



# From friction to fusion:

ALIGNING PUBLIC AND PRIVATE CAPITAL

**GRACE UNIACKE**  
Director, Alternatives Solutions

A graphic element consisting of several thin, orange, wavy lines that curve upwards and outwards from the bottom left, creating a sense of motion and fluidity.

Invest without boundaries™

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Date of first publication: August 2025 INST-01710 [EXP August 2026]

# From friction to fusion

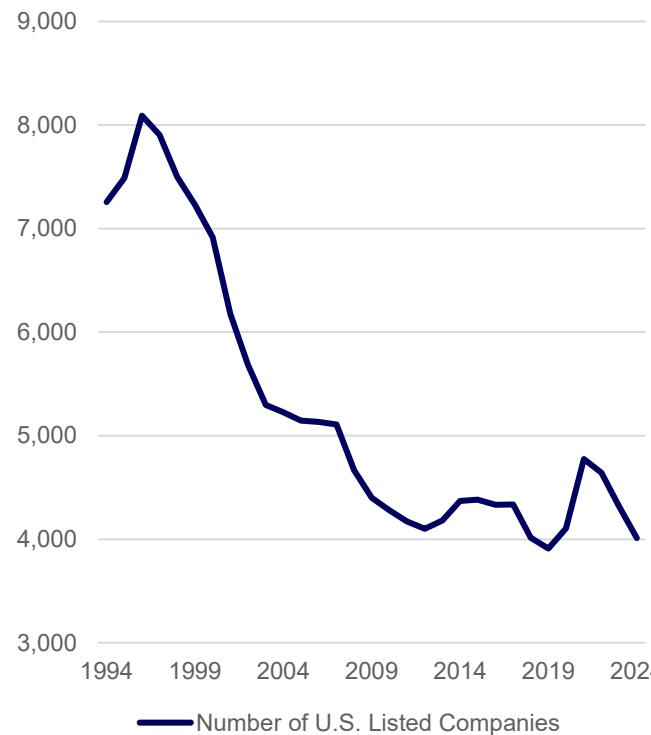
Driving integration between public and private capital for a smoother, more resilient journey



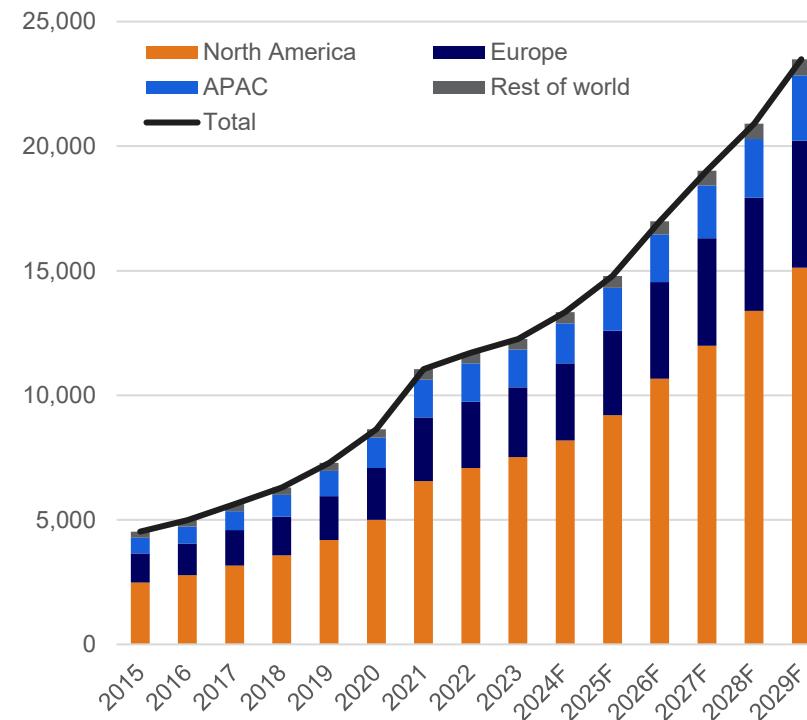
# Why it matters now?

## Public and private markets have evolved

### FEWER PUBLIC COMPANIES



### PRIVATE CAPITAL CONTINUES TO GROW



### WHICH MEANS THAT...

Private markets are no longer niche but are becoming a dominant part of the investable universe.

Public and private market strategies must converge — allocators need an integrated approach to access growth, manage risk, and capture value.

Source: World Bank for public companies (data as of December 2024), Preqin (data as of September 2024) for private capital. AUM Figures exclude funds denominated in Yuan Renminbi. Private capital excludes hedge funds. To avoid double-counting, total excludes secondaries and funds of funds. Russell Investments

# Friction: common barriers to integration

What's slowing progress toward unified portfolio design

- Structural & operational barriers
- Liquidity & governance constraints
- Investment expertise & resource gaps
- Measurement & reporting challenges



For illustrative purposes only.

# Fusion: bringing it together

## Unlocking the full potential of integrated portfolio design

### ENHANCED RISK-ADJUSTED RETURN

Private markets' illiquidity premium, when blended with public assets, may improve overall Sharpe ratio

### BROADER ACCESS TO GROWTH & INNOVATION

Integrated portfolios capture value from early-stage private capital through to public market maturity

### STRONGER DIVERSIFICATION

Lower correlation between public and private assets may help smooth portfolio returns across market cycles

### IMPROVED RESILIENCE

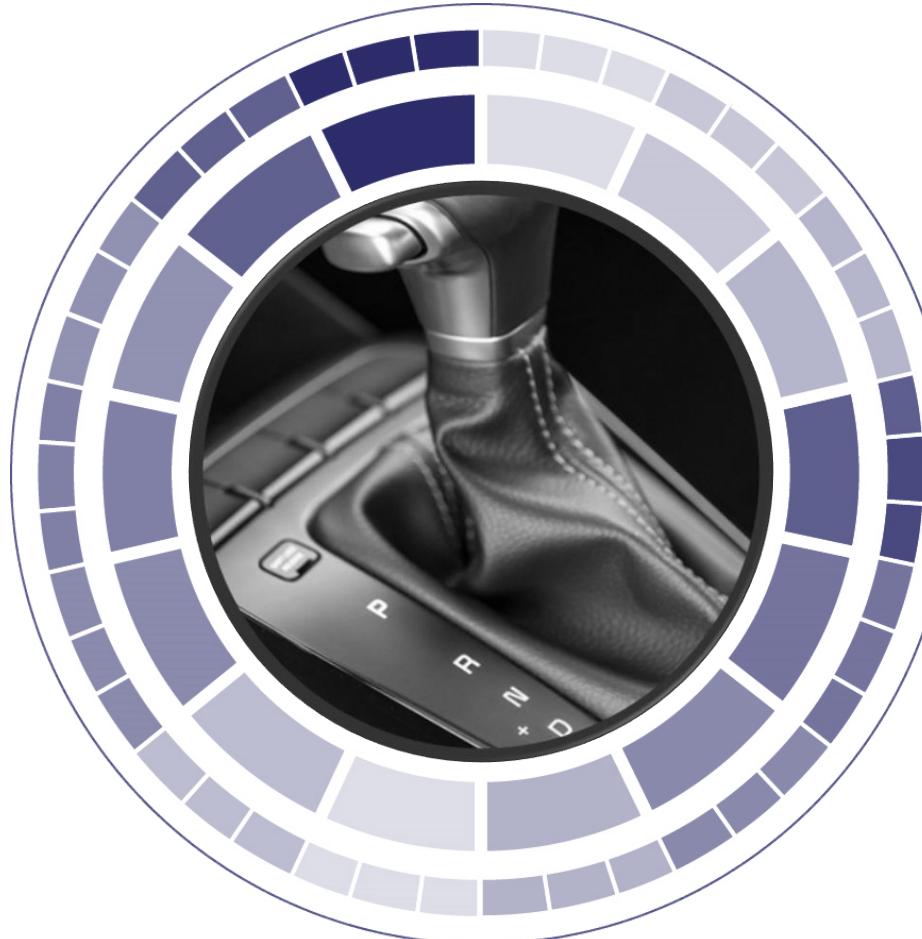
Longer-dated private assets help dampen volatility and support long-term funding objectives

### FLEXIBLE CAPITAL DEPLOYMENT

Opportunistic rebalancing and more efficient funding of private commitments

### HOLISTIC OVERSIGHT & GOVERNANCE

Integration supports total-portfolio risk and liquidity management, not fragmented sleeves

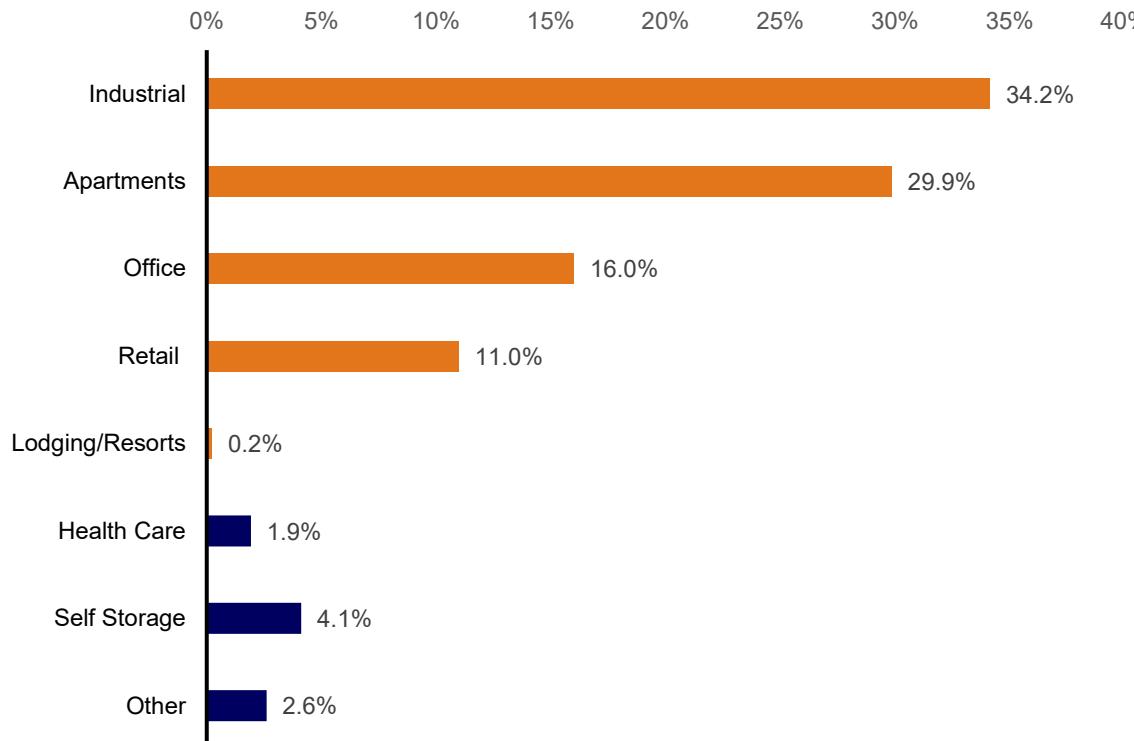


Actual results may vary and are not guaranteed; private market investments carry unique risks, including illiquidity.

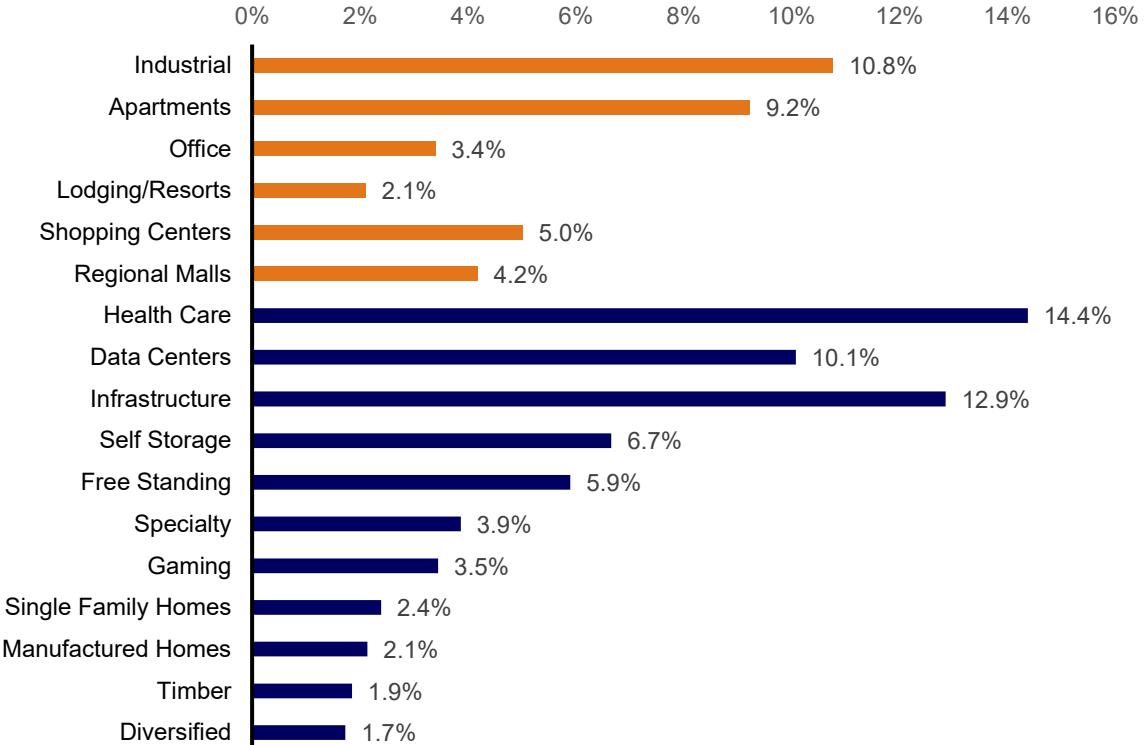
# Case study: real estate in focus

Providing greater access to the 21<sup>st</sup> century real estate ecosystem

## PRIVATE REAL ESTATE



## PUBLIC REAL ESTATE



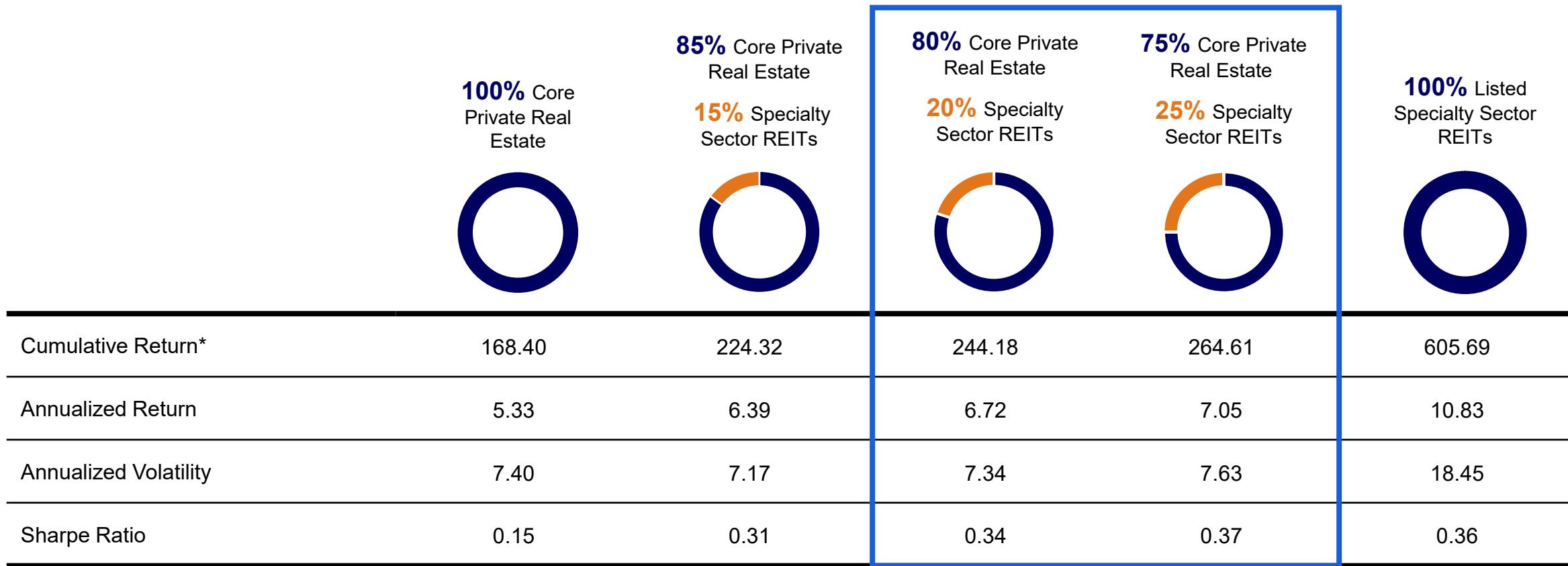
■ CORE SECTORS

■ SPECIALTY SECTORS

Source: FTSE NAREIT All Equity REIT Index and NCREIF ODCE (National Council of Real Estate Investment Fiduciaries) as of June 30, 2025

# Case study: real estate in focus

Finding the optimal portfolio exposure by combining private and public real estate



Source: NAREIT, NCREIF ODCE, Duff & Phelps as of June 30, 2025.

\*Cumulative return starting September 30, 2006

# Activating the shift

Translating integration from strategy to execution with practical next steps



- ✓ Establish your integration foundation
- ✓ Enable unified portfolio visibility
- ✓ Integrate scenario modeling and liquidity planning
- ✓ Evolve governance and decision making
- ✓ Align benchmarks and active total portfolio management tools

# Questions?

