

IPC Current Issues in Alternatives Symposium

Tuesday, April 29, 2025

Fidelity Investments, 245 Summer St, Boston, MA 02210

1:00 PM

CHECK-IN

1:15 – 3:00 PM

SESSION I: CURRENT ISSUES IN PRIVATE MARKETS

Welcome

Greg Brown, *UNC Kenan-Flagler Business School & Institute for Private Capital*
Mark Robillard, *Fidelity Investments*

Does Fund Size Affect Private Equity Performance? Evidence from Donation Inflows to Private Universities

Abhishek Bhardwaj, *Tulane University, Freeman School of Business*
Abhinav Gupta, *UNC Kenan-Flagler Business School*
Sabrina Howell, *New York University, Stern School of Business*
Kyle E. Zimmerschied, *University of Missouri, Trulaske College of Business*

What is the effect of fund size on performance in private equity? This question is increasingly urgent amid larger funds and new focus on the retail market. While on average there is little relationship, we show that in causal estimation, there are decreasing returns to scale. Larger funds do larger deals, which perform worse. We find no change in risk, in part because additional deals are more levered.

What Do We Know About Risk-Adjusted Returns?

Greg Brown, *UNC Kenan-Flagler Business School & Institute for Private Capital*
Christian Lundblad, *UNC Kenan-Flagler Business School & Institute for Private Capital*
William Volckmann, *Institute for Private Capital*

This paper uses a comprehensive dataset to examine the historical risk-adjusted performance of private funds across diverse asset classes and geographies. We find that buyout funds, private debt, and infrastructure funds have tended to perform well on a risk-adjusted basis. In contrast, real estate funds and venture capital funds have more mixed performance, and sometimes negative excess returns. Contrary to common opinion, funds based outside North America tend to perform well on a risk-adjusted basis when benchmarked against public market indices outside North America.

Panel Discussion: AI in Private Markets

Moderator: Ed Bielawa, *EY*
Panelists: Lisa Huang, *Fidelity Investments*
Qi Liu, *StepStone*
Skyler Thomas, *Cake AI*

AI is transforming private markets by revolutionizing investment strategies across the spectrum of alternative asset classes. AI-driven tools have the potential to enhance deal sourcing, due diligence, and predictive modeling; and machine learning and data analytics may be used to improve risk assessment, asset valuation, and portfolio optimization. But beyond these uses, could PE be a driver of AI adoption in across companies and industries?

3:00 – 3:20 PM

BREAK

3:20 – 5:00 PM

SESSION II: PE AND THE BROADER ECONOMY

Private Equity Through the Macro Lens

Victoria Ivashina, *Harvard Business School*

Abstract forthcoming.

Stakeholder Impact of Private Equity Investments

Morten Sorensen, *Dartmouth, Tuck School of Business; NBER*

Ayako Yasuda, *UC Davis Graduate School of Management*

This paper surveys the academic literature about the impact of private equity investments in the broader economy. Private equity fund managers respond to high-powered incentives and seek to maximize shareholder values via a variety of channels. The literature identifies two broad approaches to value creation taken by private equity funds with sharply divergent outcomes for stakeholders and the aggregate economy, and this paper considers both.

Panel Discussion: Evergreen Fund Valuations

Moderator: Luis O'Shea, *MSCI*

Panelists: Mark Robillard, *Fidelity Investments*

Drew Snow, *HarbourVest*

With evergreen fund structures gaining traction in retail and institutional channels, questions around valuation practices have moved to the forefront. How are evergreen funds navigating the complexities of periodic valuation for continuous capital flows and redemptions? What are the valuation approaches being used or considered, and is there a set of 'best practices' emerging? How might investors in traditional draw-down funds be impacted by evergreen funds (and valuations) when the same assets are in both structures?

5:00 – 6:00 PM

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