Present

Singapore Private Equity Research Symposium

Monday, February 13, 2023 | 8:30 a.m. – 11:15 a.m.

The Westin Hotel Singapore | 12 Marina View, Asia Square Tower 2, Meeting Room 5 (Level 3)

8:30 a.m. **Registration (Coffee & Continental Breakfast)**

9:00 a.m. **Welcome**

Stefan Morkoetter, *University of St. Gallen*

Private Equity Portfolio Management

Greg Brown, *UNC Kenan-Flagler Business School*

General Partners (GPs) in private equity face a trade-off between focusing their skills and effort on fewer investments to earn higher returns, or investing more broadly to reduce risk through diversification. Using a novel, deal-level dataset of 5,925 global investments from 1999 to 2016, we show that these portfolio considerations are important for understanding fund-level private equity returns. The largest investments in PE funds have the lowest returns on average, but are also the least risky. Returns and risk are both increasing in industry and geographic concentration. And while GP skill only accounts for 4%-6% of the total return variation of a typical investment, it accounts for more than 40% of the return variation at the fund level. These findings show that GPs use portfolio construction, and not just deal selection, to optimize risk-adjusted fund-level returns.

Investing in Your Alumni: Endowments' Investment Choices in Private Equity

Stefan Morkoetter, *University of St. Gallen*

We focus on network structure within the private equity universe and investigate the role of alumni ties in university endowments' decision to invest into private equity funds. Based on a sample of 1,590 commitments made by 189 U.S. endowments into 613 funds during the period of 1995 to 2017, we show that endowments are more likely to invest into funds that are managed by the alumni of their own alma mater. This finding is more pronounced for less prestigious and less private equity experienced university endowments. Furthermore, we observe that alumni ties are not associated with better performance compared to other endowment investments where such a tie does not exist.

10:00 a.m. **Panel Discussion: Where are the private investment opportunities in 2023?**

Last year represented a sea change in private markets after very strong returns and unprecedented global fundraising activity in previous years. However, research suggests that returns are better for vintage years with higher interest rates, lower commitment levels, and below-average valuations. Given disruptions in public markets and concerns about a global recession, what strategies and geographies present the best opportunities for private investors in 2023?

Moderator:

Greg Brown, *UNC Kenan-Flagler Business School*

Panelists:

Kevin Lu, *Partner and Chairman of Asia, Partners Group*
Sunil Mishra, *Partner, Primary Investments, Adams Street*
Grace Qiu, *Senior Vice President, GIC*

10:45 a.m. **Closing Remarks & Networking**

11:15 a.m. **Adjourn**

Sponsored by:

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