

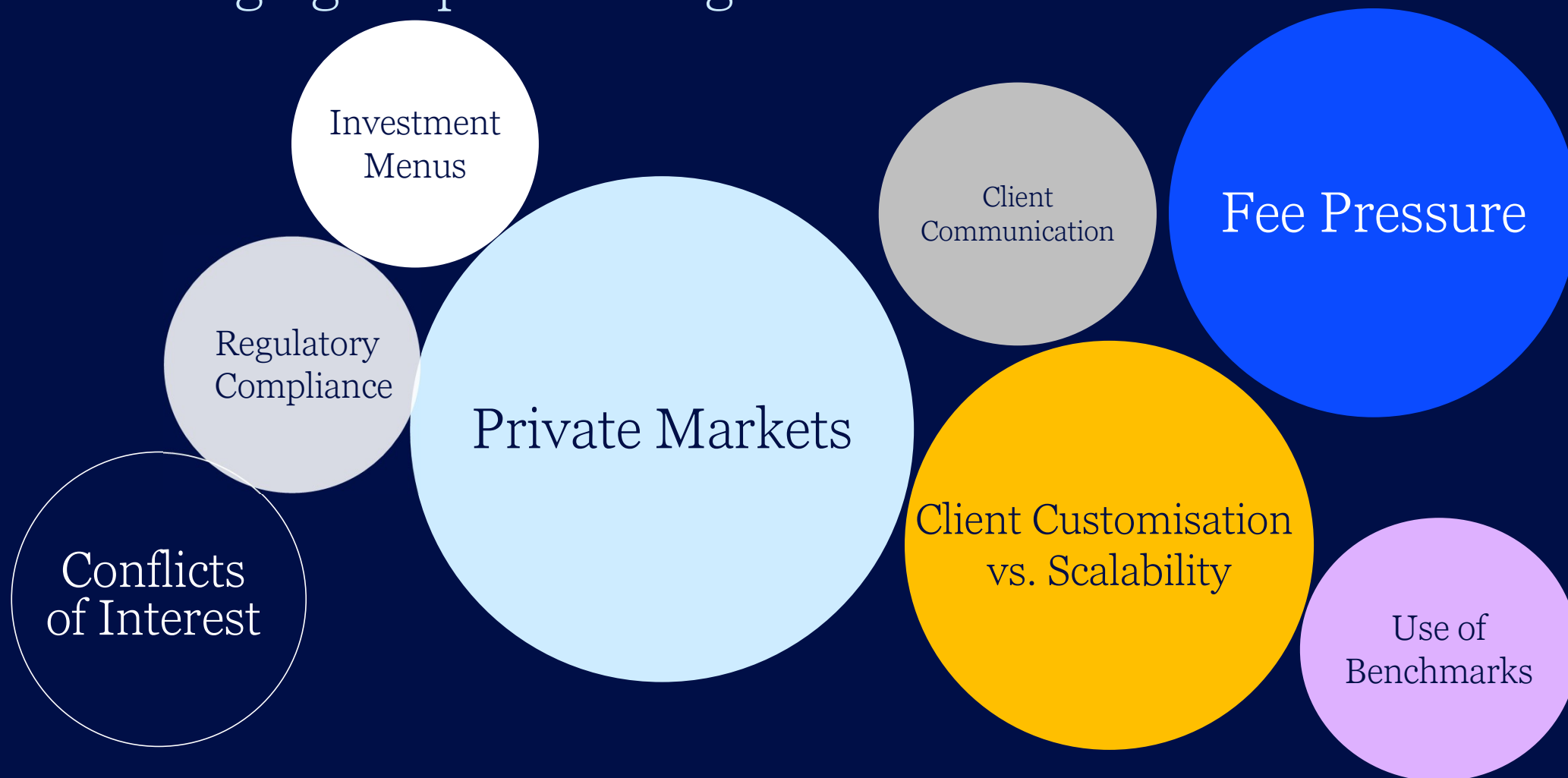
# The emerging shape of Managed Accounts

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# The emerging shape of Managed Accounts in 2026



# What role can private markets play within managed account portfolios



# Navigating the Challenges of Private Markets in Managed Accounts



Illiquidity?



- ✓ Evergreen/Semi Liquid Vehicles
- ✓ Dedicated Private Market Sleeves
- ✓ Customised SMAs
- ✓ Technology, Process Enhancements



Higher Fees?



- ✓ Customisation, Scale Approach
- ✓ Evergreen/Semi Liquid Vehicles



Accessing highest conviction ideas?



- ✓ Strategic Partnerships
- ✓ Global Research
- ✓ Technology, Process Enhancements

# Once Implemented – how should you benchmark private assets?

Methods	Overview	Potential Pro's and Con's	
Public Market Index	Compares performance to a public market index	<b>Pros:</b> <ul style="list-style-type: none"><li>• Easily accessible to all investors and offers an abundance of historical data.</li><li>• Useful for long-term policy evaluation and setting return expectations.</li><li>• Global Industry Classification Standard (GICS).</li></ul>	<b>Cons:</b> <ul style="list-style-type: none"><li>• Standardized and does not account for unique portfolio characteristics.</li><li>• Assumes market efficiency.</li><li>• No illiquidity premiums.</li></ul>
Private Peer Comparison	Compares performance against other private funds	<b>Pros:</b> <ul style="list-style-type: none"><li>• Helps align investments made during similar periods by pooling funds with the same vintage year.</li><li>• Benchmarks can be customized by geography and strategy.</li></ul>	<b>Cons:</b> <ul style="list-style-type: none"><li>• Not consistently available with the same depth or strategy across every vintage year.</li><li>• Limited transparency with risk profiles and investment mandates that can vary widely.</li></ul>

# MERCER

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For higher volatility investments, losses on realisation may be high because their value may fall suddenly and substantially.

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