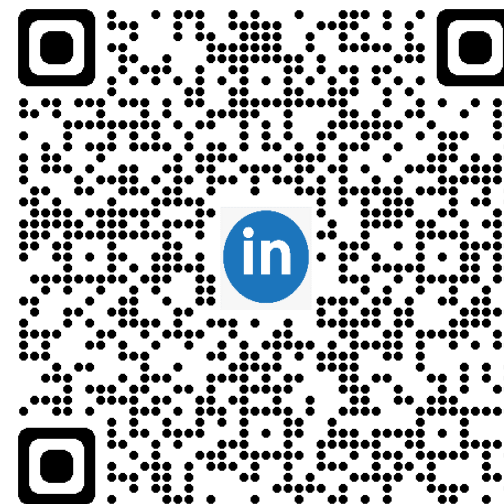


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