

Private markets for public good?

The opportunities and barriers to democratisation

October 2025

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Foreword



"We must remember that we are custodians and stewards and make sure the everyday saver remains at the heart of our thinking."

Xavier Meyer
CEO, Aberdeen Investments

Imagine your pension statement including an update on how many new schools or renewable energy plants your retirement pot had helped to build. Such a vision for the future should not feel entirely unrealistic. And yet, even with some regulatory leaps and bounds, it still feels decades away.

Since the Global Financial Crisis (GFC), investment into global private markets has enjoyed a meteoric rise.

Between 2005 and 2024, total assets under management grew more than eight-fold from c\$1.6tn to \$13tn (£1.2tr to £10tr), data from management consultant McKinsey & Company shows.

But it has not been shared equally, being largely in the hands of a very small subset of multi-billion-pound institutions. And geographically the gains are unequal, too. While countries like Canada and Australia have made real progress in allocating pensions money to private markets, UK defined contribution (DC) pensions have not – although that may be changing thanks to new policies and products, such as the Mansion House Compact and Accord.

As governments around the world struggle with ageing populations and low economic growth, their focus on "productive finance" – investments that support the domestic economy – has become razor-sharp.

But the potential benefits can go far beyond merely plugging the gap in state finances.

There has been a growing focus on the potential opportunities presented by widening access to private markets. Indeed, Chancellor Rachel Reeves said in her Mansion House speech in July 2025 that Long Term Assets Funds will be eligible for inclusion in stocks and shares ISAs' from next year – a move that would make them accessible to many more retail investors.

While this is encouraging, perhaps the simplest way to democratise private markets – and one which we see bearing fruit sooner – is for individuals to gain access via their retirement pots.

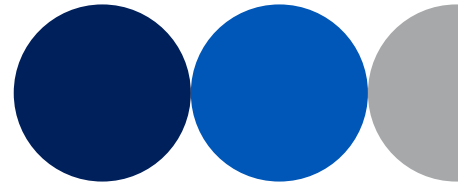
Either way, we believe it is vital that we have an honest discussion about the barriers that will need to be overcome for democratisation of private markets to be successful, and allow people to have true portfolio diversification.

How far can we trust valuations? Is performance being reported in a way that consumers can easily compare? What does good look like when it comes to fees? These are questions we need to answer. And we need to bring the public, and the trustees managing their retirement savings, into the conversation.

We must remember that we are custodians and stewards of this money and make sure that the everyday saver remains at the heart of thinking on the future of private markets that is one of the key calls we make in this paper.

Democratisation won't happen without effort –. Governments, regulators, asset managers, platforms, financial advisers: we must all collaborate to ensure success. We don't have all the answers, but having been immersed in private markets since 1973, we do have some recommendations.

This includes a gold standard for valuations, a product-neutral approach by governments, and global national taskforces to address how we can make private markets work for all, delivering impactful education campaigns around private markets investing. You can read our eight-point recommendations at the end of this paper. Thank you for reading.



By John McCareins,
Chief Client Officer, Aberdeen Investments

A small though growing amount of private market assets is held by individual investors. In the UK, the investment trust sector is a case in point, with private investors owning 7% of the infrastructure sector, 15% in renewable energy, and 9% in private equity, according to the AIC, the industry trade body.

Figures from Consultancy Bain & Company show that individual investors globally hold just 16% of private market assets – despite accounting for around half of global wealth.¹

As an increasing number of companies go private or remain private, it will become harder for investors to access growth opportunities via public markets alone. It's hardly surprising then that we have seen many asset managers snapping up specialist private market companies.

The crucial thing is to take all this positive momentum and ensure it is working for the good of everyone.

From liquidity to transparency, benchmarking challenges, and higher fees, the barriers to widespread retail access are plentiful. But at Aberdeen we do not see them as insurmountable and, in this paper, set out some of the solutions we envisage.

At Aberdeen, alongside our sizeable public markets investments, we have been long-term investors into private markets. Over time, we have evolved our capabilities and now have £68.8bn of assets under management (AUM) across real assets, private credit and alternative investment solutions (as at 30 June 2025).

These issues are therefore at the very heart of our business. This report is not intended to be an analysis of each individual sub-sector within private markets – all of which have their own nuances. Instead, it takes a generalist view of private markets, looking at how the industry needs to change as a whole to ensure more individuals enjoy the benefits the asset class can offer.

We have gathered views from across all three businesses within Aberdeen, to examine this topic from the perspective of institutions, financial advisers and individuals.

We think this means we are well placed to deliver a broad view on how democratisation of private markets could unfold.

It's high time we put private markets in the public spotlight and discuss how we can make them work for more investors.

Clarity on identity

When assessing the existing landscape, we should settle on a definition of what private markets actually are. Substitute names such as "alternatives", "productive finance", and "real assets", are often used.

For this report we have defined private markets as investments in the capital of privately owned structures, with the main sub-segments being: private equity, infrastructure, real estate, private credit and natural resources.

Of course names are important. A huge part of the success of democratisation in this space hinges on public awareness improving. For the purposes of this report, we will continue to refer to "private markets" given it has become the current standard terminology. However, it does beg the question whether a more evocative alternative could help in getting investors more comfortable with private markets and engaged with the idea that their money may well be helping to power schools, hospitals and economic growth.

Perhaps the simplest way to democratise private markets – and one which we see bearing fruit sooner – is for individuals to gain access via their retirement pots. Given consumers' general unwillingness to lock away their money without immediate access, pensions are an obvious vehicle through which to allocate to private markets.

¹ Avoiding Wipeout: How to Ride the Wave of Private Markets | Bain & Company.

The opportunities



By Nalaka de Silva,
Head of Private Markets Solutions, Aberdeen Investments

Returns

Millions of people around the world are forecast to have an insufficient income in retirement due to low levels of pension savings. Policymakers are taking a growing interest in encouraging greater retirement saving and finding ways of boosting returns from existing pots.

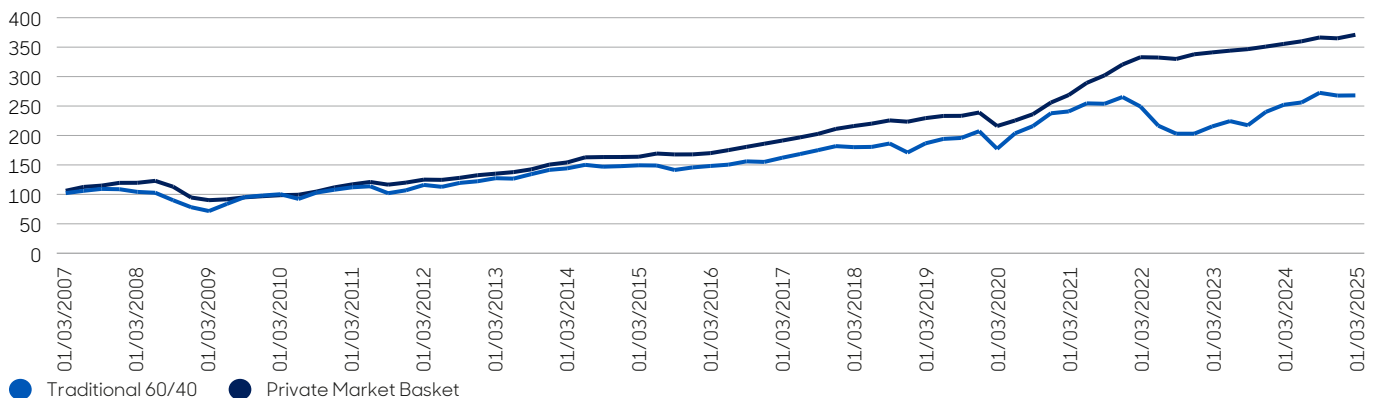
In this scenario, it's no surprise that attention has turned to the benefits private markets can offer. The long-term and illiquid nature of private market investments versus publicly listed shares or bonds should mean investors can demand a higher level of return.

Using data from MSCI, we constructed a private markets portfolio equally weighted across private equity buyout, venture capital, both value-add and opportunistic

real estate², infrastructure, natural resources and private credit. We then compared the performance of this portfolio with a traditional 60/40 portfolio (60% equities³; 40% bonds⁴) and found the former would have significantly outperformed in the period from 2007 to 2025⁵.

Over that period the 60/40 portfolio would have enjoyed a total return of 268%. However, the private markets portfolio would have increased in value by 370%. Of course past performance is absolutely no guarantee to the future, and while all investors have to live with uncertainty, it is arguably especially the case in private markets. Yet in this case the data, as shown in the chart below, is striking.

Chart 1: How have private markets performed vs a 60:40 portfolio since 2007?



Data source: MSCI, Bloomberg. Figures up to 31/03/2025. **Past performance is no guide to the future.**

Risks entailed by private markets compared with a traditional 60/40 portfolio are very different and we are not suggesting that one should replace the other. Rather we see private markets as a complement to the traditional 60/40 portfolio that has the potential to boost both returns and diversification. The balance between them would depend on the investor's risk tolerance and time horizon.

A world of lower growth and higher inflation

Many forecasters, including our own economists at Aberdeen, believe that, given the more volatile geopolitical backdrop, there is a greater risk we are entering a period of higher inflation and lower global economic growth than we have seen in recent decades.

Such a shift could have significant implications for how investors allocate their savings.

² These sub-sectors (value-add and opportunistic) are higher risk areas within real estate. They were selected for the hypothetical portfolio as these are the areas within real estate that diversified private market funds of funds are most likely to be investing in. This is because institutional investors, such as pension funds, tend to already have an allocation to core / core+ real estate within their portfolios.

³ Based on MSCI World Index performance.

⁴ Based on Bloomberg Global Aggregate Index performance.

⁵ Past performance does not predict future results.

The opportunities

It could also increase the attractiveness of certain private market sub-segments and act as a hedge against inflation. For example, some infrastructure and real estate investments have inflation-linked contracts. Private debt too can benefit from higher interest given that loans tend to be floating rate, so higher rates are accretive to returns.

However, every private market sub-segment has its own dynamics. There are others, such as private equity and venture capital, which are likely to be negatively impacted in an inflationary scenario – highlighting the importance of diversification within private markets as well as diversification from public markets.

Diversification



By Dr Lulu Wang,
Portfolio Strategist, Private Market Solutions, Aberdeen Investments

Investors looking for diversification have historically used bonds as a hedge to protect themselves from shocks when equity prices fall. However, there have been cases, such as in 2022, when prices of both have fallen simultaneously.

As research by Morningstar shows⁶, in concentrated periods of interest rate pivots (as when interest rates begin rising rapidly), the correlation between stocks and bonds turns positive and the prices of both can move in tandem.

If we are facing an era of increased inflation volatility, this poses a problem, and investors may struggle to achieve diversification.

Of course, the infrequent nature of private markets valuations does not always give the full picture. But the question of diversification is particularly pertinent for investors currently given the high levels of concentration we are seeing in public markets.

Private markets don't merely have a low correlation with public markets. They also, in some cases, have low correlations with each other. For example, an investment in a school or hospital that is reliant on long-term government funding promises would likely perform very differently in a sudden recession than an investment in a consumer technology company owned by private equity.

⁶ How Rising Interest Rates Change the Relationship Between Stocks and Bonds | Morningstar.

Engagement



Public understanding of and engagement with pensions is generally low. Our own Aberdeen research found that around a quarter of UK adults with a workplace pension don't know how much is in it.⁷

The tangible nature of many private market assets could provide an opportunity to address this by showing individuals that their retirement savings are helping to fund vital infrastructure, power innovation, or deliver much-needed homes.

For this to work, asset managers and pension schemes will need to become much better at communicating the value creation of these investments and the public good they can deliver to their members. In essence, it is a question of clear and good storytelling.

Barriers and potential solutions

While these potential upsides are compelling, the reality is there are still many barriers that we need to overcome if we want to see greater democratisation of private markets.

The UK, Europe and other countries have made good progress in getting the appropriate vehicles in places, such as LTAFs and ELTIFs. But we know there is more to be done.



⁷ Based on a nationally representative sample of 3,000 people. Research conducted by Opinium Q3 2024.

Performance and reporting



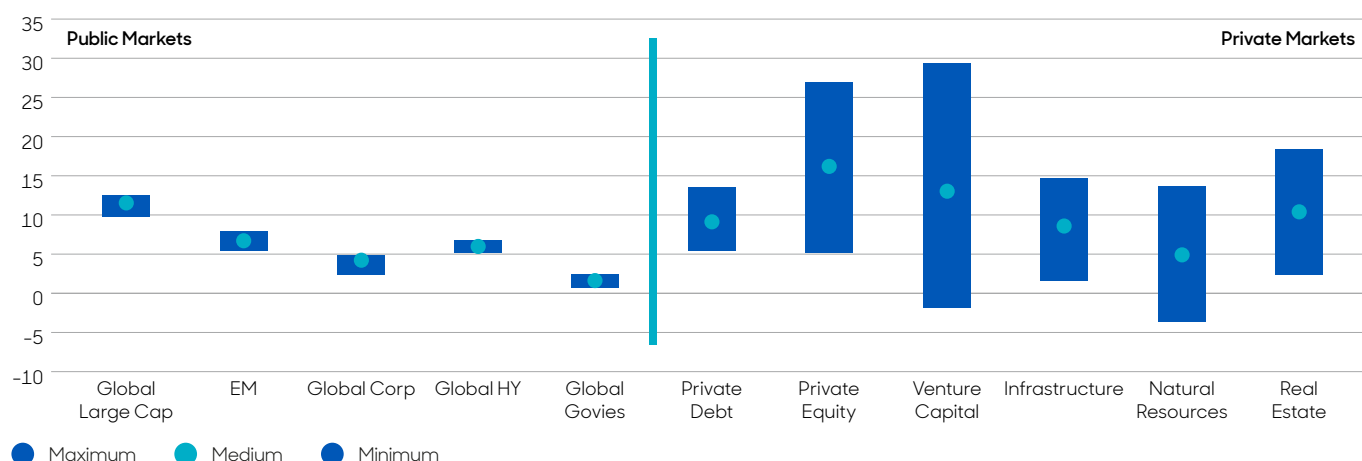
One of an investor's primary concerns is naturally the performance of their portfolio. While overall performance of private markets has been strong, as the chart below shows the difference between the best performing and worst performing funds is greater in private markets.

Within public markets, the sector with the widest dispersion in returns was global large cap equities. In this sector, the top performing funds (25th percentile) delivered average returns of 12.6% per year over the 10-year period analysed. The bottom performing (75th percentile) delivered 9.7% per year – a difference of 2.9 percentage points (pp).

By contrast, the sector with the widest dispersion in returns in private markets (venture capital) had a much larger difference. The top performing venture capital funds delivered on average 29.5% per annum compared with -1.9% for the bottom performers – a difference of 31.4pp. All the private market sectors had greater levels of dispersion than public market sectors.

This higher dispersion in returns means that, in private markets, choosing the right manager is extremely important.

Chart 2: Dispersion of Returns – Private and public dispersion. Based on returns over a 10 year window



Source: Aberdeen, eVestments, MSCI Private i. Based on 75th and 25th percentile differential as of 30 September 2024.

Past performance does not predict future returns.

To add to the confusion, returns for private market funds are usually reported as the money-weighted return, also known as Internal Rate of Return (IRR).

For investors accustomed to public markets, where performance is reported as a time-weighted return (a percentage return on their initial investment), IRR is hard to understand. For example, an IRR of 33% does not mean that the money in your pocket grows by a third.

So what is an internal rate of return (IRR)?

Private market investments often use a different measure called IRR. It is the discount rate or interest rate that makes the value of the money you put in equal to the value of the money you get back, after considering the time value of money (the idea that £1 today is worth more than £1 in the future) and the timing of cashflows of an investment. Think of IRR as the "break-even interest rate" for your investment when timing of cash flows matters and is useful for comparing private market deals to each other.



If you're used to public markets, you probably think of returns as a percentage gain or loss on your initial investment – that's called a time-weighted return (TWR).

You may see large IRR's quoted like "this private equity investment returned a 33% IRR."

Example:

Imagine you invest £1,000 in a project. Over the next 5 years, the project pays you £330 each year and repays your £1,000 back in year 5. IRR is the rate that makes those future £330 payments equal to your original £1,000 when you discount them back to today's value – in this case a 33% an IRR.

In a Time Weighted Return, the compound return on your investment is call the cashflows received (£2650) divided by your initial investment £1000, over the 5 years invested which is 21%.

IRR's can move around based on the timing of the cashflows and will deviate from the TWR. The learnings, therefore, are:

- An IRR of 33% does not mean your investment grows by a third every year.
- It is a good indicator of comparative return vs other investments in Private Markets. It doesn't account for risk or inflation.
- Should be investigated to what assumptions are driving the IRR.
- Should not be directly compared to a time weight return.

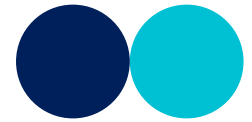
IRR remains a useful way to compare funds for those who understand it, but we believe investors will increasingly demand clear performance reporting that can be easily compared to public market investments.

Ideally, funds should report not just the IRR but also give a time-weighted rate of return based on Net Asset Value (NAV) performance, to give investors as much clarity as possible.

High levels of dispersion in returns also highlight the importance of being able to benchmark performance, so investors can easily discern if their private markets fund is underperforming. However, reliable benchmarking within the sector remains elusive.

Benchmarking

- Benchmarking does exist in private markets, but it is not standardised. Because reporting is less standardised, less regular and less in-depth than in public markets, the information index providers are relying on is often incomplete or out-of-date.
- We believe the industry needs a standardised template for reporting performance, allowing data collectors to create more accurate benchmarks.
- Work needs to happen at an industry level to facilitate this. It could be made mandatory by financial regulators, or it may happen naturally because of investors demanding greater transparency. Either way, we think it needs to happen.



This brings us onto the wider topic of transparency. Clearly investors in private markets will need to accept lower levels of disclosure than they would expect from a publicly listed company.

But trust in private markets remains a barrier and, to increase trust, greater transparency is essential.

This is now being acknowledged by regulators, with Nikhil Rathi, FCA Chief Executive, last year highlighting greater transparency, particularly around data, as one of the key improvements needed for private markets to flourish in the UK.⁸

Valuations

How do you value an asset that won't be sold for 20 years? There is currently no "gold standard" methodology for doing so.

Valuing a private company is also very expensive. You cannot get a sense of valuation from daily trading, so a team of professionals is required to compile an estimate. This naturally means valuations do not take place as frequently as for public markets and typically take place on a quarterly basis – although, in most cases, this is not a requirement.

LTAfs have to provide a monthly NAV however this is not generally a "full fat" valuation. At the monthly valuation point, any liquid assets will be revalued and adjustments will be made for any illiquid assets, dependent on the type of assets held.

⁸ Rising to the occasion on private markets | FCA.

⁹ Australian super funds weak on private markets oversight, APRA says | Pensions & Investments.

So, how can we make progress in this area?

Given the increasing prominence of private markets, regulators around the world are taking a growing interest in the question of valuations. In December 2024, the Australian Prudential Regulation Authority found a number of retirement funds had weak oversight of private markets valuations and called on the sector to make improvements.⁹

In the UK the FCA published a review into private market valuation practices in March 2025. While it found many examples of good practice, it also pointed out areas for improvement, including the independence of valuations and processes for revaluing assets during market events.

The US has already taken action. In 2023, regulatory reviews of private valuations led to the creation of the 'Private Fund Advisor Rules'.

Eventually we anticipate that most markets will introduce some kind of "gold standard" guidance covering how a private asset should be valued. This is something that already exists in the real estate industry, overseen by RICS.

"Think of it like your home: you don't need a daily price on what your house is worth, but you do need to have trust in the methods by which it is valued when you come to sell it."





A significant barrier to this is the lack of daily dealing available on many private market funds, in order to help manage liquidity.

Meanwhile the vast majority of investments available on retail platforms can be traded on a daily basis. This is also a significant sticking point for financial advisers and managed portfolio services.

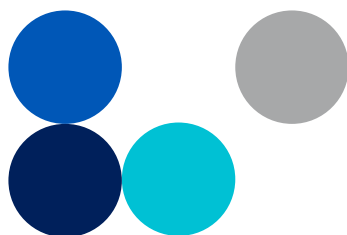
To be able to offer semi-liquid funds at scale alongside those that can be traded daily would require many parts of the industry to upgrade technology and redesign processes at the same time.

Given this change cannot be driven in isolation by one part of the industry, it's likely that consumer demand for private market investments will first need to increase – a 'chicken and the egg' argument that is likely to continue.

"All this reinforces the need for education and awareness that could stimulate demand for private market investments."

After all, less liquid investments are not exactly a revolutionary idea. Individuals regularly lock their money away in fixed-rate bonds or savings accounts – which often charge a penalty fee if you want to withdraw your money early. As of October 2024, UK adults held as many as 2.2 million of these accounts that were due to expire before the end of the year.¹⁰

For retail investors who are set on having the option to trade on a daily basis, in the UK and US at least, investment trusts or hybrid funds containing both public and private investments remain likely to be a better route to private markets.



¹⁰ <https://www.thesun.co.uk/money/30911690/million-savings-accounts-mature-get-the-best-rates/>

Risk vs reward



Ultimately, investors (and pension trustees) will need to accept that this sector inherently represents a new and different risk profile to that of public markets.

If Britain is to develop a greater saving and investing culture more broadly, risk is a nettle that will need to be grasped. Aberdeen research published in January 2025 showed that the British public have the lowest level of exposure to equities outside their pension than any other G7 nation, often preferring the predictability of cash.

It is inevitable that some private market investments will fail – as happens in every asset class. But should that lead investors to ignore the opportunities and benefits entirely?

“For democratisation to happen, we need to have an open, honest conversation about risk versus reward.”

This was another point echoed by Mr Rathi in his Investment Association Annual Dinner speech last year. Regulators are also having to think carefully about how private markets investing might be harmonised with existing consumer protections.

Accepting risk does not mean you cannot manage it, however. We believe that, across the private markets industry, we could see more prudent approaches to risk management that would help to give investors the comfort they need.

As we argued in a white paper with the Cambridge Centre for Risk Studies (CCRS)¹¹, traditional frameworks for measuring risk in public markets are not appropriate for measuring risk in portfolios holding a significant proportion of private market assets.

This is because returns in private assets are more vulnerable to low probability but high impact risks and are therefore unlikely to follow normal patterns and models. Limited historical data also makes it harder to apply traditional risk measures to private portfolios.

A more effective model is to stress test individual private market assets based on real-world scenarios to see how they could impact investments.

That is exactly what we do at Aberdeen via our purpose-built analytical framework, called PRISM (Private Investments Sensitivity Model), that was developed by the Private Market Solutions team over the past 10 years for assessing, modelling and managing a range of risks within the Global Private Markets investment program.

The importance of diversification

As mentioned, risk and returns within private markets vary significantly by asset class.

That is why it is important to have a diversified portfolio tailored to the needs of the investor and with the flexibility to scale investments in each asset class up or down based on market expectations. For example, in a multi-asset portfolio, the manager may want reduce exposure to venture capital if valuations looked high relative to expected returns or the risks involved.

However, the majority of private market funds currently available are focused on single asset classes. This means investors themselves would need to put together diversified multi-asset private market portfolios and to remain on top of latest market developments to do so effectively.

To solve this problem, we believe the solution lies in a diversified evergreen product with the potential to help investors build portfolio resilience. We are seeing more managers launching multi-strategy products with a similar philosophy, even though the implementation may be different. We believe multi-strategy products, also called “diversified”, offer the best route to democratisation.



¹¹ ccrs-Aberdeen-whitepaper-real-world-scenarios-march-2022.pdf

Fees

In the past decade or so, there has been a move among investors towards ultra-low-cost products. This provides a potential barrier to private markets, where the fees tend to be higher than for public market funds.

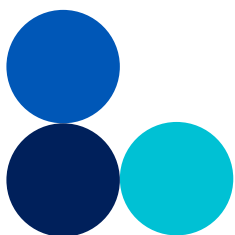
This is driven by the lack of available information and greater dispersion in returns within private markets – meaning that more research, due diligence and careful risk management is involved. Essentially, active management in its purest form.

Furthermore, private markets cannot currently be replicated by a passive index – which is one of the ways the cost of investing has been brought down in public markets.

Pension fund charges have been coming under strong scrutiny and some providers have been reluctant to allocate to private markets due to the higher fees entailed. But while ensuring that investors pay a fair fee is certainly a priority, regulators have begun questioning whether the focus on cost has gone too far.

"Ultimately, we believe that, if the returns are compelling, investors will be able to justify the higher fees within private markets – and a greater focus on long-term value, as opposed to cost, should support this."

We believe the industry would benefit from a standardised cost disclosure framework for both funds and funds of funds that would easily allow investors to compare net-of-fee returns with public market equivalents.



ESG

The quality of reporting on ESG factors in private markets is variable because requirements are far less stringent than for public companies. This can make it hard for investors with strong ESG commitments who can find it more challenging to get a clear picture of ESG-related risks.

Progress here will require asset owners to work with and encourage their underlying holdings to support the collection and reporting of ESG data.

Ultimately, it will come down to the investor to do their due diligence – or opt for a private market fund manager, like Aberdeen, that will do it for them.



Education

It's not just risk models that have been built around public markets. Most people's understanding of investment today is based around public markets.

Widespread public adoption of private market investments won't happen unless individuals are shown the benefits of investing in private markets – as well as the risks.

If widespread adoption is encouraged without the necessary education, we risk a situation where things go badly wrong for investors who do not fully understand what they are purchasing.

Aberdeen research suggests that, once people understand the potential benefits of private markets, they are generally supportive of having their retirement savings invested in them.¹²

In a survey of 3,000 UK adults, we found that, once the potential benefits and risks had been explained:

- More than half (54%) of respondents said they would like their pension to include more private investments.
- Only 14% said they would not.
- 32% were unsure.

So, who will deliver that education? In our view, it is the collective responsibility of both government and industry. Platform providers, pension providers, asset managers, we all need to do better. If we truly want to make progress on this, policymakers should consider whether a Private Markets Taskforce is needed to ensure effective action.

The impact of private markets on public markets.

By Dr Lulu Wang, Portfolio Strategist, Private Market Solutions

It would be easy to paint the growth of private markets as a threat to public markets. It's true that it has coincided with a contraction in the number of listed companies in many developed countries and a tricky period for public markets.

However, that risks being an over simplistic view and should not inherently be the case.

Public markets have traditionally been one of the main ways for private equity firms to exit their investments – via an IPO. If public markets are in good shape, it is beneficial for private markets too.

What's more, initiatives such as the UK's Private Intermittent Securities and Capital Exchange System (PISCES) could prove a stepping stone for companies into public markets, rather than a total replacement.

A new generation of businesses is emerging that needs less capital than its predecessors and therefore may choose to remain private for longer.

However, there will be others for which it does make sense to follow the traditional path to capital markets.

Growth in private markets could also help to spur innovation within public markets as financial regulators and exchanges attempt to remind investors of their relevance.

Our own macro analysis suggests that global infrastructure investment needs to increase by two-thirds to \$64 trillion by 2050, just in order to keep the lights on and the wheels turning on transport and energy.

Huge amounts of private investment will be needed as governments are constrained by high debt levels, interest rates and increased defence spending.

Global power generation capacity alone needs to rise by 165% at a cost of \$27 trillion – driving total global infrastructure investment up by two-thirds. The role and necessity for private sector capital to address this funding gap is clear.

It's even possible that, in future, such a binary distinction between public and private markets will cease to be relevant. We are seeing an increasing number of hybrid products which blend public and private assets and we may see greater convergence between the two thanks to initiatives like PISCES. Rather than following strict asset class constraints, the investors of tomorrow may simply decide on their risk parameters and select the best ideas – whether public or private – to fit within them.

Tokenisation

An area where innovation could have a big impact on private markets is tokenisation. Tokenisation is essentially the process of creating "tokens" i.e. representations of a unit of value in an asset. This could apply to private assets through either:

1. Investing in a fund, then converting it into a token to sell on the secondary market.
2. Tokenising the fund itself so investors purchase tokens in the fund directly.
3. Creating tokens out of specific assets, so investors can own part of a private asset directly

Each of these processes are at different stages of development and none are yet mainstream. Ultimately if technology, operations and product challenges can be worked through they might not seem so different from investing as people currently know it – either way you are purchasing a stake in a fund or a direct stake in an asset.

There are also a number of benefits that tokenisation could bring to the specific challenges we have outlined relating to private markets. The ability to fractionalise holdings will lower the barrier to entry, and those tokens may also be traded on the secondary market, providing the potential for increased liquidity.

¹² Based on a nationally representative sample of 3,000 people. Research conducted by Opinium Q3 2024.

Conclusion and recommendations

Much work, particularly in terms of product development, has already been done to encourage more widespread adoption of private markets.

Nonetheless, there is still a long way to go. At Aberdeen, we believe enabling more people to access private markets could have significant public benefits, but we would like to see action to ensure investors approach this emerging asset class with their eyes wide open.

It is vital that investors – both individuals and institutions investing on behalf of individuals – can get comfortable with these assets and confident that the benefits they offer are shared out fairly.

With this in mind, we would like to see:

- 01 Introduce a standardised template for reporting performance. This should include a time-weighted return as well as the IRR so investors can more easily compare returns with public market funds. Standardised reporting of performance should also mean that more reliable benchmarks can be created to compare returns of private market funds.
- 02 Encourage greater transparency and levels of disclosure among private market funds, including over assets held, risk management strategies and how assets are being valued.
- 03 Establish a gold standard for valuing private market assets covering how a private asset should be valued, how frequently and who will value it. This could take inspiration from the model that already exists in the real estate industry, overseen by RICS. We would also support the introduction of kite mark for private market funds showing that they follow "gold standard" practices for valuing their assets.
- 04 Industry collaboration to develop ways of integrating private market funds which cannot be traded daily into mainstream investment platforms and managed portfolios which are currently set up for daily dealing.
- 05 Have an open and honest conversation about risk and reward. The risks of private markets investing are inherently different to those of public markets and investors should go in with their eyes open.
- 06 Momentum sustained around 'value over cost', with standardised cost disclosure framework for both funds and funds of funds within private markets. The latter should allow investors to easily compare net-of-fee returns with public market equivalents.
- 07 Consider creating a national taskforce to coordinate these conversations and deliver an impactful education campaign around private markets investing.
- 08 Ensure that a product-neutral approach is taken when it comes to policy and regulation – an approach which understands that some vehicles will work better for certain types of investors than others

So, yes, hurdles remain, but assessing and overcoming those hurdles is worth our time.

From boosting retirement savings, to diversifying market risk, getting the public engaged with their investments and helping to solve the infrastructure shortage – the opportunities to make private markets work for public good are too important to ignore.



