

SBAI 2026 APAC Investor Workshop Series – Key Takeaways

Executive Summary

Following our recent tour of Hong Kong, Singapore, and Tokyo, we engaged with members across the region to assess key investment themes. This continues to strengthen our presence in the Asia-Pacific, building on recent engagements including the Oceania Institutional Investor Roundtable in Sydney held earlier this year.

Asian investors are focused on many of the same issues as their global peers, particularly geopolitical uncertainty, macroeconomic volatility, and concerns around private markets. However, regional nuances are significant. Differences in market structure, regulation, capital flows, and exposure to China and Japan shape how these risks are perceived and managed.

The key takeaway is that while concerns are global, their implications are increasingly regional, requiring a more differentiated approach to investing in Asia.

Geopolitical and macro backdrop

Across Hong Kong and the broader Asia discussions, investors were focused on how macro volatility is transmitting through rates, FX, liquidity, and capital flows. China remained central: participants debated whether cheap valuations are enough to bring allocators back, or whether China-specific catalysts are still needed. Key areas of concern included deflation, property-market weakness, regulation, chip restrictions, sanctions, and the practical implications of RMB becoming more widely used as a trading currency.

A notable theme was that investors are no longer simply asking whether the world is volatile; they are asking which risks are mispriced, which are un-investable, and how portfolios should be constructed for resilience, including use of long-volatility strategies and relative-value expressions rather than outright directional risk.

Private credit and private markets under scrutiny

Members repeatedly returned to the negative headlines around private credit, liquidity, transparency, valuation practices, and leverage. The broad view was that the criticism is not uniformly justified, but it is also not baseless.

Concerns are most acute where illiquid assets are paired with semi-liquid fund structures, where valuations are subjective or lagged, and where leverage is being added through tools such as NAV lending. The rise of continuation vehicles and the value that assets are transferred between funds is a key concern.

Software exposure was specifically flagged as an area investors are watching closely, especially in US private credit, alongside BDC discounts to NAV, redemption pressure in semi-liquid vehicles, and the risk that asset-quality issues and liquidity pressure reinforce each other. The negative headlines along software and technology focused lending, appears at this point, to be mainly a North American centric story. Spillover into Asia has not yet occurred.

Liquidity, governance, and fund terms

A clear message from both Hong Kong and Singapore was that liquidity tools can be helpful, but they may also mask deeper problems. Continuation funds, NAV finance, dividend recaps, and runoff vehicles are increasingly common, but investors want better disclosure, clearer approval rights, stronger LPAC processes, and more consistent valuation governance. Older fund documents were seen as poorly designed for today's environment.

There was also frustration that LPs are not pushing harder for protections despite having one of the better negotiating windows in years.

Japan investment case

The Japan discussion should be framed as more nuanced than “Japan is attractive.” Allocations have benefited from capital moving out of China and into Japan, but there was also concern that Japanese equities may now be more stretched than before.

The opportunity set appears more compelling in small- and mid-cap companies, particularly where governance reform, balance-sheet efficiency, capital allocation, and activist engagement can unlock value. Governance improvement remains the key thematic lever, especially for investors pursuing influence or control-oriented stakes in Japanese companies.

Operational themes for endowments and foundations

For endowment and foundation members, the dominant issues were more operational: AI adoption, investment-office technology, liquidity forecasting, cash management, SMAs, and ODD. AI is already being used by many offices, but mostly for automation, reporting, document retrieval, workflow integration, and operational efficiency rather than pure alpha generation.

Technology integration remains a pain point, with many offices still relying on Excel-based tools and partial system integration. Members want practical guidance on analytics, liquidity modelling, risk dashboards, vendor risk management, and protecting confidential investment-office data when using AI-enabled tools.

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