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Why Private Markets?

01 Larger Opportunity Set

- ≈90% of companies and commercial real estate are privately owned,⁽¹⁾⁽²⁾ while private credit accounts for ≈25% of the US sub-investment grade market⁽³⁾
- Private markets can offer differentiated investment opportunities that are less correlated to public market assets⁽⁴⁾

02 Long-Term Outperformance

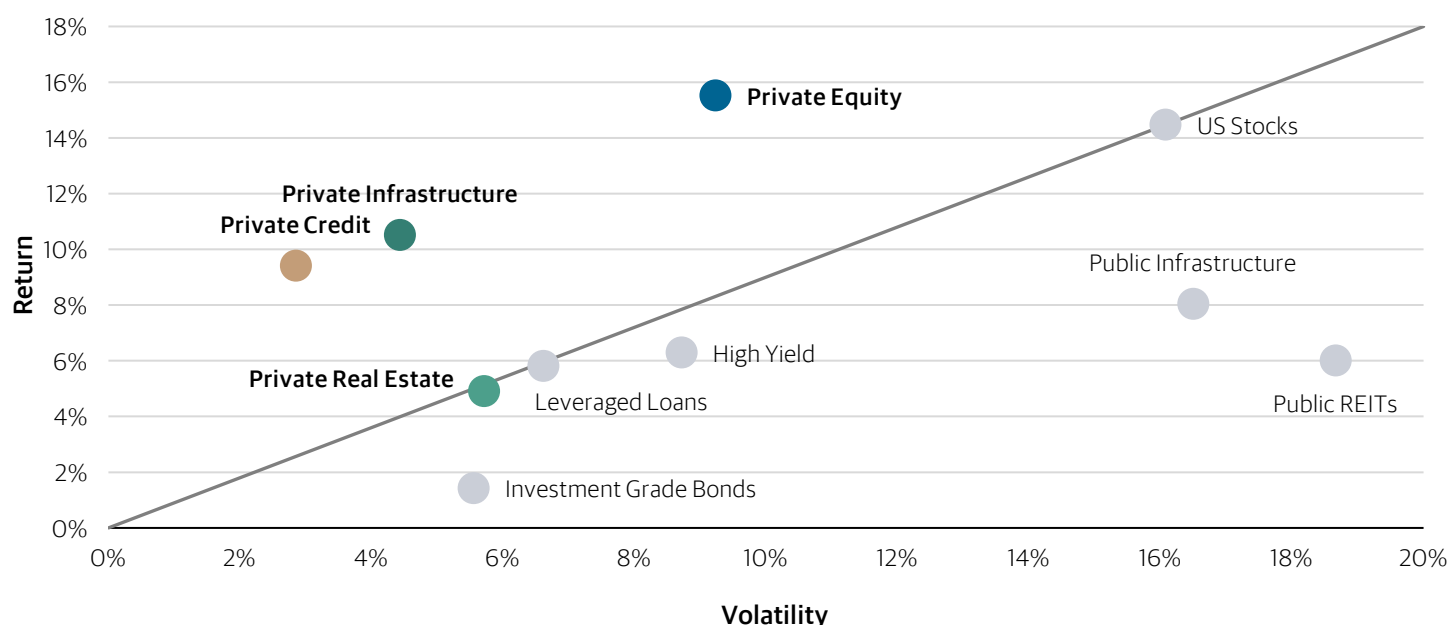
- Private markets have delivered attractive risk-adjusted returns relative to public market assets (see Exhibit 1 below)
- Private market managers can use a broader set of value creation techniques to enhance asset and company value over time

03 Diversification Benefits

- Public market indices have become more concentrated over time - the top 10 companies represent over 35% of the S&P 500⁽⁵⁾
- Private market assets may provide more portfolio diversification and lower volatility than publicly listed securities⁽⁶⁾

Attractive historical performance vs. public asset classes

Exhibit 1: Risk-Return by Asset Class

2016–2024 (Earliest Common Available Data)⁽⁷⁾


Note: For informational purposes only. **Past performance does not predict future returns.** Please refer to page 2 for relevant endnotes 1-7. The opinions expressed herein reflect the current opinions of Blackstone and should not be construed as research or investment advice. Diversification does not ensure a profit or protect against losses. Past events and trends do not imply, predict, or guarantee, and are not necessarily indicative of, future events or results. See "Important Disclosure Information" including "Opinions" and "Trends."

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Endnotes

- (1) Capital IQ, June 2024. Represents the share of companies based on the total number of public and private companies in North America, Europe, and Asia that have reported revenues 2024, 2023, 2022, or 2021 fiscal year revenues greater than \$250 million per Capital IQ's company database.
- (2) Federal Reserve, as of June 30, 2024. Represents the U.S. commercial real estate market. "Public" is the aggregate of all public REITs that are tracked by the NAREIT Total Industry Tracker excluding Timber, Telecommunications, and Specialty sectors as of June 30, 2024.
- (3) Source: Bloomberg ("High Yield") and Pitchbook LCD ("Senior Loans") as of March 31, 2025. Preqin ("Private Credit") as of September 30, 2024. Private Credit market size based on AUM. Total addressable US sub-investment grade credit market defined as the aggregate of the US high yield bonds, US leveraged loans and North American private credit markets. Leveraged loans refer to broadly syndicated loans. Private Credit includes Business Development Companies ("BDCs").
- (4) Morningstar, as of December 31, 2024.
- (5) S&P 500 (USD), July 31, 2025.
- (6) Diversification does not ensure a profit or protect against losses.
- (7) Morningstar, over the 9-year period from January 1, 2016 to December 31, 2024. Return and Volatility are based on quarterly returns. Volatility is represented by the standard deviation. The returns and volatility of the asset classes presented are based on the following indices: Private Equity: Cambridge Associates US Private Equity Index. Public REITs: MSCI US REIT Index. Investment Grade Bonds: Bloomberg US Aggregate Bond Index. Leveraged Loans: Morningstar LSTA US Leveraged Loan Index. Private Real Estate: NFI-ODCE Index. High Yield: Bloomberg US Corporate High Yield Bond Index. US Stocks: S&P 500 Index. Private Credit: Cliffwater Direct Lending Index. Private Infrastructure: Cambridge Associates Private Infrastructure Index. Public Infrastructure: S&P Global Infrastructure Index.

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