



# Asia Private Markets, Q2 2022 Market Update

A Sheffield Haworth Publication featuring people news, industry updates, market trends and analysis

Bruce Ingram  
Georgina Masefield  
Vidisha Ghosh

# CONTENTS



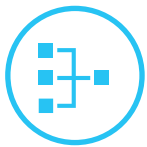
MARKET OVERVIEW

pg 3



PRIVATE CREDIT

pg 4



INFRASTRUCTURE

pg 7



REAL ESTATE

pg 8

# MARKET OVERVIEW

## INTRODUCTION

Quarter two has seen a continuation of the rise of private markets in Asia as alternative managers increasingly see the region as a key growth market and global investors appreciate the vast opportunities on offer. Across the year there has also been an increasing momentum within traditional firms to further expand or launch their private markets offering. The recent challenges fixed income has experienced and the poor performance of equities in many Asian markets has given further rise to private debt and other alternatives asset classes as both institutional and retail investors look to diversify their portfolios.



Naturally this growth is resulting in a tighter war of talent in an already small pool as both alternative and traditional firms fight to attract top talent to help them achieve their ambitions. As well as navigating through complex regulations a key challenge for firms is securing professionals with the specialist sector expertise and deep knowledge of local markets. Each market in Asia comes with its own unique set of challenges, regulations, cultural nuances and are at vastly different stages of maturity and therefore firms require individuals with a strong track record in and localised understanding of individual markets in the region. Given the

competition for such individuals alternative managers need to keep an open mind and perhaps 'think outside the box' when considering talent pools to fill hiring needs. Looking at those with transferable skills and knowledge from other areas of the investment and broader financial services industry is advisable. Senior growth hires are still often made from overseas from the more sophisticated markets of the UK, Europe, and the US but these people need to be complemented by those with the local market expertise. Many traditional firms have complained of losing top talent to alternative managers in Q2, especially within their distribution functions which many private credit and PE firms use as a poaching ground to bolster their fund-raising capabilities in the region.

As the wealth industry continues to grow and mature in Asia largely driven by the rise of the middle class in emerging markets wealth and retail investors are sophisticating and looking to diversify their portfolios with alternative investments. The rise of alternative asset class distribution within the wealth channel has been an upward trend globally for a while and this year that trend has accelerated in Asia. This is evident in notable senior hires made by leading firms such as Apollo and Ares SSG and the launch of BNP Paribas's Wealth private markets digital platform, which allows individual investors to track their personal alternatives portfolio in real time.

Given the continuation of travel restrictions and locks downs in the Greater China region and the resulting unpredictability, private market firms who do not yet have heavy investments within China have been conservative around their growth agenda and investment in the mainland in recent months. Whereas those firms who already have heavy investments in China, particularly debt investors are looking at further entrenching themselves in the market and benefit from the scale of private market investment opportunities on offer there.

---

“

**As the wealth industry continues to grow and mature in Asia, wealth and retail investors are sophisticating and looking to diversify their portfolios with alternative investments.**

---

## PRIVATE CREDIT

Private Debt has continued its journey into the mainstream in APAC over recent months as governments have increasingly allowed rise to non-bank lending largely driven by necessity due to the current economic environment. However, as an asset class in Asia credit still faces more challenges compared to more mature geographies and returns remain exposed to inflation, macroeconomic development, and unpredictable geopolitical factors. India and China continue to be the most sophisticated and active markets for private debt in Asia and provide the most opportunity for distressed investors and special situations funds which their governments still welcome more so than other jurisdictions. We expect the second half of this year will see further on-shore growth in India and China as more international firms look to expand or launch their on-shore presence so they can fully benefit from the scale of opportunities these major markets have to offer. Private credit professionals who are based in or open to re-locating there will be in high demand across the rest of year.



International Debt Managers have demonstrated further commitment to the region this quarter with some heavy pledges for near and mid-term capital raising. We expect the rest of the year will see further growth and anticipate we will see more local PE funds and international boutiques growing their presence by branching into the Private Credit space, which is likely to be opportunistic growth through team lift outs or acquisition.

---

“

**Globally only around 20% of employees within alternative investments are female.**

---

## DIVERSITY IN PRIVATE MARKETS

A discouraging factor when looking at Private Markets talent is the lack of diversity in the industry which is notably behind traditional asset management (which is already behind the rest of financial services, with banking and insurance being the most progressive). Globally only around 20% of employees within alternative investments are female and within the investment functions this figure is even less. As the industry grows HR teams and hiring managers are likely to sophisticate in their incorporation of diversity improvement strategies but given the lack of diverse talent in the industry to begin with extra measures will need to be put in place for firms to achieve anything meaningful in diversifying their employee population across functions and levels.

## MARKET UPDATES

**KKR** has raised \$1.1bn for its first ever Asia credit fund, making it one of the biggest fixed income fund launches in the region. The fund will invest in a blend of private credit, customized financing, and asset-backed securities.

**Allianz Global Investors** has raised 450m Euros for its Asia Pacific private credit fund at its first close. Targeting 650m Euros, they are expected to hold the final closing by the end of 2022. The Allianz Asia Pacific Secured Lending fund focuses on businesses looking to capitalize on rising underlying fundamental demand in Asia. It invests in senior secured, senior unsecured, second line and subordinated debt.



**Franklin Templeton** has reached a deal to buy European private debt manager Alcentra from BNY Mellon. Franklin will pay \$350m in cash when the deal closes in early 2023, with another \$305m payable depending on certain targets being hit in the next four years.

**Baring Private Equity** is being represented by Weil in the 100% sale of its China based HCP Packaging to global investment firm Carlyle. The equity for this transaction will come from Carlyle Asia Partners and Carlyle Japan Partners, two of Carlyle's buyout funds in Asia.

**Bain Capital** has raised over \$2bn for its second Asia-Pacific special situations fund as investors' appetite for private markets rises. The Bain Capital Special Situations Asia Fund II's closing value surpassed Bain's \$1.5bn target, doubling the \$1bn raised in the first fund and making it the largest special situations fund in the region.

**Apollo Global Management** has launched its first dedicated Asia-Pacific Strategy, with \$1.25 billion of assets. The US headquartered investor has partnered with one of Australia's largest superannuation funds Hostplus to develop its APAC strategy.

**BNP Paribas Wealth Management** has launched a private assets digital platform for their Asian clients which is set to be rolled out across all markets in Asia by the end of September 2022.

**China Merchants Capital** launched a \$1 billion renewables platform which will offer exposure to Chinese renewables for infrastructure investors.

**JPMorgan Asset Management** announced the closing of the Lynstone Special Situations Fund at the end of Q2 with \$2.4 billion in total commitments.

## SELECT PEOPLE MOVES

**Apollo Global Management** hired Mark Berg as Chief Operating Officer Asia Pacific. Based in Singapore, he was previously managing Greystar's real estate portfolio as a Managing Director.

**Affirma Capital** appointed Kim Seongmog, former National Pension Service executive, as Executive Director and Head of Private Credit. Based in Seoul, he will focus on diversifying investment strategies for the newly created affiliate called Affirma Capital Credit Solutions.

**Blackstone** strengthened its Asia private credit team with the hire of Mark Glengarry as Head of Asia Pacific origination. He was with Anchorage Capital in Sydney as Managing Director before making the move.

**EQT Partners** hired JPMorgan's Head of Alternative Investments SEA Sueann Yeo to lead the Private Wealth Distribution practice for the firm.

**HSBC** has announced the hire of Mathieu Forcioli as their Global & Asia-Pacific Head of Alternatives. He will join the bank in September 2022 and will be responsible for growing the bank's private markets and hedge fund proposition.

**KKR** promoted Yewy Cheah, a Principal in their Sydney office, to take on a new role as Director of Credit/Special Situations.

**IQEQ** appointed David Kim as Chief Commercial Officer for Asia. Kim moved from Northern Trust Asset Servicing where he was the SVP and Head of Client Relationship Management for SEA.

**IQEQ** also brought in Marcel Ivison, ENGIE's M&A Lead for Asia Pacific as the Head of Debt, Capital Markets and Corporates for Asia Pacific.

**Lighthouse Canton** named Ankit Agarwal the Director of Venture Debt. Ankit was previously with the International Finance Corporation as an Investment Officer based in Singapore.

**UBS** hired Michelle Shi as CIO for the global IM Alternatives solutions to lead the bank's expansion plans for private markets and hedge funds.

**Silverhorn** appointed Bert Kwan as their Head of Private Equity as it prepares to launch a new private market investment programme in Asia. Based in Hong Kong, he was formerly with BDA Capital Partners as a Managing Director.

**JPMorgan Asset Management** has hired former Bank of Singapore stalwart Gary Leung as Head of Alternative Investments for Asia-Pacific. He is expected to start the role after completing his notice period in July.

**Brookfield Oaktree Wealth Solutions** hired Stacie Wang, PIMCO's Head of China Global Wealth Management, to lead their Greater China business.

**Mirae Asset Global Investments** named Anthony Poon as Vice President for Alternative Investments. Based in Melbourne, he joined from Westpac where he held several roles across the institutional business.

## INFRASTRUCTURE

In recent months we have seen a continuation of the growth of infrastructure funds in the region which looks set to continue. In the last 5 years or so, infrastructure investment in Asia's emerging markets have largely been focused on core sectors like transport and utilities, leaving other areas such as healthcare, education, and housing significantly underprovided. It is expected that the growing demand for infrastructure investments in Asia will be driven by factors like urbanisation, trade competitiveness, and technological advancements.



As an asset class, infrastructure investments have been gaining popularity for institutional investors given the long-term, stable cash flows to hedge against the risk of inflation. This unique characteristic of infrastructure assets has fuelled strong growth in fund assets under management (AUM) and enabled recognition of infrastructure as a separate asset class of its own. The infrastructure talent pool is one of the tightest in Asia compared to other areas of private markets as more firms look to grow their on-shore teams, but the vast majority of talent still sits out-side of the region. At the junior and mid-level, firms are overcoming this by hiring out of other areas of PE and also the banks, but this is more challenging at the senior end where sector expertise is crucial. It is likely that firms will look to lure more senior global infrastructure investors based elsewhere globally into the region.

“

**This unique characteristic of infrastructure assets has fuelled strong growth in fund assets under management (AUM) and enabled recognition of infrastructure as a separate asset class of its own**

## UPDATES

**Macquarie Asset Management** closed its third Asia-Pacific regional infrastructure fund with over \$4.2bn in commitments. The Macquarie Asia-Pacific Infrastructure Fund 3 was launched in 2020 with a strategy of leveraging the deep local expertise the asset manager has built up through investment in infrastructure opportunities across the region for over 25 years.

**OMERS Infrastructure** has acquired the telecommunication tower assets of Australian company TPG Telecom for A\$950m in its first Asia-Pacific digital infrastructure play. The portfolio consists of 428 towers and 809 rooftops, representing approximately 21% of TPG Telecom's total mobile network footprint in Australia.

**BlackRock** is launching a long-term infrastructure strategy to invest in utilities and end-to-end renewable energy infrastructure assets. It will also deploy capital into data centres, battery storage systems and grid digitisation technologies.

**Taiwan's Bureau of Labour Funds** has appointed five fund managers for its \$2.5 billion climate fund. These managers include HSBC, Morgan Stanley, Schrodgers, LGIM and Wellington Management.

**GIC has partnered with OMERS Infrastructure** and London based infra investment manager Wren House to jointly acquire one of the US's largest chassis lessors; Direct ChassisLink Inc (DCLI) from investment funds managed by Apollo and EQT.

## SELECT PEOPLE MOVES

**KKR's Asia Pacific Infrastructure Investments** team has appointed Projesh Banerjea as the Director of APAC Infrastructure team from the Abu Dhabi Investment Authority where he was a Portfolio Manager. In his new role based in Singapore, he will focus on opportunities within power, roads, health and digital infrastructure in APAC, working alongside a team of 20 infrastructure investment professionals.

**China Merchants Capital (CMC)** hired Simon Chen as Chief Investment Officer. He was formerly a Partner at HOPU Investments and CEO of Triwater, the real estate investment arm of HOPU.

**Actis** has begun its entry into Japan by poaching Jun Ohashi and Tareq Sirhan from Macquarie Capital Japan. Ohashi, previously Head of Macquarie Capital Japan joined as Partner and Head of Actis Japan, while Sirhan, former Head of Principal Transactions joined as Head of Energy for North Asia. The focus of the business will be infrastructure investing mainly in energy transition assets and real estate.

**KKR** hired Kyungil (Kyle) Choi as Principal in the Asia Pacific Infrastructure team. Prior to joining KKR, he was a Vice President at Macquarie Infrastructure and Real Assets in Seoul.

**Société Générale** announced new appointments within their Asia Pacific Natural Resources and Infrastructure division. Lan Yang has been nominated as the new Head of Natural Resources & Infrastructure along with Stephen Krust, the new Head of Energy Group. Both will be based in Hong Kong.

Also at **Société Générale** Marie Vinnell has been appointed Head of Natural Resources & Infrastructure for Australia. Both Marie and Stephen report into Yang.

## REAL ESTATE

### MARKET UPDATES

**KKR** has entered the Singapore office sector with a \$440 m US acquisition of Twenty Anson, a 13-year-old office tower in the central business district (CBD) with green credentials.

**Nuveen Real Estate** has made its first foray into Hong Kong in a 'rare off-market opportunity' for its Asia Pacific Cities Fund, taking its portfolio to over \$1.5 bn.

**ICG Real Estate**, the property division of London based manager Intermediate Capital Group, has hired a 4-person team from ESR to launch the Asia real estate business. The firm intends to build a large-scale business in Asia with a multi-dollar presence in the region. The four hires are David Kim as CEO, Stephen Tang, Rohan Neville, and Isaac Leo. They are all based out of Singapore except Rohan who sits in Melbourne.

**Blackstone** has completed the acquisition of Australia's biggest casino operator Crown Resorts for US\$6.4bn making it the biggest deal in Asia. Crown Resorts will now start afresh as a private entity.

**GIC and APG** have come to an agreement to acquire a substantial stake in The Student Hotel from Aermont Capital, valuing the company at €2.1 billion.



## SELECT PEOPLE MOVES

**CBRE's** Regional Managing Director for Eastern China Luke Moffat has been promoted to APAC Head of Advisory and Transaction Services.

**Blackstone** has roped in Angelo Gordon's Managing Director Chris Kim to head the Korean Real Estate Sector for the firm. They also promoted Ha Yung-Ku as Chair of the Korean office.

**CapitalLand's** CEO International Gerald Yong has taken on a new role as CEO for Special Projects with the firm. He will continue to be based out of Singapore.

**Manulife Investment Management** promoted Jessie Liu to Head of Transactions and Portfolio Management following the resignation of Asia CIO Kenny Lam who is set to leave the firm at the end of Q2.

**ICG Real Estate**, the real estate arm of Intermediate Capital Group hired David Kim as CEO to launch the Asia Real Estate business. Kim has extensive experience as CEO for ARA's Real Estate business (now part of ESR) and will lead the team based in Singapore.



**JLL** named Alex Barnes as Managing Director for HK and Macau to help the company in its ongoing strategic initiatives and plans to strengthen business in this part of Asia.

**M&G Real Estate** announced the promotion of Seiko Ikeda to Head of Japan from his current role as Director of Acquisitions.

---

### Disclaimer

The data in this report is compiled from a combination of public information and moves made known to us, which are outside instances of client confidentiality. From experience, we know that the data reported is not complete as of the date of publication. This report is based purely on our opinions and insights. Sheffield Haworth shall not, in any way whatsoever, be responsible for your use of the data; the report should be used for information and analysis purposes.

This document may not be reproduced, published, redistributed, or passed on to any third party or any other person, in whole or any part, for any purpose without the prior written consent of Sheffield Haworth. We recommend that this report is not used beyond its intended use.



## Contact Us



**Bruce Ingram**  
Managing Director  
E: [b.ingram@sheffieldhaworth.com](mailto:b.ingram@sheffieldhaworth.com)  
T: +852 3008 0508



**Georgina Masefield**  
Consultant  
E: [g.masefield@sheffieldhaworth.com](mailto:g.masefield@sheffieldhaworth.com)  
T: +65 3158 8311



**Vidisha Ghosh**  
Associate  
E: [v.ghosh@sheffieldhaworth.com](mailto:v.ghosh@sheffieldhaworth.com)  
T: +852 3008 0621