

INDUSTRY NEWS

How Hamilton Lane plans to lead in the Canadian private-market space

Mike Woollatt, the firm's leader in Canada, shares how accredited investors can take part

WHILE HAMILTON LANE has a roughly two-decade record of operating in the Canadian private equity space, it was only recently that the firm opened its Global Private Assets fund to the retail market – and since then, demand has been gushing in.

“In just the first 10 months of talking to investors about the fund in Canada, we’ve raised more than \$200 million across hundreds of accredited investors from coast to coast,” said Mike Woollatt, the principal for Hamilton Lane’s business development team who heads its Canadian unit, in an interview with Wealth Professional. “It really affirms one of the main reasons why we’re here in Toronto, which is to provide accredited investors with access to a best-in-class institutional global platform.”

A veteran of the alternative investments industry, Woollatt’s resume includes a period as CEO of the Canadian Venture Capital and Private Equity Association, where he created a first-of-its kind private markets database

for Canadian venture and private equity firms. He joined Hamilton Lane in 2019 to help open the firm’s Toronto office.

Since it was founded in 1991, Hamilton Lane has mostly catered to institutions. But several years ago, it recognized that accredited retail investors would benefit greatly from the firm’s sheer scale, expertise, and resources.

“Globally, we have about US\$750 billion in AUM and AUS, with 700-plus institutional-quality investors, and we typically deploy US\$30 billion of capital around the world in a year,” Woollatt said. “That’s a big advantage in the private markets, where size, scale, and data really matter ... It’s a game of asymmetric information.”

With an extensive shelf of fund offerings, the firm is able to offer access to all the segments and strata of the private markets. In the same way, the Hamilton Lane Global Private Asset Fund offers investors diversified access to both private equity and private

credit through a single commitment. Beyond that, the fund’s structure offers investors liquidity options that might not be typical for a space where 10-year lock-in periods and decades-long investment horizons have been the norm.

As Woollatt tells it, the fund has been a hit among Canadian accredited investors and advisors, who are increasingly appreciating the need for private-market exposure in their portfolios. He noted that private markets have consistently outperformed public investments historically, and have also provided downside protection by virtue of diversification into assets that are non-correlated to public securities.

“In the US, 87% of companies with more than \$100 million in revenue are private. The remaining 13% pool is getting increasingly concentrated into specific sectors, and the number of public companies around the world is shrinking,” he said. “Despite that, the total amount of capital that’s flowing into the private markets is still a tiny fraction of what’s raised in the public, so there’s a huge imbalance.”

Bringing the global capital markets closer to equilibrium would require a massive structural transformation. That could already be playing out in the democratization of private markets to include accredited investors – and Hamilton Lane is well-placed to help drive that trend.

“You need to have a large global platform, for a few reasons,” Woollatt said. “One, you need to be able to see the entire global market. Without it, it’ll be harder to get good deal flow, and you end up limiting your growth.”

Hamilton Lane certainly checks that box: he said the firm’s private-markets database is among the largest, if not the largest in the world. With that repository of information, it has the opportunity to develop new products and funds. With that type of scale behind it, along with institutional-quality technology, the firm is able to come up with innovations to lower traditional barriers to retail private-market participation.



As the world increasingly emphasizes purpose alongside profits, a growing number of investors are taking notice of ESG. According to Woollatt, that has been at the forefront of Hamilton Lane's process for decades, and the firm has a number of efforts underway to reinforce its commitment to sustainable investment, including being a signatory to the U.N.'s Principles for Responsible Investing, which also gave Hamilton Lane an A-plus rating, and devel-

oping its own annual sustainability report.

"Any investment that comes to Hamilton Lane goes through an ESG scoring system developed by our team," he said. "ESG data also represents a big part of our database on private market funds and companies."

The growing understanding and clamour for private investments is not strictly a Canadian trend, of course. With inflation fears, record-low interest rates, lofty stock valuations, and other concerns weighing

on the public markets, the need for more asset diversification in portfolios has never been clearer. While Hamilton Lane is by no means alone in wanting to satisfy that need, Woollatt believes the firm has a significant role to play.

"Retail investors around the world are waking up to the benefits of private investments, and their presence is only growing," Woollatt said. "We plan to be a leader in that shift, plain and simple." **WP**