Private Markets Outlook: Growth and Opportunities Across Private Markets

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August 2026

Demonstrating the depth and breadth of the New York Life Investment Management platform

Objective, top-down analysis

Global Market Strategy at New York Life Investment Management

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Agenda

- Key trends shaping private markets
- Private equity
- Private credit
- Real estate & infrastructure
- Investment takeaways

Private markets outlook

Key trends shaping private markets

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Private markets are growing and democratizing

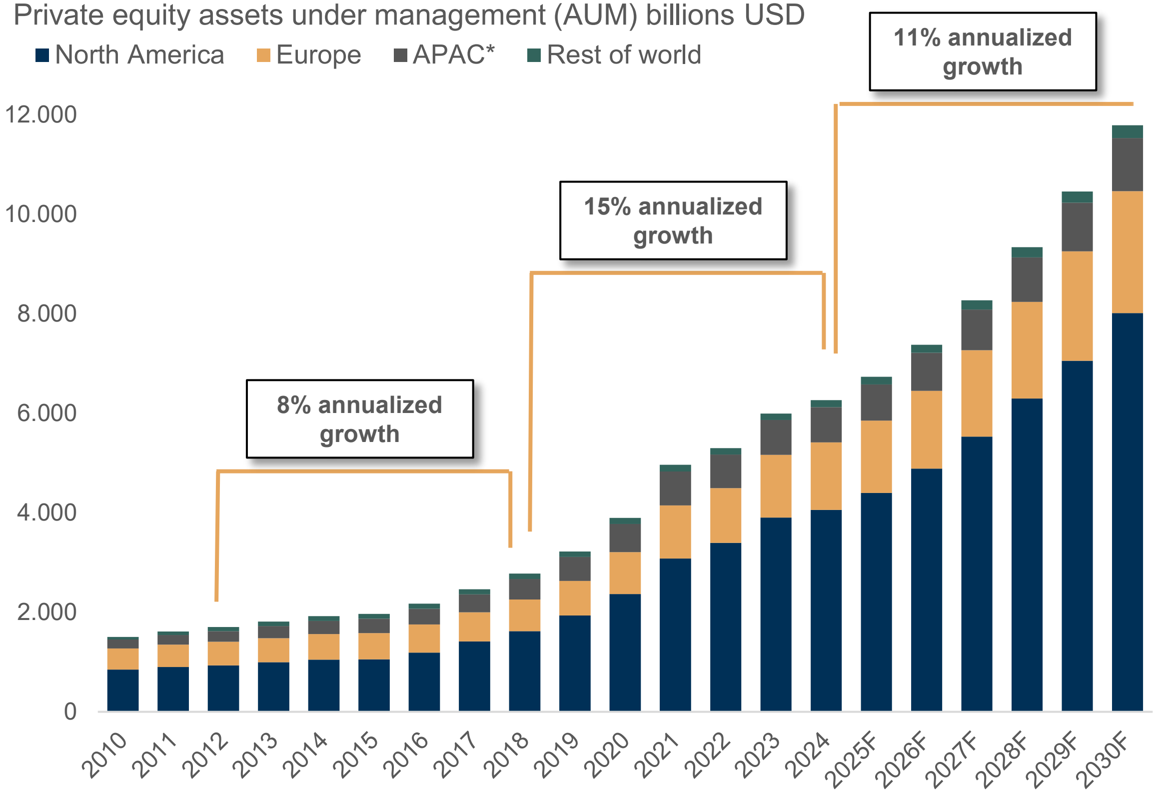
$17 trillion	Global private capital AUM – up 20x since 2000
12 years	The median age of a company at IPO, up from 6 years in 2000
$2 trillion	Global private credit AUM – up 4x since 2010
$7 trillion	Global private equity AUM – up 4x since 2010
$400 trillion	Global retirement savings gap by 2050 – key policy driver for democratization

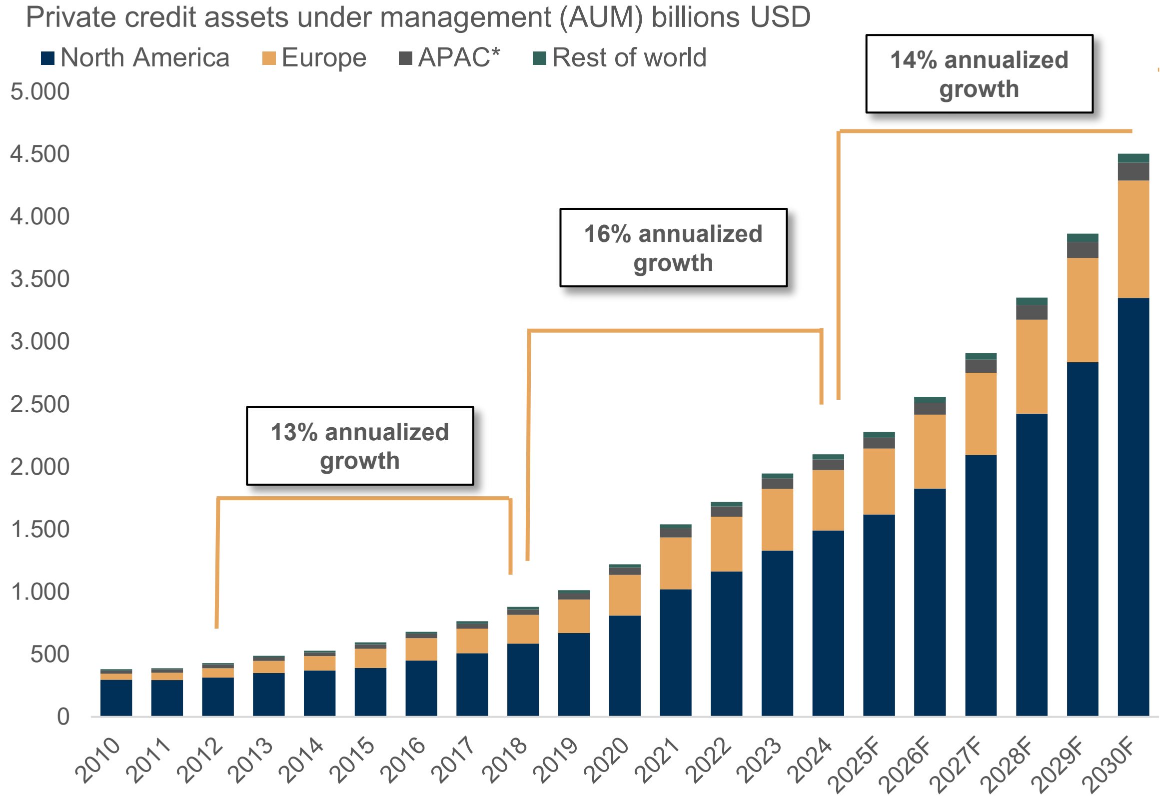
Sources: New York Life Investment Management Global Market Strategy, Allianz Research; Preqin; Jay Ritter, University of Florida; World Economic Forum; August 2026.

Private markets are growing and democratizing

Private markets have grown dramatically, and retail access is just beginning

Private equity and private credit growth has been substantial and is expected to continue





Sources: New York Life Investment Management Global Market Strategy, Preqin, August 2026. Data from 2025 to 2030 are forecasts. Values relate to end of year. *APEC figure excludes funds denominated in yuan renminbi.

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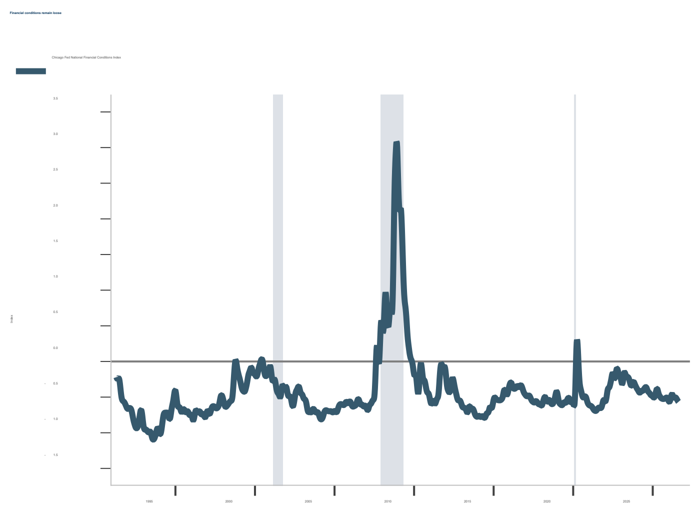
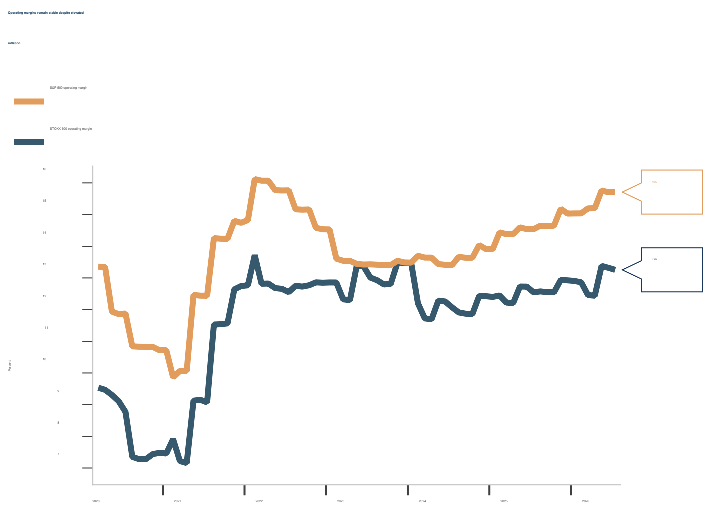
Key macro forces impacting private markets

Private markets have shown resilience amid rising crosscurrents, but the path to outperformance is narrowing.

Financial conditions support activity

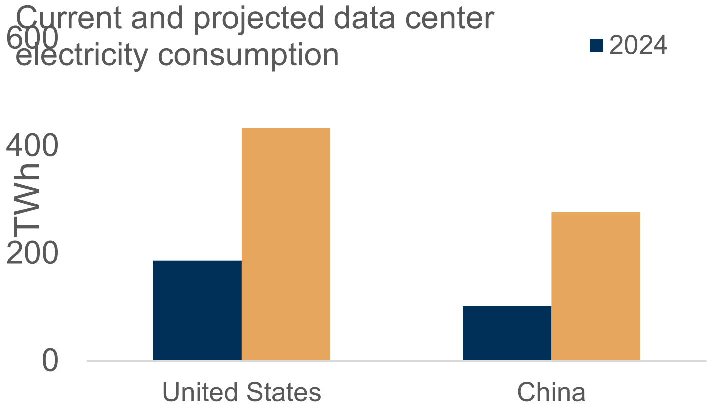


Corporate fundamentals remain robust as the credit cycle matures



Global megatrends are driving capital-intensive investments

Data center electricity use is expected to grow substantially[1]



Key takeaway: Private markets remain an important source of diversification and long-term return potential, but implementation has become increasingly important. We believe success in the next phase of the cycle will depend increasingly on selectivity, thoughtful liquidity management, and disciplined execution.

Sources: Opinions of New York Life Investment Management Global Market Strategy, National Bureau of Economic Research (NBER), Bloomberg, Macrobond, August 2026. The S&P 500 Index is an unmanaged index that is widely regarded as the standard for measuring large-cap U.S. stock market performance. Past performance is not a guarantee of future results. It is not possible to invest in an index. 1. International Energy Agency, CBRE Investment Management, China's State Council, S&P Global, U.S. Energy Information Administration, August 2026, with data available through May 2025. TWh = terawatt hours of electricity.

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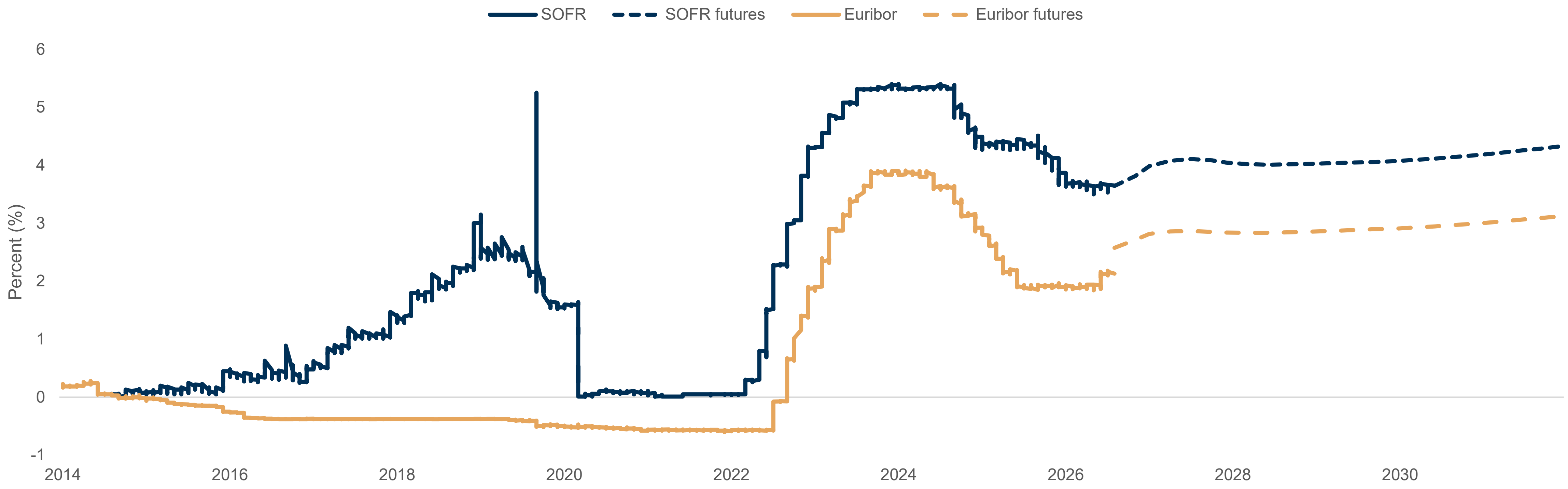
Financial conditions continue to support activity

However, elevated rates demand greater selectivity.

Rates have moved from their post-COVID peaks but remain elevated from the zero-interest rate period

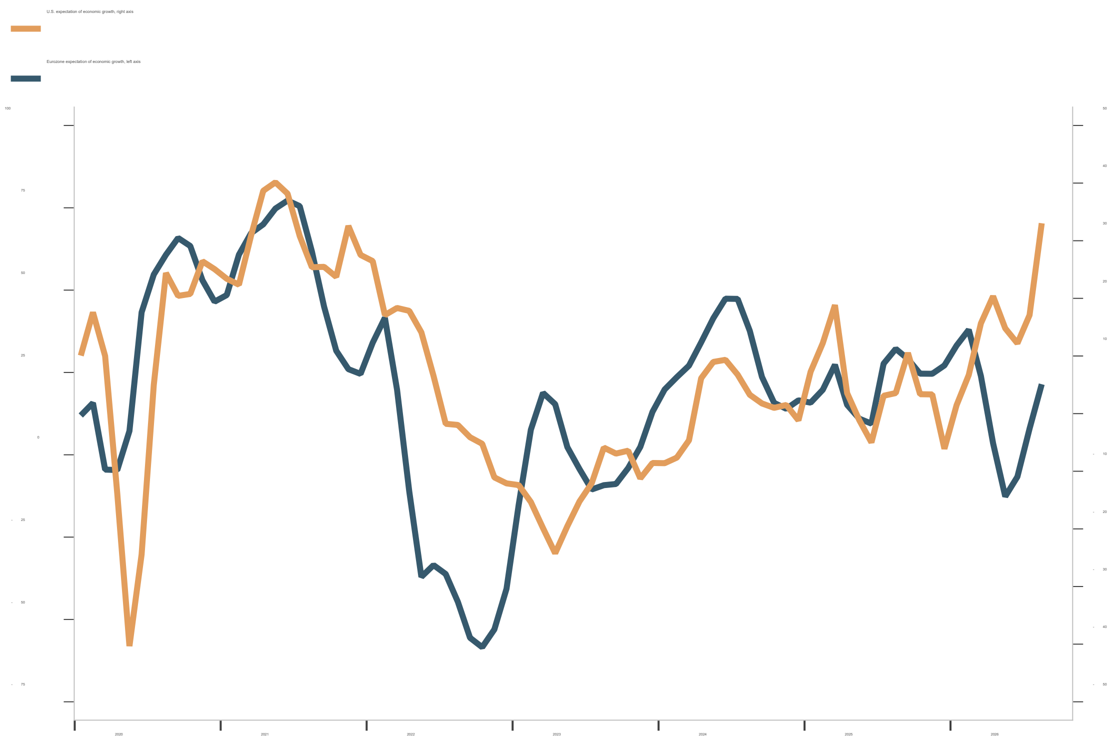


Sources: New York Life Investments Global Market Strategy, Federal Reserve, European Central Bank (ECB), Bloomberg, August 2026. The Secured Overnight Financing Rate (SOFR) is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The Euro Interbank Offered Rate (Euribor) is a daily reference rate, published by the European Money Markets Institute, based on the averaged interest rates at which Eurozone banks borrow unsecured funds from counterparties in the euro wholesale money market.

Despite elevated uncertainty, corporate fundamentals are sound

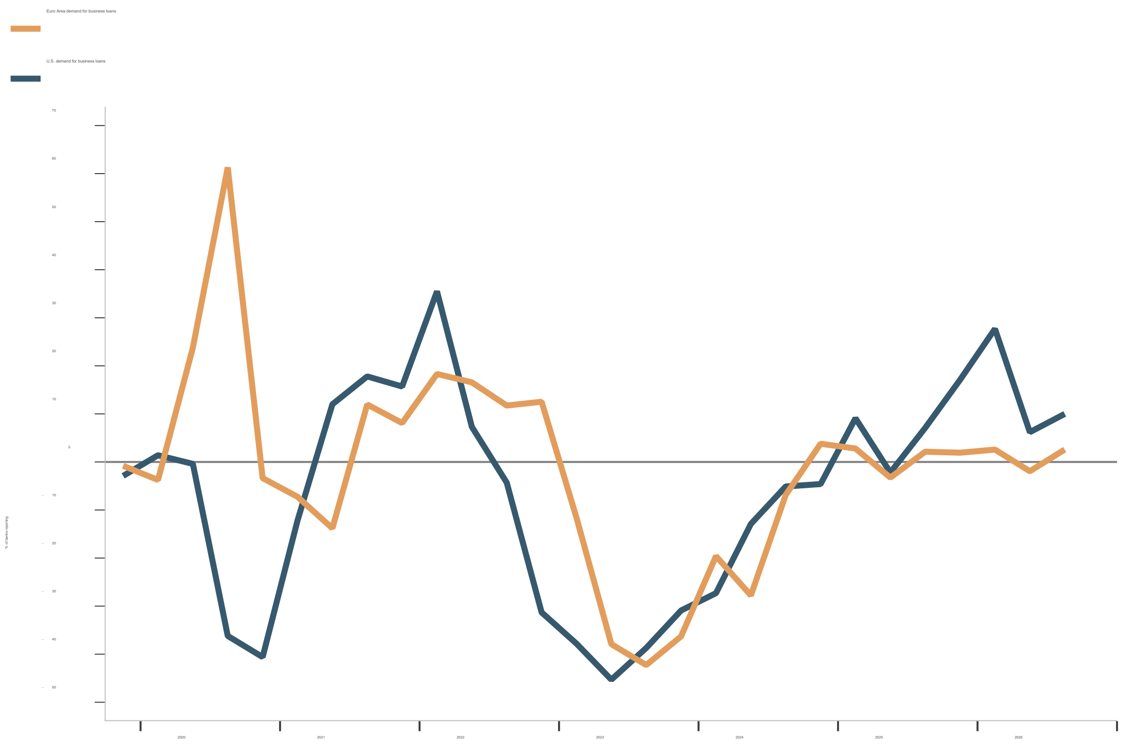
We believe private markets reflect the real economy, which has shown resilience in the face of geopolitics shocks.

The economic outlook is holding up in Europe and U.S.



Sources: New York Life Investment Management, Global Market Strategy, ZEW, Philadephia Fed, Macrobond, August 2026.

Credit demand positive in both the U.S. and Europe



Sources: New York Life Investment Management, Global Market Strategy, Federal Reserve, ECB (European Central Bank), Macrobond, August 2026.

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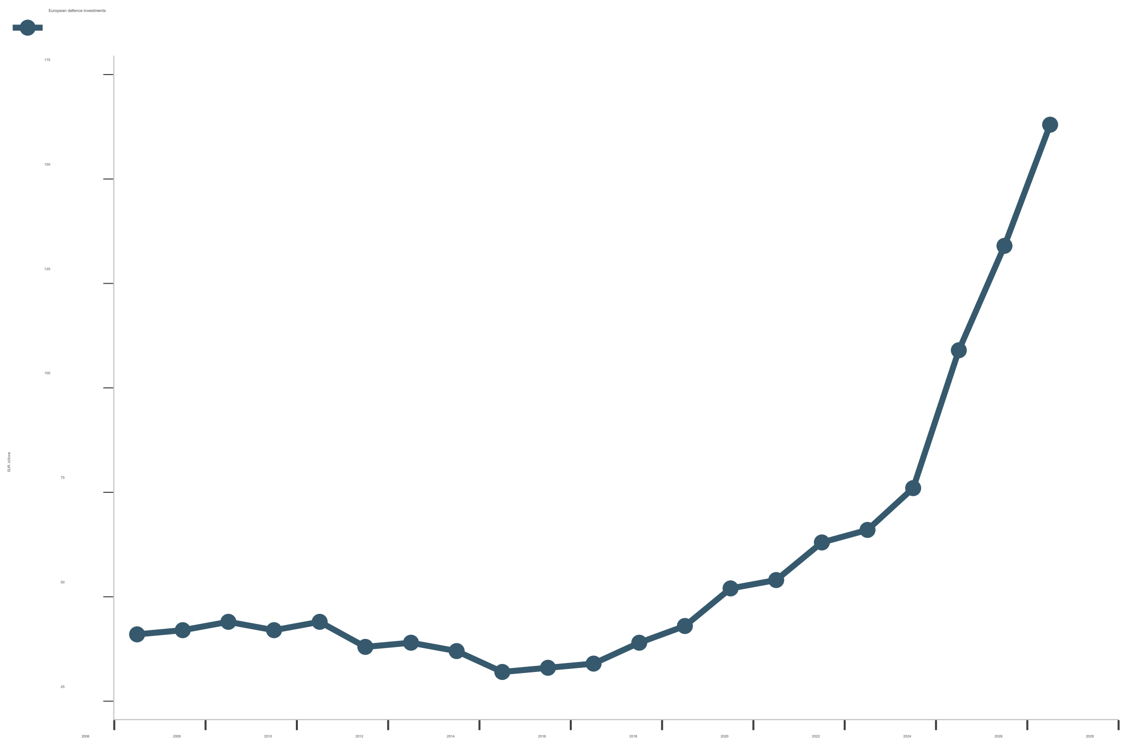
Private markets are an important source of capital for global megatrends

From infrastructure to LLMs, we expect private markets to help fuel AI, electrification, defense and supply chain resilience.

Europe is backing its security priorities with

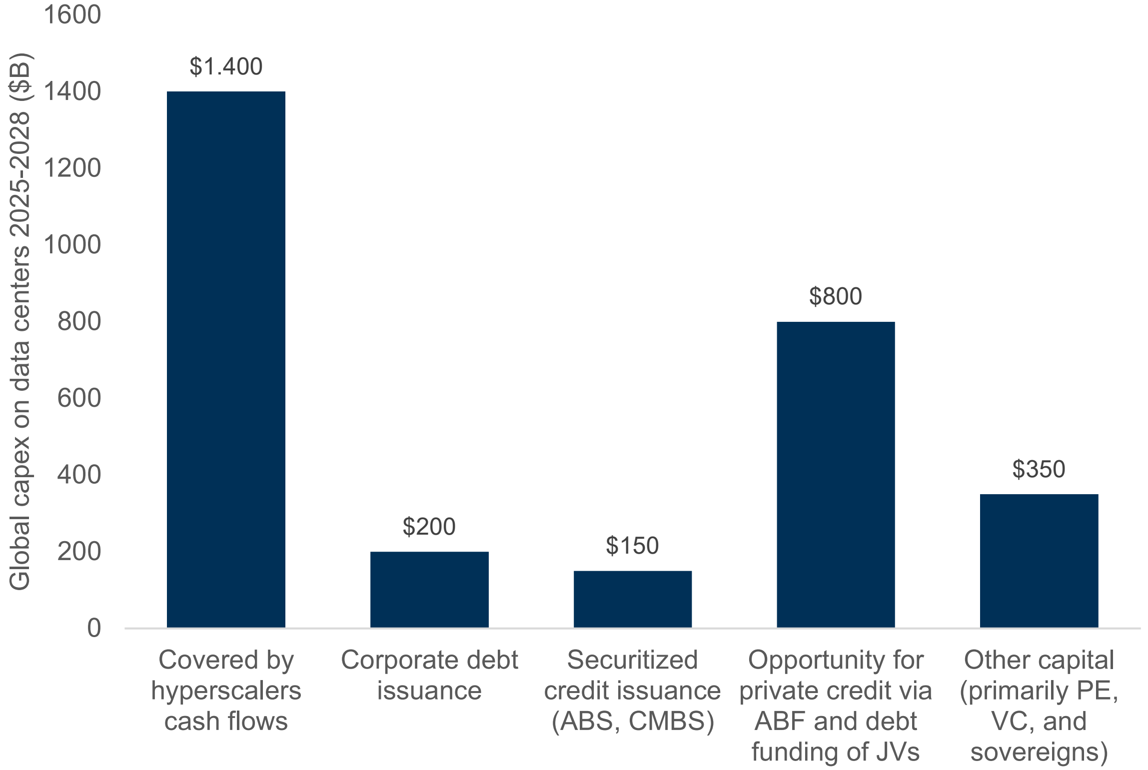
capital



Sources: New York Life Investment Management, Global Market Strategy, European Defence

Agency, Macrobond, August 2026.

Private markets will be a key financier of the $2.9 trillion global data center buildout



Sources: New York Life Investments Global Market Strategy, Morgan Stanley Research, July 2025, accessed August 2026, estimates of total global capex for data centers from 2025 through 2028.

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Private markets outlook

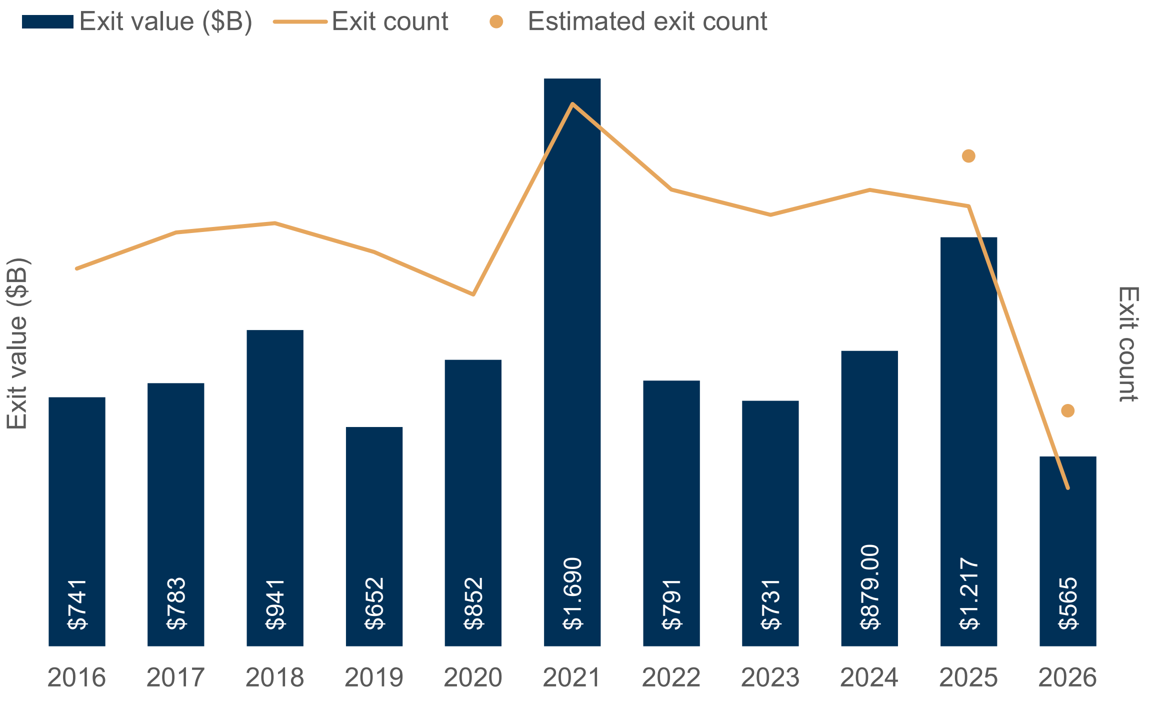
Private equity

Private equity: recalibrating the flywheel

The private equity “flywheel” is gaining traction, with strength varying across segments.

Exit activity has accelerated but remains sensitive to geopolitical and policy uncertainty

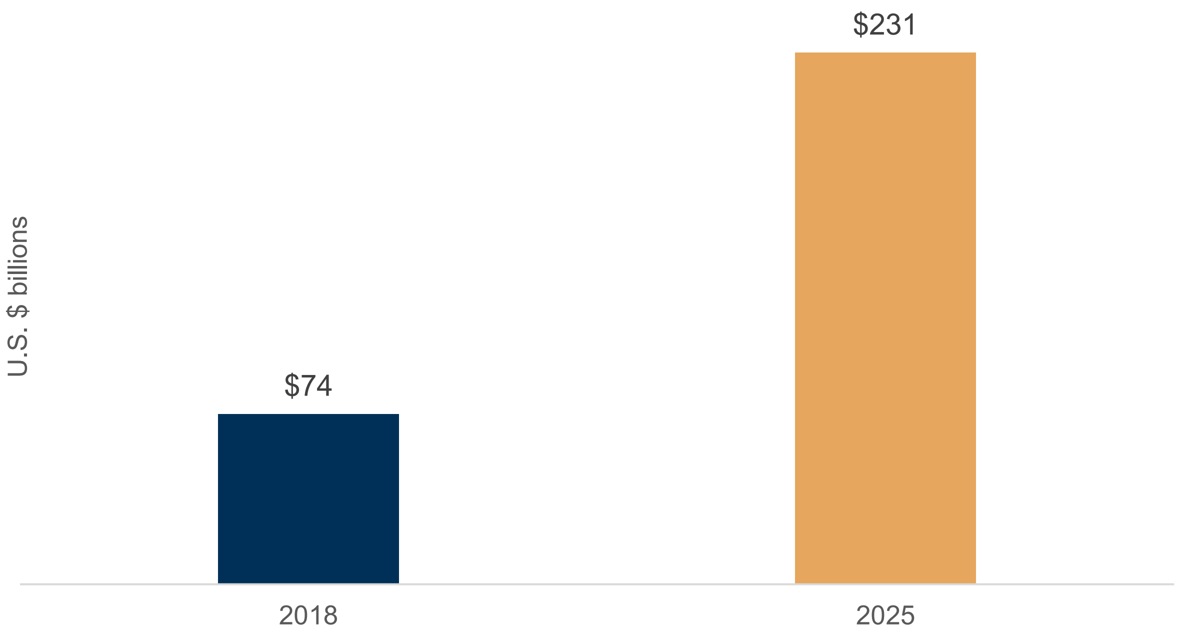
Global private equity deal activity



Sources: New York Life Investments Global Market Strategy, PitchBook, August 2026, with data through June 30, 2026.

While fundraising is subdued, new sources of liquidity are growing and maturing

Global secondary volumes



Sources: New York Life Investment Management Global Market Strategy, Greenhill, Global Secondary Market Review 2025, August 2026, data available through December 31, 2025.

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Private markets outlook

Private credit

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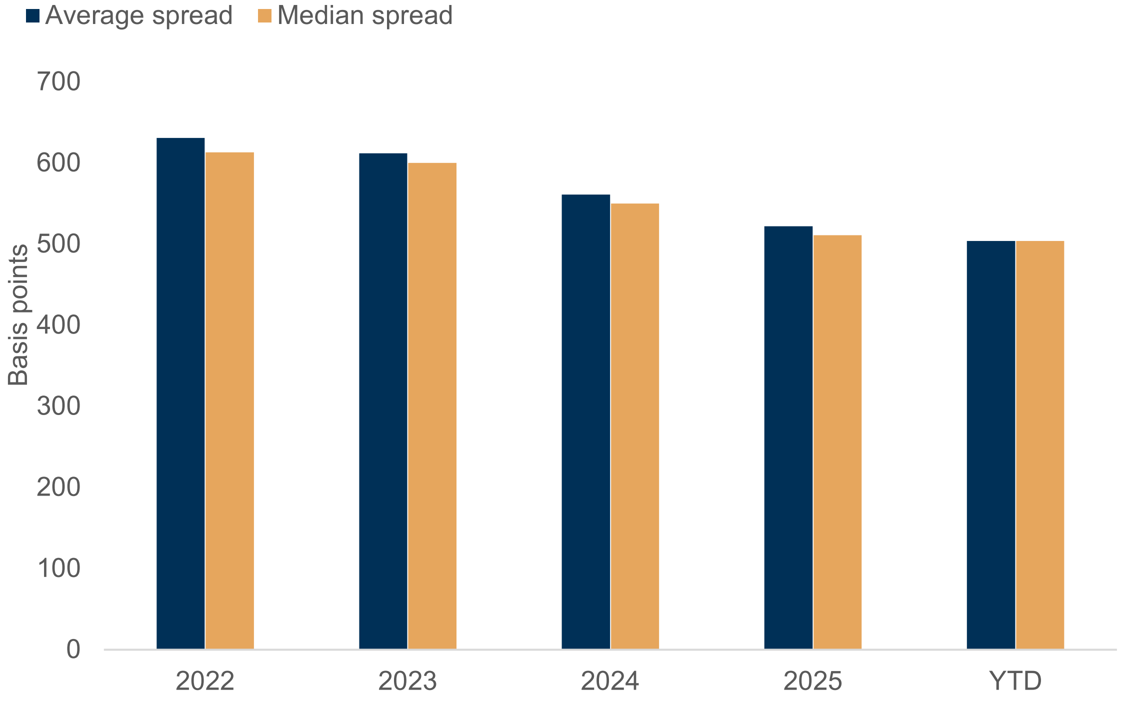
Private credit: from yield capture to underwriting discipline

Elevated rates support income generation, while reinforcing the importance of selectivity.

Spread compression has stalled and all-in yields remain attractive, in our view

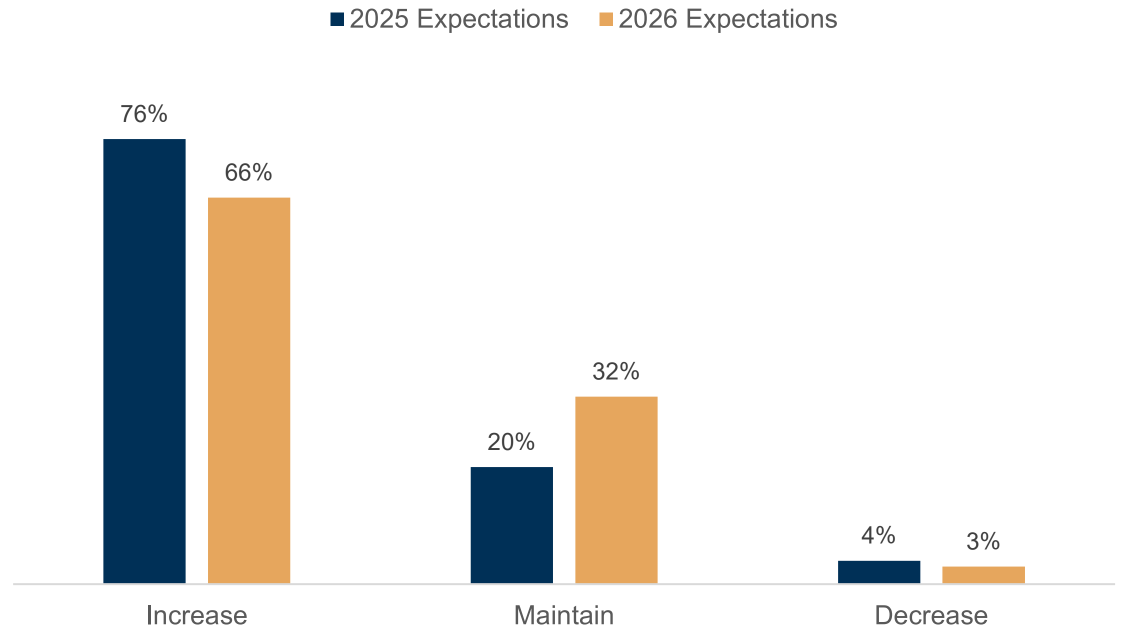
European direct lending spreads



Sources: New York Life Investments Global Market Strategy, Pitchbook LCD, August 2026 with data available through May 31, 2025. Includes first-lien and unitranche deals.

Long-term institutional demand for private credit remains firmly intact

Do you expect your institution to increase, maintain or decrease its private credit exposure over the next 12 months?



Sources: Apogem, New York Life Investment Management Global Market Strategy, Campbell Lutyens, "Private credit market report 2026 outlook" via PDI Fundraising Report 2025. January 2026, accessed in August 2026.

Private credit involves significant risks, including credit/default risk, illiquidity, leverage and valuation uncertainty. Higher yields may reflect greater investment risk.

Private markets outlook

Real estate & infrastructure

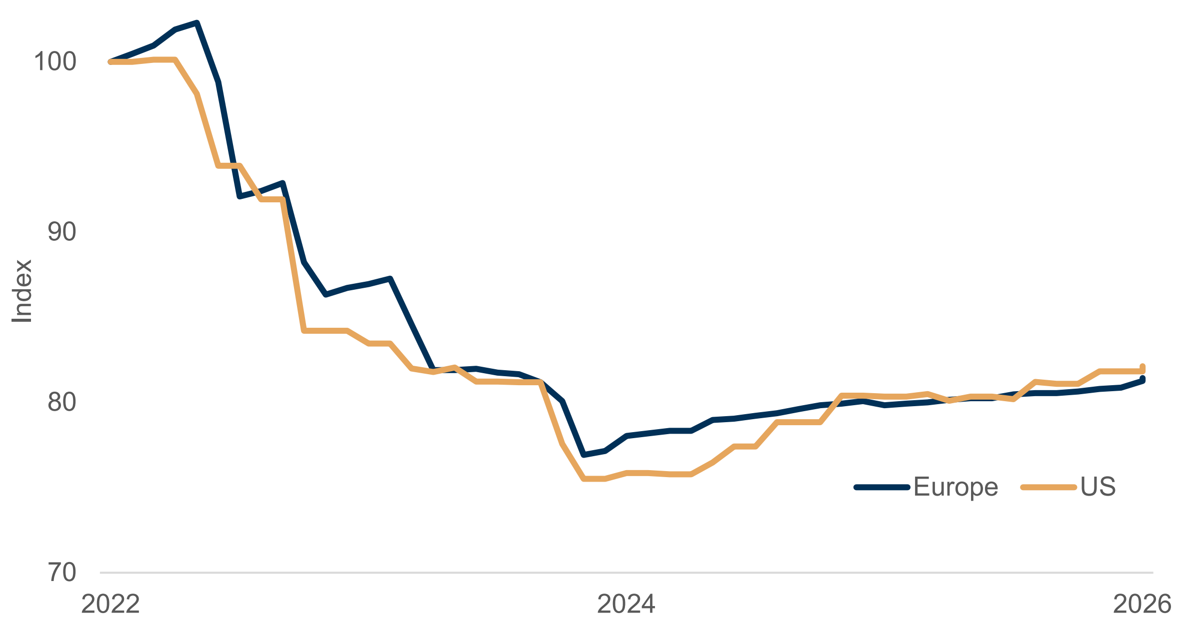
Investment Management

Real estate: Cost of capital leads activity, but structural factors create opportunity

Commercial real estate is entering a more differentiated phase as investors adjust to a higher-rate environment.

Price discovery is progressing across geographies

U.S. and Europe commercial property values
Green Street Commercial Price Indices (2022=100)



Real estate framework: drivers of dispersion

Factor	Description
Cost of capital	Higher interest rates directly influence capitalization rates (cap rates) both by reducing a property's current market value and by increasing its debt service through higher commercial mortgage rates.
Credit quality	Economic activity tends to impact investor sentiment on real estate. Longer-term economic trends related to demographics, migration patterns, and innovation and work trends can create counter-cyclical demand.
Regulation	Real estate asset performance can be directly driven by national and localized factors such as rent control, environmental mandates, zoning, and tax policies.
Rising costs	Higher energy prices and tariffs are directly impacting the cost of materials (including the cost of steel, aluminum, and lumber), while reduced immigration is impacting labor supply, which may increase the cost of labor. The rising cost of materials, labor, and capital increases real estate operators' total costs, reducing net operating income.
Sector-specific	Property values may be impacted by other trends such as lease timelines, supply and demand factors, remote work, and e-commerce.

Source for left chart: Tristan Capital Partners, Green Street, August 2026. Source for right table: Opinions of NYL Real Estate Investors, 2026. Capitalization or "cap" rates are calculated by dividing a property's net operating income by its current market value. 1. Green Street CPPI: Green Street's Commercial Property Price Index is a time series of unleveraged U.S. commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector. It is not possible to invest in an index. Data available through April 30, 2026.

Infrastructure: Structural tailwinds support long-term opportunity

Global transitions towards digitization, electrification, and supply chain reshoring are driving investor demand and investment opportunity.

The AI boom continues to drive tech and

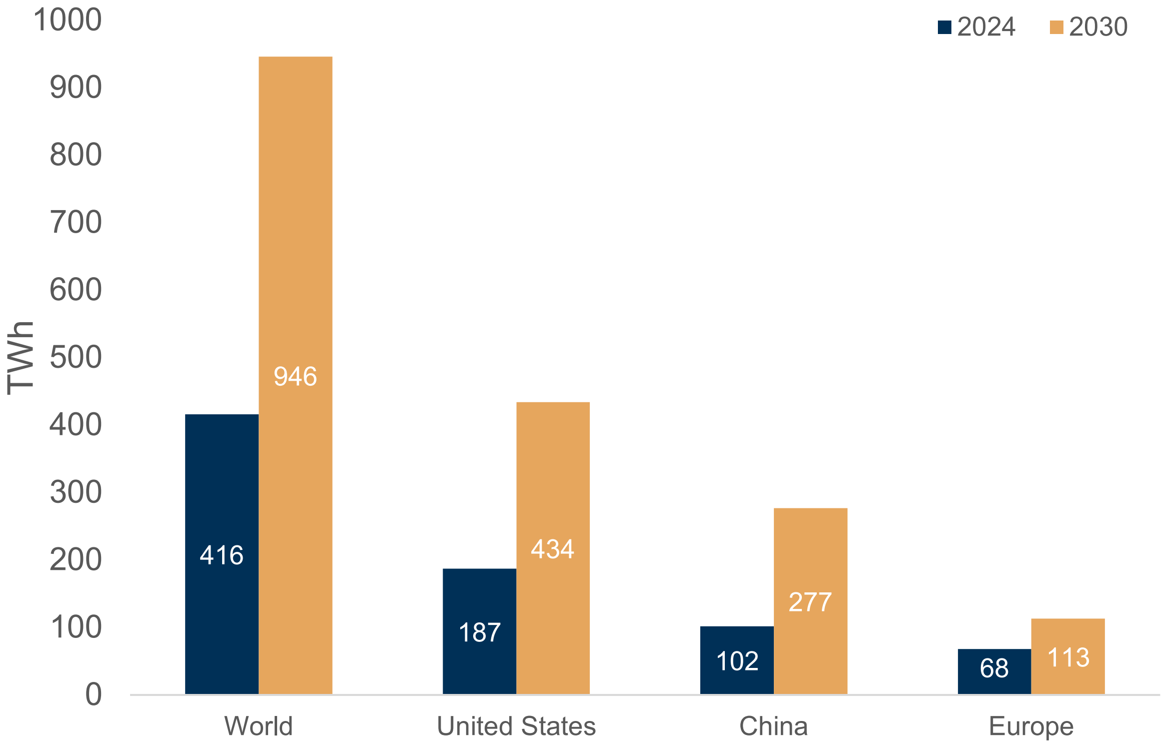
infrastructure investment

Sources: New York Life Investment Management, Global Market Strategy, U.S. Bureau of

Economic Analysis (BEA), Macrobond, August 2026.

AI adoption is turning digital growth into a power demand challenge

Current and projected data center electricity consumption



Sources: New York Life Investment Management Global Market Strategy, International Energy Agency, Energy and AI, June 2025.
TWh = terawatt hours of electricity.

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Private markets outlook

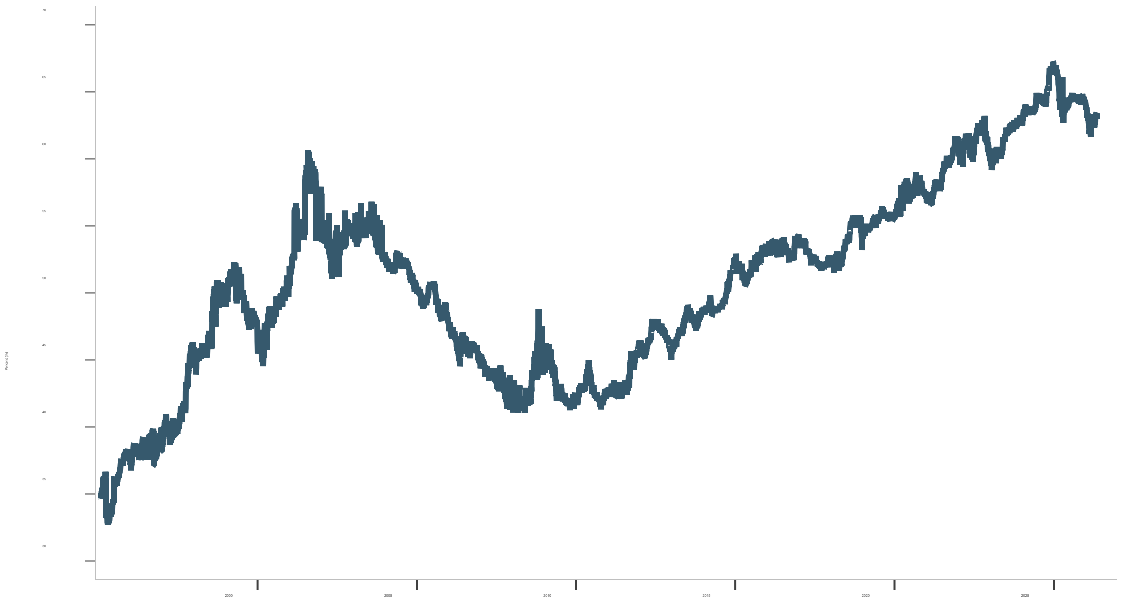
Investment takeaways

As market concentration increases, private markets can offer diversification

Public equity market concentration and the proliferation of private markets knowledge create interest among qualified investor types.

U.S. market capitalization dominates global market capitalization

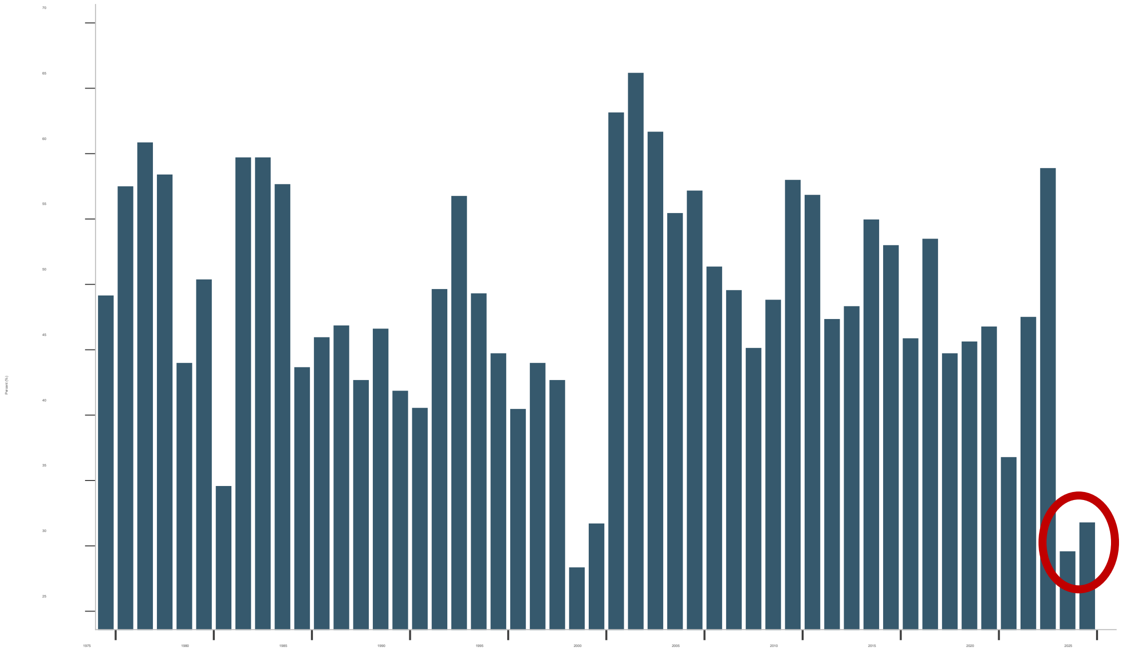
U.S. market cap / world market cap



Sources: New York Life Investments Global Market Strategy, Bloomberg, Macrobond, May 2026. U.S. market cap is represented by the capitalization of the The MSCI USA Index - a free - float weighted U.S. equity index. Global market cap is represented by the capitalization of the MSCI ACWI - a free - float weighted global equity index. Past performance is not a guarantee of future results.

Few stocks outperform the S&P 500 index in recent years

Percent of S&P 500 stocks outperforming the index over the calendar year



Sources: New York Life Investments Global Market Strategy, NDR, Bloomberg, Macrobond, May 2026.

We are focused on high conviction themes

Private markets are entering a more differentiated phase of the cycle. We see three key portfolio implications.

Selectivity matters more as dispersion widens

Liquidity is becoming a more important portfolio consideration

Structural demand and durable cash flow remain key

Opinions of New York Life Investment Management Global Market Strategy, August 2026. For illustrative purposes only.

We believe the lower middle market presents a global private opportunity

Investors may benefit from focusing on less efficient parts of the market; the lower middle market is one such opportunity in our view.

What is the lower middle market (LMM)?

- The lower middle market is typically defined as companies with less than $250 million in enterprise value, or private equity funds with less than $1 billion in assets under management. The middle market is typically larger, with up to $500 million in enterprise value. Large companies are typically those with $1 billion or more in enterprise value.
- The number of companies in this segment is much larger than it is for large companies, providing a deeper pool of acquisition opportunities.
- Companies tend to be family or founder owned, so investment is typically the first institutional capital applied to the company's business.
- Qualified investors can focus more holistically on value creation through business building, rather than focusing on financial engineering as is typical in larger parts of the market.

Benefit	Description
Competitive resiliency	• We believe the lower middle market offers an attractive supply-demand imbalance, with a large number of potential target companies and lower fundraising volume. • Historically, the supply-demand imbalance for companies / assets has resulted in attractive entry valuations, with smaller companies trading at a discount to larger companies. • Deep pools of capital available to potential acquirers, such as corporate strategic acquirers and large/mega private equity funds, can result in consistent exit opportunities. • The cyclical nature and variability of bank loan volume can create the need for private financing in credit markets.
Economic resiliency	• Lower middle market funds have historically outperformed larger segments over the long term, including in high interest rate and high inflation environments. • Contrary to common belief, company size explains only 6% of default frequency, whereas higher leverage, which is a key characteristic of larger funds, is the largest factor explaining expected default frequency.[1]
Portfolio resiliency	• Lower middle market, middle market, and large & mega funds can offer diversification benefits and complementary exposure when paired together.

Opinions of New York Life Investment Management Global Market Strategy, August 2026. For illustrative purposes only. 1. Moody's Analytics RiskCalc 4.0 U.S., April 30, 2012.

Lower middle market investments involve significant risks, including operating and business risk, concentration, leverage, illiquidity and valuation uncertainty. Smaller companies may have fewer financial and managerial resources than larger companies, and historical performance, valuation advantages and exit opportunities may not persist.

Global Market Strategy

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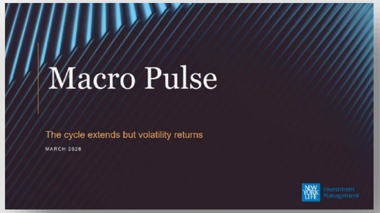
Insights and content offerings

Public-approved resources

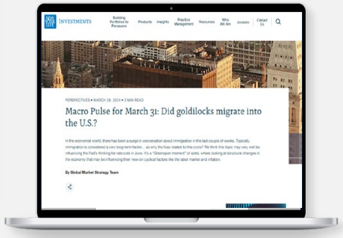
MACRO PULSE: *Economic & market commentary, high conviction ideas*

In an ever-changing landscape, understanding the trajectory of macrotrends and economic forecasts is critical to making informed investment decisions.



Comprehensive outlook (& quarterly webinars)

Weekly market update



From the desk...
(timely response to market movement)

Weekly podcast &
bi-weekly video series

THOUGHT LEADERSHIP: *Thematic reports, portfolio construction, etc.*

Megatrends

- Trust or Bust: The Next Era of Global Debt Sustainability
- Artificial intelligence: from imagination to investment
- (re)globalization

Politics and geopolitics

- Geopolitical risk in a shifting world order
- Swan Lake: the risks that would most disrupt consensus in 2026

Private markets

- Global market outlook

Investments

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