

Asia's Private Markets: Growth, Innovation, Value

Executive Summary:

Asia's private market offer distinct opportunities for investors seeking exposure to:

- ▶ **A growing and dynamic consumer base:** Asia's rapidly expanding and diverse middle class¹ fuels demand across sectors and provides resilience against global economic uncertainties.
- ▶ **An innovative workforce:** The region's tech-savvy, educated workforce is driving opportunities by transforming traditional industries, enabling founder transitions, and expanding sustainability-focused sectors.
- ▶ **Value-driven private markets dynamics:** Asia's maturing private markets ecosystem delivers compelling valuations and deal structures, underpinned by proven performance.

Asia drove nearly 60% of global GDP growth in 2024, led by emerging economies such as China, India, and Vietnam, and supported by established industrial powerhouses like Japan and South Korea². Fueled by an expanding middle and upper class¹, and thriving innovation hubs, these markets, though frequently undervalued, are increasingly positioned for outperformance.

Much of this potential is being created in the private markets: Just 14% of Asian companies with over \$100M in revenue are publicly listed, making private markets a critical pathway for accessing the region's growth³.

Here are three reasons Asia's private markets stand out:

1. A growing and dynamic consumer base

Asia is home to 60% of the global population and is projected to account for over half of the world's middle and upper class¹ by 2030³. This expanding demographic, representing a resilient consumer base, helps businesses navigate tariffs and geopolitical uncertainties with greater stability.

Asia's customer base varies widely across the region and is shaped by distinct demographic and cultural dynamics::

- **Youthful and tech savvy:** In regions such as India and Vietnam, youthful, tech-savvy consumers are fueling growth in digital services, sustainable products, and everyday essentials.
- **Aging and health-focused:** In Japan and South Korea, there's been an increased demand for healthcare services, medical technology, and senior care facilities, providing stable growth opportunities.
- **Urban and mobile:** In China, the urban consumer base is sparking higher consumption of lifestyle goods and services. Businesses such as car rentals are thriving.

2. An innovative workforce

There's another benefit to the region's growing middle class¹: An educated, tech-focused workforce which capitalizes on the region's evolving landscape to drive innovation.

Examples include:

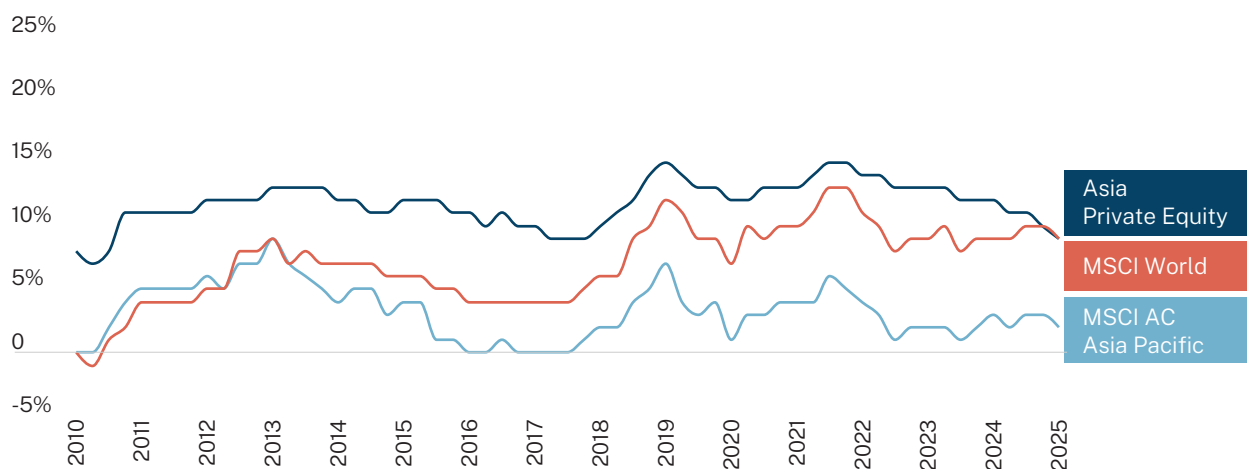
- **Modernizing manufacturing:** Traditional sectors like steel and textiles are being retooled for high-tech, sustainable industries. A Hong Kong firm, for instance, converted a legacy factory to produce eco-friendly cosmetic packaging with global applications.
- **Founder transitions:** Japan's aging workforce is driving founder exits and carveouts. This is creating opportunities to optimize value in companies such as pharmaceutical chains.
- **Sustainability-focused sectors:** Government policy and consumer demand are fueling growth in renewables and green infrastructure. Solar projects in India, for example, offer strong returns for impact-driven investors.

3. Value-driven private market dynamics

Asia's public markets have historically been more volatile than its private markets—with foreign investors influencing prices. For the last 15 years, the region's private markets have outperformed APAC public equities and have even bested global listed equities the vast majority of the time period.

And the region's private markets are evolving—offering the benefits of a mature asset class combined with the momentum of an emerging landscape.

Asia Private Equity Rolling Time-Weighted Returns



Source: Hamilton Lane as of August 2025.

The private market's maturity can be seen in diversified exit strategies, including IPOs, sponsor-to-sponsor transactions, and GP-led secondaries. In addition, more deals are now managed by active GPs working to improve portfolio company performance and operational efficiency.

Yet entry multiples remain significantly lower than those in public markets and U.S. private markets. In addition, discounted secondaries—often priced 20–30% below value⁴—have created opportunities for sophisticated investors.

The Hamilton Lane advantage

Investing in Asia's private markets can be complex for firms without local expertise and tailored, nuanced strategies for each market. Hamilton Lane has an established presence across Asia, including:

- **Regional offices.** Hamilton Lane has been in Asia since 2008. Our six offices⁵ and team of approximately 60⁵ investment and client solutions professionals fosters local networks, enabling access to proprietary deal flow.
- **Access to top GPs.** Hamilton Lane tracks over 400 general partners (GPs) in the Asia Pacific region⁶. These deep GP relationships may unlock exclusive investment opportunities that can lead to high-quality, proprietary deal flow.
- **Strong actionable direct and secondary deal flow:** In 2024 our transaction deal flow exceeded \$14.5B across sponsors, strategies, geographies and industries.

Partnering with managers who possess deep regional expertise—such as those at Hamilton Lane—is key to tapping into Asia's private market potential.

¹ Oxford Economics, The Future of the Middle Class in Emerging Markets, October 2024. Middle class refers to households with disposable income between US \$20,000 and US \$70,000. Upper class refers to the cluster of households with disposable income higher than US\$70,000/year.

² The International Monetary Fund (IMF) April 18, 2024.

³ IMF, World Bank, Digital 2020 Global Digital Overview, WIPO Statistics Database (September 2022)

⁴ As of November, 2024. Source: Hamilton Lane data.

⁵ As of June 30, 2025.

⁶ As of February 2025.

Strategy Definitions

All Private Markets: Hamilton Lane's definition of "All Private Markets" includes all private commingled funds excluding fund-of-funds, and secondary fund-of-funds.

Cl Funds: Any fund that either invests capital in deals alongside a single lead general partner or alongside multiple general partners.

Co/Direct Investment Funds: Any PM fund that primarily invests in deals alongside another financial sponsor that is leading the deal.

Corporate Finance/Buyout: Any PM fund that generally takes control position by buying a company.

Credit: This strategy focuses on providing debt capital.

Distressed Debt: Includes any PM fund that primarily invests in the debt of distressed companies.

EU Buyout: Any buyout fund primarily investing in the European Union.

Fund-of-Funds (FoF): A fund that manages a portfolio of investments in other private equity funds.

Growth Equity: Any PM fund that focuses on providing growth capital through an equity investment.

Infrastructure: An investment strategy that invests in physical systems involved in the distribution of people, goods, and resources.

Late-Stage VC: A venture capital strategy that provides funding to developed startups.

Mega/Large Buyout: Any buyout fund larger than a certain fund size that depends on the vintage year.

Mezzanine: Includes any PM fund that primarily invests in the mezzanine debt of private companies.

Multi-Management Cl: A fund that invests capital in deals alongside a lead general partner. Each deal may have a different lead general partner.

Multi-Stage VC: A venture capital strategy that provides funding to startups across many investment stages.

Natural Resources: An investment strategy that invests in companies involved in the extraction, refinement, or distribution of natural resources.

Origination: Includes any PM fund that focuses primarily on providing debt capital directly to private companies, often using the company's assets as collateral.

Private Equity: A broad term used to describe any fund that offers equity capital to private companies.

Real Assets: Real Assets includes any PM fund with a strategy of Infrastructure, Natural Resources, or Real Estate.

Real Estate: Any closed-end fund that primarily invests in non-core real estate, excluding separate accounts and joint ventures.

ROW: Any fund with a geographic focus outside of North America and Western Europe.

ROW Equity: Includes all buyout, growth, and venture capital-focused funds, with a geographic focus outside of North America and Western Europe.

Secondary FoF: A fund that purchases existing stakes in private equity funds on the secondary market.

Seed/Early VC: A venture capital strategy that provides funding to early-stage startups.

Single Manager Cl: A fund that invests capital in deals alongside a single lead general partner.

SMID Buyout: Any buyout fund smaller than a certain fund size, dependent on vintage year.

U.S. Mega/Large: Any buyout fund larger than a certain fund size that depends on the vintage year and is primarily investing in the United States.

U.S. SMID: Any buyout fund smaller than a certain fund size that depends on the vintage year and is primarily investing in the United States.

VC/Growth: Includes all funds with a strategy of venture capital or growth equity.

Venture Capital: Venture Capital includes any PM fund focused on any stages of venture capital investing, including seed, early-stage, mid-stage, and late-stage investments.

Index Definitions

MSCI World Index: The MSCI World Index tracks large and mid-cap equity performance in developed market countries.

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As of January 31, 2024