



Hong Kong retail private markets funds interest slows among managers

Regulatory concerns, growth of public markets has slowed managers' interest in launching private markets products

By **Amy Sood** | September 28, 2026

 Listen to this story



Hong Kong's efforts to encourage retail access to private markets funds has stalled amid strong public market performance and concerns around investor appetite for such products.

Local regulators have been rolling out new rules and frameworks to expand retail investor access to non-traditional asset classes but these efforts have thus far yielded no results from asset managers.

Jeremy Hall, head of Asia-Pacific and international for **Brookfield Private Wealth**, said "there is no question that strong returns for equities have captivated investor attention year to date 2026 and drawn capital back into public equity markets".

As of the end of August, 106 companies had listed in Hong Kong this year, raising HK\$342bn (US\$44bn), largely from mainland Chinese companies.

The **Hong Kong Stock Exchange** is only trailing the **Nasdaq** in initial public offering proceeds. The US exchange has also seen a spate of IPOs, including a landmark listing by **SpaceX** in June.

The US saw 208 IPOs raising over US\$137bn in the first half of 2026, compared with 180 IPOs raising over US\$27bn in the first half of 2025.

This marked a departure from a few years ago when retail investors were seeing a decline in the number of public listings in Hong Kong, but also globally, an industry body representative told Ignites Asia.

"There was a lot of discussion a couple years ago about the fact that private markets are really becoming front and centre in the retail investor landscape because retail investors are no longer getting the benefits of a more robust public market," they added.

Public markets funds have seen a resurgence in Hong Kong and other parts of the world since then, however, they said.

"The problem with Hong Kong is commercial development," the representative noted.

"As a manufacturer, you launch products that you think are going to be big, you're going to make money on them. The fact that these have not launched says something about the commercial viability of these products in the current regulatory environment in Hong Kong."

It was likely managers did not think they were "going to get a lot of uptick from retail investors", the representative added.

Last February, Hong Kong's **Securities and Futures Commission** [paved the way](#) for alternative investments by clarifying listing rules for closed-ended funds in private and illiquid assets.

Simco Credit Asia-Pacific, a subsidiary of London-based **Sequoia**, was the first manager to [announce plans](#) to launch a product under the new framework in October.

However, the fund is still not available for sale in Hong Kong, and there have been no other product announcements.

"You need some organic tailwinds in the market in order for retail investors to understand how these types of products or portfolio strategies can be helpful to them," said the industry body representative.

Further regulatory progress towards expanding retail access to private markets has also stalled.

In January, the SFC concluded a consultation proposing that authorised funds be permitted to exceed the current 15 per cent cap on illiquid assets on a "case-by-case basis".

The regulator has yet to publish an update or outcome on the proposal.

Earlier this month, however, the SFC introduced [new restrictions](#) by classifying funds with over 50 per cent exposure to private markets as "complex products" and imposing stricter disclosure requirements.

The SFC told Ignites Asia that authorised funds, including Ucits funds, with "any exposure" to private markets assets were expected to provide investors with more transparency on their underlying investments.

"Retail investors in Hong Kong generally have limited familiarity with private market assets and their associated risks," the regulator said.

According to **Georgina Tzanetos**, director of content at the **CAIA Association**, retail authorised private markets products in Hong Kong are "moving more slowly by design".

"The regulator is taking a staged approach. It first admitted listed closed-ended alternative asset funds, and it will consider more flexibility for unlisted funds case by case.

"Managers are still launching in Hong Kong, mostly in the professional investor channel. The pace in the retail channel will depend on how well managers meet the SFC's disclosure standard."

Negative headlines around private markets assets, particularly private credit, have also caused regulators to become more stringent in expanding retail access to such funds, a second industry body representative said.

"There was a lot of enthusiasm [around private markets] when you spoke to regulators 18 months ago.

"That has definitely started to slow down in the wake of some of the news that we have seen around private markets and private credit," they said.

Regulators across Asia-Pacific have been placing more scrutiny on the private credit industry.

Australia this week temporarily [banned](#) several private credit products because of deficiencies in the products' target market determinations, as part of a push for broader enforcement.

Brookfield's Hall said that the company was still seeing strong allocations from its professional investor base to infrastructure as a "safe harbour" asset class in Singapore and Hong Kong, for investors who are concerned about market risks.

"Investor commitments remain robust for private markets despite strong public equity markets," Hall said.

"We're in the early stages of a multi-decade shift towards alternatives and adoption is accelerating rapidly in Asia, which provides a significant tailwind for private markets over the medium term," he added.

Ignites Asia is a copyrighted publication. Ignites Asia has agreed to make available its content for the sole use of the employees of the subscriber company. Accordingly, it is a violation of the copyright law for anyone to duplicate the content of Ignites Asia for the use of any person, other than the employees of the subscriber company.