

Letter from Kuala Lumpur (Second of Two Parts)

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APAC countries each have their own path to investing in alternatives and private capital. Most key Malaysian institutions began with private equity, venture capital, and real estate. Favored PE sectors include data centers, which in 2023 represented an astounding 90% of all privately funded deals in that arena.* Others were in the consumer, industrial, and healthcare spaces.

A decade ago, given the limited bucket for alternatives relative to the traditional equities/fixed income model, PE made the most sense given its high double-digit returns. Over the past three years, however, global rate hikes have brought private credit returns up on par with PE. Not to mention the benefits of income distributions at lower risks afforded by the asset class...

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