

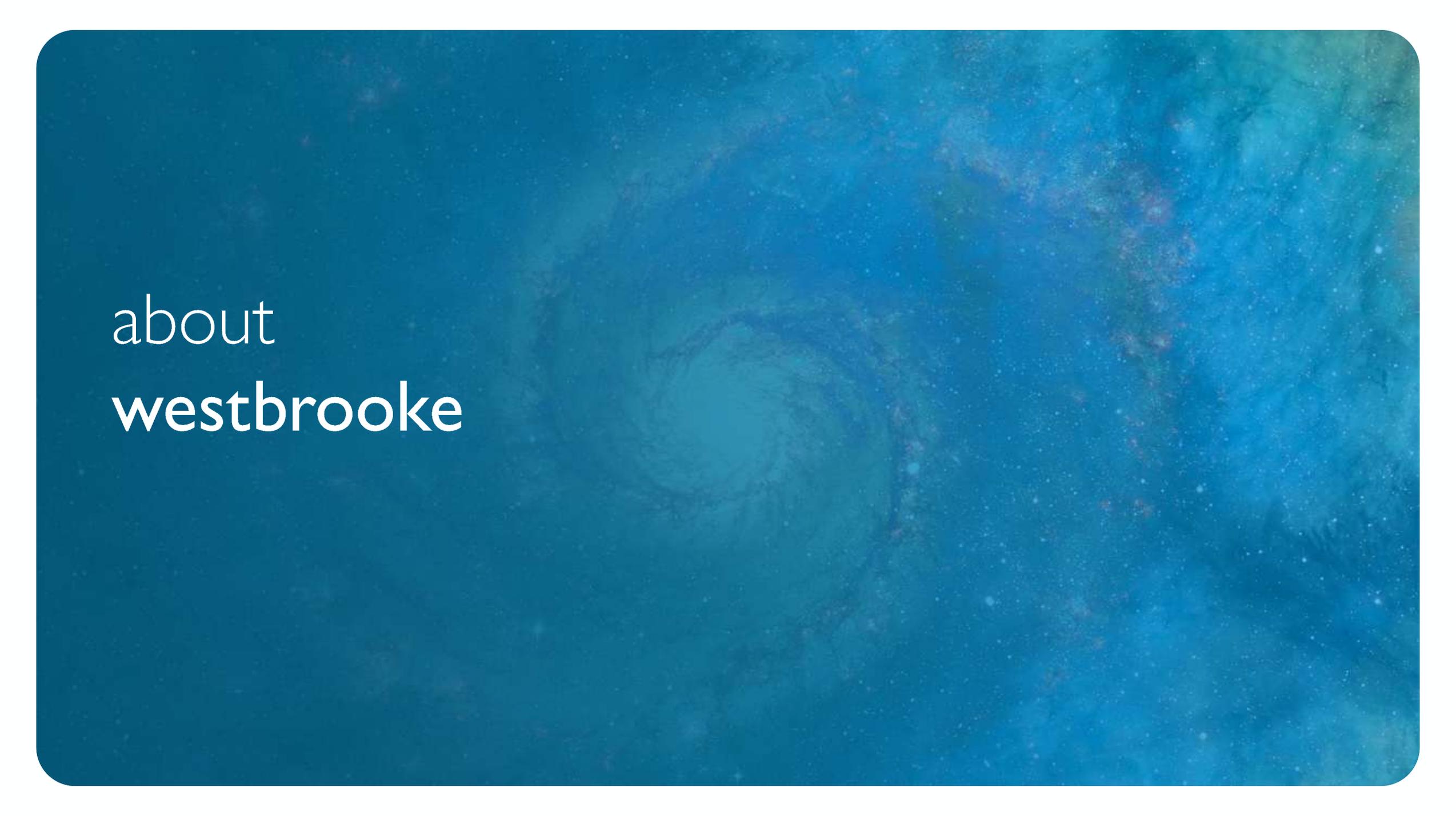
the
great convergence
between public and private markets

Dino Zuccolo, Westbrooke Alternative Asset Management



westbrooke

Alternative Asset Management



about
westbrooke

westbrooke **overview**



21-year track record
of success



Over **\$1 billion AUM** across
SA, the UK and the USA -
Westbrooke is the largest
investor



Team of 40+ experienced
professionals



Investing in **private debt,**
private equity, hybrid
capital and real estate.



A heritage as a **shareholder**
and operator of assets

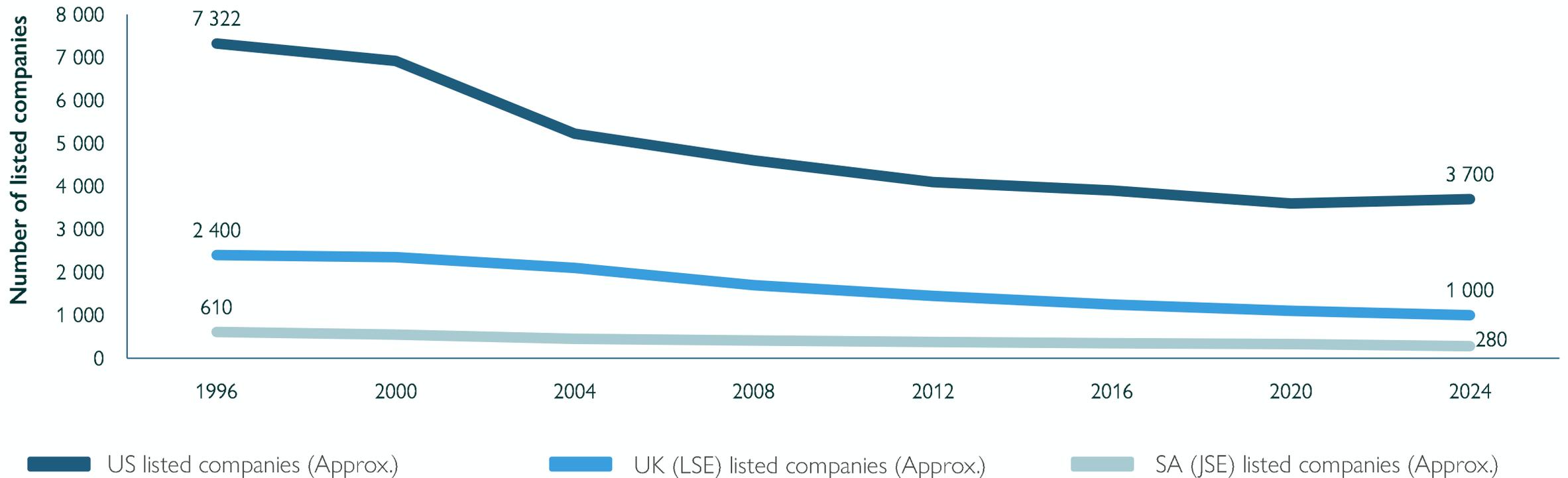




the public market
illusion

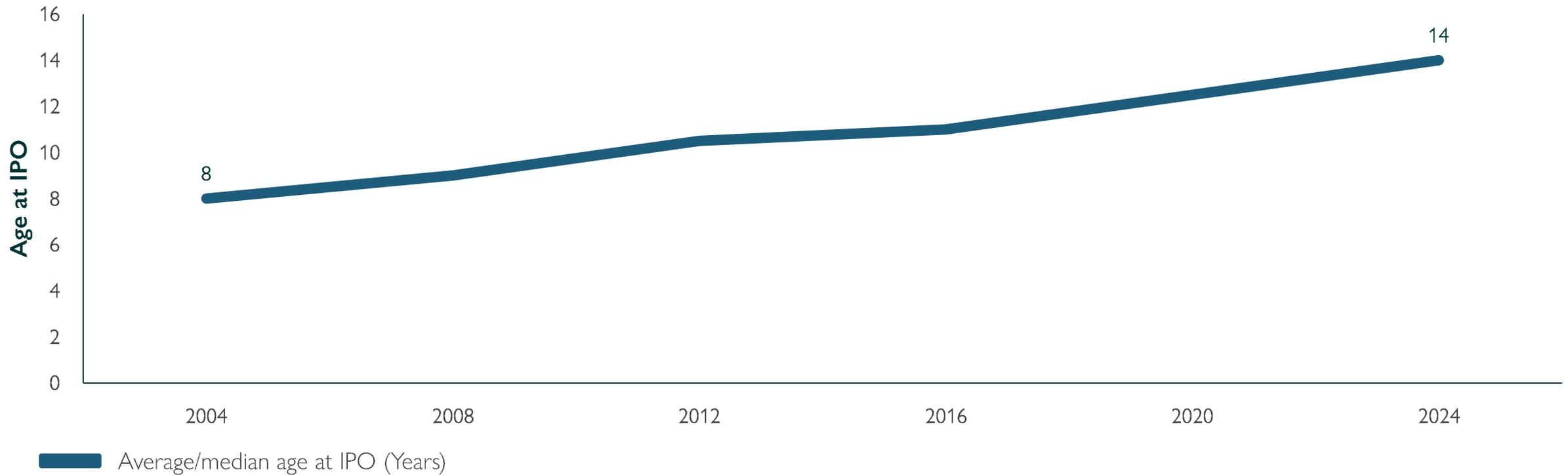
public markets have halved since 1996

If you as an advisor allocated 100% to public markets, **you are ignoring 87%** of companies with revenue over \$100m.



Data sources: World Bank, Center for Research in Security Prices (CRSP), JSE Annual Reports, London Stock Exchange.

companies are staying private for longer



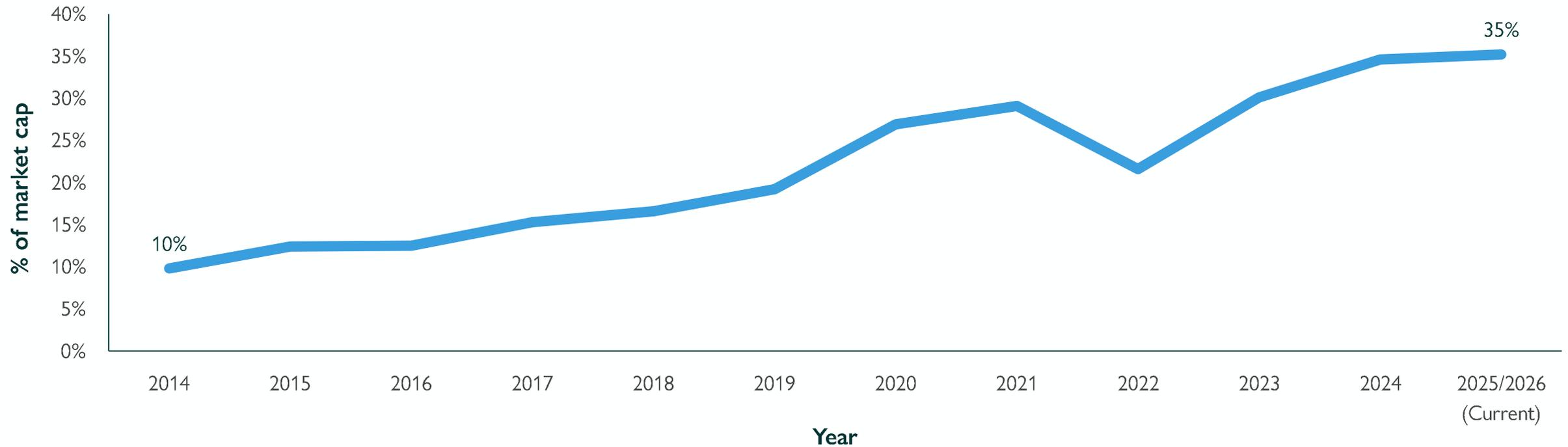
Sources: Professor Jay Ritter, University of Florida IPO Database and PitchBook Data, Inc.

the wealth **creation** **mechanism** has moved



Sources: Amazon, Uber and PitchBook

the **mag 7** now make up **c.35%**
of the S&P500 market cap

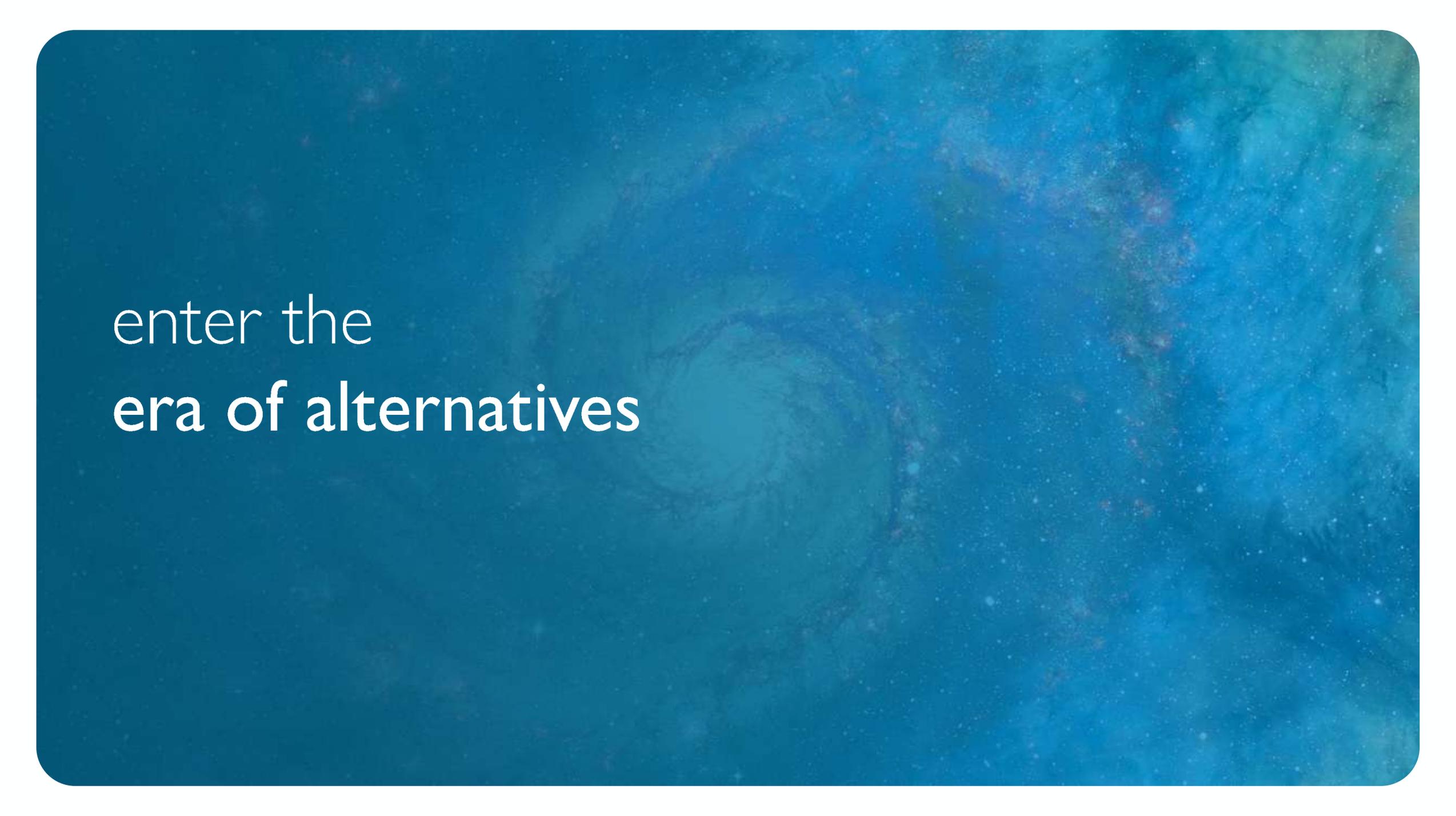


■ Mag 7 share of S&P 500 market cap

Sources: S&P500 Dow Jones Indices, Goldman Sachs Global Investment Research, Macrobond

in **summary**

- › Shrinking investment opportunities in public markets
- › Companies are staying private for longer
- › Globally, the remaining listed markets are highly concentrated in a few tech stocks
- › The “60/40” portfolio is now highly positively correlated and no longer works



enter the
era of alternatives

what is an alternative asset?

“Investments which fall outside of the traditional asset classes commonly accessed by most investors, **such as stocks, bonds or cash investments**”

› Split into

Private assets which provide diversified sources of return

- › Private credit
- › Private equity / venture capital
- › Infrastructure
- › Real estate
- › Tax-advantaged investments

Unique strategies for traditional assets

- › Hedge funds

what are the mega managers saying?

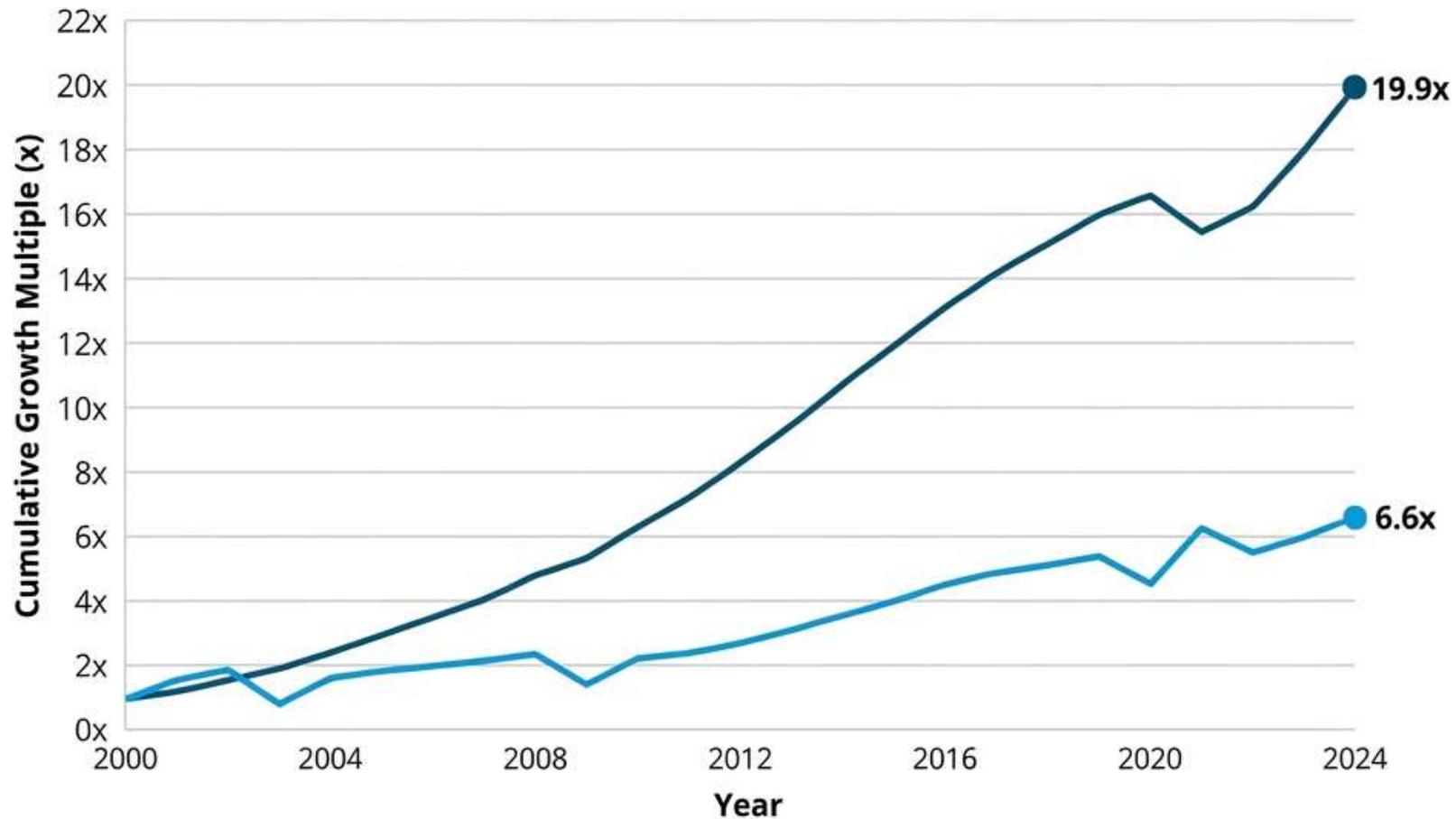
According to AssetMark, **91% of financial advisors believe that private market access is now essential for differentiation.** Of the advisors who currently do not allocate, 68% plan to begin to do so within the next 12 months.

“Private markets are no longer optional — **they’re a strategic necessity.**”

AssetMark

is private market alpha real?

private equity vs public market – 25 years of data

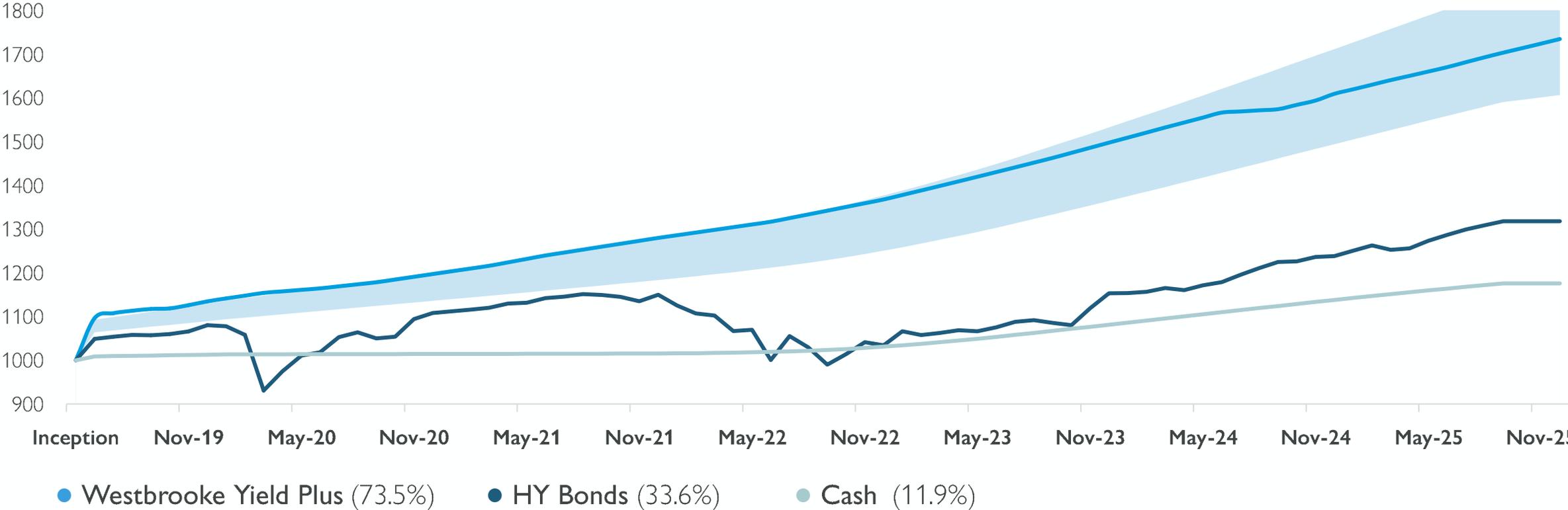


Source: MSCI Private Capital Solutions / Bloomberg

private credit can also generate meaningful alpha

a case study from the westbrooke stable

Westbrooke Yield Plus - UK secured private debt fund | Return since inception



A case study from Westbrooke's flagship private credit Fund, Westbrooke Yield Plus



what is preventing
widescale adoption in
south africa?

globally, private market allocations
are accelerating drastically

Retail / mass
affluent

3% - 5%

Average PM allocation

Liquidity and
convenience

High Net Worth
(HNW)

15% - 22%

Average PM allocation

Diversification and
enhanced yield

Ultra HNW
(UHNW)

32% - 38%

Average PM allocation

Long-term wealth
transfer / Alpha

Family
offices

44% - 52%

Average PM allocation

Absolute return /
institutional benchmarking

however, south africa lags global trends significantly

- › Lack of liquidity and infrequent pricing prohibits access by CIS funds, LISPs, DFMs, etc
- › Limited understanding of the asset class amongst advisors
- › Regulatory impediments – there is limited legal framework in SA
- › Limited access to top quality managers
- › Advisor licensing requirements to allocate

The key question becomes - **how do we solve for this?**



the great convergence
between public and
private markets

the great convergence

McKinsey's Asset Management 2025 report identifies "The Great Convergence" between traditional and alternative asset management as **the asset management industry's dominant theme over the next five years.**

According to McKinsey

“This is not just a marketing term; **it is a fundamental restructuring of how capital is sourced, managed, and distributed.**”

what is actually happening?

- › Private assets are beginning to be used as a direct replacement for underperforming public equivalents (e.g. private credit vs listed bonds)
- › The once-binary lines between “liquid” and “illiquid” are beginning to converge
- › Regulatory modernisation is slowly improving retail access in some markets (e.g. LTAFs in the UK and ELTIF 2.0 in the EU)
- › Tokenisation is improving access to private assets and creating new secondary markets
- › Public and private market managers are merging

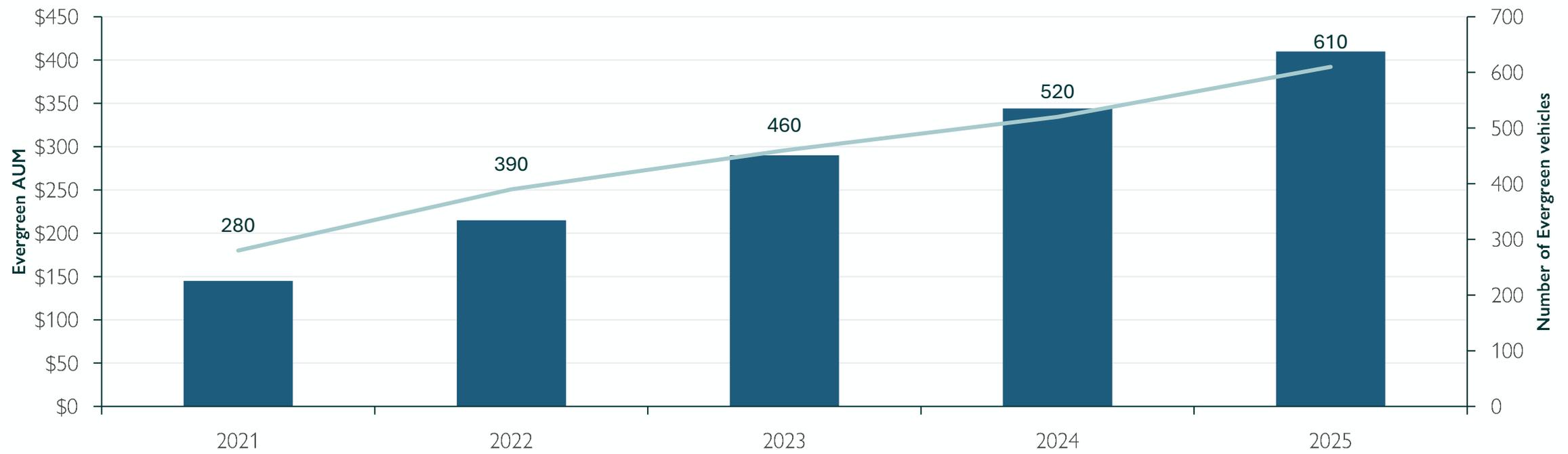
how is this being achieved?

Private market investments are increasingly being fit within the “pipes” of the traditional investment ecosystem

Evergreen / semi-liquid funds	Interval funds	Business development companies (BDCs)	Tender offer funds	Public-private ETFs
<ul style="list-style-type: none">• Open-ended funds with no end date.• Monthly/quarterly liquidity.	<ul style="list-style-type: none">• Closed-end funds that "offer" to buy back a fixed % of shares (typically 5%) at specific intervals.	<ul style="list-style-type: none">• Publicly traded vehicles that invest in mid-market companies.• Instant liquidity (traded on stock exchanges)	<ul style="list-style-type: none">• Similar to Interval Funds but with more flexibility on when and how they offer redemptions.• “Best efforts liquidity”	<ul style="list-style-type: none">• New 2025/2026 innovation• ETFs that hold 85% public assets and 15% private credit.

the number of active evergreen vehicles globally has increased 60% since 2021

Hamilton Lane forecasts that Evergreen structures will represent at least 20% of private market AUM in the next 10 years (less than 5% today)



Sources: Morningstar Manager Research 2025, Private Debt Investor, BBH Investor Services 2026 Forecast.

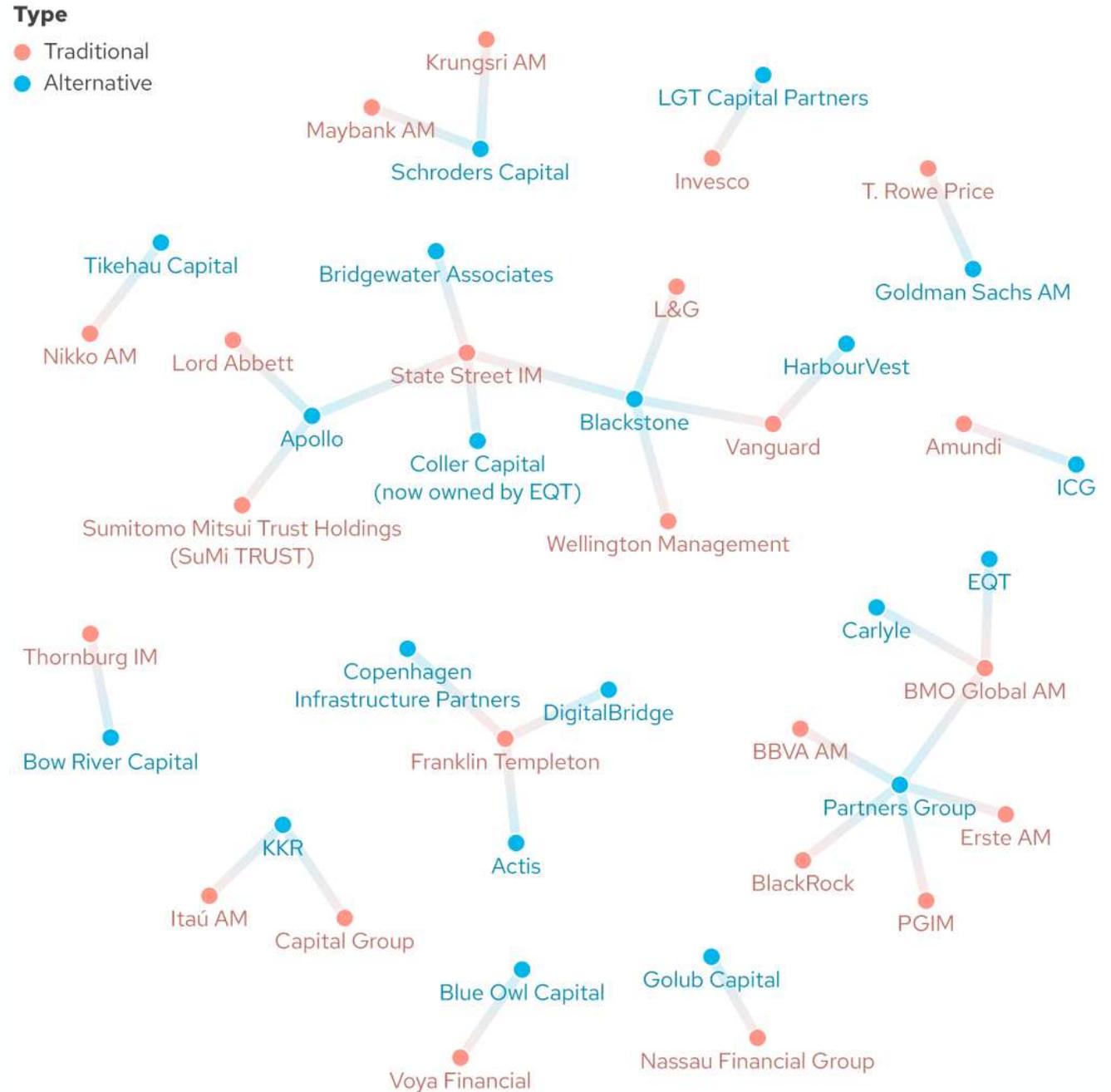
■ AUM (\$B) — Evergreen funds

examples of global public / private market manager tie-ups

		The resulting product
 		A one-stop shop for private energy/AI infrastructure for retail.
 		The first-ever ETF to include "directly originated" private loans.
 		"Model Portfolios" where private equity is a default investment.
 		(Newly announced Feb 2026) Integrated wealth and retirement solutions.

examples of global public / private market manager tie-ups

In a recent article, **CITYWIRE** identified 31 separate tie-ups between public and private market managers globally



what has westbrooke done to improve advisor access?

- › Operate 3 Evergreen private credit vehicles
 - › Plan to roll out this technology to Real Estate and Private Equity this year
 - › We have made these available on many international platforms (e.g. Glacier International)
 - › Local LISPs still a challenge
- › Our local private credit fund is registered as a QIHF
- › Listed an offshore AMC (Actively Managed Certificate) to facilitate private credit in a local CIS

in conclusion

some thoughts for the SA market

- › We lag global trends - widescale adoption is yet to come
- › Local regulatory reform is key
- › Local alternatives managers to roll out “Evergreen” / similar vehicles
- › How will CIS Mancos / DFMs / LISPs view these?
- › Global mega-managers to begin targeting the SA market
- › Increased collaboration between local & traditional and private market managers

how do you plan to incorporate private
markets into your client portfolios?



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